

MANAGEMENT - 1989

~~DISCUSSION~~ — ~~THAN~~

BLACK RETAIL (172) 6/1/89

Crisis of confidence

Just when institutions should be re-emphasising their determination to undertake large-scale industrial and commercial developments in black areas to compensate for diminishing opportunities in white trading zones, they are developing a bad attack of the "jitters"

The problem is not so much political. It is rather a growing crisis of confidence in the ability of black managers and entrepreneurs to run successfully the businesses located within these developments.

In short, the oversupply of retail space in white areas is driving developers and financiers to seek new investment opportunities. Among the most exciting of these appear to be previously neglected industrial and commercial developments in the townships. But their feasibility hinges on finding the right black partners or tenants to generate satisfactory returns on investment.

There is undoubtedly profit potential in providing convenience shopping close to the homes of black commuters who otherwise must spend their money in distant CBDs.

Moreover, there are many businessmen more than willing to take on the task of running such ventures.

Many successful black businessmen are already making a contribution to the SA economy.

But for everyone the pathway to success is littered with business casualties.

Perhaps the most notable black-run businesses to experience difficulties recently have been

□ The black entertainment centre, Shareworld, which ran into financial problems early last year (*Business* April 8).

□ Pepsi-Cola SA which was run by the Soweto Investment Trust Company (Sitco) — a black venture capital trust seeking to assist black entrepreneurs. Sitco bought the Pepsi franchise from Cape Beverage Holdings in December 1987. Pepsi was making a loss but Sitco hoped it could be turned around with a cash injection. The turnaround never took place, apparently at least in part because of inexperienced management.

The company was relaunched in November under a new management team. The franchise is now owned by a consortium comprising black business interests, Cape Town investors and individual shareholders. Sitco has retained a 25% stake.

□ Another high-profile black trader, Soweto businessman Jackie Motlogelo, is said to be having severe financial problems with the African Life-financed Orlando West shopping complex which he operates. Motlogelo owns the land on which the 3 000 m² building (opened in 1987) was financed with a R3m loan.

A jewellery store, pharmacy, dry cleaner and restaurant have already closed. Much reduced in size is Motlogelo's bottle store and supermarket and the A-Train disco/restaurant. The A-Train, is now reported to be on the verge of closing, and

□ More recently, the directors of the Tembisa Industrial Park, built at a cost of R1,2m loaned by Standard Bank, have been warned the bank may seek legal redress to recoup its losses if the loan isn't repaid.

Black businessmen are understandably reluctant to accept the blame for the problems which seem to be tarnishing their image in the community.

Tembisa Industrial Park director, Peter Maatlo, for example, admits some of the problems could have been caused by embarking on impractical ventures.

But he claims they have been compounded by a 30% hike in industrial rentals since the park opened.

National President of the Black Management Forum Don Mkhwanazi goes further. He says some black businesses run into problems because their owners are over extended.

The solution to this problem, he says, is to identify and train future black business leaders.

Report sees boom in SA management buyouts

BRUCE ANDERSON

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creasing the number in the buyout team, it is possible to raise additional finance "

MANAGEMENT buyouts (MBOs) in SA are booming, both in terms of the number taking place and the success of the new ventures

In addition, MBOs of SA-based firms are expected to become more popular as the limit on disinvestment-related buyouts is reached

This is according to a report on SA MBOs which says it is possible to predict with confidence that the future performance of all buyouts by SA companies looks encouraging

The report, "An analysis of management buyouts (in SA) between 1985 and 1987", was submitted as a thesis for a Wits MBA by Vivienne Gollan-Bathie

One of Gollan-Bathie's conclusions was that the MBOs which have taken place as a result of disinvestment by parent companies can be referred to as 'forced' sales or 'sham' buyouts, as their motivation differs from local buyouts

The report refers to cases where parent companies put in money to support the buyout

In addition, the existence of buy-back clauses, licensing agreements, trademarks and access to product technology all support the

finding that this kind of buyout is unique to SA

The tremendous growth in MBOs between 1985 and 1987 is in keeping with the increase in the number of buyouts internationally

The report notes that because merchant banks are not keen on holding stakes in companies indefinitely, one likely side effect of the present spate of MBOs may be an increasing number of firms applying for listings on the JSE in three to four years time

B/day 11/1/89 Size

"Furthermore, it can be concluded that management themselves are becoming more aggressive in looking for management buyout opportunities," says Gollan-Bathie

There are no fixed rules as to the size of the management team, as the number in the team varies with the size of the company, as measured by the number of employees and the price paid for the company. Clearly, by in-

Among other findings were

□ The effect of the buyout had little impact on industrial relations, in terms of trade union representation and disputes.

□ Where disinvested subsidiaries were concerned there will possibly be a decline in the contribution to community development.

□ It was unlikely management would introduce employee participation schemes.

□ The average size of MBOs in SA in terms of employees, price paid for the company, and sales turnover appears to be larger than the average size of those in the US and UK.

□ SA MBOs are financed on conservative debt-equity ratios between 3 and 4:1, more comparable to those in the UK than the US, where ratios of 8 and 9:1 are common and

□ A very minor portion of the finance in MBOs was put up by management. Banks contributed the major portion, while insurers and pension funds still see MBOs as a risky phenomenon

Wide spectrum is required

Bl Day 23/1/89

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MANAGEMENT education must be future oriented in terms of global competitiveness as well as socio-economic and political changes if it is to serve any real purpose, says Wits Business School (WBS) Dean Andy Andrews.

Most management education does not fall into this category and is therefore ineffectual, he claims.

"Too many SA managers are still managing in terms of northern suburbs/New York/London modes and southern African conditions and requirements differ.

"For today's managers to be effective they must manage in a different and future oriented way and environment, they must be prepared for such an environment and not continue to manage as if they were still operating in the 1970s", says Andrews.

To meet these requirements the WBS provides courses which develop general managers (GM). The school contends the age of specialist managers is almost obsolete and such management can disrupt business efficiency.

Most management disciplines need to be integrated.

For example, a specialist marketing manager cannot make decisions without affecting the fields of the financial and industrial relations managers and thus business efficiency. Demand for general management education, particularly the MBA, at the WBS far outstrips its capacity and the school is highly selective in its admissions policy. It has a multi-racial enrolment, and can only accept about one-quarter of total applications for all courses.

He says the need for instruction is understandable as almost everyone ends up in some sort of managerial role, whether he be a doctor, teacher or executive.

Andrews believes most of these people have shortcomings because they are not exposed to effective ways of managing.

"The world is changing rapidly and managers need to be re-educated at least every five years. In the interim they not only forget things and need to recharge their batteries, but miss out on many important developments."

The WBS's post-graduate courses — MBA, PhD, Mas-

ter of Management in the field of Human Resources and Diploma in Human Resource Management are all taught from a GM perspective, combining subjects such as marketing, finance, industrial relations.

GM principles are also emphasised in many of the short, part-time courses run at the WBS's Centre for Developing Business.

This centre concentrates on small business oriented issues — including accounting, how to start a business and how to run a business from home. This means that every aspect of running a business, including, manufacture, sales, accounts and industrial relations, is applied.

Shortcomings noted at the WBS include opportunities to expand facilities and lecturers have been stifled since government cut subsidies to universities while too few black students attend management programmes.

"Most students are sent by their companies, but almost all are whites. Black advancement issues are serious in SA and a huge effort needs to be made in this regard," Andrews adds.

courses include those on safari guiding, pilot's licen-

Dynamics, Luso Computers and Skok Systems

Management gets status lift

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PROJECT management is set for a status lift with the formation of the SA Project Management Foundation and special examinations

Foundation director Professor Lionel Smalley says the non-profit organisation will not be involved in training, but is instrumental in setting up the management certification examinations to suit SA project management conditions

"The exams will be set on similar lines to the board exams for accountants in SA," he says "Examinations are due to be taken for the first time late next year"

The new body was set up by chairman Bryan Dooley in collaboration with Smalley, an associate professor of Unisa's department of business economics, and world-reknown professor Harold Kerzner

Kerzner, of Baldwin-Wallace College in Cleveland, US, has visited SA on 10 occasions since 1982 to give seminar/workshops on project management. He will advise the foundation

on the latest developments in project management in general in the US

The organisation will be administered by South Africans. Its objectives are to maintain standards through a code of ethics and to establish the project management certification programme to suit local conditions

"It will also evaluate the standard of existing project management available in SA," says Smalley

Response for the foundation has been strong since its launch last August. It will have separate individual and corporate membership

The former will be divided into students, affiliates, associates, graduates, full and fellow members

Corporate membership will comprise companies as individual members plus a number of founder company members

For more information contact Smalley on (012) 429-4483 (mornings) or 343-6273 (pm) or foundation director Julius Katzke on (011) 803-5012

Making managers in fast time

B/Dan 23/1/80

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THE need to teach business fundamentals to managers in a flexible and time-efficient manner has resulted in the launch of the unique Business Learning System (BLS) program by MAST Holdings

After gaining exclusive SA rights to BLS software, from The Strategic Management Group of America last year, JSE-listed MAST has set up a specialist division to manage the BLS course, says MAST executive chairman Stephen Dallamore

In terms of benefits to SA, the new BLS team, headed by Ronnie Davidson, believes it can within 140 hours of application turn out managers capable of running a business

Designed to produce hands-on managers, the course is an integrated personal computer-based training program which imparts business skills and knowledge and integrates the lecture format with simulation

Active learning is combined with flexibility and the student is repeatedly asked to practice what he is learning. He must also

solve business problems through PC simulated case studies

Once the principles of marketing, finance, operations and business strategy have been grasped, the student tests and hones his skills by assuming the role of chief executive officer of a dynamic company competing for its share of the lucrative domestic pet robot market

This advanced simulated business environment is run on any Dos PC and provides full consultancy, tutorial and analytical aids to reinforce learning and assist the student throughout the "25-year" period of the game

"We are trying to produce rounded business people. BLS combines the teaching of finance, marketing, operations, strategies and decision-making which interacts in the proper running of a business"

Dallamore believes rapid technological advances have put time at a premi-

um at a time when it takes extra effort to keep apace with the fast changing world

Productive employees need to learn new skills in their own time and in their own way, he says. Being self-paced the program facilitates this requirement

"Another advantage over other courses is it is cost-effective because a company does not have to send a participant away for any long period associated with tertiary education

"This reduces both expenditure and disruption to company productivity and ensures the company student can apply his knowledge"

Developed at Pennsylvania University's Wharton School of Business, BLS is likened to the practical side of an MBA

With the emphasis on training people to acquire hands-on experience, participants thus get the practical experience on how to run a business through having to face real-life decisions, he says

Not restricting participants to passive learning methods, the BLS also boasts further flexibility as its five levels can accommodate both the new manager and the highly skilled manager

Knowledge is imparted through a combination of detailed workbooks and a computer-based instruction system

Students progress through five levels of study from introductory to intermediate and advanced

Because the program is designed to enable students to progress at their own

pace, the computer exit and re-entry techniques allow multiple choice problem analysis as well as review of unfamiliar topics

Designed constantly to test and retest knowledge imparted, the course tests applied throughout the program enable students to diagnose their own strengths and weaknesses, to review and concentrate on weaker points and to pass over material already known

The comprehensive trainer's guide and software assists training managers to record and monitor the progress of students

A bonus factor is students learn PC skills as a by-product

Dallamore reckons BLS is also beneficial outside of the private sector. It would, for example, help bureaucrats get an aerial and up-to-date view of effective business practices

Selling education and business learning solutions for managers is a MAST speciality. The BLS is the first of a line of new products that it has clinched which offers a new concept of rapidly producing effective managers and business leaders

Early response by companies sounded out on the new program is reportedly most positive

"A major reason for this is that no other computer-based training course covers these interacting subjects as effectively as BLS and companies are seeking cost and time-efficient ways to upgrade their managers' skills in their quest for increased productivity and improved performance levels," Dallamore adds

Seminar to help you make strategic moves in business

Creative career and financial planning are essential strategic moves along the way to success in business and professional life, say the organisers of a seminar on creative decision-making to be held in March.

The South African Federation of Business and Professional Women (SAFBPW) will hold a seminar on creative decision-making on Saturday, March 18, to help people develop techniques to discover hidden career anchors, plot strategic moves up the corporate ladder, avoid career derailment, improve monitoring skills, learn creative and qualitative approaches in decision-making and develop creative life skills.

Professor Ronel Erwee, lecturer at the University of Pretoria's Graduate School of Management and present director of the Women's Bureau, will speak on "creative financial planning"

Ms Sharon Lain, an executive consultant for a large assurance company and past chairman of the Johannesburg Women's Bureau, will speak on "creative financial planning — financial shock absorbers"

Other speakers include Mrs Truida Prekel, a management consultant specialising in business communication, team building and personal and career development in individuals, Mr Nigel Scott, a senior manager in a large assurance company, and Mr Rob Glenister, a senior business manager in a unit trusts management company.

SAFBPW is a recognised voice for business and professional women in commerce, industry and government and its members regularly attend occupational and advanced training programmes designed to enhance career development.

The organisation is affiliated to the international body which is represented in 63 countries around the world

The federation's objectives include encouraging business and professional women to combine their abilities and strengths to maintain high standards, to recognise their national responsibilities and those to their communities and to strive for equal opportunities and status for women in the economic, civil and political arena

For more information, please telephone (011) 838-7667

Second programme to train managers gets under way

S/Times 29/1/89

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THE second three-year joint management development programme has been launched in Johannesburg.

South Africa's skills shortage does not seem to be improving much and a programme to train middle managers is urgently needed.

Visits to SA by senior officials of the Paris Chamber of Commerce and Industry in 1982 resulted in a co-operative agreement being reached between it, the Urban Foundation, the National African Federated Chamber of Commerce and the Black Management Forum.

The programme is designed for aspirant managers with at least five years of business experience, proven ability in their technical fields and who are thought capable of moving up the ladder in the next three years.

The three-year programme covers practical managerial aspects, such as finance, marketing, industrial relations, and of the wider environment in which organisations function.

Much of the training takes place in small syndicate work groups which simulate management-team situations. The programme has been de-

vised by a team of South African management-development specialists and French professors.

JMDP steering committee chairman Bernard Lafitte says SA's managers are overburdened because there are so few of them, and as a result they are generally not highly productive.

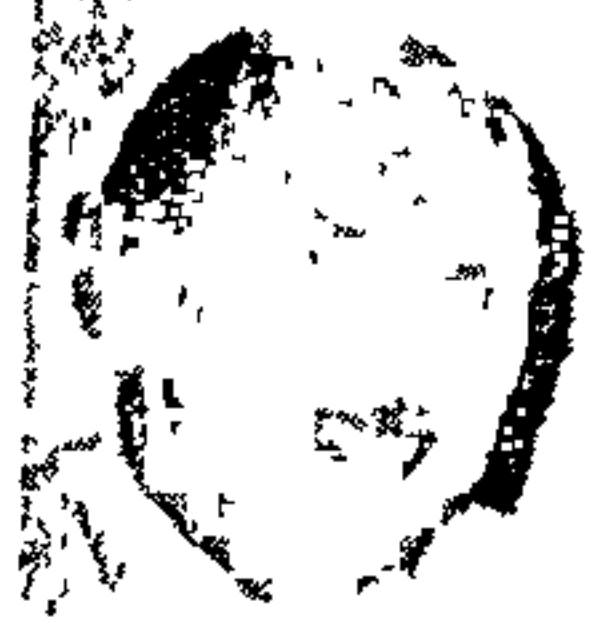
"It is, therefore, vital for the future of this country that suitable people from all sections of the population be trained to fill management roles.

"But it must be said that the future success of all the participants will depend fundamentally on the sup-

port they receive from top management so that they may be fully integrated in their organisations' top structures."

Anglo American director Clem Sunter gave the keynote address at the launch of the project, and stressed the important role of education in society.

"Even though I have another appointment after this I decided to come to the launch because I cannot emphasise enough how important it is. One has to have an educated work force in order to be a winning nation."



Olof van Schalkwijk

Human resources consultants merge

S/Tues 29/1/87

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Randall Falkenberg

CONTACT Group and FSA Management Consultants have merged to form South Africa's largest firm of consultants specialising in human resources.

A spokesman for the new company, FSA-Contact, says that in the past few years a host of small specialist consultancies have sprung up

"At the time, it seemed to make sense to have one firm advising on remuneration systems, another on industrial relations, a third on management development, supervisory training and so on

"But if a company is trying to instil consistent approaches through common values throughout the organisation, the piecemeal approach is not ideal "Our clients have said they would like to

have the option of dealing with one organisation that will help them to develop a consistent, integrated approach to all human resources management issues"

Both organisations realised some time ago that clients' needs were changing and would alter even more in the next few years

SA managers face a shift in emphasis to remain competitive and profitable

Their customers are demanding much higher standards of quality and service than in the past

Employees, with or without union backing, are also demanding a much bigger say in how the business is being run FSA-Contact will offer a fully comprehensive and integrated range of services to meet changing needs

Joint managing directors of the company will be FSA managing director Olof

van Schalkwijk and Contact Group managing director Randall Falkenberg The non-executive chairman will be Mike Morris

The shareholding of the company will be vested in the directors and some senior managers Branches exist in Durban and Cape Town and a branch in the Eastern Cape is under consideration The integrated operation will have a staff of 130 to serve 2 000 clients

A market needs management

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B/Dam

6/2/87

WHILE the concept of task-specific hiring of personnel on a short-term basis is now well known, a newer side of the business is the concept of the "managed assignment"

One of the leading companies in the area of executive temporary appointments — dealing at the level of middle to top management assignments — is the Executive Task Force

The company, founded in 1982 by two MBA graduates who recognised a market need, set out to offer greater consultancy involvement in each placement. ETF was a pioneer of the concept and call it the managed assignment.

ETF's managed technique means assignees are supported by in-house specialists.

Pauline Jones, ETF's director of operations, is among the country's most experienced consultants in the personnel field with 20 years spent in SA and overseas.

She explains "The consultancy's role is to ascertain the client's needs then the assignee's capability — not just to do the job but to fit in with the client's corporate culture and systems."

"It's far more than just receiving the client's job description and sending along someone with the



□ **LYNNE FROST** . . . large demand

right credentials. It is often advisable to gain more insight into matching the two."

Monitoring of the success of the placement is central to the managed assignment. ETF remains available to the client as the job progresses.

Founder and MD John Clements says while problems are few, they can occur "on either side of the fence."

Although ETF's primary service is in the provision of professional skills resources, it can and does advise on new projects such as the installation of a new computer system.

At first glance, similarities

appear between this service and that of the conventional management consultancy.

Clements says "Many of our assignments don't in fact differ much in that we will put in a proposal, and if accepted, will carry out the task using the appropriate assignees. The work will be monitored by our in-house staff who will assist the assignee in drafting reports."

"The main difference, though, lies in the fact that we do have a vast pool of assignees with professional resources. That means we can give the client the best person for the job, quickly and at a very reasonable cost. The client is charged only for the hours worked."

"An interesting point is that many management consultancies call on us for short-term assignees to supplement their own professional staff. This is very cost-effective for both the consultancy and their clients."

ETF provides qualified assignees with extensive experience in fields such as financial management and accounting, credit control, costing systems, asset management, audit assistance, computer systems, general management, engineering, production and distribution management and project management.

DIRECTORS' LIABILITY

Call the law to order

■ It should be more difficult for directors to shield personal assets

There are about half a million company directors in this country, the majority of whom are either owners of small enterprises or have been made directors as a reward for services. There are also a sizeable number of "dummy" directors who represent the interests of others. Few, however, have any special training for the job or even understand their legal obligations or the circumstances under which their personal conduct can be

held in question or their personal assets placed at risk.

Developments abroad and public dismay at increasing incidents of corruption at home should encourage them to explore with more vigour precisely what their responsibilities are and what their personal exposure could be.

While a company or close corporation (CC) is recognised as a legal entity, it may

— and *can* — only act through human action. It is thus that directors, to whom such responsibility is given, act in a position of absolute trust. While law has long recognised that directors are primarily responsible to shareholders (as are auditors by law), it also recognises the rights of creditors and other interested parties.

In short, businessmen in general and directors in particular have obligations that

transcend the accumulation of wealth at any cost. They need to keep this in mind as the necessity to bust sanctions increases. Too easily in this regard the threshold of unacceptable practice is crossed: what was bad practice yesterday becomes good practice today because of sanctions.

In the process, the role of company directors is too easily fudged. As Wits Business School's Andy Andrews says: "Leaders in public and business office are concerned with the creation of a better society through the provision of goods and services that satisfy the needs of consumers."

"Perhaps this is naive. Apparently some believe that the objective is to make as much money for shareholders and that the making of piles of money is the real objective of business. The implication is that the way this is achieved is largely irrelevant."

Some have referred to this as the "unacceptable face of capitalism," and no doubt it will always be discernible in some country at any particular time. But, given that disclosure is the cornerstone of capitalism, and that this is realised through the legally recognised limited liability enterprise, rules regarding directors' liability should stand impervious to the passage of time. If anything, time would improve such rules to the benefit of society as a whole.

The fact is that in modern times few subjects in the commercial world have attracted more disparate views than directors' liability. Despite appearances, the area is ill-defined, and overlaps with many other crucial areas of commercial law — such as disclosure.

Perhaps the main problem is that, historically, there have been few truly useful discussions — or legislation — regarding the scope of directors' liability.

For example, many jurisdictions do not adequately deal with the conflict between directors' liability and aspects of competition. In SA, of course, sanctions and sanctions-busting have raised a whole new crop of questions in dealing with a director's duties.

In an efficiently functioning free enterprise situation, national policy normally empowers the entrepreneur to commence and conduct business with the minimum of interference from government.

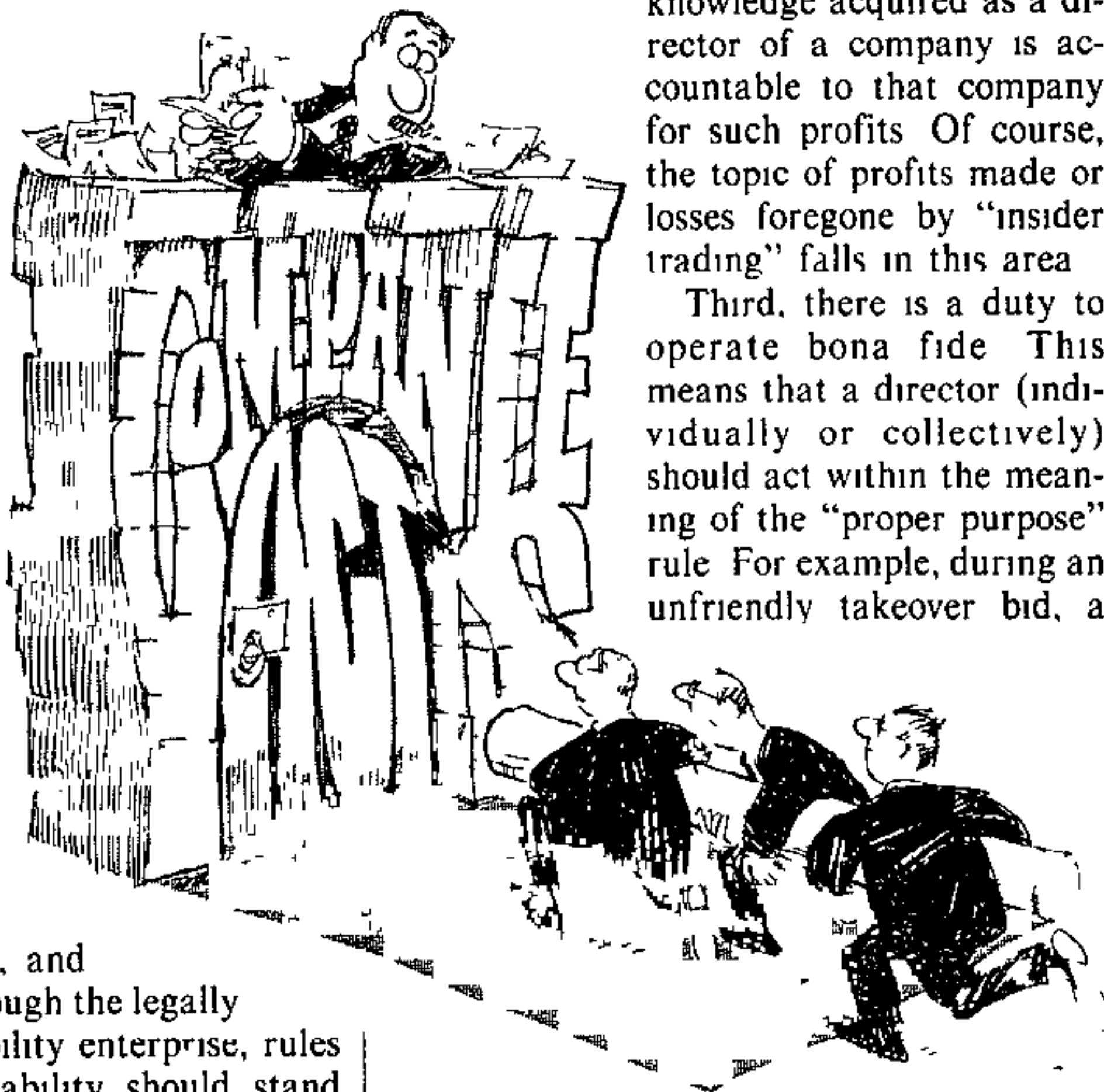
Yet in all modern jurisdictions, the principle of limited liability operates to protect the shareholders of a company. The liabilities of the company belong to the company alone. Then, in order to ensure that the directors act in a company's best interest rather than

their own, government imposes regulations, making directors responsible in certain situations.

From a distance, the canvas of directors' fiduciary duties is not difficult to see (see box). First, there is a duty of care and skill, seen as a standard of conduct that a "prudent" man would use in managing his personal affairs.

Second, there is the duty of loyalty, which incorporates many issues, such as avoiding a conflict of interest. A series of landmark judgments has held, for example, that someone who makes profits ascribable to knowledge acquired as a director of a company is accountable to that company for such profits. Of course, the topic of profits made or losses foregone by "insider trading" falls in this area.

Third, there is a duty to operate bona fide. This means that a director (individually or collectively) should act within the meaning of the "proper purpose" rule. For example, during an unfriendly takeover bid, a



company may issue shares to acquire assets that it might otherwise never have bought.

Foreign courts have found many such transactions to have contravened the proper purpose rule. The share issue dilutes the equity, a defensive mechanism that makes it more difficult for the predatory company to secure control.

Again, on the question of the scope of directors' liability, there is evidence that many jurisdictions have chosen to sweep the issue of competition under the carpet. It may be that a minor case of improper conduct on a director's behalf is motivated solely by the determination to beat a competitor. Here the means may justify the end, but who knows for sure.

It should be remembered that in SA, the Companies Act of 1973 is *not* a codification of the law. This means that common law principles regarding fraud, bribery, and so on, can be used to further govern directors' fiduciary duties. The subject is enormous: a standard SA textbook *Henochsberg on the Companies Act*, runs to 1 134 pages in its most recent edition.

The Act covers an enormous area, and is often very good. Not to belabour the point, how is it, then, that there seem to be so many scandals in the commercial world that are

never resolved? The answer, in a nutshell, is that the *procedural law* in SA's company law is nowhere near as useful as its *substantive law* — contained in the Act.

The various fiduciary duties of a director form part of substantive company law, yet, for example, while insider trading is known to take place on the JSE, there have been no cases prosecuted, or brought to the full attention of the public via the civil courts. The procedural law simply does not work.

In company law, substantive law, no matter how perfect, is useless without equally good procedural law. In the UK, for example, before company law was recently rewritten after lengthy reform investigations, the fiduciary duties of directors was seen by all as a dead letter. In the UK, only the board of directors had effective powers to sue when there was a case of a director acting in a delinquent manner.

Inevitably, the whole board of directors was delinquent, and, of course, would never sue itself. In the US, things have been very different, with the law making it relatively easy for a shareholder to sue a director or directors.

For example, if a shareholder felt that a new investment move by the company was in breach of the fiduciary duties of the directors, he could sue. Over time, safeguards were built in, for example, no matter what, the shareholder could not directly benefit financially from the suit.

There is now also a contingency fee system in the US, to prevent petty cases. Today, the shareholder must show that he held shares at the time of the questionable transaction. Moreover, the settlement must be court-supervised.

The UK, recognising that a board of directors would never sue itself, amended the law to allow aggrieved shareholders effective access to the courts. No longer would a shareholder have to prove very difficult things, for example, that the company or director acted fraudulently or ultra vires (in excess of its powers).

But general reform in the European Community is some way off. There is no European Code of Practice for company directors, but there is the proposed Fifth Company Law Directive. The British civil servant responsible for monitoring the progress of the directive says it "has made little progress in recent years because it includes controversial proposals on worker participation."

Even if the directive proceeds as quickly as possible, it is unlikely to be adopted by the European Council before 1991, with further delay occasioned by incorporation into the law of member states. And, while the directive refers to "harmonisation of the law dealing with (a) the duties and liabilities of directors," this is only in the context of the proposal for a two-tier board, it is not the harmonisation of the duties, and so on, of directors in general.

In SA, problems regarding the fiduciary duties of directors, and the most closely overlapping areas, were outlined most recently in

(172) FmML 10/2/89

1985 by the Standing Advisory Committee (SAC) on Company Law. It found that

- The disqualification of directors and register of directors of dissolved companies needs more effective treatment,
- The practical problem of disclosure of directors' interests in contracts must be overcome,
- The personal liability of directors and others for reckless or fraudulent conduct, especially in insolvency, needs further consideration, and
- The abuse of control and disclosure in company groups needed attention

Perhaps the single most crucial issue — apart from general disclosure — is the qualifications of directors. Reform in the UK took the focus off the grey area of the fiduciary duties of directors, and stressed qualifications. In SA, literally *anyone* can be a director of companies. This area in SA is badly defined.

One general answer to all the burning issues in company law reform is decriminalisation. By giving shareholders and other interested parties more direct access to the courts, civil law takes over and criminal law steps out. This is useful to the extent that the burden of proof in a criminal court is beyond reasonable doubt, in a civil court, satisfactory proof need be on only a balance of probabilities.

In the field of directors' liability, the critical step to take is to make it much easier for directors to become personally liable for corporate losses. Of course, this forms part of the process of decriminalisation. The general test is that if a director can be shown to have

behaved negligently or recklessly, his personal assets are on the line.

In SA the principle of personal liability has been embodied in the Close Corporations Act, and so far it has worked very effectively. The mere knowledge on the part of a director that a step he is about to take could result in the loss of all his personal assets is an extreme, but effective, form of "civil policing." An action, instituted by other members of the CC, or a creditor, requires zero participation by officers of criminal enforcement.

But while government appears to be content with not speeding the pace of general company law reform, there is an existing remedy for abuse of a director's duties. This, Section 266 of the Act, has been used less than half a dozen times. In the view of Wits University's Prof Michael Katz, S 266 is the "most powerful legislation in the world to counter the improper conduct of directors."

S 266 empowers any member of the company to institute proceedings against the company, or a director or directors, where the company "has suffered damages or loss or has been deprived of any benefit as a result of any wrong, breach of trust or breach of faith committed by any director or officer of the company."

The court is empowered to appoint a *curator ad litem* to investigate the case. It may also order the applicant to provide security for costs, if it feels that the case is petty or without premise. As may be seen from the wording, the aggrieved party must show that the company has messed up because of miscreant behaviour by the directors.

S 266, which Katz describes as "very so-

phisticated in the international arena," is also widely framed regarding the damages that may have been suffered by the company and as regards directors' fiduciary duties. The section, properly used, allows for a shareholder to prevent a company from being milked by its directors, the most crucial consequence of an abuse of a director's fiduciary duties.

Katz, a member of the SAC, finds it "truly amazing" that S 266 is not literally in everyday use. Perhaps one reason is that South Africans have shown themselves to be remarkably forbearing, whether it be in consumer resistance to shoddy service or high inflation, or to high tax rates, or to a government that seems to have stalled when movement was never more important.

Perhaps it is because companies, particularly large ones, are seen as untouchable creations of the capitalistic ethic. Another probable reason is that criminal actions against companies have been fewer than they should have because of a general lack of staff at the Attorney General's (AG) office.

The most enduring reform starts at the bottom. In reforming the grey area of directors' liabilities, reform from the bottom will start if shareholders start using S 266. It is purely a civil action, overcoming the problem of a lack of staff in the AG's office.

All that need be shown is that a director (or directors) has acted for his own benefit, in contravention of his fiduciary duties. More S 266 actions would stem the clear decline in the standard of conduct of SA's business affairs. Better disclosure is also needed, but that is another issue. ■

RUSFURN

Seeking rural stability

■ Furniture sales have slowed, but financial income is just as important

The prime interest rate rose to 18% last year, so it is not surprising that furniture shares are lagging far behind most industrial sectors. After all, consumers usually slash purchases of durables and other big-ticket items when credit gets expensive. Furniture companies get caught with large stocks which they can't sell, and their profits slump.

That, at least, is the conventional wisdom after the 1984-1985 recession. Will the scenario be replayed? For some, perhaps. More optimistic is Geoff Austin, MD of Rusfurn, which runs 352 stores and is one of the most diversified groups listed in the furniture and household sector. It made big losses several years ago but was relisted in June 1987 and last year reported an attributable profit of R43m.

Reasons for optimism include a view that spending on durables will prove less brittle than many assume, and the effects of repositioning the

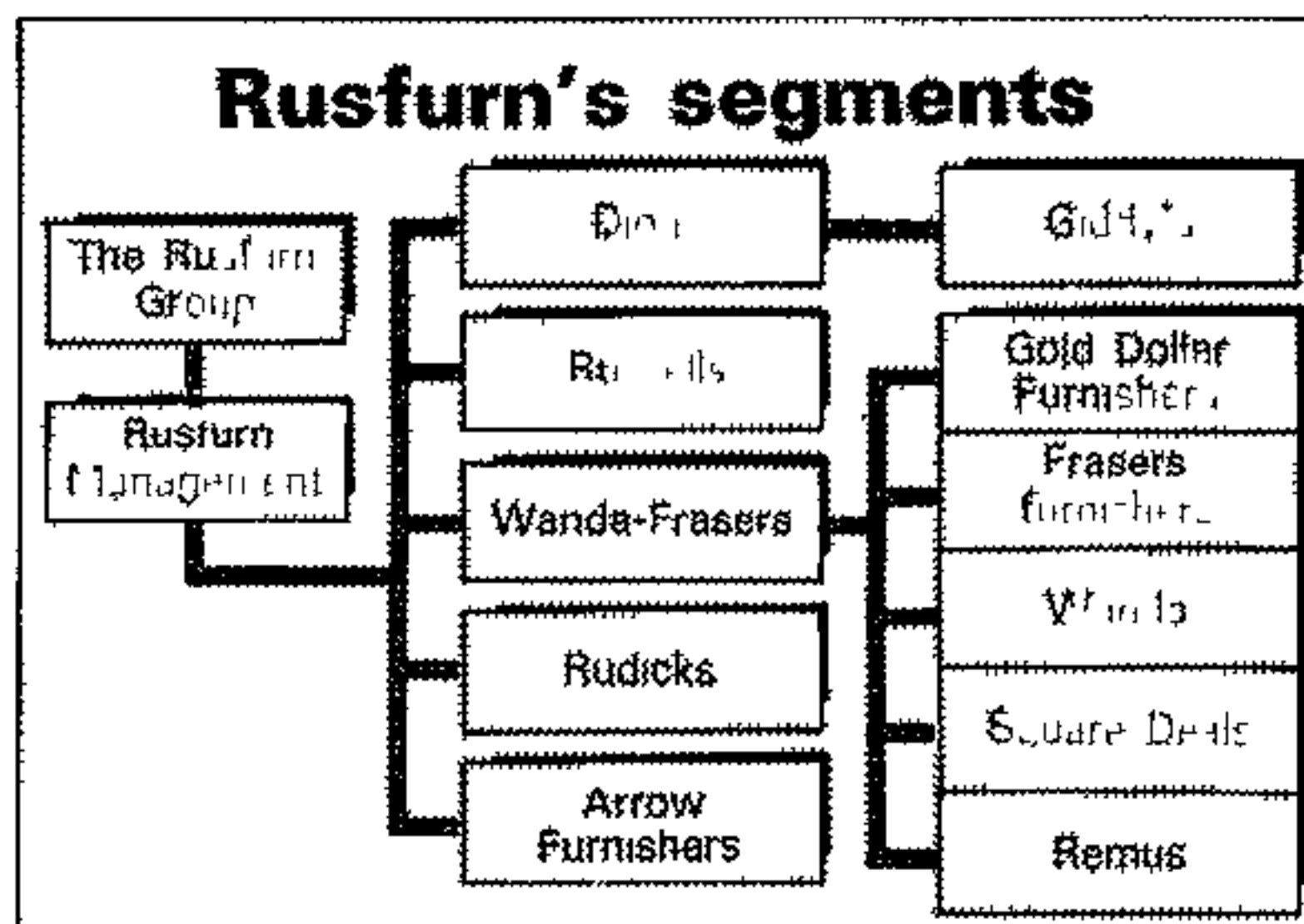
Rusfurn group. Just as important are the profits from financial activities rather than sales of consumer durables. It's often not realised that such groups are virtually banking operations, Austin estimates about 50% of earnings will come from financial activities in 1989.

That does not make the group immune to the kind of event that has buffeted the sector in the past. Also, durable sales growth has been slowing since August. But this market is not monolithic, some may cope better than others. Rusfurn focuses heavily on the lower to middle income group, an emphasis in-

creased with the acquisition of the Frasers stores from fellow Tradegro subsidiary Metro.

Austin contends that much of the dampener on consumer spending from higher interest rates is felt through mortgage rates. Many of Rusfurn's customers either do not have mortgages, or their bond repayments are subsidised by employers such as the public sector and mining industry.

The group's chains have been repositioned to concentrate on what are seen as higher growth and more stable market sectors. The Russells chain, for example, has been cut from nearly



Too many managers barking up wrong tree

Finance Staff

(172)

Too many managers and management consultants are ignoring the peculiarities of the local business environment by trying to impose philosophies better suited to the US or Japan

This criticism has been levelled by Stephen Asbury, associate director of Deloitte, Haskins & Sells' strategic management unit

"It is simply not good enough to apply the lessons found in the likes of *In Search of Excellence*. Although I do not support the popular criticism of this fine work, it is based on the US economy, societal values and management resources and its lessons should be applied with caution," he says

Commenting on in-depth case studies — undertaken by himself and fellow-director Anthony Ball — into 26 SA companies, Mr Asbury says a key factor in their success has been long-term strategy, which takes cognisance of the realities of a changing business environment

These included a regulated and cyclical economy, geographic isolation and concentrated corporate ownership

There are also small complex markets, rapidly changing markets and culturally diverse markets and the added complication of a poorly educated workforce.

Relatively unsophisticated management and management technology and a shortage of management skills are other factors companies have mitigated through management development, sophisticated pay packages and the use of external management resources

"Unfortunately, for every one of our top companies there are too many others which have settled for mediocrity. The sad fact is that with a little application to the basics there are incredible opportunities for SA businesses to succeed," Mr Asbury says

Mazula, Mering said the time for talk was
'Different management style needed'

Unions working towards unity

B/D 22/2/87 172

PRETORIA — Trade unions were moving closer to each other and were prepared to face management in greater unity than five years ago, SA Boilermakers Society assistant general secretary B F P Oosthuizen said yesterday.

He told the project management conference at the CSIR the old approach of management to divide the labour force and rule was rapidly becoming something of the past.

A different style of management which acknowledged the aspirations of labour would have to emerge if capital projects were to be managed effectively.

The behaviour and attitudes of the work force were unpredictable because neither labour nor management had established a clear cut power base.

Oosthuizen said to assist the two parties government had amended labour legislation with disastrous results. Now both sides were having difficulty with amendments.

GERALD REILLY

The state had once again shown its partisanship by introducing a piece of legislation that was swinging the pendulum in favour of capital.

A development becoming progressively more disturbing to trade unions was management moves to fragment workers skills into small specialised aspects.

Oosthuizen said employers were simply training workers in one aspect of a trade for the duration of a contract. Afterwards, they were cast into the wilderness of the semi-employed.

Management and government were alarmed at the reduced number of school leavers willing to become artisans.

The fragmentation of trades and a willingness on the part of employers and government to employ unqualified labour in artisans' jobs left no incentive for youngsters to enter a trade. Labour was also demanding the right to be trained to master technological changes.

Court order against Uwusa

DURBAN — Competition between two trade unions to recruit members in the Isithebe area led to attacks on officials and members of the Amalgamated Clothing and Textile Workers Union of South Africa (Actwusa) by officials and members of the United Workers Union of South Africa (Uwusa), it was claimed in the Supreme Court in Durban yesterday.

Mr Justice Broome made an interim order interdicting members of Uwusa from assaulting, molesting, intimidating, threatening or harassing members of Actwusa.

Uwusa is also interdicted from preventing the other union from conducting meetings, and from disrupting the meetings and interfering with the union's lawful activities.

Uwusa must show cause by March 14 why the interim order should not be confirmed.

Elias Banda, national organiser of the applicant union, said the two unions were competing in the Isithebe area for members and for the right to represent employees with management.

On February 2 he was holding a meeting with shop stewards in the Isithebe area. The meeting was broken up and he and members of his union were assaulted by officials and members of the other union, he said — Sapa

out

In need of managers

THE South African Institute of Building is gravely concerned at the shortage of black building managers.

In a statement issued recently, Mrs Lynn Fletcher, registrar of the institute, said there was a dire need of black building managers in the industry. (3) 172

She said the reason why the demand was so high for black building managers was that the emphasis throughout South Africa was swinging away from the massive, first world-type projects to housing and elementary infra-structural needs in less developed areas.

"I can assure you that we could find jobs for at least 24 management professionals within two weeks," Mrs Fletcher said. Sowetan 23/2/89

For further information please phone (011) 789-3138.



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Har 28/2/89
"South Africa has a legacy of neglect of its black communities. Although it remains the prime responsibility of the government to correct this, I believe industry and commerce have an important role to play," says the new co-ordinator of the Sullivan Code in South Africa.

For a normal society in the workplace

By Moira Levy

New life is to be given to the Sullivan Principles code of employment with the appointment of Mr Roger Crawford, Personnel Manager of Ethnor Pty Ltd, as co-ordinator of the scheme

The Sullivan Principles, designed by American preacher the Rev Leon Sullivan in 1977, prescribe a code of management conduct for American companies in South Africa. It aims to remove discrimination and unfair labour practices.

Mr Crawford's job will be to liaise between the seven committees behind Sullivan's guidelines for fair employment practices, and to work in hand with South African organisations, such as the Manpower Management Foundation, involved in similar social responsibility projects.

"I see myself as a referral point, as a base where signatory companies can find the information and knowledge they need for their projects.

When the Sullivan Principles were introduced they provoked a storm of controversy. Black community and trade union leaders slammed the proposals, saying they did not go far enough to combat discrimination and inequality in South African industry and commerce.

"We have achieved a great deal," Mr Crawford said. "We have created a normal society in the workplace, and the rub-off effect of that is apparent."

"South Africa has a legacy of neglect of its black communities. Although it remains the prime responsibility of the government to correct this, I believe industry and commerce have an important role to play," said Mr Crawford.

He said individual American subsidiaries could not hope to solve the deep-rooted problems of South African society — the Sullivan Principles cannot be the panacea for all our labour ills — but they could provide a model for South African firms and labour officials.

The first phase of the implementation of the Sullivan Code has been largely achieved, he said. The 147 signatories have desegregated their facilities and introduced equal pay for equal work.

"But that was the easy part. Referring to the role American companies have played in uplifting black education, Mr Crawford said "providing the school buildings, equipment and facilities is not enough. Now we have to concentrate on upgrading the quality of education."

"Last year's black matriculation rate was very low. In spite of what we have contributed to township schools we still have matriculants ill-equipped to take part in the modern world of industry."

"The white labour pool in South Africa has practically dried up and industry is going to have to look more and more to black school leavers as their future management."

He emphasised that his job is not to monitor the implementation of the Code. "I am not here as Sullivan's prefect."

He has been released from his duties at Ethnor to take up his new position for two years.

SOUTH AFRICA's white middle managers occupy strategic positions. They implement black advancement and training programmes and thus help determine the entry of blacks to managerial positions. They interact daily with organised black labour.

The SA Foundation recently commissioned a survey of white middle managers from 36 companies in the PWV area to test their views on black advancement, business and social change.

It not only reveals that their views on broader socio-economic and political issues do not differ substantially from those of mainstream white opinion, but also that to a surprising extent there is considerable accord between their attitudes and those of senior business leaders on reformist issues.

There is, however, one key difference of opinion — white middle management shows signs of sharp hostility towards organised black labour.

White middle managers still dominate the organisational frameworks into which both black managers and workers must fit. Their attitudes thus impinge directly on both the tenor of industrial relations within companies and on the upward mobility of blacks in the business world. Our survey reveals a somewhat mixed picture.

All those interviewed expressed support in principle for black advancement. All endorsed the concept of equal opportunity. Afrikaans- and English-speakers alike accepted the importance of increasing black management and eliminating racial discrimination in the workplace.

On the other hand, when it comes to black advancement programmes in practice, white middle managers expressed considerable reservations. Only half regarded such programmes in their company as being a success. Some 41% felt many black managerial appointments were purely tokenistic.

Some white middle managers reveal doubts about the innate ability of blacks as managers, citing deficiencies in black education and training, or cultural traits such as punctuality and difficulty in adapting to white corporate culture.

White management supports and resents black advancement

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b/pwv 30/5/89

GAVIN LEWIS

Some managers, albeit a minority, clearly base their cultural rationalisations on essentially racist criteria. More than half of those interviewed identified white racism as a key obstacle to black advancement.

Status and occupational anxieties prompted by the threat of black competition would seem to play a key underlying role for those who reject black advancement on racial grounds, particularly those at the lower end of the middle management scale for whom black mobility seems a threat to their own prospects.

Two other major factors impinge on the attitudes of white middle managers to black advancement.

The first is a widespread rejection, particularly among Afrikaans-speakers, of reverse discrimination or affirmative action, as opposed to equal opportunity. A full 90% of respondents rejected affirmative action in principle, arguing strongly for promotion on merit alone.

The second factor is their experience of black trade unionism, a relatively recent phenomenon in SA to which management has had to adapt rapidly.

A major difference between middle managers' attitudes and those of top executives lies in their approach to organised black labour. Afrikaans managers in particular find it difficult to cope with trade unions' rejection of organisational hierarchies and of established lines of authority.

Little sympathy is expressed for the position of black unions.

Unlike top executives, middle managers interface with organised black labour on a daily basis. This accounts to some degree for their varying attitudes towards it, with managers expressing considerable hostility towards the conduct of black trade unions.

The experience spills over into their attitudes to black advancement in general and to other areas, such as employee share opportunity programmes (esops). Most managers support esops in principle, but not if they are used as a mechanism for affirmative action.

Most white middle managers (in the PWV area at least) are largely unaware of the wider implications of militant black labour, and of the reasons for the politicisation of black unions.

Some 59% of managers interviewed insisted that black trade unions should not involve themselves in politics. Almost the same proportion rejected stayaways as a legitimate form of protest.

In this respect, white middle managers' views fit in with those of mainstream white opinion, no doubt for much the same reasons.

The survey also reveals that such attitudes among white middle mar-

agers exist alongside considerable progressive views on reform and the role of business in society.

Most see themselves as part of a politically progressive SA business community. All supported the opening of CBDs on a non-racial basis. The majority enthusiastically endorsed privatisation and deregulation.

Most reflected impatience with the rate of reform and all saw sanctions and disinvestment as encouraging a hardening rather than a relaxation of State policy.

A full 85% supported a role for business in trying to change government policy, particularly by direct lobbying and by bringing about greater co-ordination and unity within the business community.

In some respects white middle managers appear more forthright on these issues than their more politically experienced and cautious top executives.

In white middle managers one is not dealing with a collection of reactionary bigots, but with people struggling to adapt to a rapidly changing society. Although the survey reveals ambivalence on the issues of black advancement and organised black labour, this co-exists with widespread support for change and a rejection of racial discrimination in the workplace.

White middle management antipathy is a factor inhibiting job mobility. Our respondents themselves

identified the intervention of top management both to initiate and sustain black advancement programmes, as a key factor accounting for their success — indicating an otherwise hostile environment for such programmes.

There is a proliferation of programmes to produce and extend the ranks of black management. Important as such programmes are, there may be a need to educate white middle managers to cope with the changing demands of a post-apartheid society.

Much of the conservatism of white middle managers regarding black advancement can be ascribed to their stressful experience on a daily basis of newly unleashed organised black labour.

Top executives, it would seem, sometimes forget the pressures confronting managers in this area, indicating a need for better communication between, and consultation at, various management levels on all relevant socio-political and economic issues.

On the whole the picture is encouraging. As the "men in the middle" white managers have to reconcile company policy with the realities of day-to-day encounters with assertive and powerful black unions.

White middle managers have the power to intervene in reshaping industrial and race relations within companies. They can help ensure the success of black advancement programmes, so badly needed for developing management material into the 21st century.

Alongside more conservative traits, white middle managers appear to endorse the process of change away from apartheid and racial discrimination. They deserve greater support in their attempts to adapt to the realities of a changing society.

In the process, white middle managers have the potential to become an important factor in building and sustaining a broader constituency in society as a whole for peaceful change in SA.

□ Dr Lewis is director of the SA Foundation's Johannesburg office. This is an excerpt from his article in the current edition of the SA Foundation Review.

MD 24/2/89. (172)

Emphasis is on teamwork

THE emphasis placed on individual enterprise and teamwork has helped ATC achieve a dominant position in the market

MD Koos Vorster explains that staff loyalty and company willingness to invest the necessary capital, has helped ATC keep up with cable industry developments in Europe and the US

Staff within the company have demonstrated their ability to adapt various technologies to suit local requirements

more effectively to the needs of customers

Vorster concludes "This is well within our capabilities. We have the people with the necessary skills

and experience to meet the challenges of developing new products and providing quality at reasonable cost

"We also have a proven track record of establishing effective relations with our customers, which will form the basis for greater customer orientation required in the future

"Emphasis is placed on the importance of staff working smoothly together to ensure that equal opportunities exist"

FACTOR

Says Vorster "Teamwork has always been an important factor. The key managers have been together from the time the factory started, and this has helped to create an effective team

"The significance of teamwork has spread throughout the company. In an increasingly complex market, this ensures that the co-operation across departmental lines, which is critical for effective and rapid response, does in fact take place

"The high standards maintained in the local markets — and our rapid adjustment to the demands of the export market — are a tribute to the commitment which staff at all levels have to the company

TRAINING

"They also reflect a knowledge of the industry accumulated over the years, and the very real effort put into training and quality programmes."

Vorster points out that his staff has always responded well to new challenges, and this has ensured the company's successful entry into the manufacture of optical fibre cable and optical fibre

Future challenges lie in the provision of higher quality products at competitive prices, developing new products more rapidly, and responding faster and

WOMAN

Women should project themselves more strongly

South Africa 6/3/89

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the plasticity that is shown in overseas countries. They do it in an honest way."

WOMEN who project an adequate degree of male ethos in power usually turned to be more successful as leaders

This was said by Dr Denise Bjorkman, a leading expert on semantics, when addressing a meeting of women in management positions on *Women And Their Projection of Power* in Johannesburg recently

"Women who project too much femininity, who speak with the type of squeaky voices that girls grow up with at school, find it very difficult to project power in leadership positions," Dr Bjorkman said

She said that this did

not mean that women had to project power in the same way that men do — with aggression, strength and other masculine traits

They should have a message that is different from others. She said that women were often accused of being more verbal, expressive and have a lot of mobility on their faces yet these were the very characteristics used in image packaging

Image

"Our perceptions are controlled by image packaging. Whether people buy you or not

depends largely on the way you sell yourself

By SIZA KOOMA

"Power as defined means 'the acquisition of scarce resources'. A leader's success in her projection of power depends on the provision of the scarce resources that people look for, her control of symbols and perceptions of power and her conformity to their value systems"

Dr Bjorkman said that image packaging involved playing around with symbols that surround a person, but not in an abusive way



DR DENISE Bjorkman

Personnel managers gear up to fight AIDS

THE Institute of Personnel Management (IPM) has produced guidelines for South African managers when dealing with the problem of AIDS

The IPM, which has about 6 000 members from companies, believes all organisations should develop a corporate policy on AIDS. It says in its guidelines

It is estimated that the hospital costs of AIDS patients in SA could amount to R94-million a year within the next few years. The total loss of production as a result of AIDS could be in the region of 230-million man-hours a year.

Production losses in the next few years could cost SA more than some major strikes in industry. If AIDS cannot be controlled, it will severely test the



Willie van Niekerk, companies must adopt a policy on AIDS

Geldenhuis says projections about the incidence of AIDS indicate that medical treatment will cost SA R71-million at best in 1993 — or R1,3-billion at worst. Dr Geldenhuis says that in the worst instance SA could be faced with 22 016 AIDS cases by 1993.

The treatment of each patient could cost R30 000 to R80 000, plus disability allowances and indirect costs related to the loss of manpower.

National Health and Population Development Minister Willie van Niekerk puts the figure of South Africans who have so far been tested as HIV-positive at more than 2 000.

“Last year, 174 of these had started to

manifest clinical symptoms of the disease. The figure was two in 1982. From the beginning of this year until January 17, four cases were reported. We believe more than 20 000 people could be infected with the AIDS virus.”

Dr Van Niekerk urges companies and individuals to take preventative action against the spread of the disease before it gets an even more serious grip on SA.

One response to his plea is the IPM guide, which will have a far-reaching effect if companies adopt the suggestions now.

The IPM believes managers need to be aware of the potential effect of AIDS on their organisation and productivity. It says AIDS needs to be faced on two fronts.

“An education programme is required

to reduce the potential incidence of and reactions to AIDS. In industry there is a particular need to put various groundless fears at rest by providing the facts about AIDS and to prevent discrimination against individuals.

“AIDS is an employment issue and cannot be ignored. Besides the legal, ethical and economic considerations, employers need to recognise that they are going to have to deal with prejudice, ignorance and fear and so it is important to be proactive and to formulate a policy on AIDS prior to being faced with the problem of an employee who has been exposed to HIV.”

It says a corporate response to AIDS in the work place requires a multifaceted approach. It includes a policy for dealing with victims and HIV-positive employees and clear guidelines for managers and supervisors on how to handle workers suffering from the disease. Extensive in-house education of management and employees at all levels is also needed.

The development of a corporate strategy depends on, among others, obtaining visible support from top management, involving all relevant departments and trade unions in joint formulation of strategy and establishing a multidisciplinary task force.

In addition, medical benefit coverage must be reviewed to ensure that appropriate AIDS-related services are paid for. A task force co-ordinator should be ap-

pointed and a policy and action plan developed.

The Chamber of Mines is one of the organisations which has implemented an education programme about AIDS. The migrant labour system makes people in the mining industry particularly susceptible to the disease.

Chamber spokesman Olaf Martiny believes such a campaign should become an integral part of every corporate responsibility programme.

“It is vital to implement pre-employment medical examinations and regular tests should be conducted on employees.”

Courses for small business

By Deborah Smith
Pretoria Bureau

The University of Pretoria has stepped in with a new management course to close the gap created by a growing number of entrepreneurs.

The course, directed at the small businessman, is to be instituted to train managers in functional areas such as administration, marketing, buying, personnel management and the strategy of small business management.

Only people who own a company or manage a business may enrol for the course.

Lectures will be made available for the participants to apply in their own businesses, so the participant's business will in fact act as a case study.

The practical application will then be discussed at the following lectures.

The advantage of the course is that basic theoretical principles can be applied, said course leader Professor Ludi Koekemoer.

A three-day-long summer school for revision will precede the October exams.

The course will commence on March 11 in Pretoria and Nelspruit and will consist of a Saturday monthly meeting.

For further information contact Professor Ludi Koekemoer at 012-4203144.

B(l)ack to school

The management school boom continues, but while blacks are crowding into the small and basic business courses, few are being trained as executives

The only black on the most recent Wits Business School top executive management course was a Zambian national. Only 10% of students enrolled for the school's flagship

course, the business administration masters degree (MBA), are black

Even there, the number is declining, says the dean, Professor Andy Andrews. He laments that the black student generations of the past 20 years have been lost to the economy, victims of the conflict in education.

"Even if every skilled person who left the country came back, and there was a negotiated settlement and foreign trade was normalised, we would still have a serious managerial problem"

Len Pink, in charge of executive courses at the school, says SA is making the same mistake as Zimbabwe which, after independence, did not have the expertise to manage an economy

Andrews says "Some firms are trying to do something. But even where blacks are promoted, they are not being equipped with the skills for the job. In this sense, they are being set up for failure."

"A major reason for reduced black management performance is that black managers are not yet in the informal management network where power plays and patterns are established"

However, he says a number of firms are starting to respond — the result of pressure from a younger class of white managers in their late 20s and early 30s. Andrews says: "These are the managers who believe they will inherit this problem in the future"

Pink says "Companies are not looking hard enough. There must be people in their organisation with potential. These are the people companies should be looking to develop."

Nielsen Brummer, principal of Damelin Management School, says the number of blacks attending his basic management courses has risen by 47% since 1986

Even when blacks are promoted to management positions, problems remain, he says. "White managers are often waiting for blacks to reach their standard, while blacks are waiting for whites to learn their culture."

THE handling of disciplinary inquiries has become an important aspect in South Africa's industrial relations, but few managers have knowledge or experience of it.

Gillam, Bruniquel & Associates executive director Bruno Bruniquel says the handling of these inquiries has become technical, and is more difficult than it appears

"All too often the outcome is determined by the performance or skill of the participants rather than the merits of the case," says Mr Bruniquel

Precedents or case law determined by the industrial courts place the onus on

S17 mias 26/3/87

Discipline undermined by precedent twisters

the employer to comply with the concepts of procedural and substantive fairness in discipline cases

Mishandling by management results not only in huge legal costs, but in the erosion of discipline on the shopfloor. The long-term outcome can only be poor productivity and industrial action

"The unions are putting a lot of effort into training shop stewards. Employers must do the same for management and supervisors

if they are to keep control of things"

Mast SA management consultant Cliff Bird believes that apart from training managers specifically in the handling of disciplinary inquiries, middle management is not sufficiently equipped in people skills

"Middle managers are generally far too technically oriented and not really equipped to deal with managerial problems. They do, however, face a unique set of pressures

"First and foremost there is a pervasive anxiety about the country's political and economic future. Second, your typical manager's day involves a far greater degree of conflict management than experienced by our Western and Eastern counterparts"

Mr Bird says the needs of people in organisations are not adequately addressed and this tends to give rise to worker-management conflict, job dissatisfaction and an attendant drop in productivity

Company managements will be put to the test

172

By Ann Crotty

On balance the latest moves by the authorities seem to have got the thumbs-up from the financial community, although this wouldn't seem too obvious from yesterday's 25-point drop in the JSE's overall index

While the major complaint continues to be that too little was done, too late, the prevailing feeling now is that the moves may be just enough to curb consumer spending, reduce inflation and get the balance of payments back onto a healthier tack

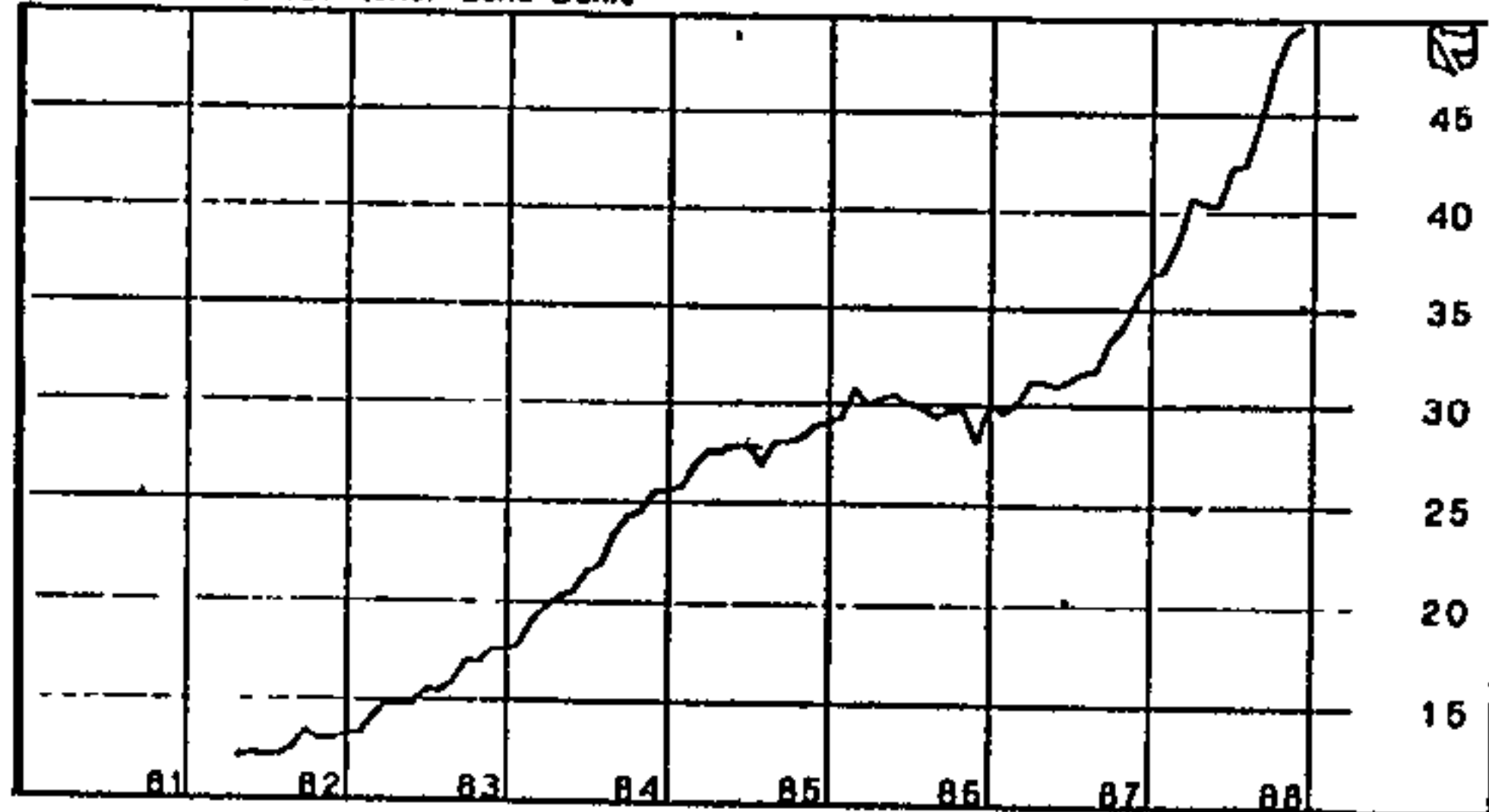
The drop in the overall index reflected the fall in industrial share prices as investors showed some nervousness about the implications for earnings and dividend growth

If the measures are effective they will result in slower growth in the short term

On the bright side, if they are effective, longer-term growth prospects will be enhanced

Performance by consumer stocks, particularly those in sectors such as retailing, motor and furniture will reflect tighter trading conditions

COMMERCIAL BANKS
Total disc & adv (excl Land Bank)



Total discounts and advances (excluding Land Bank)

Volume increases will be slim and earnings growth will depend on management ability to keep a tight control on assets.

The ten percent loan levy will have significant impact on company cash flows, but will not directly affect earnings performance. It may have an indirect effect to the extent that the cash has to be found elsewhere — at a cost

Yesterday's report of govern-

ment plans to slash R563 million from its annual salary bill by scrapping 60 000 public sector jobs over the next three years highlights the fact that success in the battle against inflation will take a toll on a broad front

The banking sector could suffer in the short term as the squeeze on margins tightens

In Friday's statement on monetary policy, Reserve Bank Governor Dr Gerhard de Kock said the

Bank's own net domestic credit creation remained the key to effective control over the money supply, since under the present conditions it was the Reserve Bank's credit extension that provided the banks with the cash reserves they required to enable them to expand their discounts, loans, advances and investments

This suggests the Bank is no longer going to depend on "moral suasion" to get the commercial banks to stop chasing market share (It is reported that some weeks ago the Bank wrote to the commercial banks asking them to restrict their asset growth to one percent per month)

Dr de Kock's clear message on Friday was that chasing market share could become unprofitable

Interest rate increases will be squeezed painfully at a time when bad-debt experience is likely to deteriorate significantly

Although there may be a slight correction in the next few days, followed by a sideways move, the JSE will be propped up by the realisation that investment in a well-managed company is one of the best hedges against inflation

Blacks in cleft stick, seminar told

MOST blacks at managerial level were forced to live a culturally conflicting existence — treated as and expected to function as equals to whites at work and becoming blacks in apartheid society at the end of the day, a black expert told a seminar yesterday

Ali Mokoka, manager (training) at First National Bank Centre for Management Studies, spoke of this problem at a Unisa School of Business Leadership (SBL) seminar on "Black Advancement Strategies for Success" in Johannesburg

"Even within the workplace environment, however, the black

THEO RAWANA

manager faces a number of conflicts and inconsistencies. Top management might prescribe non-discrimination, but the black may still confront discriminatory behaviour from lower-level management which has adopted an attitude of malicious compliance

Hostility

"Similarly, he might have had little previous exposure to white informal networks and could feel uneasy with the subtle political in-

terplays between interest groups at this level," said Mokoka

The black man might be the victim of unwilling white secretaries and the target of hostility from the shop floor, Mokoka added. "Corporate SA needs to shift from being high on rhetoric and short on action as far as equal opportunity is concerned, and should start acting now"

He suggested that companies condition environments by adopting programmes directed at meaningful equal opportunities, and by pressurising government to speed up political reforms

Verligte surprise in middle management

By DICK USHER, Labour Reporter

AR645 26/5/89

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WHITE middle managers are much like the rest of us — people struggling to adapt to the demands of a rapidly changing society

And, while conventional wisdom

SURVEY

is that they are inherently more conservative than top executives, a survey by the South Africa Foundation just released shows that they are possibly more forthright on certain political issues than their seniors

The foundation survey covered a wide range of middle managers from 36 companies in the PWV region, testing their views on black advancement, business and social change

It was undertaken by Dr Philip Frankel of the University of the Witwatersrand who found that their views on the broader socio-economic and political issues did not differ substantially from mainstream white opinion, but "to a surprising extent" showed considerable accord with business leaders on reformist issues

A key difference of opinion was that they showed signs of sharp hostility to organised black labour

However, in spite of these apparent contradictions in attitude, Dr Frankel finds that they "have the potential to become an important factor in building and sustaining a

broader constituency in society as a whole for peaceful change in South Africa"

They are overwhelmingly in favour of change and the group surveyed was almost unanimous that the government's reform programme was too slow

None considered it too fast, and a mere 1,6 percent thought it just right

Lobbying

On the role of business in trying to change government policy, 85 percent were in favour, particularly by direct lobbying and through greater co-ordination and unity within the business community, while only 9,5 percent strongly disfavoured the idea

Only 8,7 percent thought removal of National Party from office would be an effective way for business to increase its influence on government

And, if middle managers became State President for a day, they would abolish the Group Areas Act and open discussions with black leaders

Deregulation

These two actions scored highest among actions favoured by middle managers as being in the best interests of South Africa, followed by abolishing apartheid and deregulation

Freeing Nelson Mandela rated about equally with speeding up reform on the RSC format, and there was also minor support for creating an equal opportunity society through a military coup

They are, however, the men in the middle when it comes to black management advancement, when it comes to

applying and executing policy determined by top executives and in the middle of daily interaction with organised black labour

Imbalance

Thus, while strongly supporting change, they almost equally oppose the concept of affirmative action. Nearly 90 percent disagreed with the idea that "in order to correct the racial imbalance in the ranks of South African society we need to discriminate against white managers when it comes to promotion policy"

According to Dr Frankel, they expressed considerable reservations about black advancement programmes in practice and only half regarded such programmes in their companies as successful

But although he found elements of racial prejudice, particularly at the lower end of the scale — where black mobility appeared to be a clear threat to their own prospects — there was also widespread rejection of reverse discrimination as opposed to equal opportunity

Hostility

A full 90 percent argued strongly for promotion on merit alone and half agreed that the biggest problem facing black executives was the racism of their white counterparts

As regards organised labour, managers expressed considerable hostility to the conduct of black trade unions

This area, where middle management interacts with organised labour on a daily

basis, showed quite widespread divergences of opinion and some confusion

Thus, while 61 percent thought that trade unions were essential to communication between labour and management (and 27 percent disagreed), nearly 60 percent thought that trade unions should stay out of politics, but nearly the same percentage agreed that "no black trade union in South Africa can keep out of politics if it is to protect the economic interests of its members"

Danger

About 35 percent disagreed with this, while slightly more than 30 percent agreed the black unions were becoming a danger to the South African economy

Dr Frankel said that most white middle managers (in the PWV region at least) are "largely unaware of the wider implications of black labour, and of the reasons for the politicisation of black unions"

Overall, he found the picture encouraging

The survey showed "ambivalence on the issues of black advancement and organised black labour, this co-exists in our survey with widespread support for change and a rejection of racial discrimination in the workplace," said Dr Frankel

"There are no insuperable obstacles, it would appear, to building on the latter sentiments to overcome impediments to successful black advancement programmes and industrial relations, where such impediments are based on the perceptions of white middle managers"

Sunday Times

BUSINESS TIMES

Wits is on terms with two worlds

SI Times 28/5/87 172

WITS Business School is making great strides in overcoming the problem of providing both specialist education and accommodating the need for general management skills

Deputy director Len Pink says the problem is a long-standing one, and exists in business schools throughout the world

"The situation in SA is, however, complicated by a large proportion of the population which has little or no knowledge of the capitalist system and of business education

"There is also the overwhelming requirement to provide management development programmes for non-profit organisations, particularly in community-public administration"

Informal

Mr Pink says the WBS has several centres addressing the issues of the SA's First World-Third World position

They include the Centre for Developing Business,

By Robyn Chalmers

which attends to the smaller entrepreneur, especially the informal sector, and the Centre for Community Leadership, which is trying to develop managers for community-based organisations

There has been large growth in management education at WBS in the past five years

Importance

Although demand for the full-time and part-time MBA has remained constant, there has been a large increase in the number of people wishing to follow non-degree courses. As a result, business colleges and management schools have proliferated. They offer many programmes, from secretarial courses to strategic management

Mr Pink says "In the past five years the number of students attending a range of executive short courses and certified programmes has quadrupled"

Although the WBS recognises the importance of the MBA and that it must and

will remain a prestige course, Mr Pink says it is concentrating on developing new programmes

"These include the Master of Management, introduced in 1988. It is the degree offered in human resources and allows for specialisation at master's level in a chosen field of study

"Last year, two certificate programmes in marketing management and accounting control and finance were introduced"

He says the highly rated certificated programme on management achievement is now accepted by many organisations as a prerequisite for promotion

Admission to this course is not automatic, but subject to careful selection. About 20% of students on the programme are black and 30% are women

Excellence

One of the main intentions of WBS is to maintain academic excellence, often giving the impression that it is elitist

Mr Pink says this causes a problem for the school because it cannot attract as many blacks as it would like. Its efforts to lift them to higher-level academic programmes are thus impeded

Looking at the significance of a business school and why a student should enter one, Mr Pink says the impetus behind it is to promote research and provide the academic input for obtaining master's and doctorate degrees in business administration

"Academic programmes generate an enormous vol-

ume of research material which is available to staff and students and provides a platform for developing and refining various courses offered by business schools

"At the same time, there is a continuous interchange of ideas between business schools at national and international level. This ensures that course content is of a high standard and up to date

"In addition, inviting members of faculty from local or overseas institutions and organisations to teach at a school provides students with first hand knowledge of latest trends and techniques"

Choice

Mr Pink says that apart from academic courses leading to a post-graduate degree, business schools in SA provide a wide choice of executive ones. Each year, about 75 different courses are offered by SA's six schools

The courses vary in length from a day to six weeks, covering a variety of topics and embracing key functional areas in an organisation

ST 100 28/5/81 (172) (172)

Out of the shadow

BOTH the University of Cape Town and the University of Pretoria business schools are making waves.

Pretoria's school is celebrating its 40th anniversary. It has embarked on a marketing campaign to make the normally low-profile school more visible.

The school has a new director, Tienie van Rensburg, and will soon be housed in a new building. It hopes to forge closer links with the business world, and polish up its international contacts.

The new approach is mainly due to the need to maintain high quality, and attract top-level black students to the school. With the huge assortment of different training courses emerging in this country, it also believes a correct system of accreditation is needed.

UCT, on the other hand, is looking after the fate of SA's much-needed engineers by setting up a school of engineering management. Qualified engineers with up to two years' experience can attend a course.

The course looks at two specific fields — manufacturing and project management. It also encompasses areas in general management disciplines such as statistics, finance, cost accounting, operations research, marketing and industrial relations.

DR DIPPENAR

11 June 28/5/87

Trainers need more than

TRAINERS and training managers in industry are the key people in the bridging process from Third to First World industrial concepts

There is a huge need, therefore to develop and maintain professional standards of competence for trainers and training managers in all industries in South Africa

A professional body has long been called for by politicians and industrial leaders and resulted last year in the formation of the National Institute for Training and Development

Andre Dippenaar, vice-president of the institute, says 80% of all training is task- and skill-oriented. The target group for



Andre Dippenaar
trainers need
academic
qualifications

this training is made up largely of employees with minimal formal education. Dr Dippenaar found in a survey that trainers in industry are mostly technical

people with good line experience and good technical qualifications but with low academic qualifications

This is where the need exists. Technical trainers cannot be seen or classified as behavioural scientists which means that the curriculum for the training and education of technical trainers should differ from that of behavioural scientists

The objectives of the institute are therefore to maintain a professional standard of competence for trainers and training managers to improve the standard of professionalism of its members and to upgrade the quality and effectiveness of training specialists at all levels in every industry.

To achieve these objectives, the institute allows several levels of membership

— a fellow, full, affiliate and corporate member

Dr Dippenaar says, "Fellowship of the institute is awarded at the discretion of the executive council to those individuals who have made a substantial contribution to the profession of training management, obtained the M Phil in training management or given meritorious services to the institute."

"Full membership is given on two grounds. First is experience — applicants must have had a minimum of eight years' training management experience. Second is academic and experience — an affiliate member must have a diploma in training management and at least three

years' experience."

An applicant can become an affiliate member by passing the training certificate course conducted by the institute. Corporate membership is given to organisations

The institute's programmes are pitched at four levels — the trainer certificate course at level one, a training and development diploma spanning 12 months, a training management diploma for senior training managers and an M Phil degree in training at level four

Dr Dippenaar says the contribution the institute is making to productivity in Southern Africa is that for the first time the technical trainer with previous line experience is addressed as far as skills acquisition and improved professional-

ism are concerned

"In this regard the institute's diploma programmes are unique in this country. Its strategies to improve training and training management skills in industry are fourfold."

First, it will ensure improved practical academic qualifications for the training specialist who is not necessarily interested in also studying in the wider human resources management discipline

Second, it has developed consultancy expertise in training management which allows companies to place their training activities on a firm footing. It has developed evaluation instruments never before available to SA companies

Third, the institute is establishing links

with all important actors in the training field, such as international organisations, local government and private companies

Dr Dippenaar says this expertise network will ensure that training expertise will be brought within reach of the institute's members

"Finally, the institute wishes ultimately to establish an accreditation council for the training discipline. We believe these strategies will open up new career challenges for training managers in years to come."

Further information from this non-profit organisation may be obtained from The Registrar, National Institute of Training and Development, Box 1797, Marboro 2063 Telephone (011) 802-8208

work skills

Koopman launches concept kit

THE concepts and philosophies of Albert Koopman's participative management are now available to business managers throughout South Africa

Mr Koopman launched his video kit this week. It gives a step-by-step guide to managers who wish to introduce participative management.

The concept of participative management was evolved by Mr Koopman at Cashbuild, which is

still reporting excellent results after his departure.

He has taken from his experience in this field and produced a kit which consists of a four-part video, process manual, resource material and a leader's guide.

His intention is to offer a type of hand-holding to companies committed to participative management, or who have taken that road. The concept has its roots in Venturecomms, work teams of five people handling labour, safety, merchandise, operations and qual-

ity-of-life portfolios

The working environment of such organisations is based on justice, fairness and trust, which is conducive to developing people — as opposed to black advancement which is regarded by some as a patronising handout.

Cashbuild's Venturecomm creed of trust says it "will serve as a platform for freedom of speech and upward mobility of staff for the active involvement of all races, religions, sexes and creeds in the day-to-day running of a

Cashbuild branch"

The video kit was devised by Mr Koopman in response to frequent calls from managers. It includes a flow-chart so that the manager will know what phase his company is in, and plots the peaks and valleys of the process.

Mr Koopman says "This is not a training programme, but a process. Making participative management work is not a nine-day wonder, but a long-term commitment from the company, to the process."

Star 6/6/89

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White middle managers must adapt to change

By Jabulani Sikhakhane

Corporate black advancement programmes should be adapted to teach white middle managers to cope with the demands of a post-apartheid society, says Dr Gavin Lewis, the Johannesburg director of the South African Foundation

His comments coincide with the view in black management circles and the Black

Management Forum (BMF) that while executive management seems convinced of the need to train and upgrade black managers, the problem lies in middle management.



Dr Lewis

The president of the BMF, Don Mkhwanazi, said in a recent interview that management training and development for blacks had to be extended to whites to enable them to accept change

A survey commissioned by the SA Foundation among white middle managers in 36 companies found that 90 percent rejected reverse discrimination (affirmative action) in principle and argued for promotion on merit

Some were doubtful of the ability of blacks as managers, citing defi-

ciencies in education and training and cultural traits such as lack of punctuality and difficulty in adapting to white corporate culture.

Over half identified white racism as a key obstacle to black advancement. Status and occupational anxieties prompted by the threat of black competition would seem to play a key role among those managers who reject black advancement on racial grounds, particularly those at the lower end of the scale," says Dr Lewis

Two major factors affect the attitudes of white managers

"The first is a widespread rejection, particularly among Afrikaans-speakers, of reverse discrimination, as opposed to equal opportunity"

The second factor, says Dr Lewis, is their experience of black trade unionism.

Afrikaans managers, in particular, find it difficult to cope with trade union rejection of organisational hierarchies

"Unlike top executives, middle managers interface with organised black labour on a daily basis. The experience spills over in their attitudes to black advancement in general and to other areas such as Employee Share Opportunity Programmes. Most managers accept these in principle, but not if they are used as a mechanism for affirmative action"

Dr Lewis says it is evident that

one is not dealing with reactionary bigots, but rather with people struggling to adapt to the demands of a changing society

"Although the survey reveals ambivalence on the issues of black advancement and organised black labour, this co-exists with widespread support for change and a rejection of racial discrimination in the workplace

"There is a need for remedial action. Senior executives have to monitor the performance of black advancement programmes, setting clearly defined criteria for black management development," he says

"There is proliferation of programmes to produce and extend the ranks of black management. Our survey findings underscore that, important as such programmes are, there may be a need to educate white middle managers to cope with the changing demands of a post-apartheid society

"Occupying a strategic position in the corporate hierarchy, middle managers have the power to intervene in reshaping industrial relations and race relations

"In the process, as a by-product, although no less important for being that, white middle managers have the potential to become an important factor in building and sustaining a broader constituency in society as a whole for peaceful change in South Africa"

NICS (PTY) LTD

High rates spike

PUNITIVELY high interest rates will make management buy-outs (MBOs) more difficult because management will have to borrow at these rates to finance a buy-out.

Merchant bankers say the utmost care is taken in an environment of high interest rates, to make sure that companies will be able to handle the high gearing associated with a MBO.

Standard Merchant Bank (SMB) GM Mark Barnes says "SMB is always keen to become involved in MBOs, both from a financing and structuring point of view. But the current economic situation means we have to be very selective."

It is a different story since 1987, Barnes says, when the low interest rates were ideal to support MBOs. But the prime overdraft rate has risen from 12.5% to 20% in less than 18 months.

FirstCorp's Andre Roux agrees "It will be harder to put deals together because of high interest rates. The situation is further aggravated by the fact that high rates have been accompanied by a rising stockmarket for

As the economy moves

into downswing, it will

be far more difficult for

geared companies to

survive the debt of a

leveraged buy-out

most of this year, which has resulted in demanding price-earnings ratios."

But both are emphatic MBOs will remain an important corporate finance activity. Barnes says SMB has more MBOs on its books than a year ago, because of a growing entrepreneurial spirit.

He says "As the economy moves into downswing, it will be far more difficult for geared companies to survive the debt of a leveraged buy-out. They have two factors working against them: the decline in economic activity and the increase in the cost of funding."

buy-outs

B/Pay 12/6/89

FirstCorp, too, has detected a significant interest in MBOs which are not disinvestment-related, with all of the MBOs concluded by FirstCorp this year being entirely South African.

Barnes says "Over 60% of our portfolio now comprises MBOs which have nothing to do with disinvestment. The reason for the interest in MBOs is a recognition that in the SA environment, equity ownership is essential to preserve and attract managerial talent."

He says the size of the company is not really important, but because of opportunity cost, FirstCorp would generally not consider MBOs of less than R5m. On the other end of the scale, the merchant bank can structure an MBO of a company with a purchase price of more than R100m.

Barnes says motivated management teams are very keen on equity ownership.

"A company that can afford a buy-out with prime at 20% is obviously going to make it. We are still actively pursuing MBOs when it comes to quality companies."



Effort to stop brain drain

EXECUTIVE search conducted for South African companies in a global talent pool could help to offset the negative impact of the brain drain

International assignments have constituted a significant part of Woodburn Mann's total business activity in recent years. The company has been retained to undertake strategic planning, management audits and search assignments in countries throughout the southern hemisphere.

This, coupled with the strong international links Woodburn Mann has as a member of the Ward Howell International Group of search consultants, gives the company an extensive and powerful network of contacts.

Many South Africans

working overseas, as well as many international executives, have been brought to positions within SA companies in recent years, and negotiations of this type are always a possibility.

Germany's top management magazine recently published a feature on Woodburn Mann's search activities in Germany for the South African subsidiaries of German-based companies. A photograph of Dr Trevor Woodburn appeared with the caption (translated) "Ward Howell headhunter Woodburn wants to lure frustrated German managers around the age of 50 into the bush."

Says Woodburn "SA does offer new career opportunities to international executives. For one thing, living standards are still high, and for a similar salary, the

executive may for example live in a far better home.

"Particularly in the over-45 age bracket where the executive may have reached the top in his field overseas, a move may give him a new challenge."

Woodburn states optimistically "We are going to reverse the brain drain which has bled SA's management resources in recent years with international search."

Nevertheless, he reminds that statistics paint a grim picture of the fast-approaching year 2000.

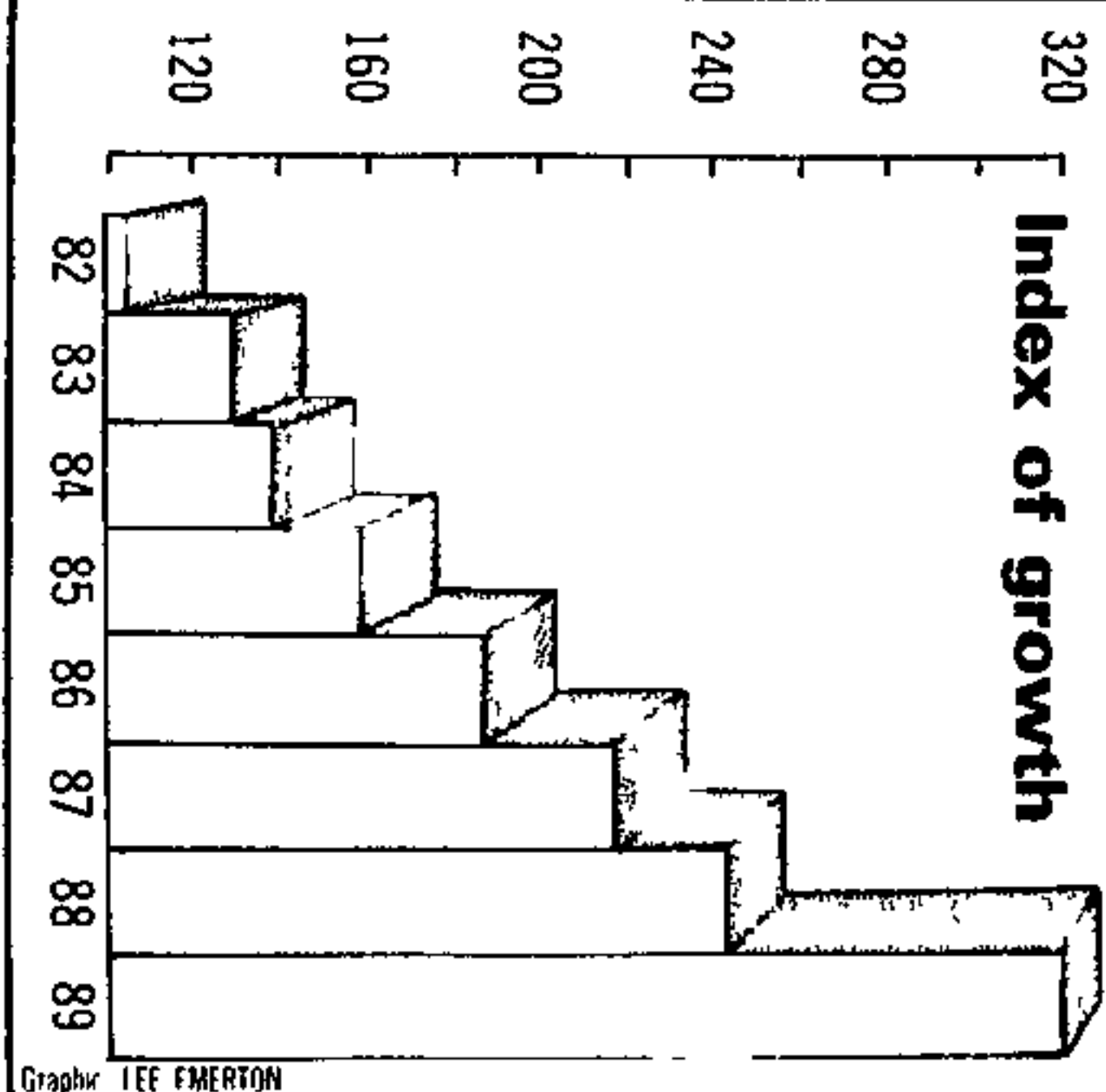
"By 2000 SA will need at least 120 000 additional senior executives if we are to maintain even our currently low growth rate. At best, only 45 000 can come from the white population. Other population groups will have to provide at least the other 75 000."

Business Day

SURVEY

The Woodburn Mann Group is one of Southern Africa's leading executive search and management consultancies **SUSAN RAMWELL** reports on the group's comprehensive range of human resource services.

WOODBURN MANN GROUP
Index of growth



Listen to some advice

ANY organisation looking wisely to manpower for its future success does well to listen to the advice of experienced consultants such as those within the Woodburn Mann Group.

All too often the high ideals set by the organisation for its new manager are contradictory — for example, it expects a great leader who will be content to remain a good second in command, tough enough to change the organisation radically, yet both emphatic and conciliatory.

Woodburn Mann senior consultant Brian Hosking says "There is no man for

Finally, says Hosking, "The consultant should stay in regular contact with you throughout the search process. At Woodburn Mann, even where we have long-established relationships with clients, we maintain disciplined regular contact and feedback."

"You are going to be exposing to that person intimate details of your business, and you are appointing him to represent you in meeting with candidates."

Expensive

Hosking's advice to any organisation looking for top manpower is to primarily decide which recruitment mode to use. Once the decision to use search is made, decide who to use.

He says "Do shop around. Search is an expensive exercise so you are entitled to choose a consultant you can be comfortable with and can relate to."

"The more the criteria are relaxed, the more one might consider moving down the line towards selection."

The better defined the characteristics required of the job candidate, the greater the need for search to fill the position. If the candidate is a rare bird indeed — a specialist among just 20 in the country for example — search is probably mandatory.

"The more the criteria are relaxed, the more one might consider moving down the line towards selection."

It is here — in a dynamic situation — that "search" is most likely to be distinguished from other modes of recruitment. But Hosking makes the point that there are no hard and fast rules governing when "search" should be used as opposed to selection or general recruitment. He says it is preferable as a guideline to consider that the further up the corporate ladder one moves, the more important is the use of search.

The better defined the characteristics required of the job candidate, the greater the need for search to fill the position. If the candidate is a rare bird indeed — a specialist among just 20 in the country for example — search is probably mandatory.

Blacks must prepare to fill skills shortage

By AUDREY D'ANGELO
Financial Editor

DEMOGRAPHIC factors make it inevitable that black people will eventually dominate "all the infrastructures of our society", the national president of the Black Management Forum (BMF), Don Mkhwanazi, said in Cape Town yesterday.

Stressing the need for blacks to acquire managerial and other skills in preparation for this, Mkhwanazi said the brain drain was already causing difficulties in SA.

SA blacks must prepare now to avoid facing the same problems as "our brothers in Zimbabwe", where emigration after independence caused a critical shortage of skills.

"When we arrive at our promised land, the political kingdom, we must not be caught napping and ill prepared for our task."

Mkhwanazi and Linda Human, who heads the Centre for African Management at the University of Cape Town Graduate School of Business, were speaking at a breakfast in the Newlands Sun to launch the third annual BMF Excellence in Achievement award.

Human advised BMF members to avoid becoming token managers without real responsibility. They should look for jobs with the potential to develop rather than a fat pay cheque.

She said that SA companies should practise affirmative action in selecting black candidates for management training but subsequent promotion should be on merit regardless of sex or race.

However, she warned that black trainees and managers were sometimes handicapped by negative expectations from their superiors. They

should be seen as individuals not as stereotypes.

Mkhwanazi said the oversupply of unskilled labour, under-utilisation of manpower and millions of unemployed represented "a highly explosive — moving — time bomb within our borders".

"This time bomb must be defused by investment in human resource development programmes and the upgrading of skills of our lower level manpower."

At the same time a shortage of work skills inhibited economic growth. Training and development should be regarded as an investment from which both the employer and the country could reap numerous benefits.

Black managers were privileged members of their community and had a duty and a responsibility to plough back some of their resources into it.

"It is their responsibility in concert with other relevant organisations to see to it that this country does not become an economic wasteland or a banana republic — as seems to be happening now."

He continued: "One area where black managers can contribute is by making sure that all members of our society are allowed to develop to their full potential."

There was no doubt that blacks would eventually run this country.

"We must prepare ourselves for our eventual dominance of all the infrastructures of our society."

Pointing to events in other countries, Mkhwanazi went on: "We have seen how political power has not been translated into concrete economic terms elsewhere for a number of reasons. We have seen economies failing to create jobs and wealth opportunities after Uhuru."

"The development of our greatest asset, our people and our numbers, has become critical."

Stressing the need for individuals to make the most of every opportunity for self improvement, Mkhwanazi said that although the whole world knew that blacks in SA had been handicapped from the start "the time to blame apartheid for everything is flying past".

Individuals must rise to the challenge. The people who would be honoured by the BMF Excellence in Achievement Award were blacks who had succeeded against all odds but had not forgotten their roots.

The prestigious award, sponsored by Kelloggs, includes two weeks study in the US for the national winner.

It will be presented to the man or woman belonging to the BMF who has demonstrated the greatest management abilities.



Moeketsi Shai has been appointed executive director of the Black Management Forum. He is a systems engineer at a major computer hardware and software company. His appointment, announced at yesterday's launch of the Excellence in Achievement awards, has ended a year-long search for the right candidate.

ONE TIME
15/6/89
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Women managers wanted

By Shehnaaz Bulbulia

Women executives are not only few and far between, but they are now believed to be an endangered species

The University of Pretoria's Graduate School of Management intends to rectify this by launching a unique programme on "women as executives" later this month, which aims to focus on women employees as high level resources

A specialist in this field, Professor Ronel Erwee, will talk on the topic, "Beyond the Foundations of Female Advancement".

Professor Erwee is a member of the university's Graduate School of Management and has created a programme for women achievers who are moving up the corporate ladder or who are in management positions

She says there is an acute shortage of high-level skills in the workforce

"The National Manpower Commission (NMC) reported that there is an increased need for people with generalised instead of specialised skills."

Despite the recognition of the need and the urgency of training for managers, the NMC found, in a 1986 survey of management training in large private sector companies, that 80 percent did not provide any training for their managers.

"In 1987 the NMC reported that women have increased their contribution and are the second largest source of high-level 'manpower'," she says.

The continued existence of female executives as a scarce resource can be assured through innovative training programmes

Companies are invited to select women from their organisation to attend the programme, which will be held on the campus of the University of Pretoria on June 28.

For more information, telephone (012) 420-3372.

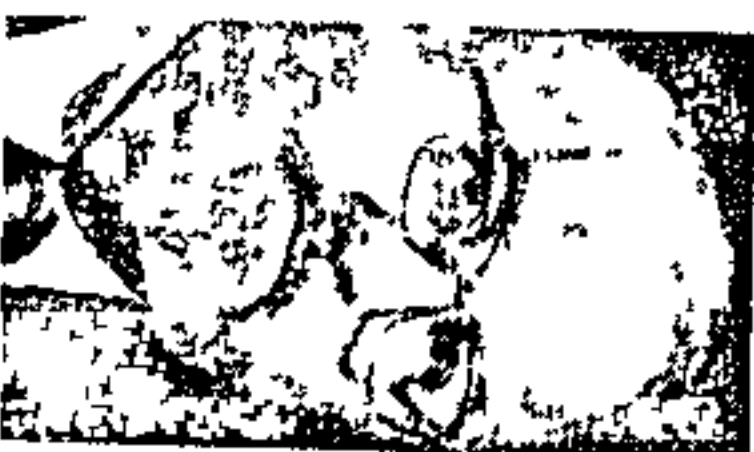
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PAGES AND PAGES OF THE BEST JOBS IN SOUTH AFRICA

The wrong approach to equal opportunity

S/Times
25/6/89



Michael Lane
new attitudes
before new structures

EQUAL opportunity programmes have taken off in a big way in South Africa but serious questions are being raised about the attitudes of white management towards them.

Virtually every organisation in this country has some method in force to remove racial discrimination. Eskom is a prime example employing an independent consultant to supervise its integrated equal opportunity programme.

The sway towards black advancement has been relentlessly pushed by the trade union movement, and a recent survey by the SA Foundation shows that white managers resent this.

The survey showed that much of this resentment appeared to be because of innate racialism combined with a diffi-

cultant Michael Lane believes the point of departure is the acceptance of the fact that we in SA are part of Africa.

He says we live in a developing country but the majority of our people are still rooted in the culture of Africa — and we tend to forget it.

When we are planning the political future the role of democracy etc we tend to apply Western norms we see in political models with Western eyes and talk very glibly about participation in a free market society to people who haven't a clue what it means.

'And we dwell on democratic principles which are not accepted elsewhere in Africa. Surely we should first strive for new attitudes rather than new structures.'

Yet ingrained attitudes after centuries of racism are difficult to change. For example Mr Lane says whites still per-

ceive countless shortages in black employees.

These include a lack of fundamental comprehension of the work ethic poor time management ignorance of the organisation structure and the function of the employee as well as inept communication style skills and performance.

As a result of these perceptions white managers tend to have low expectations of black behaviour are ignorant of blacks' actual values and often fail to motivate blacks within their jobs.

How does this affect equal opportunity programmes? Quite significantly. The SA Foundation survey found that only half of the managers interviewed regarded these programmes as a success, and about 41% believed black managerial appointments were purely tokenistic.

Reasons for regarding blacks as poor managers get us right back to essentially racist criteria — difficulty in adapting to a white corporate culture cultural traits such as punctuality and a deep-seated belief that blacks do not have the mental ability of whites.

Contrast this with the real need SA has for managers and whites are caught in something of a dilemma. The University of Stellenbosch estimates that 500 000 managers will be needed by the turn of the century.

LSA SA Leadership Exchange Programme director Lionel Masala says that SA will need 219 000 black managers by that time. This means 43.8% of managers required by the year 2 000 will be black.

The white manager is no fool he understands economic considerations and so he supports equal opportunity programmes in theory. Although I am fully aware that some of these programmes

are a roaring success one must ask what effect white attitudes is having on others.

I do not support tokenism in the least. If a black becomes a manager he does so because he has earned his stripes and if an equal opportunity programme is to be worth anything at all it should have identified certain criteria within the potential manager.

Mr Lane says these include strong underlying achievement drives cognitive skills — analytical and problem solving ability the propensity for moderate risk in writing and demonstrated initiative and/or creativity.

Other criteria include awareness of the political and social aspects of life and the consequent flexibility to adjust be-

haviour accordingly a strong belief in oneself self confidence and empathy with superiors equals and subordinates. Further qualities are individualism maturity knowledge of business and of the concept of business as a whole and perhaps most important of all an understanding of the expectations which one finds in the business environment Mr Lane says.

There are a growing number of blacks in SA who fit all the criteria. If they opt to become involved in what many see as a capitalistic bureaucratic organisation they will make excellent managers.

They do however need mentors who pay more than mere lip service to equal opportunity programmes. Whites have the power to reshape the way SA will look in the 21st century and can make a positive contribution to ensuring a prosperous, peaceful country.

Lets hope they don't pass it by

Investment in staff training pays off

5/17/89
IT is gratifying to learn that in South Africa, a company which trains its staff regards the amount spent as an investment not an expense

In a country which is crying out for skilled people, the higher the quality and support of a training programme, the higher the returns on the investment in it

It should form part of every company's business strategy by developing its key personnel to meet the challenges of the day and the future

PLS focuses on the education of sales, service, management and administrative staff, and is launching Target 2000 — a sales training system which has been revised, updated and expanded to meet the needs of the 1990s

Separate

The research and development of Target 2000 has cost \$11-million so far. The work was undertaken by three groups in the US and Canada, and the outcome was consistent with European studies

The three groups concentrated on separate issues

The US group determined how businesses would market and sell in the future

The Princeton Research and Consulting Centre conducted a study of the market to find out what kind of training businesses needed to train their people

Interviews were held with members of Learning International's salesforce to gather data on market preferences

Roles Research — the third group — included two studies to ascertain what makes salespeople and sales managers effective

SA is facing similar sales and market trends to those of America and Europe, and the common implications were drawn together in the development of Target 2000

The curriculum was developed in 20 modules under three category headings — effective selling, specialist selling and sales management

Neglected

The seven critical content modules in the first category are

- Initiating business relationships — first impressions count
- Interactive listening for salespeople — the neglected skill
- Need-satisfaction selling — do not sell your client something you know is not what he wants
- Professional selling skills, which come in four videotape versions which address tangible and intangible products with long and short sales cycles
- Professional telephone-selling skills — a telephonic version of the above
- Telephone prospecting — how to gain that qualified appointment
- Time management for salespeople — work smarter, not harder

Advanced

The second category heading — specialist selling — includes advanced content modules:

- Account development strategies — handling complex accounts
- Added-value selling — side-by-side selling
- Interpersonal selling strategies — building positive business relationships
- Probing strategies — asking the right questions
- Sales Challenge — a video-disc series providing simulations for success
- Self-leadership for salespeople — going that extra mile
- Selling against the competition — the competitive edge
- Successful sales negotiations — understanding, planning and conducting sales negotiations

Winning

The third level of the curriculum is aimed at sales management

- Challenges of sales management — importance of their roles
- Developing your sales team — the winning ingredient
- Professional selling-skills coaching — protecting your investment
- Time management for sales managers — the complete tool kit

The critical content of the effective selling modules assumes no prerequisite mastery of product knowledge, market knowledge and selling experience — it is aimed at the less experienced salesperson

The advanced modules assumes mastery of the critical elements

PLS can prepare you for the year 2000, this year

Management rodents

AN estimated 85% of South African chief executives are accountants, and author Barry Ekman believes this could be the cause of many inadequacies in management styles

Mr Ekman says in his book, *Getting On the Ball: The Corporate Winning Process*, that it is ludicrous to call accountants managers if

one defines management as getting work done through other people

"The knowledge and skills required to motivate and lead people are certainly not included in the education portfolio of accountants"

He maintains that 10 years ago, SA executives may have been competent, but circumstances have changed

"The macro-environment has changed so fast, and technology too, that many of our

managers are incompetent and suffering from future shock and the ostrich syndrome — hiding their head in the sand and hoping sanctions, trade unions and the poor economy will go away

"More importantly, however, SA managers are ignorant of the facts pertaining to these issues"

He uses the term rodent management to describe a type of management style, and says it is widespread, but

practised mainly in large organisations. He refers mostly to two categories of managers

The corporate rat is typically a yuppie who is a master at rumour-mongering and sowing discontent. He is skilled at manipulating people

The corporate mouse, on the other hand, is described as the worst decision maker because he seldom does any-

thing without minimising risks

"A corporate mouse is a stickler for detail. This is why most corporate mice can be found in functions such as accounts and finance, personnel and administration"

Mr Ekman believes that investment in human capital is drastically needed in SA. He says that in spite of the fact that SA is a developing country, it spends four times less money and time on training and development than Japan, and 20 times less than America

SA Times 21/7/89

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Black management leader braced for new challenges

SHW 5/1/89

By Sue Olswang

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Mr Moeketsi Shai, the newly appointed executive director of the Black Management Forum (BMF), is looking forward to being part of a changing South Africa.

"Resigning my job to join BMF was a vote of confidence in the organisation and the role it is destined to play in contributing towards shaping a new South Africa," said Mr Shai. "I accept the challenge headlong."

STALWART

Regarded as a BMF stalwart, Mr Shai (31) resigned as systems engineer at a major Johannesburg computer and software company in order to take up his new position as executive director of BMF, a position he assumed on July 1.

Mr Shai's responsibilities at BMF include directing and co-ordinating all management development and training programmes, advising and recommending policy to the board and maintaining positive relationships with leaders in industry, commerce, education and communities.

"Ketsr", as he is popularly known in

BMF circles, was elected chairman of the Cape Town branch in 1986 and is reputed to be one of the mainstays behind moulding the organisation into its present growth level.

Mr Shai matriculated from St John's College in Umtata, Transkei, in 1976. Fresh from school, he spent one year teaching mathematics and Afrikaans at an Umtata school before entering the University of Cape Town in 1978.

He graduated with a BSc degree and then moved into his first experience as a systems engineer in Cape Town with the firm now known as Information Services Management.

Mr Shai moved to Johannesburg in 1987.

INTERACTION

Fed up with dealing with technical and scientific systems, he took up a position offering more interaction with people. This job was services accounts manager at South African Breweries.

Mr Shai's second stint as systems engineer, before the BMF appointment, was at Corporate Management Services in 1988.

Now based in Johannesburg, Mr Shai is married with two children.

Star 6/7/89

US commission to raise funds to help blacks

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By David Braun, The Star Bureau

WASHINGTON — The US Congress is to set up a special commission for southern Africa to provide for the training of disadvantaged South Africans and Namibians for middle-management jobs in government and business.

The House of Representatives has passed a law providing for the United States Commission on Southern Africa, which is to raise funds from the private sector.

The law defines disadvantaged South Africans so as to include refugees living in other countries.

The commission has been established by the House because of the great disparities between whites and blacks in South Africa, particularly in education, health care, employment opportunities, and availability of housing.

The House cited a June 1988 report of the *Weekly Mail* which stated more than a million black children between the ages of seven and 16 (21 percent of the school age population) were not attending school in South Africa, and that in 1988 more than 21 000 black pupils were not admitted to schools, while more than 23 000 spaces were vacant in white schools.

Congress also noted the tremendous disparities between blacks and whites in respect of medical professionals and health care services available to them, and the high level of unemployment among blacks.

The commission has been proposed at a time when there is growing support in Congress and the administration to bump up support for South Africa's deprived people, while cracking down more on the Government and the white community.

The commission is to be composed of 11 persons, seven appointed by the president (no more than four from the same party), one appointed by the Speaker of the House of Representatives, one by the minority leader in the House, one each by the majority and minority leaders in the Senate.

The commissioners will serve for a term of four years and no person may serve consecutive terms. They will not be paid for their services, except by way of a refund for their expenses.

The funds to be raised by the commission may not be used for programmes conducted by or through organisations financed or controlled by the South African Government.

The law says. "Such funds may only be used for programmes which in their character and organisational sponsorship in South Africa clearly reflect the objective of the majority of South Africans for an end to the apartheid system".

CARTE BLANCHE



By David
Carte,
BUSINESS
TIMES
Editor

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ST Times
9/17/84

The management and leveraged buyout phenomenon could start in earnest in SA soon.

More than 30 management buyouts (MBOs) have been effected — and this is only the beginning, says Andre Roux of First Corp, which has overseen about 25.

Hennie van der Merwe, managing director of Finansbank, agrees that the day of the MBO is long overdue. Expecting a spate of MBOs, stockbroker Frankel, Kruger, Vinderine is bringing out five of the biggest names in the business in the US. They will address a seminar at the Carlton Hotel, Johannesburg, on August 3.

Mr Roux says "At first, responsible observers condemned MBOs, LBOs and the junk bonds which were used to finance them. But so many have been successful that people are thinking again."

He says the personal aspirations of management teams are driving the revolution. Top people with an entrepreneurial streak are tired of being professional managers, operating as salaried employees in a grey blob of institutional money.

They want to run their companies for their own account — and when they do, they acquire a new hunger. They slim down operations, sweat the assets and maximise profits. Many are able to repay the debt they incur in the purchase well before time.

Mr Van der Merwe says "Top people working for an institution tend to relax and motivation can suffer. They become caretakers, not managers."

The MBO movement has been made possible by new views about risk among merchant banks. For years, it was regarded as unsafe to gear up more than once — but experience in MBOs suggests that it can be safe to gear up five to 10 times, depending on the quality and value of underlying assets.

Typically, equity constitutes 15% to 20% of capital after an LBO. Commercial banks supply 40% by way of senior (ie, secured) long- and short-term debt, and the rest comes in the way of junior or mezzanine debt, which is raised by junk bond issues through a merchant bank.

Some examples of successful management MBOs in SA include Bruce McInnes's purchase of Hudaco and Group Five management's last-gasp grab of its own company from the jaws of Murray & Roberts. Both companies have done better on their own.

Jeff Liebesman's fabulous success started with an MBO of Form-Scaff. Sol Kerzner pulled off a great one with the formation of Sun International.

An earlier example was management's take-out of the Calan minority, its stripping of the company of all but its shoe interests and bringing it back as Conshu. It is today No 1 shoemaker in SA.

Managements took over successfully in the case of several disinvestments. Examples include IBM, General Motors, General Electric, Exxon and Hewlett-Packard.

The SA experience confirms Boone T Pickens's contention that one should hold only the shares of companies in which management has 80% of its personal wealth. A

Lean and hungry managers

few examples — Rembrandt, Altron, Liberty, Pick 'n Pay, Toyota and Seardel.

SA merchant bankers believe it is not inconceivable that we could see multi-billion-rand MBOs and LBOs in SA. They believe that large companies at discounts to asset value — even some mining houses, which trade at discounts of up to 50% to underlying value — would be logical targets.

Theoretically, all parties can score in MBOs because the same assets are made to work more productively. Sellers get large premiums over market value for the shares they sell. Managers come to own the assets and, if successful, can make millions for themselves.

Minority shareholders can choose between the premium offered on purchase and staying aboard to reap the benefits of management's success. Merchant bankers and stockbrokers do well on fees and scrip picked up as underwriters and commercial bankers on increased loan books.

In SA, MBOs could be used to reduce institutional dominance of the private sector. Privatisations are MBOs of a kind.

Frankel Kruger has told me the names of the speakers at its conference. They are heavyweights involved in some of the world's biggest MBOs.

Mr Roux acknowledges that there is a negative side to MBOs. In the US concern has been expressed about too much debt and not enough equity capital in corporate financial structures. Banks are exposed to the tune of \$17-billion. In the UK, MBOs total £5-billion.

Mr Roux concedes that casualties are possible, but he believes SA is nowhere near even a healthy balance.

In a market as illiquid as ours, many controllers will not be interested in the cash they are offered for top-quality shares because exchange control presents them with an acute reinvestment problem. The lack of clarity about capital gains also makes for reluctant sellers and an illiquid market.

It is a pity these obstacles exist because it is precisely because of institutional dominance of the private sector that we so badly need this revolution. Even so, MBOs will take place with increasing frequency, particularly where companies don't fit

Management focusing on social and political trends

Finance Staff

A significant aspect of the recent batch of company annual reports is the apparently greater attention management is devoting to social, political and economic trends

This reflects the growing awareness by management of the interplay between trends on these fronts and company survival and profitability. It also reflects the volatility and high degree of uncertainty facing business

A year ago gold was looking steady in the \$430 region, the JSE overall index was 1870; the prime overdraft rate was 16 percent and the weighted average exchange rate of the rand against the most important currencies was 45,9

On Friday gold, at \$385, was being judged by many to be recovering from the indifferent-to-negative world sentiment that had held it below \$370 for a number of months.

The JSE overall index currently looks reasonably well supported at 2500; the prime rate is 20 percent and the weighted aver-

age exchange rate of the rand had eased to 42

On the political front, a year ago President PW Botha was looking fairly well entrenched and few businessmen would have tipped FW de Klerk as his likely successor.

The Namibian situation now looks as though it will be far more quickly resolved than most would have hoped a year ago.

These are some of the key factors that impact one way or another on the working lives of businessmen.

In the local business environment survival in the long-term requires management to take a view on these as well as on a myriad of other factors

As Anglo director Clem Sunter has said: "Around the world, the best companies have a clear idea of where they want to be in the mid to late 1990s. In SA, that means going through a twofold process

"Firstly, one must gain an insight into the long-term possibilities for the socio-political environment

"Secondly, one must continually be testing the objectives of

the company against these possibilities. Only by being sensitive to the gradual or sudden changes in the environment, can a company formulate a strategy that will carry it through the rapids ahead"

At a Megatrends conference last July, businessmen were afforded one of the rare opportunities to listen to a variety of speakers discussing what they felt the future held. The speakers came very diverse social, political and economic backgrounds

Next week there will be another Megatrends conference. It will be entitled "The New South Africa". Again the speakers will come from diverse backgrounds. Aggrey Klaaste, editor of the Sowetan, Dr CJ van der Merwe, Minister of Information, Frank le Roux, chief whip of the Conservative Party; Alan Hendrickse, leader of the Labour Party and Dr Denis Worrall, co-leader of the Democratic Party

As with last year's conference, the organisers are aiming to provide delegates with the information and views that are essential inputs into strategic planning

Change in ethics

IN 20 years the nature of the business world and the environment in which credit management or a controller of credit has to function has changed

Robertson Reports' head Emlyn Robertson says today's credit decisions are influenced by interest-rate fluctuations, the emergence of many new businesses, changes in business morality and increased fraud

High interest rates are one of the most unpredictable and costly factors that affect all businesses, he says

They make it important for credit granters to know to what extent their customers are reliant on bank finance and the effect a sudden rise in the bank rate may have on their liquidity

In addition, a new entrepreneurial element has emerged in SA as a result of certain economic pressures over the past few years, says Robertson

However, it is a statistical fact that only two out of five new businesses succeed within the first three years of their existence, he says

But the most important factor affecting credit decisions today is the prevailing standard of ethics among the majority of businessmen

Although a manager of credit enters into agreements with varying legal entities, whether he gets paid on time or gets paid at all depends largely on the morality of the various persons managing the financial resources of that entity.

Robertson says it is a sad comment on the deterioration of business ethics in our time that the worst abusers in taking extended terms are often the large corporations.

They have worsened the situation by sending a ripple effect through the whole economy, down to the smaller operations who find it necessary to adopt this morality in order to survive

WOMEN have become a force in business, but many still face barriers which exclude them from top management

The traditional perspective of women being only homemakers and men being breadwinners is prejudicial to females. But research shows that many women lack insight into the nature of power politics in organisations.

National Institute for Personnel Research (NIPR) chief specialist researcher Jopie van Rooyen said at a conference this week on working women that it was

It's still uphill for women

51 Times 9/7/89

generally accepted that the SA economy could no longer function effectively without women's contribution

"It is important to identify the reasons why so few women are found in senior level management and executive positions. A lot of it has to do with power politics.

"Apart from women experiencing tokenism in the organisational context they also experience barriers based on residuals of traditional gender socialisation.

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"Regardless of the power strategy used, men are more likely to be assumed powerful than women by both males and females. Competent women are often accepted by those in power as valued assistants, but not as powerful in their own right."

Dr Van Rooyen said that if women were to move into positions of power, they must ensure that their presence was felt in an organisation.

Political consultant and Idasa director Frederik van

Zyl Slabbert spoke on the challenges facing the career women in the 1990s. He said the central issue of conflict in SA was white racial minority domination, and the biggest challenge facing all South Africans was how to become one nation.

He said subsidiary challenges evolving from this which every career man and woman would be faced with include accelerated urbanisation, local government structures, education and job

creation.
"Over the next 10 years, SA will see urbanisation as never before. At present, about 50% of blacks are urbanised, by the turn of the century 67% are expected to be and by the year 2005 about 70%.

"The demands for housing, transport, job creation and education will be fantastic. Lifestyles will change, and business people should see this as an opportunity and not a threat."

Bad management destroys

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COMPANIES that are badly managed in any sphere of operations, not only in credit control and management, are the ones to fall out when the economy goes into a downswing.

High interest rates and exchange rates are only catalysts to liquidation, but they do not cause it, says Ernst & Young partner and liquidations division head Philip Reynolds.

Poor management, propped up by easy conditions in good times, makes it difficult for a company to survive a downswing.

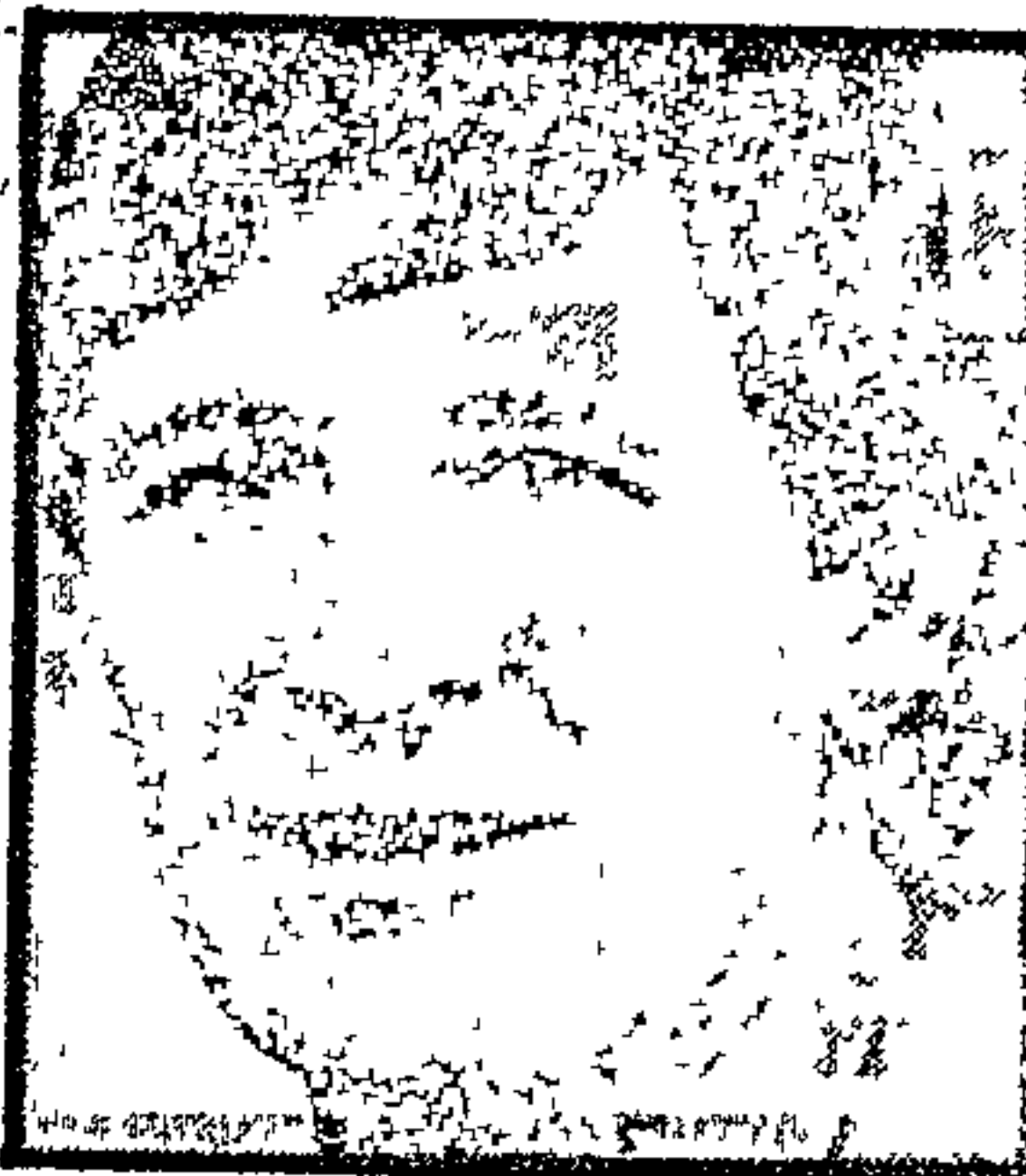
The profits of well-managed companies may decline during a downturn, but these companies survive as they identify problems and take corrective action earlier on.

Exposing

13 Aug 20/7/84
Badly managed companies wake up too late and keep borrowing themselves deeper into debt, says Reynolds.

The problem of poor management allows for over-gearing, exposing the companies to interest-rate fluctuations.

Reynolds says Ernst & Young is very often involved in the redistribution of resources to better management, particularly when it is a good business that has been badly managed.



PHILIP REYNOLDS

Upgrading business course

Sowetan 28/7/84

Executive Education (EE) has started career guidance and personality profile analyses to upgrade its business management training course.

It has acquired exclusive rights to the internationally-renowned Thomas International System for its Business Management Diploma Course.

"A Thomas International personality profile analysis will benefit both students and their future employers," EE managing director, Mr Rex Drew, said.

"The new career guidance and counselling service is easy to administer and non-hostile. It will improve performance and productivity and help in determining the students' strengths and skills. It will enable students to find most suitable careers".

Device

It was devised in America 45 years ago and is used in over 20 000 companies worldwide. It was introduced in South Africa in 1986

"The system has gained wide acceptance in South African industry," Mr Brian Richardson, managing director of Thomas International SA, said.

"It is used recruitment, manpower planning, training and development, effective team building, staff motivation, management selection. The system has proved to be dependable and professional. It provides a bases from which they are better able select, evaluate, train and manage their personnel."

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Office automation steps up production

2/Tues 13/8/89

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GRAHAM BENDELL

MANAGEMENT productivity can be improved if companies consider seriously the use of office automation software as soon as their systems are installed.

Graham Bendell, marketing director of GBS South Africa, says his firm has proved that there are tangible cost savings to be gained from OA.

"Office automation is not word processing," he warns prospective users. "It is a fully integrated, multi-functional electronic system designed to assist all levels of an organisation to share common information on a need-to-know basis."

"The major advantage of using office automation systems from the start is the boost it gives to efficiency. Electronic mail systems which enable people to leave messages and exchange information without making contact is an amazing decision support system."

Stretched

A major benefit of OA is that no company is too small to benefit from it. Mr Bendell says OA can increase the productivity and efficiency of 10 users as easily as it can 100.

"The chances are that in a small company staff resources are so stretched that employees need all the support they can get from computer systems. OA can supply that support."

A case study of a marketing organisation using an OA system showed that 80% of decisions were made on the day the issues arose.

"Previously, getting a decision out of anyone was a major problem because people were never in the office at the same time. Now a sales person can send a message to a manager who is unavailable, go out on a call, and find that query answered when he returns to the office. He can get on with the job without waiting to talk to anyone."

The average memo answering time was two hours and eight minutes,

says Mr Bendell.

The accuracy of messages also improved with the use of OA. Because most workers in an office are not typists, they make their messages as succinct as possible — and they are therefore more easily understood.

Because the system has automatic logging facilities, senders can see the time and date the recipient read the message, so there is no chance of "lost" communications.

On the financial side of the business, 87% of accounting queries were cleared on the same day. Debtors days overdue were reduced by 29 working days and accounts at all branches closed by the second working day.

Mailing

Another major benefit of OA systems is the ease with which meetings for decision makers can be scheduled because diaries are kept on the system.

Having an office automation system between branches brings major cost savings. It cuts down the cost of couriers delivering documents or delays in the post.

In the case study telex use was cut by 92%. The telex and telephone bill was reduced by 58% and photocopier use by 42% because electronic copies could be sent. Filing was reduced by 52%.

Staff announcements were also made easier. Using the system to communicate one message to 425 staff members took 40 seconds.

Specific mailing lists can be compiled by users to send messages to various categories of staff.

Changes to price lists are immediately available to all sales staff within 32 seconds of the decision.

Mr Bendell tells of a major push that took place recently to move stock before import surcharges came into effect. The information and price lists for this campaign reached all sales staff within a minute, meaning they could get to work immediately.

R250 000 skills booster

STimes 20/8/84 *(179)*
SANKORP has put up R250 000 to start the SA Skills Foundation, which will address the growing skill crisis.

Sanlam chairman Tjaart van der Walt announced in May this year that Sankorp and Sanlam would establish the foundation to mobilise the private sector and set up a forum which could be proactive in lessening SA's skills shortage.

Dr Van der Walt says a wide range of people in the private sector have been approached to join the foundation. He hopes that the full board of directors will be announced before the end of August.

He says the Foundation will aim to stimulate more private-sector investment in training, changing the skills profile and raising productivity.

MANPOWER
MIRROR by
ROBYN
CHALMERS



PAGES AND PAGES OF THE BEST JOBS IN SOUTH AFRICA

New deal for apprentices

STILL under 26/8/89

THE Manpower Training Amendment Bill, to be presented to the new Parliament, could herald a new order.

Amendments to the Manpower Training Act were tabled in Parliament this year after a joint National Training Board (NTB) and Human Sciences Research Council (HSRC) investigation into artisan training.

Federated Chamber of Industry (FCI) labour adviser Gerrie Bezuidenhout told an FCI conference he was confident that the Bill would be passed this year, causing major changes in industry.

The Bill proposes a new structure, known as industry training boards, that will take over the function of the Department of Manpower in artisan training.

Mr Bezuidenhout said the present time-based system of artisan training, which had not succeeded in providing

the required numbers of skilled workers, would be replaced by a modular, competency-based system.

Apprentices would be able to progress at their own rate through a series of modules and the final evaluation would determine both the practical and theoretical level of competence attained. Trade testing would be decentralised.

Mr Bezuidenhout said the Bill provided for private-sector responsibility for training in specific industries.

"What may not generally be known is that the Bill does not only provide for artisan training. Industry training boards can provide for other types of skills training as well."

"These boards will be in a position to determine the specific training needs of its industry sector as circumstances require — for instance, when a struc-

tural adjustment programme is to be introduced for that sector."

The Bill also provided for industry boards to promote training in an economic downturn. This was important because training budgets were usually the first to be reduced.

Another interesting specific function granted to industry training boards would be the promotion of closer co-operation with formal education in curriculum development.

"The Manpower Training Amendment Bill, in summary, grants a system of self-government to industry as far as training is concerned. The only problem would appear to be that there are certain industry sectors that do not yet have training boards or other structures that could be converted into training boards."

"These sectors are encouraged to seriously consider establishing their own training boards."

Mr Bezuidenhout said one of the

many advantages of the new system would be that small companies could benefit from its training activities. He saw the training and education strategies to be adopted by individual companies as falling into two broad categories.

The first aimed at drawing the manpower and skills required by the company and the second looked at the use of existing manpower and skills.

"In order to attract manpower with the required skills, bursaries and sponsorships can be granted to selected pupils, the company can participate in career guidance activities, it can provide vacation employment and it can adjust its remuneration policies and promotional opportunities to attract staff of the right calibre."

"It can ensure the more protective and efficient utilisation of existing

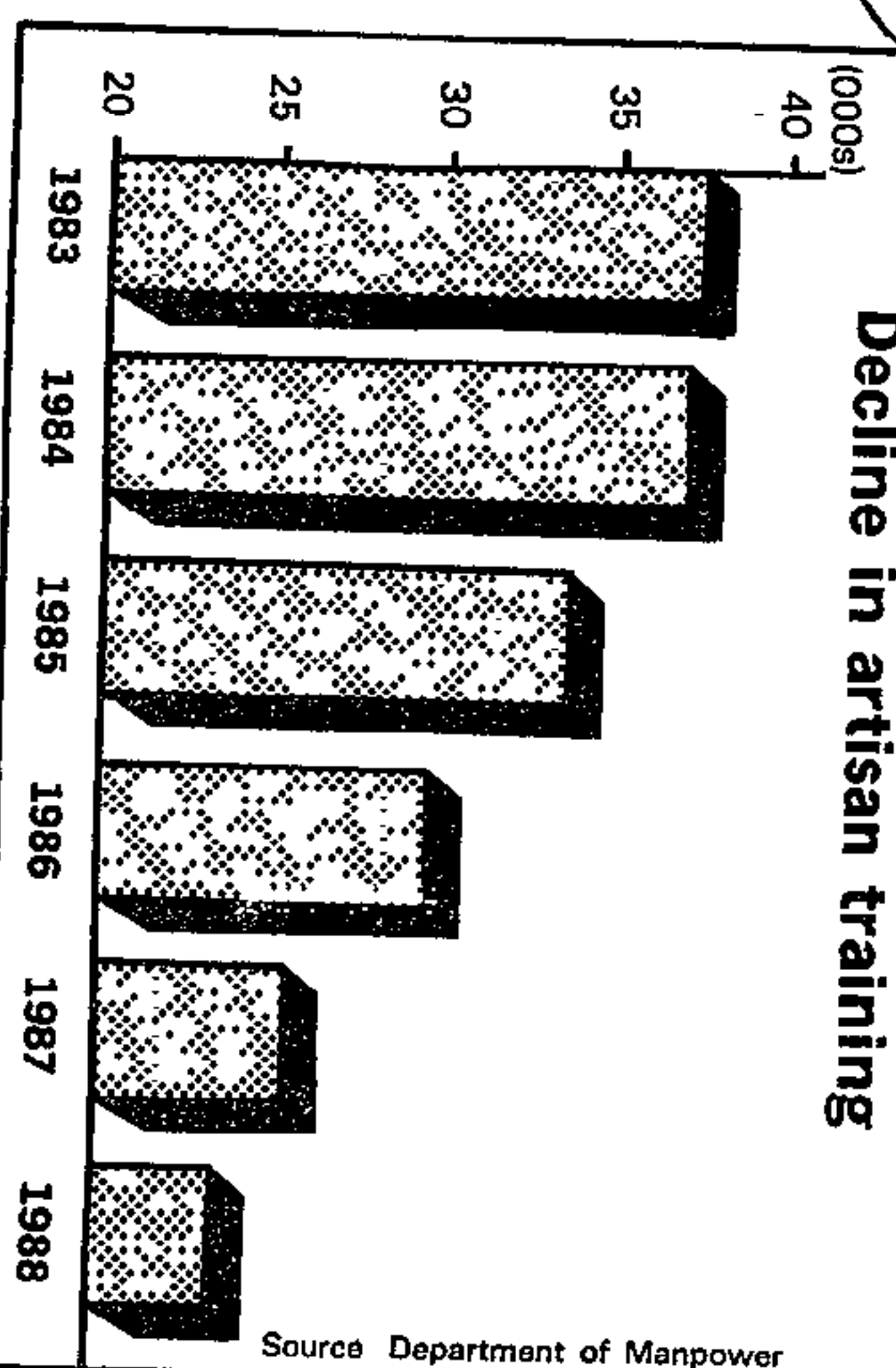
manpower. Training itself must be cost-effective and must be based on prior training needs analysis."

He said staff must be placed correctly according to the real skill level required. Placement of a highly skilled person in a job not requiring his ability was not only unproductive, but would lead to demotivation of the job holder.

At its May executive council meeting this year, the FCI adopted a resolution calling on the Government to adopt a national manpower strategy. It should embody national manpower, education and training strategies that are integrated with national economic growth strategies.

Concern was expressed over the structural imbalance between the demand and supply of skilled manpower. This could be seen by the downward trend in the number of newly inden-

Decline in artisan training



Source: Department of Manpower

tured apprentices in the past five years.

Mr Bezuidenhout said a welcome move in the direction of a national manpower strategy had been announced by the NTB. It had called for a joint investigation with the HSRC into

a national strategy for in-service training. Although confined to training, this investigation should go a long way to contributing to the eventual goal of an integrated national manpower strategy for SA."

Value management — thinking for a change

6/Dec 7/9/89 (172)

AFTER four days on a value management course Graham Bodman realised he would never think the same way again. Now he is involved in training others in the discipline as executive director of the SA Value Management Foundation.

One of the basics of value management is getting rid of mental walls, or anything else that delineates the bounds beyond which it is "impossible to go", when solving problems.

Says Bodman "People are taught to react — not to think. We at the foundation teach people to think. Finding out what the real problems are takes 60% of our input."

A good example of how it works is the case of a 20 000ha farm inland from Port Elizabeth, running merino sheep and angora goats, which had been in the same family for more than 100 years. Two two-day value management workshops took the enterprise from battling for survival to high profitability.

When the SA Value Management Foundation was called in, the farmers were suffering from the effects of a seven-year drought, the Orange River canal had been routed through their property and they had limited time to take up water rights.

This meant developing the infrastructure, but the result was that the

TERRY WILKINS

numbers of animals had to be reduced and heavy expenses had been incurred.

The farmers' aims were to avert bankruptcy, clear a substantial overdraft and achieve 20% profitability.

The assets were all there — a salt bush (Atriflex) crop that provided a drought-resistant feed for the sheep and goats, the livestock, and water rights for irrigation from the canal.

Result

Using value management techniques, the owners were able to see the potential of their assets clearly so that they could not only develop them, but also attract the necessary investment.

The result was the full development of the salt bush project to the extent that large quantities of seed were exported to Australia, the merino lambing rate was increased from 85% to 185%, and surplus Atriplex, a result of irrigation, was turned into a protein-syrup sheep-feed with the help of a biochemical company, which was another foundation client.

Value management started in the US. After America's entry into the Second World War, General Electric's plants were pouring out vital engineering components, requiring materials that

were often in critically short supply.

In an attempt to circumvent these supply shortages, Lawrence Miles, one of the company's engineers in charge of purchasing, changed the approach. He asked "What can you make, not to meet these material specifications, but to perform this function?"

In every case something different could be found to accomplish the same function. In many cases what was supplied performed better and often cost less.

So was born a discipline that in peacetime developed worldwide into a powerful management tool.

In the US the discipline has been retained as a consulting service, but in Japan more than 500 000 managers have been trained in value engineering.

In SA it was decided to follow the Japanese route and to form a non-profit company, with a board of non-executive directors representing industry.

"The idea was to transfer skills, to teach people how to use them and become independent and we would move out," says Bodman.

Says MD Dick Stringer "Our product is more complete than the US or Japan. We are light years ahead, in some aspects, of the rest of the world. Brazil is the closest to us in terms of innovation."

Pat on the back for SA

AN international research project shows that South Africa stands second to none in its approach to professionalism in personnel practice.

The project, to produce an international perspective on personnel management, was co-ordinated by Nancy Napier and Richard Peterson for the World Federation of Personnel Management Associations

They sought the opinions of 180 representatives from the US, Western Europe, Latin America, Asia, Australasia and Africa. There were 30 representatives from Africa, most of them South African

SA Board for Personnel Practice chairman Garry Whyte took part in the survey

After reviewing the report, Mr Whyte says SA does not need to stand back for anyone when it comes to willingness to be professional and to paying attention to the education and training of those entering the profession

"We find ourselves in sympathy with the authors who say that more attention should be paid to academic standards and new-entrant training around the world"

Mr Whyte says SA's input to the report was markedly different from the rest of the world because of

several factors which affect its thinking on personnel practice

He says these are SA's socio-political situation, its developing Third-World component, extensive unemployment and the urgent need to raise the general level of education and training of its workforce

The report highlights the fact that African representatives rated academic and professional training far higher on a list of major concerns than any other region

The report says industrial relations in SA continue to be a major area of emphasis for personnel management

Other trends in SA include a more professional role for personnel, going beyond a focus on administrative tasks alone and placing greater emphasis on specific personnel management areas, such as training and development, organisational development and communication.

Mr Whyte says SA personnel practitioners are much more in the firing line than in other parts of the world

"This is in the sense that a lot of our society's problems reflect back into our organisations as personnel management issues. That provides a compelling reason for our personnel practitioners to be highly competent."



Construction management concept gains acceptance

Star 12/9/89.
In the highly specialised construction industry of today, the new breed of project manager can expect even further recognition with the additional concept of construction management.

That's the view of Mr Ron Henderson, managing director of Time Projects which is in the stock exchange-listed Time Holdings group

"The advent of construction management will speed up the swing away from large multi-discipline companies with high and fixed overheads to low-overhead management companies which sub-contract most disciplines to specialists.

"These smaller specialist companies also have lower overheads and are less vulnerable to the peaks and troughs so common in the building industry"

Applying these parameters appear to have paid off for Time Projects, for the group recently handed over the R11 million City Lodge in Bloemfontein in a contract time of only seven months — on time and within budget.

Construction management takes the accepted practice of project management a step further and involves not only the management of a project as principal agent of the client but also the overall construction control and programming of the work

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In fast-track construction management, accurate pre-programming is essential.

Escalation costs, Mr Henderson, points out can be reduced and construction efficiency maximised by careful and dedicated planning and resourcing — all of which, in the end, can only benefit the client

"Construction management originated in the US in the late Seventies and has recently spread to Europe where it is rapidly proving popular," he says

"The concept is now set to make significant inroads into the construction scene in southern Africa.

"The construction manager sub-divides the project into specialised packages issued via the professional quantity surveyor's documentation and gets competitive quotes or tenders for each discipline

"Deadlines and programme dates are given at the time the tenders are awarded and the individual disciplines are then tightly co-ordinated and closely supervised"

The main advantage of the concept, it seems, is total efficiency and absolute control of time and budget in as much as the professional construction manager is acting entirely on behalf of the client

B/Dan 13/9/89

SA needs to train more black managers prof

SA HAD to train more black managers, new dean and professor of Business Administration at Wits Business School Keith Yeomans said in an interview yesterday

Yeomans succeeded Prof Andy Andrews on September 1

He said SA had a much higher level of managerial requirement to supervise others than was usual in Europe and North America

"This represents the point of stress so many South African managers are experiencing at the moment because their span of control is so much wider"

The result was managers tended to be promoted at an earlier age and with less experience than in most countries, which in turn could affect the efficiency of business operations, he said

"If one simply looks at the white component in our society as providing managerial expertise, the

RIAAAN SMIT

problem of span of control is going to get worse, because the growth of the white population is relatively small

Yeomans said there was an untapped potential of people that were not being brought into management positions. As a national need, SA had to have more black managers in its businesses

He also stressed the "enormous challenges" posed by the need for trained managers for the public sector in a post-apartheid SA

Yeomans pointed out that about 20% of students at Wits Business School (WBS) were black. He



● YEOMANS

would like to see at least a 50% participation rate in the next five to 10 years, without lowering the standards of the school

This would necessitate the development of support programmes for students because the task of WBS did not end with recognising potential through selection procedures, he said.

WBS, which started in 1968, had the unfortunate image of being white and elitist, mainly because it had never really promoted itself among other communities

Yeomans said he would like to see an active recruitment drive to market the school among target groups

Yeomans obtained an MSc in economics at Keele University in 1971 and a PhD in management from Aston University in 1978

He has lectured and published extensively and was awarded a gold medal by the SA Association of Business Management in 1986

B/Dan 13/9/89

'Agricultural changes vital'

GERALD REILLY

PRETORIA — The restructuring of the agricultural sector is vital to the efficient functioning of the whole economy, says a Directorate of Agricultural Economic Trends report

The directorate said factors affecting agricultural development had been identified at a national level where state involvement seemed necessary.

In the process, the changing nature of the national economy, in which market forces were to play a bigger role in price determination, should be taken into account

The report stressed agricultural assistance should not be aimed at supporting commodity prices but should be given only to deserving cases.

Assistance should be based on borrowers' abilities to pay.

Government was committed to the principles of the free market mechanism and farmers would have to adapt to the changing policy and re-evaluate traditional approaches

(Signature)

8/Day 15/9/89 (172)

'Democracy a necessity'

~~EDWARD WEST~~ EDWARD WEST

THE development of democracy in SA is no longer a matter of political ideology but rather a demographic and economic necessity, according to PG Wood's productivity and quality director, Christo Nel.

Nel was speaking at the official opening of the SA Institute of Industrial Engineers Conference at Sun City yesterday.

He said all the players in any company should unite in a holistic approach towards company goals, while management should embark on value-sharing processes to break down negative social memories and decades of mistrust between races.

Democracy should be developed in the workplace because political ideals were being pushed into work arenas by unionisation.

Less than 1% of state managerial positions were held by blacks, he said. White social memories in SA were stuck on group rights due to, among others, the historical myth taught at white schools that whites must rule.

In 1989 23 000 artisans were trained when 100 000 were needed.

Capital productivity had dropped from a base of 100 in 1971 to around 65 in 1988 and, in GDP terms, SA had dropped to one of the lowest late developing countries in the world.

To promote democracy and productivity in the work place, managers should embark on progressive recruitment embargoes, employees should be rewarded for quality work while all employees should be united in the goals of the company, said Nel.

Business is booming for management consultancies 172

BARRY SERGEANT

WITH increasing bids by management to cut costs, boost productivity and optimise profits, management consultancy services are booming.

Most firms in the industry have experienced substantial growth over the past year, and expect further growth.

But, mention the phrase "management consultancy" to many SA enterprises, and they remember some fly-by-nights of the past. Many executives are even confused as to whether management consultancy is a profession or a business.

Andersen Consulting chief Leslie Bergman says "The pragmatic reality is that it has to have a foot in both camps, frequently it is straddled across both, and not always that comfortably." Day 1579187

Not all management consultants are members of the Institute of Management Consultants (IMC).

IMC has rigorous entry requirements, and its basic aim is to offer the prospective user of MC services a degree of assurance. Members are all screened in terms of their ability to offer management consultancy services, their experience and their subscription to a code of ethics.

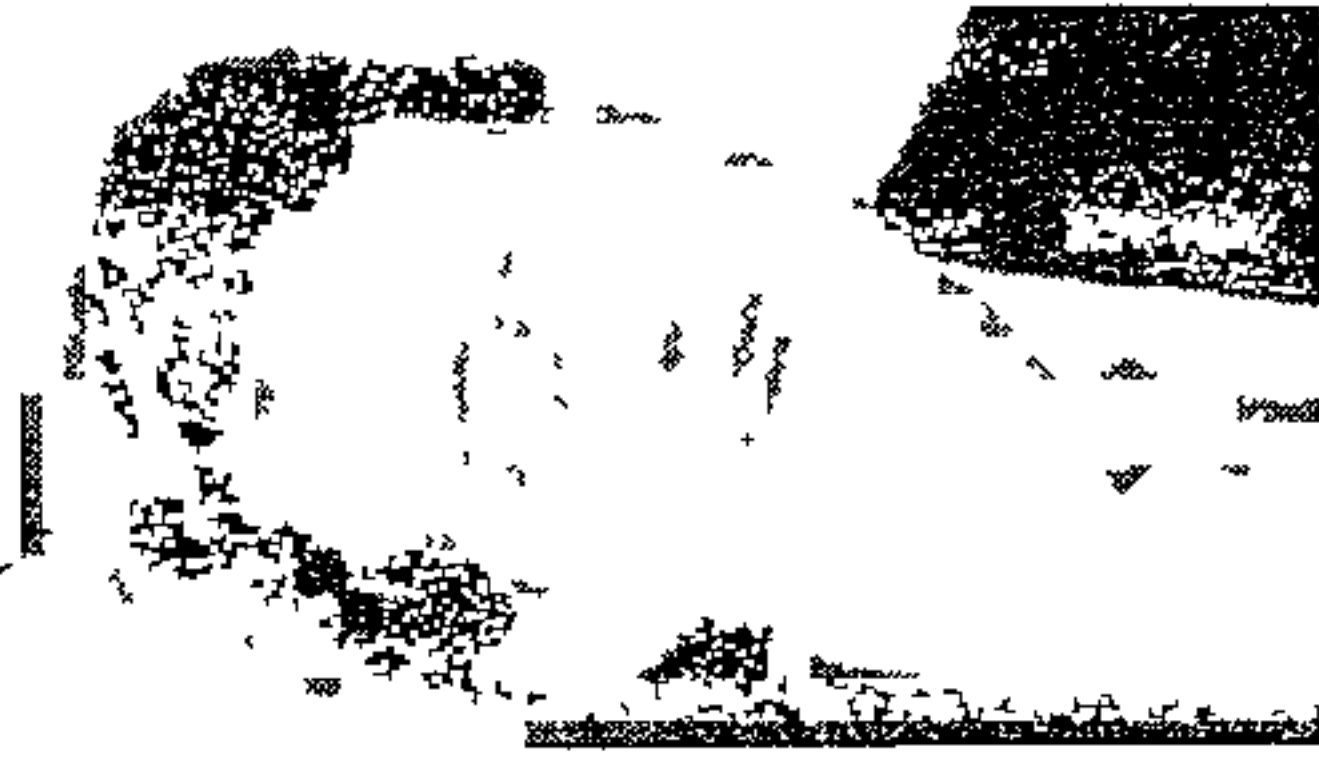
P-E Corporate Services chief Martin Westcott says "Although the industry has become more mature, the consulting market is populated by many organisations and individuals operating under the title of consultant, but not always operating within the normally accepted consulting ethics."

Ultimately, it is not that difficult to check the credentials of a management consultancy operation. A number of outfits operate as divisions of enterprises which have reputations to keep in other fields.

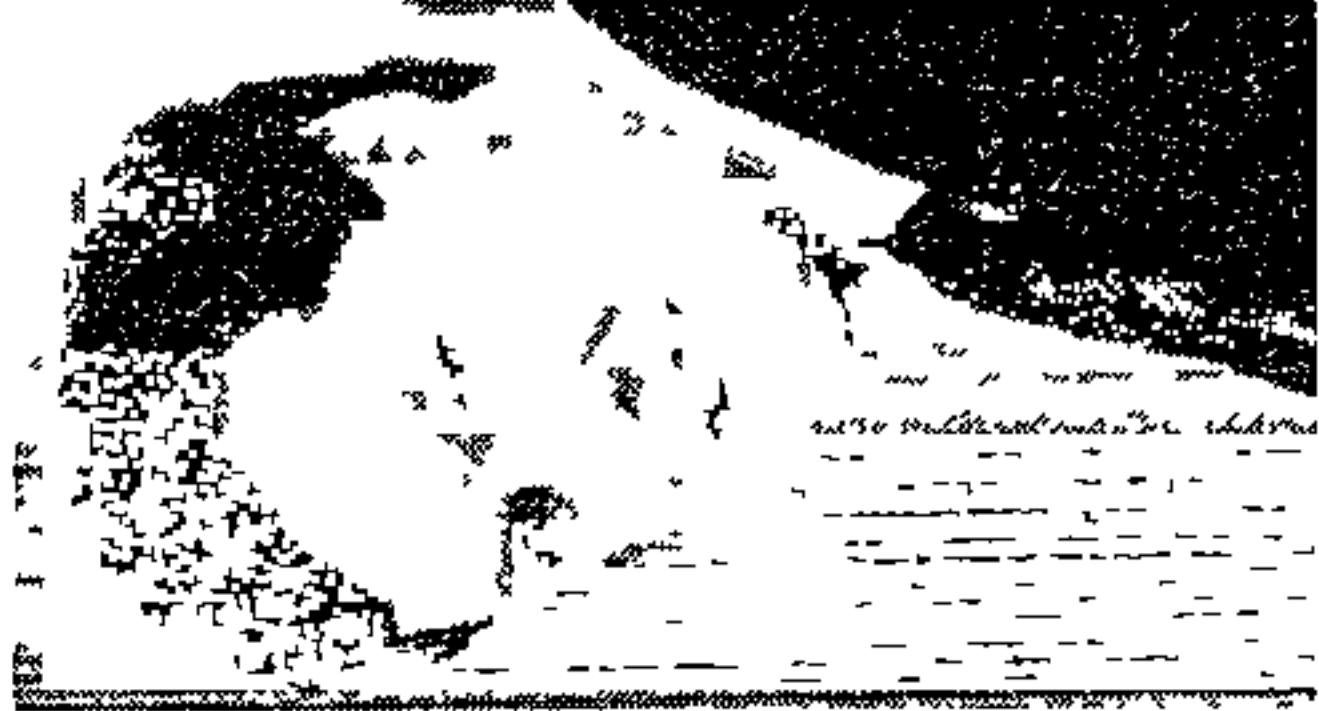
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THE WINNING WAY — PART II OF A BUSINESS TIMES EXCLUSIVE EXTRACT FROM THE BOOK



Authors Antony Ball and Stephen Asbury ... superperformers pay more than lip-service to marketing — it gets top billing



FRANK ROBERTS
Saturday mornings serving in the shop



ALBERT KOOPMAN
a trail-blazer in participative management



GERALD HAUMANT
Cashbuild broke a building credit tradition



RAYMOND ACKERMAN
never too proud to serve — even with a B Comm



AARON SEARLL ... always in search of a dominant market share



JOHN TEMPLE ... Plessey customers are always well-come at the plant



WINKY RINGO
a Mercedes-Benz a small price to pay for talent



MEYER KAHN
let the gorillas out of their cages, let them join the act

Through flair and imagination to the top

SOUTH Africa's superperforming companies have been dissected and analysed by management consultants

Stephen Asbury and Antony Ball in their book, *The Winning Way*, published by Jonathan Ball Publishers, which

went on sale throughout SA this week. The intensive study threw out no great secrets of a revolutionary nature.

Perhaps inevitably, it showed that what set the superperformers apart was the fact that they did what every company

knows it has to do, but they did it superbly — with flair and imagination. They outperformed the

competition in marketing, personnel development, product and service innovation. In the second excerpt

from *The Winning Way*, Business Times looks at some of the tools used by the superperformers in their climb to the top.

An eye for market niche brings riches

THERE'S no doubt about it. South Africa's top-performing companies regard marketing as their central pursuit. These organisations are led by what the market wants.

Phrases like "We are market driven", "Marketing is the key component of our strategy", and "We're a marketing company" are catch phrases with all the superperformers. And it's not just lip-service — whether they are in fast-moving consumer goods or industrial commodities, these companies give marketing top billing

Critically important is the need to segment the market and find a niche

Cashbuild, the cash-and-carry building material wholesaler and its former managing director Albert Koopman are now famous for the company's trail-blazing and courageous move to participative management

But current managing director (and Koopman's right-hand man from the start) Gerald Haunant attributes the company's success not to their people policy but to their marketing approach

In the late Seventies Metro, anticipating a slowing in the growth of its cash-and-carry food wholesaling business, resolved to apply its

merchant skills to new product areas

We don't know whether they formally segmented any of the industries or markets they looked at, but they undoubtedly identified a promising niche for cash-and-carry wholesale in the building material business

Koopman, already with Metro, was assigned to the project. He brought in Haunant who had several years' experience in the building material trade

They started on a small scale, test marketing a limited range of building products in existing Metro stores

It took time, but having analysed the consumer needs and demographics and the economies of the building material industry, they were convinced that they had identified an open niche.

"Traditionally, this industry was one that required credit and delivery," says Haunant. "So we took the counter step. We had a conviction."

Their conviction has been admirably vindicated. From the small test start in Metro Stores, Cashbuild today has more than 50 outlets all over Southern Africa

Pick 'n Pay also has a very clear understanding of its industry and the way that it is segmenting

This should come as no sur-

prise — Raymond Ackerman introduced supermarketing to SA in the mid-Sixties and has, almost single-handedly transformed it from a tiny niche of retailing to a R10-billion industry of its own

And as the shape and size of the industry has changed P'n P has introduced new chains, new store formats and new shopping concepts to attack a wider range of segments. Price Club is a cash-and-carry wholesaler. P'n P Hypermarkets carry a wider range of goods than the traditional supermarkets, a range that includes building materials, auto spares and which at one time even extended to discount petrol. P'n P Parties are new, full-range food stores, much smaller than traditional supermarkets and located as convenience outlets

Edgars, too, has segmented the family clothing market and has separate chains to cater for each broad segment — Sales House, Jet and Edgars itself

Likewise, Foschini, which apart from the high fashion chain of that name, also has Pages, Markhams and Jewellers American Swiss

These are all big segment examples of entire chains of stores addressing large and fairly self-evident market segments

But the process of segmentation and niching goes much further — right down to the

level of the individual consumer

There are niches within niches. The process can be infinitesimal, progressively cutting the cucumber into ever-thinner slices until you find the piece of the market to which you can most effectively apply your skills and resources, which you can turn into an almost personalised opportunity

Think about the market for chocolate bars, or countines, as they are called in the industry

It is part of the confectionery market, which is part of the "impulse" part of the food market, which is part see what we mean? Segments within segments, slices of slices

Cadbury's went to enormous pains to establish what motivates the consumer's brand choice before they launched two new chocolate bars. Brand manager Lons Wagner says, "We did a whole lot of usage and attitudinal research to try to find out what motivates consumers to buy chocolates. We used a psychologist who did very in-depth one-on-one interviews which each lasted about two hours."

Cadbury's managing director Piet Beyers says "Never stop finding out about the customer. If you think you know all about him today, re-

member that he will be different tomorrow. Avoid surprises. Track the trends."

The superperformers believe that niche dominance must be the fundamental objective of any niche marketer. Dominance brings independence. The dominant player is much more able to impose his own rules on the game

Searcel's Aaron Searl says "Growth? The strategy there was to be in products where we could have a dominant share of the market. We set out to have a major share of each product group we were involved in, and we've certainly achieved it in clothing, toys and consumer electronics"

The superperformers are big on the soft marketing concepts like customer courtesy, customer closeness and customer care

It's a cliché, but for them the customers is always right

When Raymond Ackerman left university his father made him greet customers in the family's Corner House store for six months.

"My job was to say, 'Good morning madam', and if she was pregnant I had to give her a chair and I had to show them where the departments were. And for six months, with a B Comm, that's all I did."

Plessey deals with its customers differently, but it is an industrial marketer

while P'n P is in fast-moving consumer goods

But Plessey managing director John Temple reckons he has entertained 500 to 1 000 customers at the plant in three years

Willards managing director Mike Benn spends at least one day a week pounding pavements visiting outlets. Frank Roberts often spends Saturday morning serving customers in one of Waltons' retail stores

Wherever the authors went they found an enormous focus on liberating the human potential within the superperformers. As SA Breweries' Meyer Kahn puts it: "If you put a gorilla in a cage, it's hardly likely to get in on the act, okay"

The superperformers have shown us that unceasing the gorilla is about unshackling and liberating latent potential within all organisational members. It is also about empowerment going to extraordinary lengths to ensure that the individual is given the best chance of succeeding

Individual dignity and respect are treated as a religion, individual needs are catered for, people are freed with autonomy and freedom, red tape is anathema, people need to work to match the size of their spirit, people

need to have demands placed on them, the pride of winning is chest-busting stuff, what constitutes a "fair deal" is rather generous, communication is likened to the conductor that carries the electricity through these high-performance systems

The overriding theme is that even in South Africa, rational man is dead. In fact, he never really existed

The people who keep organisations going demand a special sort of attention which appeals to the need for dignity, respect and individualism

In appealing to these needs, superperforming companies have shown us that this appeal is made at least as much to the heart as to the brain

But there will be no liberation without leadership. Un-

less organisational members find in their leadership an example that they can hold on to and which captures their imagination, there will be no release of energy

The example must be powerful, exciting and consistent

Matheson & Ashley chairman Winky Ringo developed the concept of the "make-me-feel-good goodies bag"

He explains "For years I fought vigorously the demand for, say, a Mercedes-Benz. How stupid I was to fight it

"It's plus-minus R20 000 a

year over five years for a guy that is going to produce millions for shareholders. How important it is to his family, friends and customers. Management must recognise the need for this make-me-feel-good goodies bag

People are the same as you and me. What I want, they want. And within the parameters of profitability, we will help give these goodies."

I love giving goodies"

Meyer Kahn believes three things are needed to liberate the potential of senior managers: creating an environment in which they can prosper, providing them with enough security to allow them to take risk, and affording them the opportunity of becoming rich.

At least 12 of the superperformers believe their senior people to be the top-earning executives in the country. They can't all be right, but it is interesting that they claim this. And that they quite genuinely wish they were earning more

This is a major change. Whereas 10 years ago we are quite sure the view would have been to pay as little as you could get away with, it is now to pay as much as you can get away with

Our top companies have reward systems which include directed incentives

based on a careful assessment of the commitment-reward equation

It is close to universal among the superperformers that they afford their top management the opportunity to become rich

The top people are generally those vested with the greatest freedom to make the bottom line happen, and nothing quite focuses their minds more than having a financial interest in that bottom line

Most of the direct incentive schemes are targeted at the top echelon of management. However, companies like Edgars, Matheson & Ashley, Waltons, Liberty Life, Kearsal, SAB, Sunrush, P'n P, Cashbuild, Edward L. Bateman, Foschini and Searcel will tell you that this is only the start in the implementation of a principle

Edgars currently has 140 people participating in its scheme which works like this. Managers negotiate financial targets with senior management. Once they hit 30% over target they automatically lock into the scheme. The amount earned in year one is split into three — in the first year he gets the first third. If he meets the target in year two he gets the second third, and if he's around in year three he gets the final third

If he has performed superbly in year three he will get his third share for year one, a third share for his year two performance and a third share for year three. Each will differ in size, but they can amount to 70% of his salary

The objective is to have a similar scheme operating throughout the group in six to 10 years

Waltons got JSE approval to issue up to 10% of its shares to employees to reward outstanding performers for long service and loyalty. It applies to everyone — including the tea lady

Financial director Mark Davis tells of R3 000 worth of shares given to a secretary. At last count they were worth R80 000

Raymond Ackerman says "From the time we started, and subsequently as we have grown, we have issued shares to hundreds of our staff at all levels. This has really created a climate of belonging. I am a great believer in paying not only the correct salaries, but also giving people a share of the profit and, most importantly, a share of the business"

NEXT WEEK: What lies ahead in the 1990s and what lessons can be learned from the superperforming companies.

'South Africanise discipline'

Education Reporter

The role and effectiveness of management education was the subject of much debate, said Professor Karl Hofmeyr, in his inaugural lecture delivered at Unisa last night. *Stev 20/9/89*

Professor Hofmeyr, of the School of Business Leadership at Unisa, said in the United States management education was seen as being too analytical, whereas in Europe the subject is thought to rely too much on American modes

Professor Hofmeyr said in South Africa, management education could be more relevant if it placed greater emphasis on human resource issues and the discipline was "South Africanised".

He said South African educators should take note of and learn from criticism being levelled at management education overseas.

Business schools should respond to demographic trends and place greater emphasis on research

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THE WINNING WAY—FINAL EXTRACT OF A BUSINESS TIMES SUCCESS EXCLUSIVE

Young Smarts doing it their way—and the biggies smart

NEED we be reminded of the tragic phenomenon of the exodus of skills? Sydney, Perth, London, New York and San Francisco gain all the time at SA's expense as so many of our managers trade wealth, security, friends and family for political security

Simply stated, the rate at which a developing country develops is so critically dependent on having the sort of people who make things happen. Those that stay behind are in a position to expect (and demand) so much more. And this is what is happening. The people that bring in the goodies carry a price tag. This is being added up exponentially. And this trend will continue.

The same applies to technical skills, be it accounting, information systems or operations. These people are starting to specify their price tags and the organisation that wants the best of these professional skills is having to pay more and more for them.

We firmly believe that SA is experiencing an entrepreneurial revival. We perceive a general spirit of young smarts who are prepared to run the risk of going it alone. They are leaving the big corporations in droves.

Why is this? We believe the listing boom and foreign disinvestment played an important part.

For so long this country was locked into a psyche of believing that only the big could make money.

Then, all of a sudden, company after company came to the JSE boards, splitting out hundreds, if not thousands, of paper millionaires in the process.

When we think back to the heady days of 1987 we think also of all those clients that set their sight of getting there too. It certainly focused the mind.

senior managers creating an environment in which they can prosper, providing them with enough security to allow them to take risks, and affording them the opportunity of becoming rich.

On the latter, he had this to say: "I mean the guys are entitled to be rich if they succeed. I'm a firm believer that a professional manager has as much right to accumulate wealth as an entrepreneur, because that is what he is."

"That is relative, and if you take into account the pension fund, plus the security of tenure, the power that goes with being a professional manager and the fact that our guys have made and, hopefully, will continue to make, that is rich by professional standards."

"It doesn't compare with the American syndrome, but compared to the standards of South Africa, I think that our guys are the richest in the country. And I really believe that I wish they were 10 times richer so that I would be 10 times richer. Rich is good."

The authors say their research for the book was enriching. They distilled nine success factors and assess their relevance to the scenario for the 1990s and to the implications of this scenario for corporate South Africa.

The lessons that the superperformers have taught us are, we believe, robust and enduring.

This is because they are well grounded in a rugged playing field, and are based on some very clear thinking on the part of the most successful operators in a lively corporate environment.

We believe, too, that they are durable because at the end of the day they are about basic common sense. And who can fault that?

The nine success factors on their list are:

MASTERING YOUR CORPORATE DESTINY

The lesson we learnt was that superperforming companies manage their organisations strategically. That is, they take the future into their own hands, position themselves to compete in the marketplace and focus on offering their customers something different.

The processes for getting there may vary, but all involve a strategy.

We have noted that superperformers in the 1990s will operate in a far more competitive economy, that change is the only constant.

DEMAND has been strong for The Winning Way, the remarkable book by management consultants Antony Ball and Stephen Asbury on what makes South Africa's superperforming companies tick.

Publisher Jonathan Ball has been inundated with inquiries since the book went on sale last week.

Business Times publishes the final excerpt, which includes reasons for the authors' belief that this country is experiencing an entrepreneurial revival.

It also includes the nine lessons the authors have distilled from their research into 24 top companies.

The skills shortage will get worse, the multiple opportunities for the skilled will multiply and the expectations of a "fair deal" will continue to change.

The art of liberating human potential will attract an extraordinary focus from managers in the 1990s.

Managers will have to find new ways of eliciting performance improvements for organisational members.

But implementing the principle itself will sap the talent and energy of corporate leaders.

RINGING IN THE NEW

Superperforming companies constantly explore the possibilities of offering their customers something different from their competitors. They build this into their structures and modus operandi.

We have noted that the next decade will be characterised by more competition, that it will be more difficult to show growth, that customer care will become the order of the day.

Organisations aiming for superperforming status in the 1990s will have to exert an even greater focus on innovating, on outsmarting the competition by giving the customer something new, on doing things within the organisation which drives down the cost of doing business.

Organisations that fail to do this will be like the twelfth man in a losing football team—they will watch all the action and experience excruciating frustration as the other side scores all the goals.

DOING WHAT COMES LOGICALLY

Superperforming companies turn themselves into schools for developing skills in their fundamental areas of operation.

They set themselves the target of being the best in their industry and work out what skills they need to develop to get there. They then build these skills.

They also focus their attention on a small number of indicators which enable them to feel the pulse of the business and take rapid action.

LESSONS FROM SUPER-PERFORMING SOUTH AFRICAN COMPANIES

Superperformers do it properly, are careful and don't push their luck.

They keep things simple, they think ahead, consider consequences of actions, adopt a "right first time" policy, act professionally, focus on the detail, focus on delivering and aim at being accomplished in all things they do.

It sounds easy, but it extracts enormous energy and focus to get there.

As the going gets tougher and the competition smarter, as it will in the 1990s, organisations which display a propensity to botch it will lose more frequently.

The cost of the botch-ups will increase and performance will suffer.

Losing will also become the order of the day and the organisation will be driven down continually in a cycle of despair.

MOVING BEYOND 15-MAN RUGBY

Superperformers understand that there are off-the-field players that vitally affect the fortunes of their organisations.

Controlling these players by owning them doesn't always work. Far better, they have taught us, is to develop mutually beneficial relationships with them.

These companies have become superb at developing relationships with the wide network that surrounds the typical business enterprise.

Trends such as third-party contracting, breaking down of vertically integrated businesses, the special effort that is required by business to win the hearts and minds of the community—these will all continue with new vigour in the 1990s.

Organisations aiming for the superperforming tag will have to become adept at moving beyond 15-man rugby.

Organisations that aim to control the network by owning it and that base their business systems on a ruthless kind of adversarial relationship will go the way of the dinosaur.

INSPIRED LEADERSHIP

The superperformers have taught us a lot about leadership in South Africa.

They drive their organisations to the limit, they fire up their troops, they have an intimate knowledge of operations that they make meaning for people, they spell out a vision of the organisation of the future and, importantly, they are both intellectual and emotional.

It is obvious to us that with all the challenges that lie ahead, leadership will be one of those factors separating the sinkers from the swimmers.

The concept of the manager as an operator will have its important role in organisational life.

However, far more important, we believe, will be the role of the leader—the person who makes the future happen for an organisation.

The person for whom organisational members will spill their blood and guts.

STRONG CULTURE

Sure, we had known that corporate culture was important before we began the research.

But we were nevertheless dazzled by the awesome power of this forceful yet informal integrating mechanism that guides the behaviour in superperforming companies.

Organisations aspiring to superperformance are going to have to engage and manage a control system that provides for both consistency of purpose and flexibility amid the oceans of uncertainty and change.

Corporate culture is the most complete form of organisational culture of which we know.

S/Time 24/9/89

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Chalk and talk—the wrong way to MBA

By David Carte

MANAGEMENT education in SA needs to be distinctly different from that in the US and Europe, says Karl Hofmeyr of Unisa's School of Business Leadership.

In his inaugural lecture this week, Professor Hofmeyr, a human resources specialist and co-author with Linda Goodman of *Black Managers in SA Organisations* highlighted the different problems and opportunities faced by business schools in the US, Europe and SA.

In America, with about 70 000 MBAs graduating a year, there is fear of a glut.

Quality

Professor Hofmeyr cites a Business Week report labelling MBA graduates greedy, overambitious people with little more than basic financial skills. Once in the business world, they focus their time and activity on financial activities — not on effective leading people, making

better products or assuring manufacturing quality.

He reports that the American Assembly of Collegiate Schools of Business (AACSB) found that "success has turned American business schools into complacent, self-satisfied institutions that are in danger of becoming irrelevant."

Competition

US corporations would like business schools to offer more realistic, practical hands-on education with greater emphasis on the development of people skills. They also want more emphasis on research and greater interaction with the business community.

AACSB recommends broader curricula, more attention to the external environment, more emphasis on the international dimension and the information and services sectors, the synthesis and integration of specialised areas in the curriculum, rather than treating them as separate entities. Finally, it advocates improved people skills instruction.

European business schools

are concerned about competition from independent, private institutions and the difficulty of finding good staff.

European business schools tend to believe they have copied the American model too slavishly. They worry about overemphasis on analytical skills, too much attention to on case studies, inaccessibility of research results, too much concentration on teaching instead of learning, neglect of communication and social skills.

Turning to SA, Professor Hofmeyr observes "There is no doubt that politics and political change will be important features of our lives in the next 10 years."

Some companies have entire departments devoted to researching political and social issues.

Powerful

To set up the jobs required for the 350 000 entrants to the labour market every year, SA must attain a growth rate of 5%.

Job openings at the skilled manpower level will exceed supply by no less than 500 000 in the next decade. During the Nineties there is likely to be a shortfall of at least 100 000 people in the top management category and a shortage of 400 000 professional and technical people (Hersov 1989).

Social factors and demographic trends are powerful forces in our environment. Some 3 500 children are born in SA every day. Nine out of 10 are black. At present, whites comprise approximately 14,4% of the total population. By 2 000 it will be 12,2%. SA's urban population was 15,2 million in 1980. It will grow to 29,5 million by the year 2 000.

Inequalities

"The interplay of various factors has led to gross inequalities in our society. The second Carnegie inquiry into poverty and development in Southern Africa compared the relative poverty in 57 countries and found SA to have the worst rating."

Professor Hofmeyr says 51% of SA's population is illiterate (1% in Japan and 13% in the US) and fewer than 10% of Africans and 20% of coloureds who start school matriculate, 87% of

African teachers are under qualified only 500 to 800 African pupils matriculate each year with higher grade maths and science; in the DET's Johannesburg circuit there was a 4% pass rate in physical science in 1987 and 2,6% in higher grade maths.

These four features of our context: political change, economic decline, social realities and an education crisis, represent a context which has to affect management education."

Professor Hofmeyr asked 240 middle managers what they thought would be the major challenges in the immediate future. No less than 48% found that human resource management was the major issue and 28% referred to economic challenges. Political issues were named by 11% of those surveyed and technological ones by 6%.

An implication for management education is that "the Nineties will be characterised by challenges relating to the skills shortage, race relations in the workplace, black advancement and productivity, to be relevant, management education will have to pay more attention to the management of people and the development of human relations."

Sanctions

The trend to participative management in the US shows that lessons from Japan will have to be learned and taught.

Teams, quality circles, consensus decision making and other features of the Japanese style of management seem more appropriate than Western individually oriented approaches.

Another finding "SA managers need to be exposed more deliberately during their management education to political issues, the role of business in politics, discussions on different socio-political systems, debates on issues such as sanctions and disinvestment."

Coming close to recommending that the MBA or MBL should contain elements of an Oxford PPE (philosophy, politics and economics) degree, Professor Hofmeyr discerns a need for knowledge of other cultures.

"Probably management courses should include an in-

put on sociological issues, such as race class and culture and revisionist interpretations of the history of whites and blacks in SA and Africa as Harari and Beatty (1985) have argued.

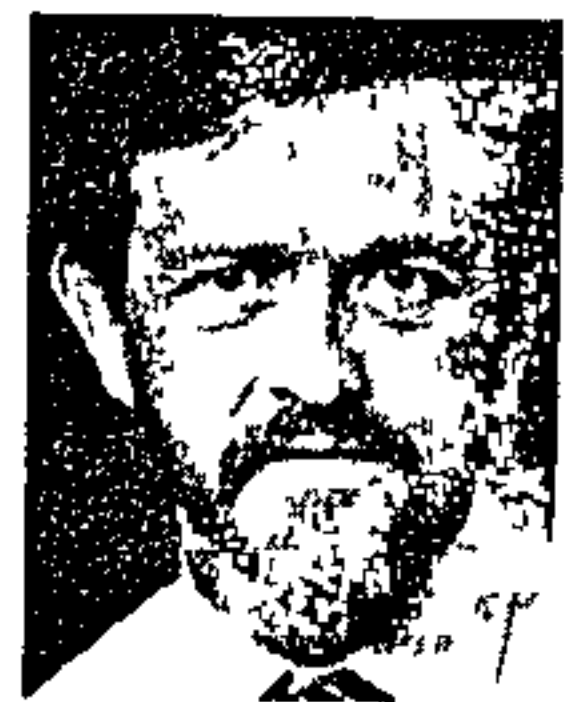
"Values and ethical considerations underlie attitudes. It seems that managers, particularly SA managers, need to understand what values are, need to gain an insight into the values which determined their own behaviour, and need to be able to compare and contrast their values with those of others."

"They need to have the opportunity to think through different and often competing value systems and related concepts, such as justice, egalitarianism, rights, privileges, power, competition and co-operation."

"There is a need to suggest to students new conceptual frameworks and to encourage flexible critical thinking, so that we can find new ways to solve problems and learn that we do not have to do things the way we have done in the past."

Games

Professor Hofmeyr recommends use of "experiential" learning, such as games, debates and simulation exercises, which would allow students to learn about stereotypes, attitudes and values in a personal rather



KARL HOFMEYR Japan
ess lesson for SA

than an academic way.

Observing that talk and chalk still preponderate, Professor Hofmeyr recommends use of the new technologies — computer assisted learning, programmed instruction and peer group learning.

He says distance learning, as practised by Unisa, is the fastest growing form of learning.

Countries like the UK are making new advances in this field. The emphasis on student-lecturer contact, the nature and quality of study material and the use of video, audio cassette and other technologies could provide valuable input for us.

Balance

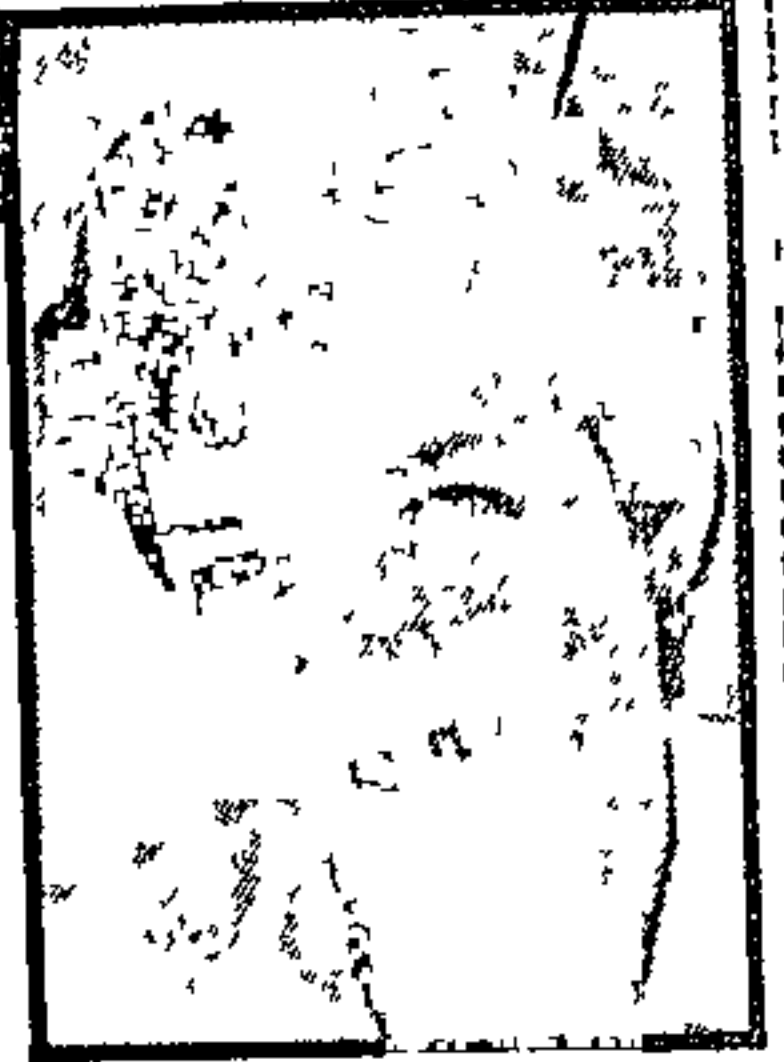
Most textbooks and case studies used in SA business schools are American where the background is vastly different from SA.

But Professor Hofmeyr warns that there must be a balance between South Africanising curricula and staying close to technology, information and other trends in business.

The growth of the informal sector, the need for entrepreneurial skills and job creation imply that business schools should reach out to the practical business world.

JULIE WALKER

Mast's colours nailed to minds



MAST Holdings has shifted emphasis from selling time to selling product, and is ticking along nicely.

Formed under the banner of management and skills training, the group has broadened its influence in a sphere of education-related activities.

Mast was listed in late 1987 — its rights offer raised R1,5-million at 50c a share days before the October crash. Trading started when investors were licking their wounds.

Executive chairman Stephen Dallamore reflects that at least there aren't many stale bulls still looking to shed Mast shares.

Ironically, the shares hit a 20c-low exactly a year after the crash. They are now on a high of 75c.

One of Mast's earliest moves was a schools reading programme, and it is involved in RALI — the Race Relations and Leadership Initiative. Thousands of children have learned from it.

Their business-minded parents could do worse than take any of Mast's management, motivation, sales and communications courses. Many leading companies' managements are Mast clients.

Executives are provided for through Strategic Management Group's computer-based business learning sys-



Stephen Dallamore... top companies on client list

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Mast recently bought FACT — an acronym for financial and computer training which is self explanatory — from Deloitte Haskins & Sells.

FRANCHISES

Recruitment of foreigners to work in SA is carried out in association with Paul Tingley Management Services, which places people in the R60 000-plus bracket.

Time Systems continues to flourish. It is a high-powered management planning system to help businessmen become more effective.

CNA Gallo came by a 31% stake in Mast when it sold Gallo Vision to it for 2,4-million shares of 45c each. Gallo Vision was conditionally

bought for R1,1-million — twice forecast earnings for the year to 1990.

The price will increase by R1 for every R1 by which Gallo Vision's 1990 profits exceed R500 000, but the total payable will not be more than R1,265-million.

Gallo Vision has more than 30 franchises, and distributes all the BBC's educational programmes as well as the much-admired training videos starring John Cleese.

LIMITS

Mast has grown fast, and is looking for more products than time-related income generators.

"There are limits to selling time-skills, such as the number of hours in a day and the number of clients and so on," says Mr Dallamore.

Turnover in 1985 was R2,3-million. But in the year to February 1989 it reached R8,4-million. Profit climbed from R174 000 to R1,1-million in the same time.

Capital employed of R3,7-million comprises long-term liabilities of R760 000 as the balance owing for Paul Tingley. Mr Dallamore says one should not pay everything up front for a business which is largely made up of people.

Since the yearend, Mast sold 592 000 Datakor shares for an extraordinary loss of R237 290. Datakor took a stake in Mast at listing in a share swap.

The share premium account had already been written down by R1,56-mil-

lion because of the permanent diminution in value of the Datakor shares.

Management and staff retain 56% of the equity, CNA Gallo now has 31% and Deloitte a small stake in Mast.

Mast believes that educational publishing is in line with its strategy, and could offer opportunities. It is pursuing those ends as well as other leads.

One reservation on the part of investors could be that earnings a share growth might be diluted by too many paper acquisitions in the past year earnings added 21% a share although taxed profit was 75% higher.

GEORGIAN

But the backing of CNA Gallo should ensure that good opportunity need not go begging for the want of money to pay for it.

Mast will move into new Illovo offices in Johannesburg early next year. Sold to Crusader Life, the Georgian-style development will cost R3,1-million.

Mast shares last traded on September 5 at 75c. This is 11,7 times historic earnings, and the dividend yield is 4%. The yearend is February, and the interims to August are due soon.

The market rating is demanding, and the results will need to be powerful to justify the share price. In spite of the favourable outlook, I believe Mast is fully priced.

JULIE WALKER

Mast's colours nailed to minds



MAST Holdings has shifted emphasis from selling time to selling product, and is ticking along nicely

Formed under the banner of management and skills training, the group has broadened its influence in a sphere of education-related activities

Mast was listed in late 1987 — its rights offer raised R1,5-million at 50c a share days before the October crash. Trading started when investors were licking their wounds

Executive chairman Stephen Dallamore reflects that at least there aren't many stale bulls still looking to shed Mast shares

Ironically, the shares hit a 20c-low exactly a year after the crash. They are now on a high of 75c

One of Mast's earliest moves was a schools reading programme, and it is involved in RALI — the Race Relations and Leadership Initiative. Thousands of children have learned from it

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Unions will increase range of demands

B1 Day 25/9/89 172

PORT ELIZABETH — Trade unions in the 1990s will extend the range of their demands, says UNISA School of Business Leadership director Prof Nic Wiehahn.

Speaking at an IR seminar Wiehahn said unions would concentrate on such issues as shorter working hours and longer holidays.

The "no work no pay policy" would be re-addressed as would the issue of maternity leave.

Safer working conditions, security of income, worker representation, grievance procedures, state-subsidised pension funds, better medical aid schemes, health care of an ethical nature, black advancement, retrenchments, redundancies and education of Trade unionist's children would also be issues.

There would be increased pressure on management to press for political change and to publicly reject apartheid.

He added that unions would also push for the adoption of a labour code instead of labour laws.

Wiehahn said management would retain an important responsibility in the 1990's — to manage.

"Management's attitude in the labour scene must change from an attitude of toleration to one of acceptance," Wie-

Own Correspondent

hahn said.

Management had to become transformational instead of transactional.

"A transactional management motivates its workers by reprimands and paternalism. A transformational management motivates through co-operation and the right attitudes to human dignity."

Knowledgeable

Management must develop greater co-operation with unions, a closer relationship with the workers and a greater willingness to negotiate. They must also become involved in the broader issues that affect the worker not only in the workplace, but also in the social environment.

Management must become more knowledgeable about the international labour world and know more about political dynamics in SA.

Wiehahn added "If you reject trade unions you reject your workers."

"You can't rule out trade unions or just ignore them... the unions represent the only vehicle of the aspirations of the people whom they represent."

Numbers of managers and executives drop — survey

PRETORIA — The number of employed managerial, executive and administrative workers fell sharply by more than 17 000 to 200 268 last year compared with 1987, a Central Statistical Service survey released yesterday showed.

It found there were vacancies for more than 5 000 nurses, 509 GPs, 582 computer programmers

GERALD REILLY

and related occupations and 825 motor mechanics

Professional semi-professional and technical workers increased from 595 613 to 688 821, clerical and sales workers from 965 950 to 1,2-million, service industry workers from 689 114 to 760 310, arti-

isans and apprentices from 264 659 to 357 976 and labourers from 1,16-million to 1,18-million.

However, there was a drop in the number of production foremen and supervisors, miners, operators and production workers

The survey said the total overall vacancy rate decreased from 2,7% in 1987 to 2,2% in 1988.



NATION BUILDING

The power is in your hands

Sowetan 27/9/89

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How to handle the people business

THE human resources director of the Workwise Business Development Group writes:

"We know that the success of any business depends on the way in which the people in that business communicate with each other; that is the way in which they express their thoughts, feelings and needs to each other. If they do not have good communication skills, the organisation will not function well, there will be misunderstandings, hard feelings, incorrect decisions made and, ultimately, the customer will suffer.

"Therefore, it is vital in business to have good communication skills. The ability to be specific in your communication is invaluable in avoiding misunderstandings. The ability to listen to others, to be able to put yourself in the other's shoes, is a most important management tool. It will gain you trust and respect from your employees, colleagues and suppliers.

"The ability to behave assertively is also most important. Being assertive

is the ability to stand up for your own rights without offending others or violating their rights. Being submissive means your rights will be undermined and you will "lose out" and feel angry with and disappointed in yourself. You will feel inferior and your self-esteem will be low. Self-esteem is being able to feel good about yourself and having confidence in being able to achieve what you set out to do.

"The aggressive person is always standing on other people's rights, hurting others and making them angry.

"It is important to learn the difference between these types of behaviour, how to move to becoming an assertive person and how to manage your staff who are at present submissive or aggressive. You will also be able to assist them in becoming assertive. These skills will also assist you in your family life and personal relationships.

"Did you know that people who work for you like to receive feedback on their behaviour? Far from resenting it, they ac-

tually welcome it, if you give it in the correct way.

"People who work for you perform best when

- They know what is expected of them
- When they are doing a good job
- When and how they need to improve
- They know that what they think is of value
- They feel good about themselves.

"In the programme on managing people to perform their best, you will learn how to create the conditions in your business that allow people to feel good about themselves and therefore to give you of their best to the benefit of your business.

"You will learn the best way to:

- Select staff.
- Build job description.
- Evaluate performance
- Motivate your staff.
- Give and receive positive feedback
- Set goals.
- Train your staff

"We are constantly making decisions in business and because we often do not analyse problems well, we find solutions that do not fit the problem, and how to get the

best and most useful ideas from the people who work for you."

Future topics that I will be telling you about are:

- How to motivate staff.
- How to select staff
- The importance of a job description
- How to listen to customers
- How to manage people to perform their best.
- How to become assertive
- The importance of assertiveness.
- The importance of empathy
- How being specific in your communication works for you
- How to collect and use good ideas from your staff
- How to develop self-confidence

THE managing director of the Workwise Business Development Group writes:

Modern Retail Merchandising Techniques:

"Merchandising is a very interesting field of business. It relates mostly to the best way to display our goods in order to sell more and it requires us to think carefully about what

our customers' need and the best way to satisfy them.

"On our merchandising course you will learn ways to make customers buy more without even talking to them. You will also learn:

- How to choose the right products for your customers.
- Which elements entice customers to buy more.
- Different ways of promoting a business.
- How to group products correctly.
- How to design a shop in a way that increases sales.

On the course we also cover:
Stock management,

which explains:

- How you can improve your profits by controlling your stock correctly.
- How to use simple information systems that you set up yourself, to make the right decisions about your stock.

"In the section on marketing you will learn about techniques that are used all over the world to make and keep businesses successful.

"In a short space of time you will be able to understand and talk about:

- the marketing mix
- product life cycles
- managing change

"We look forward to meeting you and working with you on the new road to business success.

"The power is in your hands!"

Headhunter 172 sees major SA execs shortage

DANIEL SIMON

ONE of SA's top headhunters says the country will need an additional 120 000 middle to senior management personnel by the year 2000 to maintain the present economic growth rate. *B. Day 28/9/89*

Woodburn Mann MD Trevor Woodburn warned yesterday SA could be caught off guard and suffer the consequences of an executive shortage if it did not address the problem now.

His warning follows the release of a Central Statistical Service statement this week indicating the number of employed managerial, executive and administrative workers had fallen sharply by more than 17 000 to 200 268 in 1988 as compared to 1987.

He said at present, SA's educational facilities were not capable of generating so many executives in such a short space of time.

"By the year 2000, SA whites will only be able to account for 45 000 of this much-needed executive skill."

He said the lack of educational facilities for the training and grooming of other race groups in fields of management was of major concern and needed urgent attention.

Woodburn said a temporary solution to SA's problem would be to start importing European executives. This would alleviate SA's problem till the start of the next century.

"An alternative to the shortage, but one which is an interim solution, is to attract European executives to SA when Europe starts deregulating in 1992. These people could fill SA's management skills gap for the next 10 years while other race groups are trained to take their rightful place in management positions."

He said European companies were already conducting mergers and takeovers in anticipation of 1992.

Perceptions of free enterprise system improve

By Jabulani Sikhakhane
Management and employees are now more closer than in 1986 to agreeing on a national economic vision and both have enough in common to forge a strategy for wealth creation, according to Project Free Enterprise's 1989 report. (172)

The report, "Wealth Creation in SA: strategies for economic freedom and growth in 1990's" was released by Professor Martin Nasser, the chairman and research leader of Project Free Enterprise in Johannesburg yesterday.

The results of the third Project Free Enterprise's study on perceptions and attitudes show more optimism for the future. Professor Nasser told a media conference that he expected a lot more hostility than in 1984 and 1986 when the first two studies on perceptions and attitudes were done.

The report says there are common values with which management and its workforce could identify and concludes that there is a greater degree of consensus between the two than is commonly believed. This augurs well for creating a common national focus, it says.

Perceptions and attitudes towards the free enterprise system have shifted considerably since the first two studies.

There had been a remarkably positive shift towards a more solid understanding of the realities of business and basic economic principles.

"It would appear that the concerted effort on the part of the government and business in implementing the recommendations suggested in the 1986 study have had a marked impact on perceptions," the report said.

The flourishing of bodies like Sabta and the African Council for Hawkers and Informal Businesses (Achib), are among some of the factors accounting for changed perceptions, Professor Nasser said.



Professor Martin Nasser

On the area of participative management, the report notes that sharing of financial information was considered a problematic component.

"It is difficult to involve employees in the running of the business, without simultaneously telling them how the business is doing financially. However detailed financial disclosure has often emerged as a point of conflict in management union negotiations."

About 50 percent of the semi and unskilled employees, as opposed to 28 percent and 35 percent of management/supervisory and skilled categories respectively, said management never share financial results with employees.

This confirmed the statement that the most negative perceptions regarding management efforts lie at the lower levels of the organisation.

Management-employee gap is closing report

ONE of the most crucial issues facing the economy is the need for greater cohesion between management and its workforce, the third phase of a study by Project Free Enterprise has found

Released in Johannesburg yesterday, the study says the gap between management and the workforce has closed enough in the past five years for a joint strategy in national wealth creation to begin

Wealth creation is identified by the report as the most practical, cost-effective and non-ideological way to bridge the gulf between management and employees

The first study, which was released five years ago, showed an alarming misunderstanding by workers of how the economy worked

The report, titled Wealth Creation in SA, shows there has been a dramatic shift in perceptions and attitudes of workers towards the free enterprise system

The report says there has been "remarkably positive shifts towards a more solid understanding of the realities of business and basic economic principles"

"The role of banks, government, management inputs and productivity have now been placed in their proper perspective," the report said

The study found management and the workforce identified the same five out

of six factors considered by each to be the most important values for developing the SA economy

Management identified these factors as, in order of priority, education, privatisation, political change, increased productivity, deregulation and work opportunity

The workforce listed their priorities as political change, education, work opportunity, increased productivity, equal opportunity and privatisation

Sceptical

The study also found that

- ☐ 69% of employees said they had not been exposed to formal business training courses in the past five years,
- ☐ more than half of all skilled employees and almost as many semi- and unskilled employees said management encouraged their participation at all levels,
- ☐ employees are still generally sceptical about their management's commitment to equal opportunity programmes,
- ☐ management should support the erosion of the Group Areas Act as its presents a major barrier to the emergence of a common corporate culture,
- ☐ the overwhelming majority of employees approve of employee share-ownership schemes

MANDY JEAN WOODS

In my work with owners of smaller businesses from all communities I have identified one key area as being crucial to the success of a business. INFORMATION.

Business owners have to be managers. Business is a process of converting resources (material, money and labour) into products and services needed by the market. This process, however, does not happen on its own - it has to be managed. Borrowing money, obtaining a licence and renting premises is easy - the real skill lies in thereafter getting the business up and running and keeping it going.

The job of a manager is to make decisions. Decisions about what to buy or manufacture, at what price to sell products and services, who to employ and so on.

Decisions should always be made after firstly considering all of the available information and secondly after weighing up not only the benefits but also the costs that invariably flow from any decision that is made. For example, a decision is made to buy second hand equipment - Benefit lower initial outlay of cash - Cost higher repair bills loss of production time.

Mel Brooks (right), a senior lecturer at the Centre for Developing Business at the Wits Business School, writes about the role of information in managing a business.

Information is crucial to the success of a business

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business is profitable or not. Profits are the business owners' return on the money he has invested (and risked) in the business. If the return is not commensurate with the risk the business owner might just as well have invested his money in a building society. Furthermore, if a business is to be expanded then the business needs to generate more profits than the owner needs for his immediate cost of living requirements so that the growth can be funded by the business itself rather than with borrowed money.

Not only does the owner need to know about the overall profitability of the business but he needs to know which specific products or services are the more profitable so that he can focus on areas of strengths and weakness.

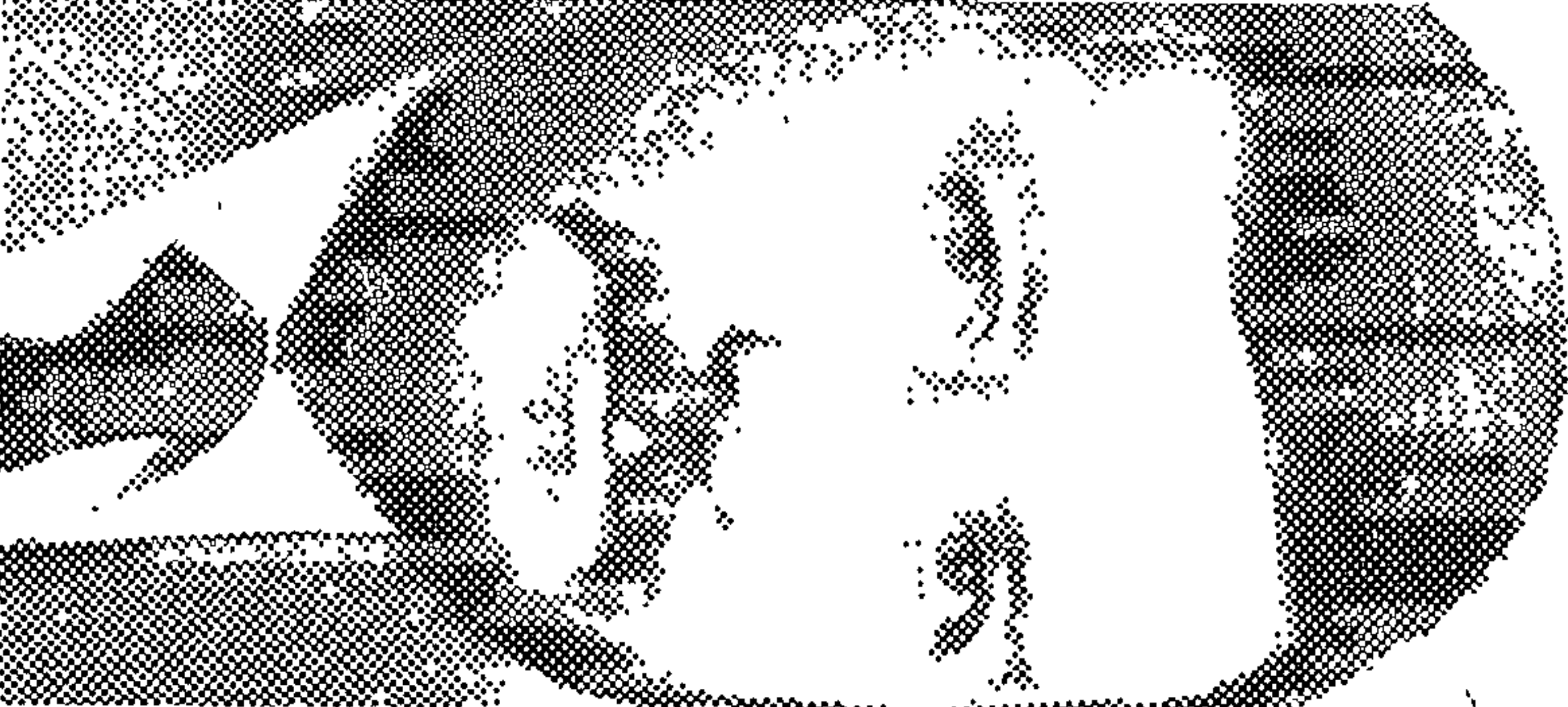
This type of information is obtained from studying financial reports. Financial reports can, however, only be prepared if adequate records are kept. Regrettably many business owners seem to regard record-keeping as a necessary evil at best. Only a few have seen the potential that complete financial in-

formation about their businesses has for them. The various assets of the business can also be safeguarded if records are kept. The owner will be better equipped to monitor the safe-keeping of equipment, stock and cash if he actually knows exactly what should be there by having records rather than relying on his memory.

External Information
A business does not exist in isolation. It is affected by many external factors. The business owner therefore needs to constantly be aware of what is happening outside

of his business so that he can respond to any threats and take advantage of any new opportunities.

What is his competition doing? What prices are they charging? Are they offering any new products or services that might lure his customers away from him? What level of service is being provided by opposition businesses and what can he do to improve on them in his own business? What are the plans of competing businesses?



and even more important what is the potential for new entries into the market he serves?

The needs of a business customers change with, for example, changing levels of income. Talking to customers and becoming aware of them as individuals will give us a feel for their needs. Customers are like voters, if we provide for their needs they will vote for us with their Rands. The nature of the community we serve may also change over time. If the number of young people with money to spend is growing in an area then the business owner who ignores this potential will lose out to those who do not.

Developments in the broader context cannot be ignored. The business owner needs to be aware not only of existing but also of planned legislation that may affect his business. This includes not only legislation that directly affects the business community such as changes to tax legislation but also all of the laws affecting people and how they live. All business owners should be monitoring moves toward deregulation to see if this will present any threats to their businesses or provide any opportunities for it.

Naturally this assimilation of information will take some effort on the part of the owner. All effort made will however pay handsomely. Owners will in future have an easy source of obtaining this information - *Sovetan Business*.

Graduate school's 25 years

IN celebration of its 25th anniversary, the University of Cape Town Graduate School of Business will present a half-day seminar on October 27.

Managing the Future Challenges will be presented in the new education building on the UCT middle campus

Speakers will include British In-

dustry Committee on SA chairman Lord Marsh, ambassador extraordinary and plenipotentiary of SA to the European Community B G Ranchod, and GSB business administration professor Rias van Wyk

Lord Marsh and Mr Ranchod will deal with Europe 1992 — its politics and economic realities and opportunities for SA organisations in this new market

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S/Times 11/10/89

John Hall — the boss who talks to the shop

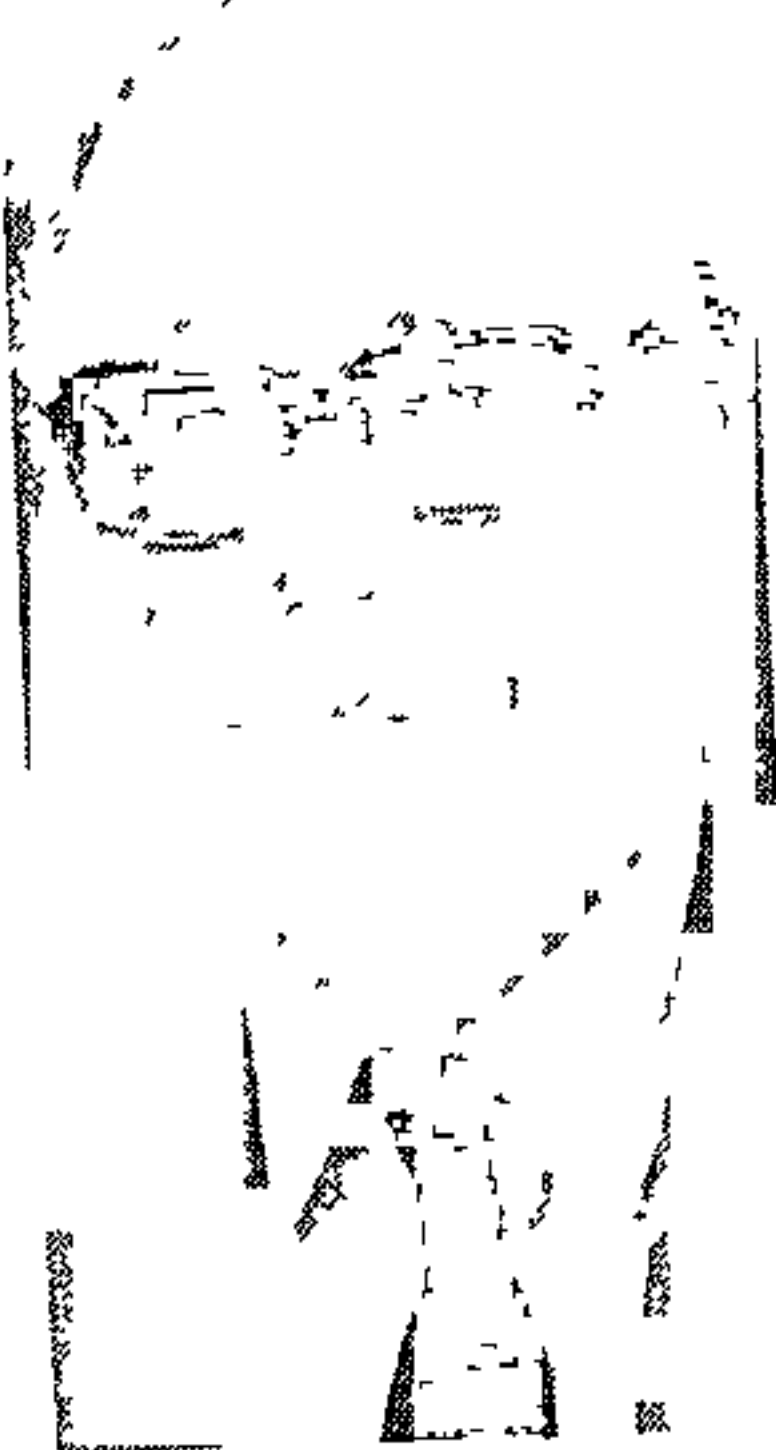
S/Times 11/10/89

By Robyn Chalmers

JOHN Hall, winner of this year's Human Resources Man of the Year award, is the acknowledged power behind the Middelburg Steel success story.

Mr Hall received the award at a banquet in Johannesburg this week. Other contenders for the title were Eskom human resources general manager George Lindeque and Anglo American manpower consultant Anthony Quinn.

Mr Hall joined Middelburg Steel & Alloys as group marketing director in 1970, the year it was technically bankrupt. Appointed managing director in 1974, he directed the company's metamorphosis



JOHN HALL . Middelburg back from the dead

Boom

Last year, the company had sales of about R700-million and profit after tax of R115-million. In the wake of the ferrochrome boom, MS&A is one of the world's leaders in its field.

Effective communication is the cornerstone of Mr Hall's success. Since 1976, there has been a major change in senior management thinking about communication at MS&A.

Mr Hall recognised early on that although his employees were well trained in their particular field, they were often under-equipped to deal with group interaction where

major decisions were made. He says "In the past decade I have become increasingly aware of the inadequacy of traditional thinking processes to objectively respond to the key issues of change."

Reduction

As a result, he initiated training sessions at foreman level to handle issues confronting the board and him as managing director.

This came in handy in 1976 when MS&A had to decide whether or not to invest in a mill and meltshop. Although it was vital to the group's

future, the project was set to cost R300-million — unaffordable at that stage.

Mr Hall introduced a series of workshops for his employees, intended to get them to communicate and start them rethinking and challenging traditional methods and techniques.

For the first time the total workforce was involved with management in an exercise. The outcome was a 50% reduction in the capital cost of the project.

Mr Hall has carried on with the workshops. They have led to improvements in cost effectiveness and productivity.

In one such workshop, employees worked out a plan for savings in power costs, raw material procurement and labour use of R3-million in one year.

Pressure

Mr Hall's foresight extends to more than human resources. In 1983, when the world ferrochrome market slumped, he bucked the trend of widespread retrenchments and retained all of the company's 4 000 employees.

He stood firm in spite of pressure from shareholders, and was proved right two years later when the market recovered and MS&A could move to full capacity almost immediately.

Mr Hall is also an executive director of Barlow Rand, chairman of both MS&A and Pretoria Portland Cement and Barlows director of human resources.

Shopfloor sense

S/ Times 15/10/89

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MANAGEMENT must provide the leadership in building the bridges between employers and unions, is the message from the Institute of Personnel Management.

It notes that there is a lack of management involvement in the whole field of human resource management.

Institute of Personnel Management President and Anglo Alpha personnel and industrial relations director, Mike Burgess, says he has every sympathy with the boards of directors.

"They are under pressure to produce profits for shareholders and rewards are structured to acknowledge short term results.

"On the union side, they are fighting for job security and, at the same time, they are pushing for sanctions to be taken against South Africa — they cannot have both, they contradict one another," he says.

A change of attitude is needed which will signal to workers that the capitalist system cares for everyone, including those at the bottom of the ladder.

Mr Burgess points out that it is time for management through compassion. With management having a greater awareness of worker needs and aspirations. There

By Andrew Gillingham

is, he suggests, a need for management to spend time on the shop floor on walkabouts.

"They don't even check to ensure that basic facilities are available for the workforce," argues Mr Burgess.

"From our position of privilege with our houses, cars and medical aid, we don't think of the workers. In general the demands of the black people are small and reasonable," he says.

Mr Burgess believes the workers need to be involved and participate in the capitalist process.

Feedback

This participation should be at the maximum level possible in the position they are employed. Feedback should be encouraged from the worker doing the job, on how to cut costs and increase production.

"And workers must be paid a good basic wage, above the subsistence level. It is essential," he says.

Another tool which management can use effectively is attitude surveys.

Mr Burgess recalls that one factory manager obtained good results by breaking his workforce into groups of 10 people. He then worked through the results of the survey with them. This had a tremendous impact on labour relations.

Another manager achieved good results by visiting all the homes of his staff — from houses to hostels — seeing what the company could do to make the workers' lot more pleasant.

Money

"But all too often the chief executive is too busy making money to see the problem," he says.

"Black advancement is a serious problem for all of us in the personnel field. The situation is made worse by the sub-standard education given to black people. But the problem does not just lie on the level of the black schools," he says.

"If black people on the bottom of the pile see educated blacks not advancing, it is demotivating.

"In the private sector the budgets given to training are too small. Most of SA's factories will have to be run by blacks in the future," he argues.

The mentor scheme is not being applied as it should be, says Mr Burgess. It should be a friendly shoulder to lean on but this is not taking place.

worked for, he worked on the production line for three months. During that time he boosted production by 53% and reduced scrap from 16% to 2% — without raising costs.

Mr Burgess says he took simple measures such as ensuring the tea arrived, that there were heaters during winter and he spotlighted those workers whose production was the highest. The slowest producer was also highlighted.

Increases

"There were no wage increases. Given the right training, supervisors could substantially increase production using similar techniques," he says.

The most important part of Mr Burgess's message is that management must show people that it really cares for them as human beings.

"The private sector is always critical of government for not negotiating and building bridges. But the private sector has failed to build adequate communication links with the unions.

"We need a greater predisposition to negotiate," he concludes.

MIKE BURGESS .. management message

"Personnel managers are going on courses to learn about the problems we face but this knowledge is not being passed down to the supervisor level where it will have the most impact. We need to share the facts," he says.

Illustrating the positive gains to be made from applying good labour practices on the shop floor is Mr Burgess's own career.

As a part of his induction into the first company he

Shopfloor sense

S/Time 15/10/89

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This participation should be at the maximum level possible in the position they are employed. Feedback should be encouraged from the worker doing the job, on how to cut costs and increase production.

"And workers must be paid a good basic wage, above the subsistence level. It is essential," he says.

Another tool which management can use effectively is attitude surveys.

Mr Burgess recalls that one factory manager obtained good results by breaking his workforce into groups of 10 people. He then worked through the results of the survey with them. This had a tremendous impact on labour relations.

Another manager achieved good results by visiting all the homes of his staff — from houses to hostels — seeing what the company could do to make the workers' lot more pleasant.

Money

"But all too often the chief executive is too busy making money to see the problem," he says.

"Black advancement is a serious problem for all of us in the personnel field. The situation is made worse by the sub-standard education given to black people. But the problem does not just lie on the level of the black schools," he says.

"If black people on the bottom of the pile see educated blacks not advancing, it is demotivating."

"In the private sector the budgets given to training are too small. Most of SA's factories will have to be run by blacks in the future," he argues.

The mentor scheme is not being applied as it should be, says Mr Burgess. It should be a friendly shoulder to lean on but this is not taking place.



MIKE BURGESS ... management message

"Personnel managers are going on courses to learn about the problems we face but this knowledge is not being passed down to the supervisor level where it will have the most impact. We need to share the facts," he says.

Illustrating the positive gains to be made from applying good labour practices on the shop floor is Mr Burgess's own career.

As a part of his induction into the first company he

worked for, he worked on the production line for three months. During that time he boosted production by 53% and reduced scrap from 16% to 2% — without raising costs.

Mr Burgess says he took simple measures such as ensuring the tea arrived, that there were heaters during winter and he spotlighted those workers whose production was the highest. The slowest producer was also highlighted.

Increases

"There were no wage increases. Given the right training, supervisors could substantially increase production using similar techniques," he says.

The most important part of Mr Burgess's message is that management must show people that it really cares for them as human beings.

"The private sector is always critical of government for not negotiating and building bridges. But the private sector has failed to build adequate communication links with the unions."

"We need a greater predisposition to negotiate," he concludes.

Business Times Reporter

FEW modern business managers can survive without a good understanding of information technology (IT), says Neil Duffy, professor of business administration at the Wits Business School

In an interview, Professor Duffy, co-author of a new book — "Information Management — Strategy Formulation and Implementation" published by Oxford University Press — said most companies have waded progressively deeper into computers and IT, led by their all-knowing data processing departments

Managers, often suffering from techno-phobia, frequently abdicate their responsibilities, leaving IT to the boffins *5/11/88*

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A number of companies are now finding the going extremely expensive. Fears of the bottomless pit are beginning to develop and some managers find IT a treadmill they would like to get off.

But they dare not, because it is well established that laggards in IT can lose out to competitors who are better able to manage information.

The answer is for managers to acquire a grasp, not of the nuts and bolts of programming, software or technology itself — but of IT strategy

Says Professor Duffy "IT is an ongoing part of the business. Managers do not abdicate from other parts of their business and they shouldn't here. Incompetence in IT can put a company under

"Managers must establish scientifically that their IT serves the basic goals of the business. We set out to tell people with some knowledge of IT and of management

AFTER TWO years of investigation, the SA Board for Personnel Practice has made major changes to its regulations by excluding a university entrance criteria.

Chris Pottas, chairman of the Board's Education and Training Committee, says that until now the only route for registration by the SABPP as a personnel practitioner has been for an applicant to have a suitable four year academic qualification and two years experience in the field.

"This has meant that some talented personnel people have been stuck at the lower level. They could only move to a practitioner level by going back to

Changing face of personnel

S111ues

15/10/84

(172)

If the person has a tertiary qualification, even though this is in a non-personnel field, the experience requirement is reduced to eight years

square one and embarking on a university course."

The Board has made changes on two fronts to give certain candidates the opportunity to increase their status in the profession

"In fact, the introduction of a Board examination is designed to ensure the maintenance of the highest professional standards."

One of the changes in the Board's regulations provides a bridging facility, to enable technicians to reach practitioner status even though they never went to university and remained in the technician stream, or obtained a diploma from the Institute of Personnel Management (IPM).

Professor Pottas says many of these technicians, who may be very experienced, could not afford the time and money it would require to obtain a degree

"Large numbers of people, mostly blacks, are taking the diploma route and we regard it as essential that the best possible use is made of them in the difficult years ahead on the personnel front

"Before any applicant in this category can undergo the Board examination, he or she has to be already registered as a personnel technician and have obtained a four-year post-matriculation qualification recognised by the Board"

Professor Pottas says the Board has decided that it will now set its own examination to enable people who satisfy other stringent criteria to become personnel practitioners.

He stresses that the decision in no way means a lowering of registration standards.

In addition, the applicant must have served an additional period of practical training and experience in personnel work at practitioner level

This period, which at the discretion of the Board may be less than two years, has to be supervised by a registered personnel practitioner

The second change in regulations means that a person without a tertiary educational qualification, but with at least 12 years relevant practical experience at practitioner level can apply to sit the Board examination

"There were some sceptical reactions in the profession when we first began seeking opinions on the proposed change in regulations two years ago Today, however, the mood has changed"

Senior Product Manager

Applications are invited from suitably qualified and experienced applicants regardless of race, sex or colour for appointment in the Faculty of Medicine to the following joint posts of the Medical University of Southern Africa and the Department of Health Welfare and Pensions of KwaNdebele. The clinical activities centre around the Philadelphia Hospital in Denilton near Groblersdal in the North Eastern Transvaal

square one and embarking on a university course."

"In fact, the introduction of a Board examination is

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Institute of Personnel Management

Set for a new decade

THE Institute of Personnel Management has prepared its strategy to take the organisation into the nineties

IPM executive director Wilhelm Crous says "We are preparing the institute for the next decade. More specifically we are catering for our members in this fast changing society"

It is IPM's aim to promote and develop the highest standards of competence and ethical conduct amongst its members and to influence and assist in the development and optimum utilisation of human resources in SA

"All people are created equal and should have equal rights and opportunities and should receive fair and equitable treatment," says Mr Crous

IPM's goals are

- To promote and supply professional training and development to individual and organisational members
- To play a leading role in the field of facilitating the creating of equitable employment practices
- To provide and disseminate specified, applicable and current information on developments and trends in the field of human resource management and in the Institute
- To assist the human resource practitioner in playing a strategic role in areas such as social responsibility, quality of work life and unemployment, in order for the organisation to function more effectively
- To represent professional human resource management locally and internationally
- To identify and influence decision-makers in the South African community so as to improve the development and utilisation of human resources in SA, and
- To provide an effective and efficient infrastructure that includes a sound organisation structure and a healthy financial resource base to implement and manage the above goals

FOR husbands and wives who can't bear to be separated from their respective partners, IPM has organised a Spouse Programme to coincide with the convention

Convention co-ordinator Adele Morrow says the programme really only attracts women — though there was one man booked on last year

She says suggestions from the wives after last year's programme were that the programme should be more geared to the business world, with particular reference to their husband's careers. Last

The other half of carving a career

year 70 people attended the programme

The programme includes an address by Lonrho group human resources manager Tony Frost who will be stirring the pot by tackling the subject "What your spouses are supposed to be doing when they tell you they are going off to work"

Communications is included in the programme, with Lynne Rutherford conducting a workshop entitled "Playing the Winning Game — the Art of non defensive communication"

Endangered Wildlife Trust public relations officer Marilyn Dougall will be discussing conservation

MARILYN DOUGALL ...
talking conservation

Facing up to the challenges

AS personnel management gains in popularity as a career choice, more and more students enrol in the Institute of Personnel Management's diploma course

But the field is one which is becoming increasingly complex and requires an ever greater range of skills. IPM has changed and is constantly changing its course to meet this and other challenges

IPM diploma manager Andre Swanepoel says the orientation of the course has changed direction and become tougher

Says Swanepoel "We see personnel management as a part of business management and have included a range of business subjects in the course. The diploma is gaining greater recognition in the marketplace and more companies are seeing it as a necessary qualification"

Concerned

Swanepoel says he is concerned about the high drop out rate, particularly among first year students. Around 50% dropped out last year

"There are two problems. As personnel management is a popular career students get involved without really knowing what it is about. And the course is taught by correspondence

"When students enrol they are highly motivated and tend to take on too many subjects. Students studying via distance education find it difficult to discipline and organise themselves," he says

IPM advises students not to take more than four subjects in the first year but this recommendation is often ignored

Mr Swanepoel says IPM has produced a new brochure which is designed in a workbook format. Working through the brochure shows student how long each subject takes and helps them to calculate how much available time they really have

As a further step IPM is introducing a foundation course which will be compulsory for all students

Mr Swanepoel says this course will focus on preparing people to start the diploma at the same level. Students will take just as long as they need to complete it. He says some students will pass the course in a matter of weeks, while others could take a year. To avoid delaying students, they will be able to start the foundation course at any time during the year

The course is also intended to provide people with an overview of their intended career and develop self management skills to prepare them for distance education

Mr Swanepoel says its new course will save some students money

"Currently students who start off from a low base are spending R1 000 for the first year of the diploma course, but they get nothing out of it. The foundation course will

ensure they are starting out at the right point to gain maximum benefit from the diploma," says Mr Swanepoel. The foundation course

starts in the 1992 academic year

It is just the first of a series of changes taking place

For students who are operating in specialist areas of personnel management, it will be possible to concentrate their efforts in that area first

For example, people who are employed in the field of training will have to take the same first year subjects but then they can take the balance of their training subjects — along with some of the business oriented subjects. They will receive a certificate in, for example,

training. They could then go on to complete the remaining subjects for the full diploma

Having completed the diploma the student looking for higher qualifications can take a higher diploma in one of three subjects — personnel management, industrial relations and training

The first higher diploma course will be available in November 1991

Says Mr Swanepoel "We believe studying is something which must continue through your life. It is not just a one-off effort to obtain a qualification"

Paul Johnson de

THE IPM is predicting there will be 1 200 people attending the institute's 33rd convention at Sun City between November 1 and 3

The theme chosen is "The High Road Human Resource Strategies"

The big drawcard at this year's convention is controversial author Paul Johnson, writer of best sellers "A History of the Modern World" and "Intellectuals"

He will be delivering the keynote address in which he will try to answer the question "Can SA come in out of the cold". His address is a geopolitical survey of international attitudes to SA and ways in which they can be improved

World Federation of Personnel Management Associations world president John Maxwell who has over 20

years experience in the profession under his belt, will be discussing international human resource management trends

Agenda

Also included on the agenda are

□ President of the Zimbabwe National Chamber of Commerce and National Breweries MD Gabriel Shamu

□ Out from the USA is Louis Allen Associates professional and marketing services vice-president Francis Edwards

□ Anglovaal Industries executive director Piet Neethling will use his experience with the Consol Group to answer several vital questions

□ Consultant Ben van Jaarsveld will also present a case study to illustrate success already achieved on the high

PROGRESS THROUGH PARTNERSHIP

EQUAL employment opportunity (EEO) is an area of human resource management which many South Africans believe holds the key to this country's future development.

However, for many companies it is an entirely new field, full of pitfalls. In an effort to assist firms wishing to start or improve their programmes, the Institute of Personnel Management (IPM) has started a database to enable those with knowledge and experience in the field to share it with others.

The databank covers a diverse range of topics including planning an EEO programme, manpower planning, community development, black business, intimidation and discrimination in the workplace.

IPM information officer Heather Basson says information on the databank is divided into categories such as economics, social and demographic, political and legislation, technology and corporate strategies.

Says Ms Basson: "The databank is intended to provide members with relevant information which is easily accessible.

"The information is

Data ^{SI Times} is for ^{15/10/89} all to ¹⁷² share

sourced from journals and IPM's EEO committee. Each member of the committee feeds in information on their particular portfolio.

"We are also establishing a network of experts who will be on tap for members with queries not covered by the databank or who need additional information.

"It is often more effective if the person wanting information can speak to someone who has practical experience in that particular area."

Members wishing to use the database phone in their queries and IPM will assess whether information extracted from the databank will suit their needs.

"IPM will also refer them to libraries and any experts who may be able to assist.

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Interest rates slow number of SA MBOs

GRETA STEYN

DEMAND for management buy-outs (MBOs) has surged this year but merchant bankers say the large borrowings needed to finance these buy-outs have contained the actual number concluded.

UAL GM Nico van Heerden said there was an increase in demand for MBOs this year, but added "As a successful MBO normally requires the financing of a large borrowing element, only companies with exceptional growth prospects are able to accommodate the high interest rates"

FirstCorp's Andre Roux said the bank had invested in six MBOs in the past year — an increase of 50% in rand terms to R120m on the previous year. But he adds the number of MBOs concluded are a fraction of the 50 proposals presented to the merchant bank during the course of the year.

"Higher interest rates are an obstacle and this has been compounded by the performance of the JSE for most of the year. The anomaly of high price earnings ratios has affected the pricing of buy-outs"

Van Heerden adds high interest rates also affect the banks, as they have, in some cases, resulted in a longer "pay-out" for the merchant bank — reducing its return.

Junk bonds

Another factor working against merchant banks financing large numbers of MBOs, in spite of the increased demand, was the concern about the economy and the lower profit forecasts for 1990.

The demand for MBOs in SA is picking up at a time when Britain is experiencing a decline in leveraged buy-outs because of high interest rates and uncertainty over domestic economic fundamentals. British merchant bankers are reportedly becoming reluctant to lend money for buy-outs.

In the US, the explosion of junk bonds to finance leveraged buy-outs has created a situation where continued economic expansion is a pre-requisite for the survival of highly leveraged companies.

In spite of foreign developments, highly geared MBOs are taking off in SA as the awareness of MBOs has become entrenched among senior SA managers. A recent report, submitted as a thesis by Wits MBA Vivienne Gollan-Bathie, found SA MBOs were financed on conservative debt:equity ratios of between 3:1 and 4:1, while ratios of 8:1 and 9:1 were common overseas.

Roux said vendor companies were increasingly seeing MBOs as a way of disposing of a company that does not strategically fit in with the group. It has gained in popularity as an alternative to disposing to a third party.

Rapid change needs an effective strategy

"THERE is probably no country in the world experiencing faster socio-economic change than SA," says Deloitte Haskins & Sells' Management Consulting Services partner Anthony Ball

"Our culturally diverse population is shifting its location, buying power, consumption patterns, tastes and aspirations at a daunting pace

"In addition to these rapidly changing markets, SA businessmen are faced with problems with which few businesses in other parts of the world have to contend"

These include

- A "massively" regulated and highly cyclical economy,
- Geographic isolation,
- Concentrated corporate ownership,
- Small, complex yet politically diverse markets,

- A low level of worker education coupled with relative unsophistication of management and management technology,
- A shortage of management skills,
- Pressure groups' rising clamour for individual rights

"So what is a business in SA to do?" asks Ball "It can attempt to go with the flow, and may ultimately find itself drowning in the flood of change, or it can develop an effective strategy to keep afloat and ahead of its competitors

Strategic

"To be effective, however," Ball says, "strategy must be much more than strategic planning — it is the strategic management of the business and its human resources"

He says a consultant's client has the benefit of advanced analytical technology which provides strategic information to help decision-making

"The strategic management plan developed needs to be action-orientated, referred to by management on a regular basis with actions, responsibilities and deadlines clearly documented"

Integral to strategic management, Ball says, is organisational design, as once the strategy is agreed, changes need to be made to re-structure an operation so plans can be implemented in the most effective manner

Both strategic management and organisational design assume time is available for detailed planning and management re-



ANTHONY BALL

views, but in today's volatile business climate potential disaster can loom fast "A recovery planning approach is essential," says Ball

"Speed is the essence in such circumstances, to analyse the feasibility of a business turn-around, plot an immediate action plan for recovery and, once this is underway, to prepare a strategic plan to ensure the company's return and realise its growth potential"

A business or a profession?

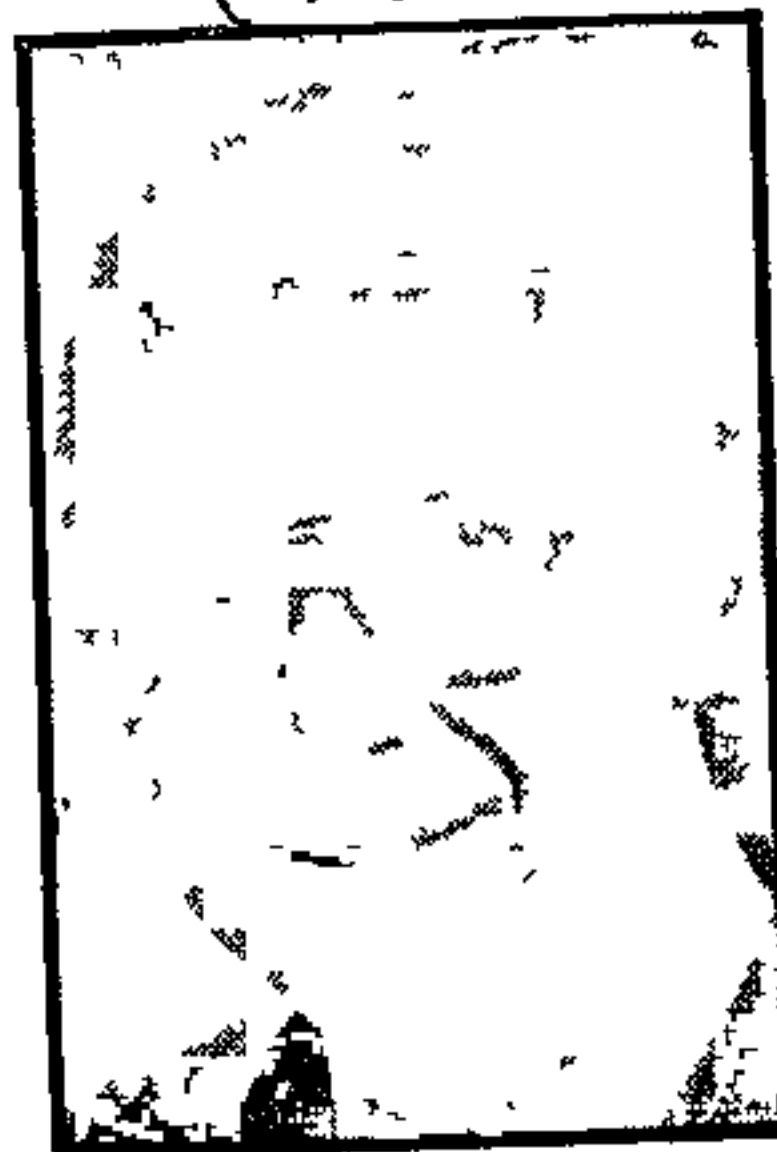
IS management consultancy a business or a profession?

The reality, says head of Andersen Consulting Leshe Bergman, "is that frequently it is straddled across both camps and not always that comfortably"

Bergman says the objectives of a management consultant are business objectives

"Inevitably, the requirements of operating in a business environment rub off on the management consultancy organisation

"One could not imagine a more anomalous situation than a consulting company providing advice to its clients on how to run their businesses effectively when it itself is not being effectively managed"



LESHE BERGMAN

Yet, he says, there is more to it than being a business

"The nature of management consulting requires

expertise, a high degree of training, absolute confidentiality, an unusually high level of interpersonal skills and many of the other attributes closely linked to a profession"

Will the market itself sort out the good consultant from the bad, the well-managed consulting practice from the badly managed one?

"I believe in the inevitable efficiency of the free market process in this respect Yet the prospective purchaser of consulting services may not be willing to put his business at the risk of a consultant he does not know

"Some protection is offered by organisations

which admit only qualified consultants

"The Institute of Management Consultants of Southern Africa affords the prospective purchaser a degree of assurance in that members will have been screened in terms of their subscription to a code of professional ethics

"There is, of course, no substitute for first-hand checking As in many other situations, a visit to the firm itself is worth more than a thousand words

"All the more so if the prospective consultant emerges from behind a mound of paper on his desk reading a Harvard Business Review article titled In Praise of Cluttered Desks"

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Trouble shooting and streamlining

MANAGEMENT consulting has developed into many different services aimed at satisfying specialised needs within the organisational, functional and technical disciplines of the private and public sectors, says Whitehead Morris chairman Clive Morris.

A quick finger walk through the Yellow Pages reveals a host of consultancies specialising in one or more of accounting and auditing, business planning, computer systems, engineering, financing, general, human resources, industrial relations, just in time (JIT), marketing and market research, organisation and method study, personnel management, quality management, remuneration, resource productivity management, taxation, training and de-

velopment, time management and work study assignments.

"The primary purpose of a management consultant," says Morris, "is to help a client solve a problem or promote an opportunity."

"The consultant is a professional who possesses an adequate body of knowledge and operates within a code of conduct and professional ethics."

Retain

"As a temporary member of client staff, the consultant must fit in well with resident employees but retain a high level of independence and objectivity."

Typically, an assignment concerning production and operations management may involve some or all of the following aspects of an organisation

- ☐ Business policy planning

aimed at identifying, formulating and implementing policies and procedures.

- ☐ Marketing, focusing on factors that influence supply and demand,
- ☐ Product design, incorporating value engineering and value analysis,
- ☐ The location and physical arrangement of facilities,
- ☐ Work methods and standards,
- ☐ Automation and job design,
- ☐ Payment and incentives,
- ☐ Capacity management and operations planning and control,
- ☐ Activity scheduling,
- ☐ Inventory management,
- ☐ Purchasing and supply,
- ☐ Quality management,
- ☐ Maintenance and replacement,
- ☐ Performance management, monitoring and control

"The resulting benefits

and savings achieved permeate ongoing relationships between clients and consultants," says Morris.

The client gets to know and trust a particular consultant who, in turn, develops an intimate knowledge and understanding of the client's operations and needs.

Pilot study

Professional management consultants generally only take on an assignment once the cost-effectiveness of the exercise has been adequately determined through a pilot study. This survey is normally conducted without charge.

Says Morris "Management consulting, now more than ever, provides an answer to the growing problems associated with lower productivity and profitability levels."

Creative, practical solutions

ACUFIN director Sandon Donner believes in a "generalist" approach to management consultancy, tied to close association with specialists in different arenas.

"The lack of specialisation enables us to avoid any myopic thinking and to address situations with applicable, creative and practical solutions."

He says buzzwords can lead to misconceptions that problems in today's business environment can only be solved by use of one of the "new techniques or approaches."

In reality, "all that is required in many situations is for basic, simple, well-founded experience in different arenas to be applied."

"A competent generalist consultant is well placed to act in this regard and also to perform the vital sounding-board function."

Business Day SURVEY

Management consulting has come a long way since arriving in the 1960s. Now 25 years later, by dint of professional and effective service, businessmen are convinced of its value. **BARRY SERGEANT** reports.

Beware fly-by-night operators with a clever sales pitch

IS THE fly-by-night management consultant still around?

"Yes," says managing director of P-E Corporate Services and past president and fellow of the Institute of Management Consultants of Southern Africa, Martin Westcott.

"Although the industry has become more mature, the consulting market is populated by many organisations and individuals operating under the title of consultant, but not always operating within accepted consulting ethics. Using clever sales pitches, usually highlighting dramatic overhead cost-cutting exercises, these operators present a danger not only to the good name of the consulting profession, but to the long-term viability of many companies.

"They home in on specific areas without taking into account the overall strategy of the organisation.

"The consequence of their so-called remedial actions are often disastrous," says Westcott.

This is particularly relevant in cases of so-called "productivity assignments."

"SA's skills shortage has elevated productivity to high priority and unethical consultants have latched onto it as the entry route into unsuspecting companies."

Hatchets

Westcott says the quick-buck method used by fly-by-night consultants is to bring out their hatchets, cut heads and demand more from the remaining staff.

"This is the quickest and surest method to short-term savings, but look under the surface and you'll find the seeds of long-term disaster.

"A professional approach to overhead cost structure assignment would be to

identify the company's strategies, objectives and key result areas and only then, with management participation, identify areas of cost-cutting or cost-reallocation.

"In the past, the consultant would leave once solutions were identified and recommended.

"The tendency now is to stay on and become involved with implementation where appropriate," Westcott says.

While condemning the actions of fly-by-nights, Westcott admits it is difficult to stop them.

He points to the Institute of Management Consultants of Southern Africa as the surest source for determining the professional standing of a consultant.

"The institute restricts its membership to persons and organisations of proven competence.

"It maintains a central register of its members and sets out a code of profes-



MARTIN WESTCOTT

sional conduct to which all its members must adhere," he says.

Corporate members are expected to adopt a pro-active role in upholding industry professionalism.

"But it's not always easy. We don't have the teeth of, for example, the Law Society, so companies are advised to establish the professional credentials of a consultant prior to appointment rather than trying to get recourse after the damage is done."

There are still those who fit the cynical suggestion of Robert Townsend, former international chairman of Avis, who described a consultant as "someone who borrows your watch to tell you the time and then walks off with it", Westcott says.

Explain changes to the workers

AT the core of any new system and its introduction is acceptance by the workforce, says senior Pim Goldby consultant Colin Kramer.

"Resistance to change and a basic lack of understanding will thwart any attempt to achieve the desired benefits."

Kramer says for many people the concept of waste and its bearing on the business aspect of the organisation is not appreciated. A

concerted effort to educate the workforce in the basic tenets of economic literacy is vital.

"Another important approach is to build team cohesiveness."

Education

Kramer says one cannot walk onto the shopfloor, inform the employees of their newly defined membership of a particular group, and then expect major im-

provements overnight.

"To gain the maximum benefits from the use of groups, adequate education and training must be given.

"The training must be aimed at building a team-orientated operating group through instilling a sense of responsibility."

He says the most effective method of educating employees in this context is to include experimental learning in the form of role-play models.

By helping people to act out the desired behaviour in a controlled environment it is much easier for them to adopt new styles and actions on the shopfloor.

"If one wants to introduce new systems to add value within a current work environment and improve the efficiency of the production process, one cannot ignore the need to enhance the effectiveness of the most important asset within the workplace, namely, the employees."

whole page exclude adverts

Integrated services are the tools of the leaders

THE challenge facing management is to improve productivity, quality and customer service, to reduce costs and meet the customer's real needs — gaining competitive advantage

This is the view of Andersen Consulting partner John Gibson, in Durban, who heads its Strategic Management Services Group

"Those management consultants who can offer integrated services to meet these challenges will be the leaders," he says

Management consulting has gone through many changes since its emergence in the late 1800s, when its initial focus was on technical consulting

The '50s and '60s saw industry recognition, mainly in the US, the '70s era saw competition, with the emergence of management consulting divisions in the Big Eight accounting firms

Arthur Andersen started a consulting division in the '50s This has now become a separate practice — Andersen Consulting — the biggest consulting firm both in SA and abroad

Information

"The focus of the Big Eight was initially on information technology and information systems, but acknowledgement of the inter-relationship between the various types of consulting services saw expansion into areas previously dominated by general management consultants and strategy boutiques," says Gibson

Key players in the diverse consulting market today include

- International general

management consultants, for example, McKinsey & Co, Booz & Allen, Arthur D Little and Andersen Consulting

□ Consulting divisions of large accountancy firms, for example, the Boston Consulting Group and Bann & Co

□ Sole practitioners and niche players (focusing on a particular service line),

□ Academics

The evolution of strategic consulting can be closely aligned to major economic cycles in the US and Europe The '60s and '70s were eras of long-range planning

For a fundamentally stable and growing economy, the focus was on long-term forecasts, five-year budgets and detailed operational plans with gap analysis being a key planning technique

"But," says Gibson,

"long-range planning did not pay adequate attention to risk analysis and socio-political factors With the energy crisis of 1973-1974, the stable growth environment became inflation-orientated and volatile

"It saw the emergence of strong unions and the birth of an era of uncertainty"

Scepticism

Long-range planning began to be viewed with scepticism by companies in response to new challenges, strategic planning kicked off

Main elements included the focus on strategic business units (SBUs) and planning for environmental change

"Many planning exercises did not produce results — the second crisis point"

The '80s have seen rationalisation and a more aggressive top manager concerned with competitiveness In response, strategic management has evolved — where senior management is responsible for strategy, with staff involvement at all levels

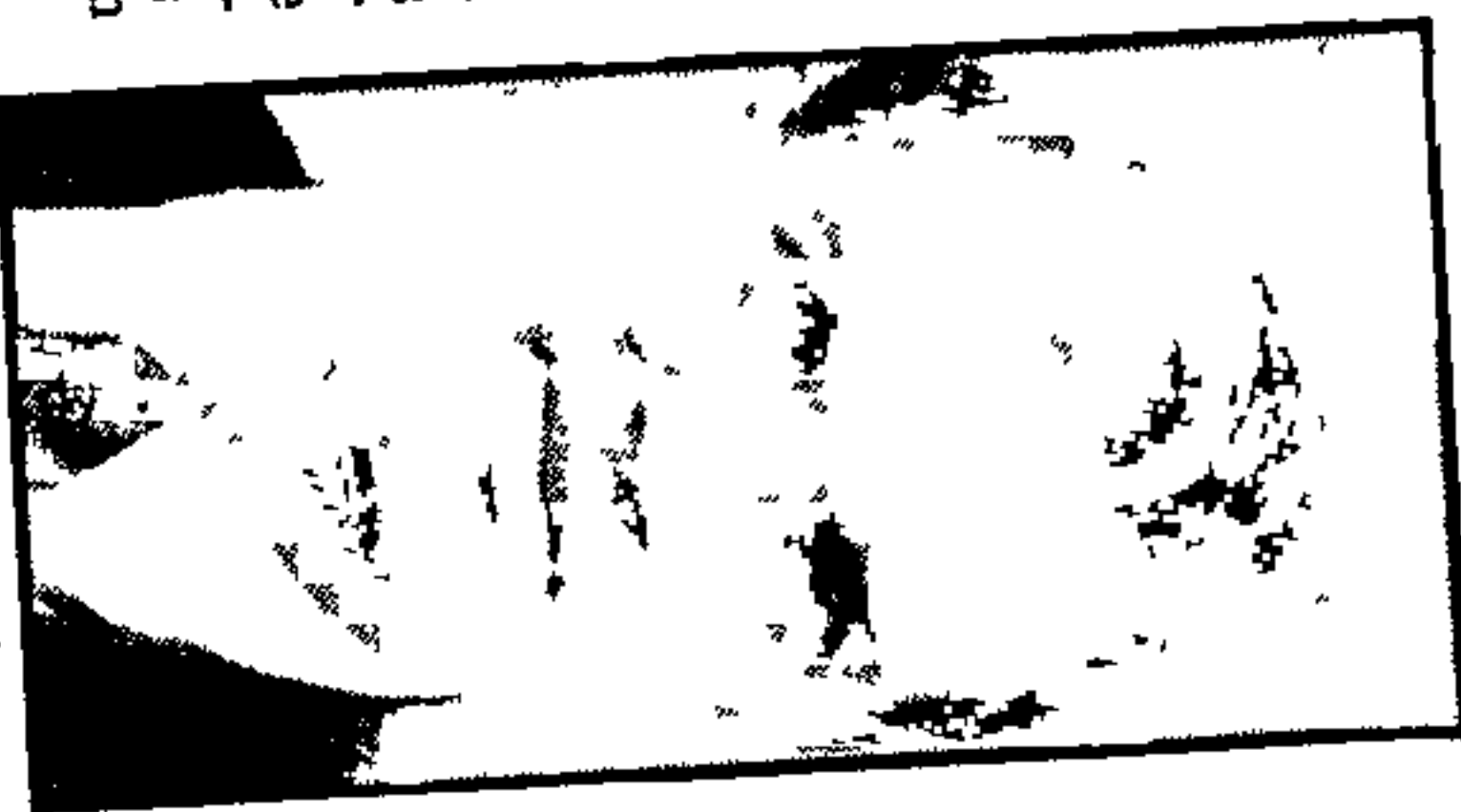
There is a new focus on implementation

"The challenge for management for the future is cost reduction, productivity and quality improvement, better customer service and the use of information technology as a competitive weapon

"Those management consultants who can offer an integrated set of services to meet these challenges will be the leaders

"Their focus is not just on writing reports, but on their ability to implement the recommendations"

Gibson says consulting



JOHN GIBSON

success depends on the ability to provide four basic dimensions

- A proven methodology,
- Analytical tools and techniques,
- Functional business knowledge,
- Industry knowledge

"Even with the use of consultants, the responsibility continues to rest with management It cannot be abdicated Management is responsible for the corporate destiny, not the consultant"

Problems seen through an objective outsider's eyes

HIGH Street management consultancy arrived in South Africa with something of a splash in the 1960s

But even today, something of a mystery surrounds the profession. Unlike a doctor, accountant, banker or politician, it is not quite clear exactly what management consultants do for a living

What they strive to attain is the vision of an outsider who can be contracted by a client, solve all its problems, find new opportunities and turn the client into a world-class unit

The Institute of Management Consultants of South Africa defines management consultancy as "The professional service provided by an objective, independent and qualified person in identifying and investigating problems concerned with policy, organisation, procedures and methods, recommending appropriate action and helping implement these recommendations."

Mouthful

Quite a mouthful. In practice, management consultants provide a wide range of services, ranging from computer systems and engineering to industrial relations and resource productivity management

Like the modern world, the role of a management consultant can change overnight. Earlier this year, US management consultant and author Tom Peters said "I begin with five questions: What is an organisation? What is a product? What is a market? What is a person? What is a customer?"

Enunciation of the "Peters Principles" gives a pretty good idea of the kind of work top-notch management consultants are attempting today

□ There is unprecedented uncertainty.

□ Time is becoming the main battlefield — and

weapon — of competition,

□ All markets are being fractured as products are increasingly customised,

□ In these new battles, quality, design and service are gaining importance,

□ Quality, design, service and competing-in-time alone require stem-to-stern reshaping of attitudes, organisation and procedures. Giant firms can no longer behave as they used to,

□ New organisational configurations are beginning to dot the landscape,

□ Old ideas about economies of scale are being challenged,

□ Partnership pays, and

□ Despite technology, the worker committed to constant improvement and instantly retrained must become the chief agent for adding value and achieving continuous innovation

The profession — or business — has come of age, but with its seeming insistence

on buzzwords, it has remained something of a maverick. Yet management consultancy remains one of the fastest growing areas of enterprise in the world

The bigger and more blue chip the business, the greater the investment to be made by an enterprise, the more likely it is that management consultants will be called in. But who are they?

Largest

The largest firm in South Africa — and the world — is Andersen Consulting, which employs about 200 professionals. The large accounting firms, such as Ernst & Young, Deloitte Haskins & Sells and KMPG Aiken & Peat, provide full-blown management consultancy services through associates

P-E Corporate Services is an associate of account-

ing giant Price Waterhouse. Smaller accounting firms, for example Kessel Feinstein, provide a highly specialised service in Leisure Time Industries through its associate Horwath & Horwath International

There are a number of large "stand alone" management consultancy outfits, such as Renwick, Whitehead Morris and Byrne Fleming, and there are firms with government ties, such as the National Productivity Institute

At the other end of the scale are dozens of one, two or three-man operations, including academics. They have all found a place in the sun

Unfortunately, so have a number of fly-by-nights. There have been attempts to formalise the profession, particularly with the formation of the institute, but not all management consultants are members

Specialists fill the gaps in the market

THERE is a place in the sun for all, but it's often difficult to find. In the consultancy field, many examples can be found of small consultancies that specialise in areas which would appear to be only of academic interest.

Two examples are advertising signs and the payments companies make to Customs & Excise.

Neil Green, of Sign Management Consultants, says: "In a world where millions of rands are spent on media advertising, the dependable, on-premise sign is often treated as an afterthought."

"In recent years, astute marketers have become increasingly aware of the importance of professional, striking signs as a vital marketing tool."

"We fill a strategic vacuum."

"One of the main reasons for the vacuum was political pressure from abroad. A number of companies have withdrawn or sold out to local buyers."

Another example of a small, boutique-type consultancy is administrative shipping, which specialises in claiming customs duties and surcharges wrongfully paid due to wrong tariff classification.

Director Gavin Wyngaard says: "Recently, Customs & Excise have chopped and changed the duty and surcharge requirements — in many instances, retroactively."

"This is where companies can benefit by employing our consultants. Our team handles customs refunds, tariff investigations, auditing of shipment files, export incentives, 'PC' shipping costing systems and establishment of bond store facilities."

Students need science and maths skills

THEO RAWANA

LACK of exposure to higher grade mathematics and science barred black matriculants' entry into production, engineering or accounting in industry, Toncoro chairman Cedric Savage said at the weekend. (172)

Addressing the Black Management Forum (BMF) annual conference in Durban, Savage said of the black pupils who matriculated last year, fewer than 2% passed maths and science. 81024 18/10/84

"The result was that very few matriculants are currently eligible to enter production, engineering and accounting functions in industry," Savage said.

"It has been estimated that in only 10 years' time some 200 000 additional trained managers will be required in SA, and that only 40 000 of these can be provided by the white population."

About 160 000 black people had to be trained, and be in managerial positions within 10 years, he said.

Savage said the future success of commerce and industry in SA depended on the transformation of a situation from one where under 4% of management in the formal sector was black, to one where black managers were playing a meaningful role in the country's economy.

S/Times 22/10/89

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TONY MANNING . busi-
ness should care

Customer a product

By Charmain Naidoo

SERVICE in South Africa is generally shocking and needs to be re-evaluated if this country is to make it to world class

So says Tony Manning, author of *World Class! Strategies for Winning with your Customer*. His book provides clues for businessmen on how to weave customer service into business strategy

Mr Manning believes customers are a product

"They are created when you do the right things in the right way — when you make the most effective possible use of your resources"

Mr Manning says "Most people have grown up experiencing nothing but lousy service, so they model their behaviour on the worst possible examples

"Also, the management style in most companies works against great customer service. Another important fact is that people in the front line are not hired carefully enough"

Customer service begins with good human relations inside the organisation

"Companies would do a lot better if managers remembered that people won't show they care until they know YOU care"

Out of the straitjacket

S/Times 29/10/89

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TREAT workers as adults, do away with the multitude of managers, and companies will see a change in their bottom line, says Stephen Holoviak

Professor Holoviak is director of the Frehn Centre for Management at Shippensburg University in Pennsylvania. He has been giving seminars in SA on the American experience of quality circles and productivity

Professor Holoviak believes human resources policies in companies are generally negative and geared to the 2% of the workforce which causes problems

Cut back on supervision, he says, and the outcome will be astounding. Companies which have done so have increased output, lowered turnover of

employees and boosted employee job satisfaction

"Research into organisations shows that workers don't know what is expected from them, where the company is going. When we open up — share cost and marketing information — they respond as allies"

He puts forward some practical examples of his strategy. If a worker is sick, says Professor Holoviak, he should not need a doctor's certificate to prove it

Place people in teams, he says, not jobs or positions. They should be taken on because of skills and not given narrow job descriptions that will not allow them to improve their standing.

The results of this sort of pro-

gramme include reduced sick leave and absenteeism, lower staff turnover and quality levels setting new highs.

Unions are dragons of the mind, he says. The inability of managers to relinquish unnecessary controls over the lives of other people cause the problems

"Organisations should not be shaped like pyramids but circles inside circles. Circles that are fluid, that change form and longevity

"Workers should be able to manage their own behaviour, decide on their own vacations, share the vision of the organisation, share the results of success equally. There should be virtually no managers and people should be hired for their skills."

Massive drop in CMS attributable income

6/Day 29/11/87

A DECLINE in operating income and a move to an interest-paying position has reduced attributable income for Corporate Management Services to R10 000 from R565 000 in the six months to September.

This is far off the R2,3m reported for the last full-year to March, but chairman and CEO Alan Baxter remains confident of producing satisfactory results for the year overall.

The DCM-listed group, which serves the mainframe market with hardware, software and related services and lists the top 500 large corporations as its clients, has

SYLVIA DU PLESSIS

posted a 43% increase in sales to R16,6m. Baxter describes this improvement as pleasing in view of the fact that it was achieved in an unsettled economic climate with difficult trading conditions.

However, growth at this level was marred by a decline in operating income to R160 000 from R871 000, which he attributes to new technology products introduced during this period.

These products required an enhancement to the group's infrastructural levels,

and associated costs were incurred ahead of revenue being generated, he says.

Another blot on the income statement is interest payments of R150 000, which compares with corresponding interest received of R70 000.

In view of the decrease in bottom-line profits, earnings of only 0,03c (2,09c) a share have been declared. Policy is to declare dividends at year-end.

Baxter says CMS continues to focus its activities in the mainframe sector of the information technology industry and has no plans to move into the PC market.

"The traditional core of the group's business — the sale of high performance information storage and retrieval solutions and independent maintenance services — is profitable and has good prospects for the balance of the year," he says.

However, the synergies anticipated in the software divisions have not yet fully materialised.

Baxter says CMS's second half is traditionally stronger than the first, and the group is well-poised to take advantage of the investment in its infrastructure and new technology products.

The secret of a good bank is good people

star 11/2/89
DAVID BULLARD

COULD it be that the prevalent habit of losing money in financial markets has finally been acquired by South African banks?

Well, yes and no

Firstly, there are some banks which repeatedly make good returns in even the most difficult markets

We all know who they are.

On the other hand, there are other banks which repeatedly fail to sparkle and we probably don't know who they are, the ashes are carefully raked over the bond losses hidden among the forex profits

How is it then, that some banks can keep up consistently good performances in financial markets, while others can barely break even?

The answer is people

The profitable banks have senior managers who have made a point of understanding the intricacies of the new instruments such as options and futures.

Trading limits are monitored constantly and risk management is the key

If markets move against the bank, dealers are disciplined enough to take losses

Managements are sufficiently experienced to understand that markets are not always profitable and that you have to take the rough with the smooth

They see no point in being wise after the event

In the derivative markets, which are highly geared, decisions are based on a series of what-ifs

The bank is always looking at a worst-case scenario and balancing it against its view on rates

The trading room is well-equipped and run with military precision

Serious market operators compare this to warfare, with profit representing victory

As traders arrive in the morning they switch on the Reuters monitor looking for opportunities

They answer phones promptly and tend to be back from lunch before 2 15

They are remunerated on a profit-sharing basis, which means the more successful they are, the more successful the bank is. No profits, no money. They very rarely change jobs

The unprofitable banks, however, spend a lot of time wondering when the profitable banks' luck will run out

They are convinced that they (the profitable banks) must have made a pact with the devil or some such thing

Their senior managers can just about remember how to convert a discount into a yield on a BA, but probably can't even spell the names of some of the new instruments, let alone explain them.

Although cost-conscious, they have still had to pay relatively high prices for people claiming to be traders

In return they have got a mixture of semi-skilled neander-

thals.

Some never do anything, in case it's wrong. Some did something once and are still waiting for it to come right

Some believe they function better when making investment decisions when anaesthetised with drink

Most have trouble understanding simple market terminology and some still don't know the difference between a bid and an offer

The dealing room is full of sparkling high-tech gadgetry (courtesy of the shareholders), which no one knows how to use.

It's not easy to function profitably when you can't even remember a four-letter Reuter code

As markets veer this way and that, the unprofitable banks, with their total lack of controls, manage to make the wrong decision every time

No losses are taken unless absolutely necessary because they appear on a management print-out the next morning and could adversely affect the expense account

In the event of a major foul up, losses are blamed on cosmic forces out of management's control

The managing director must wonder at times why he has to pay someone R120 000 a year to lose a million rand. I know the shareholders do

● The author is Director of Johannesburg's Options Market

Talk and chalk ditched

8/17/84 3/12/84

one to 10 as opposed to one to 56 in SA. This indicates the need for an accelerated development programme such as the MDP.

TRADITIONAL

THE University of Port Elizabeth (UPE) has launched a management development programme (MDP) to reduce the shortage of skills in the Eastern Cape.

MDP chairman Charles Wait said at the launch that the reasons for the programme were the pressing need for managers on the one hand and a surplus of unskilled labour on the other.

"The ratio of management to employees in America is

Financial support has been given by Goodyear and Firestone and Charles Bailie has been appointed to develop the programme. Mr Bailie studied industrial psychology and economics and has several years' industrial experience.

He started on the programme by determining which training courses were

available to meet the needs of Eastern Province companies.

It was decided to develop a programme which would steer away from the traditional talk-and-chalk method and concentrate on learning through individual and group experience.

Mr Bailie says "Many skills are not always understood or put into practice in the workplace."

"The results of experiential learning are more effective for both the employee and employer than chalk and talk."

The course, to be offered from January, is intended to teach management skills to non-management and supervisory staff as well as to train people already in middle management.

FEATURE

It will be conducted in modules over two years and will be divided into three-week blocks, students attending classes in the afternoon.

A feature of the course is that employers are closely involved in the training through a mentorship system.

A close relationship is developed between employer and employee.

Tuition will concentrate on management and functional skills development. Topics covered by the management skills include conflict and stress, self development, decision making and communications.

The functional skills phase will include computers in management, operations and financial management, economic overview, human resources, business strategy, productivity and marketing.

CHARLES BAILIE, MDP replaces talk and chalk

Business credibility in SA is precarious

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5/12/89

Education Reporter

There must be a quantum leap in the output of trained, educated managers if South Africa wants to retain credibility within the international business community, said the Dean of the Wits Business School, Professor Keith Yeomans.

Speaking on his return from a visit to eight business schools in Europe, Professor Yeomans said there was a high demand for management education in Europe.

"Today there are simply not enough good, well-trained business managers. The major European business schools are turning away hundreds of applicants, especially at MBA level," he said.

JOINT VENTURES

The purpose of Professor Yeomans' trip was to observe European developments in management education, to examine facilities so the best ideas can be incorporated into the proposed new Business School building and to interview candidates for vacant posts at Wits Business School.

"Joint ventures between business schools and companies should be encouraged. This is a major development area overseas, in which a business school gets involved with a company and plans special management development programmes to suit its requirements," he said.

HR top of the list

51 lines 17/12/89
A SURVEY by Unisa's School of Business Leadership shows that SA's middle managers see human resources (HR) management as the major challenge of the 1990s.

Karl Hofmeyr interviewed 240 middle managers. Almost 50% of them singled out challenges relating to HR management as a priority.

Other matters regarded as important included industrial relations, the need for increased productivity, the skills shortage, training, managing black-white relationships and black advancement.

Professor Hofmeyr says 5% of the responses dealt with management

styles. Mention was made of participative management and employee involvement, the management of change, the need for vision and for a unique SA management style.

Comparing his findings with trends he identified in the US, Professor Hofmeyr says many of these challenges are similar to those faced by American managers. But there is a different view here of what managers must be able to do and hence what is needed in SA management education.

"Industrial relations, productivity, job creation, the emphasis given to political challenges, the references to issues of race and culture and the need for attitudinal changes are what differentiate SA priorities from those of the USA."

"To the extent that issues such as these are not addressed in our management education in the Nineties, business schools may lack relevance. Rigid adherence to American curricula will not help us to meet SA's challenges."

An immediate implication, he says, is that these challenges should be dealt with more directly in courses on human resources management and organisational behaviour at business schools.

"Management education in SA has to prepare managers to understand these issues and to be able to place them in the context of a society which has major technical and structural problems."

PI HOFMEYR ... chal-
lenges of the 1990s

Ivory Coast opens door to links with SA

PARIS — Ivory Coast President Felix Houphouet-Boigny opened the door to diplomatic relations with South Africa in an interview published yesterday.

He told the influential French daily *Le Monde* it was up to Pretoria, which is campaigning to end black Africa's diplomatic boycott, to make the first move.

"South Africa has not yet asked us, it is not up to me to do it," said Mr Houphouet-Boigny, interviewed in Abidjan on December 19.

Africa's longest-serving leader said his conservative West African country's policy was to have relations with any foreign state provided it respected the Ivorian regime.

President de Klerk said earlier this month after a meeting at Mr Houphouet-Boigny's home town of Yamoussoukro that he hoped to establish diplomatic ties.

REALITY

"I do not think that it (diplomatic ties) is a dream, it can become a reality but I do not want to bind the government of President Houphouet-Boigny and I do not want to make specific predictions," Mr de Klerk told a news conference on his first foreign trip since taking office in September.

At that time the Ivorians had no comment to make on their relations with Pretoria.

The establishment of diplomatic links with the Ivory Coast would be a political coup for Mr de Klerk, who has vowed to end racial discrimination in South Africa.

President Houphouet-Boigny has earned criticism from most African states for his long-standing policy of dialogue with Pretoria — Reuters

Only 2 800

STAR 28/12/89

managers are black — survey

Staff Reporter

There were only 2 860 blacks in managerial, executive and administrative positions in the country, compared to 180 000 whites, according to the recently released "Race Relations Survey".

Published by the South African Institute of Race Relations, the survey documents social, economic and political trends in 1988/9.

The chairman of the National Manpower Commission, Dr Hennie Reynders, said one of the reasons for the lack of black managerial progress was the attitude of white personnel. Although they paid lip service to black advancement, they displayed an unwillingness or inability to do so in practice.

On the labour front, the number of man-days lost in strike action during 1988 was 914 388, against 5,8 million in 1987 — an 84 percent drop.

Strike action in the first six months of 1989 was up by almost 200 percent compared with the same period the previous year.

Workers' wages increased an overall average of 22,5 percent in the first five months of 1989. However, there was a downward trend in wage settlements between unions and employers. The increases averaged 16,7 percent in the first five months of 1989 — lower than the 1988 average of 17,9 percent.

There were an estimated one million registered unemployed people, but the real unemployment figure was probably closer to three million.

HAGAR the Horrible

By Dik Browne

IN A SITUATION LIKE THIS,

ORDINARILY.

Profits boost

By TOM HOOD
Business Editor

COMPANY directors have been rewarded with big pay rises after achieving record profits and dividend payouts this year.

Increases of as much as 140 and 198 percent for the top brass of two major companies are disclosed in a random check of annual reports to shareholders

These increases are usually buried among the small type near the end of the glossy reports, which must now disclose to shareholders the total remuneration paid to directors

However, the figures in the reports do not include the cost of perks such as cars, soft housing loans (at 6 percent or less), houses or flats overseas

or in South Africa

In addition, most directors also hold shares in their companies — many hold shares worth more than R1 million — and receive thousands in dividends

A leading management consultant agreed that this year's increases were abnormally high and reflected rewards for improved company performances

The high tax rate would eat up a huge chunk of the increases, he said, and companies would probably compensate with better fringe benefits such as more expensive or new model cars

He also pointed out the country had a shortage of senior management skills and that people would simply move to other jobs if they believed they

were not properly compensated for their efforts

A regular critic of company spending, Mr Issy Goldberg, chairman of the Shareholders Association, added "Shareholders have no objection to directors' fees being geared to performance but they believe equally that lack of performance should reduce their fees"

"I have raised this at company meetings. You must reward executives if you want them to make the company grow"

However, Mr Goldberg said it was wrong to lump the fees of executive directors who were full-time employees with those of non-executive directors together under the heading of "Directors Emoluments"

"There is a tremendous difference in the efforts of executive directors who work every day and non-executive directors and it is important to know how much people are paid"

Some public companies such as Trust Bank still do not disclose remuneration paid to directors, while most publish the information discreetly among "Notes to the financial statements" — pages of dull information that shareholders might not study

Highest increase spotted in a random check was the 198 percent (R5,1 million) rise to R7,1 million for Murray and Roberts directors, which names seven executive directors and seven non-executive. This would give each R507 000 a year if each class of directors received the same

One of the most generous payers is the giant Anglo American Corporation, whose 30 directors' "remuneration for managerial services" jumped by R5 million or 50 percent to R15 million to average

© See page 3.

Directors' salaries soar

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R500 000 a year or R41 000 a month

Afrox raised by 140 percent or R376 000 to R643 000 the remuneration of its 10 directors for an average of R64 300 a year after the company recorded strong increases in turnover, trading profit and dividends

An increase of 77 percent (R1 million) was paid by the CG Smith group, whose eight directors share R2,3 million to average R287 500 for the year or R23 900 a month

A total of R8,9 million is paid by the country's largest industrial group, Barlow Rand, and subsidiaries in directors' emoluments. This is an increase of 44 percent or R2,7 million on the R6,2 million paid last year

Shareholders of Safmarine and Rennies Holdings recently agreed to increase the remuneration of each non-executive director by 50 percent from R10 000 to R15 000, to be paid quarterly in instalments

Safren's 14 executive directors receive emoluments of R2 183 000, up 49 percent or R714 000 this year for an average of R155 900 (or R13 000 a month)

Rex Trueform with 12 directors, increased their emoluments by 78 percent or R248 000 to R565 000

However, some of the 12 receive their remuneration from the holding company African and Overseas Enterprises, which increased the fees paid to its five directors by 17 percent to R550 000, averaging R110 000 or about R9 200 a month

Picardi Beleggings' nine directors received a 41 percent rise (R337 000), making a total of R1 163 000 a year — R129 000 a year each

Pointer Fashion, with four directors, improved remuneration by 40 percent or R273 000 to R974 000

However, this includes figures for leasing and finance charges of directors cars — figures that most companies do not disclose separately or put them with other company charges

Pepkor's eight executive directors got a rise of 34 percent or R623 000 to R2,4 million to average R300 000 each (R25 000 a month)

A modest 24 percent rise was made by Seardel, the largest clothing manufacturer, an increase of R631 000 for a total of R3 299 000. This averages R366 500 or R30 500 a month for each director

Pick 'n Pay's nine directors receive R2,8 million, up only 22 percent (R500 000) for R311 000 a year each or R26 000 monthly

Rembrandt Group raised directors' remuneration by R500 000 or 21 percent to R2,9 million for its 17 directors, giving them an average of R170 500 or R14 200 a month

Rabie Investment Holdings gave its four directors a 21 percent increase, up R69 000 for R102 600 a year, averaging R8 550 monthly.

One of the lowest increases was Romens Holdings' 17,5 percent, a R74 000 rise to R496 000 among five executive directors, an average of R99 200 each or R8 266 a month

Iscor, with 14 directors, expects their remuneration to aggregate R621 000 for the year ending June 30 1990

This averages R44 365 a head, which works out at only R3 696 a month. However, some of their perks probably include housing loans from the group's R474 million of home loans shown in the pre-listing prospectus

They also stand to get shares from the 60 million set aside for a management share incentive scheme. They can buy for only 1c a share, borrowing the rest from a trust which they need to repay only nine years after the scheme starts

MANAGEMENT — 1990

Industrial councils facing death by market freedom

GOVERNMENT moves towards market related freedoms and emphasis by companies on decentralised management style could mean the end of industrial councils

This was the view of University of Cape Town School of Business's Kate Jowell who quoted Barlow Rand labour specialist Jan Hiemstra in the Indicator publication as saying industrial councils were not expected to survive the next decade

Policies towards increasing market freedom represented an approach that leaned away from social democratic philosophy which underlined systems supporting collective bargaining — particularly at national or industrial level

These policies towards more market freedom brought pressure for privatisation, deregulation and support for developing businesses, bringing pressures to bear on industrial councils, Jowell said

The president now had the power to

EDWARD WEST

suspend industry wage agreements and various protective clauses embodied in long-standing Acts of Parliament such as the Machinery and Occupational Safety Act

A second pressure was that several major companies had withdrawn from industry associations because they did not want to be subject to bargaining and strikes at two levels, Jowell said

Demise

Other companies argued that they did not support centralised bargaining in principle, which was not in line with decentralised management style

These companies had hastened the demise of several industrial councils, including the Printing and Newspaper Council, said Jowell

Jowell asked how far government exponents of a freer labour market would

be able to push their policies before hitting the countervailing power of collective self-interest

The Cosatu unions were relentlessly pursuing centralised bargaining on a number of fronts with or without statutory structures such as industrial councils

The Steel Engineering Industry Federation of SA's success in drawing the Cosatu and Nactu unions into the metal industry and Numsa's growth had greatly improved the bargaining power of the countervailing collective bargaining

Will established black unions seek a coalition with the newer black unions to protect their wider interest in central bargaining? How far will the influence of decentralised bargaining supporters among management really spread, Jowell asked

Parties to industrial relations were creative and adaptable, and the ironies of SA society might prove Hiemstra wrong, Jowell added

B/Dag 3/11/90

The strong leaders depend on people

S/Times 14/11/90. 172

MANAGEMENT styles underwent vast changes in the past decade and the 1990s will certainly bring a new wave of thinking.

Fortune magazine predicted last year that toughness would be one of the hallmarks of leadership in the 1990s. But Jim O Wilhite, vice-chairman of the American firm Arkla, disagrees.

He says in Productivity SA that strong leaders will need to make a workplace climate in which people are given opportunities to develop as individuals.

"Our job as leaders is to create an environment in which employees can experience personal and professional growth — to enable the organisation to adapt and thrive."

Mr Wilhite says leadership requires that managers build winning organisations by encouraging people. They should spur all em-

ployees to become involved in the challenging, and at times painful, business of taking risks and making tough decisions.

Leaders can help employees to develop, as well as advance the company, by surrounding themselves with people who are more talented than they are.

"The company benefits when leaders recognise that every employee has great value, a value not based on salary level, academic degree, or professional certifications, but on an inherent quality."

"The benchmark of successful management in the 1990s will not be the application of only toughness. Rather, it'll be an ongoing commitment to produce a generation of new and talented leaders by blending toughness with fairness, compassion and understanding."

Stu 18/11/90

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Managers 'must be aware of realities'

SA's high illiteracy rate under spotlight

By Montshiwa Meroke
More than half of South Africa's adult population is illiterate compared with 1 percent in Japan and 13 percent in the United States, says Professor Karl Hofmeyer of the School of Business Leadership at Unisa.

He was speaking at the graduation of a multiracial group of 29 people who received Joint Management Development Programme diplomas in Johannesburg this week.

The JMDP is a three-year accelerated-training and development programme, from France, started five years ago, aimed at producing competent middle managers.

It is a joint venture of the Urban Foundation, the Black Management Forum, the National African Chamber of Commerce and Industries, the Paris Chamber of Commerce and Industry and 40 South African-based companies.

Professor Hofmeyer told the graduates: "Fewer than 10 African pupils and fewer than 20 coloured pupils out of every 100 who start school matriculate, while 87 per cent of African teachers are under-qualified."

"Of the thousands who matriculate each year only about 500 to 800 African pupils matriculate with

higher-grade mathematics and science."

"On the qualitative side, since 1976 many black schools have been in turmoil with frequent boycotts, violence and in some cases an almost total breakdown of any meaningful education and the will to learn," the professor said.

There was talk of a "lost generations" of black school-goers, he

added. If it was correct to say that a "winning nation" was built on a foundation of sound education, this area presented South Africa with enormous challenges.

Political change, economic decline, powerful social forces, inequity and the education crisis represented a context which the graduates had to be aware of and had to try to influence positively in

whatever small way they could. Professor Hofmeyer said that in South Africa it was not sufficient for managers to look after only their own interests — the environment demanded that people should take an interest in the realities around them.

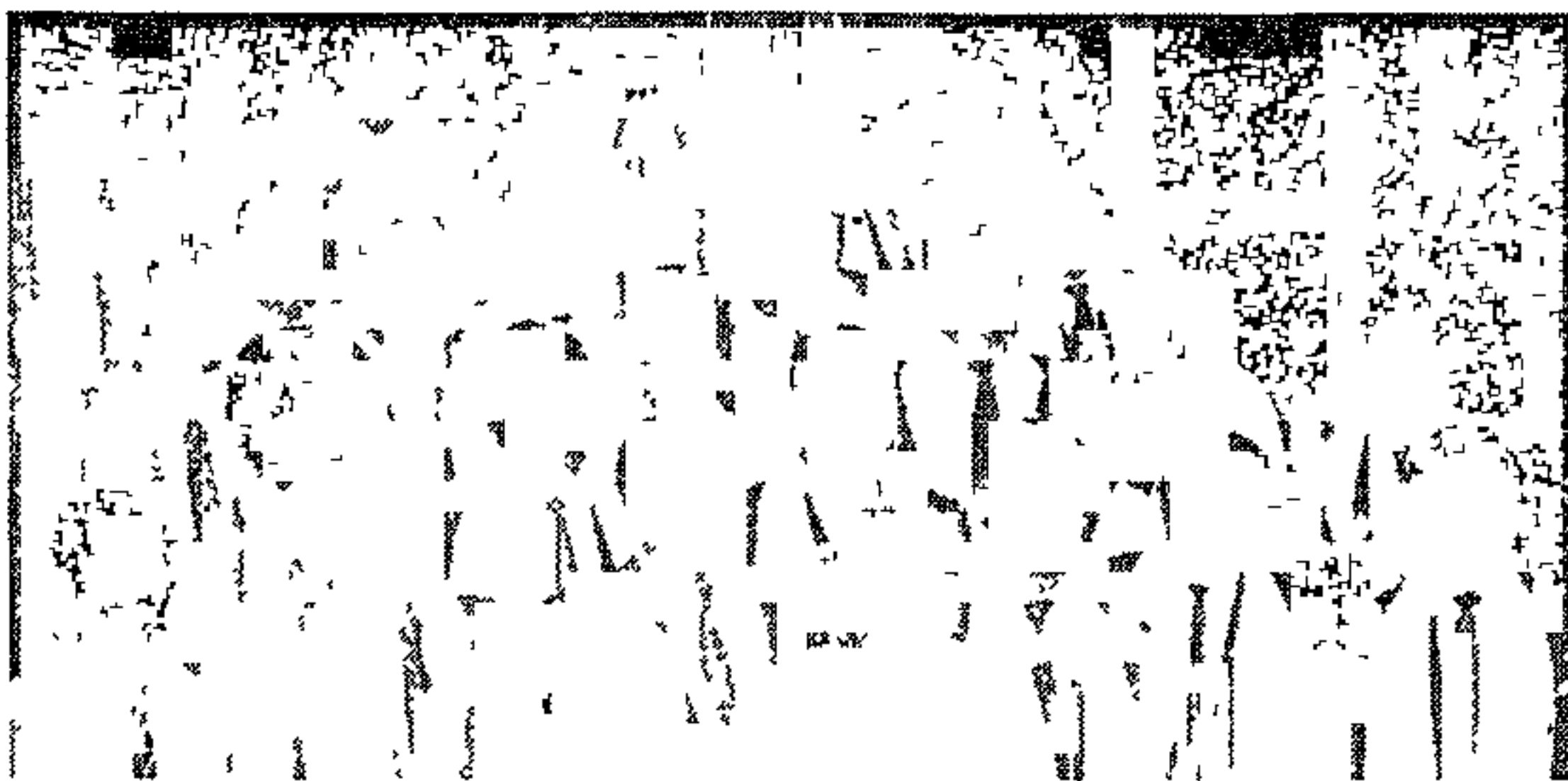
The challenge of being a manager in South Africa in the 1990s was to be aware of what was happening in the broader environment, to be willing to become involved in some of the South African issues and not stay aloof from them, to be prepared to take a stand on political issues and to speak out against inequities and discrimination. A spokesman for the JMDP said that last year saw the first graduates of the programme. The second group had taken the number so far to 53. This year there would be a new intake of 43 participants to add to the 159 who had enrolled since inception.

1 000 rebels killed in push

City/ Round the world in a

SOWETAN

Building the Nation



Some of the managers who graduated at the Joint Management Development Programme in Johannesburg this week.

Business roles will expand in future

Sowetan 18/1/90

MANAGERS have important roles to play in political change, economic problems, demographic trends and education constraints in South Africa, Professor K B Hofmeyer of Unisa, told newly qualified managers in Johannesburg yesterday.

"The business world will not be able to isolate itself from the political environment and increasingly individuals, companies and organisations will need to consider the implications of political developments. They also have to decide what their role should be in the change process," Hofmeyer said.

He was speaking at a graduation ceremony where 29 people - black and white - qualified as managers in a Joint Management Development Programme sponsored by the joint venture of the Urban Foundation, the Black Management forum, Nafcoc, the Paris Chamber of Commerce and Industry and 40 South African-based companies.

The programme, a unique non-racial accelerated training and development, is aimed at producing competent middle managers. They underwent eight weeks of intensive off-the-job training, with the balance of their development being structured through job-related assignments within their individual companies.

"During the nineties there is likely to be a shortfall of at least 100 000 people in the top management category and a shortage of 400 000 professional and technical people," he said.

He said the informal sector was growing at approximately 15 percent a year and has to be recognised as an increasingly important component of the economy, especially as a provider of entrepreneurial opportunities and employment.

"Eighty six percent of the people joining the labour force during the nineties will be black, coloured and Asian. By 2000 black will outnumber whites in cities by three to one, employment generated by black taxis is as much as is provided by 10 gold mines, R7 out of every R10 spent downtown in Johannesburg is spent by blacks and 2000 blacks will account for 57 percent of disposable income."

He said the education statistics painted a gloomy picture: 51 percent of our adult population is illiterate, which makes us the most illiterate adult population of the industrialised nations.

"Since 1976 many black schools have been in turmoil with frequent boycotts, violence and in some cases almost total breakdown of any meaningful education," he said.

World ivory ban may cost SA park millions

ANDREW GILL

THE international ban on trade in ivory comes into effect today, and it could cost the National Parks Board between R4m and R6m, says NPB director of special services Anthony Hall-Martin.

The ban, announced at the Convention of International Trade in Endangered Species (Cites) conference in Lausanne last October, will effectively halt ivory sales by the Kruger Park — SA's only legal ivory seller.

The park has not reduced elephant culling, and ivory is being stockpiled.

In an attempt to overcome the loss of revenue, and cuts in its budget, the NPB has raised tariffs and embarked on an expansion programme to lure tourists.

Government contributions to the NPB decreased from more than R8m in 1988 to less than R3m in 1989.

Tariff increases of about 30% come into effect in April. Environmental education manager Johan Verhoof said yesterday the NPB was upgrading facilities and creating new ones in various parks.

The Kruger Park is running at 90% capacity all year round. No more development is being planned there because the board had decided on maximum accommodation of 4 000 beds.

Hall-Martin said SA had asked Cites to send experts to the country to investigate its elephant control measures, in an effort to return SA to the list of nations allowed limited ivory trade.

There would obviously be adverse reaction from some quarters but a scheme to identify the origin of tusks, run by the Parks Board and UCT, would counter possible allegations that SA was "laundering" ivory, he said.

Elephant leather would also be affected by the ban. "The leather sometimes brings in more revenue than ivory, and we have had to stockpile that, too," he said.

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New batch of managers

Blom 18/1/90
PIERRE DU PREEZ

THE second batch of graduates from the Joint Management Development Programme (JMDP) received their diplomas at a ceremony in Johannesburg this week.

The JMDP — a joint venture between 40 SA companies and various institutions including the Paris Chamber of Commerce and the Urban Foundation — is aimed at producing competent middle management.

The 29 graduates of all races completed a three-year course, including eight weeks of "off-the-job" training a year, with the balance being conducted in the workplace.

Jean-Claude Mas, the Paris chamber's vice-president, attended the ceremony.

Guest speaker Prof Karl Hofmeyr of Unisa said the "French connection" had helped make the JMDP a success, setting it apart from other programmes.

He said the challenge of being a manager now included an awareness of and willingness to become involved in broader SA issues and to speak out against inequities.

● See Page 8

POLITICS and political change will be important features of our lives in the next few years. National and international pressures and tensions will continue as the country looks for legitimate and democratic political structures.

The business world will not be able to isolate itself from the political environment and increasingly individuals, companies and organisations will need to consider the implications of political developments.

They also will have to decide what their role should be in the change process.

As Peter Searle, chairman of Volkswagen SA, wrote recently: "The primary role of business is business and not politics or matters of a socio-political nature. However, in the circumstances in which we find ourselves today, it is not possible to ignore political and socio-political factors."

The economic reality is a sobering one. Sampie Terblanche argues that the economy is still on the decline that started in 1974 after the oil crisis. Our average growth rate has been less than 2% annually and per capita income has declined by 0.5% annually and by more than 1% since 1981.

He observes that the economy would have to grow by at least 5% to accommodate the 350 000 (or more) people that will enter the labour force annually during the 1990s, otherwise largescale unemployment is inevitable.

Furthermore, there is a grave shortage of skilled and management people in the economy.

It is estimated, for example, that job openings at the skilled manpower level will exceed supply by no less than half a million in the next decade.

Another structural aspect of the

Managing our future as pressures mount abroad and at home

KARL HOFMEYER outlines the challenges facing young business managers in the 1990s

economy is what Clem Sunter calls its "dual-logic" nature in which a relatively sophisticated economy exists alongside a much less developed, informal sector.

The informal sector is growing at approximately 15% per annum and has to be recognised as an increasingly important component in our economy especially as a provider of entrepreneurial opportunities and employment.

Social factors and demographic trends are powerful forces in our environment. About 3 500 children are born in SA every day. Nine out of 10 are black.

At present whites comprise approximately 14.4% of the total population, by 2000 it will be 12.2%. SA's urban population was 15.2 million in 1980; it will double to about 30 million by the year 2000.

John Kane-Berman refers to a "silent revolution" which is changing our society: by 2000 blacks will outnumber whites in cities by three to one, employment generated by black taxis is as much as is provided by 10

gold mines, R7 out of every R10 spent in downtown Johannesburg is spent by blacks; by 2000 blacks will account for 57% of disposable income, vs 32% in 1970; estimates of the number of blacks unlawfully resident in white areas vary between 100 000 and 250 000.

The interplay of political, social and economic factors has led to gross inequalities in our society. The second Carnegie Inquiry into Poverty and Development in Southern Africa (1989) highlighted the inequality between the country's rich and its poor.

This ratio compared the relative poverty in 57 countries and found SA to have the worst rating. According to Operation Hunger, as many as 1.5 million people are on the verge of starvation. Some rural hospitals report as many as 60 hunger-related deaths a month.

This "darker side" of our society

has to be confronted by the private sector.

Business is seen by many, especially in black communities, as an accomplice of government, and capitalism has become discredited.

Consequently, to undo its negative image business will have to be seen to be tackling the problem of redistributing wealth, power and opportunities while it is engaged in generating wealth.

The education statistics paint a very gloomy picture. 51% of our adult population is illiterate (compared with 1% in Japan and 13% in America); fewer than 10 African pupils, and fewer than 20 coloured pupils out of every 100 who start school, matriculate, 87% of African teachers are underqualified, of the thousands who matriculate each year only about 500-800 African pupils matriculate each year with higher grade maths and science.

On the qualitative side, since 1976 many black schools have been in turmoil with frequent boycotts, violence and in some cases an almost

total breakdown of any meaningful education and the will to learn. There is talk of "lost generations" of black schoolleavers.

If Clem Sunter is correct that a "winning nation" is built on a foundation of sound education, this area presents us with enormous challenges.

These realities — political change, economic decline, powerful social forces, inequality, and an education crisis — represent a context that you as managers have to be aware of and try to influence positively in whatever small way you can.

In SA it is not sufficient to be a "good manager" looking after one's own interests.

Our environment demands that we take an interest in the realities around us.

I recently asked 240 South African middle managers what would be the most important challenges facing them in the next five years. Almost half identified human resources issues as the most important. Economic challenges were second, political challenges third and technological issues fourth.

The effective SA manager in the 1990s will have to have strong human resources management and people skills such as communication, conflict management, human relations and coaching skills.

He will also have to be staunchly anti-racial, politically aware, be willing to commit his time to what I would call "individual social responsibility commitment", be willing to cross racial barriers and learn about others, remain committed to lifelong learning and want to be part of the "active future".

□ Prof Hofmeyer is associate director of the School of Business Leadership at Unisa. This is an extract from his address at this week's Joint Management Development Programme diploma ceremony.

IPM calls for faster training

5/10 am 23/11/90
COMPANIES in SA needed to increase the number and step up the pace of advancement programmes for workers, Institute of Personnel Management president Theo Pegel said in a statement yesterday.

The private sector and particularly human resources managers could play a major role in combating the severe skills shortage in SA.

Pegel outlined a policy for such a programme, reminding IPM members that even if the present education system was reconstructed tomorrow, it would take 10 to 15 years before the results of such a restructuring would be realised.

"In the meantime, the private sector must make do with the present pool of people in the country," he said.

"It is up to each and every one of us as human resources managers to create a culture of education and training in our own organisations," he said.

"This attitude will ensure education and training is stressed at all times on all levels within our organisations," he added.

More black personnel needed to be brought into supervisory levels and into technical positions to assist in the implementation of these programmes.

Training strategies should concentrate on responsibility for self-development by managerial and executive staff, with more direct training being aimed at the lower levels.

EDWARD WEST

Companies should become involved with the education of their future employees in the geographical areas in which they are located.

Pegel stressed that support to schools in the neighbourhood could have a major positive implication.

"Don't try to do it on your own. Form an alliance with similar minded businesses in your locality. As a group you can achieve so much more than trying to do everything alone," he said.

Pegel emphasised the need to focus on vocational training. SA should take a good look at introducing a system similar to the Vocational Education Training system which is used in West Germany.

172 1250 1250 1250 1250
Workforce
In Germany, everyone who left school to enter the job market needed to undergo an apprenticeship which applied to more than 400 different trades.

By adopting a similar system, SA could ensure its workforce was far better equipped vocationally.

The IPM has taken the issue of the skills shortage and education system in SA as part of its theme for the 1990's and intended bringing practical ways and means of handling the problem to its 8 000 members during the coming months, said Pegel.

Trade specialists aim to offer one-stop consultancy

PROMPTED by the growing need to maximise SA's exports and manage its imports more effectively, Price Waterhouse has formed a subsidiary which specialises in international trade.

Price Waterhouse partner Chris Frame says "International trade is SA's lifeblood and cannot be conducted in a haphazard or ad hoc fashion when the country's prosperity is at stake."

The new company, P W International Trade Consultancy, will provide a one-

ZILLA EFFAT

stop foreign trade service, concentrating on strategic planning and implementing functional controls for companies involved in trade.

Frame says because of the urgent need for skilled management of imports and exports, the company will also conduct training programmes and seminars on various aspects of international trade for all levels of manage-

ment

He says a positive turnaround in international attitudes to SA will mean that capital flight will be replaced by capital inflow.

Capital inflow will need to be very carefully managed, as will the increased acceptance of SA exports resulting from a change in attitudes.

Frame will concentrate on international tax and foreign exchange matters.

13/004/23/11/90

Alienation key to slow development

ALAN FINE

A KEY factor in the slow pace of black management development and in under-performance of black managers is the marginal position of these managers in the company and the society they live in

This is one of the main findings of a survey of black management development programmes commissioned by the SA Foundation (SAF) from Prof Lawrence Schlemmer of Wits University's Centre for Policy Studies. 24/11/90

In a summary of the survey, which is to be published soon, SAF Johannesburg director Gavin Evans said that among reasons for the black managers' marginal position was that they had to reconcile the segregationist society in which they live with a corporate environment in which they were supposed to compete as equals with whites

The experience of discrimination was aggravated by several factors: lack of exposure to white informal networks, experience of tokenism in appointments, of unequal remuneration in the past, and of resistance from shopfloor and some white colleagues

There was also a conflict between demands in the workplace for performance and demands of the black community for solidarity

These factors, according to the survey, result in high levels of stress and insecurity, lack of self-confidence, and, often, alienation from the corporate structures and the wider society

Schlemmer emphasised it was not black "non-modern" cultural values which were the obstacle

The survey found there were certain key ingredients to making black management development programmes successful

These included a publicly-expressed commitment from top management, and following through "by selecting targets for black management development, including line management and not just personnel (and) incorporating training programmes as part of a broader strategic advancement strategy"

SOWETAN BUSINESS

(172) (188)

FINANCE for non-financial managers The financial management of any organisation is too important to be left entirely in the hands of accountants and financial managers

Not only is money an important resource in a business, but the activities of a business are always expressed in financial terms In addition, every decision made, or activity carried out, has implications which can be measured in financial terms

Terminology and jargon. Non-financial managers who are responsible for areas such as marketing, personnel and production are the people who actually run the business However, they have problems understanding financial reports and concepts One of the main reasons for this is a lack of understanding of the "language of business" that is accounting

Problem

The main cause of the problem is the accounting people themselves They use terminology and jargon when talking to laymen, which is often incomprehensible.

This is unnecessary as it is possible to use plain and simple English even when describing the most complex financial matters

To complain that the

Translating the jargon

Sowetan 25/1/90



THIS week MEL BROOKS of the Centre for Developing Business, part of the Wits Business School, discusses the importance of every company worker having a firm understanding of how money is used in a business. This involves looking at how financial decisions are made and put into action, as well as how the activities that take place in business are measured in terms of money.

accountants are to blame is, of course, not good enough Non-financial managers must equip themselves with a knowledge of business language. This will enable them to communicate with the people who hold the purse strings.

Apart from improving communication, if non-financial people can themselves calculate the effects of any decisions they make, it will make them more effective as managers

In addition, the planning process which has become a vital part of managing calls for all future activities of a business to be set out in terms of rand and cents.

Money

If everyone in an organisation can communicate at the same level about money, the budgeting and cash-flow forecasting can be done as a team effort

This will be an improvement on what hap-

pens in some businesses where accountants prepare these plans with only occasional input from the rest of the organisation, who often can make little sense of what is happening anyway

How to learn The first thing that non-financial people need do is to start reading financial publications This will give them a picture of business activities throughout the country At the same time, they should attempt to gain an insight into the

following aspects of their own firms

How the activities are recorded;

How this information is classified and summarised (this is the book-keeping process),

How the information is presented in a meaningful format (this is the accounting process), and

How to interpret the information and make decisions and plans based on that information (this is financial management)

Dealings

Secondly, in all their dealings with financial people, they should not accept the use of jargon If something is not understood they should say "please repeat that, in English" Financial people have a duty to educate their colleagues in business

They must stop hiding behind the walls of their speciality

The centre is very concerned about the need for all managers to understand how money is used in business If you are interested in learning more about the programme available, phone Elias Maseko on (011) 643-3241

THE critical skills shortage being experienced in SA extends to all corners of commerce and industry, including warehousing and distribution.

The lack of qualified people in the industry has caused SA to lag behind its counterparts in the US and Europe.

The problem is compounded by the fact that sanctions have prevented personnel from keeping abreast of technological advances in other parts of the world.

In addition major changes are occurring in every aspect of the warehousing and transport industry on the social, political, technological, physical and economic fronts.

These changes have meant that managers have had to adapt their thinking and methods of operation. But many have either not recognised the new environment,

or have refused to change their ways.

SA Transport Services (Sats) managing director Anton Moolman says it is of utmost importance that a manager understands the forces that can be unleashed in a process of change. If he does not, the firm or organisation concerned could be harmed.

Daunting challenges for managers

Dr Moolman says if managers are too short sighted and fight only for their own interests in the shorter term the industry will bear the detrimental effects in the longer term.

The skills shortage has been partially alleviated by the development of various courses and degrees which deal specifically with materials handling.

One such innovation was the introduction of materials handling degrees up to master's level by the University of Pretoria two years ago.

Prospective students with a BSc can expect to complete the degree within two years and the maximum period of study is set at four years.

A lecturer says the rationale behind the introduction of the degree was the rapidly increasing need for top-notch specialists in the field especially because the materials handling industry accounts for upwards of 40% of SA's gross national product.

Subjects studied in the honours course include warehousing and distribution, road transport operations, long-distance transport, options, factory automation and personnel management.

Another organisation helping to fill the personnel gap is the Materials Handling Institute (MHI).

The MHI runs correspondence courses which students of all ages can undertake without possessing a matriculation certificate.

Courses offered by MHI include a certificate in storemanship which takes a year to complete, a three-year study of materials handling and a one-year diploma in warehousing for managers.

Companies in the industry have begun to deal with the problem of severe management shortages by introducing training programmes.

Rentfreight, for example, has a comprehensive training and culture programme staff relations being a top priority.

Rentfreight Forwarding SA divisional general manager Eddie Stead says staff members are a company's most important asset and are developed as much as possible. The organisation imple-

mented a three-year culture programme 10 months ago and Mr Stead says the results are already evident.

We have a decentralised management structure which means each manager looks after his own divisional unit. Rentfreight is made up of many small business units and each manager knows his particular area inside out.

Managers can respond quickly to a changing environment because there is no overriding dictatorial policy. The line of communication between top, middle and lower management is short and decisions are made quickly.

One of the results of the mergers that have taken place in the material handling industry has been in-

creased volumes. This has worsened the manpower shortage.

One of the solutions has been increased automation but it has often caused staff resistance to change and a fear that jobs will be lost.

Mr Stead says computerisation has helped his company considerably but that there was some resistance to it in the beginning.

Historically the invoicing of suppliers has been a paper shuffling business. It was all done manually, wasting a lot of time and causing lower productivity.

When we introduced computers into this department, the clerks were nervous that they would lose their jobs. However, when they realised that the computer would make their job easier and that their expertise was still vital it went down well.

Anton Moolman

managers must adapt



ANTON MOOLMAN

Quenching a thirst for knowledge

172

THE new Wits Business School dean Keith Yeomans is pressed for time

"If I face one problem it's that there are too few hours in the day," he says

"This is a multi-faceted job involving communication with the various business school areas, the university itself and the private sector"

"I am also determined to make at least one academic appearance at each of our courses. It is important for students to see this as the hands-on operation it is"

Yeomans exudes enthusiasm about his role as dean, as well as about the broader need for business education in SA

"I would like to see a major thrust towards expanding this and other business schools. This does not imply empire building but is simply a recognition of the dire need for management development"

He says the specifics of some expansion plans have received too much media attention

"Details aside, we are awaiting approval of expansion plans. In principle there has been definite support. What matters most is timing, and of course we must account for space implications and the allocation of resources"

It is strategically necessary that SA develops every avenue available, he says

"Here we have one manager looking after 40 to 50 people. The ratios in Europe and America are between 10 and 14 to one"

Yeomans attributes the shortage of business teaching skills to various factors, including emigration and inadequate training resources

"At graduate level we have four to five applicants for every person accepted. We are skimming the cream. I am certain there are many prospects who could derive enormous benefit from our courses, but

NEIL YORKE SMITH

who don't get the chance"

Indicative of the overwhelming demand and inadequate facilities is the huge success of private sector management schools, he says

Yeomans believes SA is neglecting two major management resource pools —

blacks and women.

"How many blacks or women represent top companies at board level? It is unrealistic to blame inadequate skills for these resources being under-utilised"

He says traditional prejudices work from both sides. "On the one hand is the 'You can't' and on the other the 'I can't' attitude. Both contribute to a drained human resources pool"

MAN IN THE NEWS



Keith Yeomans . . . believes business could play bigger role in education. Picture ROBERT BOTHA

Yeomans agrees part of his job involves inspiring the enthusiasm which is necessary if SA business training resources are to be developed. This involves convincing the business and academic worlds of the importance of developing adequate resources

That facilities are over-utilised is obvious, he says. The Wits school operates to capacity on five days and four evenings a week, as well as on Saturday mornings

"No other area of the university can claim that type of asset utilisation," he says

Yeomans reckons business should play a bigger role in funding management education. Predecessor Andy Andrews took a different line, he admits, but adds this is one stance he is unlikely to change

"We get some support, but nothing like what I'd like to see." Most of it comes via bursaries for underprivileged students and prizes for top achievers

Yeomans is to visit America in April, when he will meet academics and businessmen, as well as cement relationships developed by Andrews

"Andy was invaluable in developing international ties and enhancing the image of the school," he says

"I intend to continue this philosophy which ensures our access to fresh ideas and creates opportunities for valuable people-interchange"

He is delighted with the school's development of SA case studies which "will be far more relevant and offer wider project alternatives than previously used American and European studies"

"I have a vision of SA which operates in terms of the hugely successful Pacific Basin nations," he says. "In realising this vision business schools have a vital role to play"

Saving permanent staff stress at work

B/Day 31/1/90

172

IN PLANNING their human resources, SA companies should be budgeting to use temporary staff and take advantage of the benefits they have to offer.

Emmanuel Personnel marketing manager Melanie Pavkovich says planned temporary staffing is widely done in the US, but still has to catch on in SA.

In most companies there are departments that experience "peak and valley periods"

Abnormally

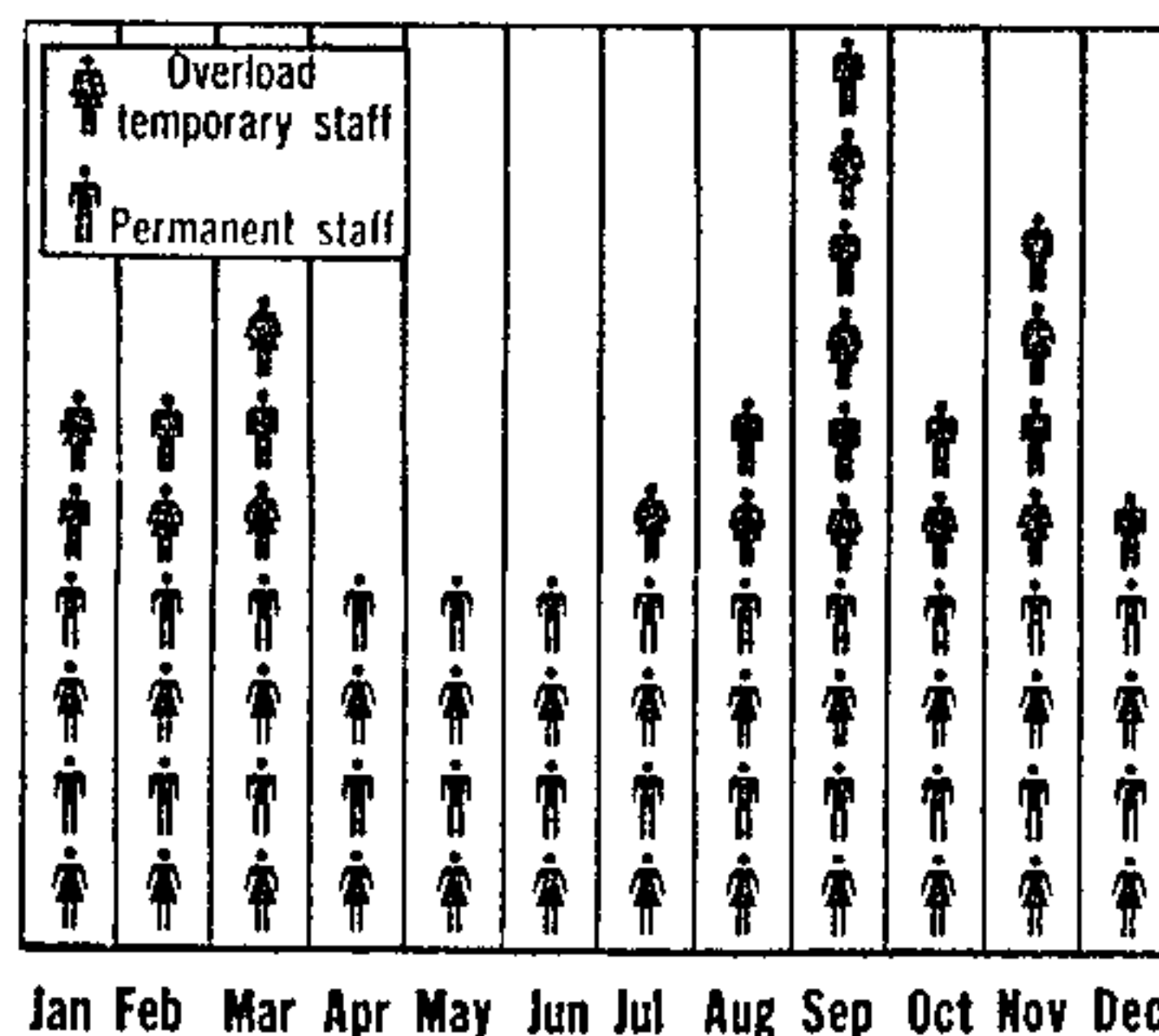
At certain stages of the week, month or year they experience either an abnormally heavy work load or a dip in activity.

Pavkovich advises companies to staff for their valley periods using permanent employees and use temps to help cope at times.

Companies should not employ staff they cannot keep busy at least 90% of the time, because this is costly and has a minimal return.

In SA, companies generally use temps when key staff are off sick or on leave or when there is an excess work load

Companies forward staff planning



Pavkovich says some companies have a policy of not using temps because their staff are expected to assist in any area of need.

However, overworked staff get tired, resulting in lower and slower productivity and poorer accuracy and work quality.

If not compensated for overtime, they become even more unhappy. This kind of pressure is a major reason why staff resign.

Removing permanent staff from their functional areas to fill another space allows their work to pile up and can cause bottlenecks for other departments.

Pavkovich says, in times of overflow, bringing in a temp has many benefits.

The temp will be fresh, resulting in peak performance, high accuracy and good-quality work.

In addition, permanent staff come to work fresh

and produce the same results.

Companies using temps only pay for the hours worked and they do not incur the expenses of employee benefits and the administrative burden of UIF and tax deductions.

Assesses

Temps are often used to fill a position while the company assesses whether it should be made permanent. This saves the embarrassment of hiring a person and later having an underutilised employee who may have to be retrenched.

Pavkovich says if a position does warrant a permanent employee, there is someone already doing the job who is familiar with the work and systems.

If the company likes the temp, it could make her an offer, thereby employing someone who is immediately productive.

Because of the huge shortage of skilled and quality employees available in SA, companies are making more use of the temporary workforce to accommodate their needs until they find suitable permanent employees.

Sowetan 2/2/90

Course on the art of talking

By LEN MASEKO

THE current crop of strikes - and breakdown in negotiations - has highlighted the need for improved collective bargaining skills, a director of a Johannesburg-based industrial relations consultancy says.

Impact Training (IT) director Mr Kevin Mullins says it is vital that both management and union officials involved in a labour dispute improve their negotiating skills "to reach a settlement quickly before violence erupts".

It is against this backdrop that IT has designed a programme for managers whose responsibilities include negotiating with trade unions, according to Mullins.

The IT director says the programme, called "The Accomplished Negotiator", is based on international theory and practice as taught at Harvard Business School and the University of California, but tailored to meet local conditions. (172)

* The Institute of Personnel Management's conference on training and development takes place at the Sandton Sun hotel on March 29 and 30.

A number of speakers, including Sasol managing director Mr Paul Kruger and British industrial psychologist Dr Valerie Stewart, will address the meeting.

Metropolitan subsidiary to fund cottage industries

Cape Times 14/2/90 (173)

Financial Staff

METROPOLITAN LIFE has formed a new subsidiary — **Metpol Investment Enterprises (MIE)** — which will plough back some of the funds raised from its target markets into helping to start viable new businesses.

MIE's newly appointed MD, **Francois Jooste**, explained that the money would be used to help start cottage industries and find outlets for their products.

The new project would be a mixture of venture capital and social responsibility. His company would try to match the skills of the informal and semi-formal sector with product needs in the formal sector.



Francois Jooste

Jooste emphasised that "profit expectations by policy holders would not be sacrificed".

A statement issued by Metropolitan Life yes-

terday said "By investing some of the funds mobilised from these communities in this way, Metropolitan will profitably contribute to their economic development, generating employment opportunities and developing markets for its insurance products.

"Investments will be made in conjunction with existing development agencies and will be partially managed by MIE.

"MIE will function as a separate investment subsidiary but within the Metropolitan group. It will operate from Metropolitan's head office in Cape Town and will make use of certain of its administrative services."

— MIE IN

Ussalep scheme

THE United States-South
Africa Leader Exchange
Programme (Ussalep) in-
vites members of
community-based
organisations to apply for
admission to its com-
munity leader training
programme *Sweden*

The programme, *16/2/90*
which runs for nine
months, starts in the last
week of February. Skills
to be taught include: com-
munication systems and
structures, financial con-
trols, project development
and management; leader-
ship; and social, political
and economic context.

Enquiries and applica-
tions should be addressed
to Project Manager, Us-
salep, P.O. Box 32869,
Braamfontein, 2017.

Free yourself - delegate

WHAT is delegation? A few sample answers might be

Sharing out the work
Getting someone to do a specific job

Passing on the routine jobs to give yourself more time

Organising the work so that everyone is occupied

But delegation is not allocation. Delegation involves giving a person more than a job to do, it means giving that person the responsibility for doing that job and the authority to do it. You, as supervisor, retain the accountability or ultimate responsibility - and therefore must retain the right of control.

Why delegate?

1 Effective delegation frees supervisors to think, plan ahead, and gives them time to do the supervisory part of their job

2 It develops the skills and potential of the subordinates and is an essential part of the training process

3 Staff feel more in-

involved with the job if they are given responsibility

Why does it sometimes go wrong?

1 It involves people
2 It needs planning and training

3 Fear of the ability of a junior

4 We think we can do the job better ourselves

5 Because of the risk involved - mistakes occur

6 Having delegated the job you fail to let go of the strings and let subordinates do it their way

First you must decide what jobs you are able to delegate and here you must be harsh with yourself - too many supervisors think that all of their work is important. Start by asking yourself "What jobs am I doing at present?"

Make a list of all the jobs you have to do over a period

Alongside each job write down the explanation to why you do that specific task. Is it

- Because you always do it



This week Mel Brooks of the Centre for Developing Business at Wits University continues the series on supervision and the skills required to be an effective supervisor.

Because you like doing it

These could be some of the answers, there will be others

Next, ask yourself "Must I do it, and why?" A "yes" answer may have an unsatisfactory reason which, if investigated, may turn the "yes" into "no"

Choosing

Assuming there are some no answers you must then ask yourself "To whom should I delegate the job?"

The actual delegation is akin to effective training and the principles are the same. Having created a desire in a subordinate to take on a new, responsible job, by explaining why you want the job done and how it will help career development, you proceed to hand over the job in five

easy stages

Stage 1 Demonstrate how the job is done by doing it yourself. The trainee must watch and criticise. It is important that even at this early stage subordinates should be asked to criticise - a "new look" at the job can often find ways to improve the method

Stage 2 Having demonstrated the job the next stage is to get the subordinate to do it. You should brief the subordinate, allow for questions, and then let the trainee do the job while you watch and comment when necessary

Check

Stage 3 The subordinate now does the job at his/her own desk without supervision. Beforehand, however, you will check the person's knowledge by asking questions. While the trainee is doing the job you should be available to answer questions and, at the end, the subordinate will report whether or not he/she has succeeded

Stage 4 You have now reached the stage where you can give the subordinate the job to do without asking questions. At the end the subordinate should hand it back to you

Stage 5 You will now arrange for the subordinate to receive the job straight from source. This is a way of ensuring that you have handed over the responsibility and authority of the job. As supervisor you must reserve the right to check the job from time to time



Afsure, the first major black insurance broking company, was launched last week at the Braamfontein Hotel. Above are chairman Gaby Magomola, guest speaker Albert Koopman, managing director Khehla Mthembu and deputy managing director Jabu Mabuza. The other directors are Gibson Thula, Ben Mabandla, Alan Hackett, Joas Mogale, Leslie Sweidan and Leon Steenkamp. Afsure's activities include short-term insurance, life cover and pension and provident funds.

Businessmen need to be assertive

IN last week's article we discussed the question of our individual rights and how different people stand up for defend their rights or withdraw from conflict

We referred to a person's estimation of himself, as his level of self-esteem. Another word for the level of self-esteem a person has is his self-concept. The self-concept plays a very important part in the development of the type of personality one has, as well as the behaviour displayed

The things people say to children result in the development of a mental picture of themselves, which includes all kinds of characteristics, abilities, lack of abilities and all the things they should or should not do. All the things which develop their beliefs about themselves and other people

Self-concept has a further dimension, the OK-ness of self and others

Dr Eric Berne, author of "Games People Play", identified four life positions:

Life Positions - characteristics of each

- I'm not OK - low self-esteem

You're not OK - believes nothing is important, anti-social, blames the world for his/her own problems

I'm OK, you're OK - high self-esteem, good self-concept has realistic expectations of self and others, is flexible, versatile, solves problems from a win-win stance

I'm not OK, you're OK - believes you have rights, I don't have any, is uncomfortable receiving positive attention, discounts positive feedback, self-critical

I'm OK - unrealistically high regard for self

You're not OK - demanding, domineering, feels superior to others, competitive, impatient, confrontative, threatening

The "OK" position a person holds influences what people value, the kind of attitudes they have and their expectations of themselves and others

People who are too controlled from a position emphasising "shoulds" and "musts" often behave from the extreme ends of the continuum; either from passive style (I'm not OK - you're

OK), or the aggressive style (I'm OK - you're not OK) or swinging from one to the other

People who are non-judgmental and look at situations from a flexible, open point of view, rather than a strict rigid one, are more likely to behave in an assertive manner

It is important in business that everybody learns to behave in a manner as close to the assertive style as possible. When a person behaves assertively, conflicts are solved constructively, people understand each other and relationships between people improve

In order to learn to identify the style you use in your business and your personal life, and to acquire skills to change your responses - so that you became very effective in all your interactions with employees, suppliers, friends, family etc - you should enrol on the Sowetan Business Development Programme. Courses are run every month for your convenience by the Workwise Business Development Group. For course details, phone Lisa or Anne at Workwise on (011) 888-1556

Govt's plans for economy

Political Staff

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THE restructuring of the South African economy would involve more emphasis on inward industrialisation — including a more dynamic approach to urbanisation and more emphasis on labour-intensive methods of production, President F W de Klerk said last night.

"This involves the creation of new jobs by expanding infrastructural developments such as special housing projects for lower-income people, a more dynamic approach to urbanisation and more emphasis on labour-intensive methods of production," he said.

Mr De Klerk was speaking at the closing dinner of the annual conference of Frankel, Kruger, Vinderline Inc in Cape Town.

Restructuring would also include a deliberate policy of reducing the role of the government in the total economy, an aggressive programme of deregulation and privatisation, and a restrictive monetary policy, he said.

Expert sees Cape as a 'land of promise'

CM- Tent
24/2/90

(173)

The long-held gloomy view of the Western Cape's socio-economic future is giving way to a new optimism among economists about the region's prospects. ROGER WILLIAMS reports on the positive views being expressed by some of them.

THE Western Cape, long regarded as lagging way behind the rest of the country in economic growth, is now being seen by economists as one of the nation's most promising regions.

Wolfgang Thomas, regional GM of the Small Business Development Corporation, says there are signs the area's economic growth over the past few years has equalled, if not surpassed, the national average.

"In particular", he says in a paper on the development prospects of the Western Cape, 'growth fluctuations have been less pronounced in this region than nationally — particularly on the Witwatersrand'.

Thomas says the Western Cape, far from stagnating economically, may be better prepared for some of the structural

Western Cape — a bright future

PROFESSOR BRIAN KANTOR, head of the school of economics at UCT, says expanding tourism and "the massive infusion of people into the region" are major factors contributing to positive growth prospects for the Western Cape.

"I see this region as a future California of Southern Africa", he says, with tourism becoming an increasingly strong and important growth point.

"And if it is accepted that a major resource for growth in any region is its labour force, we are at a distinct advantage in the large numbers of people who have moved into the Western Cape since the lifting of influx control and the former coloured preference labour system."

"This is providing us with an abundance of workers in a labour force that is, on the whole, better educated than elsewhere in the country."

"In the informal as well as the formal sectors of our economy, people moving into the Western Cape are making a significant contribution to positive growth."

changes that all regions and metropolitan areas have to face.

'Contention'

In addition, he adds, the area has a development potential as promising as any of the other areas, if its resources are harnessed in an appropriate way.

"It is my contention that within the next five years several of these structural changes are likely to interact in such a way that economic growth prospects could be substantially different from

short-term expectations."

Thomas says higher transport costs, the Western Cape's most important single impediment *vis à vis* the economic hubs of the Witwatersrand and Natal, "are of declining relative importance, given the shift towards service industries and the deregulation of long-distance transportation."

Images of an exploding "Khayelitsha", increasing coloured/black job market competition, northward migration of skilled labour, capital and the region's more dynamic entrepreneurs, worsening crises in African education, black health services and coloured low income housing are just a few of the elements contributing to the gloomy view of some observers, he says.

"An alternative perspective might start by viewing the Western Cape as one of the more promising regions of South Africa, which itself is a semi-developed country, experiencing most of the structural problems of



BRIGHT FUTURE Economist Wolfgang Thomas he maintains that the economic prospects for the Western Cape are good — particularly when compared with the rest of SA. Picture: RICHARD BELL

the Third World and 'managing' these problems rather better than virtually all other African countries.

"With a share of just above 10% in the country's GDP and a population of just below 10% (3.5 million out of 38 million including the TBVC states) the Western Cape has to accept that now and in the future it will have to shoulder the development task related to about 10% of the country's rapidly increasing population."

"In fact it is argued here that the Western Cape is not doing so badly in just this task, comparing its regional per capita product, recent growth momentum and future prospects."

"Thus, the question is not whether we can 'accommodate' about 3.6 million people in the Western Cape in 1990, about 4.8 million by the turn of the century and six to seven million by 2020 but how it can best be done, given the fact that South Africa's 39 million in 1990 will grow

to about 48 million by 2000 and close to 70 million by 2020 — hopefully stabilising thereafter."

Thomas says mining, a major though declining employment sector in the economy, has no significance for the Western Cape. This region is therefore not faced by the problems of a "stagnating sector."

'Sharp contrast'

He says in sharp contrast to structural problems elsewhere, agriculture in the Western Cape is relatively modern and diversified and could be poised for significant expansion, though not in the traditional sectors.

"We may even see some informal farming intruding onto traditional vineyard areas."

The forestry sector also seems to face an expanding market with considerable potential for timber processing investments in the Western and Southern Cape.

Current indicators, says Thomas, suggest further growth in the fishing industry, particularly fish

processing, boat-building, harbour and marketing/exporting facilities and related (capital) goods and services.

With a vigorous inward and export orientated industrialisation programme the Western Cape should, he says, be able to stand on its own during the next few years, especially if support policies focus on a limited number of high potential areas and if small and bigger business facilities are jointly used.

Probably one of the most dynamic sectors will be the construction industry, incorporating lower and middle-income housing, larger residential commercial, tourism related and industrial structures, expansion of the urban residential infrastructure and the transport, water and electricity supply infrastructures.

It would seem says Thomas, that the Western Cape has an expanding market for products such as clothing, processed foods, construction material, motor parts, printing

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BUSINESS

David Hall returns as director of GSB

Financial Editor

A BRITISH academic and internationally known consultant who helped to found the University of Cape Town Graduate School of Business (GSB) will return in August as director.

He is David Hall, who was a visiting professor in 1966/67

Hall has lived in France since 1974. He is professeur des universités at the Institut d'Administration des Entreprises (AIE d'Aix), Université d'Aix-Marseille III and visiting fellow and consultant at the Management School, Imperial College of

Science and Technology, London University. He is also a professor at the College des Ingenieurs in Paris.

Acting director Frank Horwitz said yesterday that the GSB was not merely marking time while awaiting Hall's arrival.

"We feel that the GSB should be playing an increasing role in education for management."

"Until now we have focused our attention on the private sector. But we feel it is now more important to assist people to move into management positions across a broad sector including paras-

tatals and community organisations."

Horwitz, whose field is human resource management, said he expected large numbers of people, many of them black, to be employed by parastatals in the new post-apartheid SA.

"My own personal view is that government moves to deregulate and privatise have their limitations, given the political expectations and ideologies of a major section of the population."

Pointing out that at present one third of whites in SA are employed by the State, Horwitz said he ex-

pected more blacks to enter the public service in future.

It was desirable that management ability should be developed regardless of race or gender.

One of the major challenges would be the development of these abilities among people coming from disadvantaged groups.

But Horwitz said he believed there was no reason for white graduates to feel that their career prospects would now be better overseas.

"This is no time to emigrate. In fact it is definitely a time not to emigrate."

If the SA economy became even more competitive internationally, and productivity improved, international acceptance would mean economic growth that would benefit the whole population.

He believed there would be more jobs for everyone. "We shall be moving away from concepts of race as far as prospective managers are concerned."

"This is the most exciting time to be in this country. I cannot think of a more exciting, challenging place to be than in SA where everyone has a chance to contribute in some way to the changes taking place."

Corporate change brings more than ulcers

BIDM 26/2/90

TANIA LEVY

CORPORATE culture changes in SA are producing managers who rely increasingly on tranquillisers, suffer from ulcers and heart complaints, and have unhappy family lives

Clinical and corporate psychologist Sandra Gluckman says productivity and profitability are lowered as people battling to cope with change become demotivated, angry, fearful and even subtly sabotage new systems

She says SA businesses are changing their cultures to cope with socio-economic and political changes in the country

Developing new mission statements, changing structures and training staff with more appropriate skills is very necessary but is only half the story. Not enough attention is paid to the individual's emotional behaviour and ability to cope with change.

Programmes to change corporate climates may fail up to two years after they are first implemented if these aspects of change are not formally addressed.

The performance of employees battling to cope suffers because their energies are

channelled into personal reactions of resentment, fear and anxiety. Top management fear failure, while less senior managers fear losing their jobs, she said.

Morale is lowered as colleagues gripe to one another.

Those who suppress their feelings develop headaches, back pain, ulcers, and spastic colons (172)

Gluckman says any programme of change must be approached in an integrated way, matching every hour of skills training with an hour of addressing the individual's emotional reaction to change.

SOWETAN BUSINESS

The supervisor - a key link

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CERTAIN sources

define a supervisor as a "member of the first line of management responsible for a work group to a higher level of management"

Because the supervisor is in a key position to influence employee relations, management should ensure that the supervisor

* Is properly selected and trained,

* Has charge of a work group of a size that can be supervised effectively,

* Is fully briefed in advance about management's policies as they effect the work group,

* Is an effective link in the exchange of information and views between management and members of the work group

To put the supervisor's role and responsibilities into perspective, we need to look at the overall objective of management - which in its simplest terms is to deploy human and capital resources to create and satisfy markets in the most effective way.

The efficiency with which this is done is measured by the profit

which an organisation makes

It can be argued that at each level in an organisation responsibilities differ, but the common factor between all levels, from bottom to top, from side to side, should be "profit"

The aims

Industry and commerce, management and unions, workers

and staff, are all geared to the generation of materials and wealth. After all, we want a higher standard of living, more money in our pockets etc, but to achieve these is to

make a profit - none of us can share a profit until a profit is created

Managers, and

hence supervisors, have been described as people who control the activities of others and are responsible for carrying out, through the groups in their charge, the policies and intentions of the higher levels of management; their job is to achieve objectives through the people for whom they are responsible.

If a supervisor gets

Mel Brooks, a senior lecturer at Wits Business School, looks at the role of the supervisor, often caught between managers and workers.



things done through people, the success must largely be measured by the ability to get others to work effectively. What do you require to do this?

You must be in charge of a work group and be able to treat the members of the group as individuals and

delegate to them effectively; you must enjoy the trust and confidence of the staff, and can begin to do so if

you are able to tell them in advance about the policies or changes that will effect them; you must participate, while enjoying good working relations; you must take risks, where necessary, yet you must be patient, you

be sacrificed in order to get the job done, if we did not have order, we would not have efficiency.

Discipline is often thought of in terms of fear, and punishment, on the assumption that only fear will persuade people to keep to the rules. But punishment represents the failures of discipline, and if we expect the worst from our staff we are likely to get it. Conversely, if we treat staff fairly and with understanding, we can expect a fair measure of loyalty and obedience.

Discipline must not mean domination. Staff will accept rules and conditions if they can see the reasons for them and if they are just. Positive control is a system of accepted behaviour not an imposed behaviour, and needs to be worked at by the supervisor.

One of a supervisor's chief responsibilities is discipline. But what is discipline? There is a school of thought which says that properly handled staff do not need to be disciplined, but isn't this being a little unrealistic?

When people work together there must be certain rules and some personal freedom must

Clearly you must have a thorough knowledge of the work which is processed by your team but, equally, you must have a thorough knowledge of your responsibilities. Your section and the people who work for you are not an isolated unit, they form part of a larger team - the organisation as a whole - and the supervisor needs to have a good knowledge of the company, its aims and standards.

You are bound by company policies, so, if you are to be effective, you need to be familiar with them.

Placing

Do you know your place and your team's place in the organisation? You have probably seen you company's organisation chart, which, however helpful, tends to oversimplify. Things are never quite so straightforward - it is important for you, and your staff, that you have a clear idea of where you belong in the organisation.

Too many supervisors are kept in the dark on such matters.

Many more have even less idea about what precisely their job entails.

Like anyone else, you cannot work effectively unless you know what your job is. In some organisations you may be given a written detailed job description, in others only a general directive.

Either way, the important thing is that you need to be clear in your own mind about the responsibilities and extent of your authority. Your effectiveness is increased if your superior is clear about your responsibilities and authority as supervisor.

It is impossible to set down a comprehensive list of factors which, in many situations, are the responsibilities of the supervisors. If you haven't got a written job description, set down in writing what you think your responsibilities are and then ask your boss to set down what he or she thinks your job is.

The results could be illuminating and rewarding.

Sowetan Business

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MEL BROOKS, a senior lecturer at the Wit Business School's Centre for Developing Business, continues his series on supervisors and supervision.



Effective supervisor gets the best from his workers

tice than if you give separate instructions to each individual member or impose new order and instructions.

By involving the team, you will be more effective on bringing about support for needed change and better implementations of the new procedures.

How to meet individual needs:

This requires each supervisor to have some knowledge about what makes people "tick" particularly what makes them tick at work, so that they can be motivated to give better and more productive work.

Traditionally, of course, work has been regarded as an unpleasant necessity rather than a potential motivator.

For this reason many older supervisors and managers still consider it necessary to entice people to work by promises of

rewards and so on, or make them by threats, or both.

Fortunately, this attitude is changing (though not as rapidly as one might think or hope) thanks to forward thinking management who, influenced to a large degree by such behavioural scientists, are now realising that people like to work, they like responsibility and they want to feel they can achieve something.

There are probably many other reasons why people do not work as hard as they could.

There have been many surveys on this question, and broadly speaking the results can be categorised under these headings: bad working conditions, fear of redundancy, inadequacy, etc., boredom, personal worries, poor supervision, feeling of unimportance, lack of incentive, poor relationships with colleagues and lack of information about the job surroundings.

Suggestions for positive action to lift people from minimal performance to efficient, effective producers are:

1. help staff to realise the work can be satisfying integral part of life itself.

2. provide clear targets by which their performance can be measured.

3 consider any incentives, financial and otherwise, wisely.

4 give praise where praise is due, and be specific

5 keep people informed of any change so that they have a sense of security.

6 respect your staff as individuals.

7 involve staff in the overall job so that their interest is developed.

8 Keep a close eye on working conditions. Notice defects and put forward recommendations for improvements

9 be constantly on the lookout for improved layouts and methods.

To provide the right atmosphere for each individual to achieve satisfaction and self-fulfillment is probably the most difficult of the three areas of the supervisor's job but, if successful, it can also be the most rewarding.

HAVING considered the knowledge supervisors require, we can now explore how they can test their knowledge by applying the various management skills according to the definition I gave last week: the job of a supervisor is to get things done through people

As the person responsible and accountable for the activities of staff, a supervisor's aim must be to make full use of their strengths, skills, inventiveness and any other abilities they have, so that every person gives of his best.

The effective supervisor must be capable of getting the utmost from his or her staff.

Must lead

He must, therefore, learn to develop the ability to lead others

Basically the effectiveness of supervisors as leaders depends on their ability to influence, and be influenced, by the groups in their charge and the individuals in those groups, to carry out a common task.

They must ensure that the required task or jobs are completed satisfactorily while, at the same time, supervising their groups in such a way that the group work and group identity are maintained

Achieving the task a supervisor must,

1 have a clear idea what the task is.

2 understand how the task fits into the objectives of the company.

3. plan how the task will be accomplished.

5. define and provide the resources needed, i.e. time, authority, staff, equipment and so on.

6 ensure that the organisational structure allows the task to be achieved effectively

7. control progress and evaluate the results.

How to build and maintain a team

A company or firm is a complex organisation

Because it is complex, it requires co-ordinated action if it is to be efficient.

We talk of "everyone pulling in the same direction"

The difference between a collection of individuals and a cohesive group or team is that in a team the individuals have willingness and ability to work together - to co-operate.

They can do this when they are made aware of their common purpose.

Tasks

Individuals in work groups often have different and separate tasks, not common tasks

Active

It follows that if you actively involve your teams in determining objectives, in choosing working methods, in recognising work schedules, in solving problems, in making decisions, you will have the team behind you and will be better able to change team practice

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Cat

At the same time, they must recognise that each person in the team is an individual with needs, hopes, ideas and so on which must be met if the individual is to be effective.

A danger

If the supervisor pays too much attention to achieving the task at whatever the cost, sooner or later the team will begin to disintegrate.

Similarly, by ignoring individual needs a supervisor fails to spot the rotten apple, very soon there will be a rotten barrel, and consequently the performance of the team will suffer and the team may indeed disintegrate.

In the following paragraphs there are certain steps that the supervisor can take to help achieve the task while maintaining the needs of the group and individuals.

But, these individual tasks invariably have a common purpose.

It is the leader's job to make them aware of what it is. This is how cooperation is won.

Each team has its own personality, its own power, its own attitudes, its own standards and its own needs.

A successful leader understands this and studies the group as a group.

Here is short checklist to help a supervisor build and maintain his or her team:

1. get them together in order to:

- (a) brief them about objectives and their achievement. "What we are trying to achieve and how we are doing".

- (b) consult them for their ideas, opinions, suggestions for improvement.

2. talks about "we" and not "I".

Post-apartheid challenge for managers

STW 18/2/90

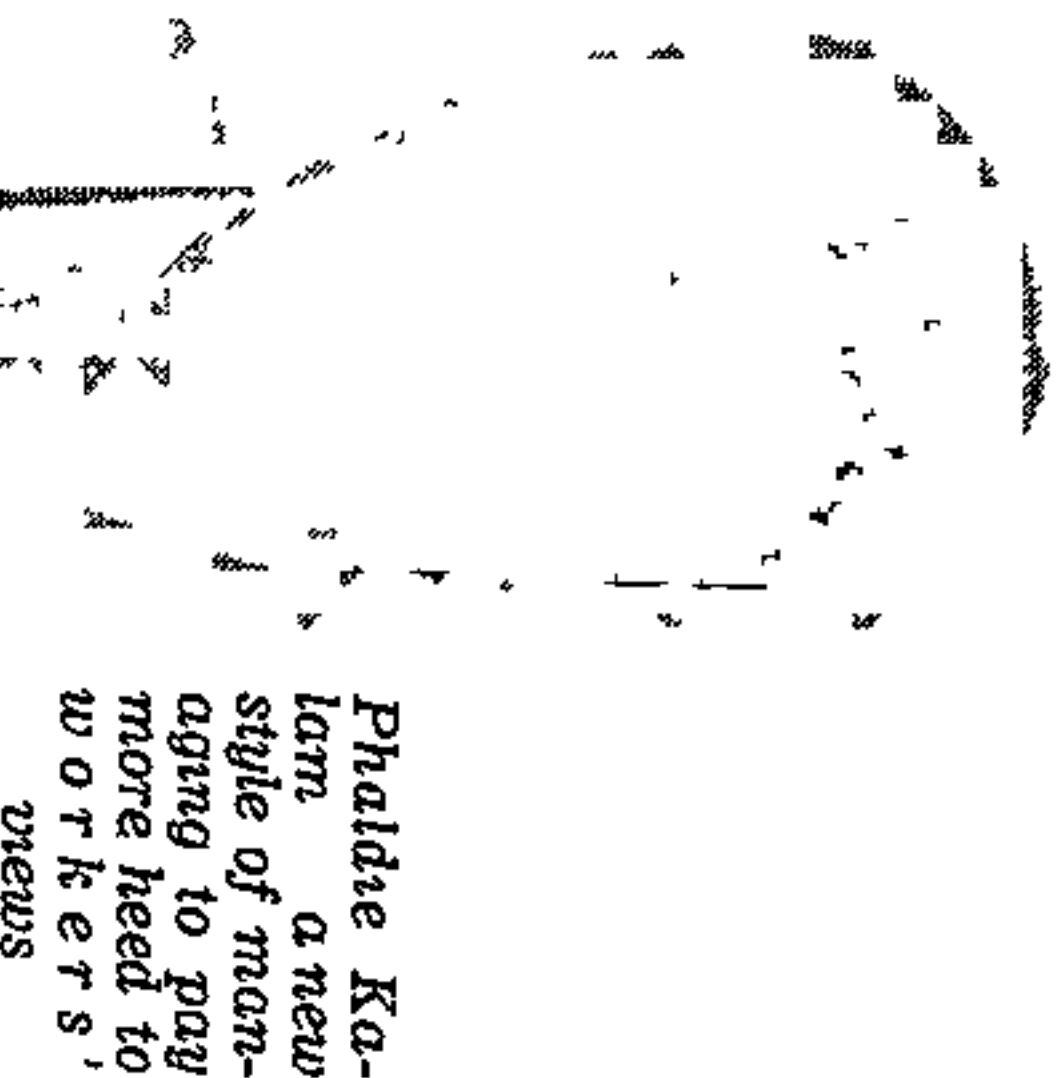
172 18/2/90

THE dramatic political developments of the past few weeks will require managements to review relationships with employees.

Kalgar Group Consultants managing director Phalide Kalam believes that as most company employees become conversant with, and exercise, their new political rights, the manner in which they expect to be managed in the business environment will change.

The reason for the link, he says, is that businesses are microcosms of the society in which they operate, often reflecting the value systems and practices of the day.

Under the pending dispensation, Mr Kalam says the essential elements of a democratic political system such as empowerment, and equal participation will be carried into employee-manage-



Phalide Kalam, a new style of managing to pay more heed to workers' views

for some time now that the pending change in the socio-political environment will impose a heavy duty on corporate executives to review, realign or change their company cultures to meet this eventuality.

The events of the past weeks have certainly brought into focus the need for management to adopt new approaches and acquire skills for managing in a post-apartheid era.

Mr Kalam says political freedom is likely to bring pressure for a true industrial democracy.

In turn, this will require managements which have made only token moves along this road to increasingly deal with employees as assertive stakeholders who

wish to influence actions related to their work.

"Companies can expect a period of intense readjustment by employees who will be seeking greater fulfilment in their work lives — as they would expect in their political lives — through more participation in corporate decision making."

Employee participation and empowerment can be frightening terms for those accustomed to total control of the manager in which the human resources are used. He believes, however, that this can be dealt with through corporate culture change programmes.

Mr Kalam says authoritarian and even patronising management styles will come under increasing pressure in an industrial democracy. They are likely to be met with hostility, compelling management to look at other approaches to

manage successfully.

The main challenge for corporations in an industrial democracy, says Mr Kalam, is to ensure that managers are schooled to understand that authority is not derived solely from shareholders, but also from the consensus of those they manage.

"We believe the successful companies of the future will be those whose visionary management has enabled them to synchronise their corporate cultures to include the desires and values of both their internal and external environments."

The going-in position of the successful company will be that it will not impose rigid policies and procedures, but get commitment and performance by incorporating and managing the differing in-

terests of its employees under the banner of unifying corporate objectives.

Managers will have to be taught these skills as part of a committed corporate culture change programme which is integrated into the company's entire business philosophy, organisational structure, production systems and management practices.

He warns that executives should guard against giving their companies a superficial dose of corporate culture change. "Embarking on a public relations exercise about corporate culture change simply to improve employee morale will serve only to heighten expectations and cause huge credibility problems when the outmoded substrata of company values and practices does not alter."

Neither management nor employees should see corporate culture change for a post-apartheid era as a panacea, he says.

Several complexities will continue to exist as long as management and employees represent two special interest groups. "Creating a stable corporate culture does not imply that you acquire a passive labour force. Indeed, the conflicting interests of management and labour will remain, but a more communicative and tolerant approach could be created."

By the same token, a participative corporate culture, while reshaping management prerogative, does not necessarily imply that managers abdicate their roles to make decisions, says Mr Kalam.

"The companies which use the new management approaches should satisfy their workforce, customers and investors."

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Picture Robert Egtha--

HALL... SA's manufacturing sector has been sadly neglected because of over-protection.

Business must be more competitive says Barlow's Hall

ADELE BAILETA

BUSINESS in SA needed to become competitive if it was to rise to the challenge and the opportunity that a future free-market, non-racial SA held, Barlow Rand Limited executive director John Hall said in Johannesburg yesterday.

Hall was speaking on his perceptions of general management in the 90's, particularly with regard to human resources and industrial relations, at a business luncheon organised by the SA Britain Trade Association.

SA would have to become internationally competitive if it hoped to participate in the global market, Hall said.

He said SA's manufacturing sector had been sadly neglected because of over protection and the import incentives.

It was not necessarily SA who would take advantage of SA's export market Europe, Taiwan and China were more likely to take advantage of SA's developed infrastructure, its mineral riches and its millions of people capable of being trained.

To be able to compete internationally, balanced businesses were required. This could only be achieved by gathering information, setting goals and acquiring the intellectual capabilities to achieve goals and finance.

Hall said information regarding technical changes, environmental pressures and competitors was crucial to any business.

Businesses had to assess the ability to match human resources, sound industrial relation practices and finance to their goals. In this way investors would become interested and society would be supportive.

Hall pointed out the lack of technical training in SA inhibited attainment of goals.

He said that in SA less than one person in 10 000 was a technical graduate compared with European countries where the number was between 15 and 20.

Human resources management

would have to be integrated into companies' top level strategic planning. Communication with the workforce was vital. Equity was necessary to build a strong balanced economy. "For too long, big business has had a large market share which has inhibited small business development," Hall said.

Gordon: a woman's place is in the boardroom



Kissing and making up ... Gordon and Kinghorn Picture ROBERT BOTHA

LIBERTY Life yesterday announced a R150 000 bursary to promote the advancement of women in management

Speaking at the Wits Business School, Liberty Life chairman Donald Gordon said SA businesswomen had to take their place at the top of business in numbers representative of their contribution to the workplace (172)

Last year Gordon crossed swords with women at the Executive Women's Club (EWC) Businesswoman of the Year banquet when he made a controversial speech about the absence of women executives and advocates in SA

EWC chairman Jennifer Kinghorn said Liberty Life and the EWC had discovered they had a common interest in promoting women's ad-

vancement to senior management

Gordon said his views on women were well-known. There was a desperate urgency for women to take their place in senior management.

Wits Business School dean Keith Yeomans said women were one of the totally unexploited labour pools from which management should be drawn. However, very few women enrolled for management courses, despite women comprising 40% of the economically active population.

The project will give bursaries to three or four candidates for further studies at Wits.

Candidates will be selected after a survey of the Top 100 companies, to find out about management positions held by women.

TANIA LEVY

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People factor the new force

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STimes 11/3/90

By Melanie Sergeant

THE mechanical-type management approach will have to be superseded by a more people-oriented or emotive approach to improve business efficiency in the 1990s.

Technology will continue to play an important role. Computers must be used to increase efficiency, so it is essential to redefine their rôle in business.

Important

Instead of computers driving people and dictating productivity, people should drive computers.

However, Olivetti Systems & Networks software business manager Rod Avis says there could be a problem in businesses where management often does not take cognizance of the "people factor".

"People are the most important aspect of any busi-



NIC FRANGOS listen to your customers

ness. In line with the emotive management approach of the 1990s, companies should not look for specific computer-oriented solutions to their business problems, but for more holistic management solutions."

Mr Avis says that in considering the people factor, management should evaluate a variety of points, in-

cluding the ergonomic — the relationship of staff members and their working environment.

"Because computers are an important ergonomic consideration, we must define what it is that people need from them, bearing in mind the exact job specification of the person controlling the system."

Procedures

It is also essential that individuals be trained in the integration and advantages the system will deliver as well as the software packages themselves.

In line with this, Mr Avis suggests that companies consider and implement three procedures.

First, the user should have access only to the programs or software essential in his or her day-to-day job.

Second, people should be given regular updates on what the rest of the company is doing in terms of computerisation, and how they integrate with the

overall solution — even if this information is not specifically related to their own functions.

Third, if it is discovered that a staff member does not need a terminal or workstation, it should be taken away until the time comes when it will be essential to an employee's productivity.

Central to this approach is requirement analysis — the evaluation of both staff members and their functions — and then to provide the most appropriate software solution and training. In this way, performance of both people and equipment will be optimised.

Curve

Mr Avis warns that the learning curve to implement the new solutions approach is not instantaneous, but that this is the decade to change from present approaches to efficiency in businesses.

In line with this thinking is the view by most computer vendors that they

must be more open to the opinions of users — and they are not those in the data-processing facilities as much as those who use the terminals linked to the larger hardware systems.

Launch

An exponent of this view is Datarak chairman and Unidata managing director Nic Frangos, who says computer resellers should no longer focus on the technology they deal in while neglecting the business basics of customers and sound business practice.

Mr Frangos said at the launch of Unidata's Intel-based Unix hardware and software products that the high failure rate among computer companies in recent times came about because many had lost sight of their customers' goals and had fallen victim to bad practices.

"It is time we all get back to the basics and start listening to our customers so we know what they want. It is time to do less talking and more listening."

Business

Financial management should be way of life

TO DATE we have discussed some of the many and various components of financial discipline as we know it today.

It would be good business practise to pause to a moment and get to understand how in practical terms professional financial management becomes part of our everyday life.

Financial management should become a way of life and interplay with all aspects of my going concern customer satisfying products or services form the foundation of any business that cannot operate in isolation from the administrative function

Starting

While it is true to say that without sales there will be no business the same would apply to finance which would be a prerequisite to starting a business.

The same holds good to the financial management and control regardless of size or location. If the goal of the entrepreneur is to seize an opportunity to make profit, consideration of how to administer the business should be of paramount importance

The interaction of the basic accounting fundamentals should be carefully watched and ad-

Grant Newell, financial services director of the Sowetan Business Development Programme, continues his series on financial management.

Sowetan 15/3/90

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hered to on an ongoing basis

The following brief history and background should be used as the very basis to financial development.

Since the 15th century it has been customary for every business man or owner of a concern to measure and express trading results of his firm in money terms.

The first recorded document on book-keeping or accounting was published by an Italian writer as far back as 1495. The report provided for a system consisting of a memorandum book, a journal and a ledger and was based on the principle of double entry.

Administration covers the broader contract of records and paperwork of a company and is vital to the health and survival of a concern. The basic function of accounting is to determine and communicate the financial conditions and results of a business.

The communication is

in fact a language all of its oral and resumes conformity and continued maintenance of uniformity.

The theory of which is embodied within a set of principles, ethics, methods, products and convictions.

However, the difference between accounting and book-keeping should be clearly understood.

Accounting is the study and design methods, systems and scientific ways to prepare and interpret financial reports based on recorded information

Book-keeping is a minor part of the accounting function and deals with the exact financial position

From the financial information point of view it becomes apparent that the financial system of an entity will be controlled by the participants within the organisation.

Virtually any movement of paperwork or utilisation of resources will impact on the financial condition and therefore discipline should become a way of life rather than a chore

Results

From office cleaners to MD care will affect the results at the end of the day and all members of an organisation should be made aware of their role and responsibility.

We at the work place a great deal of emphasis on the practical aspects while never forgetting the basic principles involved.



SAB MD Meyer Kahn listens to Trade and Industry and Tourism Minister Kent Durr at Pretoria University yesterday.

Pictures ROBERT BOTHA

Serious shortage of good managers

GERALD REILLY

PRETORIA — Shortage of trained personnel in the hotel and tourism industry had reached crisis proportions, Trade and Industry and Tourism Minister Kent Durr said yesterday.

Speaking at the inauguration of a chair in hotel and tourism management at Pretoria University, Durr said SA lacked good management.

Traditionally SA relied on skilled workers from abroad but this source had exhausted itself.

In the hotel industry this year alone there was a shortage of 1 000 junior managers.

Half the number of reception workers and almost the same number of cooks left the industry every year.

The ratio between a manager and those responsible to him was 1:42 in SA, as against 1:16 in the US.

This was why the establishment of a chair in hotel and tourism management at Pretoria University was so vital, he said.

Durr said this year foreign tourists could exceed a million for the first time and this could double by the turn of the century.

Last year's total of 930 393 was up by 15,6% on the previous year.

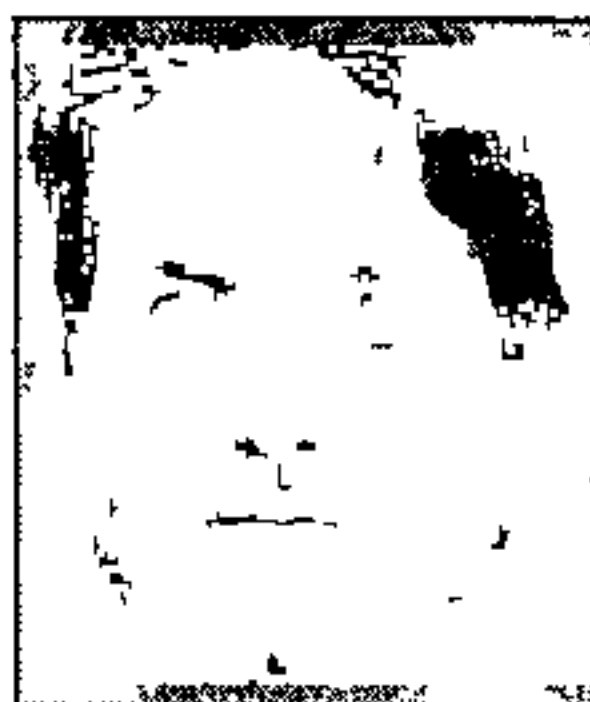
Most visitors came from Europe, with a steady recovery in US visitors and a record number from Taiwan.

However, the SA tourism boom remained modest compared with some countries.

Tourism abroad was recognised as one of the top three industries and in some countries it was at the top of the heap.

More power, less jargon

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Etsko Schuitema, formerly with the Chamber of Mines Research Organisation, is an independent management consultant and director of Industrial Leadership.

Recent events, such as the release of Nelson Mandela and the socialist posturing by the ANC, are being greeted with some trepidation by the business community. There is a real fear that the rise in black expectations is creating conditions where management is seen to be almost irrelevant.

In terms of this view, managements are trapped in this historically defined rush for socialism and there is very little they can do about it. There is correspondingly also a feeling of resignation to problems, such as job-discontent, with the associated problems of poor productivity and industrial unrest. Catastrophe, it seems, is inevitable.

Is this true?

Fundamental research on what accounts for employee trust in management was conducted at the Chamber of Mines Research Organisation. After investigating a range of variables, such as the influence of political activity, trade union activity and physical conditions, it was concluded that the only factor that would account for trust in management was management style.

It was also found that the manager was assessed as a person of power and that his right to exercise power (to give instructions

and receive compliance) was granted in terms of the extent to which he was looking after his employees.

A most surprising finding was that if employees found the manager untrustworthy, inasmuch as not looking after his people, then the rest of the southern African establishment would also not be trusted — including the SA government and their home governments. In other words, the employees' focus for assessing the establishment is the workplace and the way in which each is treated there will define his need for an anti-establishment or socialist agenda.

This implies that the people who will fundamentally determine this country's future are not the politicians but those who are in charge of the workplace.

Management responsibility

This places an awesome responsibility on industrial leadership. Managers can no longer afford to blame unions or the State or somebody else for what is going on at shop-floor level.

It is critical that managers themselves give sympathetic attention to employees in the day-to-day work situation. It is only by addressing this that the right is earned to do that which management really is about: getting people to do things.

What is important here is that we are talking about care and concern being given by the people who make up the real authority — the line managers who exercise command. If these people don't care for their subordinates, then what is said or done by somebody else will be seen to be propagandistic. A

phrase that has become common currency for this is surrogate management.

By surrogate management we mean the employment of a specialist, secondary or proxy function to deal with the human problem — so that enterprise leadership is free to pursue this very dirty business of maximising profits. In mining, the manager would say "My job is *stof en gate*," a technical activity, while the human being becomes the concern of someone or something else.

Thus one sees burgeoning personnel departments, management communication strategies, visibility programmes, unions and a whole series of systems and procedures aimed at defusing employee discontent.

The employment of surrogates implies that the business plagued by discontent is perceived as an organisation in dysfunction (like a machine that has a broken part).

But at the end of the day, the rock is brought to the surface by courageous, disciplined men who have the will to go into dangerous places and blast it out. What produces the gold, then, are the generous and noble qualities of the human will. It is not the function of a well-designed organisation.

Yet the under-performing manager refuses to examine the conditions under which the will to produce is unleashed, and insists on employing the human resource tinkers and witchdoctors to address the problem of his unwilling subordinates.

If I know that the person in charge of me is interested in my wellbeing, that he gives of his time to attend to my problems and concerns, then I will gladly give to that man whatever he asks of me and more.

NIXDORF Computer is to extend its consultancy services to its user base and foreign companies in SA.

The developer of the organisational and management development consultancy services is Nixdorf human resources manager Brett Botha

Mr Botha says it is unusual for SA-developed systems to be tested and implemented internationally before being marketed here. The reason for the move is the rapid development of Nixdorf subsidiaries in the Pacific region.

Mr Botha says the services to be offered recognise a significant drawback in many human resource and development programmes.

"A major flaw in many programmes is that they apply disparate concepts

Nixdorf consultancy service comes home

which have little cohesion. For example, many black advancement programmes have been tackled in the wrong way.

"The emphasis has been almost entirely on technical skills development with little regard for the behavioural skills which are essential in applying technical skills or knowledge in a commercially competitive environment."

Nixdorf organisational behaviour control systems tend to have a common bases and are interlinked, making the system more effective and manageable.

Mr Botha says Nixdorf consultancy services aim to help organisations to analyse problems or opportunities and to propose and assist in implementing controls to manage the solution.

"Initially, we will provide consultancy directed at organisational behaviour through analysis of team effectiveness and team-building strategies."

"Analysis of internal organisational perceptions will highlight differences in perception between management and the employee force and provide strategies to eliminate gaps."

Other controls include effective performance evaluation systems, skills acquisition planning and incentive schemes for management, sales and non-sales employees.

Mr Botha says Nixdorf is also able to provide expertise in other areas of business management, such as manufacturing and finance, by virtue of its experience in giving customers a turnkey solution.

Most of the Nixdorf management control systems have been successfully applied at the company's subsidiaries in the Far East and Australia.

Handling ¹⁷² people who are difficult

CONSULTANTS Whitehead Morris recently delivered a series of one-day seminars on "How to deal with difficult people"

The programme was introduced on the basis that "No matter who we are, each of us is at some stage faced with the problem of dealing with difficult people."

6/10/84 27/11/84
"For many of us this is an everyday experience. For others it may be less frequently."

The seminar, aimed largely at managers and sales people, stressed that the outcome of dealing with difficult people was often critical to both the individual and the success of the company involved.

It was designed to teach people how to solve communication problems in business.

A vital aspect of dealing with difficult people was recognising the difference between constructive and destructive conflict.

How to encourage a successful team

HOW does a small financial services group develop management incentives aimed at encouraging a successful new management team?

Hay Management Consultants director Norman Smith describes just such a case study

The new management team was succeeding in turning poor profits into

good ones, he says

Hay consultants worked with top management to introduce a performance-related incentive scheme

They created a financial model to represent company performance that was competitive and acceptable to the shareholders

The incentive reward formula paid out a share of profits for performance

above the model, with a large deferred element to reward sustained success

This was especially designed for a business where apparent profits can quickly disappear

The scheme was designed to support team management without an individual performance link.

However, it was also designed and integrated with

a salary practice that was strongly merit-based

The scheme paved the way for development into a share option scheme on a hoped-for stock market flotation

The long term result? "The client has been able to recruit and retain a high quality management team in a highly competitive sector," says Smith.

'Read widely and travel regularly' (172)

SOUTH AFRICA faces a real threat of intellectual stagnation in the years ahead, says management consultant and author Tony Manning

"The only way around this problem is to read widely and travel regularly."

Just as any business must develop links with key suppliers, so must consultants develop their strategic alliances

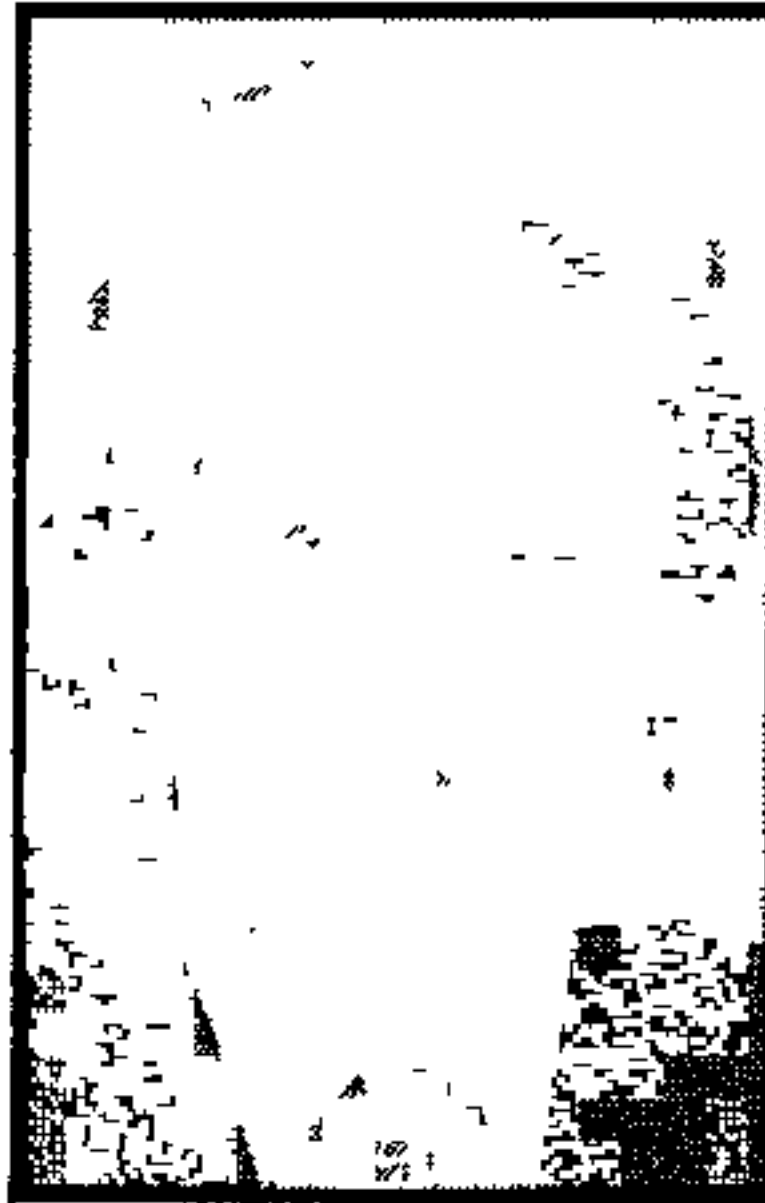
To this end, Manning maintains a gruelling schedule

Subscribes

Besides reading numerous local and overseas newspapers, he subscribes to 25 major foreign business magazines and devours an average 15 books a month

He also writes an article for at least one business magazine every month and aims to turn out a book a year.

In the past three years his books, *Communicating For Change*, *The New Age Strategist*, and *World Class* have been published and distributed in SA



TONY MANNING

Manning also travels overseas frequently, where he attends conferences, catches up on trends and purchases materials for his management workshops

In February, he visited professors at Harvard Business School to discuss international competition.

"All these activities complement each other," he says

The reading provides raw material for talks with managers and feedback from discussions, including views and concerns of busi-

nessmen, provide material for his writing

"Working on a book or an article forces one to think and gather facts and opinions

"It sparks new ideas and brings criticisms, confirmations and new questions."

Ongoing

Manning says the most exciting part of his job is that it is an ongoing learning process.

However, he says, management consulting is "not a glamour profession"

"A hell of a lot of people will dive into it and get hurt

"The casualty rate in this business is enormous"

He says the main reason for failure is that so many consultants can not take their own advice

"They're lousy marketers and they offer an obsolete product

"Consultants are valuable only while they offer new insights into business"

They must realise it is vital to renew approaches, test ideas and challenge yesterday's beliefs, he says.

Management consultancy

B/day 27/4/90

Specialist advice is needed to fill gaps

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IT IS time to highlight the positive aspects of management consulting, says Theron du Toit Management Advisory Services's Klerk de Klerk.

"Cynical observations have for too long summarised many people's views about advisers," he says.

"In today's information-driven world, where skills are becoming increasingly specialised, cynical views cannot be afforded."

Despite the "information explosion" management decisions still come down

to either "yes" or "no"

It's ironic that with so much information available it has never been more difficult to make decisions, he says.

Factors compounding the problem include the global marketplace, fluctuating and volatile markets, the shortage of suitable manpower and more educated and demanding customers and shareholders, he says.

"Specialist advice is needed and more managers are looking towards independent advisers to fill the

gap"

Also, the trend is for input to be provided on a more continuous basis rather than on a contract-to-contract basis, he says.

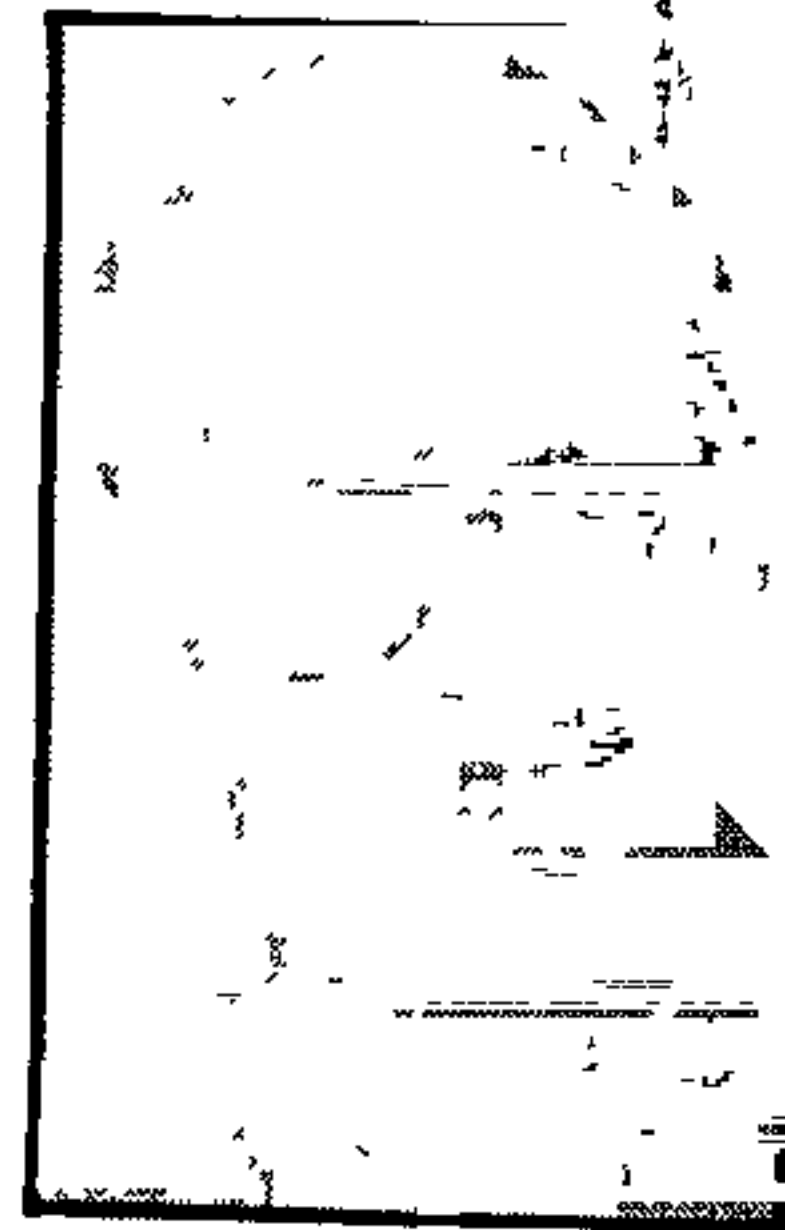
"The outside consultant can assist in analysing and understanding specific business challenges."

"Specialisation and training allow for detailed planning and implementation of business programmes. Experience and access to many business skills enable consultants to detail possible consequences of proposed solutions."

Consultants can operate on an hourly basis or on a project contract basis. "On the traditional contract basis, the contract has a specified start and finish date as well as a defined final objective."

The biggest benefit of using "part-time assistance" is improved decision making ability and increased confidence that correct decisions are taken, says De Klerk.

Using consultants is often the most cost-effective way for a company to gain access to the specialised



KLERK DE KLERK

skills and experience it needs.

"It is becoming commonplace, here and overseas, to find temporary personnel even in large organisations."

"People are realising the benefits of hiring management skills on a part-time basis."

Nurturing the businessman

10/27/90

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THE Wits Business School Centre for Developing Business offers counselling and training to small business operators, most of whom are black.

Centre head Ian Clarke says "Black business is not as successful as it should be, largely because of inherent barriers.

"But we're working to improve things and have already enjoyed some very satisfying successes"

The counselling is relatively informal "Our approach is to help identify what the businessman wants and how he can achieve his goals

"We teach lessons that will be used in any business situation

"The last thing we want to do is impose unnecessary values (which often get rejected) onto the smaller operators"

The centre aims to ensure people do the right thing — and not just on a once-off basis

It has an important role in the SA economy, especially given the current situation in which so few people and companies are interested in getting involved in businesses at grass roots level, says Clarke.

Lucrative

"Even the black management consultants prefer the more lucrative business of consulting on strategic issues for large companies.

"They are earning big money from clients who want to learn something of black business thinking"

What other avenues are open to emerging businesses?

"We offer regular

courses designed to assist smaller businesses," says Clarke

"These are reasonably priced and have derived visible benefits for the businessmen who take the initiative and enrol"

There is a growing group of educated black entrepreneurs with some business experience and a good feel for business, says Clarke

"It is this success-oriented group which can gain the largest benefit from consulting services"

IAN CLARKE

Day 27/4/90

Business Day SURVEY

The management consulting industry has been boosted by increasing business concern with areas like quality control, productivity and management efficiency. Consultants provide a wide spectrum of services to all types of business at all levels. NEIL YORKE SMITH reports on the industry and looks at the benefits and pitfalls.

FINE LINE BETWEEN CONSULTING AND TRAINING OF MANAGEMENT

MANAGEMENT consultants draw a fine line between pure consulting and management training

Behaviour Management Development MD Peter Steyn says "Training is definitely a form of consulting, especially when the solutions being developed are tailor-made for the client as opposed to simple off-the-shelf training packages"

He says executive programmes require far greater input from the trainee

"This applies to the individual training requirements of both small and large organisations"

The '90s will lean to-

wards consulting for individualised training needs and the development and implementation of training solutions included in the broad strategic planning process, he says

Follow-up

Significantly, follow-up and re-assessment of the effectiveness of a programme will become more important

"The salesman who sells predesigned packages without pre-assessment is not selling a comprehensive service"

Organisations growing rapidly stand to benefit most from executive

training

"This is largely because under growth conditions staff are required to meet new management expectations in a very short time"

There is vast scope for organisations which provide a comprehensive training service to smaller organisations and complement existing facilities in larger companies, says Steyn

"Research is vital The training consultant must aim to leave in his wake motivated staff in companies that have higher staff retention and are more profitable as result of successful intervention"

Demand grows in black sector

TOP black business consultant Willie Ramoshaba says growth amongst emerging black entrepreneurs will continue to boost demand for services of organisations like his WR Consultants

"Also more white-run companies want knowledge of the black market."

"This is beneficial to experienced black consultants who have some insights to share"

He expects management consultants to become increasingly important in matching the differing expectations of black and white business

Emerging

Ramoshaba's organisation helps emerging businesses to raise finance. "We usually handle amounts above R100 000" It also helps operators to run their businesses once they are off the ground

"Our contacts and good communication links help us to structure agreements between black businesses and big companies

"We also do management accounting for the top end of the black market"

One of his company's most valuable functions, he says, is to establish contact between SA businessmen and their counterparts in Europe, America and the rest of Africa.

WR Consultants recently arranged for more than 100 black businessmen to visit Zimbabwe on a fact finding, contact building mission

"The response was phenomenal," he says.

Advice that is ignored leads to frustration

Bidan 27/4/90

USUALLY, consultants are called in by management. Because of this, positive action based on consultant recommendations can be expected from clients.

Not true

Many consultants say they are often frustrated, even by the most forward-thinking of clients, when progressive decisions and implementation of decisions is unnecessarily delayed.

However, one cynical client says, "It's not the consultant's money he's suggesting we spend in vast amounts."

What are the consultants' biggest problems?

Finansbank's Jan de Coning says "One of the most important things is to gain the trust of the people who might be affected by your findings."

Leading black consultant Willie Ramoshaba says there is often a surprising resistance to change, despite potential benefits.

This is confirmed by other industry players.

Says one "In some cases, clients or their employees do not understand the ideas we would like to implement."

"Another problem is that there is often resistance to our being there."

"The idea of an outsider coming in and 'trying to run the show' is often threaten-

ing to some managers, who feel their positions may be undermined," he says.

The worst result of poor reaction to the consultant is that company morale falls, which makes people less keen on implementing new ideas. (172) (180)

This is especially worrying in cases where a troubled company is involved.

"The worst reception usually occurs when a dissatisfied board goes over the head of the MD and other executive directors and calls in outside help," says a consultant. (181)

In such cases, it is vital to show staff and management that any action taken is for their own good.

What the consultant must do is communicate that however tough they are, the measures taken are absolutely vital and without them the organisation could collapse and everyone would be worse off.

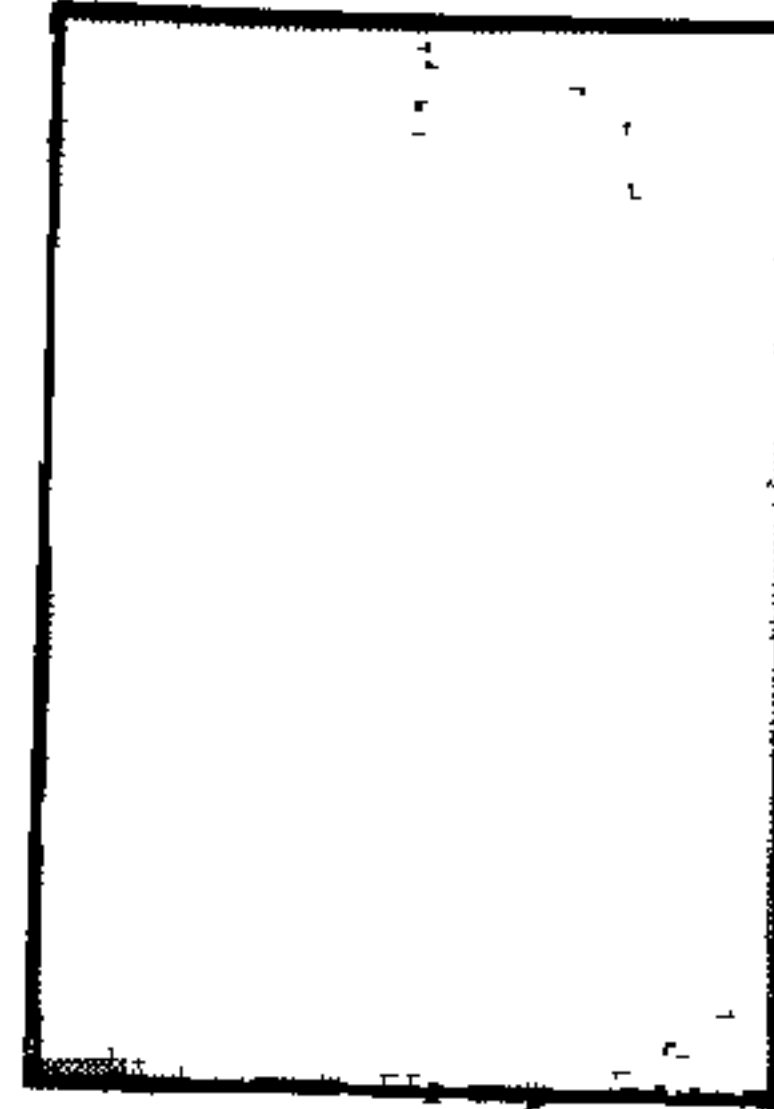
This is especially important in cases where the company is losing money and radical restructuring is needed.

Another important aspect is education.

For a programme to work, the people it is designed to affect must be sufficiently informed about it, the rationale behind it, and the possible consequences.

Larger firms use in-house specialists

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BILL MOON

SOUTH AFRICA'S biggest companies appear loath to call in outside consultants, but they do use specialised skills already in their organisations to solve management problems.

Anglo Vaal Industries (AVI) senior personnel consultant Bill Moon says the group uses internal consultants wherever possible.

This approach was echoed by other major operating companies.

Holding companies such as Barlows say they leave the decision to management of the independently operated subsidiaries.

Most organisations say there is often a cool response to people brought in from outside.

A spokesman for one large organisation says "They often don't understand the corporate cul-

ture and conflict develops between staff and the outside consultants.

"We prefer to use our own people, especially in sensitive areas."

Another factor working against the outside consultant is the high fees.

Says one director: "Even in the biggest companies, senior management gets uptight when a consultant charges up to R5 000 a day and in the end has little to show for his efforts."

Mining

AVI's consultants include specialists in mining engineering, personnel, administration and finance.

They are based at the AVI head office and provide consulting services to group operations wherever necessary.

Says Moon: "The specialists determine what technically goes on in their disciplines."

"They are involved in the technical investigations and programmes to improve standards."

The consultants treat mine and line management as clients.

They look into prospects, report and make recommendations.

Moon says management responses to consultant recommendations are generally positive.

"These people are recognised as specialists and there is no doubt their views are taken seriously."

As in many organisations which employ most skills on a full-time basis, AVI makes only limited use of external consultants, says Moon.

"Generally, they will only be employed if we don't have the expertise in-house."

"For instance, it is not cost effective for the

smallest of the six big mining houses to employ a full-time dietician.

"When such skills are required, we would use outside consultants."

Moon says the most important determinant is cost effectiveness.

"It makes no sense to employ resources you don't use properly."

An example of such thinking is reflected in AVI's approach to some aspects of mining training.

Training

"Anglo American has large-scale training courses and can offer good rates to smaller companies like AVI."

"We do not have the same facilities and it is cost effective to use others."

"On their part, they benefit as expensive resources are put to more efficient use."

"The whole approach is very business-like."

Reluctance to change to new techniques

SOUTH AFRICAN managers have a mole-like attitude in their reluctance to use new and challenging techniques such as Just-in-Time (JIT) and Manufacturing Resources Planning (MRP II) philosophies, says KPMG Aiken & Peat senior consultant Brian Silsbury.

JIT originated in the '50s in the Japanese automotive industry when the Japanese had to rebuild plant and equipment after the Second World War.

Western methods of manufacturing and material cost control proved too expensive, forcing them to adopt the pricing policy of "profit is selling price less cost".

Silsbury says, "The Japanese decided to focus on cost production programmes, such as attacking waste in its many forms."

This led to them to concentrate on inventory reduction programmes and getting quality right first time.

Philosophy

"Through the JIT philosophy, companies such as Toyota, became world leaders."

Another Aiken & Peat consultant, Keith Pretorius, says "It is not easy to implement JIT in SA, but it does work."

"Our aim in the long term is to get a one-to-one repetitive production or zero defect Japanese type system," he says.

Consultants say the JIT philosophy to promote the quality of the working environment needs to be addressed in SA.

A company must be prepared to change its attitude completely if it is to successfully introduce a JIT philosophy, says Pretorius.

"You must be able to identify small failures and

turn them into opportunities."

Frustrations faced by consultants trying to get a message across include managers not realising the benefits of JIT and MRP II.

An attitudinal problem is preventing some SA companies from increasing growth and productivity, he says.

Most companies will die without growth, so there is a real need for systems which allow growth and flexibility.

Another problem faced by consultants is that even after the decision to moder-



BRIAN SILSBURY

nise has been taken, lack of awareness of what is involved and the commitment required result in tardiness in implementation.

Pretorius, who has travelled widely in SA as a consultant, describes some organisations as chaotic.

"People are sent on training courses, but what they learn is not implemented," he says.

"Even though some companies recognise their management limitations often, because of their egos, they are reluctant to seek assistance."

Changes will yield more opportunities

POLITICAL and economic changes seen in Eastern Europe and those likely to occur in SA will provide opportunities for the management consulting industry.

This is according to Vernon Ellis, managing partner of Andersen Consulting responsible for Europe, the Middle East and Africa.

He says in countries like Hungary concepts such as strategic planning and human resource management are sometimes quite foreign to management.

"Exciting business trends will result in a dynamic management consulting industry. The emphasis in SA and overseas will be on the fully integrated team approach to ensure there are no divergent interests."

The potential is huge, but as in any industry, this has its problems

172 170 Improve

"Poor communication between consultants and businesses, especially in Eastern Europe, is a big problem.

"This will improve when things are less chaotic and consultants establish why they're there, what they're doing and business knows why they're using outside help."

As East European and African managers become more familiar with business and the way in which international markets operate, the demand for consultancy services can only grow

One of Ellis's problems is a shortage of people

"As Anderson expands it employs and trains graduates from a variety of backgrounds.

"We're open minded in our recruitment approach, but we want top people — from computer specialists to historians.

Training of new recruits takes place overseas and starts from a very broad base. Specialist skills are developed later.

The group is determined to maintain its SA links.

"We have regular contact at all levels with our counterparts in this country, and everyone benefits."

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Mast is
ready to
consolidate

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ZILLA EFRAT

MANAGEMENT education and training group Mast Holdings, which has improved its attributable profits by 48% in the year to February, is set to enter a consolidation phase.

Earnings are up 25% to 8c (6,4c) a share on increase in the number of shares in issue. A dividend of 3,9c (3c) a share, up 30% and covered twice, has been declared.

Chairman Stephen Dallamore says Mast's growth through acquisition has accelerated during the past two years and without exception acquisitions have proved beneficial.

Both Gallo Vision and Paul Tingley Management Services exceeded warranted profits during the year, but Mast intended to enter a period of consolidation this year.

Dallamore says Mast's association with major shareholder CNA Gallo has provided it with substantial incremental business.

Turnover rose 80% to R15,1m (R8,4m) with all divisions meeting or exceeding targets. But lower margins at 17,4% (18,8%) led to a 67% growth in operating profit to R2,6m (R1,56m).

A rise in interest received was discounted by a jump in the tax rate to 42,9% (32,4%). Attributable profit, before a R378 000 extraordinary item reflecting the loss on the closure of an offshore joint venture, was R1,6m (R1,1m).

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Making use of general experience

THERE are obvious benefits of specialisation in the management consultancy industry

Still, some operators, even the smallest, continue to offer general consulting services

Growing black businesses are especially well positioned to make use of generalist consultants, says black consultant Willie Ramoshaba

For a relatively low fee they gain access to valuable experience and wide-ranging business knowledge, he says

The broad focus offered by the general consultant can benefit smaller companies which can't afford different specialists for marketing, finance and production planning.

Simple logic and the consultant's general business experience are valuable in solving problems and identifying potential growth areas, he says.

Quality from the top to the bottom

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EFFECTIVE quality management can be the difference between mediocre companies and top performers

Quality goes beyond ensuring the final product is problem-free. It implies ensuring quality at every level of a company, from management to shop floor level.

Quality Management Associates director Colin Bloom says "Improving quality at every stage not only improves the service offered but also improves the bottom line."

Management consultants play a vital role in helping businesses implement and manage quality improvement programmes throughout their organisations, he says.

"The best way to measure the value of quality is to count the cost of non-conformance to quality principles."

Significant savings occur

after implementing quality management techniques.

"By eliminating time wastage by management and workers we have succeeded in improving quality of the final product as well as profits," says one MD.

Other managers confirm maximising quality the first time round is cheaper in the long run. This is because there is less task repetition, less need for checking and re-checking and dealing with fewer complaints also reduces costs.

Understand

Says Bloom "Our business is to make people understand their own work processes in the overall process. They must be able to define their role in an organisation."

"This implies moving away from vertical communication networks and

developing more horizontal communication throughout the work force."

It's important to stop people passing the buck.

Each person must check his own work. Using prevention skills, the employee can find the input that caused the problem and fix it, he says.

"The result is reduced operating costs."

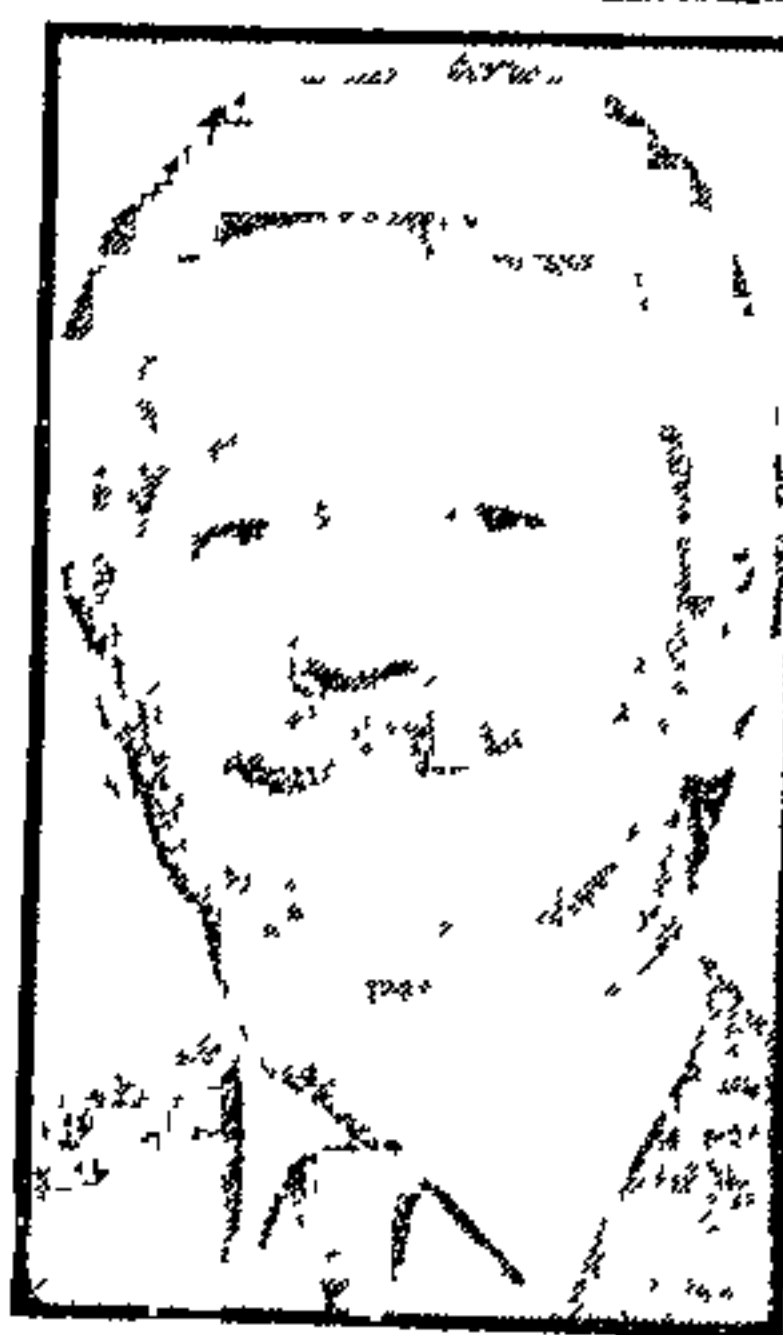
QMA is involved at all levels of a business.

"We've found motivating from the top is most effective," says Bloom.

He cites cases where MDs were the first to learn quality management techniques and it was actually they who motivated the focus on quality throughout the company.

The best way to ensure a company focuses on quality improvement is by showing management how much "lack of quality" is costing.

One aspect of quality



COLIN BLOOM

improvement programmes is illustrating the importance of integrity and responsibility to fellow workers.

"Good communication and good morale are directly related to improved efficiency — from the shop floor to board level."

Using technical and management tools, quality can be improved by focusing on conformance, prevention and striving for zero defect, Bloom says.

"After a while, people simply refuse to accept second best, from themselves or from colleagues."

(172)

Dearth of relevant literature tackled

THE vacuum of relevant management literature in SA has meant local managers have to rely on overseas guides to improve management techniques.

One of the biggest problems is that, in many instances, studies read by overseas business leaders have been irrelevant to the SA business scene.

Two recent SA publications aimed at alleviating the dearth of literature relevant to SA operators are *Profit From Dynamic People Management* by Brian Angus and John Humphrey, and *World Class* by Tony Manning.

Angus and Humphrey's book discusses the extent all businesses rely on in extracting top performances from their employees.

It illustrates the importance of effective people management and encourages managers in attempts to develop motivated people.

The maxim that a firm's greatest asset is its people is taken seriously. Managers must take every opportunity to develop human resources with a view to maximising productivity and boosting the bottom line, it says.

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Strategies

Given the large proportion payrolls constitute of company expenses, as well as the costs of training, accommodating and equipping employees, people management can hardly be taken too seriously.

Manning's *World Class* is all about strategies for winning in business through having the right attitude to the customer.

It stresses the importance of creating the customer and keeping him, and points out that the customer-orientated approach is sorely lacking in SA business.

Manning says customers are a product. "They are created when you do the right thing the right way, when you make the best possible use of the available resources."

His book illustrates how superior customer treatment can be integrated into the overall business strategy. This will positively affect profitability, he says.

"Superior customer service is not just a good idea, it's the lifeblood of business."

Most efforts at productivity are aimed the wrong way, says Manning. Companies must realise they need to focus on what happens outside their organisations as well as what is going on within them.

"Productivity does not create customers: customers drive productivity."

Areas in which service is offered

SOME of the areas in which management consultants offer services include

- ☐ Production and materials management;
- ☐ Productivity and profit improvement,
- ☐ Privatisation,
- ☐ Systems design and implementation,
- ☐ Marketing management,

☐ Human resources management, (172)

☐ Strategic planning,

☐ Training,

☐ Mergers and acquisitions,

☐ Change management,

☐ Litigation support;

☐ Financial management,

☐ Feasibility studies

These services are offered by major consultancy organisations, large accounting firms and merchant banks

Some small partnerships and one-man operators offer more specialised services, often concentrating on only one industry

Shortage of skills calls for increased flexibility

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THERE is no way the skills in SA can do the full rounds, says the head of Finansbank's management consultancy arm Jan de Coning.

"This is why management consultants are in such demand."

De Coning was deeply involved in the strategic repositioning of many organisations in Namibia before independence and lessons learned there have made deep impressions on his views of political and economic change in SA.

"We have less time than Namibia had. The process started there 10 years ago, but in spite of the time to adjust mind-sets and prepare for future growth

there was still much confusion," he says.

"As in Namibia, our role in SA is to take the agony out of unavoidable change."

SA companies face rapid repositioning.

"Many are seeing their planning horizons changed through political and economic developments."

The most important thing is to maintain and enhance flexibility.

"Rather than simply cruise, companies must learn to bob and weave without losing sight of the long-term targets."

Most consultants confirm there has been an increase in strategic awareness among SA organisations.

"Planning is beginning to

melt into the minds of top management," says De Coning.

There is a need to establish qualified blacks in senior positions.

"Over the years, black entrepreneurs have been squashed. We desperately need to revitalise entrepreneurial thinking and action amongst blacks."

Style

De Coning says SA is in a unique position to develop its management style without simply relying on overseas influences.

"Firstly, the key is to open the economy to all, get rid of barriers to entry and allow anyone to get into business," he says.

Finansbank focuses on organisational development consultancy. This includes organisation development, systems and integration and specialised training and development.

Organisation development involves managing change in a company through the development of human resources.

"We are geared towards making organisations flexible and innovative. This is particularly relevant in the constantly changing SA business environment," says De Coning.

The team helps facilitate strategic planning projects and stays with the client while change is implemented.

"Usually we're involved

over a two to three-year period."

Many companies have excellent strategies but for various reasons have not implemented them, says De Coning.

Involvement in systems integration involves helping a company to enhance the usefulness of its systems, he says.

"We are not involved with initial design of the computer system, but are interested in helping the client to use the best system to facilitate change."

As far as specialised training is concerned, De Coning's teams design solutions, after which the custom-made package becomes the property of the client.

Hi-tech focus on business strategy

May 27/4/90

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THE next decade will see far greater focus on applying Information Technology (IT) solutions as part of business strategy, says Deloitte Haskins & Sells management consultants MD Evan Dold.

"This trend will be motivated by the threats posed by greater competition, low productivity and volatile business conditions, as well as the high costs of previous low standards applied in IT projects," he says.

Coupled with this is the realisation that effective integration of information is fundamental to successful business strategies.

Computer-aided software engineering (CASE) will play a vital role in helping companies apply IT methods successfully.

Dold's company has invested heavily in developing up-to-date design, development and implementation methods.

Unrealised

"Because technological developments are always in advance of the ability to manage and apply them, the real expectations and benefits from IT developments are largely unrealised."

The industry offers man-

agement aids which focus on integrating strategic objectives and technical designs and close the gap between expectations and reality.

The programmes also cover the entire project management cycle, from high level strategy to the delivery of working systems.

Flexible products, many of which offer visual display characteristics, encourage management and user participation.

"This helps ensure congruence of objectives and maximisation of benefits."

A significant industry

trend is consultants' ability to assemble specialist teams (internal and external) to cover the issues involved, says Dold.

Increased focus on communications networks — brought about by the need to integrate computer systems within organisations — will also take place.

Enhance

Given rising development costs and skills shortages, there will be a greater need to enhance the performance of existing facilities, he says.

Besides the need for functional specialisation, brought about by the esca-

lating rate of change there is likely to be greater security consciousness.

This is expected to occur where complex communication networks are involved, especially in the public domain.



EVAN DOLD

Quality service from the network

INDEPENDENT management consulting networks provide clients with a viable alternative to the major consultancy firms

Says independent consultant Tony Rice "You don't have to go for the big guns. The growing body of independent consultants linked by an informal network provides top quality services, often more cost effectively

Flourishes

"As the practise of management consulting matures and gains acceptance, so the network of independent consultants flourishes"

Rice says this is a result of client recognition of the benefits of using management consultants

"The network offers a formidable array of resources and experience

"Its services have definite cost/benefit advantages over most of the big names"

Management consulting, virtually unheard of in SA 15 years ago, has become big business says Rice.

"The success of the bigger, overseas based consultancies has encouraged newcomers to the industry"

He points to the success of a UK-based firm which opened in SA only four years ago and currently employs 150 people and bills R50m a year

There is increased openness in the thinking of SA managers

"Using consultants is no longer regarded as an indictment, like admitting you visit a psychiatrist"

Ironically it is the success of the big-name consulting firms which has prompted the successful growth of independent consultants

"Mature users of consultants have realised that behind the facade and prestige of the big names there are only a few experienced individuals genuinely capable of delivering the desired benefits

"At the same time many of the more experienced consultants have become disillusioned with their big-name employers and have set up on their own."

Security

From the client's point of view, opting for the network means losing the security which the big firms provide

Rice says this is more than compensated for by the advantages of using good independents.

Firstly, cost. "Big name consultancies apply a mark-up of 300% to 800% to a consultant's salary package to arrive at the rate the client pays

"By using independents, the client cuts out the middleman, paying less in fees while the consultant earns more"

Independents work from home and their overheads are low. Usually a car, phone and fax machine, says Rice

Another strong argument in favour of using independents is they can offer formidable project teams.

They can assemble a multi-disciplinary team of financial, information technology, industrial engineering, human resources and business strategy specialists

"The network is already being entrusted with some very big projects," says Rice

He says the big names do not always offer the personnel skills they should

"Big consultancies will have a sprinkling of experienced personnel, but clients also get their share of fresh young graduates still serving their apprenticeships

"Because only the good independents survive, the network comprises only highly skilled and experienced consultants."

Compensate

The big firms often compensate for lack of experienced staff by sticking rigidly to pre packaged methods

"The experienced consultant can diagnose and solve a problem more directly"

The network is getting stronger all the time, he says

Over the past few years, a variety of immigrants have brought excellent management consulting skills to SA.

They have ability and are motivated to improve management practises in areas where they have expertise"

The result is further expansion of the independent network and an injection of fresh thinking on management problems and solutions, Rice says.

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Fly-by-nights undercut the establishment

MANAGEMENT consulting is booming, but beware of the fly-by-night who rides on the back of established consultants and whose unprofessional and often unethical approach is bad for the image of the

May 27/4/90

'Change agents' advise on people-related issues

THE organisational review staff of Kessel Feinstein Horwath Human Resources (KFH) call themselves the "change agents"

They give advice on a host of people related issues in business, from management structures to remuneration strategies and systems

Providing the focus for the human resources consultancy are Arthur Schafner and partner Peter Kramer, who has a masters degree in financial management.

One of the most important organisational issues is management. It might become apparent to a firm that its management

structure is faulty. It might have too many managers at one level and too few at another. There might be a need for management training courses to assist in strategic planning.

Assess

Through these courses, companies are helped to assess their needs and prepare proper strategies. This is usually a team effort with different divisions of KFH involved in the assignments.

Businesses also often need help in succession planning — making sure there are understudies to key posts in the organisation.

Another example of where consultants are needed are in employee share ownership schemes, which are rapidly growing in popularity as a way to give employees a stake in a company's growth.

This often has tax advantages and at executive level has developed into a trend among listed companies.

Drawing up new remuneration strategies can include coming up with tax effective packages — and here the expertise of an auditing firm helps.

Remuneration evaluation can include comparing a company's remuneration levels with the going rates in the market.

Says Kramer: "We are usually asked to advise on a specific issue rather than give advice on the organisation in general."

He says the consultancy's client base ranges further than only audit clients.

Sometimes a problem at an audit client is spotted

by the auditors, who alert the consultancy.

Says Schafner: "A practical example is where turnover is too low given the market conditions. The organisational review consultants might find that what is lacking is proper training of the sales force. We identify the problem and assist in setting training courses."

Evaluate

The "change agents" also help evaluate working conditions, including hours and overtime compensation. These are gauged and employee attitudes canvassed before recommending a strategy.

The consultancy is sometimes called on to investigate the reason for low staff morale, a situation which might necessitate employee opinion surveys. It also advises on various administration procedures relating to staff, including advice on the structure of payroll and taxes.

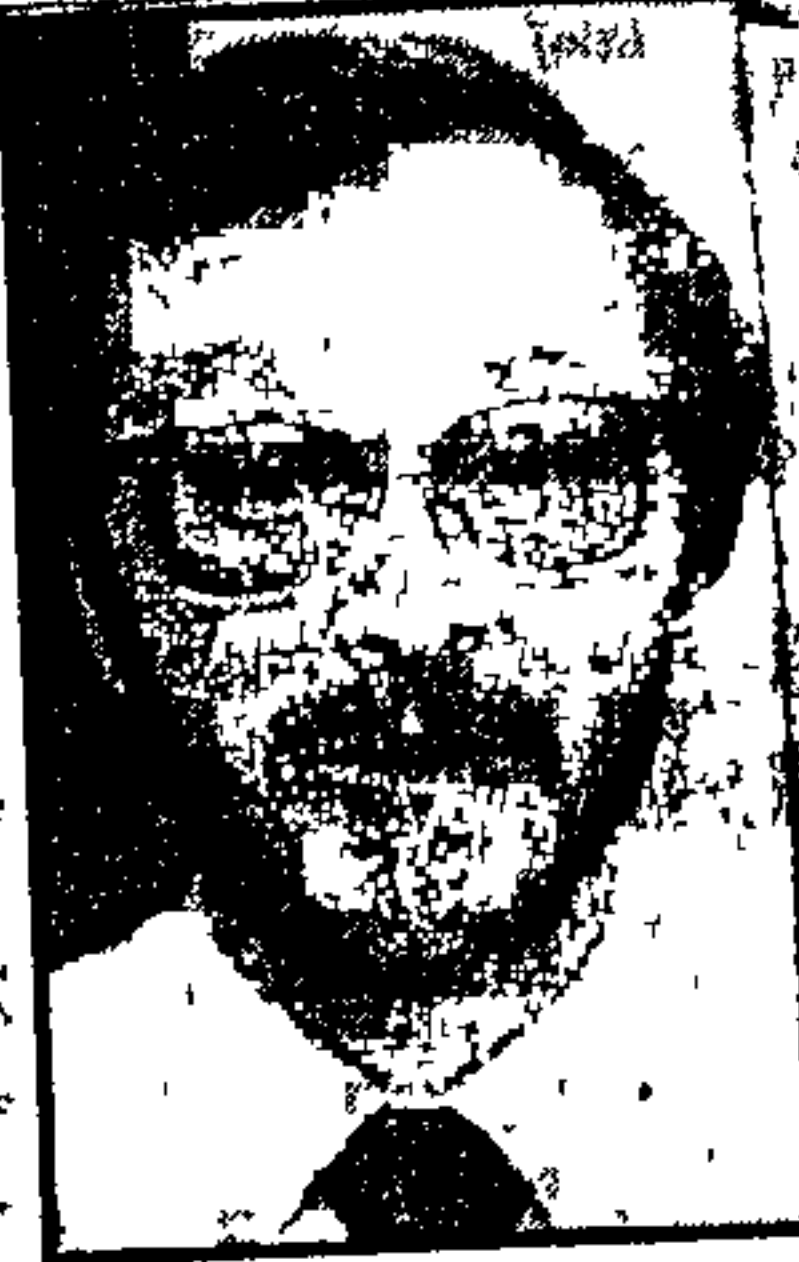


ARTHUR SCHAFNER



PETER KRAMER

Programmes call for total commitment



ERIC WARNER

FULL commitment of management and staff is vital if maximum benefit is to be derived from implementing management programmes, says Malbak group manufacturing systems consultant Eric Warner.

This often involves pre-training to prepare managers for the changes that are likely once new programmes are in place.

This is particularly true when implementing something like the manufacturing resource planning (MRP II) programme, he says.

"Managers must be made aware that MRP II is a way of managing a business, not just a computer programme," says Warner.

Managers need to be trained and must be well prepared for the implementation of the programme.

The idea is to focus on

developing managers rather than simply getting involved with just another computer system.

Warner says use of in-house video-based systems to provide simultaneous development of management and computer skills has been successful in preparing managers for potential changes.

"This approach has achieved excellent results, notably in Malbak's Protea Pharmaceuticals subsidiary," he said.

Reduce

"Because of the training we were able to significantly reduce the time taken to get up and running on the MRP II programme."

The success of any programme depends on constant feedback and monitoring.

"As a result of imple-

menting programmes and diligently monitoring performances, we have seen, for example, improved accuracy in material and inventory controls in some areas.

"My role as manufacturing systems consultant for Malbak is very broad," says Warner.

"I am involved with manufacturing companies of all sizes, many of which operate in widely differing markets."

His job involves entering organisations and trying to define "what they are really about".

Mining industry is mostly self-sufficient

THE mining industry makes less use of outside consultants than any other industry, says National Productivity Institute (NPI) director Gert Geyser

This is because of the unique character of mining companies, their tendency to use in-house consultants, individual management styles and corporate structures, he says

"Mine managers are typically autocratic.

"They are strong leaders with extensive practical experience and can make snap decisions"

Usually, head office provides specialist support at mine level

"The NPI's mining consulting unit has identified considerable scope for consultants to assist by evaluating the effectiveness and suitability of structures and by helping facilitate change"

Conditions are changing radically, he says

"Managers will have to change to a more participative management style if they are to achieve optimal results.

"It is here that consultants will play an important role."

Mining consultants require experience and qualifications if they are to avoid the many pitfalls, he says.

Unwary consultants handling participative management as a "wonder drug" without adapting and upgrading support systems do so at their peril

It is impossible to apply a standard approach, and the consultant must provide tailor-made solutions to mining clients, says Geyser

Independent analysts not easily swayed

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MAJOR players in mergers, acquisitions and MBOs should commission an independent financial analysis before making any commitment, says Price Waterhouse partner Sam O'Leary

By using independent advice, buyers can establish exactly what they are getting without being swayed by emotional or intangible factors

There is a growing trend towards "due diligence" reviews, which involve intensive examination of purchase targets

"Due diligence reviews take a long, hard look at target companies to see if they are worth buying and to check for skeletons in the closet"

In a merger situation, potential buyers must consider factors like compatibility of accounting policies, pension fund positions and tax structures as well as more obvious things like profit history and budget forecasts, he says

"Some companies have unrealistic expectations which are dashed by an independent analysis"

They may expect regular dividends soon after the investment, but analysis could show they are unlikely to get a cent for two or three years

O'Leary says independent consultants have an important role to play in assessing potential MBOs

"This process involves negotiating with banks and existing major shareholders to organise the best finance deal and a fair and reasonable price"

It is vital that MBO participants get their financing right and make sure they structure tax-efficient policies from the start

In the current high interest environment, MBOs should occur only on low price earning multiples, he says

This will ensure the new owners do not have a debt millstone around their necks.

"It's all very well having multitudes of management experience, but if you pay too much, that experience counts for little"

O'Leary says there is a need for smaller companies to use consultants to get their finance in order

Budgeting, gearing and general financial planning are usually not properly carried out due to lack of skills and experience.

"All too often, small to medium companies and entrepreneurs fail or don't reach maximum potential as they don't know how or where to finance their operations most effectively"

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Don't cover up, clean up

'Tell it all, tell it truthfully and tell it fast'

CHRIS MOERDYK

WHEN faced with a crisis, businessmen should avoid the temptations of a cover-up and "tell it all, tell it truthfully, and to tell it fast"

Failure to communicate quickly to outside audience groups, says crisis management specialist Jenny Mitchell, could lead to accusations of a cover-up, poor management and guilt by implication.

Ms Mitchell recently joined local crisis management pioneers Communications Services from London where she worked closely with Michael Regester, the internationally acclaimed guru of crisis management

Realisation

There was, she said, a growing realisation by business leaders that a crisis can come in many shapes and forms, and that it is far better to be prepared for it if — or when — it does occur

"While certain high-risk industries, such as oil, are continually exposed to major disasters, low-risk companies are no less vulnerable to negative market rumours, stock market crashes, interest group pressure, labour disputes and product contamination. With additional pressure from the media and a more sophisticated and aware public, companies today are becoming increasingly accountable for their actions. They can no longer hide behind the phrase 'no comment'."

Damaging reports

Given that the slightest room for error could lead to damage in reports about a company's performance...



See 28/4/90

CRISIS MANAGEMENT SOUTH AFRICAN-STYLE?

ing of how to deal with potentially damaging queries or rumours

"At a more senior level a comprehensive crisis management plan can be developed. It begins with a risk analysis, involves the formation of a crisis management team and an operational team, and ultimately entails putting written down plans and procedures in place to assist in handling a crisis

"A training programme should then be instituted with simulated emergency exercises to test the procedures once they are in place. We also recommend preparing emergency response manuals, a step-by-step guide to what to do in the initial stages of a crisis, so employees are never caught off guard"

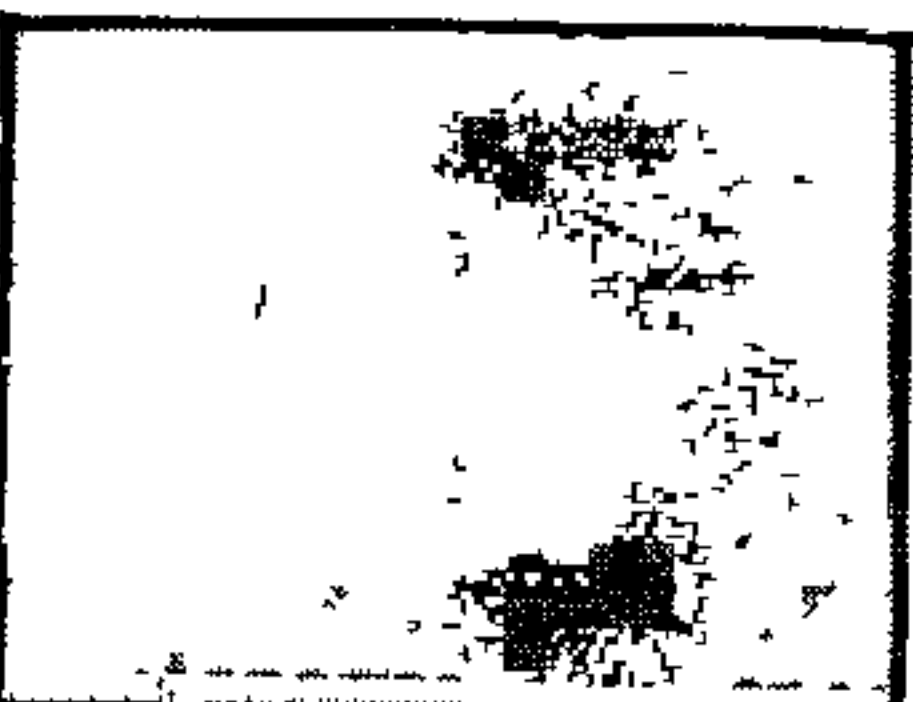
crisis, but highlight problem areas when evaluating a company's safety procedures, as well as internal communications problems

"We look at communicating in its broadest sense — in other words, the minute a consumer buys a product, the communications process has begun"

Survey

Communications Services MD Barbara Bester added "A survey in the US revealed that 89 percent of CEOs regarded a crisis as inevitable as death and tax, but only 50 percent said they had done anything about it

"I would be extremely surprised however, if more



MS JENNY MITCHELL

Black managers look for respect, responsibility

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Sowetan 3/5/90

making a noticeable input into their corporations, respect from the black workforce will start flowing in their direction

Only then will applicants join companies wanting to be more than ordinary workers

ABOUT three years ago Don Ncube, who now holds a very senior position in Anglo American, delivered a paper on the plight of the black manager.

According to him black managers found themselves between the devil and the deep blue sea.

Management expected them to uphold company strictures while the black workforce wanted them to identify with their struggle.

Torn between these two forces, many were not effective as managers.

Attitude

Don's paper came to mind when the top company found that some of the people applying for jobs did not want supervisory posts, or work in the personnel department. This attitude vindicates Don's analysis.

When people refuse senior positions, with the increases and perks that accompany them, it is time to ask "just what is wrong?"

A little birdie tells me many of the country's major employers are to blame.

They expect their black managers to be little "white men" or "yes-men" instead of being managers.

Some of these managers are nothing better than messengers. What makes it worse is that some of them accept this.

Corporate culture in an anti-apartheid society will have to be different. It will have to be taken into account that South Africa has its own environment, with challenges far different to those in Europe.

The input of innovative black managers into the country's future corporate culture, will be invaluable. After all, these managers know the environment, which is becoming more black, better than their white

colleagues.

When many companies in the past appointed black managers, they did it for political reasons.

Boss

Also, they needed somebody who could talk to his brothers and advise management. The discussion would go along these lines: "tell your people this is how it must be, and how it is done in the rest of the world".

"You must also tell me who the agitators are," the boss would whisper.

This, as far as the managing director thought, was consultation with his black managers.

The poor soul even forgot his company was in South Africa, not in the rest of the world.

When black managers are ultimately accepted as managers,

Problems

In his book, "For my People", James Cone refers to problems faced by black managers in the United States.

Most made the mistake of allowing themselves to be sucked in by the culture of their organisations, forgetting that it did not cater for their aspirations or uphold their values.

When these black managers allowed themselves to be drawn into this culture, they became "little black masters".

They were immediately alienated from the black workforce. On the other hand those who did not adapt to the system found themselves on the way out faster than they came in.

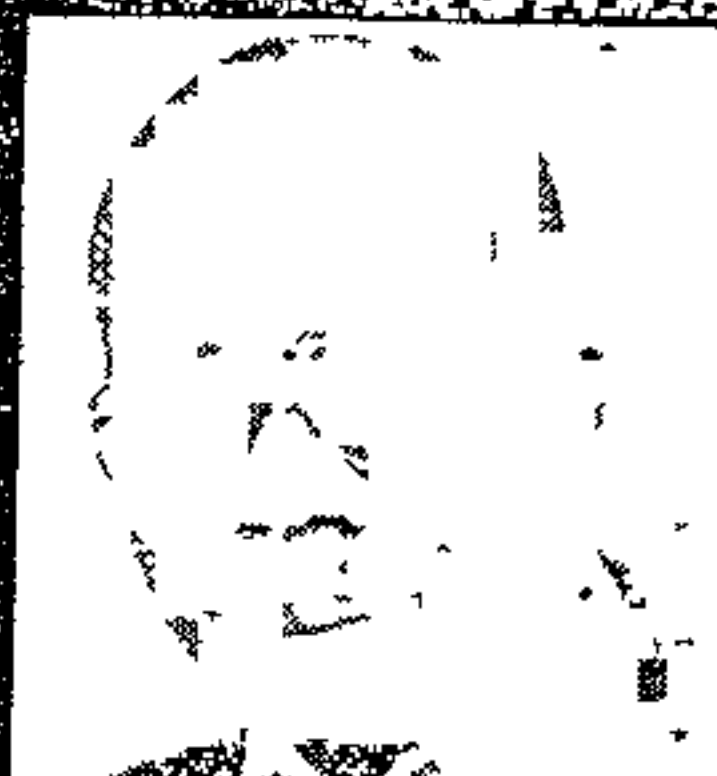
South Africa's corporate world, which has a good number of frustrated black managers, must now start changing its attitudes.

Black managers will be worth their weight in gold in days to come.

It's

my

business



THAMI MAZWAI

Mast increases turnover 80%

MANAGEMENT, education and training group Mast Holdings turned in a strong performance for the year to end-February with after-tax profit up 48% to R1,6m (R1,1m).

A dividend of 3,9c (3c) was declared.

The group benefited from acquisitions and saw turnover increase by 80% to R15,1m (R8,4m) and operating profit by 67% to R2,6m (R1,6m).

Earnings per share — di-

Business Day Reporter

luted by the issue of 3,2-million shares in final payment for the acquisitions of Gallo Vision and Paul Tingley Management Services — rose by 25% to 8c (6,4c)

SOWETAN BUSINESS

Business training course for traders

By MOKGADI PELA

THOUSANDS of black entrepreneurs in the informal sector will benefit from a pending project aimed at improving their economic performance.

"One-Up Business Training," unofficially known as Township MBA, will offer training to people in business practice. Nothing will be taken for granted.

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Modules

The programme consists of modules covering all aspects of informal sector business management, starting at the most basic level, according to its director, Mr Tony Davenport. Market investigation, purchasing, costing, merchandising, capital requirements and management of weekly cash flow and stock control, are all covered.

"Particularly useful is a one-page book-

keeping system which has been described as brilliantly simple," said chief executive officer of MBA, Mr Kenneth Mgqamqo.

Davenport said training would be available to anyone interested. The carefully evaluated venture, he said, had been tailored to meet the needs of trainees "who come from a severely disadvantaged background". *Sowetan* 4/5/90

Correspondence

In conjunction with the Small Business Development Corporation and Get Ahead Foundation, hundreds of people have completed the programme in Cape Town, where it originated. Their businesses have improved greatly, Mgqamqo said.

Davenport said they were considering making the course available through correspondence. Township MBA should be launched before June. The course will extend for 40 hours and certificates would be issued to successful candidates.

MBA chief executive Mr Kenneth Mgqamqo.

Economic growth 'linked to health'

Star

5/5/90

JOVIAL RANTAO

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ECONOMIC and socio-political growth in South Africa vitally depend on improved health status for the entire community, according to Dr Joe Variawa, Senior Physician at the Coronation Hospital.

Speaking at a meeting of the Institute of the Marketing Management's Health Care branch in Johannesburg, Dr Variawa criticised the effects of the Government's apartheid and homelands policies on health care in southern Africa. He said it had resulted in whites enjoying First World health care while blacks had to cope with Third World treatment.

Dr Variawa said the current life expectancy of a black man is 50 to 55 years compared with the 67 of his white counterpart. "The tragedy is that almost 24 percent of blacks die of illness that could have been prevented compared with only 2 percent among whites. More than 40 000 blacks, for example, die of malnutrition every year.

"The infant mortality rate among blacks is equally disturbing. As many as 124 blacks die before their first birthday compared with only 12 among whites," he said. He attributed this to the fact that only 2,3 percent of South Africa's total health expenditure was spent on prevention.

A lack of access to health care was another major problem — particularly in the homelands. In Kangwane, there was one general practitioner for every 3 200 people and in Lebowa and KwaZulu, one GP for every 1 400.

Dr Variawa called for urgent attention to the increasing health problems and a move away from privatisation of health services.

Distressing picture of managerial stress

ALTHOUGH South African managers are among the most highly stressed in the world, there is a growing realisation that stress need not be destructive if it is adequately managed.

Management consultant Caryn Solomon says the implications of an ex-

remely high ratio of manager to subordinates cannot be ignored when considering that South African bosses are among the most stressed in the world.

White males in SA between the ages of 28 and 55 have the highest rate of coronary diseases in the world. About a third die of heart attacks or heart related diseases. Many

are in managerial positions. One of the issues associated with the high stress rate, says Dr Solomon, is the large number of employees that most managers deal with. The manager to subordinate ratio in SA is about 1:56 in the United States and Europe 1:10-15 and in Japan only 1:5.

Another problem is that in SA many people become

managers at a younger age than their foreign counterparts. The result is that many are inexperienced, or are inadequately trained to cope with the demands of the job.

MACHINE

Dr Solomon is a consultant with Allen Zimble Associates and is a co-author with Professor Zimble

of the book *Conquering Corporate Stress*. She says that partly because of a tendency towards a "machine image", SA managers are often unwilling to acknowledge how stressed they are until the physical symptoms caused by it begin to appear, or their family life begins to suffer.

Various stress tests can measure the degree to which a person is being defensive about his state of mind.

Dr Solomon says that by not acknowledging stress, managers adopt a subconscious coping mechanism, and are not deliberately trying to mislead.

The irony is that when people feel stress most, they are reluctant to do some-

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CARYN SOLOMON the burdens of management

US goes from tall and deep to short and fat

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AMERICAN management structures are undergoing rapid change in the face of competition from Japan and Europe 1992

In reaction to the changing foreign environment, American businessmen are becoming increasingly concerned about improving productivity and quality, communicating more effectively and adding the punch of innovation to an otherwise hackneyed production formula

Pyramid

In short, all the stops are being pulled out to make the most of resources and opportunities

The latest area of management attention is in shrinking the depth of the corporate pyramid. This is now referred to as delayering — removing what can be regarded as excessive layers of jobs. The traditional pyramid is being shrunk from its current

By Professor Martin Nasser (right), of the University of South Africa. He is currently a visiting professor at the Snider Entrepreneurial Centre of the Wharton Business School in the US.

tall, deep structure to something shorter and fatter

In delayering, management analysts take a look at all the jobs involved. An attempt is made to identify those areas where much duplication characterises the jobs and causes frustration for those involved

A compacting exercise is then applied with the relevant responsibilities from the "eliminated" jobs now being delegated upwards, downwards, and even sideways. The result is often a new level of "job enrichment"

The numerical and graphical effects are instantaneous. From the sacrosanct manager to worker ratio of 1.6, the flatter pyramids are producing ratios moving closer to 1.20 — more familiar in Europe and Australia

This is still a large difference from the SA figure which is estimated at 1.45. In this lies an important mes-

sage for SA executives

Although for years, management teachers and specialists have been preaching the necessity for deepening the SA pyramid using the US model as a yardstick, it would now seem that what is needed is a flattening move in line with where the Americans are heading (1.20) than with where they have come from (1.6)

What started as a minor economic measure adopted by the oil companies has developed into a stampede

Hard on the heels of turnaround artists like Welch of General Electric, Eisner of Disney and Petersen of Ford — all of whom have applied delayering to astounding effect — American executives have continued to squeeze these pyramids into an entirely different shape

There is no chance of the pyramids getting back to

their flabby shape of earlier years

- The effects include
- Reduced bureaucracy
- Clearer, quicker communication
- Shorter lines of control
- Managers much closer to the coalface
- Speeding up of decision-making and improved productivity

Adaptable

The bottom-line results are becoming obvious, and as the formulae start to work, so the search continues for the optimised manager worker ratio by industry. It is a development that is accelerating and clearly here to stay

Delayering, like any other efficiency drive, demands a re-examination of many issues

Attention has to be given to creating more adaptable types of job specifications. The initial stages, in particular, require a great deal of flexibility and experimentation

In tandem with this has come the issues of decision making, implementation and communications processes

In short, the organisation, in moving away from a more centralised decision making to greater autonomy and control, needs to introduce several ways of doing things — often with a fair degree of risk

This calls for a shift in culture — one which is more organic, participative and less mechanistic. This will allow the organisation to capitalise on the benefits to be derived from its flatter, more efficient corporate structure



Human resources a big challenge to managers — study

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ALAN FINE

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HUMAN resources issues — especially those related to productivity, training and industrial relations — were the major challenges facing SA managers for the next five years, a Unisa School of Business Leadership (SBL) survey has found.

The survey was conducted in February and March by SBL associate director Karl Hofmeyr, and canvassed the views of 111 white and 53 black managers. A similar survey of white managers was conducted last August.

Respondents, asked what were their major challenges in the next five years, were permitted to give any number of replies. Hofmeyr stressed respondents represented a broad spectrum of management and were not predominantly those involved in human resources.

Some 48% of responses from white managers and 37% from blacks related to human resources questions such as productivity, industrial relations, training and development and black advancement.

The survey also found that socio-political challenges were felt more keenly by black managers (26% of responses) than by their white counterparts (17%).

However, whites' consciousness of these matters had risen considerably in the six months since the first survey when only 11% of their responses considered socio-political questions as a major challenge.

Skills

About 25% black and white managers' responses related to economic concerns. Next in priority were technological challenges, then the need for new management styles including participative management.

Interpreting the data, Hofmeyr said SA's skills profile was not healthy. Whereas in the US 32% of the workforce was employed in the professional, technical and managerial categories, the figure for SA was only 9%.

As international markets were to become more accessible, local business would have to compete. There was no doubt this required improved skill levels and an increased commitment to developing competent managers.

Commenting on the priority given to socio-political challenges, particularly by black managers, Hofmeyr said business could not avoid political issues in a changing SA.

"In the new SA business will have to find a better balance between tackling inequalities in our society and generating wealth. The significant investments in social upliftment announced recently by some large corporations are part of this process," he said.

Management needs to satisfy expectations

Sowetan 12/7/90 172

BLACK economic expectations were dangerously high because corporate management had allowed politicians to mislead them into believing economic opportunities would come

By JOSHUA RABOROKO

with political rights, a seminar was told this week

Addressing the South African Institute of Management's monthly executive briefing seminar in Johannesburg, the director of Consumer Behaviour, Mr Eric Mafuna, said since February 2 blacks had been confronted with new realities that required unusual, unorthodox solutions that were not addressed by existing management manuals

He said that the imminent birth of a new South Africa had put a new slant on the development of black managers, and companies were now

reassessing the issue of black advancement

A major problem was that black people had expectations of the new society and its ability to deliver equal job opportunities to all and sundry, he said.

Voting

"The perception is that the distribution of economic opportunities will follow the same line as political voting rights. The distribution of political rights is fairly easy - you give black men and women the vote. But distribution of economic opportunities is not the same thing."

The non-fulfillment of black managers' expectations would have far more devastating results than last week's stayaway called by the ANC, he added.

Grooming

He said at the same time, if corporations wanted black managers to succeed, they had to treat them like real managers, and groom them for top positions. That meant building up a relationship of trust and openness, giving them full access to corporate resources as well as dismantling discriminatory practices.

For corporations to be successful in the post-apartheid era, he said, they would have to reform corporate values in South Africa while at the same time ensuring that standards were maintained, he said.

Eric Mafuna

The feminine factor

Skills shortages can be met by women — if companies provide a little help



Behind every good man, the saying goes, is a good woman. Behind a successful career woman, however, is a remarkable housekeeper, an efficient lift club understanding children, an adept accountant, a grocery store that stocks convenience foods and delivers a bank that is a phone call away — and a wonderful husband.

Otherwise, top career women forego husbands (around 21% of women executives do just that) or children (54%), according to statistics gleaned by Professor Ronel Erwee of the University of Pretoria's Economics department. Around 40% of the total labour force is female (compared to 35.5% in 1970 and 19.8% in 1951) and women occupy 17.4% of all managerial executive and administrative posts.

By the turn of the century SA will have an expected shortage of up to 425 000 managers and administrators. This is despite the fact that almost half of all graduates are women.

"There's no managerial shortage," says Pauline Walters, MD of Strategic Marketing Services. "Business is just not using women effectively."

SA is far behind the rest of the world in realising that women are an essential part of the work force. While most companies are prepared to advance women to a certain level, they want these women to be like men — someone else must have the children.

The African National Congress has criticised business for its failure to address the advancement of women in the economy, saying sexism is as important an issue as racism.

While racial job reservation has been scrapped, sexist job reservation is not even an issue, despite sexual discrimination having been outlawed in 1988. The police faced with massive staff shortages opened their ranks to black women last year and were flooded with applications. In the mining industry, women are not allowed underground or on mine premises at night, unless in senior job categories.

The new Minerals Bill slightly amends that, allowing women on mine premises at night, but still not allowing women underground unless they are in a managerial position or are connected to health services. Women mining engineers at present can only work on open-pit mines.

Construction company boss, Con Roux, jnr of Con Roux Construction, says they did once employ a woman surveyor — "But her peers did not

take her seriously, they said construction was a man's world." Roux says that among the workforce, the issue of 'sexual equality is far more of an issue than race'.

The ANC has included women's rights in their envisioned worker charter and Albie Sachs, the ANC's constitutional expert has focused on women's rights. He writes that "The struggle to create a non-sexist SA will be even more difficult than the fight to create a non-racial one. Sachs believes a Charter of Women's Rights should fall under the general umbrella of a Bill of Rights, but form a separate document."

Sexism, some say, is like racism: victims and perpetrators are not always aware of the full extent of the discrimination. For most, the status quo has always been that way. But for many women juggling work and their role as mothers it has to change.

Anglo American senior divisional personnel manager Molly Connolly says the old adage that a woman has to be better to compete still holds. She cites the example that if she walked into a department requiring a new manager with a man in his early thirties, a middle-aged man and a woman in her thirties it will always be assumed that one of the men is the new boss.

Connolly believes social conditioning is one obstacle to a woman's success. As an example she says, "People will concentrate on a woman's foibles whereas they will brush off a man's idiosyncrasies by saying, for example, but he's superbly technically."

At Anglo an equal opportunity company, women form 29% of the work force at head office, 7.1% of middle management staff and 3.5% of senior management are women. At Standard

Bank 13.2% of women are managers. More than half of all employees at Southern Life are women, but women hold only 7% of executive positions and 4.7% of middle-management supervisory jobs.

Imperial Car Hire has a work force in which 38% of employees are women and 80% of middle management are women. However, its senior management are men. However, its maternity benefits are far from progressive, women are allowed three months' unpaid leave unless they qualify for UIF benefits. But the company would pay the difference between a man's army pay and his income.

MD Carol Scott says. Explaining why men would be paid for military service and women would not receive equivalent maternity benefits Scott says "A man has to go into the army, but a woman does not have to have children. The man is also usually the breadwinner." Her view is shared by several top-ranking women who believe women have to make a choice between careers and child-bearing.

Though Anglo has equality in housing pension and medical aid schemes, its maternity benefits fall within the statutory allowance of 10 weeks off work, on 45% of income. The most progressive maternity benefits in the country were those negotiated by the Commercial Catering and Allied Workers Union with Pick n Pay in 1988. Both parents, if they work for Pick n Pay, are entitled to 11 months' shared parental leave, nine of which are paid.

The father may also take eight days' leave when his baby is born, as well as one day a month to take his child to a clinic. One of the principles underlying the Pick n Pay agreement is that men and women have the right to hold a job work under healthy and safe conditions and give their children care and attention.

Erwee says many corporations are losing women, particularly at higher level, who decide to have a child. When the corporation cannot accommodate the woman's new situation — which demands greater flexibility — she begins a consultancy.

Walters, who began her marketing company two years before having her son, whom she brought into the office as a baby, says greater flexibility is needed on the part of businesses. Opportunities for women are increasing,



Walters



SPL's crèche - making childcare work

but it is difficult for women to get on to the board of directors of major companies. And "having a baby doesn't fit the corporate mould."

HSRC researcher, Prof Ros Hershowitz, who has completed a number of research studies into women in the workplace says the council conducted its last salary survey in 1981, when they sent out questionnaires to 100 000 graduates, half said they were no longer in full-time employment, making comparison impossible. "Women are still locked into traditional roles. Too many women take professional training for granted and stop working when they have children — to play taxi-driver."

Hershowitz also says many women have problems with low self-esteem, a lack of day-care facilities for children and paternalistic bosses. The skills shortage has meant that women are moving into low- and middle management in increasing numbers particularly in the civil service.

Research done in the early Eighties in SA maintained that education explains up to 75% of the occupational level differences between men and women. Though women are increasingly entering male-dominated fields most still opt for arts degrees.

Figures from the University of the Witwatersrand for this year compared to figures for 1988 show 66% of all arts students are women (65%), science 39% (38.4%), medicine 51% (49.5%), engineering 6% (5.6%), commerce 32% (27.6%), law 39% (35.9%), dentistry 27% (20.9%), architecture 26% (24.3%), education 65% (66.5%), and business administration 26% (21.8%). The figures are for undergraduate and post-graduate students. At Wits, 41% of the total student population is female.

Women are moving from traditional service-oriented occupations like teaching, nursing and social work, which have low salaries, into professional and business areas.

Erwee says that not more than 2% to 3% of participants on university management programmes, such as MBAs are women. However, while most men on such programmes are funded by employers, most women participants sponsor themselves. Erwee began a "Women as Executives" programme last year at Pretoria University, which has received corporate interest — 95% of women taking the course are sponsored by their companies.

It is not only the educational choices women make that count against them. Erwee has shown that 51% of top companies do not consider women for career management programmes.

Sexual discrimination in the workplace has been illegal in SA since September 1



Imperial's Scott maternity is not military service

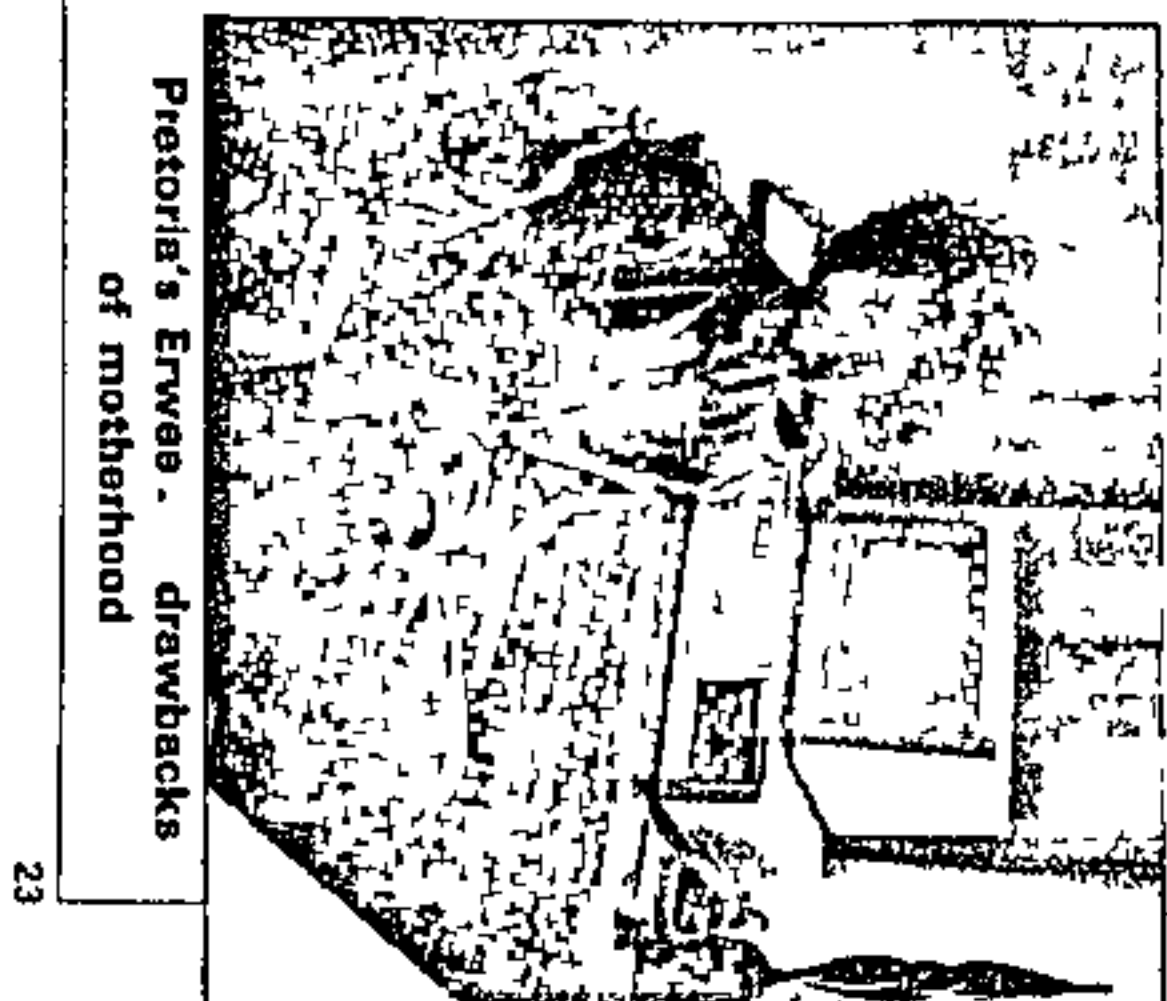
1983 when it became an unfair labour practice. However, around 1,5m women are excluded from the provisions of the Act which does not cover employees involved in the agricultural sector, domestic service and persons employed by the State including transport medical and educational institutions.

Research by Jackie Myburgh, a lecturer at Wits Business School, has shown that though nurses for example, form 70% of health sector employees — doctors make up only 17% — they have no voice. She believes their lack of political clout is because most nurses are women, which gives the profession far less status.

Once nurses marry — and 60% of nurses are married — they (along with married women teachers) lose perks such as housing subsidies and medical aid schemes and become temporary staff.

Myburgh believes these conditions, coupled with abysmal salaries are contributing to the declining numbers of nurses. "Normally there should be one registered nurse to every 500 people in developing countries, in parts of SA there is only one nurse to every 1 000 people."

Women as a rule earn 80% to 90% of what a man earns — except for women covered by black trade unions, who generally earn the same. An investment analyst with five years' experience was recently told by an employment bureau that she should expect to earn 10% less than a man for an equivalent post.



Pretoria's Erwee - drawbacks of motherhood

Problems such as this can obviously be overcome through attitudes and settled opinion will have to change. Indeed, as more women enter the workplace at higher ranks, all of society will have to change. Some of these changes will be small — like the creches introduced by SPL Computers and BMW, but others — involving attitudes — will be more far-reaching.

The less change is resisted the sooner all of society will benefit.

Mandela to address rally

MAPUTO — ANC deputy president Nelson Mandela, who arrived in Maputo on Saturday, was to have talks with Mozambican leaders yesterday.

Today he is to address a rally in Maputo's Independence Square.

Mandela, on the last stop of a triumphant tour of Europe, North America and Africa, was met by President Joaquim Chissano at Maputo airport, where he received a hero's welcome from tens of thousands of Mozambicans.

Asked at a Nairobi news conference before his departure for Maputo about prospects of an ANC link-up with the PAC, he said "There are certain organisations which have no significance whatsoever to our struggle." — Sapa-Reuter.

Jo'burg council to spend R300 000 fighting AIDS

TANIA LEVY

THE Johannesburg City Council has earmarked R300 000 for AIDS education this year.

By the end of 1991 an estimated 40 000 people in greater Johannesburg will test positive for HIV.

According to the council's acting Medical Officer of Health, Nicky Padayachee, about 6 000 people in the area tested HIV positive by the end of last year. This figure is doubling every eight and a half months.

Of the 463 cases of full-blown AIDS reported in SA by 21 June, 178 are in the greater Johannesburg area.

Padayachee says the area probably accounts for between 50% and 60% of the country's total number of people with AIDS.

Health and housing committee chairman Marietta Marx says

R300 000 has been allocated separately from the health budget and will be controlled by the management committee.

Padayachee says most of the money will be spent at the council's AIDS centre in Hillbrow — training volunteers from existing non-governmental organisations. These people have the credibility and skills to reach communities but need material and training assistance from City Health.

He says some of the money will go towards existing AIDS awareness programmes such as bus advertisements and the health department's AIDS play which has already been performed for more than 15 000 unskilled workers.

Schools are a crucial site for AIDS education, particularly in SA where more than half the population are of school-going age. Young people are the most sexually active and therefore most at risk of becoming infected with the virus.

While black and coloured schools have welcomed the council's AIDS programmes, the Transvaal Education Department refuses to allow this sort of education at white government schools, Padayachee says. Parents have to pressurise government to allow AIDS education in schools.

One of the greatest tragedies of AIDS is that people will not take the disease seriously until they start seeing many cases — and by that time it will be too late to contain the epidemic, he says.

Stresses of township life heighten labour conflict, says study

TOWNSHIP life, characterised by high levels of social and political unrest, was found to heighten labour-management conflict and increase worker militancy, a recent study said.

Wits industrial psychology lecturer Jacqueline Duke, who conducted the survey, said "The turmoil evident in the wider SA society has exerted a direct, negative effect on black community life." This affected labour relations.

Duke found 76% of the sample of township residents experienced disturbed sleep because of township unrest, 75% reported that life was dangerous in the townships, 67% experienced an atmosphere of tension, 58% reported a general breakdown of law and order in the townships, and 52% experienced violence on public

DANIEL FELDMAN

transport

The unemployment crisis was also highlighted — 60% of respondents said a family member was unemployed or had lost his job during the past year. Other stresses were accommodation and rent problems, education and the effect of the legal system on black community life.

Duke said township stress led to intensified conflicts between different factions in the workplace, decreased job satisfaction, and negative attitudes toward the company, including perceptions of company policy, supervision and the handling of grievances.

It was essential that organisations ascertained what stressed employees and what their community-based needs were before embarking on social responsibility programmes.

"Managers need to communicate across different cultural and ethnic groups in organisations. Through an understanding and awareness of different cultural groups, managers can develop creative strategies that will satisfy the divergent needs, motivations and aspirations of all employees in the organisation."

Industrial relations consultant Stuart Pennington and SA Clothing and Textile Workers' Union assistant general secretary John Cope-lyn will speak on these issues at a seminar next month.

Let's look beyond the Rubik solution

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SOLVING South Africa's economic and political problems can perhaps best be likened to tackling a Rubik cube

One of the ways of finding the solution is to attempt to resolve one face of the puzzle at a time. The difficulty is that having resolved one face of the puzzle, when one turns to the second face and attempts to resolve that, one invariably mixes up the first

That is the traditional approach of what could be described as the formal "enlightened" white business community of South Africa. The first face which is addressed and remains the highest priority is the delivery of a satisfactory monetary return on the investor's capital this quarter.

When we have done that,

Top businessman Bob Tucker calls on managements to opt for more social responsibility inside their own companies



we might turn to another dimension and take some of those profits and apply them to running a social responsibility officer

The third dimension might be that we make some contribution to the protection of the ecology — which our profit maximising endeavours damaged in the first place — and a fourth, that in the light of current developments, it would be advisable to go and meet with some of the high profile leaders

Courage

However, these activities are disintegrated and frequently contradict and undermine the integrity of the whole. On the other hand there are two apparent advantages to resolving the cube in this way. We get six ego boosts as each of the six sides is resolved — albeit that it is extremely unlikely that we ever have more than one side resolved at any one time.

Moreover if we find one side too difficult or if we do not receive adequate acclaim for resolving it, we can always retract and turn

to another side

It is to those enlightened businessmen who are addressing the problem in this way, giving disintegrated attention to the different dimensions of their businesses, that I appeal.

If the problem is to be resolved, it is a question of how we run our businesses not what businesses we run

In other words, how do we simultaneously respond to the exerted pressures in managing the resources at our disposal so as not merely to maximise the monetary profit but to remain viable in the South African fabric, subject to such inordinate pressures and with such maldistribution, over the next 50 years

We cannot proceed further on the basis that the only issue of any real importance is profit maximisation

Our businesses generate a range of outputs some of which are quantifiable and hard — such as the number of jobs, the quantity of products and services and the rand amount of profits — and some of which are very subjective and soft — such

as the job satisfaction yielded, the mix of capital and labour, the inter-relationships between staff and the nature of the relationship between the business unit and the community and environment in which the business is conducted and to whom the products and services are sold

Historically, business courage involved the risking of capital in an unknown venture to yield a return on that capital. In South Africa today, business courage should involve risking ourselves in service to the people of the organisation and the communities which the organisation serves

Integrated

The fact of it is that each one of us can either play the closed sum game or an open sum game. In the closed sum game we compete intensely with each other to see how big a portion we can get of a declining cake

In the open sum game we co-operate with each other to see how big we can make that cake — and the distri-

bution of the cake is the outcome of that process of co-operation

I do not believe the issue is the maintenance and linear increment of current profit levels, or the doubling of our social responsibility budgets or rushing off to meet the most recently identified "new leader" to persuade him why nationalisation is not a good idea

The real issue is how to fundamentally restructure our businesses and the way in which we do that business so as to be entirely relevant and completely integrated into the reality of this country

What percentage of all contracts and purchases go to new entrepreneurs? What are our staffing ratios? Who manages the organisation? Where do our staff live? What products do we sell and to whom? How does that enrich their lives? Are our idle buildings and computers used for teaching children and developing adults?

In the first year after a 10 percent drop in turnover, US manufacturers will, on average, cut staff by 7.6 percent — Japanese manufacturers by 2.1 percent. How do we do? And so on

Only by changing the way we do business can we avoid the fate of the dinosaur which in its time became irrelevant and unduly adapted to the reality of the environment in which it lived

Night classes lead the way to London cap

By DAVID CARTE

JOHANNESBURGERS will be able to start studying for economics and management degrees of the University of London next year.

Three SA economists, Gad Ariovich, Michael Cohen and Roelof Botha, will offer after-hours tuition leading to the internationally recognised London University BSc (Economics) degree.

Students can choose between economics, management, accounting and banking as major subjects.

Tuition starts in January at the Johannesburg College of Education, Parktown, from 5.30 to 8.30 daily.

The three tutors have set up what they call the London School of Management and Economics. Assisted from time to time by practising experts in various disciplines, they will give lectures to prepare candidates for the external programmes of the University of London.

Crash

The cost is R850 a course — more or less in line with fees at Wits University, says Dr Ariovich.

In addition, students have to pay the University of London R1 500 in the first year and R1 200 for each of years two and three.

The degree normally takes three years. Examinations are held in June. Only students with a good grounding in relevant subjects will be advised to write — after a crash course — in June 1991.

Others will have 18 months to prepare for their first London examination. A diploma in economics can be gained in the six months to June 1991.

Dr Ariovich says admis-



GAD ARIOVICH . . . quick to seize the initiative

sion to courses depends on the University of London, but a good matriculation pass plus the six-month diploma will ensure entrance to the degree course.

"London University makes special dispensation for students over 21. We prefer mature people who are serious and prepared to knuckle down. The highest number we will take will be 250, but we would like to restrict enrolment to 150."

Dr Ariovich says the University of London is unlikely to grant credit for SA qualifications.

Dr Ariovich (DComm) studied in Israel and SA and was a senior lecturer in finance at Wits University before joining stockbroker Fergusson Bros. He is also a

consultant to the SA Chamber of Business, the SA Foreign Trade Organisation and is the chief instructor and convenor of the Investment Analysts Society.

Mr Cohen (MSc Econ) trained at Wits and the London School of Economics, which is one of 11 colleges comprising the University of London. He has been a full-time lecturer in the departments of economics and business economics at Wits. He also has business interests.

Mr Botha, son of Foreign Affairs Minister Pik Botha, obtained his MComm at the University of Pretoria, where he was a senior lecturer. He was senior economist at the Federated Chamber of Industries.

Higher

This is the second private-sector challenge to the universities. Eden College, Midrand, is preparing Unisa students for BComm examinations. The London School of Management will also offer instruction to Unisa BComm students.

Private-sector operators have been quick to seize opportunities. Wits has turned away thousands of would-be students because of higher admission standards.

It has cut back on its part-time courses for BComm and LLB students, leaving a gap for academic operators. Eden, Damelin and now the London School of Management and Economics.

Good start to new management project

FORMER Wits Business School dean Andy Andrews is working full time on his new project — the Graduate Institute of Management and Technology (GIMT) — and his first three-day executive programme on strategic management, to be held in August, is fully subscribed

Andrews says "the great response to the course may be due to a latent need for specialised management training in companies which have to adapt to new environmental circumstances"

Of the 42 participants — from companies such as SAB, Anglo American, Shell, Transnet, PG Glass and Edgars — 18 are MDs, and the balance senior directors.

Co-presenting the programme is Andrews's former student, Norman Chorn,

MARCIA KLEIN

who has been working with Japanese consultant Kanechi Ohmae, author of *The Mind of the Strategist*. Chorn is to present a paper at the prestigious strategic management conference in Stockholm

Andrews said last week that strategic alignment, which involves ways of aligning business environment, strategies, culture, style and systems is "the latest way of thinking in the business world"

"In SA, the business environment wheel has shifted dramatically, and this requires adjustment of strategy, style, culture and systems to create or maintain a healthy business"

Leadership, according to Andrews, is the key factor in any organisation, and good leadership means success

He foresees his future role as educator in business with an emphasis on black management advancement. "There is a need for managers to interpret and understand both workers and customers."

Andrews hopes to hasten their progression into top management by a process of accelerated learning.

Most of SA's top 100 use PR consultancies

ABOUT 76 of the top 100 companies on the JSE use public relations (PR) companies, substantiating the growing importance of this much-maligned "glamour" industry

Public Relations Institute of SA (Prisa) vice-president Kobus Nel said an increasing number of top companies were turning to PR — either internally or externally — to ensure that their policies and services were acceptable to the public

Training

Although more companies were realising the importance of PR, growth was hampered by a critical shortage of skilled personnel, Nel said

Prisa hoped to alleviate this problem by the end of the decade through intensive training at management level.

The number of PR graduates had increased from 30 to 300 during the past 10 years.

Nel said internationally, expenditure in the industry

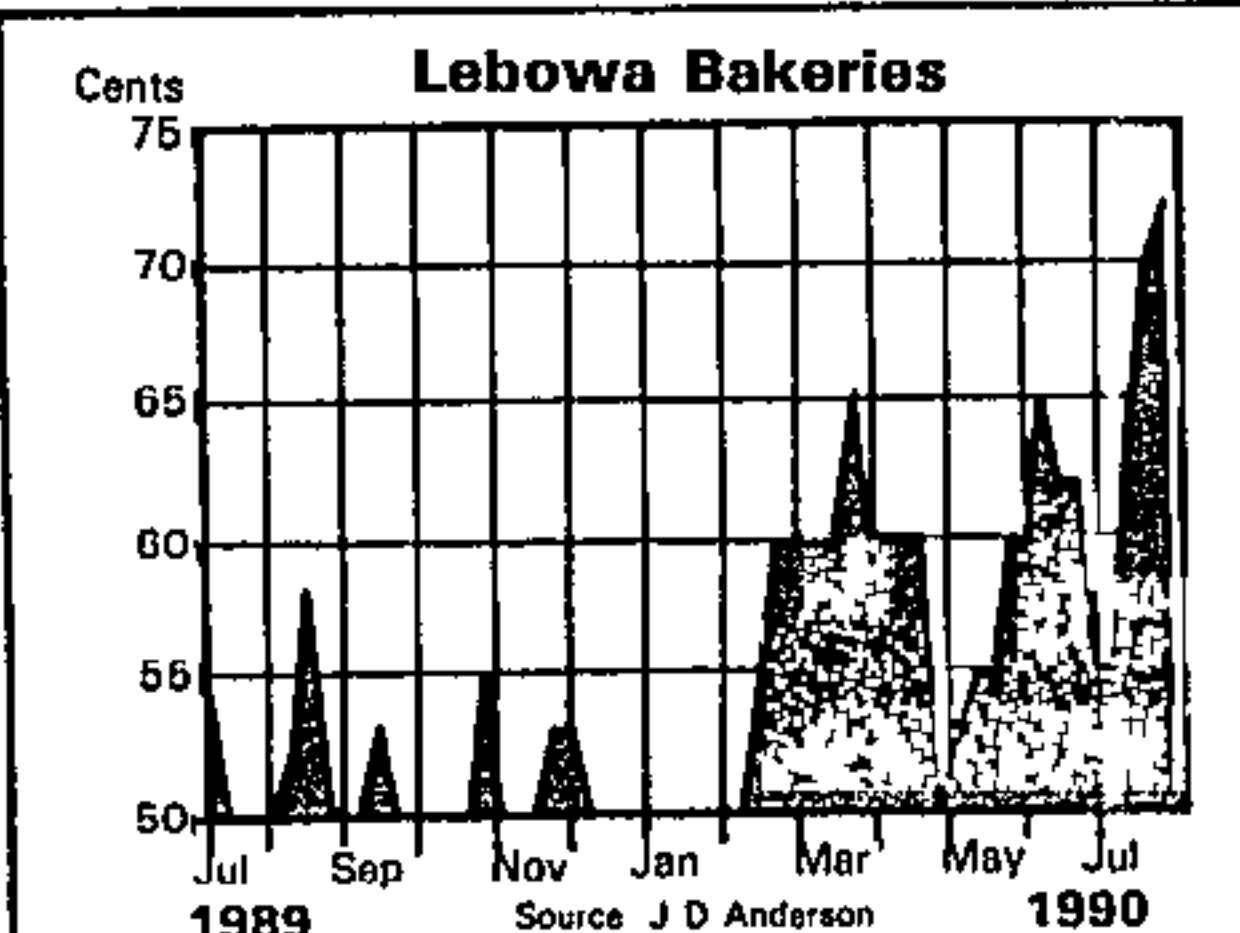
MARIETTE DU PLESSIS

had risen rapidly during recent years. While the increase in SA was notable, it was much slower, with companies hesitant to commit themselves to large PR budgets.

Although there was no real need to expand small, specialised companies into large global corporations, the industry needed the expertise and investment on all levels to cope with the rapidly changing economic climate in SA, he said

On the prospect of SA PR going international, SA Public Relations Council chairman Llew von Essen said the sector had the ability to become "internationally minded" in the long term. However, consultants needed to "think internationally" to get into the mainstream of events

He said local consultancies would form links with international PR companies in 1991 through the International Committee of Public Relation Consultancies' Association, based in London



FIM 10/8/90

Activities: Baker and confectioner
Control: Lebowa Development Corp
Chairman: P C Mokgokong, MD J W B McKenna

Capital structure: 25m ords Market capitalisation R18m

Share market: Price 72c Yields 10,8% on dividend, 29,0% on earnings, p e ratio, 3,4, cover, 2,7 12-month high, 72c low, 50c
 Trading volume last quarter, 193 000 shares
 Year to Mar 31

	88	'89	'90
ST debt (Rm)	nil	0.2	0.9
LT debt (Rm)	1.4	3.3	4.3
Debt equity ratio	0.09	0.19	0.17
Shareholders' interest	0.73	0.64	0.62
Int & leasing cover	—	18.3	11.5
Return on cap (%)	24.8	27.2	26.4
Turnover (Rm)	39.0	64.4	73.6
Pre-int profit (Rm)	5.2	8.6	11.6
Pre-int margin (%)	13.4	13.5	12.1
Earnings (c)	10.7	15.5	20.9
Dividends (c)	4.5	6.0	7.75
Net worth (c)	60	69	82

region is strategically poised to take advantage of this new economic potential," says chairman Pothinus Mokgokong in the 1990 annual report

Lebaka, already serving a region with a growing population now around 4m, with a staple food, can't go far wrong

Attributable earnings rose 35% during the year to R5,2m. The group plans to restructure its debt, thereby reducing interest paid. It hopes to settle loans bearing high interest rates and renegotiate them for loans which require lower interest payments. Interest paid on long-term loans ranges from 18,7%-20,5%.

Long-term loans were taken mainly to pay for capital development projects which Mokgokong reports as virtually completed. The value of fixed assets as a result rose 43% to R20,4m. However, this forced down the turnover asset ratio from 2.3 in the previous year to 2.1.

At 72c, the share is at its highest in over a year, but the 3,4 earnings multiple and 10,8% dividend yield seem appropriate given Lebaka's growth prospects. *Heather Formby*

MAST HOLDINGS FIM 10/8/90

Learning curve

Mast Holdings' service-orientated business has left it in the enviable position of receiving net interest rather than paying it, a situation most companies would prefer in times of

Activities: Education, training time management systems and recruitment

Control: Management and staff 54,6% CNA Gallo 34,5%

Executive chairman: S W B Dallamore

Capital structure: 20,3m ords Market capitalisation R14,3m

Share market: Price 70c Yields 5,6% on dividend, 11,4% on earnings, p e ratio, 8,8, cover, 2,1 12-month high, 75c low 50c
 Trading volume last quarter, 164 300 shares
 Year to Feb 28

	88	'89	'90
ST debt (Rm)	—	0.3	0.4
LT debt (Rm)	—	0.8	0.02
Debt equity ratio	—	0.21	n/a
Shareholders' interest	0.68	0.44	0.43
Return on cap (%)	29.0	26.9	30.8
Turnover (Rm)	4.7	8.4	15.1
Pre-int profit (Rm)	1.1	1.6	2.6
Pre-int margin (%)	22.6	18.8	17.4
Earnings (c)	5.3	6.4	8.0
Dividends (c)	2.4	3.0	3.9
Net worth (c)	14.4	15.9	17.7

high interest rates. Its policy of not owning bricks and mortar — it does not own its new building in Johannesburg's Oxford Road — and low stockholding allows it to keep debt minimal.

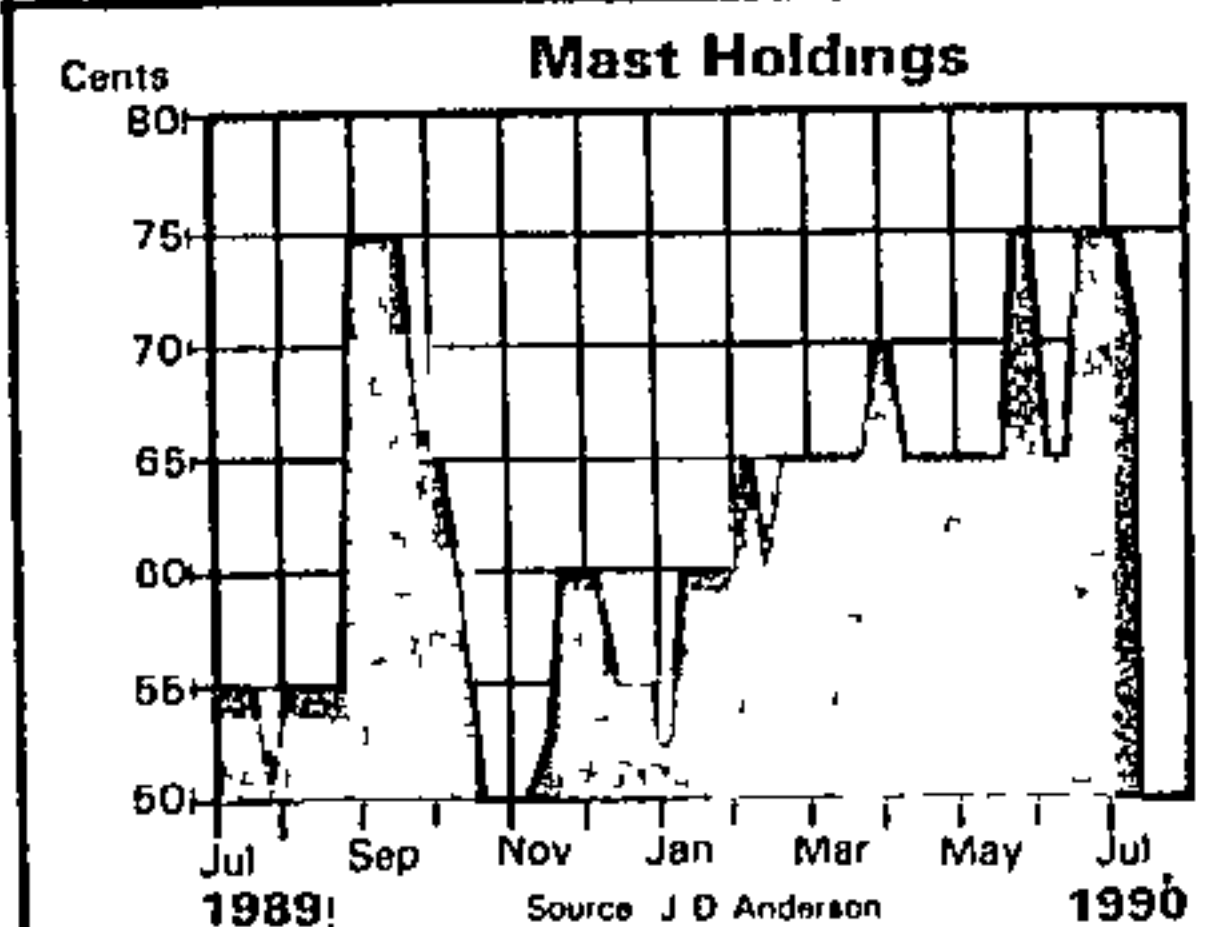
However, it has the problem of low growth potential, common in a purely service-orientated industry. As a result, management decided to diversify from only time-charging businesses into products related to the firm's core business of education and training.

The acquisition of Gallo Vision from major shareholder CNA Gallo in April last year has contributed R665 000 out of a total R2,9m pre-tax profit and is one of the reasons for the 80% growth in turnover to R15,1m. Profits from this division exceeded the R500 000 in the sale agreement with CNA Gallo, so an additional purchase consideration of R165 000 will be settled by the issue of a further 366 666 Mast shares at 45c apiece to CNA Gallo.

This division and Time/System, which sells time management systems, were the best performers in the group. According to chairman Stephen Dallamore, the exceptional performance of Time/System was mainly because of an increase in the number of products offered and "an increased awareness of managers and business professionals of the need to utilise their time more effectively."

However, Dallamore expects more emphasis to be placed on education and training in future years. To cater for this, the group has hived off Mast Education from Mast SA. The new division started in March and Dallamore believes this could become the most important in the group.

Mast Education provides training programmes for schools and businesses. Mast SA, which focuses on commercial and industrial training services, remains the main contributor to group profits — it contributed about 35% pre-tax in the 1990 financial year but failed to reach its targets in the Cape and Natal because of "people problems." However, Dallamore says "enormous potential for growth in these regions, coupled with a



strong existing client base and greater management expertise, should see improved performance in the coming year."

The financial and computer training division achieved budgeted results and broadened its operations during the financial year under review. However, recruitment agency Paul Tingley Management Services only just managed to end the year on target because of the drop-off in demand for head-hunting and recruitment.

Investors seem impressed with the previously DCM-listed share, ranking it on a 5,6% dividend yield and an 8,8 earnings multiple.

Heather Formby

MASHOLD FIM 10/8/90

Direct costs

Activities: Mail order retailing, general retailing, direct selling, mail insertion and advertising

Control: Mascon 56,8%

Chairman: H van Embden, MD M van Embden

Capital structure: 19,45m ords Market capitalisation R52,5m

Share market: Price 270c Yields 5,4% on dividend, 12,1% on earnings, p e ratio, 8,2, cover, 2,3 12-month high, 280c, low, 170c
 Trading volume last quarter, 147 000 shares
 Year to Feb 28

	'87	'88	'89	'90
ST debt (Rm)	2.3	3.9	13.5	27.31
LT debt (Rm)	—	—	—	—
Debt equity ratio	0.16	0.19	0.56	0.85
Shareholders' interest	0.58	0.61	0.46	0.39
Int & leasing cover	n/a	18.0	6.4	3.0
Return on cap (%)	14.0	16.5	13.9	14.7
Pre-int profit (Rm)	2.5	4.9	7.3	12.1
Earnings (c)	16.0	20.1	25.6	32.8
Dividends (c)	8.0	10.0	12.0	14.5
Net worth (c)	62	96	123	165

Successful direct retailers claim economic downturns do not hit their operations, and Mashold seems to offer some support for that view.

Turnover again rose strongly, this time by 58% after the previous year's 52%. Most of the growth was generated internally by the six main subsidiaries, though some businesses — Charles Velkes (mail order) and Tablekraft (direct selling) — were acquired from the group's now defunct competitor, Springtex, in the last quarter of the year.

Mashold comprises 10 mail order catalogue companies which sell COD. It claims

Vision paves the path

51 Times 26/8/90

MANAGEMENT will have to be more receptive of innovation and pay closer attention to the needs of customers if business is to prosper, say experts.

This was one of the themes stressed at the Association of Personnel Service Organisations (Apso) annual conference in Johannesburg.

Founded 13 years ago, Apso comprises about 200 personnel agencies.

Andy Andrews, director of companies and former dean of Wits Business School, expects a tough business environment in the next few years.

But Professor Andrews says no matter how tough the economy becomes, there will always be opportunities. There should be a willingness to innovate and adapt.

Managers should have a vision of what business will be like in five to 10 years' time, and structure it now as if it had already happened.

"Every small change helps. Companies should look to do a thousand things one percent better instead of doing one thing a thousand times better," says Professor Andrews.

Ginger Thaxton, president of Creative

Management Consultants, US, stresses the importance of being in tune with clients' requirements.

It is vital to understand their needs and motives. This requires "listening for meaning".

She underlines the need for visits to clients. "You learn far more in person than over the telephone."

Ophelia Jatta, a former aide to President George Bush, says, "Those who wish to get ahead should look at what they can do for the company, and not what the company can do for them."

Seat

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Dr Jatta says most job-seekers do not know how to market themselves. "They should do their homework — finding out about the prospective company, including its managers and its corporate culture."

Coinciding with the conference came news that Apso would gain a seat on the SA Board for Personnel Practice.

Professional Assignments Group chief executive Syd Catton will represent Apso. He says "We will now be able to play a greater role in the broader personnel profession."

Business school offers 18-month MBA - on the job

By SAMANTHA WEINBERG

A NEW multinational business school, offering an 18-month MBA programme for students who don't want to leave their jobs, has been opened in Cape Town. 2/11/92 14/9-20/11/90

Based at the South African Centre for Management Studies in Durbanville, the programmes are affiliated to the International Management Centre, which was established in Britain in 1964 and has bases worldwide, including Africa, Europe, the Far East, North America, Australia, New Zealand and Vanatu (New Hebrides).

"The IMC has prospered around the world because it provides the kind of management development programmes which companies want for their managers," said Reevo Eckardt, one of the founders of SACMS.

The centre specialises in in-post action which does not remove participants from their work environment for weeks on end.

Associates on the programme are away from the office for ten days at the start, and in the first year attend a series of evening sessions and residential weekends, before writing their 30 000 word master's thesis.

"Gone are the days of training merely for the sake of training. Companies are increasingly seeking a return on their investments in training," said Eckardt.

"Our mission is to turn managers into more effective executives and not merely to advance scholarships."

The principle of action learning is to reduce the academic content of management education and to increase the emphasis on practical learning.

An essential feature of the process involves learning to take effective action in live situations centred on the managers' real problems at work.

During the course of their MBA studies, associates undertake projects of "strategic significance", which they can then take back to their workplace.

The MBA consists of six compulsory core courses: finance, marketing, operations, human resources, information technology and strategic management, which are assessed by case analyses, presentations and in-company projects of 3 000 words per core course.

Applicants must take an entrance or aptitude test and have a three-year post-matric or professional diploma and/or four years' managerial experience, as well as support from their organisation.

● Full details are available from Reevo Eckhardt at PO Box 899, Durbanville 7550. Tel: 021-96-1101.

No room for 'crooks' in public service — Henn

172 GERALD REILLY

PRETORIA — The shortage of managerial skills was not so great in SA that public offices had to be filled by crooks, Federation of Sats Trade Unions' president Dudley Henn said in Johannesburg last night. 6/26/90

Referring to the "ever increasing" corruption in SA society at the federation's AGM, Henn said when people in high places were found guilty of fraud or corruption at the expense of taxpayers, they should not be allowed to retain their "richly feathered nests".

Henn also said if the ANC wanted redistribution of wealth, they should construct and make known a credible economic policy to achieve this end. Indiscriminate nationalisation could never benefit workers.

INSTITUTE OF PERSONNEL

THE IPM has prepared a strategy for the 1990s to promote and develop the highest standards of competence and ethical conduct among its members.

It has set as its goals the need to:

- Promote and supply professional training and development to members and individuals;
- Play a leading role in

High standards at top of the list

SITimes 30/4/90 (172)
facilitating the creation of equitable employment practices,
● Provide and disseminate

specified, applicable and current information on developments and trends in human resource management and in

the IPM;

● Assist the human resource practitioner to play a strategic role in social investment, quality of work life and unemployment so that the organisation can function more effectively;

● Represent professional human resource management here and abroad;

● Identify and influence decision makers in SA

Dynamic advances

51 Times
30/9/90 (172)

HUMAN resources management has become a dynamic profession in SA where it is being further influenced by rapidly changing political and social events.

In line with such changes and increasing challenges, the Institute of Personnel Management (IPM) has been upgrading its services, says executive director Wilhelm Crous

"We are well positioned to assist the profession to make a greater contribution to employer and employee alike"

Noting that human resources management principles have been changing worldwide in recent years, he says personnel managers need to stay abreast of new techniques and prepare to meet the greater demands the profession faces

"This is best achieved by human resources practitioners joining a professional body, such as the IPM, which can help them to improve their skills and in turn those of other managers with whom they have contact"

The IPM focuses on training and educating its members, as well as providing them with information on how to deal with important issues throughout the working environment. An example of the information provided is the industrial relations scenario report being prepared to help practitioners to ready themselves and their companies for the future

The many areas covered by the scenario report include retrenchment and alternatives to laying off employees

Notable

Recognition of the value of IPM services is also increasing. Mr Crous says this is shown in the upsurge of IPM membership as well as higher attendances at its many seminars, courses and workshops

Increased interest in the IPM is attributed to the introduction of services and upgrading of others

Mr Crous says most notable improvements this year have been the establishment of:

- A full industrial relations department. Apart from its daily functions, it staged its first industrial relations conference in February.
- A library-information centre.
- Additional and upgraded training facilities.
- New premises where the floor space is twice that occupied at the old and which accommodates more staff.

"These additions have contributed to membership growing from 7 500 in 1989 to 8 250 this year," he says



WILHELM CROUS ... contribution to employer and employee

"IPM South Africa — a founder member of the World Federation of Personnel Management Associations — has developed into the fifth-largest institution of its kind in the world"

"As a major player, it not only has regular contact with its sister organisations worldwide, but makes regular input to the advancement of techniques used in human resources management"

Services that are assisting the practitioner, employer and employee representatives alike include the annual three-day convention, to be staged at Sun City from October 17

Platform

The convention will be attended by a full house of delegates and many high-level speakers. Had it been possible to accommodate more people the registration would have been as high as 2 000

Mr Crous says the convention will adopt a pro-active stance, providing a platform from which to open debate among different parties striving for a better understanding of the issues related to employee-employer conflict

Another area reflecting growing support for the IPM's services is reflected in enrolment for its diploma course

A look at human resources and reform

Sowetan
11/10/90

172

THE Institute of Personnel Management will discuss the implications of the Government's reforms on human resources management at its annual convention later this month.

More than 600 delegates are expected to attend the IPM conference, whose theme is "The New South Africa. Implications for Human Resources Management", at Sun City from October 17.

Professor Charles Handy of the London Business School will be the guest speaker at the convention. Other speakers include the KaNgwane Chief Minister, Mr Enos Mabuza, Southern Life chairman Mr Neal Chapman, National Union of Mineworkers official Mr Marcel Golding and Dr Lyle Spencer of the Sloan School of Management. In his message to the

convention, IPM president Mr Theo Pegel says those who believe that the new South Africa holds prosperity "will undoubtedly have a rude awakening in the next few years".

He says: "The new South Africa will dawn with umpteen fireworks, hope and resolutions but also regrets about that which we neglected to do and opportunities that are lost forever."

Good environment helps productivity

5/11/70 710190

Business Times
Reporter

RESEARCH has shown that employees are far more productive when the surroundings they work in are ergonomically and environmentally sound.

One of the findings of research undertaken by development consultants Allen Zimble and Associates was that workers' perceptions of motivation and productivity improved when their environment did.

The study, conducted in

four parts, covered testing, new furniture installation, post-testing and further post-testing.

Immediately after the creation of a new environment, an increase in motivation and perceived productivity was noticed.

Psychologist on the team

Dr Carolyn Solomon says, "The study shows that the absence of a good environment tends to be a demotivating factor."

"If one looks at an organisation holistically, the baseline is a good environment."

Planning

"Thereafter management has to look at other vital factors that constitute successful management. Without a good office environment,

management is in fact sabotaging any hope of eventual long-term success," Dr Solomon says.

Managing director of office furniture company Anglo Dutch, Alan Green says "The quest for increased productivity has to be attacked within the context of an ergonomically good environment."

"The study proved that the co-ordinated implementation of office furniture — rather

like city planning where each area is furnished in a responsible, planned way — actually increases productivity."

Dr Solomon hailed Anglo Dutch's co-operation and assistance in the study as "courageous."

"The risk taken by Anglo Dutch shows that they are committed to professionalism and excellence. They wanted to find out exactly what was happening in the market place."

Labour winds of change 'reaching the public service'

PRETORIA — The winds of change that had swept through the labour scene since the Wiehahn report were now breaking over the public sector, Commission for Administration chairman Piet van der Merwe said last night. 6/0ay 12/10/90

Speaking at the University of the Free State in Bloemfontein, he said strikes in government service had taken on greater proportions than before. 172

GERALD REILLY

Labour relations were becoming more important in the service. The management and handling of labour relations would make big demands on line managers.

A process of negotiation in co-operation with personnel associations and other representative bodies to develop a framework for the regulation of labour relations in

the public service was in progress.

He said circumstances in SA now and in future demanded innovative thinking on the part of public sector administrators and line managers.

It demanded, too, that business and labour leaders as well as the public should acknowledge the indispensable role of public institutions.

Line managers had to be trained in labour relations to equip them for the maintenance of labour harmony

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and Collectors' Items at 2 30 pm

Clocks and Furniture at 6 pm

Top speakers to address Sun City conference

Sowetan 15/10/90
ANC's director of international affairs Thabo Mbeki will address the annual convention of the Institute of Personnel Management at Sun City next week.

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By ELIAS MOERANE

Mineworkers official Mr Marcel Golding, will look at various strategies to improve this imbalance

IPM's 34th convention takes place between October 17 and 18. The theme of the conference will be "The new South Africa: Implications for human resources management".

Other speakers include Professor Charles Handy from the London Business School, Professor Thomas Kochan from Sloan School of Management, KaNgwane Chief Minister Enos Mabuza and the world's leading authority on down-sizing of companies Bob Tomasko from the United States.

Handy will discuss a topic entitled "Organisations of Tomorrow: the challenge for leadership". Kochan will present a paper on "Gaining competitive advantage from human resources and industrial relations policies - an international perspective".

Mabuza will speak on "People development priorities for the new South Africa".

Among the speakers to address a workshop on education crisis on the first day of the conference are Mr Ihron Rensburg, general secretary of the National Education Crisis Committee, and Mr Brian Angus, executive director of the Steel and Engineering Industries' Federation of SA.

The issue of uneven distribution of wealth will be discussed by a panel representing the full spectrum of South African society.

The panel, which includes National Union of

Call for 'global village' attitude

SA BUSINESSMEN had to understand the changes wrought in markets and the labour force by the new "global village" or they would go to the wall, management consultant Tony Manning told the Building Industries Federation (Bifsa) annual conference in Durban yesterday.

"Standards are converging. A product that was cheaper or offered a particular benefit can no longer compete because all products have that quality. Tastes are converging because we are all being exposed to the same standards in the media," Manning said.

"Differences between individuals are disappearing as people around the world wear the same fashions, speak the same language and use the same brands."

Manning said SA managers could no longer manage their labour in the same way as before because their labour force had the same tastes and aspirations as they did.

Managers had to move their workforce from a position of dependence to independence — "you can trust them because they trust themselves", he said.

He urged Bifsa members to understand

Reports by
CHARLOTTE MATHEWS

their customers' needs, to develop appropriate but not necessarily lower standards for the SA market. They had to pay more attention to invisible assets such as people and to the environment.

Natal University deputy dean of student affairs Devi Rajab said it was important for people to see themselves as South Africans rather than Afrikaans- or English-speakers or white or black in post-apartheid SA.

She said prejudice consisted of belief and feelings that led to action and discrimination. In a post-apartheid society, belief and feelings could not be controlled but actions could be legislated against.

"We have grown up in a society that is fragmented by racial problems," she said. "A prejudiced mental state has created barriers between people. Many people who have employed a domestic servant for years know nothing about her background, sometimes not even her surname."

"We have to socialise our children so they can overcome as many of their prejudices as possible."

8/10/19/10/90

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'Baasskap' seen as strike cause

HUMAN resources specialists should address the issue of "how to deal with baasskap" as a matter of urgency, Centre for Development of Human Resources director George Negota said yesterday.

In his talk at the Institute of Personnel Management convention he said "baasskap" had been at the centre of many strikes at industries in SA.

"The fact that SA companies pay lip service to the enforcement of human resources management principles has created room for 'baasskap' to breed and ex-

pand to the level where it has become cancerous," he said.

SA needed a concerted programme of action in which technikons, the private sector, professionals and government should form a part, he said.

The role of technikons should be to respond directly to the needs of both the private and public sectors by providing tuition.

The programme should be aimed at school dropouts, particularly from Bantu Education, to provide them with job skills.

Do Japanese management and production techniques make sense in SA's dispute-riddled labour atmosphere?

Akira Goshi, a management professor at Japan's Nihon University who recently visited SA and consulted for several local companies, says Japanese management programmes are adaptable to SA. But many unionists disagree. They see Japanese management programmes such as quality circles and "total quality control" as a tool for busting unions and denying worker rights. Their fear is that programmes aimed at boosting productivity will come at the price of retrenchments. *FIM 19/10/90*

The hallmarks of the Japanese approach should allay those fears.

- Companies avoid lay-offs and try to provide workers with life-long employment. In the slump of the mid-Seventies, Detroit's vehicle makers laid off thousands of workers while management at some Japanese companies, such as Nissan, took pay cuts. Rank-and-file workers were unaffected;
- Workers and management co-operate closely and understand that "if the boat sinks, we all sink together," and
- As they expand, companies share profits with workers.

In line with these principles, Japanese companies liberally employ quality circles — small groups of employees from different departments that meet regularly with management to discuss workplace issues. The goal is to improve product quality, increase productivity and curb worker alienation.

Goshi is quick to point out, however, that a good management programme may not suffice. "It takes a lot of morale building. Simply having a brilliant philosophy isn't enough." He believes that a major stumbling block to good labour relations in SA is the bloated status of management. "SA's top management has too many perks. It seems to be some sort of hangover from colonial British management techniques."

Iscor is one local company that has a comprehensive total quality control programme. "We select specific groups that have tackled a problem well and award them prizes," says spokesman Piet du Plessis.

Unionists dismiss Japanese techniques as the Japanisation of SA. Alistair Smith, a national organiser at the National Union of Metal Workers of SA, says: "Total quality control is linked to the whole question of restructuring production in SA. It's simply another attempt to undermine the collective bargaining process."

Manie Spoelstra, a professor at the Unisa

School of Business Leadership, says quality circle programmes "have been more successful than unsuccessful" in increasing productivity and worker satisfaction. One example, he says, is Eskom, where a group of gardeners sought to improve their working conditions. A less time-consuming commuting system was initiated and worker absenteeism decreased sharply.

Mistrust of Japanese management programmes is largely a result of SA's embattled labour history. Companies have in the past acted like cowboys, unionists claim, unilaterally imposing total quality control pro-

grammes and alienating workers.

Duncan Innes, a Wits professor of industrial sociology, points to Highveld Steel. In the early Eighties, the steel giant unilaterally established a worker-management liaison committee. Such decisions have cast a dark cloud over total quality control programmes, which in fact dictate that companies should not act unilaterally. Labour observers viewed the Highveld effort as a bid to undermine unionisation. Union fears must be allayed, Innes says, apartheid has left in its wake considerable tension between unions and management. □

A management training project with a difference

W/CHW 17/10 - 25/10/90

THE University of Port Elizabeth has come up with a new kind of management training programme.

What makes it different from the plethora of courses, degrees and programmes offering training in business or management skills is that it aims to train middle management for businesses virtually from scratch.

The minimum entry level is Standard Eight, allowing companies to advance employees who don't have a high level of formal education but who show promise.

The programme offers a strong practical orientation, with the management of companies who choose candidates being closely involved not only in the choice, but also in the training and progress assessment of the trainees or "protégés", as the MDP prefers to call them.

The MDP covers two broad categories of skills which managers need. The first is managerial, including developing self-esteem and self-confidence, the second the functional business skills. Normal management training programmes don't address the needs of South African society, believes Management Development Programme head Charles Baillie. The intention of the MDP is to give a rounded rather than a one-dimensional training to would-be managers.

All the above makes it suitable for companies with affirmative action in mind, though Baillie stresses the colour-blindness of the course (However, the present racial breakdown is around 50-50 black and white.)

Baillie set up the MDP at the behest of UPE's Centre for Continuing Education, with financial sponsorship from Goodyear and Firestone.

The MDP runs over two years, divided into three-week tuition blocks. Each block is followed by a six-week practical period, during which the protégés have to complete a project, shaped by the theory imbibed in the tuition block.

The theoretical side of the programme comprises 25 modules with one lecturer a module.

Baillie says the programme has been tailored to suit the around 10 companies in the Eastern Cape which have participated in the programme. These include Volkswagen, Spoomet and the Urban Foundation.

Interest shown in the programme has led Baillie to investigate branching out from Port Elizabeth, to Cape Town and Johannesburg. Details haven't been worked out yet, but interested companies have been identified. There are two options. Either individual training modules will be sold to companies, or the whole programme will be duplicated in one or more new locations from next year.

The programme will, however, be tailored to the needs of the companies in the area. The cost now is R3 950 a person a year, but this will have to increase with a new location, reckons Baillie.

Reg Rummey

SA's 10 human resources priorities

PROFESSOR STEPHEN BLUEN of the industrial psychology division at Wits University identifies 10 top human resources research priorities as revealed by a survey of 365 responses from human resources practitioners, line managers and academics.

The top five in order of priority are, productivity, socio-economic, political impacts on human resource management, management

Settles 21/10/90

training, skills training and worker participation. Respondents say they would like to understand the wide range of factors that influence productivity. They also feel it is important to research the applicability of proven overseas techniques on SA organisations.

Many expressed concern that worker attitudes and expectations may be unrealistic and potentially damaging. They say that skills training should take place on a massive scale in order to compensate for poor education.

Advantages include achieving common organisational values and beliefs, increased quality of working life, integration, and labour-management relations. Worker participation is seen to be vital for free enterprise. Most respondents would like to see research done on local and overseas worker participation schemes so that acceptable models can be applied in SA.

IPM highlights schools crisis



EDUCATION is in a state of "creative confusion" says Seifsa executive director Brian Angus. Mr Angus was speaking at the Institute of Personnel Management (IPM) annual convention held at Sun City.

The education crisis was highlighted by a number of speakers as being a major stumbling block in the way of development in the 1990s.

National Education Co-ordinating Committee (NECC) general secretary Ithron Rensburg says that statistical trends over the last 10 years indicate that of 1.2-million black school-starters only 77% would make it into the second year of education, 74% into Standard One and only 49% would complete primary school.

Mr Angus says that education cannot be left to the educationists alone.

"We in the business world cannot afford to do this for the simple reason that business and industry depend entirely on inflow of the products of this educational system for survival."

Major employers established the Private Sector Education Council (PRISEC) this year.

Mr Angus says PRISEC

MANPOWER MIRROR by ADRIAN HERSCH



will seek to identify what employers want from the education system, lobby government for change, highlight the importance of maths, sci-

ence and technology for the economy, and highlight the need to re-allocate resources in order to achieve this.

In 1989 13 626 schools accommodated 7.2-million pupils.

PRISEC's first priority adopted is the need for South Africa to alter the entire education system under a single ministry.

An attempt will be made to address the over-emphasis on university education and the under-emphasis on technical colleges. Many overseas countries boast four technicians for every graduate.

In SA in 1989 there were 286 000 students at universities but only 68 000 at technicals.

In the "creative confusion" there are promising trends including the increasing involvement of the private sector in education, ranging from the micro to the macro level.

Individual programmes through a range of permutations to the unified lobbying force of PRISEC are gathering momentum.

Employers are urged to involve themselves in the activities of PRISEC.

An IPM industrial relations scenario discussed at the conference refers to the skills shortage, outlining practical ideas including greater flexibility in the use of skills and rewards.

"The role of trade unions in assisting and addressing the skills shortage should, however, be considered. This is an opportunity, as is the case in respect of union participation in pension and provident fund boards of trustees for

integrative bargaining and problem-solving," says Professor Horwitz of the UCT Business School.

The IPM scenario underlines the challenges to industrial relations and human resource specialists to assume a leadership role in helping organisations change their environment and not merely adapt to it.

Professor Horwitz says "This will require a paradigm shift for many industrial relations specialists who have created successful careers by excelling in the reactive, fire-fighting and maintenance aspects."

"It will require a shift towards relationship building at collective and individual levels. This necessitates a strategic approach to managing people in organisations."

THE SOUTH African Board for Personnel Practice (SABPP) has recognised relevant degree courses of eight universities. The universities are: Fort Hare, Free State, Port Elizabeth, Potchefstroom, Pretoria, Stellenbosch, Witwatersrand, and University of South Africa

Chris Pottas, chairman of the board's education and training committee, says it evaluated the personnel management aspects of each university's relevant degrees before granting accreditation.

Each university's accreditation is for three years, after which the curriculums will be reassessed with academic staff to ensure that syllabuses remain in tune with the demands made on personnel practitioners

Professor Pottas says graduates will auto-

SITimes 28/10/90
**Degrees OK
in personnel**

matically qualify in terms of academic requirements — work experience is another — for registration with the board

Inquiries from other universities are being considered

The SABPP was established in 1982. Its purpose is to sustain a high level of professional competence in personnel practice. About 3 500 people are registered in various categories.

Daunting era for managers

S/Times 2/12/90 (172)

By CHARMAIN NAIDOO

THE SUCCESSFUL business manager needs to have at his fingertips diverse and vastly different skills to those of his predecessor of even a dozen years ago

Every year as the list of skills expands, so must the businessman's knowledge if he wishes to remain relevant in a changing, more demanding financial world

His skills should include the ability to deal with people, the art of negotiating, a sound knowledge of industrial relations, marketing and strategic planning, global political awareness, technical expertise and financial management

Karl Hofmeyr of the Unisa School of Business Leadership has done research into what businessmen and companies need to survive

His believes that business schools are not providing budding managers with the whole picture — that business is also related to political and social matters

Professor Hofmeyr says "Politics and political change will be important features of our lives in the next 10 years

Decline

"National and international pressures and tensions will continue as SA looks for legitimate and democratic political structures

"The business world will not be able to isolate itself from the political environment.

"Companies will have to decide what their role should be in the change process"

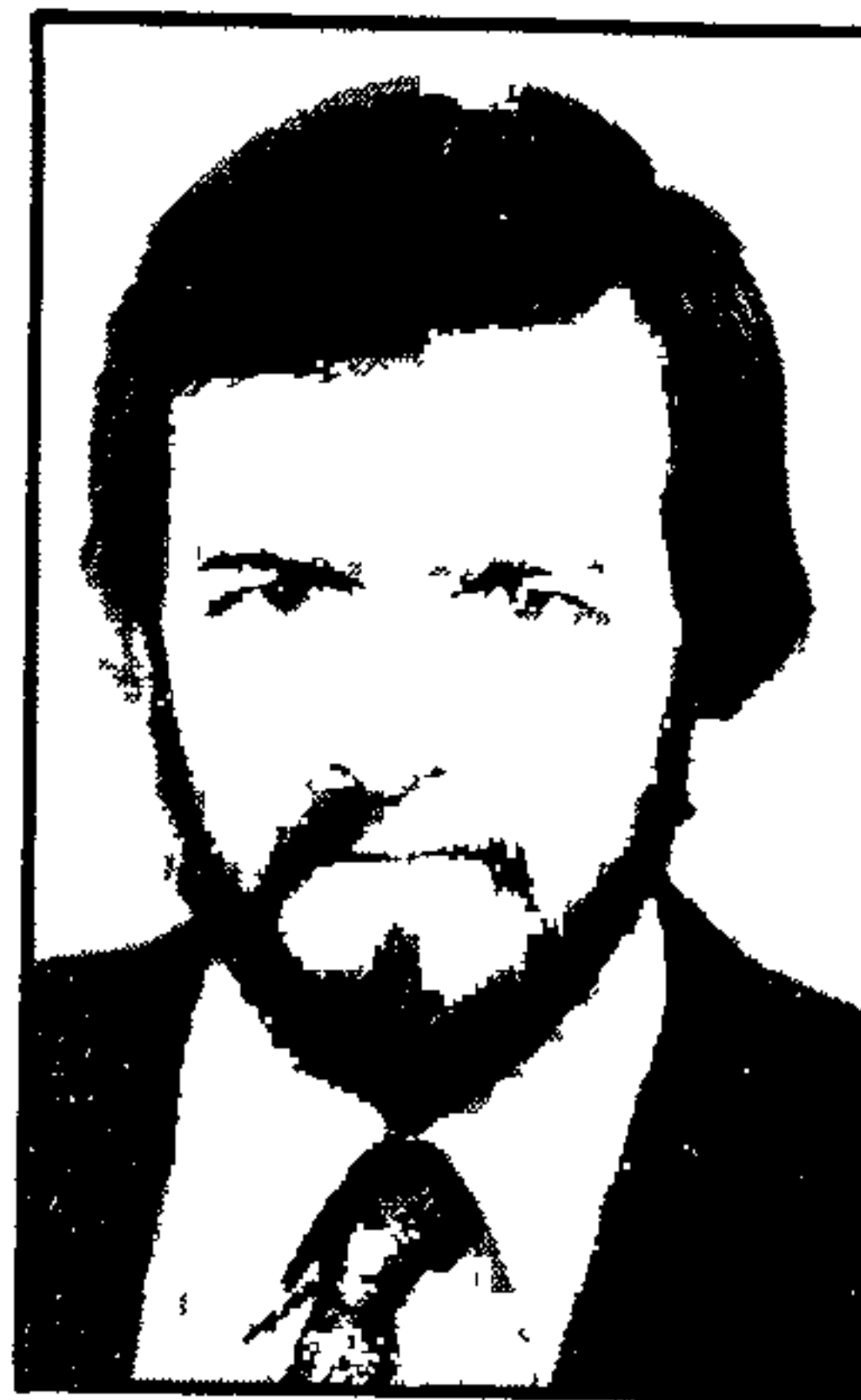
Professor Hofmeyr says political change, economic decline, powerful social forces, gross inequality and an education crisis will influence management education

"Business schools have to be sensitive to this environment as they design their curriculums To maintain a comfortable, arm's length distance from these realities is to risk being irrelevant"

He tried to find out how managers viewed the challenges facing them

"I asked a sample of 240 middle managers working in a cross-section of functions and industries countrywide what they thought would be the major challenges faced by management in the next five years"

He says 48% of the responses dealt



KARL HOFMEYR Business school changes with challenges related to human resources development

Another 28% of managers referred to economic challenges

Of importance, they said, were the need for cost control, dealing with the effects of sanctions, and seeking to compete in world markets and create jobs

"The next challenge identified by the sample focused on political issues

"They highlighted the fluid political climate, the need to adapt to political and social changes, the effect of politics on labour relations and business in general, the conflict between First and Third World orientations and the challenges of the post-apartheid society"

Managers pinpointed technical issues Management style was another topic mentioned

Professor Hofmeyr says "To the extent that issues such as these are not dealt with in our management education in the '90s, business schools may lack relevance

"Rigid adherence to American curriculums and formulas will not help us to meet SA's challenges

"The areas of common and overlapping challenges suggest that although we must not slavishly follow Western models, we cannot ignore that body of experience and international trends

"While we study our own context, we also have to take note of the international one."

Professor Hofmeyr says almost 50% of the responses referred to human resources

"It seems that the '90s will be characterised by challenges relating to the skills shortage, race relations in the workplace, employee advancement and productivity

"Our management education has to prepare managers to understand these issues and place them in the context of a society which has technical and structural problems"

People skills are most important — as in America and Europe

He foresees the trend to participative management being a major feature of SA businesses

"We have to learn all we can from other countries, perhaps particularly from Japan

"If communalism and co-operation are features of the workforce in SA, then teams, quality circles, consensus decision making and other aspects of Japanese management style seem more appropriate than Western individually oriented approaches"

He warns that new management styles and culture changes will require the vision, flexibility, leadership and willingness to change.

History

Professor Hofmeyr says reference was also made in his research to the need for knowledge of other cultures

"Management courses should include an input on sociological issues, such as race, class and culture and revisionist interpretations of the history of whites and blacks in SA and Africa"

SA cannot rely on the white population for its managerial talent as it has done in the past

"It also has to make better use of women in the workforce In the US, 32% of executive jobs are occupied by women compared with about 8% in SA"

The implications for business schools are daunting

"They will have to stress human resource skills, anticipate organisational changes, redesign the curriculum, reach out to communities, change enrolment patterns and undertake useful research

"As a whole, business schools will have to take up the challenge of socio-economic development and socio-political change

His final word "We should be preparing managers to be successful in SA, not in America or Europe"

Matching up the demands of office and home

THE destructive pressures of the business world on middle and senior management's family life have a far greater effect than is generally realised on mental health and, therefore, productivity

For the sake of long-term stability and prosperity, this problem needs to be acknowledged and a compromise sought between the opposing demands of work and family which business people face. The businessman with less work-related domestic stress is likely to be a better employee, while children who grow up in stable homes grow up better equipped for corporate life

The Urban Foundation's Mike Rosholt partly acknowledged this in his recent annual report when he said, "A society based on family values, clear identification of interests and a strong sense of self-reliance will have a much better chance of success than a society dependent on the state for its well-being"

The pressures referred to are well known: long working hours, taking home both work and stress from the

office, the subtle but insistent demand that work must come first, drinks with the boys, playing sport for the company and being on call. The higher a manager moves in the corporate hierarchy, the more intense these pressures become.

Healthy family relationships are desirable as they produce happier, more self-fulfilled people. But in the world of commerce and industry, they are also the key to the individual's longer-term productivity and growth. A healthy family with a stable marital relationship teaches its children a sense of belonging and loyalty to a group.

Children learn about responsibility and about working co-operatively. A healthy family teaches its children to balance independence with interdependence. They learn about relationships with authority (their parents) and how to resolve conflict.

All these and other qualities that children can develop through family life are of inestimable value to future employers. But employees, if they have children, will always have

DIANE FINE

two careers that can never be mutually exclusive. When the working parent is frequently unavailable, he complains "I'm only here to earn the money, they don't need me for anything else". The conflict of wanting to be a good parent and a successful employee causes counterproductive stress.

Stress affects child-parent interaction and the marital relationship — resulting in a breakdown in the couple's ability to communicate, and a serious loss of satisfaction in a deteriorating sexual relationship.

This, in turn, adversely affects work performance.

To perpetuate a society of emotionally healthy people, families and employers will have to look at how they can meet each other halfway. The starting point would appear to be an acknowledgement of the value of both sets of needs and demands

and the stress placed on the working parent by his dual roles.

Lynette Coetzee, Transnet's new community involvement manager, quotes US research 78% of employees prefer flexible working hours, more time with families, slower occupational progress instead of faster promotions and success at the expense of family life. Research indicates employees who consistently include their families within their career ambitions are more likely to rise to the top.

Peter Baker, manager of Southern Life's employee care programme, says the firm has a philosophy of caring for and recognising the value of its staff. The company stresses that profit and humanistic values can live side by side. Its care service offers counselling, credit and budgeting advice.

Baker says that besides improving performance, the service helps to create an atmosphere of acceptance and growth. Emotional difficulties are not seen as weaknesses and problems are not suppressed

Mike Watkins, head of the human resource management department at FNB, says "chronic stress, even when we adapt to it, can cause an increased incidence of sick leave, accidents and inattention at work". FNB runs stress management courses dealing with self-awareness and personal planning, holistic living, creating and using support systems and managing work-related stress.

There are other ways in which to take into account the employee's dual role. Each organisation needs to explore its own culture with a view to defining how it can accommodate the employee in his roles.

The family, too, needs to find ways to incorporate employers' demands without jeopardising its health and stability. Greater interest in the parent's work environment and increased tolerance of the demands he faces at work are just the start.

□ Fine is a counsellor at the Family Life Centre. Some of the corporate information is drawn from the October edition of Manpower Brief published by Mike Alfred

LETTERS

Management — 1991

January — Oct.

Search for a realistic, affordable welfare system

BUSINESS Day, in an editorial about new government proposals to reduce the role of the state in social welfare (January 4) simplistically blurs or overlooks some of the key issues that should be carefully weighed up by all South Africans at a time when they may be able to restructure aspects of their society.

The clouded issues include the nature of "social welfare", the responsibility of the state to its citizens, and the relationship between social welfare and economic growth.

Social welfare systems are characteristic of all industrialised and many industrialising societies in the modern world, whatever a country's ideology. The consistently dualistic objectives of social welfare require special note. On the one hand, it is an expression of a society's views about people and human worth. On the other, it is a means of promoting or maintaining a society's political, social, and economic goals.

These two objectives need not be

mutually antagonistic, and can be complementary. The weight given to one or other of them is mediated by features such as political ideology and health of the economy.

A comparison with the phenomenon of corporate social involvement programmes may serve to clarify the dual focus of social welfare. Most corporate social responsibility programmes are not only humanitarian, but a means of developing an environment within which the company can continue to operate profitably. A country's organised social welfare activities can be viewed in the same way.

Within most industrialised countries, social welfare measures are ultimately designed to maintain a stable, skilled and relatively secure workforce. This is also true of the industrialised, skilled South Africans, most of them white.

Less affluent whites in SA have, as a result of Afrikaner socialism, been even more protected than the citi-

5/10/91 14/1/91
BRIAN MCKENDRICK

zens of some so-called welfare states in the northern hemisphere. Free, or almost free school education and health care, non-contributory old age and disability pensions, artificial full employment, subsidised housing, comprehensive state-subsidised personal social services, and alternative residential care for the aged are some examples.

With the transition to a "new" SA, and the opening up of opportunities previously the monopoly of the elite white group, it must be clear to government that the full benefits of Afrikaner socialism cannot be extended to all as SA cannot afford this. Is this the real reason for government panic and haste in disengaging from welfare responsibility?

However, the choice is not simply between full state involvement (as in Afrikaner socialism) and almost no state involvement at all. The choice

could include a different type of active state involvement, designed to promote the goals of national development in a changing SA.

A common ingredient of all dramatically successful industrialisation since the Second World War has been the state taking responsibility for people's most basic needs during a period when large sections of the population have been made vulnerable by change from traditional ways to industrialised life. Singapore, Hong Kong, South Korea, and Taiwan are examples of this.

Possibly the one thing that all South Africans agree upon is that more wealth must be attracted and generated. Such wealth can only be realised by increased industrialisation. In SA one of the prerequisites of this industrialisation is a skilled, relatively secure, and stable workforce. Active state leadership is incapable in achieving this.

The state's policy of disengaging from social welfare is inimical to de-

velopment, and a short-sighted abandonment of an effective strategy to stimulate growth.

Rather than debating the polarities of rugged individualism versus welfare statism, as your editorial does, it would be more productive to promote debate about indigenous alternatives to both these extremes.

Undoubtedly, any acceptable alternative must be affordable, realistic and appropriate to SA's circumstances. All South Africans — including business people — should vigorously reject the proposed state abandonment of welfare responsibility. Business people in particular need to contribute their experience and creativity to the evolution of SA social welfare policies that enhance the quality of people's lives, and that also support efforts to achieve the economic growth on which the future prosperity of SA depends.

□ Prof McKendrick heads Wits University's social work department.

BOOKS

Numsa accuses CCB of arson attack

VERA VON LIERES

THE National Union of Metalworkers (Numsa) blames the SADF's Civil Co-operation Bureau (CCB) for a fire which destroyed the union's Johannesburg branch office in the early hours of yesterday morning.

In a statement released yesterday, Numsa said it firmly believed the CCB and "its allied organisations" were still operating.

The union said the fire at its office was characteristic of a CCB attack.

A security police member and the Johannesburg Fire Department agreed that arson was the cause, the statement said.

However, the SADF has maintained previously that the CCB has been disbanded.

The union's crisis committee co-ordinator Alfred Woodington said

yesterday the incident was similar to attacks against the union's East London office two years ago and its Benoni office in May 1989.

Police were still investigating those incidents.

Addressing a Press conference in the gutted office yesterday, Woodington said the fire had destroyed members' employee records, correspondence and documents concerning industrial disputes and the union's forthcoming national congress.

He said it seemed that the arsonists had searched the office first and broken into the filing cabinet containing these records.

They had then set fire to the room at about 2am.

Numsa's Johannesburg branch office is the union's largest, serving about 30 000 members.

Witswatersrand police liaison officer Capt Eugene Opperman said yesterday police were investigating "an arson case".

Numsa general secretary Moses Mayekiso condemned the incident.

He said it would increase "worker anger" in the industrial relations arena at a time when national negotiations were taking place.

Woodington said the union estimated the damage at more than R250 000.

He said the local office would concentrate on replacing lost records.

It would take at least four months before communications between the office and its members were restored.

DET spends more than R51m on books

POLLY JONES

THE Department of Education and Training (DET) had spent more than R51m on textbooks during this financial year — R28m more than originally budgeted for, DET director-general Bernhard Louw said yesterday.

He said the sum included an emergency allocation of R8m made by Education and Development Aid Minister Stoffel van der Merwe in July last year.

The National Education Co-ordinating Committee has said the shortage of books was a major factor contributing to the low black matric pass rate in 1990.

Yesterday Louw said more than 90% of textbooks ordered for this school year were delivered to schools before the end of 1990 and the rest would be delivered within two weeks after schools reopened.

The additional R28m had originally been earmarked for capital spending.

He said it was essential to accommodate a rise in pupil numbers, changes in prescribed books and book replacements.

It is believed most of the books will be supplied for use by pupils this year.

The DET has not yet finalised estimates of the expected growth in pupil numbers.

New Wits course to train junior managers

THEO RAWANA

THE Wits Business School (WBS), best known for producing senior business managers, has put together a new training programme for junior managers and supervisors.

WBS senior consultant Mel Brooks yesterday said the four-month programme, known as the Certificate Programme in Principles of Business and Management for Supervisors and Junior Managers, would begin in March.

"Middle and senior management personnel are taken mostly from outside the company, and the man who could fill the gap between the top and the shop-floor is always found wanting in management skills," Brooks said.

The course includes improving written communication skills, office administration, providing an understanding of how financial information is collected and used and providing an insight into how financial resources should be managed.

Brooks emphasised that typical participants would be people already in supervisory or junior management positions.

The course will be run for four five-day sessions over four months.

25th A

SOWETAN BUSINESS

Shortage of 420 000

STATISTICS reveal that South Africa faces a shortage of more than 420 000 managers in the next decade, according to a leading Johannesburg consultant Johan van Werkmeskeneken.

Also disclosed was that blacks hold only four percent of managerial positions in this country and only one percent of the formal business sector.

The call for affirmative action in business to educate not only black businessmen, but also women in management skills has been made by many prominent groups.

Van Werkmeskeneken says the time is ripe to ask whether "we can wait for business to take so-called affirmative action or to use our own initiative."

"The African National Congress official

managers in 10 years

By JOSHUA RABOROKO

crals have said that without it, business would be guilty of perpetuating a form of apartheid even after the formal version has been abandoned."

However, some believe that affirmative action is a contentious issue in South Africa. They believe that it is an expedient forced on business for political rather than sound business reasons.

To many, it is paternalistic and results in tokenism, with blacks trained as managers with no real consequence.

"There is a real need to create the opportunity for people who have been part of a disastrous education system and who believe that they have the potential to be top managers," Van Werkmeskeneken says.

Trend Management Consulting have created the facility for advancement from an environment where education has been largely shunned to one where achievement and accomplishment is the order of the day. This is

through a two-day programme aptly called - The Challenge of Managing for the Future.

He says there is often only a small difference between the top leaders in every field and those who merely do well. The consulting offers a simple, yet profound principles shared by great achievers of the present time. Principles that give you the winning edge in every situation. Principles which are essential for

survival in the new South Africa.

The Challenge of Managing for the Future offer an opportunity to discover how to develop a truly effective system of

managing - a system for planning for survival - for harmonising with and leading others - for moving your business life forward to greater expectations and, perhaps, most important for all the feeling the personal satisfaction which comes with setting new goals and achieving them on schedule.

Steps set up by the

Challenge for one to be adequately trained

* Identify the challenge of managing and what you can contribute.

* Plan through objective setting and targeting.

* Manage through organising, staffing, team building, time management and control

* Communicating effectively and delegating and building and motivating a team of professionals.

For more information about the courses contact Dolly at 783-4218.

Business commits R500m to welfare

8/10am 29/1/91
AN UNIDENTIFIED group of companies has agreed to channel R500m through the Urban Foundation towards various social welfare projects, particularly those concerned with black education.

Making the announcement yesterday, Urban Foundation CE Sam van Collier declined to name the "major" companies, saying they were not seeking publicity and instead wanted to "focus on their interaction with community organisations, trade union groups and other interested parties".

The foundation would act as a facilitator between donor companies and the various interest groups which would be asked to identify areas in which the money should be spent.

Meetings had been sought with a wide range of political, community and other groupings and individuals. Van Collier also declined to name these.

He said the companies had agreed in principle last week to make R500m available over five years. Other companies

TANIA LEVY

were expected to join the initiative.

Van Collier said companies wanted the initiative to focus on bringing change to certain of SA's social problem areas, particularly education.

A foundation statement said in addition to discussions with interested parties, investigations would have to be undertaken before detailed proposals could be formulated for consideration.

Discussions would also be sought with major funding and development agencies to ensure that efforts were effectively co-ordinated.

Van Collier said the private sector initiative had been embarked upon against the background of President F W de Klerk's undertaking to remove discriminatory legislation, the commitment of political leaders to negotiations and the increasing focus on the need for socio-economic development.

Big names linked to welfare scheme

ANGLO American, JCI, De Beers and Barlows have been identified by business sources as the main players among the companies that have pledged R500m to social welfare projects.

Informed sources named other possible donors as Standard Bank and Gencor.

However, this could not be confirmed.

Yesterday company spokesmen and the Urban Foundation — which is acting as facilitator between the donors and interested parties — refused to comment on who was contributing to the fund.

The rationale for the secrecy appeared to be the foundation's desire to include other companies in the scheme at a later date.

Potential donors might

EDYTH BULBRING

not contribute if they appeared to be "Johnny-come-latelys"

Foundation CE Sam Van Coller said this week the organisation would act as a facilitator between donor companies and the various interest groups, which would be asked to identify areas in which the money should be spent.

Van Coller declined to name the range of political, community and other groupings.

However, it is believed these include the ANC and the PAC.

The companies have agreed in principle to make R500m available over five years.

ADE sidelines top brass as the payroll is slashed

By CURT VON KEYSERLINCK

SOUTH AFRICA'S giant diesel engine producer Atlantis Diesel Engines (ADE) is cutting the number of its top executives by half.

Two of its seven directors have left and 20 of its 36 managers at the next level of seniority are either to go or take up less senior posts at ADE.

This follows retrenchment of junior staff that reduced the total complement from 2 771 to 2 150 late last year.

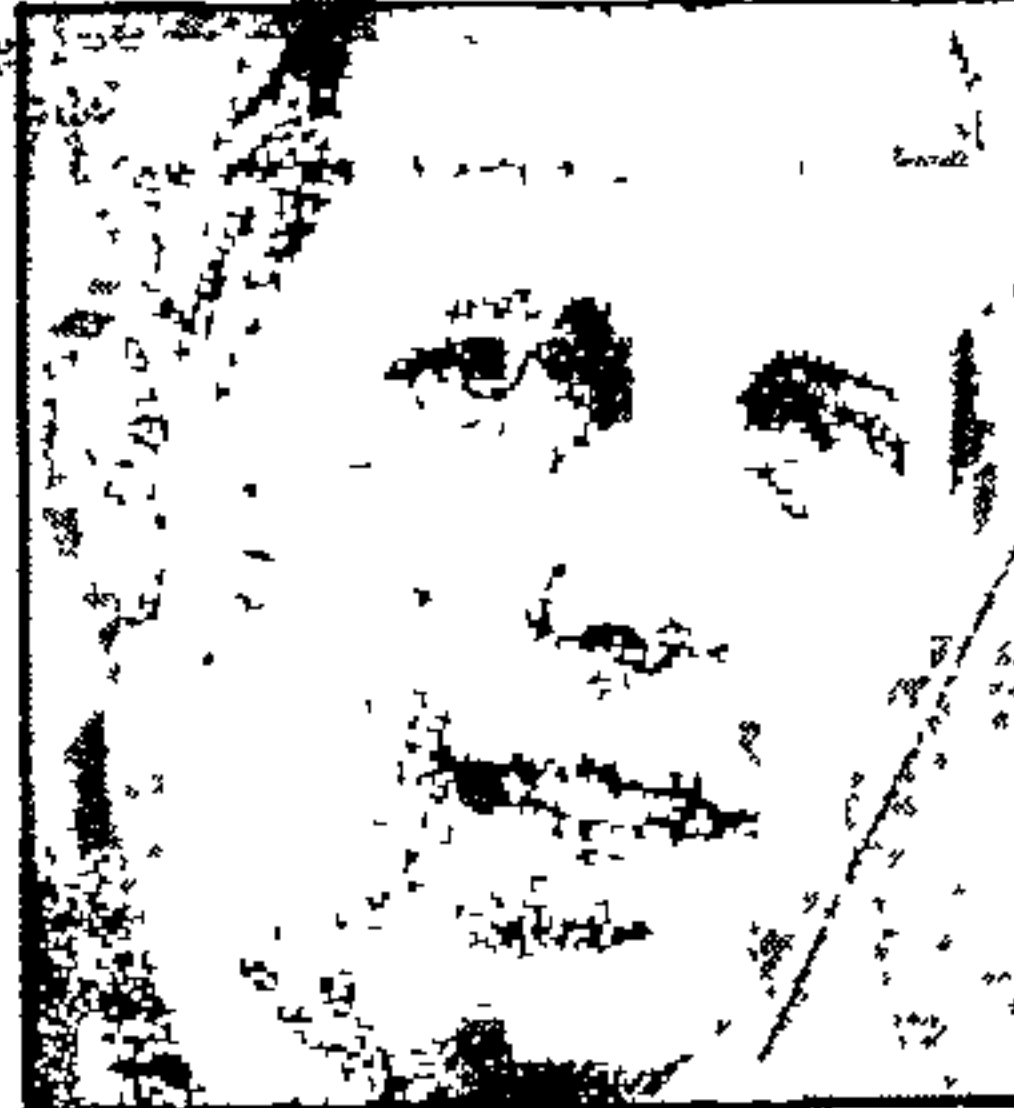
It is part of a plan to rescue a company that has never made profits and never produced at more than half capacity since it opened in 1981.

ADE is financed by the Industrial Development Corporation and was established partly with the object of improving SA's self-sufficiency in diesel engines which were then considered to be of strategic importance.

Designed to produce 45 000 engines annually, ADE had its best year in 1984 when it sold 22 749. Because it held huge unsold stocks, it produced fewer than 15 000 engines in 1990. The figure for this year is expected to be even lower.

Further reductions among the company's 740 salaried staff will be announced next month after a study now being carried out, says managing director Fritz Körte.

Because so many managers have left, those that remain are handling widely diverse functions. For example, the managing director is now also



FRITZ KÖRTE. Looking for 20% savings

responsible for marketing; the commercial director for purchasing, finance and exports; and the corporate services director for personnel, information services, public affairs and administration.

Another cost-cutting effort is the merging of ADE's two production facilities — one produces Perkins and the other Daimler-Benz engines — under a single management structure.

Previously each was run separately by its own management team.

These and other measures are aimed at achieving a 20% reduction, in real terms, of ADE prices in the next two years.

Mr Körte says the retrenchments will achieve at least a 20% saving in personnel costs. But savings in other areas will be necessary to achieve a total of 20%.

Although licence restrictions make it

difficult to export complete engines, progress is being made in sales of components — about R30-million last year. This will help to recover overheads by increasing plant use.

But ADE's exports are proving to be a two-edged sword. In terms of the Phase 6 local content programme for the motor industry, ADE's export sales have to be made through a motor vehicle assembler.

The vehicle assembler receives duty rebates on these exports, which allow him to increase the value of imported goods in his vehicle.

This is making it more easy for vehicle assemblers to import diesel engines and they do not need to buy them from ADE.

5/11/91 3/2/91 Carpet

"Increasing our exports is like sawing off the branch we sit on," says Mr Körte.

There are signs that certain vehicle assemblers will use imported engines in certain models, something that was virtually impossible under the old local content programme when ADE held more than 99% of the diesel engine market.

The company is budgeting for a drop in its market share in the next few years and is asking the Government for a 20% increase in duties on vehicles with imported engines.

"We know this is not popular, but if the Government pulls the carpet from under our feet during our rationalisation programme we will never get this business right," says Mr Körte.

Unsold

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Business urged to help fund education

TANIA LEVY

THE Soweto Education Co-ordinating Committee (SECC) is to form an alliance with big business to promote and fund education projects in the black community.

Addressing a Charter Life education seminar in Johannesburg yesterday, SECC chairman Dave Maepa challenged business to make a total commitment to education by becoming partners with the community.

Maepa said it was wrong to talk of a crisis in education in Soweto. What was happening was a war, waged by angry children against a "conspiracy" of government, business and apathetic parents.

The real problem was in the Department of Education and Training (DET) which had a crisis of management, of credibility and of provision.

The DET was neither able nor willing to provide black pupils with the basic resources needed for learning, he said.

Civic leader and private doctor Ntatho Motlana said the education crisis needed urgent attention.

Associations

Teachers came to his practice needing sedatives after a day's teaching. Schools worth R1,5m were burnt down in Soshanguve. Young girls were gang-raped at schools and 10-year-olds threatened teachers with "the necklace".

Motlana said the parent-teacher-student associations that had been talked about for so long needed to be formed at once to make schools safe.

He echoed other speakers by saying that talking would achieve nothing. Action had to be taken by black communities and business to change things.

Speakers said the education alliance would establish several Section 21 companies to manage fund-raising and other education projects.

Proposed projects include a national education lottery, an educational radio station, a home library series of inexpensive locally produced books and an educational

newspaper to be distributed to schools.

Maepa said SECC projects which business could become partners in included Operation Catch-up to improve matric pupils' chances of passing.

Homework centres, correspondence courses and vocational training centres to give the so-called "lost generation" a second chance at gainful employment would also be established.

Sorghum Beer Breweries and Corporate Image director Moss Leoka told the conference he planned to raise at least R10m a year through a national education fund paid for by blacks.

Leoka said the aim was to get blacks to contribute a fixed monthly amount for a year only, with proceeds going towards technical education.

"Let's help ourselves rather than depend on handouts," he said.

Money generated through the fund would be used to sponsor black students studying technical subjects at universities and technikons.

He said he hoped the fund would be registered as a trust by April.

Discussions were being held with the African Bank whose branches would facilitate debit order payments. Trade unions were being approached to get their members to contribute an amount as little as 50c a month.

Black businessmen would be asked to contribute between R100 and R500 a month and black professionals about R20 a month.

Leoka said it would be up to individuals to determine their contribution.

The first bursaries would be allocated for the 1992 academic year and the number would depend on the amount of money raised by then.

Bursaries would be paid back by students once they graduated so that the money would be put back into education.

A workshop on the education alliance will be held at the Sandton Sun on February 27.

New skills for new SA

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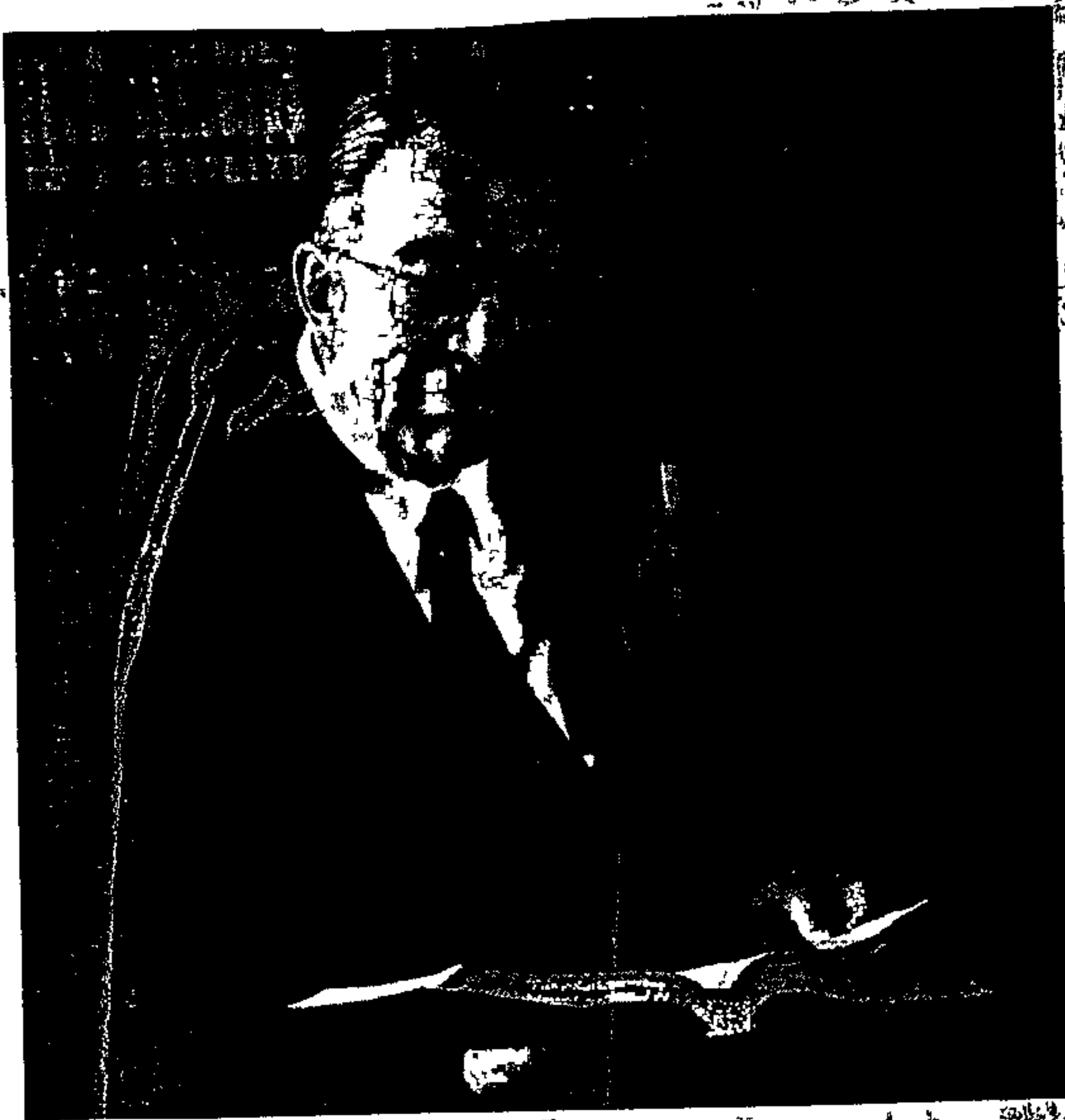
BUSINESS executives cannot afford to ignore the new skills required of management in a new South Africa if they are to survive - and thrive.

"This old style corporate hero-leader will give way to a new style of manager whose knows how to give employees meaningful participation in a learning type organisation," predicted Mr Louis van der Merwe, director of the Centre for Innovative Leadership and a senior lecturer at Wits Business School.

By JOSHUA RABOROKO

"The key skill that's required is the ability to put forward a vision of the future and to build enrollment in it in such a way that people align themselves with it."

"Alignment doesn't mean conformance," he continued "A business can be like an orchestra where the players all play their own part, but together they make a symphony."



Dr A.J. van den Berg, chairman of Sanlam.

Welfare of community improved

It has long been part of Sanlam's philosophy that it should put something back into the community which supports it, and make a contribution to improving the quality of life of all, said Dr van den Berg.

"Consequently, Sanlam gives financial support to the Urban Foundation, the Small Business Development Corporation and the South Africa Foundation, among others. We also support the youth, since they are our future. So, universities, technikons and colleges receive considerable contributions." (172)

"Likewise, the welfare of the wider community should be promoted; we therefore support the SA Heart Foundation, the Medical Research Council, the South African National Council on Alcoholism and Drug Dependence, anti-Aids campaigns, welfare organisations, nature and culture conservation, and a few selected sports."

Annual bible for tax consultants

SILKE ON SA INCOME TAX — Yearbook 1990-1991, by Costa Diwari, with case digest by Jonathan Silke (Juta, in association with Diwari Stein publishers, R95)

SILKE on SA Income Tax is a bible for tax consultants and an excellent reference book for those requiring a comprehensive, accurate account of the tax situation in 1990-1991.

It includes the full text of the Income Tax Act 101 of 1990, all tax legislation enacted during the year with detailed and technical commentary; tax related ministerial and departmental statements, Press statements and gazetted announcements issued during the year; a digest of the income tax and estate duty cases reported since the previous Yearbook, and consolidated texts of the Income Tax Act of 1962 and Estate Duty Act of 1955, reflecting all the amending Acts and ancillary laws.

Author Costa Diwari says, "The idea of this book is that its value for the reader lies in its inclusion of as much information as possible related to the tax legislation and environment of any particular year so that, when the time comes to review planning or compliance, complete returns, answer queries from Inland Revenue or handle a dispute, much of what will be required will be found in a single place."

It is not a book for the faint-hearted, nor is it relaxing bedtime reading. But for anyone requiring a detailed, technical record of the tax situation, it is a must.

GILLIAN HAYME

Training black managers

COACHING AND THE BLACK MANAGER, by Eric Charoux (Juta, R39,95)

THIS book will contribute information and knowledge in the field of human resource management, particularly in the area of training and development.

For me, coaching is in essence an integral part of good basic supervision. An operating line manager consciously or unconsciously coaches by talking and showing employees the specific tasks to be performed.

Coaching also occurs when an employee's unacceptable behaviour is corrected by the supervisor who invokes the disciplinary process.

In this instance discipline comprises two distinct but related aspects: carrots and sticks. Carrots include the provision of information, training, education and various other corrective actions designed to motivate the employee.

In contrast, sticks comprise punitive measures which are applied in the event that carrots do not change unacceptable behaviour patterns.

The book is easy to read, concise, comprehensible and of practical relevance. It is not simply a systematic compilation or treatise which makes an appealing theory of management.

Refreshingly, there is no overdose of jargon or ideology or academia, which so often obscures rather than illuminates the meaning.

The subject matter is analysed and interpreted with brevity. Key issues are then summarised in a box

at the end of some sub-sections so as to recapitulate or highlight significant points.

Essentially the book comprises six chapters. Chapter one provides a useful background to the entire issue and addresses the inevitability of change in the field of black management in South African business.

Chapter two focuses on issues which arise from implementing a black advancement programme, and the relevance of coaching in this regard while the following section uses a case study to illustrate the actual application of coaching. The fourth chapter comprises an overview on coaching.

Strategy

Chapter five examines practical implementation, and chapter six deals with coaching and the black manager.

Some of the important points made by the author are that coaching is a holistic process and not a technique, it is part of an overall strategy and cannot operate in a vacuum.

Areas of concern for me are that the individual employee seems to be passive in this coaching process except when work related objectives are set. The dynamic interaction between the supervisor and supervised is not emphasised.

Considering the degree of unionisation and politicisation in the workplace, this should be stressed. With regard to black advancement programmes, it should be noted that

such initiatives always run the risk of creating paternalistic behaviour patterns and a syndrome of perpetual dependency.

They militate against the spirit of self-reliance.

In the light of the current political changes, the powerless and underprivileged ought to grasp with alacrity available opportunities to shape a better destiny.

An additional complicating factor is that equal opportunity policies and programmes are increasingly misconstrued by blacks to mean equal outcomes regardless of ability or performance.

Finally, to succeed, black managers must be imbued with a pervasive and relentless fear to fail.

The physical barriers which impede their success are crumbling rapidly or tottering on the brink of collapse. However, there are some psychological barriers which remain entrenched due to the heritage of race discrimination.

What is perhaps more frustrating and devastating is the feeling that, as victims of the apartheid legacy, they will never become competent and successful managers.

There is a chronic lack of confidence and a debilitating feeling of helplessness. This perpetuates the vicious syndrome of dependency and powerlessness.

These are some of the areas which ought to be addressed by the coaching process. Unfortunately the book is silent about them, perhaps for good reasons.

DON NCUBE

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Business grant for US study

By ZB MOLEFE

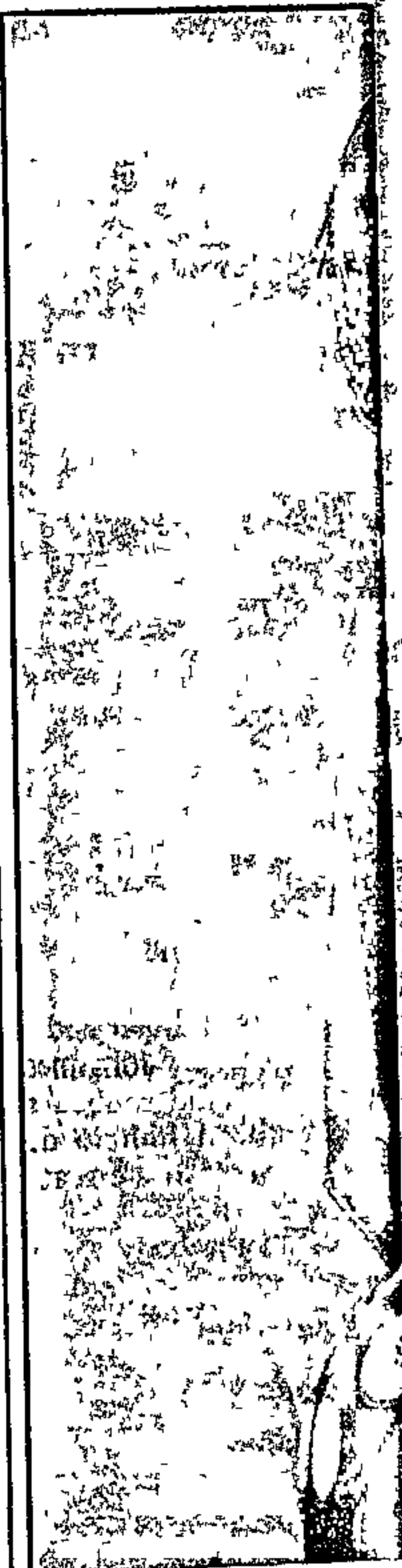
A CHANCE to study at one of the best business schools in the US awaits a black South African, it was announced this week.

A R60 000 study grant - sponsored by the South African-based Harvard Business School's Club Alumni (HBSCA) - is offered each year to two black people in middle management positions.

The HBSCA aims to send at least two candidates each year to the famous Harvard Business School in Boston.

One of this year's winners, Roy Isaac Moga-jane, who works as a marketer for a top car manufacturer, left for Harvard in February.

■ Those interested should apply to. JJ Nel, Harvard Business School Club of South Africa, PO Box 590, Johannesburg 2000



3/3/91
C/press

Obit

SOWETA

Study grants *Sowetan 4/3/91* are offered *172* for managers

By JOSHUA RABOROKO

THE Harvard Business School Club Alumni is offering study grants estimated at R60 000 to blacks in middle management positions to further their studies overseas.

The grant is sponsored by a group of former recipients, whose aim is to extend this opportunity to blacks in senior positions. It includes tuition and accommodation.

The HBSCA's aim, under the chairmanship of a former dean of Wits Business School, is to send at least two candidates a year, depending on the availability of funds - one in February and another in September.

Merit

The following criteria apply: candidates should be employed in the mainstream of South African business and entrepreneurs who will be considered on merit.

This excludes lecturers, attorneys in private practice and doctors, for example.

In addition, candidates should have a degree, be 30-40 years of age and have an industry track record of 10 years. Candidates should not be educated overseas.

Applications should be sent to Mr J Nel, Harvard Business School Club of SA, PO Box 590, Johannesburg 2000. The closing date for 1992 is June 30 1991.

Bosses don't get through

43/91 By JOSHUA RABOROKO 172

MANAGEMENT communication with workers is largely ineffective, recent research into trust in management has found.

Fresh analysis of research initiated by the Chamber of Mines Research Organisation and continued by human resources consultants in industrial leadership show that millions were being spent on communication with workers, with little effect.

The analysis by the employee communications group, Schuitema Economic Communications, covered research at seven sites involving more than 1 200 workers, mostly at unskilled level.

Book on new wave of black managers

CML 1/14/95 28/3/91

ERIC CHAROUX'S *Coaching and the Black Manager*, published by Juta and available from leading booksellers. Price R39,95

This book stresses that fundamental social and economic changes to our society are prerequisites to successful black advancement in business.

Charoux writes: "We are the witnesses of a unique phenomenon, one of unparalleled importance and significance in the history of South African leadership the advent of the black manager on the South African organisational scene."

South African organisations have reached a stage where they have no option but to accelerate the upward mobility of their black employees

The book graphically illustrates the "macro environment" in which business operates and details its impact on the organisational

It paints a futuristic picture of the "new South Africa" from a corporate perspective. It gives an updated overview of the current status of black advancement and proposes an invigorating strategy for its effective implementation.

It takes an in-depth look into what it takes to be an "upwardly mobile black potential manager" by means of a detailed case study. It outlines step-by-step the coaching process and provides the line manager with a method of coaching his or her potential manager

The book provides a list of selected references which a newcomer to the field would have no digest in order to acquire expert knowledge. It Charoux writes: "Coaching has its place. It must be part of a carefully defined and orchestrated strategy."

"Managers have a fundamental role to play in managing the change process, thereby helping to

create a new society. The so-called black advancement area will become increasingly of major importance — a strategic necessity to ensure the survival of companies in a new South Africa."

This is an important book for commerce, industry and the black manager, offering easily accessible, expert knowledge



Eric Charoux's book, "Coaching And The Black Manager" takes a close look at the training of black management.

New course for SA financial analysts

S/Times 7/4/91 (Bus/T) (172)

FIVE PROFESSIONAL organisations have backed the introduction of one of the world's top investment courses to South Africa.

The three-year chartered financial analyst (CFA) course, which includes three hours' tuition a week, will lead to the international certificate from the US-based Institute of Chartered Financial Analysts and a certificate awarded by the SA societies which endorse it.

Endorsing the course are the Investment Analysts

Business Times Reporter

Society of Southern Africa, the Institute of Chartered Accountants, the Association of General Banks & Financial Houses, the Actuarial Society of Southern Africa, the Institute of Pension Funds, the SA Future Industry Association and the Forum of Business Economists.

A circular to members of the organisations drew responses from 133 potential candidates, says Gad Ariovich, one of the organisers.

Dr Ariovich says it is the

first attempt to introduce formal training for investment analysts. In the past they were trained in-house by stockbrokers and investment institutions and by correspondence.

The ICFA has awarded more than 12 000 certificates since the programme started 27 years ago and 13 000 candidates will write examinations in June.

Although the course is intended to be applicable to international financial markets, the SA professionals will add Southern African topics to cover domestic ones.

Dr Ariovich says the CFA is on a similar level to the average US MBA.

"However, unlike the MBA programmes which are more general, the CFA course is highly specialised and it focuses on investment and financial analysis."

South African graduates say that an experienced investment analyst taking the course needs to spend about 120 hours a year working on it. A candidate who is not working in the field but has a business education would need to spend about 250 hours on it.

Cost

Entrance requirements are a bachelor's degree or three years' professional experience in investment and financial analysis.

The course covers portfolio management, equity securities, financial accounting, quantitative analysis, economics, fixed-income securities, ethical and professional standards and SA investment issues.

The cost is about R3 500 for members of the sponsoring societies and R3 950 for non-members. Details may be obtained from Charmaine Taylor (011) 957-3009.

More private cash for education aid

6/02/91 9/14/91
172 800 180

THE private sector invested R554m in education in the 1990/91 financial year — a R257m rise since 1987, a survey by BMI Service Research has found.

The BMI report, Social Investment in SA 1991, said the total corporate social investment expenditure for the 1990/91 year would be R840m.

Of this, 66% would be spent on education, 7% on environmental conservation, 7% on health services and 6% on welfare. The other 14% would be split among general community projects, small business development, art and culture and housing.

The report focuses on external corporate social investment aimed at addressing the problems of the community at large rather than on companies' involvement with their own personnel.

BMI Service Research MD Bets Nel says "Even with this increase in private sector spending there is still insufficient funding for education.

"The 1990 government budget for education has been overshoot by R217m and alternative sources of finance such as foreign capital and possible state or sport lotteries will have to be exploited in the next financial year."

Of the money spent by the private sector on education, 58% will be in bursary grants and donations to tertiary institutions. Government education is supported through supplementary education programmes

ZILLA EFRAT

Major companies are also involved in building and establishing private multiracial schools and there is a strong trend to support literacy programmes.

All companies involved in the survey indicated that more funds would be available in their 1991/92 budgets to support education at grassroots level such as primary and pre-primary education.

Nel says dramatic changes have occurred in corporate social investment since President F W de Klerk's 1990 parliamentary speech. Companies previously not involved in this type of funding have become more pro-active and most corporations are appointing staff and setting up specific divisions to handle the distribution and administration of monies.

"Corporate social investment is now seen as a critical part of business activity by the major corporations.

"The era of mere handouts has passed and involvement has become the key word. Major companies now devote advice, expertise and assistance along with monetary funding."

She adds: "It would seem that corporations are allocating money in the correct areas if we look at the respondent's priority needs."

Of those interviewed, 99% of black consumer respondents mentioned education as a major priority. Other priorities were housing, job creation and health.

Global entrepreneurial revolution flourishing

Capit 7 in 17/4/91 180 172 232

Own Correspondent

GENEVA — A new study by the Geneva-based International Labour Organisation (ILO), says the world is in the midst of its third entrepreneurial revolution, far bigger than those of the 1880's and 1920's, because this time it is truly global

The economic advantages of entrepreneurship are visible everywhere, the ILO study says

Large bureaucratic institutions are reeling under the

impact of smaller, innovative, fast-moving, market-driven entrepreneurial organisations

In the US venture capital outlay to fuel new businesses registered a 200-fold increase in 10 years

While 1 000 of the biggest US companies shed a million jobs

Smaller companies added 20m in the same 10-year period

The recent flight of young Japanese managers to small

entrepreneurial companies has been attributed to the inability of bureaucratic industrial giants to reward bright young managers with a flair for entrepreneurship

Large Swedish companies have also noted a similar brain drain

In China, since 1977, a million private businesses have been created

The replacement of bureaucracy by enlightened enterprise, and the transformation of bureaucrats into

entrepreneurs, are signs of the times, the ILO says

As fewer upward opportunities become available in the big organisations, ambitious people start to think about going elsewhere or starting up on their own

The trend towards decentralisation, privatisation and labour flexibility requires a completely new set of managerial skills, and new training to produce managers who are more customer-oriented and less boss-oriented

Civil service must be transformed, says ANC official

By Mark Suzman

The top 1 500 positions in the civil service will have to come under scrutiny "in order to show the face of the new South Africa", ANC director of manpower Mzwai Peliso said yesterday.

Speaking at a seminar on "Managing Human Resources into the Future" at Anglo-American's Central Training Unit in Vereeniging yesterday, Mr Peliso emphasised the need to "transform the civil service to make it more responsive to the new order".

"The top 1 500 positions in the civil service will necessarily have to come under scrutiny in order to show the face of the new South Africa," he said.

Full-scale affirmative action programmes would have to be

implemented in the private and public sectors to help the upliftment of blacks in South Africa.

Mr Peliso observed that corporate black-advancement programmes such as the Sullivan Principles imposed on American companies had failed because most promotions for blacks were simply window-dressing and had "undermined the dignity of those they aimed to advance".

Mainstream

Stressing the need for a genuine affirmative action programme to bring blacks into the economic mainstream, he denied that such a policy implied reverse discrimination and said that with proper training facilities for blacks, it could prove very successful.

At the same time, he emphasised the need for the revamping of the education system, particularly the development of technical skills, and urged com-

panies to take an active role in seeking out potential black managers rather than passively working through recruitment agencies.

"The development of human resources should be regarded as a national issue which should be allowed to transcend boundaries of interest groups," he said.

Inkatha Freedom Party chairman Dr Frank Mdlalose read a speech on behalf of Chief Mangosuthu Buthelezi, warning that human resource management demands would have to be made in a context in which demands for "quick-fix" solutions would be widespread.

In order to "hold the forces of total destruction at bay," Dr Mdlalose said, South Africa needed an economic growth rate of at least 6 percent.

As a result, the development and training of black managers was crucial to SA's future.

SOWETA

Get ahead with a BMS scholarship



Sowetan 18/4/91
THE Boston Management School, as part of the Sowetan Nation Building programme, is offering free scholarships to 10 students presently studying commercial subjects with Unisa

These scholarships will be awarded to students who will join those presently paying for their courses at BMS.

The organisers would like to hear from potential scholarship winners. They should write to Sowetan and explain, in not more than 100 words, why they should receive the scholarships.

The best 10, decided by a panel of judges, will receive the scholarships.

Applications should be addressed to: The Marketing Manager, Sowetan, Box 6663 Johannesburg 2000

BMS is presently conducting an as-

sistance programme for Unisa students studying commercial subjects. Lectures are conducted nightly to accommodate those who are employed.

Lectures cover the entire syllabus of each subject, which include Accounting 1, 2 and 3, Auditing 1 and 2; Taxation, Statistics and Business Economics.

Only students enrolled in one of these courses at Unisa are eligible for one of the offered scholarships.

They will be monitored through a series of assignments and an assignment monitoring programme.

Exam

In addition, students will write several simulated examinations throughout the year. Particular attention will be paid to improving examination technique through rigorous sessions and personal counselling.

A team of specialist lecturers has been put together for the students. Only a small number of students will be admitted to each class.

The course aims at assisting students studying through correspondence, ensuring them a far greater success rate.

"While providing this assistance to Unisa students we would like to stress that we are totally independent of the university," a spokesman for BMS said.

Risk is a necessary evil, says director

Star 18/4/91

(172)

Investment managers must prepare themselves for a change in attitudes towards risk when the next bull market arises, says Board of Executors director Niki Vontas

"Risk management involves controlling the extent of risk to optimise returns. It involves increasing and reducing risk in line with expected returns.

"But local investment managers don't manage risk — they kill it stone dead by always looking for the safe bet," he says.

The result, says Mr Vontas, is a severe shortage of development capital. This kind of funding — by its nature speculative — needs to be approached, if cautiously, by the managers of large portfolios.

"In the last downturn we saw a lot of companies which had come on to the development capital market go under for lack of funds.

"It is unfortunately true that many of them were badly managed and had poor control over

the funds they raised through listing — hence the need for caution.

"But in the past it has happened that good companies, with great potential, have struggled to survive because investors were too cautious," he says.

Because of the generally conservative attitudes of both investors and investment managers in South Africa, coupled with the fact that they are seen as the "shop windows" of the investment houses, unit trusts tend to be highly risk averse.

And pension funds — although generally considerably larger than the typical unit trust and so able to carry a higher burden of risk — also tend to tread a conservative path.

But, says Mr Vontas, unit trust fund managers cannot take refuge from risk in the excuse that their funds — which range between R12 million and R2 billion — are too small.

"Unit trusts could be used to manage the risk in helping an en-

trepreneur get into business.

"If managers, at least of the larger funds, set aside a minimal percentage of their portfolios they could make a meaningful impact on developing business.

"In the process they would set a ripple effect of further business development in motion — without significantly increasing the total risk to their clients. Such risk element as did exist could readily be balanced by greater investment in gilts.

"And since a timely injection of capital can spell the difference between survival and success to a small, well-managed company, the returns could in fact be most satisfactory," he adds.

Such a change in thinking, says Mr Vontas, could make a measurable contribution to the overall health of the economy.

"In order to survive, South Africa needs development capital. Risk management with an eye to social responsibility is no more than good business," he says.

'Systems thinking' is good business

Star 22/4/91

Business executives cannot afford to ignore the new skills needed for management in a new South Africa if they are to thrive and survive.

The old-style corporate hero-leader will give way to a new style of manager who knows how to give employees meaningful participation in a learning-type organisation, says Louis van der Merwe, director of the Centre for Innovative Leadership in Johannesburg and a senior lecturer at Wits Business School.

Mr van der Merwe is pioneering systems thinking as the new discipline for management in South Africa.

Systems thinking is breaking new ground internationally, and provides the skills, tools and roles for leaders who want to develop learning organisations.

Learning, says Mr van der Merwe, is the key to survival and is the main competitive advantage available to the company of the future.

Learning organisations, he says, are dynamic, exciting places to work in and foster peak performance from employees.

"The new leaders are de-

signers, teachers and stewards," he says. "They need the ability to build shared vision, to bring to the surface and challenge prevailing mental models."

"True leaders are responsible for learning."

The new skill that is required is the ability to put forward a vision of the future and to share it in such a way that people can align themselves with it, Mr van der Merwe says. And by alignment, he doesn't mean conforming.

"A business," he says, "can be like an orchestra where the players all play their own part, but together they make a symphony."

Understanding diversity, he explains, leads to greater tolerance.

Mr van der Merwe's centre has brought programmes to teach the new skills of leadership, vision and systems thinking to South Africa from the Sloan School of Management at Massachusetts Institute of Technology in the United States, and has adapted them to local requirements.

The centre ran its first public course at a three-day seminar in Johannesburg last month.

MARIKA SBOROS

Technically skilled people are wasted in management

AN investment in training of skilled entrepreneurs, managers and workers is essential to economic growth in SA, says Louis Allen Associates MD Howard Cook.

"The two biggest problems facing SA business and industry are low productivity and a shortage of skills

"As a result, many technically skilled people are in management jobs for which they have not been trained and for which they have little aptitude

"The situation is worsened because their subordi-

nates, in turn, lack the training to do their own jobs

"As a result, the manager spends a lot of time — estimated at around 40% on average — doing technical work instead of managing

"Because one of the functions of management neglected in the process is training staff, they are caught in a Catch-22 situation"

There are four consequences to this state of affairs, Cook says

The less time each manager spends on management work, the less effective

he will be as a manager

This means the economy will need more managers to keep operations going

This, in turn, will force more skilled people into management positions, exacerbating the skills shortage

Finally, people not trained to manage cannot identify or deal with the training needs of their subordinates

"We have to break the cycle

"The manager must become the facilitator and encourager rather than the

checker and instructor," says Cook

This can only be achieved when his subordinates have clear objectives and standards to work to, enabling them to monitor their own performance and take creative action to correct it where necessary

This calls for the correct technical training — but if the manager delegates the responsibility for identifying training needs to his subordinates and encourages them to ask for training, he will be set free of a time-consuming process

Employees will then be

motivated and managers will become more efficient. Overall productivity will inevitably improve

"The amount and quality of training in SA is abysmal

"The typical company has no budget or standard for training programme and when times are tough this is among the first things to be cut

"By comparison, European and Japanese companies spend on average five times as much time we do on training, so they don't have the skills backlog facing us" he says

Blom 23/4/91

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Technically skilled people are wasted in manager

B1 Day 23/4/91

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Business Day SURVEY

Management strategies may look wonderful on paper but unless they can be realised they are valueless. Corporate culture is often incompatible and unsupportive of new objectives. The resulting conflicts can cause disunity and demotivation. VAL PIENAAR reports on what management consulting has to offer.

Quality control can increase the profit by millions

POOR quality control costs manufacturing companies an estimated 25% of turnover, and service organisations 40% of operating expenses, says Quality Management Associates MD Colin Bloom. "Eliminating this waste delivers enormous gains in output and market share," he says.

Increased

Many local companies have increased their profits by millions of rands through implementing a total quality management (TQM) strategy.

QMA, a Rivonia-based training and management consultancy, is the SA licence-holder of the Philip Crosby TQM system from the US.

In SA, it has helped a number of leading companies improve both productivity and profitability. Among these is Murray

& Roberts Construction, which more than doubled its pre-tax earnings through a modest 9% increase in turnover.

Another QMA client, Carlton Paper, recently announced a pre-tax profit 44,6% ahead of last year's figures.

Malbak agricultural subsidiary Kanhyrn Estates reduced its cost of non-conformance by 90% in the first seven months after introducing TQM.

These companies attribute a great part of their improved performance to TQM.

Mobilising

Its introduction involves mobilising an organisation so every employee from the CE to the floor sweeper, participates in an ongoing improvement process.

"The fast pace of change, the globalisation



COLIN BLOOM

of markets and the fact that doors are opening internationally will require managers to spend more time leading their businesses and less in trying to acquire other business for growth," says Bloom.

"In SA, management teams must learn to spend less time blaming government regulations, the cost of development, lack of foreign capital and the poor quality of labour on their failure and knuckle down to becoming a success both locally and internationally."

Conflict must be handled from bottom up

CONFLICT management must move away from the reactive approach of traditional industrial relations towards a proactive, "prevention rather than cure" methodology, says SA Conflict Research & Management Institute MD Steven Banhegyi.

"Traditionally, the only people who can do anything about a problem — at top management level — are the last to hear about it.

"Those at the coalface don't have the power to defuse situations," he says.

The solution is to empower staff down to the

rank and file to solve their own problems.

"Our role is to help organisations create internal structures that make it possible to operate the problem-solving mechanism at flashpoint," he says. B10am 23/4/91

Opportunity

Fundamental to the programme is the formalisation of the conflict, with each party being given an opportunity to state its case before an arbitrator whom both have approved

"There are four factors which impact on the outcome of a disagreement

"Firstly, duration — the longer it takes to solve a problem, the harder the solution will be," he says

"Secondly, the personalities and ideologies of the people involved — the less flexible they are the more difficult it will be

"Thirdly, the distribution of resources and balance of power

"In an unequal situation there can be no long-term solutions, only the staving off of future conflict

"The final factor is the style of decision-making — whether it is controlled or participatory

"By encouraging participation in the management process, manage-

ment can avoid becoming embroiled in problems"

Banhegyi says the traditional, authoritarian management structure common in SA is based on the Prussian Army of the last century — which in turn was designed along lines similar to the old Roman Army

Flatter

"It is completely inappropriate to the '90s," he says.

"Modern needs are for a flatter corporate structure in which each individual takes responsibility for a large proportion of self-management"

Managing change can be question of survival

LOCAL organisations are faced with change and challenges in a transitional society

When line and staff managers don't understand the issues facing them and don't have the skills to manage change, the organisation faces a survival crisis, says Finansbank organisation development unit management consultant Jan de Coning

"Change must be managed — and that entails moving from an existing state, through transition, to a desired state

"Sometimes, this transition becomes so traumatic that effective change occurs only when pain exceeds pleasure," he says

De Coning, together with fellow consultant Tom Prinsloo, has been assisting organisations in the financial, agricultural, manufacturing, mining and communications industries, as well as government departments and organisations locally and abroad to manage

their change processes

Change management, they say, consists of more than the traditional three-day strategic planning bash in the bundu

"The organisation needs to visualise where it wants to be in terms of its future strategic position, what type of business it should be concentrating on, what markets it will be serving and what its competitive advantage will be

Analyse

"It needs to analyse its position, performance and conditions based on well-researched information

"A mere brainstorming session on strengths and weaknesses might prove disastrously inaccurate if important decisions about the organisation's present and future stakes are to be based on that alone"

He says the challenge of change lies in managing the transition effectively

"Most organisations tend to overlook the implica-

tions addressing the practical side of their operation, culture and leadership styles," he says

An example of change is the independence of Namibia

"There is hardly an organisation in Namibia which didn't have to reconsider its future strategic position

"On the one hand, ties were broken with South African counterparts and on the other, new opportunities arose for international trade and commerce

"But change management is not important only when political environments change, but whenever organisations have to reconsider their future as a result of changing markets, mergers, acquisitions, buy-outs or whatever"

De Coning says the process of change calls for commitment from all staff members — while the ownership of change lies with management, and not with external consultants

Strategic alignment can be saving grace for the also-rans

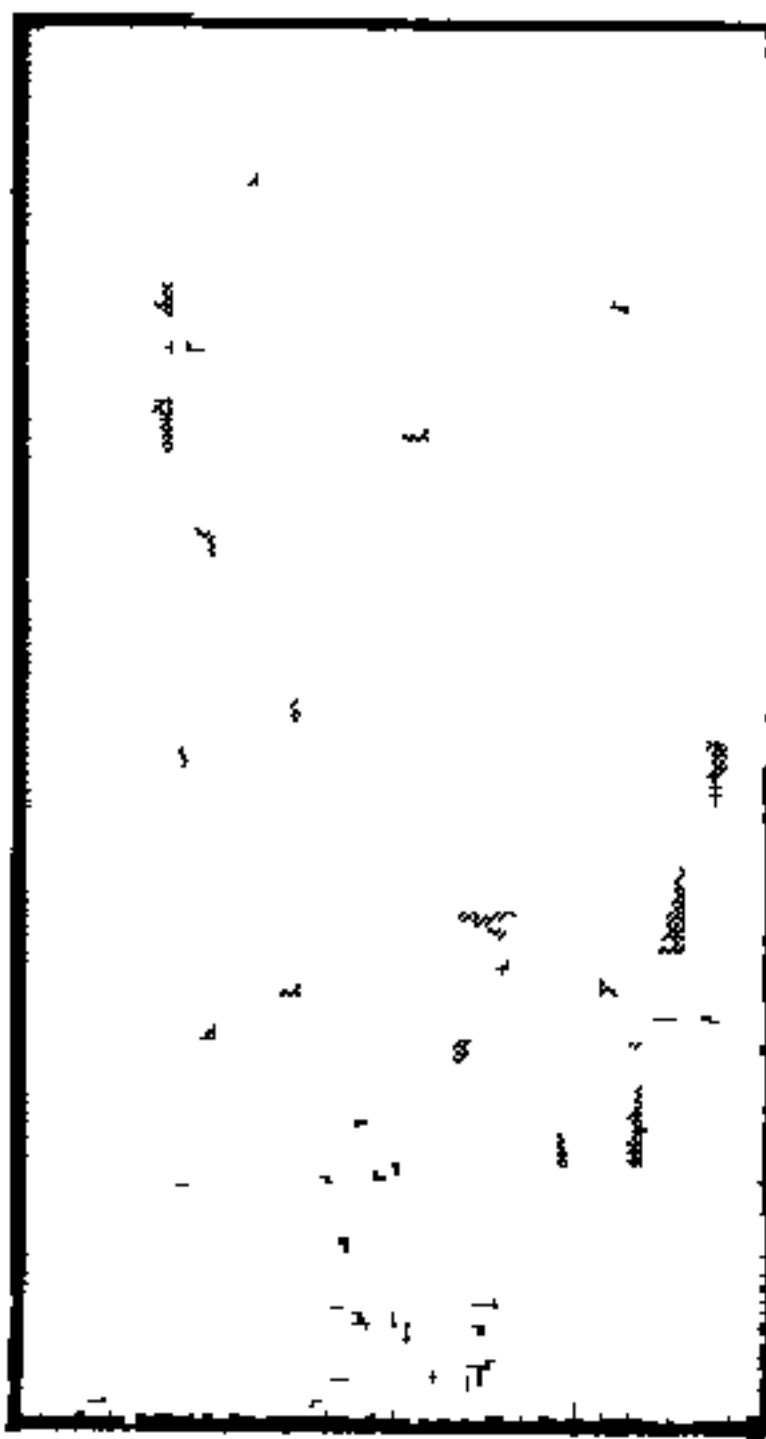
WHEN management finds itself working at cross-purposes with staff who are unproductive and poorly motivated in a company that is just another also-ran, it may be time for an exercise in strategic alignment

This involves setting challenging but achievable goals, planning strategies by which they may be achieved and lining up the company's resources to carry the strategies through

Strategies

Ernst & Young partner Mark Franklin says "Many companies have wonderful strategies on paper which they cannot bring to fruition because the corporate strategy and culture are not mutually supportive

"Unless every individual in the company understands the corporate goal and the role he has to play in achieving it, different sectors will see their roles



MARK FRANKLIN

in purely functional terms "Conflicts could arise, leading to disunity, demotivation and loss of impetus

"At the same time, the systems and processes used by the company must be in line with its strategy," he says

An example, he says, was a service company whose executives' goal was im-

proved customer relations and standards of service

It took several frustrating months before they realised the company rule book being used down the line was designed to protect the company from its customers

Technology is another potential trouble spot

"Computerisation is often better understood at executive level, where it has been developed, than by the people who have to cope with it

Competitive

"If they feel threatened by it, they will underperform"

Strategic alignment presupposes a company is aiming to position itself to achieve a sustainable competitive advantage, Franklin says

"Smaller companies must aim to dominate niche markets

"In the process, they must identify and develop those niches and then build the special competence

needed to enable them to protect their position over time

"They must aim to be different, with strategies designed to strengthen their position on an ongoing basis, particularly when responding to change"

Involve

To achieve this, a company needs to involve its internal communication network, training programmes, organisational development systems, external public relations, administration systems, industrial relations policies — and every other facet of its operation

"This process is not an optional extra — it's essential to corporate survival in changing markets," says Franklin

"Niche marketing must be dynamic and able to recognise and exploit change as it takes place — whether it be in products, market segments, technology, user needs or other environmental trends"

Positive growth areas need to be assessed

IN THE face of high interest rates, the need to cut costs and limit supply of credit, business confidence is low — and expectations are that the recession is unlikely to lift this year

Analysis of the performance of the top 100 companies listed in Financial Mail shows negative real growth in sales and profit, while real turnover growth is not accompanied by proportional growth in profit

But, says Perry & Associates management consultant Leigh McLean, there is scope for most local businesses to improve their operations — and profitability — even in the down market

"Recessions in the past two decades have trimmed off much of the fat in SA businesses — and many of them cannot make further cuts," he says

"But some management faults continue

For instance, businesses are not focused. They embark on radical strategy changes during recessionary times, and in an attempt to boost falling sales and profits they diversify into areas where they have little or no expertise"

McLean says it is not enough to cut costs and "improve efficiencies" — it

is also vital to pay attention to the revenue line in order to improve profitability

"Businesses must evaluate their strategy and assess areas of potential growth

"An audit of customer and client relationships could reveal more lucrative areas and customers with greater growth prospects — both of which need to be fostered in recessionary times," he says

Balancing stock with business objectives

FEW organisations question whether their investment in stock is consistent with their business objectives

Generally, the emphasis is placed on stock control and random stock reduction, says Deloitte Pim Goldby Management Consultants associated director Nick Charissis

By contrast effective inventory management links the overall business objectives to the mix, quantities and ordering process for all types of inventory

"Our inventory manage-

ment methodology aims to provide the means to ensure stock levels are appropriate for individual businesses," he says

"Designed to complement most of the inventory control systems in use, it enables one to manage the equilibrium between investment, customer service needs and accuracy of forecasting future demands

"Our assignments have revealed inventory can be reduced by as much as 70% while simultaneously improving customer service when inventory manage-

ment is handled as a strategic management issue"

Charissis says a further consideration is that it can pinpoint the source of business problems

Tackle

In the process, it can help management tackle deep-rooted organisational or operational problems

He says the answer is not in the random use of packaged computer solutions, as these cannot allow for the impact of change on an organisation

The financial considerations relating to asset management are another aspect of effective inventory management, he says — inventory cannot be isolated from any of the critical elements in a successful business mix

"A change in management's approach to inventory may take time to become part of the business philosophy, but a diagnostic review of the situation can be an invaluable aid, enabling management to add to the profitability of its organisation," he says

Making firms alert, economy-conscious performers



NEIL CALLIE

CALLING in a management consultancy can be one of the most cost-effective projects a company can undertake during recessionary times, says Manro Management Consultants MD Neil Callie.

"Unfortunately, if a company brings in an outside management team, the perception can be that it is in trouble."

"Most of our clients are those which have studied current economic trends

and have decided to streamline to minimise waste, increase productivity and turn their companies into alert, economy-conscious performers."

Half-baked

He says prospective clients should look for more than an outside analysis.

"The traditional approach of management consultants has been to

spend several weeks coming to grips with a company's infrastructure and operations before coming up with pronouncements

"The company is left with a half-baked proposal which it has to install itself."

"Today's management consultancy should be equipped to take the project through to implementation and be involved until the new system is up and running."

An underlying factor in any successful management consultancy's approach is achieving a total business perspective.

"Strategy, organisation and operations are inter-related and there is a close relationship between the company, its products and its markets."

"Nothing can be dealt with in isolation — each facet impacts on the others," he says.

There is more than cutting costs to management consulting.

Assessing staff attitudes and international communication channels is also a vital function.

"A company with a shaky internal staff and management situation can find itself with inferior productivity levels."

"Motivational training and skills instruction can have a positive impact," he says.

Promotion often turns an achiever into dead wood

(172) B/dam 23/4/91

THE Peter Principle is alive and well and bedevilling many businesses — but in the flatter management structure of today it will become harder and less necessary to promote people beyond their level of competence and aptitude

Pruned

Promotion is, however, regarded as the best way to reward an employee — even if it transforms him from a top performer to another piece of dead wood to be pruned in the next economic downturn

Independent management consultant Tony Manning says "We need to

make it respectable to be a member of the middle ranks

"Being a salesman, researcher, operations manager or whatever needs to be seen as a desirable career, not merely a route to the ivory tower

"Their work must be revered and applauded, they must be empowered to make decisions and they must be paid according to their ability and performance rather than their rank in the organisation"

The hierarchical style of management has been made obsolete by technology, he says

"In the old days, a manager needed an entire string of people to keep him informed of developments

both internally and in the market place, and to help him make projections

"Today, all that information is stored on computer and can be made available to anyone

"The modern company needs fewer managers and more people who can co-operate, make decisions and manage themselves," he says

Minimises

This style of corporate structure minimises the potential for an employee's career to progress through the ranks of the organisation

But if quality staff are to be kept happy, management must recognise the

difference between making them feel important and actually making them important

"It's easy to pat people on the back, and for a while it works — but soon they start asking 'What's in it for me?'"

"This is the problem with conventional, participative management

For a while the staff is motivated by greater autonomy — but decisions involve risks

"If people are not paid and empowered according to the risks they have to take, they will become immobilised

"They will become risk-averse and revert to shunting decisions upstairs," he says

Impressing audiences is a key to progress

A MANAGER'S ability to present himself or his company successfully is the most influential factor in realising career expectations, says Business Presentation Skills MD Beth Ann Galvin

"Managers have usually grown from the ranks of financial, administrative or technical divisions within an organisation," she says

"They have probably been successful in curbing costs and running efficient departments

Lack

"But when they reach higher managerial levels it becomes apparent that, while they have the know-how to do the job, they lack the skills to impress an audience.

"These are people who have been promoted to management on merit and are required to perform to shareholders' expectations

"In spite of their other attributes, unless they can successfully present their own or their companies' objectives, services and products, their performance and that of their organisation may be seen as below potential," she says

Communication is vital to decision acceptance

STRATEGIC decisions, if they are good, have an effect down the line — making communication a vital factor in implementing any strategic decision

Communications consultant Francois Baird says his experience with construction giant Concor is an example of the importance of communication

Having taken a decision to change its payment system for labourers, it drew in members from various disciplines — finance, computers, human resources, industrial relations and communication — to implement the decision

Concor human resources director Dirk Theron says "We had been paying cash fortnightly for the past 40 years

"We knew a change to a

monthly paid cheque was a major step, particularly as a large number of our 6 500 labourers countrywide were illiterate

"We decided that, having taken the necessary steps through our existing IR, finance and computer systems, we needed to communicate the benefits, the reasons for the step and what it entailed to each employee"

Developed

The company called in Baird's, which developed a communication plan and assisted Concor in its implementation

The target audiences were not limited to the labour force, but included supervisors, bank and building society managers and postmasters

An important element of the campaign was the involvement of colleagues, site managers and supervisors

"We provided them with the knowledge and tools to pass it on, in the form of posters, pay-packet brochures, briefings, letters and memos," Theron says

This was the first time such a system had been implemented in the construction industry — but Concor experienced no industrial action over the change

"Today, 50% of our labourers are paid by electronic bank transfer

"Most of them have bank and savings accounts and our feedback is they feel more secure and have better control over their financial affairs," he says

Adding value keeps predators at bay

MANAGEMENT consulting is more than improving productivity and profitability — it is about adding value to a company, says Alcar-Metric chairman Dick Fleming

Alcar-Metric is one of the longest-established management consultants in SA

"Managers need to close the gap between the value of their company on the stock exchange and what the shareholders and direc-

tors believe it to be worth," he says

"If they do so, they become less vulnerable to predators who might buy up their company, dismantle it and sell it off piecemeal

"But adopting such an approach calls for a commitment to the long-term increase in the value of the company, rather than a short-term improvement in profits"

Fleming says taking such

an approach and adopting it as fundamental to the corporate philosophy can protect a company from future market pressures

"The only reason a company needs to restructure and lay off staff is if it has been doing its job badly

"A company committed to optimising its value and keeping in touch with developments and changes in the market is invulnerable within its market niche," he says



MARTIN WESTCOTT

Cutting fees can cut down on service

RESULTS are no guarantee of professionalism, yet clients are putting pressure on management consultants to put their fees on the line.

This, in turn, puts the emphasis on short-term cost-cutting rather than long-term improvements in performance.

Price Waterhouse subsidiary PE Corporate Services MD Martin Westcott says "The management consultant must be regarded as a professional who charges a fee."

"In some cases, where a project is cut and dried, we may negotiate a fee in advance."

"But some consultants will charge a contingency fee based, for instance, on a percentage of the savings realised."

Condition

"Others will guarantee a fixed return — on condition the client follows all their recommendations."

In many cases, when this approach is adopted the consultant can end up working against rather than with the client.

For instance, since salaries and wages constitute the largest element of most companies' running costs, short-term savings are achieved by laying off every employee who is not essential to the company's immediate needs.

"If a client resists firing people on the grounds that it would not be in his long-term interests, he could still be held liable for the fee."

"Yet taking this advice could put him out of business within a year," Westcott says.

MBA training shrinks as education grows

INTERNATIONAL trends show a change in management styles — and in such an environment, says US consultancy Cal-Wick, only 7% of a manager's learning takes place while he is at business school

This is backed by findings recently published in The Economist, which show MBA education is set to shrink and executive education to grow

FJ Cauldwell & Associates MD Frank Cauldwell says "Employers and trainers are recognising the best managers are born of continuous on-the-job experience, combined with continuing business education

"To meet market demand for more relevant and timely courses, business schools in Europe and the US are sharpening their focus on shorter courses for experienced managers

"These programmes will give way to shorter, company-specific courses

"Keeping up with chang-



FRANK CAULDWELL

ing technologies, markets and the hard implications of global competition has forced companies, managers, places of learning and management education into a closer collaboration"

At the same time, the maxim that managers

change as markets do is compelling companies to have more than just a passing acquaintance with changes in management processes

"Businesses are transforming themselves

"Loose talk about globalisation is giving way to serious action

"Companies are redefining themselves as truly global, with strategic planning handled at central headquarters and decentralised operations remaining dependent on the parent company

"This means tomorrow's major companies need leaders capable of managing decentralised organisations with a diverse and

changing range of product or market strategies, cultures and consumer preferences"

The question concerning management style he says, has to do with whether companies need leaders or managers

Advocates of the leadership school say most companies are overmanaged and underled

Qualities

Japanese, US and European companies seek the "entrepreneur type" manager and phrases such as "international outlook", "strategic ability", "innovative ability" and "creativity" head the list of desirable qualities for managers who aspire to leadership roles

"However difficult it is to teach leadership, highly competitive markets demand people who are visionary, risk-taking communicators and sensitive to broad social and specific community needs

"Education trends in the '90s are likely to be concerned with filling the leadership vacuum," he says

In the light of this, Cauldwell says the challenge to SA is to support enterprise wholeheartedly

Anything less, he says, will shrink the economy and impoverish the society below the already unacceptable levels of today

Consumer markets are set for a change

01/Dec 23/4/91.

A COMBINATION of a deregulated competitive environment, growth in black buying power and the return of the multinationals will alter the nature of business in local consumer markets in the

open only to companies with access to the networks that reach the consumers

Not only is the informal sector complex — but the situation is made more so by the rate of urbanisa-

232 180
153A 128

Course in finance and investment

10 Jan 2019
ROBERT GENTLE

AN INTERNATIONAL course in investment and financial analysis is to be launched in SA to improve professionalism in the industry and promote ethics.

The course is based on the prestige US-based Chartered Financial Analysts (CFA) examinations and has received the support of the American Association for Investment Management & Research, which heads the CFA programme.

The three-year part-time course is to be organised from SA by seven leading financial bodies.

Updated

Because of the emphasis of the original course on the US and international markets, the local organisers will add topics to cover SA financial and investment issues.

The course would be updated every year with the latest, worldwide developments, said course co-ordinator Gad Arlovich.

Entrance requirements are a bachelors degree or three years of professional experience in investment and financial analysis.

The cost of the course will be R3 500 for members of the SA societies and R3 950 for non-members.

PHILOSOPHERS and others have worked for hundreds of years to come up with a uniform definition of ethics. Mark Twain said "An ethical man is a Christian holding four aces."

The Ethics Resource Centre, a Washington-based non-profit corporation, conducted a survey and determined that 86% of all people interviewed associated ethics with standards and rules of conduct, morals, right or wrong, values and honesty. It seems that while the average person is unable to give a concise definition of ethics he has the ability to recognise a lack of ethics.

The centre states further that "Ethical behaviour recognises and rests with a shared interest. Behaviour becomes unethical when it favours a special interest out of proportion to and without consideration for the interest of the society as a whole."

The turning of the recent investigations into wrongdoing in our financial markets could not be worse. The markets are severely depressed. Political groups are drooling with anticipation at an opportunity to criticise and change the system, and the public is fed up with rhetoric. Given the need for injecting overseas capital into our economy, we must ensure that our financial markets are beyond reproach.

The financial markets should not be singled out. Corruption and unethical behaviour seem to permeate our society, from mismanagement of banks and lack of accountability, to bribery and corruption in public corporations.

Businesses and business schools have increasingly realised the importance of training in "ethics" or professional conduct. Empirical research indicates employees of companies that provide such training are less likely to believe they have to bend the law to get ahead in their careers. Ethical behaviour also lessens the probability that a company

Enforceable ethics codes will root out business corruption

BRENDA GREYLING

Blower 21/4/91

will have regulatory or costly legal problems. In other words, good conduct is good business.

The onus cannot be placed only on the regulators. When the law-breakers and the law-maker share a common perspective, latitude exists for interpreting the law. On the other hand, no impartial observer can as clearly evaluate appropriate ethical behaviour as a community itself.

Issues and disciplines have become more specialised. Employees need to understand the law, regulations, compliance, and be aware of "grey areas" where the law is unclear or does not reach. They need to know the consequences of unprofessional conduct on the individual, his company and the industry as a whole. Ultimately the best regulator is the consumer. Consumers will simply take their business to those companies which adhere to a written code of business ethics and conduct. This code should establish high values expected of employees, and the standards by which they must judge their own conduct and that of their organisation. The company must train employees concerning their responsibilities under the code. It must enforce the code and, if ne-

cessary, mete out punishment.

A free and open atmosphere must be created that allows and encourages employees to report violations to the company without fear of retribution. The company must be obliged to govern itself by monitoring compliance with laws and voluntarily to disclose violations.

After a recent inquiry into corruption, graft and bribery in the US defence procurement industry, dubbed Operation Ill Wind, a Business Ethics and Conduct Committee was formed which now requires suppliers annually to answer the following questions and adhere to a code of ethics:

- ☐ Does the company have a written code of business ethics and conduct?
- ☐ Is the code distributed to all employees?
- ☐ Are new employees provided any orientation around the code?
- ☐ Does the code assign responsibilities to operating management and others for compliance with the code?
- ☐ Does the company conduct employee training programmes regarding the code?

- ☐ Does the code address standards that govern the conduct of employees in their dealings with suppliers?
- ☐ Is there a corporate review board, ombudsman, ethics office or similar mechanism so employees can report suspected violations to someone other than their direct supervisor?
- ☐ Does the mechanism protect the confidentiality of employee reports?
- ☐ Is there an appropriate mechanism to follow up on reports of suspected violations?

- ☐ Is there a mechanism for letting employees know the result of any follow-up into reported charges?
- ☐ Is there a programme of communication to employees, spelling out and re-emphasising their obligations under the code of conduct?
- ☐ Does the company have a procedure for voluntarily reporting violations to governmental agencies?
- ☐ Is implementation of the code's provisions one of the standards by which all levels of supervision are expected to be measured in their performance?
- ☐ Is there a programme to monitor continuously, adherence to the code and compliance with the law?
- ☐ Does the company belong to the industry's association?

- ☐ Are periodic reports on adherence to the principles made to the company's board of directors or its auditor or other appropriate committee?
- ☐ Are independent public accountants or a similar independent organisation required to comment to the board on the efficacy of the internal procedures for implementing the code? and
- ☐ Is the code kept up to date? A code can be a significant force only if it is relevant and practical. At the same time, periodic revision maintains a sense of involvement by employees.

The actual writing of an ethical statement or code of conduct should include legal counsel's advice from the outset, and they should be involved not only in the writing, but also in modifying, interpreting or enforcing the code.

Codes without enforcement procedures are effective only as moral directives and do not mandate obedience. Unless ethical codes are backed by penalties for lack of observance, their purpose is defeated. The recently formed Institute of Financial Markets sets a code of ethics and standards of professional conduct for its members. Membership is open to those who have passed the required examinations of the institute and whose detailed applications have been approved by its board of governors. The institute uses disclosure and expulsion as its enforcement mechanism.

If a standard of conduct or code of ethics is to enhance the public image of a profession, then its disciplinary procedures and results must be made known to the public. If a group conducts an investigation, a disciplinary hearing followed by an appeal, and finds that a member has been guilty of a violation, then it should be willing to publicise that finding in some manner.

It is the only way to shed the image of corruption and dirty dealing. The public deserves and should demand no less.

☐ Greyling is MD of the SA Futures Industry Association.

Managers 'weak on disclosures' (172)

MANY fund managers are unaware that they are required by law to disclose any personal shareholding they might have in a company their fund is invested in, and might therefore be committing a criminal offence

This is the view of Prof Anthony Asher of the Department of Statistics and Actuarial Sciences at the University of the Witwatersrand

Quoting from the latest edition of the publication *Trustee Digest*, due to be released this week, Asher says the law is contained in the Financial Institutions (Investment of Funds) Act No 39 of 1984

"The Act applies to everyone who takes part in any decision to invest the money of a pension fund or life assurance company. This obviously includes the trustees and the investment managers. If the investment manager is a company, it is likely to apply to all the employees of the company"

Asher says the Act holds that no person investing money for a fund may "gain directly or indirectly any improper advantage" at the expense of the fund

All those involved in investment deci-

ROBERT GENTLE

sions must therefore declare their interests to the trustees or the board of management.

This must happen before the shares are bought and must be included in the minutes of the meeting of the trustees

The article says this can only work if the personal shareholdings of all the trustees and the investment managers are included in a register of interests placed on the table at every meeting of the board. It must be kept up to date and mentioned in every set of minutes

"Trustee Digest suspects that the provisions of this Act are not well known, and that many funds and insurance companies are not regularly minuting the interests of their trustees and investment managers"

A spokesman from a Cape-based institution said that offhand he was not aware of any such Act.

Another was reluctant to comment until he had had time to check existing legislation.

However, they indicated that their internal rules and codes of ethics almost certainly worked along similar lines.

LEADERSHIP

Using new approaches to tackle rapid change

Star 10/5/91.

172

Business and public education are the two most important institutions that determine a society's capacity to manage change. They are the "flywheels" needed to provide stabilising force when the environment is turbulent and unpredictable.

So says Dr Peter Senge, director of the Organisational Learning Centre at the Massachusetts Institute of Technology (MIT) in Boston, and a trustee of South Africa's Community Leadership Trust.

Dr Senge, a world authority on systems thinking as applied to leadership and learning, is in the country to attend next week's Leadership and Learning conference in Pretoria which will focus on new approaches to corporate and community leadership.

The two-day conference starting on Monday at the CSIR conference centre brings together some of the best thinkers and "doers" of our time, both locally and abroad, says Louis van der Merwe, director of the Centre for Innovative Leadership in Johannesburg, which is organising the conference in conjunction with the Trust.

"As the economy opens up to increased competition, we will have to face challenges from international organisations which have invested heavily in learning as a strategic thrust," says Mr van der Merwe.

"South Africa might be changing rapidly, but most of its managers are not," he says.

Many South African institutions of learning fail to develop a responsive, learning culture within their own organisations, he says, and perpetuate the moribund, top-down command ethos of a colonial past.

The overseas experts are not here as drawcards, says Mr van der Merwe. They are committed to working with local business and educational institutions to share and transfer skills, and create the future we all want, he says.

Local participants to the conference include Eskom chief executive Dr Ian McRae, Perm MD Bob Tucker, John Samuel, head of the ANC's education desk, Professor A Thembela, academic vice-rector of the University of Zululand, and Professor Philip Spies of the Institute of Futures Research.

Overseas guests include Arie de Geus, former head of Group Planning for Royal Dutch Shell, and the "doyen of strategic planning", who is now based at the London School of Business, Professor Mary Bateson, president of New York's Institute for Intercultural Studies, and Donald Burr, founder of People's Express, the American airline which went from zero base in less than five years to sales of under 2 billion dollars a year.

For more information on the conference, telephone (011) 314-1143.

MARIKA SBOROS

Playing games can be a very serious business

The fastest way to learn is by playing, says the grey-suited, sober-faced senior executive, without a trace of irony.

But what is play?

"Having fun, certainly," says Arie de Geus, recently retired senior manager of Royal Dutch Shell. "But also more. Playing a game is interacting with a replica of reality rather than reality itself. It creates a situation where one can act or experiment without fearing any serious consequences."

He is in South Africa to address the two-day "Leadership and Learning" conference at the CSIR in Pretoria today, which is organised by the Centre for Innovative Leadership in conjunction with the Community Leadership Trust.

"Pilots play when they learn. They sit in a flight simulator which they can crash any number of times, with no harm done. But they also very quickly learn what they can't do and how to improve."

"This is accelerated learning. We think it may be possible to extend this game approach to learning in other areas."

Mr de Geus holds an honorary position at the London School of Business and follows a personal interest in accelerated learning.

He became involved with accelerated learning when Shell planning found that management in contexts of rapid change has a lot in common with learning processes.

He says "Planning for change — very different from routine management — is the same thing as learning something new. Faced with a new situation one can't fall back entirely on previous experience. One has to learn."

"This led us, as planners, to the question: How does learning take place? And can it be accelerated?"

He explains that, in a company, managers generally learn by talking to each other. Faced with a problem they tend first to explain to each other how they see it, and mutually extend their understanding, until they develop a shared model of the situation.

They will then test their understanding against reality and adjust their policy accordingly.

The problem is that this is a

primitive way of learning. Shell planning found it took companies at least 18 months, often far longer, to make and implement plans.

"So we looked for ways to accelerate the learning process and we learnt to play. With computer software such as Stella (Apple Mac) and Hexicon (PC), we are now able to simulate management predicaments in a game. The computer lets company directors 'crash' the company any number of times — without staff or clients on board — until they learn to fly it, even in stormy weather."

"It makes management smarter because they can learn faster. Also the game-players seem to come up with more creative solutions because they can experiment and fail without serious consequences. And we've found we can accelerate the implementation of new management ideas to just six months."

It is clear that in South Africa, now, management need to be fast learners. Perhaps even more intriguing is the possibility that these learning techniques may be adapted and assimilated into other areas of South African planning, particularly the management of rapid social transition.

The possibilities for formal education are also encouraging, says Mr de Geus. "It seems everyone agrees that techniques to accelerate learning are vital to the success of future South African society."

"However, when people talk of computers in education it is nearly always assumed machines are best used to automate the usual teacher functions — questioning, answering and leading pupils through a body of information."

"But we have found that the formal teaching method is often inefficient or inappropriate."

"Accelerated learning techniques use the computer in an entirely different way — and imply a restructuring of the learning process. The computer would simulate pupils' projects or problems and generate different scenarios based on their current understanding."

"If the pupils 'crash' it adds to their understanding and experience, and they can play again."

ADAM GORDON

Co-ordinating body 'not secretive'

PRETORIA — The National Co-ordinating Mechanism (NCM) was not a secretive instrument, the chief director of the Cabinet Secretariat of the State President's office, J F P Engelbrecht, told a security conference yesterday.

Engelbrecht said the NCM, which replaced the National Management System in 1989, was meant to be an open mechanism.

It ensured co-ordination, rather than prescriptive management, in the execution of the duties of government departments.

He said the private sector and communities could also be involved.

"The government considers rapid progress towards attainment of objectives as essential, and progress should be managed according to set time-scales and be tested and measured against them," he said.

"Old patterns of thinking will have to be replaced with the unconventional in achieving these goals."

The conference was organised by the University of Pretoria and the northern Transvaal branch of the Security Association of SA. — Sapa

Survey finds Management rules in SA

MALE chauvinism is thriving in many of SA's top companies, according to a Wits Business School survey which has found that more than half of respondents want to keep women out of management

Conducted earlier this year among each of the Financial Mail Top 100 Companies, the survey, to which more than half the companies responded, found that 52% of chief executives and human resource managers did not want to promote women to managerial positions, believing women experienced a conflict between following a career and raising a family

TANIA LEVY

The research was sponsored by the Executive Women's Club Bursary Fund and its key sponsor, Liberty Life

About 48% of respondents "respected women as equals" but a quarter felt women were better suited to the family role

Head of the research project, Wits Business School lecturer Michael Bendixen, said the responses were contradictory enough to suggest there was fear of telling the truth 'Prejudice is there but cannot be rationalised logically,' he said

Wits sociologist Prof Mark Orkin said the research sample was almost exclusively male and the viewpoint could therefore be seen as strongly sexist

The degree of contradiction suggested that men wished to maintain the status quo regarding male and female roles because it was "in their own interests"

There should be three times more women in managerial roles, said Bendixen

The survey found that women made up only 13% of management and less than 1% of board members, although they represented nearly 36% of the workforce

FULL TIME MANAGEMENT HOUSE

Bridging the gap

172 1/24
New Nation (Karoo Nation) 1715 - 2415791

The Council for Black Education and Research has initiated an office management full-time course with an intake of 60 students.

Parallel to this, an adult education course is also in progress with the attendance of 50 people on Saturdays, until the end of this year.

The two courses are being run at Funda Centre in Soweto.

The director of the two programmes, Wits University African Literature Professor, Peter Thuynsma, said the management course had been designed to help students who had a minimum of standard nine, to be employable.

"Our hope is that the course will bridge an enormous gap between the school-leavers and the demand of the job market," he said.

Communication

The office management course is being run from this month until December. It has been divided into two categories, with each accommodating 30 students.

The first category is of office secretaries. They are taught typing, computer literacy, integrated studies and communications skills.

The integrated studies subject is designed to inform the students about the world that surrounds them, Thuynsma said.

At the completion of the course, the students will be able to perform most of office

routine, such as working in the reception, to typing letters and taking minutes at meetings.

In the second course, students are being equipped with advanced office administration skills, such as bookkeeping and counselling. Students who at the end of the course examinations obtain a minimum of 60 percent average will be enrolled in a business management course, Thuynsma said.

Dominating

Thuynsma said a fully equipped computer centre was being established where students will be introduced to the world of computers. Thuynsma expressed concern that computers were dominating today's world, yet students at schools were still not being taught how to operate them.

The adult education course is being attended by people from a wide range of spheres of life. Teachers, workers and community leaders have enrolled.

Often, the council invites university lecturers to lead in workshops on various subjects of general knowledge.

Thuynsma said the council had plans to take the courses to other parts of the country, depending on the success of the pilot courses.

"We are planning to start with the office management course in Lebowa next year. We could then move to Cape Town and Pretoria, but all will depend on the success of these at Funda Centre," he said.

Wits spreads small business message

9 Times (Bus Times) 172

By DAVID CARTE

WITS BUSINESS School's Centre for Developing Business is to take its popular Winning in a Business of Your Own course on tour

It is part of an attempt to reduce the rate of small business failure

Arrangements are being made to present the 14-hour course in several centres

A high proportion of small businesses do not last longer than five years. Failure usually means loss not only of the budding entrepreneur's savings but creditors and sometimes banks suffer

Lecturer Mark Peters says fewer businesses would fail if those who launched them did some serious thinking and planning before starting

Mr Peters says "Social, economic and demographic forces have caused a demand for the products and services that smaller businesses offer. Tax laws are also an impetus. Small business is definitely a high-growth area"

Cost

At its Parktown campus, the Centre for Developing Business offers the course in seven weekly two-hour lectures on Tuesday and Wednesday evenings from 6 to 8 at a cost of R400. Roughly every seven weeks another 40 people from a variety of backgrounds start the WBS course

On the present course there are a woman who has a successful jewellery business, an industrial relations director of a big company thinking of starting his own racehorse stud in retirement, a chemical engineer with a range of high-tech imported products on which he hopes to build a fortune and a hairdresser with a salon in Randburg

There are also several black community workers wanting to pass on business



MARK PETERS Many lonely souls in a harsh climate

skills to informal-sector operators in the townships

WBS encourages present and past students to mingle at a monthly cocktail party in a kind of mutual support group, where they are encouraged to exchange ideas, experiences and best of all, orders

At one of these cocktail parties I met a former SAAF Mirage pilot who branched out into aviation electronics and now has his own high-tech computer company

Another man's business is no longer small — he turns over R1-million a month

Mr Peters says the course tries to get entrepreneurs to reflect on business options in a structured way, to clarify their objectives before they start and to establish a network. Entrepreneurs are often lonely

On the course those who would be self-employed ask questions and air fears. They learn the rudiments of marketing and finance and above all come to understand profits and cash flow

Mr Peters says "People start their own businesses for positive and negative rea-

sons. You get those who merely want to do their own thing and those who believe they can market their specialised knowledge on their own

"Strangely, money is often not the first objective. Independence is usually the most important motivation

"Then you get the guy who can't stand his boss or his company and the chap who is retrenched. These people often go into business for negative reasons and are less likely to succeed"

Mr Peters identifies the three most important areas of knowledge — the market, technology and resources. The small businessman must be familiar with the needs, wants and preferences of customers

He must know the relevant technology and what money, raw materials, skills and equipment he needs

Irish

It is also important to be focused — to do one thing well rather than a lot indifferently. He advocates specialising in one area and branching out into others only if the market leads one naturally in that direction

Mr Peters says a small business often has an advantage over a big one in being able to augment the product — to add to it by better packaging or service. Surprisingly, price is usually not the most important factor in winning orders

Before coming to the business school, Mr Peters was in charge of lending operations to small business for an Irish bank. He visited 16 countries to study lending models outside mainstream banking

He was financial director of a community and self-help organisation in SA before joining the centre

For the benefit of small businessmen and women who cannot attend these courses, Business Times will feature aspects of the WBS lectures from time to time in coming weeks



LOT NDLOVU: "Ban import of skilled labour."

BMF slates 'racist' bosses

By KAMAL SINGH

RACIST attitudes in the workplace resulted in the absence of blacks in top positions in large companies, Black Management Forum executive director Mr Lot Ndlovu said at the weekend.

Speaking at a graduation ceremony of the Institute of Black Quality Management, Ndlovu said although job reservation was scrapped 11 years ago, racist attitude in the commercial world prevented blacks from assuming senior positions.

"Although blacks comprise about 80 percent of the country's population, only about four percent are in decision-making positions."

Job reservation

"The scrapping of job reservation in 1979 was virtually a non-event because job reservation is still being practised."

"There needs to be a change in attitudes among people that matter (chief executive officers). Racism is embedded in the structures, policies and conduct of people. Discrimination, which needs to be acknowledged, is a tradition in this country," he said.

Ndlovu also called for company training schemes for the development of blacks.

A future government should ban the import of skilled labour because this action delayed the development of skills of the local people.

Sowetan 20/5/91.

Senior executives join the jobless queues

RECESSIONARY conditions were flooding a shrinking employment market with retrenched senior executives, leading "head hunting" agencies said yesterday.

Retrenchments of senior executives were higher than before, and job opportunities were diminishing, they said.

Thasa Search Consultants MD Brian Pfaff said his company "never had so many senior people coming to us to find new employment"

He said it was becoming increasingly difficult for retrenched executives to find jobs, as companies now could be highly

selective about their needs.

Search Outplacement MD Monty Woods said the number of highly skilled people looking for jobs, combined with a decrease in the number of available positions, was making it increasingly difficult for retrenched employees to find work

Industry sources said retrenchment pay varied from one company to another, and from employee to employee, but the average payout was in the region of R50 000, or six months' salary

Woods said retrenchment pay was little consolation for the loss of security and self-esteem that frequently accompanied retrenchments

South Africans saw little point in going abroad, with job markets in Europe and North America even more depressed than in SA

He said the time taken to find a new job through outplacement agencies had increased to more than four months. Executives who chose to search on their own behalf were taking even longer.

● Comment: Page 10

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Nafcoc takes a big stride

CIPren 26/5/91
NAFCOC will open its R5-million Management and Leadership Development Centre in Soshanguve in late August **172** **176**

This was announced last week by the organisation's national president, Dr Sam Motsuenyane

The project is one of the biggest Nafcoc has undertaken since its inception 27 years ago. Another was the launching of the African Bank, which became the first black initiated banking institution in the southern hemisphere. The bank has since grown to seven branches.

The centre is situated in the region of the Southern Transvaal Confederated Chamber of Commerce (Soutacoc), which celebrates its 21st anniversary at the Jan Smuts Holiday Inn on May 28 and 29.

Motsuenyane said the decision to build the centre indicated Nafcoc's determination to expand its business involvement and to enlighten black businessmen.

He said the idea of launching the centre was to tackle the major problem facing black business — the acute shortage of trained business managers and directors.

"I am happy the centre is in the Soutacoc region which has the largest concentration of blacks in



Nafcoc's Dr Sam Motsuenyane last week announced that Nafcoc would open its leadership development centre in August.

South Africa and is in the commercial and industrial centre of South Africa. All future activities related to industrial and commercial growth are expected to emanate from here.

"I want to urge our Nafcoc regions to take note of this great opportunity. I see challenges in the area of skills develop-

ment and training. People have to try to acquire the expertise and knowledge needed to enable us to compete effectively in an integrated future South African economy.

"As our contribution, Nafcoc is establishing a management and leadership centre in the Soutacoc region," he said.

Motsuenyane said he

hoped that through the centre, members would acquire skills and know-how to be able to participate effectively, not only in the management of their small enterprises, but also in bigger business in the industrial sector, where up to now blacks have played an insignificant role.

He said the second

challenge for members in the region is to implement Nafcoc's 10-year plan which includes among other things development of an aggressive black business sector in the economy.

"The infiltration of blacks into the formal sector of the economy will begin by means of ensuring meaningful black participation on boards of companies and in management structures. Blacks must also take an adequate stake in the shareholding of all companies in our country.

"If that is done, I am satisfied the next 10 years will see dramatic changes in our country's economy that will lead to an increase in black economic empowerment," he said.

"While one recognises there are problems at the moment, I see these present difficulties as temporary. They could be construed as growth pains or teething problems.

"We must harness all forces among our people to overcome the violence that is raging throughout the country. It is pointless and a waste of human material and hard earned assets.

"The future of business can only be revived and facilitated by a climate of peace and stability and also better understanding among the people of southern Africa."

Management skills must be improved

Organisations face many challenges in order to grow and it is important that specialised management skills be improved, says Johan Swanepoel, manager of Anglo American Corporation's Central Training Unit.

"This is especially true in South Africa. The current turbulence in the social, economic and political environments ensures this," he adds.

To an organisation such as CTU, which is involved in providing products and services directed at helping organisations survive and grow, these challenges have become very evident. CTU is involved in consulting in organisation development as well as in the training development fields.

Swanepoel says "work is the common denominator between the organisation involved and the individuals in it. It is, therefore, of

vital importance that the nature of work from both the perspective of the organisation and the individual be fully understood. Only then can effective development take place."

The CTU has the technology to obtain this understanding of the organisation, the individual, and the work. It does so by using systems called "Organisation Appreciation" and "Career Path Appreciation".

Organisation Appreciation enables an organisation to obtain clarity on a number of issues such as the essential levels of work, discretion, authority, hierarchy, roles and accountability, organi-

sation structure and human resource systems. It also has implications for the strategic process and the management of change.

Career Path Appreciation enables the organisation to improve its understanding of the individual.

From this can be obtained the individual's most likely career development potential throughout his working career. Once this has been obtained the individual's pacing in terms of training and development can be better managed.

Matching individual capability and organisation needs can be managed and the goal is to keep

Stew 2715791

172

the individual "inflow"

This means neither under — nor over — utilising a person inside the organisation.

Being "out of flow" is probably the single biggest energy drain in our economy. It is the most debilitating and demotivating source leading to huge losses in productivity.

The good news is that the technology exists to obviate these losses. If people are indeed the most important resource it makes sense that more should be done to understand them better in relation to work and to obtain a better alignment between them and the organisation.

"Having understood the essential character of the individual and the organisation in terms of work, it is also possible to better align many of our human resource systems in the organisation. CTU finds that different criteria are used as a basis for which jobs are structured and evaluated, and the people selected and developed for these jobs.

"The way performance is measured is based on another set of criteria altogether. It is therefore little wonder that high performance levels are not reached," Swanepoel said.

CTU has the technology to ensure alignment between the indi-

vidual and the organisation and the systems which help to manage this relationship.

The implications of this are enormous. A number of organisations are already benefiting from the effects of using these techniques, which have helped them to better use their human resource potential.

CTU specialises in the assessment and development field from both an organisation as well as the individual's perspective. It has a large range of diagnostic tools, training and development products and processes to support this work.

CTU, although a branch of the Anglo American Corporation, has made its services available to all organisations. For further information contact Johan Swanepoel (016) 21 3050.

Double trouble: Too many unskilled workers, too few skilled

SA must check economic imbalances

South Africa is suffering under the weight of a double economic imbalance.

While only one in 10 people entering the job market today will find employment in the formal sector (according to Sanlam's Economic survey for May) SA has an undersupply of skilled workers.

According to the National Manpower Commission (NMC) there are at least four million people in SA without formal employment.

Consultant for the SA Chamber of Business (Sacob), Dr Gad Arlovich, says, "Apart from the thousands that have already been retrenched this year, the picture will look even bleaker by year end as many big firms are planning real capital expenditure on new plants and less on jobs."

He attributes this to the world trend to replace unskilled people with machines.

"During Sacob's survey of confidence levels in the manufacturing sector, many big industrialists expressed the view that people are being replaced by machines — not only be-

cause of the unreliability of the worker but also because of a world technology trend."

So on the one hand, the country has a huge oversupply of unskilled workers, and on the other hand (according to the NMC) the demand for skilled manpower during the last decade has shown a huge increase despite a low economic growth rate — approximately two percent during the period 1980-89.

The NMC calculates that at a projected real economic growth rate of 2.7 percent a year the demand for high-level manpower will increase in the following decade by three to four percent annually or by a cumulative total of between 500 000 and 600 000.

It is for this reason that education and training must play a vital role.

Among the economic proposals put forward by Sanlam are the promotion of higher exports and the small business sector, Government-sponsored labour-intensive development projects and greater emphasis on vocational education and training.



Alexandra . . . A city with about 280 000 people — more than half of whom live in shacks with a single outside tap — 47 percent of the employable adult population is without work among the youth the figure is far higher

Taking a step forward

South African rural and urban women will soon be trained in self-reliance, leadership skills and business management.

This important move follows a week-long Needs Assessment workshop conducted in Johannesburg by two women development-orientated organisations to determine the training requirements of women here.

The workshop, attended by 30 delegates from self-help organisations and rural women's groups, was conducted by the director of Tototo Home Industries of Kenya, Mrs Elvina Mutua and the director of the Southern Africa Programme of World Education, Gill Garb.

It was co-sponsored by the Maggie Magaba Trust and the Fund for a Free South Africa (FreeSA).

World Education is a private voluntary organisation based in Boston, United States, which specialises in non-formal adult education. Tototo Home Industries of Kenya is also a non-governmental organisation aimed at uplifting the standard of living of low income Kenyan women.

The two organisations have worked together for 12 years successfully training women in Kenya, Swaziland, Malawi and Mali.

"Our aim is to strengthen local institutions by providing them with train-

By PEARL MAJOLA

ing in the skills they need," explained Garb.

"We started our relationship with South Africa because we felt that the time was now right to come and train the women here. So last year we conducted a brief survey to assess the training needs of grassroots women's organisations.

"The leadership and business skills came out as the most urgent, which led to this workshop," she said.

Self-exiled

Garb is a self-exiled South African living in the United States. She left the country 20 years ago and settled in Britain where she started working in community development programmes and continued in America.

"It took months to get women together for this workshop because we put the programme together from far away, so it was not easy to get every women's organisation that exists here into it.

"But now that we have started we hope to get as broad a mixture of women to participate as we can. We hope that with the help of their help we hope that we will develop a successful programme for women here as we have done in other countries," she said.

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New salary survey devised

812247 3/6/91

THEO RAWANA

172

A SALARY survey, which will solicit information from employees rather than employers, has been jointly developed by two Johannesburg firms.

Douglas Parker and Associates, working with Chandler Appointments, says the survey guarantees an accurate reflection of current middle-management incomes.

Research expert Doug Parker says that by surveying employers only, there is a risk that results are too generalised and might not be shared with staff.

The initial survey will be conducted among middle management within the retail industry and the report made available to all who take part.

"This will show them precisely how they are being rewarded relative to their peers in terms of age, experience, qualifications and the like."

Middle management has been deliberately selected for the survey as this category of employee is seen to be short of bargaining power.

Women *Sowetan* bosses *4/6/91* are slow *172* to get there

FEMALE bosses have accounted for only five percent of the total number of entries to the Best Boss Award nominations

Could this be because men are better bosses than women?

Or is the South African economy still hesitant to appoint women to top positions?

The managing director of Edilcom, Mrs Connie Paluzzi, believes that the five percent is a fair reflection of the number of women presently occupying managerial positions. "

She does not believe that women bosses cannot be just as good as men

Progress

"Judging by the placements my company handles in the top managerial level, women bosses are still by far in the minority.

"But it is comforting to note that the situation is showing progress

"We are thrilled with the standard of bosses, male and female, nominated for this year's award and foresee the judging panel having an extremely difficult task in determining the winner," she said

A total of 31 nominations were received when the entries closed in May and the winner will be announced at a luncheon in Johannesburg on October 16, the National Day of the Boss.

Top executives' packages linked to performance

172

1998

JONATHON REES

12/01

LOCAL CEs earned nothing like their British and US counterparts but there was a growing trend to link remuneration to performance, executive search consultant Peter Woodburn said yesterday.

He said only a few SA CEs earned up to R1m a year, lagging far behind the US where, for example, the Disney CE earned up to \$40m annually.

Woodburn, MD of Woodburn Mann executive search consultants, said there was a strong move in SA towards paying top executives good, or even adequate, base salaries as part of remuneration packages that included meaningful incentives.

"Knowing you can double your income through performance bonuses or a percentage of profits gives you ample incentive to stretch yourself to grow your profits," Woodburn said.

He said top executives would, however, come under increasing pressure to take their medicine along with lower echelon employees when profits showed a considerable decline and companies had to tighten their belts.

Woodburn Mann director Peter MacIldowie said some local CEs earned annual cash packages of between R750 000 and R1,2m, excluding dividends reaped from their share packages.

Entrepreneurs like Pick 'n Pay's Raymond Ackerman and Liberty Life chairman Donny Gordon had an annual dividend income, in addition to their salaries, well in excess of R10m, MacIldowie said.

1807

MONDAY, 10 JUNE 1991

1808

The Cape of Good Hope 1 514
Transvaal 1 149
Orange Free State 378
Natal 324

(b) This information is furnished as at 27 May 1991

act collected per income category in the Orange Free State in the 1988-89 financial years, respectively?

B1068E

The MINISTER OF FINANCE

Personal income tax

417 Mr J J WALSH asked the Minister of Finance:

What was (a) the number of taxpayers according to race who were liable for personal income tax and (b) the personal income tax

A meaningful breakdown of tax collected in provinces cannot be furnished. Some 75% of individual tax is collected by way of Pay-As-You-Earn (PAYE), and many employers make their PAYE payments in provinces other than those in which their workers are employed. Statistics are accordingly furnished on the basis of assessments issued to taxpayers resident in the relevant province.

Orange Free State

1988-89

1989-90

Taxable income group	Number	Tax R	Number	Tax R
0 - 12 000	4 375	1 564 435(a)	1 965	887 459(a)
12 001 - 20 000	14 305	18 318 300	5 222	6 206 410(a)
20 001 - 30 000	17 904	66 681 902	11 503	38 437 627
30 001 - 40 000	16 933	117 815 688	15 014	106 024 208
40 001 - 50 000	10 519	113 158 452	12 314	132 023 783
50 001 - 60 000	5 399	79 319 784	7 266	107 256 732
60 001 - 80 000	4 085	82 485 389	5 565	112 839 406
80 001 - 100 000	1 477	41 661 523	1 624	47 149 334
100 001 +	2 086	130 840 788	1 717	100 791 316

NOTES

(a) Statistics in respect of taxpayers earning less than the applicable Standard Income Tax on Employees (SITE) limit are not available and therefore not reflected in these figures

(b) Statistics are no longer compiled under race groups

Phuthaditjhaba/Industriqwa: amount spent

418 Mr J J WALSH asked the Minister of Development Aid:

What total amount was spent on industrial infrastructure in (a) Phuthaditjhaba and (b) Industriqwa in each financial year from 1978-79 up to and including 1989-90?

B1069E

The MINISTER OF DEVELOPMENT AID

(a) Phuthaditjhaba

HOUSE OF ASSEMBLY

Financial year	Amount spent on industrial infra-structure
(i) 1978-79	R 115 000
(ii) 1979-80	R 474 000
(iii) 1980-81	R 961 000
(iv) 1981-82	R 1 189 000
(v) 1982-83	R 1 480 000
(vi) 1983-84	R 22 456 000 (1)
(vii) 1984-85	R 9 451 000
(viii) 1985-86	R 12 751 000
(ix) 1986-87	R 15 444 000
(x) 1987-88	R 14 769 000
(xi) 1988-89	R 10 529 000
(xii) 1989-90	R 5 720 000

1809

MONDAY, 10 JUNE 1991

1810

(b) Industriqwa

Amount spent on industrial infra-structure

Financial year	Amount spent on industrial infra-structure
(i) 1978-79	Nil
(ii) 1979-80	Nil
(iii) 1980-81	Nil
(iv) 1981-82	Nil
(v) 1982-83	Nil
(vi) 1983-84	Nil
(vii) 1984-85	Nil
(viii) 1985-86	Nil
(ix) 1986-87	R 30 000
(x) 1987-88	R 3 298 000
(xi) 1988-89	R 6 691 000
(xii) 1989-90	R 15 246 000

(1) Includes an amount of R17,43 million which was a transfer from the then Corporation for Economic Development Ltd to the Qwaqwa Development Corporation Ltd

The above-mentioned figures and explanations were furnished by the Qwaqwa Development Corporation Ltd

Own Affairs

Per capita expenditure

82 Mr J H MOMBERG asked the Minister of Education and Culture:

What was his Department's per capita expenditure on education in respect of (a) the Republic, (b) the Orange Free State and (c) Natal during the latest specified 12-month period for which figures are available?

B1103E

The MINISTER OF EDUCATION AND CULTURE

(a) R3 960
 (b) R3 919
 (c) R4 042

Information as per SANEP system for 1990/91 financial year

*Capital works excluded

Amount spent on management training

83 Mr J H MOMBERG asked the Minister of Education and Culture:

What (a) amounts and (b) percentage of the education budget of his Department was spent on management training during the latest specified 12-month period for which figures are available?

The MINISTER OF EDUCATION AND CULTURE

(a) and (b) Information is not available, as it is not possible to separate the amount expended on management training from the total costs of in-service training

OFS: total number of classrooms

86 Mr R M BURROWS asked the Minister of Education and Culture:

What is the total number of classrooms in schools in the Orange Free State falling under his Department?

B1115E

The MINISTER OF EDUCATION AND CULTURE

2 856

HOUSE OF ASSEMBLY

1899

WEDNESDAY, 12 JUNE 1991

1900

HOUSE OF DELEGATES

QUESTIONS

Indicates translated version

For written reply

Own Affairs

Truro House: request for transfer

31 Mr K PANDAY asked the Minister of Education and Culture

- (1) Whether a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, requested to be transferred from the library in Truro House; if so, what is the name of the person in question,
- (2) whether a senior official of his Department was mentioned as one of the reasons for this request, if so, (a) what are the circumstances surrounding the matter and (b) what were the other reasons,
- (3) whether he will identify the senior official in question, if not, why not, if so, what is his name,
- (4) whether the reasons advanced by this person were investigated, if not, why not, if so, with what result?

D129E

The MINISTER OF EDUCATION AND CULTURE

- (1) Yes
As furnished An open identification will prejudice the good name of the person concerned as the purport of the rest of the questions has not been established by the Administration
- (2) No
(a) and (b) fall away
- (3) and (4) Fall away

Disability grants cancelled/terminated/reinstated

35 Mr H M NEERAHOO asked the Minister of Health Services and Welfare

- (a) How many disability grants were cancelled or terminated during the period 1 January 1990 to 30 April 1991 and (b) (i) how many of

HOUSE OF DELEGATES

these grants have been reinstated as a result of (aa) reviews and (bb) appeals and (ii) in respect of what date is this information furnished?

D142E

The MINISTER OF HEALTH SERVICES AND WELFARE

- (a) 4 178
- (b) (i) (aa) 1 959
(bb) 14
- (ii) 28 March 1991

Education expenditure

44 Mr M RAJAB asked the Minister of Education and Culture

- (a) What amount was spent by his Department in 1990 on (i) salaries of teachers and principals, (ii) salaries of administrative staff, (iii) salaries of inspectorate and executive officials, (iv) salaries of any other specified staff, (v) capital expenditure, (vi) supplies and services, (vii) equipment and (viii) other items and (b) what percentage of the total education expenditure by his Department in 1990 does each of the above amounts constitute?

D187E

The MINISTER OF EDUCATION AND CULTURE

- (a) (i) R 634 518 457
(ii) R 28 831 304
(iii) R 12 244 338
(iv) R 5 072 728 (Service Workers)
(v) R 15 530 114
(vi) R 44 456 579
(vii) R 12 146 190
(viii) R 85 819 281
- (b) (i) 75.68%
- (ii) 3.44%
- (iii) 1.46%
- (iv) 0.61%
- (v) 1.85%
- (vi) 5.30%

1901

WEDNESDAY, 12 JUNE 1991

1902

- (vii) 1.44%
- (viii) 10.22%

The above are provisional figures in respect of expenditure for the 1990/91 financial year. Final figures will only be available after the finalisation of the Appropriation Account. Figures are not maintained in terms of a calendar year.

What (a) amount and (b) percentage of the education budget of his Department was spent on management training during the latest specified 12-month period for which figures are available?

172

D188E

The MINISTER OF EDUCATION AND CULTURE

Management training: amount spent

45 Mr M RAJAB asked the Minister of Education and Culture:

- (a) R 41 682 For the period 1 April 1990 to 31 March 1991.
- (b) 0.005%

HOUSE OF DELEGATES

Critics point to flaws in Tucker's scenario

AN article in the left-wing journal Work in Progress (WIP) has criticised former Perm MD Bob Tucker's scenario for social and economic upliftment

TIM COHEN

Financial institutions Old Mutual, Nedbank and the Perm are trying to sell the "compact" — which has been worked on behind the scenes for nine months at a cost of R1,7m — to organised labour, civic associations, progressive political parties, "the regime" and capital, the article says

The future scenario is an "unlikely marriage" of ANC/Cosatu's Growth through Redistribution economics and current efforts by the state and capital to mimic newly industrialised countries like South Korea and Taiwan, the article says

So far the scenario has been presented to the ANC's national executive, Anglo American, Cosatu leadership and the ANC's department of economic planning, among others

"F W de Klerk was said to be especially keen," the article's authors, Patrick Bond and Mark Swilling, say

Persuading big business of the merits of Growth through Redistribution, social investment taxes and other deals with the ANC and Cosatu will not be easy "But the team concludes that a compact is in everyone's interests, because managing SA's political

transition fundamentally depends on both a lack of violence in society and strong economic growth"

In reality, unmanageable township strife and the spreading slump in the manufacturing, mining and agriculture sectors appear as insurmountable barriers to a successful social democratic transition

The article accuses the scenario team of a "simple-minded cultural model" and says its analysis on racial integrations "comes perilously close to 'blaming the victim' in classic neo-conservative style" But, it says "Tucker stunned his audiences with the most ambitious housing programme yet mooted in SA"

The scenario also chips a big crack in the armour of smug self-satisfaction that Tucker says characterises the current occupants of the economy's commanding heights "... The scenario team criticises the opulence of SA corporate elites who spend more money on buildings and fanciful decoration than on R & D and new machinery."

The article suggests progressive forces launch their own scenario planning or risk having to accept someone else's because no better option exists.

Mabuza, Dhlomo on Anglovaal board

ANDREW GILL

TWO former homeland ministers Enos Mabuza and Oscar Dhlomo have been appointed to the board of Anglovaal with immediate effect the group announced yesterday

The move follows their appointment to the board of Standard Bank in April and Mabuza's appointment to the board of Times Media Limited (TML) at the beginning of June

Mabuza was chief minister of Kwa-Ndwane until his resignation in March 1991

Dhlomo is executive chairman of the Institute for Multi-Party Democracy which he founded earlier this year. It followed his resignation as secretary-general of Inkatha and KwaZulu minister of education and culture in June last year.

Mabuza, who is out of the country at present, said at the time of his appointment to TML that he hoped he could help the company be relevant in the changing SA.

Anglovaal chairman Basil Hervey said last night it was "extremely significant" that two leading people of the community at large had been appointed to the board.

Need for strong IS management

ANDREW MORRIS

ALGUS 136/91

Weekend Argus Correspondent

A JOINT research project between a city academic and an international Information Systems (IS) expert has highlighted the dire need for sound management in IS to increase motivation and thus productivity.

South Africa is the 127th country to be researched by Professor Dan Couger of the University of Colorado

His joint research with Professor Derek Smith of the Department of Accounting at the University of Cape Town has shown that South African IS professionals are very similar to their overseas counterparts

In an interview during a recent visit to South Africa, Professor Couger said that while this might not seem surprising it confirmed that IS attracted individuals who differed from the rest of the popula-

tion in two major respects

"Firstly they have a high growth need strength (GNS) which requires job characteristics of goal clarity, autonomy and challenge Secondly, they have a low social need strength (SNS) and as such prefer working alone. This does not mean that they are introverted," he said

He said the typical IS practitioner required opportunity for advancement and challenge but had little need for interaction

Professor Smith said they had found that many IS practitioners had a high GNS

"This may well be a contributor to the high turnover in the industry, but more importantly will have a significant negative effect on overall productivity," he said

The basis of the research was the Job Characteristic Model (JCM) developed by Professor Couger, which identifies norms for the country, companies and individuals

(172)

The findings of the research have benefits for both the individual and employers

"It provides a means for IS staff to better understand themselves but more importantly it will help companies address personnel related issues through job definition, job clarity and career planning," said Professor Smith

"It comes down to better overall management IS staff expect good feedback, clear goals and challenging work - and common sense management which focuses on understanding the individual and providing the right environment will foster increased productivity"

Professor Smith said IS continues to attract similar individuals

"It is no use trying to change them, that will simply make them move on and basically the problem lies with the way they are managed not with the personality type. What is wrong is that we try to manage them like other group of people," says Professor Smith

☐ **DAN COUGER:** Partner in joint research on IS professionals in South Africa



Black executives 'coming of age'

MONWABISI Fandesio is evidence that black executives are gradually coming of age

Fandesio, only 32-years-old, has been entrusted with the task of managing National Sorghum Breweries subsidiary, iJuba Congella Brewery – the single biggest sorghum beer producer in the world.

The company dominates Durban's bay area with its giant grain silos and neon-lit iJuba *Special* sign.

As general manager, Fandesio is responsible for three iJuba plants in Natal – at Congella, Ladysmith and Dundee

He holds a Bachelor of Science in mechanical engineering from the University of Wales in Britain, and a Master of Business Administration from the University of Pennsylvania in the US.

He takes over the control of iJuba from Willie Kotzenberg, who has been promoted to NSB's Group Operations Manager

In 1964 building of the Congella factory was complete. The huge silos were added a few years later, enabling bulk loading and storage of raw materials

A major refurbishment programme has been underway at Congella for the past few years, so that it is now a fully automated brewery comparable to the most modern in the world

Recent refurbishments to the Congella plant has resulted in the plant now operating 24-hours a day every day to produce an average of 16 million litres of iJuba *Special* per month, the leading brand in National Sorghum Brewery's stable.

A significant innovation is a highly sophisticated drying plant, which dries the waste grain to produce high-protein cattle feed as a by-product

Looking at it today you would never believe that just over a century ago the Congella site was still a part of the bay and an anchorage for visiting cargo ships

One of Congella's longest-serving staff members, Derek Jarman, who was recruited from the Durban Corporation's Electricity Department in 1961, remembers the "good old days of brewing" long before the arrival of stainless steel vats and computers

In those days wooden vats with steam immersed heating elements, were used for cooking. The beer was then gravity fed into open, wooden ferment-

ing troughs before going into the separators

There was no packaging in those days. The beer was transported in bulk to the beerhalls, where it was sold for one shilling a half-gallon mug

Packaging was only later introduced, first in the form of plastic bags and still later in hand-filled cartons

Another brewer who remembers the "good old days" is Ronnie Stokes. He maintains that beer is best brewed closest to traditional methods – when traces of the woodfire cooking method can be tasted

The first iJuba beer was introduced as a pilot project – its success led to its continuation as a brand.

The total output of the brewery in the early days was 54 000 gallons per month – a drop in the ocean by today's standards.



Idah Mahlangu with her baby at the razor wire that has been installed to divide the family units and single quarters at the Umkhonto Hostel in Witbank, where several women have been hacked with pangas because of their occupation of the accommodation.

By SOPHIE TEMA

WITBANK Civic Association is investigating allegations of corruption against two of its members after an incident which resulted in fighting between residents and hostel dwellers.

The two WCA members are alleged to have collected money from inmates of the Umkhonto Hostel, claiming it was for renovating hostel buildings.

Hostel inmates said they each paid R5 for five months to the two WCA men who told them to stop paying rent to the KwaGugqa Council because of the hostel's appalling conditions.

When the renovations were completed about 67

Blood flows over hostel

Cliffen 16/6/91

123

families - most of them women and single parents who had been squatting in the township - were accommodated in the hostel on Monday this week. Now the controversy is threatening to end in a bloodbath.

After the women were accommodated, angry hostel dwellers chased

them away. On Monday night several women and children were attacked by hostel dwellers and left for dead.

Some were stabbed and others were attacked with pangas.

A spokesman for KwaGugqa Town Council said part of the hostel was renovated and converted into

family units. "The families paid R44 for service charges before they were given a key to their units at the hostel."

"I do not want to discuss what is happening, but the problems of the hostel dwellers are also being looked into."

Hostel inmate Simon

Nkadameng said he had lived in the Umkhonto Hostel for 21 years and would not get out for people who had been squatting in the township. "We have been taken for a ride. We paid our hard-earned money hoping the hostel would be renovated for our comfort, but we have been

■ Pic: EVANS MBOZONI moved out to make way for other people."

Nkadameng and other hostel inmates vowed that if the women and their children were not removed, blood would flow.

WCA organiser Joe Zwane confirmed that the two men who collected money for renovations had been suspended from the organisation.

"The allegations against the two men are serious because they have created animosity between the residents and hostel dwellers."

Thembi Phakathi and Olga Thabette, both members of the Umkhonto Action Committee, complained bitterly about the two WCA men and blamed them for all the trouble.



Emily Mahlangu peeps from the broken window of her unit at the Umkhonto Hostel, where she has been allocated accommodation.

Insurance know-how

St Times 16/6/91.
THE INSTITUTE of Marketing Management (IMM) has formed an insurance branch to improve marketing skills.

It will arrange in-house training, workshops and seminars.

Press liason officer Martin Sweet says the number of black insurance brokers is increasing and most of them have been unable to acquire marketing skills

(192)
(Sun Times)
Business Times Reporter

Mr Sweet says: "Insurance is a product that generally has to be sold, it is seldom readily bought."

"In the current economic climate, the insurance industry will need specialised marketing know-how to continue to prosper"

'Top directors paid about R3 540 a week'

THE directors of the top 100 industrial companies listed on the JSE earned an average of R3 540 a week last year, the Cape-based Labour Research Service (LRS) says. *510 am 17/6/91*

An LRS survey found that the 1 079 directors awarded themselves average increases of 18,8% last year and took home R199m. This could have supported 14 547 families earning a "living wage" of R1 140 a month, it said.

The LRS arrived at its figures by dividing the total disclosed directors' remuneration — a reporting requirement in terms of the Companies Act — by the number of directors.

It comments that the average director

PATRICK BULGER

earns 20 times more than the average labourer earning R179 a week. *(25)*

"The 129 directors employed by the 10 top-paying companies took home just under R1m in pay each week in 1990 — enough to buy 11 Mercedes Benz cars every week. *(425) (R1) (172)*

"The mining houses pay even more than the industrial companies. The 12 directors of JCI gave themselves R6,9m in 1990. So each director got R11 058 a week on average. This is 70 times larger than the weekly wage of R157 paid to a grade four underground mine worker at a JCI gold mine," says the LRS.

1979

TUESDAY, 18 JUNE 1991

1980

- (iv) 328 and
(b) 21 May 1991

Harms Commission: amounts paid for transcription

408 Adv C D DE JAGER asked the Minister of Justice +

With reference to his reply to Question No 89 on 8 May 1991 and the amounts paid to Vlok Recordings for the transcription of the proceedings of the Harms Commission with regard to its investigation into certain alleged murders, (a) at what rate did Vlok Recordings tender for the work (i) per day for an operator,

- (ii) per day or per month for the provision of recording machines and (iii) per folio for transcription and (b) how is the amount of R7 370,20 made up, regard being had to the basis of tender?

THE MINISTER OF JUSTICE

B1075E

- (a) (i) R50 per day per operator
(ii) R25 per day or portion thereof plus R6 per cassette
(iii) R3,04 per page plus R1,66 per page additional in respect of a running transcript
(b) The amount is made up as follows

(i) Operatrix for the making of the recording	55 days at R50 per day	R2 750,00
(ii) Hiring of Lanier recording machine and 10 microphones	55 days at R25 per day	R1 375,00
(iii) Cassette tapes for recording	119 cassettes at R6 per cassette	R714,00
(iv) Copy of transcriptions Pretoria and London proceedings (2 free copies supplied)	4 052 pages at 30 cents per page	R1 215,60
(v) Additional copies of certain volumes	656 pages at 30 cent per page	R196,80
(vi) Original typing, checking and binding of the report	170 pages at R5,00 per page	R850,00
(vii) Six copies of the report	1 020 pages at 12 cents per page	R122,40
(viii) Computer discs	6 discs at R2,75 each	R16,50
(ix) Certified copies of volumes 26, 27, 28, 29 and 30 of the record for the Commercial Crime Unit, the South African Police and John Vorster Square	433 pages at 30 cent per page	R129,90

Education budget: details

422 Mr J H MOMBORG asked the Minister of Education and Training

- (1) What (a) amount and (b) percentage of the education budget of his Department was spent in the Republic on (i) pre-primary, (ii) primary, (iii) secondary and (iv) tertiary education during the latest specified 12-month period for which figures are available,

- (2) whether any part of his Department's education budget was spent on pre-primary, primary, secondary and tertiary education in (a) Qwaqwa and (b) Kwa-Zulu during the period referred to above, if so, (i) what were the relevant amounts and (ii) what percentage of his Department's total expenditure on education for the period concerned did each such amount constitute;

(3) whether his Department has statistics on the amounts spent on pre-primary, pri-

R7 370,20

1981

TUESDAY, 18 JUNE 1991

1982

primary, secondary and tertiary education by the (a) Qwaqwa and (b) KwaZulu Department of Education and Culture during the above period, if so, (i) what were the relevant amounts and (ii) what percentage of each of these Departments' total expenditure on education did each such amount constitute?

B1105E

THE MINISTER OF EDUCATION AND TRAINING

Since the Department's accounts for 1990/91 have not yet been finalised, accurate amounts for 1990/91 cannot be submitted at this stage. Information figures for the 1989/90 financial year are supplied

	(a)	(b)
(1) (i) R695 936,30		,04%
(ii) R970 395 069,95		49,61%
(iii) R590 184 613,99		30,17%
(iv) R281 015 748,53		14,37%

- (2) No
(3) No

Management training: amount spent

423 Mr J H MOMBORG asked the Minister of Education and Training

What (a) amount and (b) percentage of the education budget of his Department was spent on management training during the latest specified 12-month period for which figures are available?

B1107E

THE MINISTER OF EDUCATION AND TRAINING

- (a) R4 380 188,16
(b) 0,22%

Note

The information is based on the estimated expenditure for the 1990/91 financial year

Cholera: cases/deaths

424 Mr M J ELLIS asked the Minister of National Health

How many (a) cases of and (b) deaths from cholera were reported in respect of each race group in each province in 1990? B1108E

THE MINISTER OF NATIONAL HEALTH

- (a) Notified cases of cholera in 1990 RSA (as on 3 June 1991)

		Population Group			
		Indian Black	Coloured	White	
Province					
Cape Province	0	0	0	0	
Natal	0	1	0	0	
Orange Free State	0	0	0	0	
Transvaal	0	0	0	0	0 and

- (b) no deaths due to cholera were notified in 1990

Note

This case was not bacteriologically proven

Polio myelitis: cases/deaths

425 Mr M J ELLIS asked the Minister of National Health

- (1) How many (a) cases of and (b) deaths from polio myelitis were reported in respect of each race group in each province in 1990,

- (2) how many persons of each race group were immunised against polio myelitis in each province in 1989? B1109E

THE MINISTER OF NATIONAL HEALTH

- (1) (a) Notified cases of polio myelitis in 1990 RSA (as on 3 June 1991)

		Population Group			
		Indian Black	Coloured	White	
Province					
Cape Province	0	0	0	0	
Natal	0	0	0	0	
Orange Free State	0	0	0	0	
Transvaal	0	2	0	1	and

- (b) no deaths due to polio myelitis were notified in 1990

- (2) the total number of children less than one year of age who received a third dose of polio myelitis vaccine in the RSA, 1989

		Population Group			
		Indian Black	Coloured	White	
Province					
Cape Province	581 58 649	108 129 21	013		
Natal	15 402 68 672	2 431 6 426			

Support for black directors

THE Institute of Directors in southern Africa (IOD) has backed the call by the National African Federated Chamber of Commerce (Nafcoc) for a sharp increase in the number of black company directors

Nafcoc has called for a 30% increase in the number of blacks on the boards of listed companies within 10 years

IOD chairman Brian Hawksworth said the IOD fully endorsed Sam Motsuenyane's call "for sharply increased black involvement in steering the affairs of SA's listed companies"

The call comes soon after the appointment of former KaNgwane chief minister Enos Mabuza to the Anglovaal, Standard Bank and TML boards

However, this was possible "only if an increasing number of blacks are educated in the responsibilities and duties of directors"

MARCIA KLEIN

He said the IOD had offered to provide Nafcoc members with training "and whatever other assistance is required"

The IOD has also asked Nafcoc to identify possible members for the IOD, thus providing continuing education and the opportunity to meet regularly with other directors of companies

Concern

A further benefit was that IOD members had full reciprocal membership of the IOD in London

Hawksworth said the IOD's support stemmed partly from its concern that only 1% of its members were black

Ongoing recruitment efforts had met with little success, and Hawksworth said that Nafcoc's call would hopefully prove to be a turning point

Computer illiterates

(172)
Business Day Reporter

THE present generation of senior executives in SA is not nearly sufficiently computer literate, which could have a significant bearing on their ability to lead their businesses through the tough '90s.

A survey in this week's Computer Mail, a supplement to the Financial Mail, reveals that only 50% of senior executives in SA's Top 100 companies have a personal computer, a work station or a computer terminal on their desk. 8/10/91 26/6/91

This implies that they cannot access critical business information when they need it, and have to rely on specialists within the organisation to get it for them.

In order to gain a competitive advantage, businesses should not only automate more information and analyse it faster but evaluate it in much finer detail and manage it as an asset.

Computer Mail has the inside story.

SOWETAN BUSINESS

THIS is the third article we are running from First National Bank Today we look at suggested outlines of a business plan under the heading "So you want to start your own business"

The objective of this section is to explain

1 What your business

2 How you are going to run it

3 Why you think your business will be successful

As a new business, the description should also contain responses to the following

4 Why will you be successful in this business

5 What is your experience in this particular field of business?

6 Have you spoken to other people involved in this kind of business? What was their response?

7 What will be special about your business?

8 Have you spoken with prospective trade suppliers to find out what managerial/technical help they will provide?

9 Have you asked about trade credit?

10 If you will be doing any contract work, what are the terms? Make reference to any firm contract or letter of intent and include it as a supporting document

11 Will you offer credit to your customers?

A brief note on credit If you give credit to your customers, you are in effect, making a loan to them Can you afford to do this? Do you have to extend credit? Can you evaluate credit risk? Can you collect? Can you afford to write off bad debts? Customer credit can represent an unexpected cash drain on the business

If you must offer credit make sure that you plan to absorb its effects - offering credit to customers costs you money - especially if you have to borrow funds to cover these accounts

It may strangle your business by tying up funds you could be using for other purposes

Market

The basic marketing considerations are

a) Who is your market?

b) What is the present size of the market?

c) What percent of the market will you have?

d) What is the market's growth potential?

e) As the market

Planning is key to business success

Sowetan 27/6/91

(172)

grows, will your share increase or decrease?

f) How are you going to satisfy your market?

g) How are you going to price your service, product or merchandise to make a fair profit and, at the same time, be competitive?

h) How will you attract and keep this market?

i) How can you expand your market?

j) What price do you anticipate getting for your product?

k) Is the price competitive?

l) Why will someone pay your price?

m) How did you arrive at the price? Is it profitable?

n) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

o) Why will someone pay your price?

p) How did you arrive at the price? Is it profitable?

q) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

r) Why will someone pay your price?

s) How did you arrive at the price? Is it profitable?

t) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

u) Why will someone pay your price?

v) How did you arrive at the price? Is it profitable?

w) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

x) Why will someone pay your price?

y) How did you arrive at the price? Is it profitable?

z) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

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ae) How did you arrive at the price? Is it profitable?

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ak) How did you arrive at the price? Is it profitable?

al) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

am) Why will someone pay your price?

an) How did you arrive at the price? Is it profitable?

ao) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

ap) Why will someone pay your price?

aq) How did you arrive at the price? Is it profitable?

ar) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

as) Why will someone pay your price?

at) How did you arrive at the price? Is it profitable?

au) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

av) Why will someone pay your price?

aw) How did you arrive at the price? Is it profitable?

ax) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

ay) Why will someone pay your price?

az) How did you arrive at the price? Is it profitable?

ba) What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

bb) Why will someone pay your price?

bc) How did you arrive at the price? Is it profitable?

cost? Get quotes in writing from more than one contractor Include quotes as supporting documents

c) What is the neighbourhood like? Does the zoning permit your kind of business?

f) What other businesses operate in the area?

g) Have you considered other areas?

h) Why is this the right building and site for your business?

i) How will the locality of the business affect your operating costs?

Management

In preparing the management section there are five areas to be covered

a) personal history

b) Related work experience

c) Duties and responsibilities

d) Salary

e) Contribution

You should make sure that your prospective financing source is aware of what steps you have taken or are taking to correct any staff weaknesses, (yourself and any other managerial persons involved) if you are to use your business plan to its fullest extent, you should use this segment to highlight both strengths and weaknesses of management for your own sake

For each of the owners also include responses to the following questions

a) What is your business background?

b) What management experience have you had?

c) What education have you had (including both formal and informal learning experiences) which might have a bearing on your managerial abilities?

d) Personal data age where you live and have lived special abilities and interests reasons for going into business

e) Are you physically capable to perform the job? Stamina counts

f) Why are you going to be successful at this venture?

Personnel

Businesses stand or fall on the strength of their personnel Consider the following in determining

personnel needs

a) What are your personnel needs now? In the near future? In five years

b) What skills must they have?

c) Are the people you need available?

d) Full or part-time?

e) Salaries or hourly wages?

f) Fringe benefits?

g) Overtime?

h) Will you have to train people? If so, at what cost to the business?

Be careful - training personnel can be a hidden cost that you may not have provided for

Application and expected effect of finance applied for

Make sure this section contains responses to the following

a) How is the loan or investment to be spent? This can be fairly general (working capital and new equipment inventory suppliers etc)

b) What is (are) the item or items to be bought?

c) Who is the supplier?

d) What is the price?

e) What is the specific model name and/or number of your purchase(s)?

f) How much did you (will you) pay in sales tax installation charges and/or freight fees?

Interest is an expense which reduces profits If you propose borrowing money or investing your own you must know how the money is going to work for you Make sure it earns more than it costs

Financial data

You should prepare the following documents

a) Break even analysis

A break-even analysis provides you with a sales objective which is expressed in either the number of units of production or Rands at which your business will be breaking even that is where it is neither making a profit nor losing money

If you know your break-even point, you have a definite target that you can plan to reach by carefully reasoned steps

Many businesses have destroyed themselves by ignoring the need for a break-even analysis

It is essential to remember increased sales does not necessarily mean increased profits

b) Cash flow projection

The cash flow is one of the most critical planning tool for a new or growing business

Businesses need cash for start-up or growth The cash flow analysis

* Shows how much cash will be needed,

* When it will be needed, and

* Where it will come from

The cash flow attempts to budget the cash needs of a business and shows the flow of cash into and out of the business over a period of time

Cash flows into the business from cash sales, collection of receivables, capital injections, etc., and flows out through cash payments for expenses, creditors, drawings, capital repayments etc

This financial tool emphasises the point in the calendar when money will be coming into and going out of the business

The advantage of knowing when cash outlays will be made is the ability to plan for those outlays and not be forced to resort to unexpected borrowing to fulfil cash needs

By preparing a thorough cash flow for the near to the intermediate future you can see the effect of a loan on your business more clearly than you can from an income statement often, you can find ways to finance your business operations or to borrow only a specific amount which will help you to keep your interest expense as low as possible

Cash is generated primarily by sales However not all sales are cash sales perhaps this does not apply in your business but if you offer any credit (charge accounts, term payments, trade credit etc) to your customers, you may want to have a means of telling when your sales turn into cash-in-hand

Your business may be subject to some seasonal sales, and again, a cash flow makes the liquidity problems pertaining to such large, occasional expenses clear

These documents will form the backbone of the financial planning Properly used they will act as a budgeting tool, an early warning system, a problem identifier and a solution finder

You would also need to complete a statement setting out

c) Sources and application of funding

This subsection must be included in your business plan It is a restatement of the information in part 7 "Application and Expected Effect of finance applied for"

Conclusion

Major anticipated expenditures should be supported by copies of contracts, lease and/or purchase agreements, or similar documents and included in an Appendix

Always make sure your banker knows what your needs will be well in advance Then don't get

crushed in a cash squeeze

Borrowing under panic conditions is dangerous

If you have thought through your business plan you know how much you need Ensure that sufficient funds are obtained less will only make your life difficult if not impossible

If your banker can give good reasons for you to borrow less pay attention but think it through

Similarly do not accept in excess of what you require as this will lead to your incurring higher interest charges

Negotiate the amount that you need

Also by knowing what you are borrowing money for and knowing how the facility will earn its repayment (cash flow again), you will avoid getting caught in the wrong type of loan facility

Tell your banker what you need the money for and what you think the facility should look like, listen to the reasons given if he or she disagrees - but make sure absolutely sure that you will not find yourself committed to repaying a facility faster than your cash flow can handle

A final reminder is Planning is the key to business success

* In a fortnight First National Bank will look at six major reasons why new businesses fail So don't forget your copy of Sowetan every Thursday

Alusaf plans new aluminium smelter

ALUSAF South Africa's only producer of primary aluminium wants to commission a new smelter which will increase production from 167 000 tons of aluminium per annum to 600 000 tons per annum The proposed new smelter will be the largest single aluminium smelter in the world

Alusaf and Eskom have already agreed that power would be supplied to the new smelter at a favourable rate linked to the price of aluminium Next to alumina, electricity is the single biggest cost component in aluminium manufacturing

The agreed lower electricity tariff and given that suitable alumina supply contracts can be negotiated, will enable Alusaf to produce aluminium at lower cost than the average aluminium producer

Given the favourable electricity agreement Alusaf may also upgrade the existing smelter in Richards Bay This would increase production to 640 000 tons per annum, making Alusaf the seventh biggest producer in the world

The pre-feasibility study has been completed and Alusaf and Eskom are satisfied with the results

The Genmin and Alusaf boards have now approved R7 million for a more detailed feasibility study which will provide more accurate information on capital costs, input costs and long-term marketing possibilities

The pre feasibility study showed that the capital costs of this smelter could be in the region of R3 000 million The more detailed feasibility study should be completed in February 1992



First National Bank of Southern Africa Limited Registered Bank

First for small business. First for you.

Business school plays a variety of roles

Question: AN ANC leader was quoted recently as saying that it was the first time he had ever spoken at a business school. Why is this so?

Answer..Many people wrongly think of business schools as being made up only of conservative faculty and students. This is not true. They are made up of liberals and conservatives, whites and blacks, men and women. A Graduate School of Business is there to help people become more skilled so that they can succeed in business with the hoped-for result that they and society will benefit. A business school does this through teaching, research and public service. Thus, in many ways, it helps big and small businesses, government, labour unions, political and social organisations and individual citizens play a variety of roles in society. As a result, they should be better able to help contribute to bringing about a better New South Africa. Therefore, ANC leaders and representatives of all groups committed to a new South Africa should feel welcome at a business school.

'Glass ceiling' shuts out women

W/Week 28/6 - 4/1/91

DO YOU have a nagging suspicion that the real reason you've been passed over for promotion is that you're a woman?

A recent research project by

the University of the Witwatersrand business school of the *Financial Mail's* Top 100 companies shows there's a good chance your instincts are right. The invisible "glass ceiling" that is supposed to shut most women out of management does exist.

Fifty three companies out of 100 responded to the survey, with at least 15 percent of the replies coming straight from the chief executives of the companies concerned.

The survey, sponsored by the Executive Women's Club Bursary Fund and its key bursary sponsor Liberty Life, also indicate some prejudice against women, even where women were seen as being competent, women's role in business was seen as being complicated by a conflict between work and family, and the "culture trap" of having organisations dominated by male values and behaviour.

Of the respondents, more than 50 per-

cent appear to be uneasy about promoting women, either for these reasons or because of a belief that women don't match up to men as managers.

However, to put the survey into perspective there was quite a high degree of willingness to redress the managerial imbalance between women and men.

But first, look at the bald facts of the actual number of women employed and their level in the companies, on average.

The survey found 35.6 percent of the workforce in the respondent companies was female, of management, only 13.1 percent was female.

Women's representation on company boards is less than one percent on average.

Head of the research project and Wits Business School lecturer Mike Bendixen notes "The under-representation of women in management is substan-

Recent research shows that women need affirmative action to crack the glass ceiling that keeps them in the typing pool. REG RUMNEY reports (1/1)

nal. Assuming that women are both willing and able to adopt management roles, there should be approximately three times more women in management than measured.

How do other countries compare? The *Financial Times* reported recently only one in four British managers were women, and only one or two out of every 100 senior managers were women.

The Wits survey also looked at attitudes, and here the research becomes more subtle, because it not only asked what issues faced women in management, but what affirmative action could support women in senior management. Around 45 percent of the companies considered imbalance in management acceptable, while 43 percent stated that management was taking steps to remedy the situation, with the remainder neutral.

There seems to be wide support for the granting of paternity and maternity leave.

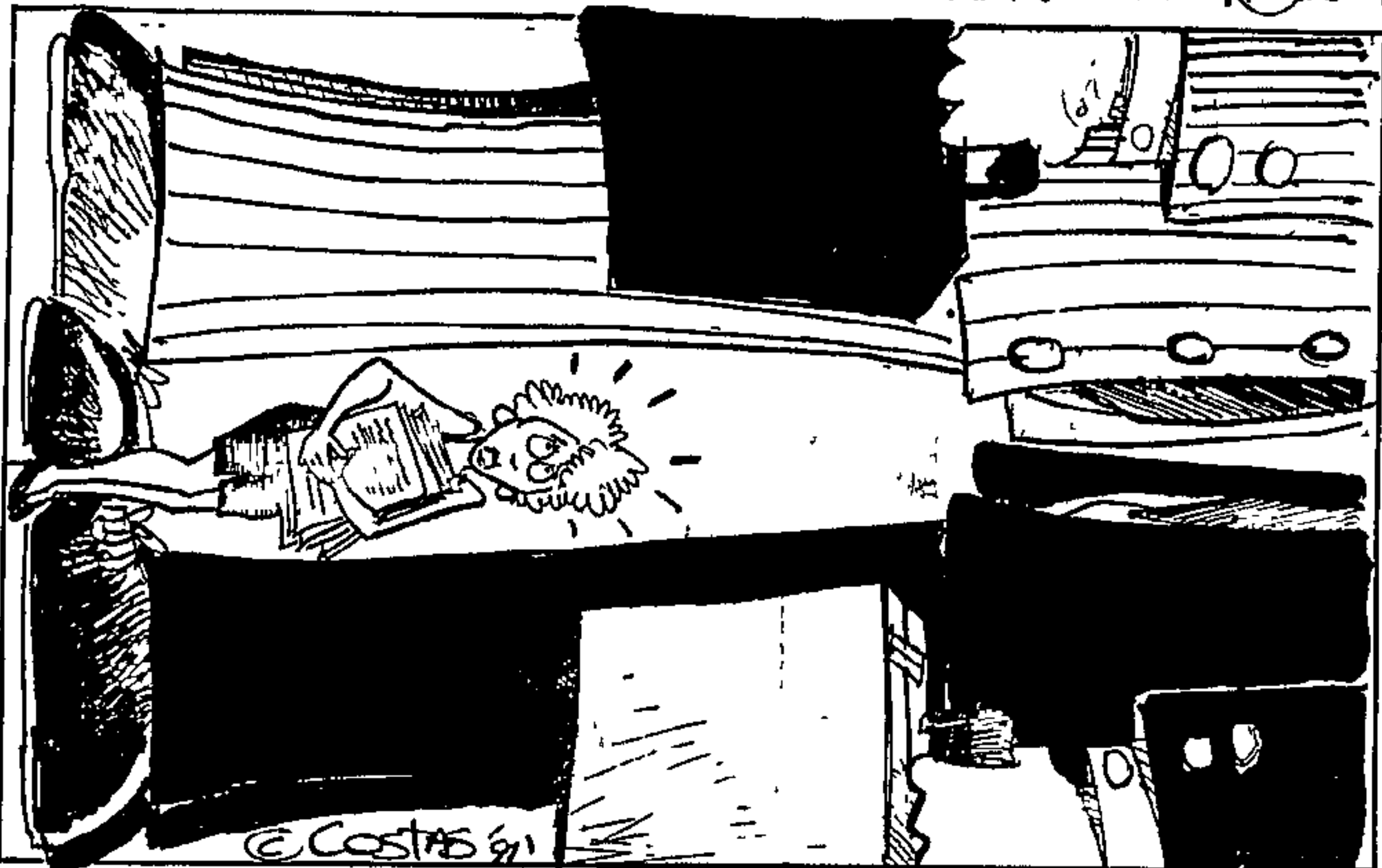
This seems a logical solution to the

problem of women's conflicts between working and raising a family. Secondly, counselling appears to represent a favoured affirmative action. It should be broadly based and include career planning, self-development, and changing corporate cultures.

Bendixen remarks a significant degree of contradiction in the responses, indicates fear of giving true answers. This shows a prejudice which the respondents cannot explain away, he says.

He adds there were no discernible patterns into which organisation could be slotted according to the attitudes to women in business.

This shows, he says, that the views held by organisations are not shaped so much by industries as by individual



managers. For those women who do make it, there is some relief. "Our research shows that at the upper levels women are not discriminated against," Naom Breum says that at senior level

salary disparities between women and men disappear.

"Our research shows that at the upper levels women are not discriminated against,"

Affirmative action gains ground in boardrooms

W/Week 28/6 - 4/1/91

By MONDU MAKHANYA

THE concept of affirmative action seems to be gaining acceptability in corporate boardrooms. While merely a year ago many businesses scoffed at the idea of actively encouraging the advancement of blacks to management positions, the attitude now seems to have changed. Major businesses have begun training programmes and some have set themselves target quotas.

The realisation is that a future black government may — in accordance with economic restructuring — possibly institute legislation compelling companies to have a certain number of blacks in responsible senior positions. Besides political considerations, also uppermost in businessmen's minds are the demographic realities of South Africa: the white population has a negative growth rate and unless black human resources are used there will soon be a shortage of skilled manpower.

Among the companies that are implementing affirmative action programmes are major conglomerates such as Anglo American, Anglovaal and South African Breweries.

SAB began its advancement campaign four years ago when it set itself a target that by the end of 1991 blacks should comprise 50 percent of its monthly paid employees — while collar workers

Group public relations officer Adriaan Botha says this figure is now "somewhere in the 40s". Botha admits that the company still a long way to go but contends that "not many companies have succeeded in this".

Edgars, personnel manager

UNHAPPY DAZE

Clem Sunter may not have got it all right with his now-famous Anglo-sponsored scenario for the future of SA, but he brought the low road/high road options into the language. A disturbing new survey has found that 70% of business leaders appear to accept the low road as inevitable and are planning (if that's the word) for it.

The survey was conducted by the Decision Makers Group, a business and marketing consultancy. Though the sample of only 60 senior executives was small, it was representative of 80% of the country's business power, according to Decision Makers' executive director Tony van der Schyf.

The executives tended to split into two camps: the pessimistic 70% and the more bullish minority. The majority was found to be paralysed by fear and uncertainty and unwilling or unable to adapt to changing marketing conditions. The minority feels more optimistic and is more aggressive in adapting to and capitalising on change.

Even though most of the executives accepted that exports, the black market and added-value products were the major potential sources of growth, new products and markets were generally seen in the context of "getting back to basics," as Van der Schyf puts it. Strategic imperatives were expressed in such terms as "sticking to the knitting" or concentrating on the core business. Big companies saw acquisitions and mergers as the major short-term opportunity for growth.

Instead of preparing for the changes ahead, they were obsessed with cost-cutting and staff rationalisation. Short-term thinking took precedence, a factor aggravated in listed companies that are under pressure to maximise short-term profits and return on shareholders' investments.

"Organisations less exposed to investment scrutiny were more favourably disposed to current conditions," Van der Schyf says. Thus the bullish minority was comprised of a greater number of executives of smaller and privately owned companies.

Other attitudes that he found worrisome included:

- ☐ The apparent inability or even unwillingness, especially among middle management, to recognise and adapt to changing market conditions;
- ☐ Procrastination and indecision about what action to take;
- ☐ A lack of consensus on the need for a focused strategy. Lip-service is being paid to

BUSINESS

Fm 28/6/91
strategic planning, new products and new markets, and

- ☐ A lack of understanding of the source of their companies' true core competence

Perhaps most alarming, the business leaders showed no commitment to stopping inflation. Virtually all the executives interviewed were highly critical of the financial authorities for their approach to inflation. Most felt the battle had now reached the stage of overkill and that a quick fix for inflation was not possible without severely damaging the economy.

BRANCHING OUT

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Wits Graduate School of Business Administration is forging ahead with its plan to provide education and training for government workers in a post-apartheid society

A new school, the Graduate School of Public & Development Management, will enrol its first students next year for a post-graduate diploma course in management in the field of public policy and development administration

Though the name of the faculty under which the schools will be incorporated will be changed, from the Faculty of Business Administration to the Faculty of Management, the two schools will have separate identities

A new R24m campus, funded primarily by Liberty Life, is being built in St Andrew's Road, Parktown, Johannesburg, next to the Business School, and will eventually have its own dean, faculty staff and administration centre.

Wits' proposal that it should create a separate department for public-sector education raised a storm of controversy when it was mooted late last year (*Business & Technology* December 7). Critics charged that SA's premier business school was moving from its core activity of providing post-graduate education for private-sector managers. There

was talk of overseas funding, and some fretted that the new school would have a strong ANC bias.

But Nick Binedell, senior lecturer in business strategy at the Business School and the driving force behind the initiative, says much of the criticism has subsided as plans for the new school have been given a sharper focus.

The prevalent view now is that the school will be playing a valuable role in preparing young South Africans across the racial spectrum for active participation in a post-apartheid government. Moreover, business and government have traditionally had an ambivalent relationship.

The feeling is that, if there is going to be formal public-sector education, it is best done as an adjunct to the Business School so that a healthy interaction between the two disciplines can be fostered.

Business School dean Keith Yeomans says "I believe the interaction of the two schools within the same faculty will promote closer working relationships between the public and private sectors in developing growth strategies for the economy."

Binedell adds that a creative collaboration between business and government is possible in developing countries. Indeed, he says, it's a hallmark of economies such as France, Japan and South Korea.

"Traditionally, the education of public-sector administrators has been conducted in the public administration mode at Afrikaans

universities at the undergraduate level," he says. "But the changing environment is indicating that English universities can now make a useful contribution. The Business School, which is not too far to the left of government and not too far to the right of the extraparlimentary groupings, is ideally positioned for this."

More to a job than just making money

South African companies pour millions into on-the-job skills training. The next logical step is an organisation that learns, from the top to the bottom, says a corporate training expert.

Behind most present corporate education systems lies the assumption that the mission of a business is to make money, not to learn. The rationale is if you want to study you can go to a university or a technician.

As a result corporate in-house training is often nothing more than a haphazard crisis-response to a skills shortage which is holding up productivity or affecting service, says Dr Karen Toombs, former teacher, university business lecturer and now head of training for a large computer company based in Rosebank, Johannesburg.

Standards of private company training vary tremendously, courses lack structure and there is little recognition for it outside of the company, she says.

"Also, what is clear is that South African companies today need more than skills training in particular areas. They are facing a critical need to develop the human resources base in general," she says.

"Schools aren't doing it, and probably won't do it adequately for a long time. We are finding we have to rejuvenate our intellectual capital ourselves."

Dr Toombs says this has led her company, Undata, beyond skills training to a new, larger in-house training concept, the "learning organisation".

The idea of a company that "learns" comes from the

pioneering end of management thinking in the United States and Japan which has identified continuous, self-directed learning as an integral part of adult life, growth and the ability to cope with change.

Companies the analogy goes, must also be able to learn — if they want to adapt, grow and meet demands in rapidly changing times.

Clearly a company's collective ability to learn depends on the capacity of its individual employees.

Therefore making a company into a learning organisation means constantly giving all employees — from top to bottom — the opportunity to educate themselves and upgrade their skills.

Conviction

This approach rests on the conviction that human beings have many needs besides money. They need challenge, responsibility, the space to contribute ideas and follow them through, and the recognition and reward of excellence.

If this is the case it follows that the way to motivate people to be more effective, valuable employees is to offer them these opportunities for life-work fulfilment.

Sounds Utopian?

"Yes it is," Dr Toombs agrees, "but none of this means the company becomes a charity organisation. The bottom line is

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still the bottom line profit for the shareholders.

"It is just that companies are starting to realise that people in an organisation are their most valuable strategic resource. Effective human resource investment, and fostering real staff loyalty, is the path to profit."

Dr Toombs admits the idea of a learning organisation implies drastic changes in corporate culture. Some quarters see a huge threat.

She has had to spend a lot of time doing internal PR, selling the idea within the company.

Typical responses are "I know how to do my job" and "what difference will it make to me?"

Part of the problem, she says, is that learning is hard. People don't like being exposed, least of all at work. For many people the idea of having to learn something is an admission of incompetence or a personal deficiency.

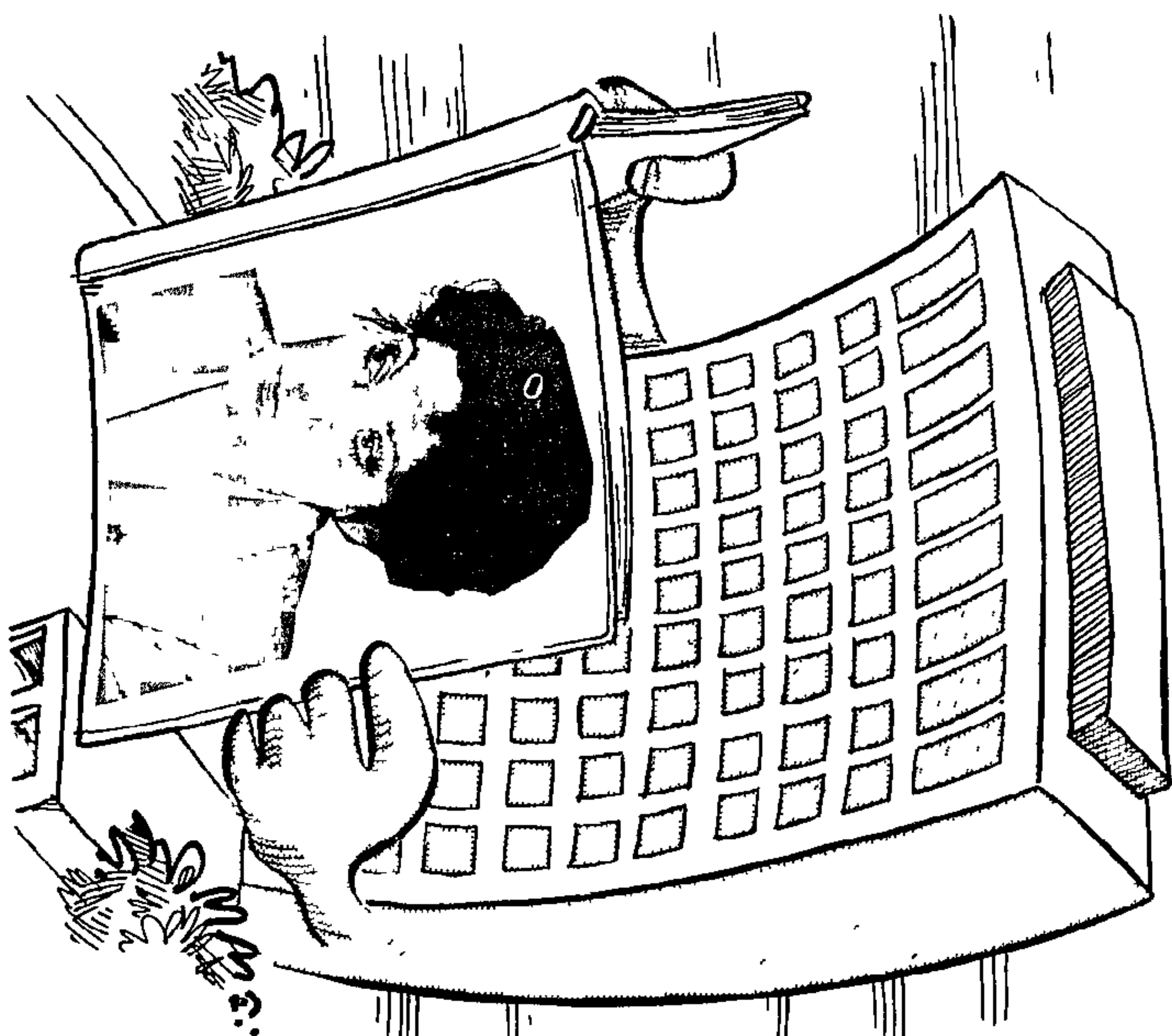
Courses (covering all costs) are developed in-house in areas considered necessary for the company.

"Our biggest problem," Dr Toombs says, "is to overcome the so what syndrome which happens as soon as education parts company with the real work situation."

"Staff on a course will meet for three hours once a week, over a number of months. At the end they write an exam."

"But first prize goes to the ones who can make the skills count 'out there'."

ADAM GORDON



Corporate challenge the company of the future will be a learning organisation, says educationist Dr Karen Toombs

R56,7m given to help the people

172 SOWETAN
REPORTER

THE ANGLO American and De Beers Chairman's Fund and Educational Trust approved grants of R56,7 million for community development last year.

According to Anglo's annual report, published at the weekend, 50 per cent went to secondary and tertiary education while a further 13 percent was committed to primary education

The Chairman's Fund continued to support many projects in rural areas concerned with providing better primary health care, encouraging entrepreneurship and developing agricultural skills

Projects

"Anglo continues to be a major supporter of the Urban Foundation to which a further R2,4 million was donated during last year.

"The South African Institute of Race Relations and International Affairs are also important recipients of the corporation's support," the report says.

A total of R570 million was committed by the private sector to projects to be undertaken in consultation with the black communities over five years. The emphasis of the projects would be on education relevant to employment

"The Private Sector Initiative formed last year by a group of companies, including the corporation, aims to expand the private sector's contribution to socio-economic development"

OSILVY & MATHER, RICHTFORD

THE DYNAMICS of the new SA present a great challenge to commerce and industry, particularly in the way that companies meet their leadership needs at board and executive management levels

It has been estimated that an end to sanctions and violence, and the

Clearly we need to reconstitute business leadership at board and executive management levels to meet both socio-economic and business requirements. The success of changes we implement will be measured by their impact on the performance of our business sector and its ability to provide employment for a growing population. That in turn depends on the calibre of managers and directors, and their ability to profitably serve their markets.

We need to take a balanced approach, and acknowledging the reality of racial demography should not mean disregarding the fact that if we are to survive as a growing industrial country, board and management performance will be judged purely on how they meet the needs of their

What those in favour of a blanket quota approach appear to lose sight of is that in the new SA there will still be a need for a variety of companies, and there will be as many ways of achieving company objectives as there are different sorts of companies

Forcing blanket quotas on such companies, both at board and management level, could deprive them of the skills and attributes they need to meet their objectives. So while economic emancipation is a non-negotiable essential for the new SA, it will hardly serve the economy to repeat past mistakes in another guise, substituting one form of racism for another.

TREVOR WOODBURN B/D 2001

Boards are being rebuilt from scratch. Their composition is being carefully re-examined through hostile audits — that assess past, current and future strategic direction — as well as in-depth appraisals of all board members' credentials.

Boards need an executive component and a non-executive component. The executive component usually consists of the company's key executives — like the MD, financial director and marketing director, hands-on managers who are key players in the corporate culture and who tend to have grown with the company.

As the UK's Institutional Shareholders Committee points out, the

Non-executive directors have to contribute an independent view to board deliberations, help the board provide effective leadership, ensure the continuing effectiveness of executive directors and management and ensure high standards of financial probity, according to the Code of Recommended Practice on Non-Executive Directors published by the UK's Pro Ned

An alternative is to identify black entrepreneurs who are successful in their own right and to appoint them as non-executive directors. Such individuals could make a contribution in terms of their market awareness and grassroots sensitivity. Their exposure to boards would then give them an opportunity to develop their strategic awareness while contributing to the business.

Non-executive directors are ideally experienced achievers with all-round business skills who have already proved themselves as executive directors and developed beyond that to acquire a relative detachment from day to day company concerns so that they have an overview of the company. They have to contribute boardroom skills and corporate governance experience which executive members, having spent their careers in one business, may lack. They complement the executive directors, broaden the board's experience and skills range and act as stabilisers.

Above all, they must have integrity and be able to contribute independent judgment, which means they should not have any direct link to the company's performance or conduct. Their primary income and position in the business community should be founded elsewhere so that they are relatively insulated from fluctuations in the company's fortunes.

Good non-executive directors are the product of years of executive management experience. Although they are actively being sought through the effective use of professional executive search, the effect of traditional barriers to black advancement is manifest. So, while there are black leaders who are ready for non-executive board roles, there are simply not enough to meet the need in the short term.

The answer is neither to give up in the face of difficulty nor to throw the wrong people in at the deep end. We have to set standards and work resolutely towards achieving them.

That means devoting ourselves single-mindedly to growing black managers and developing black executive and non-executive board members.

☐ **Woodburn is a search and management consultant and MD of Woodburn Mann.**

New move to bring blacks on board

Finance Staff

Staw 3/1/91

The Institute of Directors in Southern Africa (IOD) has offered to assist the National African Federated Chamber of Commerce (Nafcoc) in its drive to increase to 30 percent the number of blacks on the boards of listed companies within ten years.

The IOD is the only organisation in southern Africa to represent leaders of the free enterprise system as individuals. Its membership includes many decision makers in commerce, industry and the professions who contribute in large measures to the success of private enterprise.

Chairman Brian Hawksworth said the IOD fully endorsed Dr Sam Motsuenyane's call for sharply increased black involvement in steering the affairs of South Africa's listed companies.

"We believe, however, that this is possible only if an increasing number of blacks are educated in the responsibilities and duties of directors, and the IOD has offered to provide Nafcoc members with training and whatever other assistance is required.

"We also have encouraged Naf-

coc to identify possible members of the IOD, as this will provide continuing education and the opportunity to meet regularly with other directors of companies who, as IOD members, are committed to the improvement of expertise, status and professionalism."

Mr Hawksworth said his organisation's support for Dr Motsuenyane's objectives stemmed partly from its concern about the very small number of black IOD members.

"IOD membership stands at record levels and, of course, we are very pleased about this.

"We are concerned, however, that only one percent of our members are black, and that ongoing recruitment efforts have met with little success. Hopefully Dr Motsuenyane's call will prove to be a turning point."

Mr Hawksworth said the IOD had donated a R5 000 bursary to the Wits Business School, and that this had been awarded to Jack Jeremiah Mnsi, a candidate for the MBA Diploma.

Other highlights included the establishment of an Eastern Cape branch, and the holding of two relevant and successful conferences.

SA firms
'far behind
in staff
motivation'

Staff Reporter 172

SOUTH AFRICAN businesses are years behind those in Western countries when it comes to motivating employees to provide a high standard of customer service, says a US human resources consultant.

Ms Laura Lyons, who was born in the "Deep South" of America when black people did not have the vote and suffered all the indignities which today are associated with apartheid, is conducting seminars in the city on how to improve employee "attitudes".

As a motivator she teaches by example. She obtained a master's degree in human behaviour after leaving school at 15 unable to read or write.

Ms Lyons said yesterday that she concentrated on teaching employees how to solve problems constructively and why it was to employees' advantage to "go above and beyond the call of duty".

Laura Lyons

Picture ALAN TAYLOR

Course on small businesses

CT 11/7/91
THE Cape Town Junior Chamber of Commerce and Industry and the Institute for Small Business of the University of the Western Cape, will hold a training programme entitled Suc-

cessful Management for the Smaller Firm

It will comprise 18 lectures twice a week from July 23 to September 26, starting at 6pm. The cost will be R295

(172)
The course, at Cape Town Civic Centre, will cater for businesses ranging in size from one-person operations to 100-people concerns
□ Call Maryanne Martin at (02224) 3393

Business culture B1 Day 15/7/91 'has to change'

VERA VON LIERES

THE implementation of black empowerment in the workplace would necessitate a fundamental change in the culture of SA corporations, industrial relations researcher Duncan Innes says

However, he said in the latest edition of the Innes Labour Brief that most SA companies were not yet ready or willing to make such major adjustments.

"There is simply no way that a future black government, standing in some sort of alliance with a powerful black trade union movement, will allow the present white-dominated hierarchical control structures within companies to remain unaltered."

Innes said the challenge was to find new structures which would enable blacks to participate to a greater degree in the ownership and running of companies while promoting the efficiency of the organisation and — if possible — productivity

Although black economic empowerment had the same aim as nationalisation, the means of achieving that aim were different, he said

Innes said empowerment of workers should happen through a number of areas. These included eliminating all forms of racial discrimination, promoting economic democratisation at different levels within corporations, looking at black advancement programmes based on affirmative action and improving education and training opportunities for black employees.

Only 2,2% of top managers are black

ALTHOUGH many SA companies preach equal opportunities, little progress is being made in integrating management, says Business Challenge CE Phil Khumalo.

In an interview at the weekend, he said only 2,2% of managers in SA's top 100 companies were black, indicating that black employees were — on a practical level — facing obstacles in moving upwards

A study of 21 top companies conducted by Unisa's School of Business Leadership earlier this year found that only 2,2% of managers and less than 1% of senior managers were black, 3,3% were Indian and 2,6% coloured.

The petroleum industry had the highest percentage of black managers (3,4%), followed by wholesale and retail industries (2,7%)

The study found that poor economic growth and low labour turnover among managers had been detrimental to rapid black advancement and companies did not see the need for black managers.

Khumalo, who will be addressing a joint Transnet and Career and Research Development Strategies conference next month, said many companies did not yet have the confidence to promote blacks to executive level.

Those who were appointed managers often failed to get the necessary support from the corporate team.

Khumalo said SA companies had been late in identifying blacks with the necessary skills and resources to move into management positions.

Increasingly, companies needed to set short-term goals with a view to integrating management hierarchies and pushing rapid black advancement.

But it was wrong for black employees to expect to be pushed into management positions without the necessary skills and effort.

Instead, merit had to be the deciding factor in deciding promotion, he said.

Former Iscor chief Fleming dies, aged 93

MARITZBURG — A former Iscor chairman and prominent businessman Ian Fleming, 93, has died in Maritzburg, it was announced at the weekend.

Fleming held directorships of Dunlop Tyres, Eskom, Metal Box, Raleigh Cycles, SA Phillips, Samancor, Vecor, B K Savings Bank and other companies.

He was on the board of the SA Reserve

Bank and led the first SA trade mission to the Far East and Australasia in 1961.

Fleming was president of the SA Federated Chamber of Industries, national chairman of the SA National Tuberculosis Association, and a chairman of the Border Motor Traders Association. He farmed Brahman cattle. — Sapa.

bank says the integration is more than the R.A.

Grooming blacks for boards

(172) 17/1/91
THAMI MAZWAI
TWO training programmes are to be launched for blacks wanting to get into the corporate world as board members

National African Federated Chamber of Commerce (Nafcoc) president Sam Motsuenyane said his organisation's programme would start at the end of the year

The Black Management Forum (BMF) would begin a programme "sometime next year", said executive director Lot Ndlovu. His organisation had agreed to the programme in principle but more work had to be done on selection criteria, content and corporate participation.

Said Motsuenyane: "Our course has

been adapted from one offered by the Institute of Directors. The revamped version will take the backgrounds of our people into account."

The Nafcoc training programme is in line with Motsuenyane's recent call that in 10 years' time JSE-listed companies should have boards that are 30% black.

Although Motsuenyane did not specify the immediate target group, it is likely to be black professionals, who have the necessary academic background to make a successful entry into boardrooms.

● See Page 9

How black must a boardroom be?

6/10/91 17/7/91
THAMI MAZWAI

NAFCOC president Sam Motsuenyane's call that JSE-listed companies should make their boards 30% black has been met with widely differing responses from white and black businessmen

Peter Vundla, MD of the black-controlled advertising agency Herdhuys, said "Companies refuse to appoint competent blacks as general managers or to positions where they would strategically guide the company as a whole"

"Blacks have been appointed to sit on company boards mainly for token reasons and no substantial contributions were expected from them except to tell the company what was happening in the townships"

"We must be content with being social responsibility managers, public relations officers and so on"

"One of the few challenging positions given to blacks is that of human resources manager, but then the incumbent will only handle the black staff and will of course not be a member of the board"

Motsuenyane's call was made at a Nafcoc (National African Federated Chamber of Commerce) seminar six weeks ago in Cape Town and in an interview this week he spelled out his terms further

"This country has a sophisticated white business community and a struggling black business sector. These must be integrated if we are to have a non-racial economy," said Motsuenyane

"We need black directors, producers, investors and employers. It is the responsibility of the corporate sector to embark on affirmative action programmes to achieve these objectives"

To achieve this, he said

- JSE-listed companies must have a 30% presence of blacks on their boards,
- blacks must own 40% of the equity in these companies,
- black businessmen must provide 50% of supplies needed by these companies to hasten the process of black entrepreneurial development, and
- managements must be 60% black compared with the present 4%

These percentages, what he calls the 3-4-5-6 strategy, must be attained within 10 years

Motsuenyane's call provoked an angry

response from the white business establishment, perhaps summed up in the Financial Mail's comment

"It is difficult for us to reconcile Nafcoc's desire for economic growth, backed by the efficient allocation of resources through a free market, with its willingness to see both processes impaired — at obvious cost to black job creation — by the application of racial quotas to the running of the quoted companies"

"The object of a free SA must be to ensure that wealth and income flow to those with merit — not to those with a certain skin colour"

But black businessman Fueni Khoza countered this argument by saying

Qualified

"While our white colleagues are quick to denounce Motsuenyane, they forget that an unwritten law of 'no blacks in boardrooms' was in force until recently and many white companies still cling to it"

"It is all very well to talk of merit when government ensured it was whites who had this merit by giving them superior education"

However, the predominantly white Institute of Directors gave qualified support to Motsuenyane's call

Institute chairman Piet Krieser said his organisation agreed with Motsuenyane but not necessarily with his figures

"We support the appointment of suitably qualified blacks to boards and we have had discussions with Motsuenyane in that direction," he said

White business leaders say they cannot find enough black managers, investors, suppliers and potential board members to meet Motsuenyane's demands in the specified period

They say the education system would have to be massively transformed if Motsuenyane's criteria were to be met within 50 years, let alone 10

Appointing people to management positions because they are black, or making purchases along these lines, would lead to

inferior management and products, say white businessmen

They believe the competitiveness of companies would be undermined, particularly against foreigners, and the production levels of SA companies would drop

Affirmative action programmes, the essence of Motsuenyane's calls, are only effective if they complement merit as the major principle, say whites. If they become the dominant guideline the economy will deteriorate

"But who must be blamed for this abnormal situation?" asks Khoza "Why must blacks suffer?" He says this is what repudiating Motsuenyane's call amounts to

Peter Vundla says whites never look hard and far enough for competent blacks

Khoza said Motsuenyane did not set quotas but targets "If you aim at nothing, you will hit nothing," he said

He says there are enough qualified blacks for boardroom appointments.

"We are talking of non-executive directors who contribute to the drawing up of broad policy guidelines, strategic planning, helping the organisation scan the environment and highlighting issues that may impact on the company"

"Any person with intelligence and appropriate qualifications will be able to do this and in return he will be exposed to a new environment with the potential of developing his capabilities. What we need are opportunities"

Black Management Forum executive director Lot Ndlovu and Mike Ntlatleng, public affairs director of the Foundation of African Business and Consumer Services, endorsed Motsuenyane's call, but stressed that merit should be the main criterion

□ MOTSUENYANE . . . setting targets

They say that a substantial number of people could be found in the black community to assume senior responsibilities

Ndlovu said only a few blacks had so far been appointed to boards, and these were now being used as a pool whenever a company wanted a black person on its board

"There is a desperate need to increase this pool," he said



Hillview school 'bombed by amateurs' says expert

DARIUS SANAI

THE terrorists who bombed the Hillview High School in Pretoria on Sunday "did not know very much about blowing up buildings", a demolition expert said yesterday.

The expert told Business Day that 25kg of explosives, properly placed, would "raze a school building to the ground".

Police reports said that 25kg of explosives had been used in the blast, which partly demolished the empty school building earmarked for use by children of exiled ANC members.

Sapa reports that the Boere Vryheidsbeweging (BVB) met two government ministers in Pretoria yesterday to request that the school not be used to house children of ANC exiles.

BVB chairman Prof Alkmaar Swart said in a statement he and Jan Groenewald met National Health Minister Dr Rina Venter and Law and Order Minister Adriaan Vlok. *Business Day 19/7/91*

"The BVB stated its case and said the decision to use the school to accommodate ANC children was unfeeling. We seriously asked Minister Venter to ensure, in the light of the pent-up resistance, to reconsider her intention."

The minister gave her assurance that her options were still open and that she would inform the BVB of any other decisions, Prof Swart said.

Leadership lessons are top drawcard

Business Day 19/7/91

TANIA LEVY

WOULD-BE township leaders are queuing to attend Wits Business School and learn the sort of skills previously reserved for senior corporate managers.

The school's community-based development programme is part of a thrust to ensure that it not only serves big business, but provides leadership to public sector and community organisations.

Programme co-ordinator and former Cosatu education officer Frank Meintjes said in an interview that community organisations which previously relied on political slogans to mobilise people, now faced the challenge of converting slogans into plans with time limits and results which could be measured.

Programme director Dave Adler said the politics of mass mobilisation, which previously sustained these organisations, was often used to hide organisational inefficiency.

Funding

After the abolition of apartheid and repressive laws, members of trade unions, civic associations and other anti-apartheid groups had become less militant and were increasingly questioning organisations' leadership, structure and accountability.

Adler said cutbacks in funding, particularly from overseas, were forcing community-based organisations increasingly to analyse their effectiveness.

Funding previously made available to human rights causes was now being channelled into specific development work.

Community-based organisations had to

become more effective to attract funding — and make it go further.

Areas covered in the four-month course included problem-solving, decision-making, strategic leadership, needs analysis, budgeting, fund-raising, progress evaluation, labour law, marketing, adult learning and media relations.

Meintjes said the main difference between the programme and other courses offered by the business school was that the programme's students were drawn from non-profit organisations which usually had a strongly political culture. These groups also had a strongly collective approach.

Meintjes said the anti-apartheid "sector" had grown remarkably in recent years and pulled in hundreds of administrative people. But it suffered from one of the major problems facing SA big business, it was drawing its human resources from a pool of unskilled people with a disadvantaged educational background.

Adler said the programme started from the basis that development consisted of four equally important facets — the economic, social, political and psychological or spiritual.

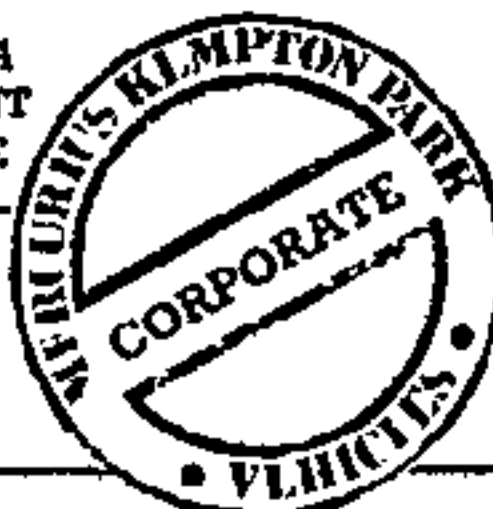
Participants were taught to assess the broader context within which they worked.

For example, community-based organisations that were concerned about redistribution of wealth must learn about wealth generation, said Adler.

Meintjes said the programme was not party political, but it fitted into and identified with the broad extra-parliamentary democratic movement.



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A burden for professionals

ST Times 21/7/91

(Burr Times)

VAT WILL be payable on professional services after September 30, providing the professional has an annual turnover of more than R150 000, or registers voluntarily.

Professionals often wait months before receiving payment from clients, but they will have to pay output taxes to the Receiver within their tax period, regardless of whether the money has been collected.

For example, pre-Vat receivables of R500 000 will rise to R560 000 without any real increase in billing revenue. The professional will have the burden of financing this extra R60 000 in his tax period.

To ease this squeeze the Receiver has allowed professionals to change from an accu-

al to cash accounting where their taxable supplies cost less than R1-million a year. This means they will only be liable to the Receiver for the net difference between Vat actually received and paid.

The negative cash flow will also be partly offset by the refund of input taxes on goods and services on which the professional previously paid GST. Examples are computers, furniture and other assets.

So a professional registering as a vendor could in fact reduce the overhead cost structure of the practice.

The introduction of Vat on previously exempt services, such as rent and telephones, will have little cash impact, and no effect on overhead expenses to registered vendors. This is because they will receive input tax refunds.

As most of their services are not subject to GST, professionals will have to calculate their work in progress on September 30. Billings for services rendered after this date will be liable to Vat. But work completed before this date and only billed afterwards will still be liable.

Enterprise

Professionals will also have to maintain accurate accounts. It will be necessary to take stock of consumables on hand at September 30 on which GST was paid to calculate input credits to be claimed.

Accounting backup will also be needed for timeous claims of input credits incurred after this date.

Vat legislation distinguishes between a partnership and the partners. For Vat purposes the partnership carries on the enterprise separate from the members, so only one registration number will be needed.

When a partnership dissolves, it will not have to re-register for Vat.

In spite of this separate identity, each member of the partnership will be responsible for Vat liability. An exception is the limited liability (en commandite) partnership.

Vague legislation has caused confusion among attorneys about whether they are an agent or principal in their dealings with counsel. Counsel will charge the attorney Vat on his services. If the attorney is acting as an agent on behalf of the client he will not be able to claim this from the Receiver.

If the attorney is acting as principal he can claim input credit on the Vat paid, and charge it regarded as output tax when invoicing the client.

Programme's first managers graduate

THE SA Management Programme, a multiracial corporate programme aimed at training managers for a post-apartheid SA, has produced its first graduates.

The programme, devised by industrial relations consultant Ernest Mchunu, involves problem solving and theoretical course work. The latter is overseen by former Wits Business School dean Prof Andy Andrews

24 7 8 11
ROBERT GENTLE

The second leg of the programme involves sending selected candidates to black corporations in the US for a three-month internship.

Synergy Consulting MD Roy Marcus said SA had one manager for every 65 workers compared with the US's one in 15. SA would need about 150 000 extra executives by 2000.

Pioneering move into public administration

WITS Business School is pioneering the teaching of public administration for a new South Africa

A new course — Public Policy and Development Administration — will be offered by the school from next year

This will be a one-year post-graduate diploma covering conceptual development and skills training

A Public and Development School is planned for the future

Course organiser Patrick Fitzgerald, in a recent paper, said: "We need a well-considered programme of action to bring into the civil service at a senior level some of those previously excluded from a civil service career by dint of race, political persuasion or principle"

Affirmative action techniques were required for initial restructuring and future recruitment and training policies, he said

Learning to manage in white waters

"MANAGING in permanent white waters" is the latest concept in training in South Africa

The turbulence that faces managers is the topic of the Strategic Management Society of Southern Africa's second conference, due to take place today

Head of the newly formed Graduate Institute of Management and Technology and patron of the society Andy Andrews says

managers must acknowledge that turbulence in our society is permanent and managers should not act as if it were temporary

Volatile

"Managers are facing uncertainty, rapid change and volatile situations

"They need to rethink the way they manage so they can cope with this situation on a permanent basis," he says

Keynote speaker at the conference is Professor Derek Channon, professor of strategic management and marketing at the Management School of Imperial College, London

Other patrons of the society are Development Bank of Southern Africa's Simon Brand, Trade and Industry director general S J Naude, Stanbic MD Conrad Strauss and Malbak executive chairman Grant Thomas

172

courses

Creating 'cutting edge thinking'

MANAGERS in South Africa are uniquely placed to alter the complex and changing situation they face. The Centre for Innovative Leadership (CIL) was set up last year to bring "cutting edge thinking" from the Massachusetts Institute of Technology (MIT) and elsewhere into SA's boardrooms and educational institutions.

Director Louis van der Merwe says this is essential if SA is to have a successful future.

"Our purpose is to challenge leaders to rethink and reawaken the potential of their organisations," he says. **51 Dec 24 (1991)**

The course — Leadership, Vision and Systems Thinking — was developed in the US by Peter Senge, director of MIT's Organizational Learning Centre.

Senge's work focuses on how the applications, principles and practise of management can build organ-

sations while fulfilling the personal aspirations of workers.

Set up in conjunction with the centre was the Community Leadership Trust, which provides funds for needy people wanting to do the courses. Van der Merwe has worked on the project with Senge and Arne de Geus, formerly of the Shell group, who is now with the London School of Business

The course challenges candidates to reach new levels of personal and professional effectiveness. They are asked to "temporarily suspend assumptions, judgments, and beliefs about the customer, the product and market so you can fully experiment with new concepts of leadership".

Van der Merwe says: "Bureaucracy and control, prevalent in learning insti-

tutions, has stifled learning."

Another aspect to the course is systems thinking — getting people to look at the wider picture and not just the compartmentalised parts.

Learning is accelerated by creating playing fields or "management flight simulators".

□ The Leadership, Vision and Systems Thinking course will be run on September 4, 5 and 6 and again on October 16, 17 and 18.

A popular option for grooming management

Biscay 24/7/91
SPECIALIST two-day open courses are becoming a popular training option for the executive, says Management and Skills Training (MaST) MD Richard McBride

(172) (172)
"Small organisations either cannot afford customised in-house training programmes or there are not enough staffers to justify such programmes," he says

"On the other hand, large organisations cannot afford to have an entire department absent from the office for a few days"

He says MaST's open courses address both these problems.

"The smaller organisation can send one or two key staffers on a course. The larger one can stagger the impact of having staffers out of the office by sending them on the same course at different intervals"

Your big chance to study at Harvard

Source: 25/7/91
BLACK South Africans in mid-career have a chance to obtain advanced training at Harvard University in the United States

This can be done through applying for a fellowship with the Harvard/South Africa Fellowship Programme, which is run by the South African Institute of Race Relations

According to the bursary director of the Institute, Mr Dennis Venter, the programme is intended for those men and women who have shown considerable skills in their chosen fields and who would be likely to benefit from advanced training

The fellowship provides for up to one year's study at Harvard. It includes all tuition and fees for the period of enrolment at the university, as well as a subsistence allowance and the cost of a return air ticket.

The average age of those selected for the fellowship is between 30 and 40.

Candidates who have just completed, or are busy completing their first degree are not normally selected.

This does not apply to those candidates who are conducting their studies

25/7/91

By ALI MPHAKI

concurrent with, or subsequent to, professional experience in the workplace.

Venter points out that to be eligible for a fellowship, a candidate need not have received a first degree

Several fellows without degrees have spent a year at Harvard as "special students", for example, in the programme for management development at the Harvard Business School.

Candidates are expected to attend one full academic year at Harvard

As the American academic year begins in September, most fellows begin their studies in the September following their selection

Each year about 200 applications are received, of which from 12 to 15 candidates are interviewed by the selection committee in late January.

The closing date for applications is September 30 1991.

Application forms are available from The Harvard/South Africa Fellowship Programme, South African Institute of Race Relations, PO Box 32597, Braamfontein 2017

APARTHEID had a negative effect on all races. Trauma was experienced by black and white. We are aware that those who were severely indoctrinated by the system may have to undergo therapy.

However, for most people in the workplace it may be useful as starters to sit down with people that you "normally" do not talk to and begin to talk. Bear in mind that no language is inferior or superior to the other.

Understandably, in South Africa the theory of communication art - intercultural communication - seems to carry a negative connotation because it teaches us to look at our cultural differences (which have caused the communication problem) and learn to discover common ground in order to begin valuing our diversity as a people of one nation, one country, South Africa.

Failure to accept the diversity of cultures, particularly by corporations, can only mean limiting the ability to appreciate as well as manage it to maximise the advantages. Therefore, whatever names we use to legitimise the concept of intercultural communication, the reality is such that intercultural communication cannot afford to be ignored in South Africa.

Communication experts argue that embarking on a process of legitimising intercultural communication is an act by "the dominating culture" to introduce brute reinforcement for the perpetuation and domination of its views in order not to disturb the balance of power and create an awakening in the dominated toward the true nature of the communication interaction.

In much the same way as blacks who say that they do not have communication problems with whites, they are speaking within the context of being dominated. In this case, not only is the language clear but power relations are also understood and form the backdrop for all communication.

By definition intercultural communication means the process of communication among people of diverse cultural backgrounds.

Culture inculcates biases, however, it is felt that people of diverse social backgrounds can with

Communicating to better know our differences

Dr Gail Mokothl (pictured right), who is employee communication manager at Eskom, is our guest columnist this week and she speaks about intercultural communication.

A little effort communicate with people other than their racial group without being outright nasty.

Contemporary South Africa is inhabited by diverse racial groupings who, by virtue of the disproportionate monopoly of power (social and economic) by people of European descent, and has been marked by a lack of communication between people.

White South Africans used their political hegemony to suggest that non-Europeans (blacks) were inferior. Communication has been made through the statutes and

physical force.

Blacks in turn reacted to what was communicated through acts of violence or in some cases submission. The communication achieved, if any, was that of master-and-slave.

The master gave orders and the slave obeyed or disobeyed and the consequence for the servant/slave was punishment.

Our argument suggests that communication was thwarted because there was absence of equality. Therefore in the absence of equality there is disrespect or fear. Undoubtedly this state of affairs affects healthy com-



agers, both black and white, have to provide leadership in creating a healthy workplace so that intercultural communication may be facilitated.

The time is right for white South Africans to begin to act like ordinary human beings. In actuality, ability to accept other races as equals is truly a mark of greatness. The blacks have to do the same.

The question before us, then, is who must do most of the adjustment? On the other hand, how do black managers begin to create a conducive environment for intercultural communication without being labelled collaborators by other blacks and as being whites in black skins by whites?

S u g g e s t i o n t o E m p l o y e r s

In an effort to effect intercultural communication I suggest that you implement the following at your workplace:

1. Language: White employees should be encouraged to study an African language, such as Zulu, Sotho, Xhosa or Venda etc. Another alternative would be to learn the language predominantly spoken by the majority of African people in your business unit including the surrounding area.

2. Seminars/Sessions: Seminars on intercultural communication can be conducted using consultants in the field. Breakfast or lunch sessions where a speaker is invited are usually taken for granted but their implications are far-reaching.

3. University/Technikon Courses: Besides taking courses that enhance job skills, it is suggested that employees are encouraged to take courses in psychology, sociology and anthropology so that they can start to appreciate the diversity in their company and in South Africa.

4. Intermural Sports: Employers should sponsor sports and recreational activities where contact is promoted between various cultural groupings. This need not be confined to a company, it can also involve interaction with other companies in close proximity.

This means that man-

Communication sets the ball rolling

Star 25/7/91

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South Africans are learning to communicate better — that is what is bringing about the “new” South Africa, says managing director of the National Occupational Safety Association (Nosa), Keith Anderson.

He believes the country is the same and the people are the same but improved communication between the different cultures is what is chiefly responsible for change.

Nosa, which last year trained almost 60 000 people in safety procedures at the workplace, sees better communication between it and the

country's trade unions as an important feature of its contribution to the new South Africa.

“Unfortunately our association with unions has not been what it should have been and we are tackling this as a high priority issue.

“Recently we have made direct contact with a number of unions and will meet others in the near future. We are hoping that these discussions will lead to the formation of a truly representative body consisting of management and worker nominees to set the pace for a safer working environment.

“This process will hopefully lead to having a senior shop steward accompany management and Nosa experts when on a safety audit of a company.”

Mr Anderson says that with South Africa's reacceptance into the world, local companies are going to have to make radical changes.

“Companies will have to change their slow moving, bureaucratic hierarchy to respond to market technological changes and to stimulate innovation. In a nutshell, this means learning to do more with less.

AFRICAN BANK

THE FINANCIAL LINK

Learn to negotiate at seminar

THE Women's Bureau of South Africa will hold a seminar/workshop on August 20 entitled *Negotiating Skills*

It will be presented by Kerry MacFarlane, a manager at Office Management Training, Old Mutual

The venue is the President Hotel, Sea Point, and the R75 fee includes lunch and teas

Kerry is a graduate of Stellenbosch University and has studied at UCT. For the last four years she has taken a special interest in negotiation and negotiation skills training

She recently returned from a month's visit to the US where she visited the Harvard Negotiation Pro-

ject and attended a seminar on gender negotiation issues

She believes that women have problems in a negotiating situation because of stereotypes attached to them

Kerry said "The principles for effective negotiation are linked to the level of assertiveness and level of confidence

"The traditional role of women is 'the nurturer' and women find themselves in a dilemma between nurturing and being assertive"

Negotiation is constantly in use in the political arena and the workplace but is also in use in the home and family situation

It is a skill which some have more aptitude for than others and it is a skill that can be taught.

Unfortunately women are usually not taught how to negotiate

In this seminar Kerry will deal with the core principles of effective negotiation and will address the specific problems that women face

She will provide women with the skills to manage "perceptions" and deal with their particular problems

The seminar is 8 30am for 9am until 5pm

☐ To book call (021) 45-8911 ext 2297/8



Kerry MacFarlane

PEOPLE do not leave their jobs because of the money. Those who leave and those who stay are equally dissatisfied.

Some managers may blame external factors, such as pay, for high staff turnover. But they will probably be disappointed if they attempt to improve staff retention solely by increasing pay. Internal factors such as recruitment, induction, career progression and line management are also likely to warrant attention.

These are among the main conclusions of a report by the Institute of Manpower Studies (IMS) at Sussex University. The report outlines how to calculate whether an organisation has a retention problem, how to categorise leavers so remedial action can be targeted and how to calculate turnover costs.

More important, it spells out why workers quit. Here are leavers' top grouses, as collected by IMS.

"The job wasn't what I thought it was going to be."

Dashing the myth of why workers quit

15/004 11/8/91

Early disillusionment and departure are common when jobs are oversold. Recruitment literature, advertisements and interviews should not fuel unrealistically high expectations.

"I got thrown in at the deep end." Lack of attention and guidance from the line manager in the early weeks may mean the new recruit fails to feel part of the team. Confidence will be dented and commitment undermined if new employees find themselves in high-pressure jobs with little or no training.

"The job was boring." This usually means employees feel a lack of autonomy and control over the tasks or pace of work, lack of responsibility, variety and challenge, particularly for those who feel their skills are not being fully used.

DIANE SUMMERS in London

"It wasn't fair that I didn't get promoted."

Disappointment with promotion and development opportunities is common. Employees often perceive the speed of promotion to be widely variable and inconsistently applied by different managers. Performance management systems are frequently seen as open to bias and employees are often unclear about the criteria against which they are judged.

"I didn't hit it off with my boss." Line management has an important daily impact — at best, it can substantially increase satisfaction,

at worst, it can have far-reaching and damaging consequences. Young workers, in particular, may become quickly disillusioned if they are exposed to ineffective or widely inconsistent standards of management.

To emphasise the importance of this last point, IMS quotes a recent group of leavers who were asked to contrast the quality of supervision they had expected with what they had actually received. Most felt managers held the key to keeping staff and pointed to differing turnover levels within different departments of the same organisation.

These leavers had expected their line manager to provide constructive feedback, generate respect and loyalty, assess performance fairly, allocate interesting and challenging work, and support their staff.

In reality, they claimed to have experienced unapproachable, uncaring and distant behaviour, as well as complaining that their bosses had favourites and failed to consult staff.

The line managers concerned would no doubt be the same group that would remain wedded to the more comfortable notion that external factors, such as pay, are the greatest influence on the retention of staff. Such managers may be interested to know that IMS found the offer of a pay increase would bring under 10% of would-be leavers back to the fold — Financial Times

□ FIRST National Bank's trading range for the Deutschmark was incorrectly reported yesterday as ranging between DM1,6725-1,6940 during the next week. This was FNB's range for sterling and the correct range for the Deutschmark is between DM1,7232-1,7642. Business Day regrets the error.

REVIEW

Local is lekker to train leaders

Star 2/8/91

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Poking fun at yuppies is a pleasant after-dinner pastime, but at work they really don't have it so good. For one thing, there are not enough of them, and, according to Wits Graduate School of Business lecturer Conrad Veldge, they're often too young to cope with stress.

"Managers are often over-strained, and they have too many people to supervise. They can only attend to the bare essentials, with no time for dealing with the finer points."

South African managers are notoriously bad communicators; you can see it clearly in indifferent to appalling customer service, aggravated by a tolerant and uncomplaining consumer.

The obvious lack of skilled managers is making training essential, but the nature of training in South Africa has had to change.

What is learnt by managers in training courses is often not taken back to the workplace. Mr Veldge calls this problem "fade-out".

There has been a tendency in the past to have training for training's sake. Managers have to learn to apply their knowledge in the workplace. Various methods can be used, including mentoring and "action learning", but what is most important is that the managers learn about themselves first, and from that develop

skills to interact effectively with employees. Just to say staff members "lack motivation" is a copout.

"Most people are more positive than negative, and would rather be productive than destructive, but the environment that managers create for their employees is what demotivates them and it all boils down to communication," says organisational behaviour specialist Nigel Fann.

South Africa's businesses have been dominated by white males, and managerial training has consisted largely of high-tech courses imported from overseas, very expensive and often inappropriate for South African conditions, with a "hard sell" philosophy.

Absurd

"We were using videos that people couldn't relate to," says Mr Fann. "We used absurd American jargonese instead of normal words. In America you 'probe' your customer. Here you simply ask them. You would talk about a 'qualified lead', instead of a 'possible customer'."

"Now we're doing it differently. We are using South African voice artists on our tapes, and we often find that videos aren't as effective on our trainees as active participation. Role-play which was pooh-pooohed by the 'big white bosses' years ago works well with our people."

Local training companies that specialise in motivational management courses are recognising the changing face of South African management — more blacks and more women, making the "big white boss" tactics inappropriate.

"It is a sad feature of South African managers that they are unable to really communicate with their employees, and in the past they were able to get away with it," Mr Fann says. "But with the opening up of South African society, people are going to have to learn to talk to each other, and this is specially vital in the workplace."

Once again, South Africa is discovering that "better" can mean "South African". Some companies are developing management training packages designed for the South African manager for South African conditions.

These training programmes evolve continually, and very often custom-designed programmes are needed for companies who are gearing their business methods to suit non-racial South Africa.

"Effective training doesn't just happen — you need to work over a long period of time, not only teaching management skills, but also teaching the manager how to apply them in the workplace," says Mr Fann.

PETER WILSON

hnl

Blacks 'have problems in gaining top positions'

A TOP-LEVEL manpower conference at the weekend called for a radical overhaul of attitudes, and for the fact to be faced that blacks had difficulty in attaining executive positions.

The conference, held in Johannesburg, was organised by Transnet and human resources consultancy Career and Resource Development Strategies (Cards).

Centre for African Studies director Eugene Nyati called for managers to "at least face up to the truth" that blacks had problems in gaining executive positions, and not to ignore the issue under a "veneer of racial calm", as happened in Britain and other European countries.

Strategies

The call for a radical overhaul of management views towards personnel was echoed by many speakers. The problem was being addressed to an extent in the US, but SA companies could benefit if they managed adroitly the diversity within their workforces.

"In SA we tend to ignore diversity within organisations because recognising racial differences is associated with apartheid," said Cards spokesman Keith Rosmarin.

Multicultural societies naturally had problems adjusting to the mix of people within the workplace, he said, but companies could follow strategies that not only solved the problems caused by this, but helped them benefit from it.

American corporate consultant Valpordeal Sanders said that people worked best when ways in which they differed from their colleagues were taken into account,

DARIUS SANAI

not ignored out of fear of racism.

Delegates from more than 20 major SA companies attended the conference. Panel guests from around the world included veteran black US corporate psychiatrist Price Cobbs and other international human resources advisers.

Nedcor Human Resources Group GM Brian Wegerle said that top managers had to be prepared to plant "mental landmines in the heads of people running businesses", to break patterns of people management.

People worked best when they felt valued as individuals, and when they could see that their differences to other people were being taken into account.

Cobbs said during the panel discussion that SA had particular problems, but many of these were reflected in the US.

Sanders said consulting companies in the US had formulated programmes and strategies for change in management techniques. Some of this technology was available through Cards.

Barlow Rand Group Human Resources Manager Andre Lamprecht likened present-day management techniques to using a 1921 sewing machine in 1991. "It still works," he said, "but using a modern machine would work much better."

People could recognise modern technology, he said, and would not consider using archaic machinery, but were much slower to change business practices and labour relations in tune with a rapidly changing world.

Sticking to old practices would cripple the business world.

Need for more black managers

JONATHON REES

MOST managerial jobs in industry would have to be filled by blacks in a future SA, Institute for a Multiparty Democracy executive chairman Oscar Dhlomo said last week. *Monday 5/8/91.*

Addressing a meeting of the Johannesburg Afrikaanse Sakekamer, Dhlomo said when a predominantly black government came to power it would almost certainly insist that more blacks be brought into management — sooner rather than later.

Industry should not wait for the future government to tell it to do this, but should begin to implement policies to facilitate the rapid advancement of blacks up the managerial ladder.

Dhlomo said socio-political change in SA would be most profound in industrial relations. Failure to manage this change would destroy SA's chances of being an industrial giant holding its own internationally.

There could not be industrial peace until workers were included in industrial decision-making, especially on matters that affected them directly, he said.

Dhlomo predicted that company board rooms might eventually include director drawn from labour representatives. This would help eliminate the "we-they syndrome" in labour relations.

Workers could also then begin to believe that employers were sincere when they argued that industries were unable to meet union's wage demands. *(172)*

Acceptable *(172)*

And management would similarly begin to understand worker's problems directly.

Dhlomo said he hoped South African would soon, for the first time, be able to regard themselves as a national team with a single and shared vision for the future.

Turning to international trade, Dhlomo said SA products would be acceptable only if they were seen to be durable, reasonably priced and available on demand.

SA would have to compete in the global economy in order to survive industrially and economically, he said.

anket division, to a consortium represented by Victor Eric Cohen, a major textile

New overall concept of business needed

SOUTH Africa needs a new overall concept of business which will take account of the traditions and culture of the African participants in commerce and industry

This suggestion by Mr Reuel Khoza, managing director of Coordinated Marketing and Management, was made at the first annual national Diversity conference held at the Carlton Hotel this week.

Khoza said the business world as currently conceptualised and structured in most South African corporations is generally cast in a Euro-centric mould

"Little or no account is taken of what contribution indigenous African world-views can make in better shaping the world of work," he said

The two-day conference drew speakers and panelists who are internationally and nationally recognised as being in the forefront in recognising and working with the complex issues of work force diversity and change

If anything, the conference was a good first step toward an understanding that diversity in the work force contributes to a strong economy. Equally important, it shed light not only on the differences in South Africa but also the vast areas of common interest

Khoza, speaking on the theme "The need to develop a South Africa-based approach to management", said Western managerial ploys such as strategy, organisational structure, systems, and so forth, function optimally in a conducive environment

"It is to that which would make for a conducive environment in South African commerce and industry that we turn our attention," he said

By ALI MPHAKI

Referring to his South African-based approach to management as the "community concept", Khoza said this type of management has a strong philosophical base in the concept of Ubuntu

"This requires that management be approachable, not to say overfamiliar. After all, in African villages the chiefs are highly dignified personalities but yet very approachable."

Belonging

"An atmosphere of informality must overhang the chores and procedures of business if employees across the board are to feel a sense of belonging. The managing director who is unable to engage in occasional informal chats along the corridor with the young trainee several rungs below him cannot hope to generate esprit de corps in the organisation," Khoza added

Another speaker, Mr Eugene Nyati, director of Centre for African Studies, said he has found "immense" institutional resistance from corporate South Africa to lending to blacks or black management advancement.

"While companies pay lip-service to equal opportunity, promotion of blacks in line management is so insignificant as to be virtually non-existent."

Nyati called for the creation and support of a black middle-class, although ready to caution that such a middle-class should not be large enough to threaten its white patrons, and yet be visible enough to act as a psychological and physical barrier between the whites and the angry and hungry black masses.

Interviewing time costly

MORE than R1m could be wasted each day on the Witwatersrand alone due to managers interviewing unsuitable applicants or spending too much time on unproductive interviews

The People Business co-director Jill Hamlyn says about 20 000 skilled job interviews occur on the Witwatersrand each day

"An interview with a suitable applicant should take about an hour, while if the applicant is unsuitable, it should take no longer than half-an-hour"

She says management personnel often interview applicants they should not be seeing in the first place, and generally spend too much time with them

If 20 000 interviews are conducted daily at an average of an hour each, then at least 50% or 10 000 hours are wasted daily

"Taking a conservative cost of a manager at R100 an hour, we see a R1m loss each day," she says.

With this in mind, her company has launched an interviewing skills management course

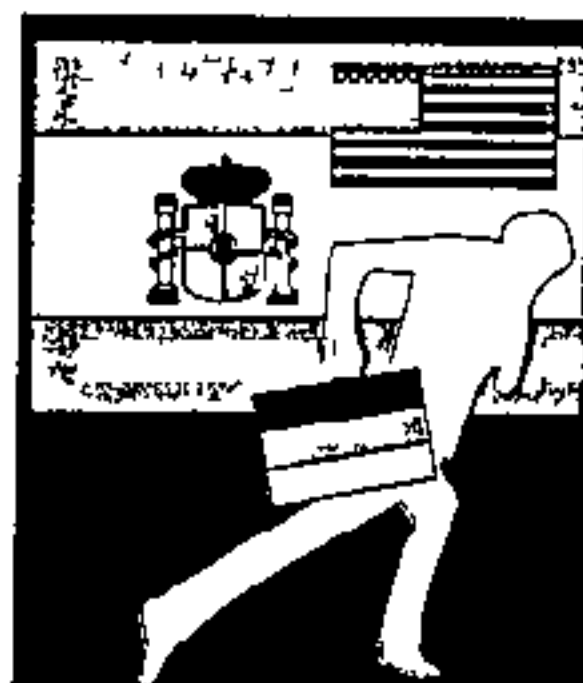
EXECUTIVE PAY

Show and tell time

FM 9/8/91

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Unions say SA bosses pad their salaries — but world figures suggest otherwise



Sauntering into his club for a quiet drink last month, a JCI director (who shall remain nameless) was momentarily confused by the raucous welcome. This consisted largely of cries of "Make mine a

Castle!" Then the penny dropped. The Cosatu-affiliated Labour Research Service (LRS) had just revealed that he and his fellow directors took home an average R11 058 a week, compared with the R157 wage of a lowly mineworker.

Do SA public companies pay their executive directors too much? The subtext of the LRS survey, which analysed directors' remuneration at the Johannesburg Stock Exchange's Top 100 industrial companies, was that they do. Their figures, based on scanty disclosure by the companies themselves, will doubtless cause some poignant executive discomfiture during the next wage round.

Trade union politics aside, it is certainly time for a closer look at top executive pay — even if not for the reasons the LRS has in mind. High-level management skills will be a valuable and, sadly, all-too-scarce component of the intellectual capital resource in a new SA. The correct question, perhaps, may not be are we paying them too much but are we paying them enough?

Before that question can be answered fairly we need to know a lot more about what and how public companies pay their executive directors. They can no longer argue that this is nobody's business but their own.

Certainly, shareholders have a right to know whether their appointed representatives are being fairly rewarded. It could be argued that every insured or pensionable South African is an indirect shareholder in most of the largest SA companies. Either way, in a changing SA, apparently excessive remuneration is bound to be a matter of public concern. So demands for more information will inevitably come from beyond the shareholder constituency — from workers, from political parties and, ultimately, from government itself.

Disclosure obligations in the US and the UK are far more demanding than ours. Annual accounts of London-listed companies must detail the pay of the highest-paid di-

rector, together with the approximate income of all other directors and any employees paid above a certain level. They must also list, by name, all directors' shareholdings and share options. International Stock Exchange regulations require disclosure every time a director buys or sells shares in his or her own company.

In the US, enough information is available for *Fortune* magazine to publish an annual ranking of 200 best-and-worst-paid executives, comparing their pay with a computer model. The pay valuation includes an estimate for stock options, while the model takes into account company performance, size and industry.

SA public companies are obliged merely to publish an aggregate of directors' pay and stockholdings. Stock options, which usually make up a substantial part of a director's pay package, need not be made public at all. And so they never are. It is ironic that in a society where even a reluctant government is becoming more open, one of the last bastions of obsessive secrecy should be the business community.

Those directors awarding themselves pay rises while their profits and share prices fall and dividends are cut will not wish to aban-

don this veil of secrecy. They should not be afforded its protection. Those with more realistic pay policies have little to fear and something to gain. The obligation to disclose — which will eventually become mandatory — imposes a useful discipline. It forces directors to develop a rational compensation policy, which is properly suited to their industry and their pace of development — and which can be defended confidently in public. If the international experience is anything to go by, the recent prod from the LRS will prompt more catholic pressures to justify executive pay.

Elsewhere, we have already seen the kind of remuneration rumpus that companies prefer to live without. This year alone, the salaries of Rolls-Royce chairman Lord Tombs, advertising mogul Maurice Saatchi and Prudential chief executive Mick Newmarch (not to mention the governor of the Bank of England) have caused commotions in newspaper columns and AGMs.

SA board members may view the prospect of such attention with alarm. But in each quoted corporate case, shareholder discontent was justified. While profits fell, executives were paying themselves more. SA directors can take comfort from the other side of this particular coin: none but the ideologically jaundiced complain about high pay for high performance.

What shareholders do object to, more and more, is guaranteed high pay irrespective of corporate track record. This has not been entirely lost on local companies. Headhunters report a growing trend in SA to link directors' remuneration to performance. However, this has a lot further to run. One of the UK's best-known proponents of performance-related pay was Sir Ralph Halpern, former executive chairman of the Burton Group.

"The profit-related portion of a top executive's compensation may be three times the base salary in a great year," he once said of his own team. "At times of recession there are interested parties who complain when pay does not fall with profit. A good scheme makes sure it does."

It is unlikely that many SA executives have the opportunity to triple their basic pay by bonus alone. Indeed, annual bonuses of local chief executives rarely amount to more than 50% of annual salary and most companies with incentive bonus schemes limit them to 25%-30%.

Top drawers
What senior executives get paid

MEDIAN FIGURES	GERMANY	SPAIN	ITALY	NETHERLANDS	US	FRANCE	UK	SWEDEN	SOUTH AFRICA
	871	658	475	891					
	684	608	433	710					
	629	547	366	842					
	587	462	264	605					
	553	429	382	569					
	485	425	338	611					
	404	359	265	443					
	367	324	176	511					
	247	305	188	387					

Conversion to rand as at August 2 1991
SA cost to employer figures exclude car

Source (excluding SA figures) HAY GROUP UK
Source (SA figures) FSA CONTACT

Small salary, big purchasing power

W/ Mail 9/8 - 15/8/91

Being a boss may not be a bed of roses in South Africa — but it's no hardship either. Two surveys show local executives are really not badly paid compared to execs elsewhere in the world.

REG RUMNEY reports

ON a straight rand-for-dollar basis (or most other currencies) South African executives seem to be hard done by compared with their counterparts in the industrialised world.

Compare the buying power of various execs in their own countries and you get a different picture entirely.

As *The Weekly Mail* indicated in its own survey — using information supplied by headhunting firm Woodburn Mann — some months ago (May 10), local executives are on a par with many of their counterparts elsewhere. In some cases they are better off. Our survey roughly stripped out the undervaluation of the rand in terms of its buying power in South Africa to get a better basis for comparison than using remuneration in, say, dollars.

The Top Executive Survey soon to be published by human resource consultants FSA Contact more or less confirms our survey in that the difference in buying power is not large.

But it does show US executives have the highest buying power, followed by Japan, with Australia last, below South Africa.

The buying power of local and UK execs are similar, and South Africans fall just below France and Germany.

Our survey did attempt to use the total package, including perks. The presence of perks does distort an international salary survey. Non-taxable perks will give a bad impression of countries where they decrease the marginal tax rate. Pay in those countries which have decreased the marginal rate and clamped down on perks won't look as good.

A note of caution is that such surveys generally don't take into account another substantial form of remuneration, that is, share options.

Also, issues such as the cost of housing, transport, health care and to what degree there is a social welfare net come into play when comparing an executive's lifestyle here and abroad. The execs polled by *The Weekly Mail* were largely positive,

despite big drawbacks such as crime and political uncertainty.

Naomi Brehm, of PE Corporate Services, reckons that the buying power of net disposable income (ie after tax and adjusted in terms of purchasing power parity) is about the best measure for comparison.

Brehm says PE Corporate Services' September 1990 survey, which had detailed comparison of executive pay in various countries, is out of date.

That survey found that in buying power of net disposable income local execs did as well as their counterparts in Holland and Belgium. And they did just as well as their counterparts in the UK, France and Germany.

But Brehm also stresses that comparisons are odious. "They don't tell you about the quality of lifestyle in different countries." They also leave out cultural differences. So a South African exec may live in a ranch-style house with four rooms, two cars, at least one servant etc. His counterpart in France will not have these possessions, but will be living well anyway, with the rich culture of France and Europe available to him.

What is important, Brehm notes, is the relative quality of life of the exec in comparison with other wage earners in the same country.

All other things being equal, how much better off an executive is than, say, a labourer is important.

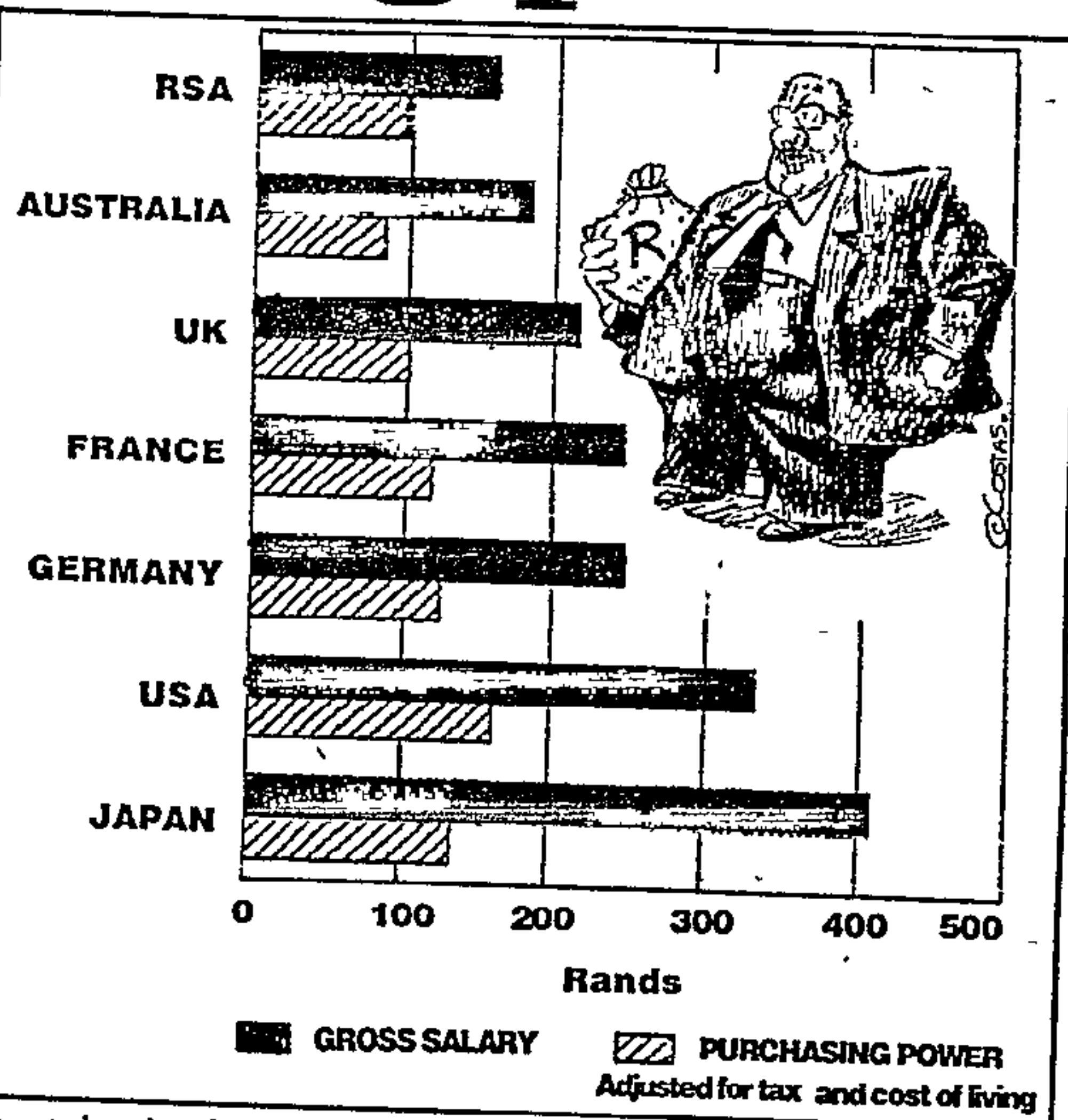
Balancing this to a certain extent is the common wealth of the citizens in a country represented by social security and general environment.

So in social democratic Sweden directors earn only five times as much as labourers as opposed to 20 times in South Africa. But the benefits for both exec and worker of the Swedish state, even thinned down from their present high levels, far outstrip anything South Africa has to offer.

The relative earnings within a country are the real focus of interest — and one which international comparisons may be used to fudge.

Disparities in incomes and wealth in South Africa may not be as great as some people imagine, given the degree of redistribution of wealth that has occurred since the spotlight first fell on those inequalities. But they are big enough to cause the "haves" a great deal of discomfort. In the end this must mean, as we have stressed (Aug 2) that there will be pressure for redistribution, either through increased tax or some other means. And executives will indubitably suffer.

However, countering the extent to which the disposable income of executives will fall is their high mobility. Many white South African executives are believed to have dual passports. Professional skills, as has been shown by "chicken runs" in the past are passports in themselves.



Top achievers vie for women's award

THERE is no shortage of business talent among South African women.

Four top achievers have been nominated by the Executive Women's Club for its Businesswoman of the Year Award, due to be handed over at a banquet in Johannesburg on August 28.

One is a hospital administrator who slashed budgeted expenditure by R4-million in two months after Government health-care cuts were imposed and another is a black pioneer of the huge Sabta taxi organisation.

The other two are a leader

Business Times Reporter

of the R7-billion informal trading sector, a young mother who has taken financial responsibility for assets of R144-million and 3 200 employees in the snack food industry, and a marketing executive in one of the shining stars in the cut-throat retail clothing sector.

The finalists are:

● Jocelyne Kane Berman, chief medical superintendent of Groote Schuur Hospital Region in the Cape

In the 21 years since she became medical superintendent at Groote Schuur Hospital she has introduced new organisational structures covering financial management, human resources, marketing and risk management and financial planning

Community

This paid off when she exceeded the target to cut projected expenditure from R55-million to R51-million between February and March this year without major reductions in health services.

The impetus is being maintained, she says, with an aim to reduce annual spending from R350-million to R316,9-million in the year to next March

● Dora Ndaba became the first woman and the youngest person to be granted a taxi permit in 1970 when she was 25

She worked to unite the fledgling black taxi business first with the Alexandra United Taxi Association and then as commercial representative of Sabta, helping taxi operators enter business. She led many negotiating teams in establishing taxi routes.

She is a co-founder and head of the membership marketing unit of the Foundation for African Business and Consumer Services (Fabcos), an organisation which represents the interests of about 15-million people in diverse operations

Mrs Ndaba is also prominent in community work.

● Trix Coetzer, a chartered accountant mother of two pre-school sons, is financial

director of Simba Group at the age of 32. She is the first woman financial director in Simba parent Fedfood

Budgets of the five departments which fall under Mrs Coetzer's control total more than R18-million this year

Colleagues credit her with bringing all financial departments together as a team. The example has rubbed off on other departments, which are setting similar goals

Mrs Coetzer says "Teamwork meant we finished a 28-day yearend audit 11 days early"

● Erica Roodt, merchandising director of Topics, the 100-store retail fashion member of Wooltru's Speciality Retail Group, has been a major contributor to the chain's steadily growing sales in the past five years

With managing director Michael Mark, she is one of two executive directors in Topics. She is the only woman director in the Wooltru group

Topics has been repositioned in the market with its own image, and in the past three years profit performance has outstripped sales growth, based on productivity and operating efficiencies

"This would have been impossible without Erica's involvement," says Mr Mark

Macho roles rule for working girls

Star 12/8/91

142 144 145A 146

The Gold Award, which recognises South African companies that offer women the fairest deal in the corporate world, turns 10 this year.

SOUTH Africa lacks trained managers and skilled professionals, and could be short of about 400 000 managers by the year 2000. One way of solving the problem is for companies to change their priorities and management styles with regard to women.

So says management consultant Tony Manning, who says that too few companies have realised that by promoting women they greatly enhance their productivity.

"Benefits such as maternity leave, child care and counselling might seem like unnecessary expenses, but in two or three years no firm will be competitive unless it provides these support systems," he says.

Advancing

There are some companies that are already advancing and providing support for working women, and this does not go unnoticed.

The Gold Award, given annually for the past nine years by the SA Federation of Business and Professional Women (SAFBPW) to the company which best encourages women's equal opportunity and advancement in business, is instrumental in promoting recognition of this trend, says Mr Manning.

SAFBPW president Sharon Lain says the first Gold Award, in 1981, came at a time when

there was a great deal of negativity among working women and endless problems with discrimination, heavy taxation and harassment.

"There were, however, many companies which had positive policies. So we decided to try to recognise and promote the image of firms that were doing something, instead of attacking those which were not."

Ms Lain says the award does not go to "women's companies". Equal opportunity policies for women in the workplace have been adopted by many companies which have not traditionally employed women over the years.

"Last year's winner, Anglo-Alpha, is certainly not female-dominated," she points out.

Other previous winners are Nestle (twice), Gilbey's Distillers and Vintners, The Carlton Hotel, Arthur Anderson and Company, Thomas Cook Ren- nies Travel, Murray and Roberts Properties (Tvl and OFS), and Pick 'n Pay.

Ms Lain says "The award tells able, serious-minded career women that if they go into such companies they are least likely to be discriminated against."

Things have improved dramatically over the last 10 years, says Ms Lain.

"Now, for the first time, women are not only increasingly accepted in the corporate world but they are also moving into traditionally male lines,

such as building supplies, steel manufacturing and the oil industry.

"This is a big breakthrough. Of course we would still like to see more women sitting on company boards of directors — that is final, total recognition of what a woman can offer in the corporate world."

"We haven't reached that stage yet, but there is certainly evidence it is happening more and more all over the world," she says.

The Gold Award is made by an independent panel of judges after detailed consideration of a nominated company's response to a SAFBPW questionnaire.

Only companies with more than 50 employees qualify for nomination.

Choosing

Ms Lain says the questionnaire is particularly concerned with percentages of women in the four broad company strata: standard employee, senior, management and executive.

"We also ask about levels of pay, fringe benefits and opportunities for training and development."

From that the judges choose six finalists and one winner, she says.

The Gold Award will be presented at a gala evening at the Carlton Hotel, Johannesburg, in October.

ADAM GORDON

(172) (188) (197)

Dealing with crises 'vital'

COMPANIES are not adequately prepared to communicate with the media in a crisis situation, public relations director Sue Creighton says

In the event of a "corporate nightmare", such as the recent strikes in the motor industry, the sinking of the Oceanos and mine accidents, the company's ability to handle the situation could make

or break its image. With increasing sophistication and growth of the electronic media, news is often communicated at the instant that it happens, and coverage can be extensive. "A response is demanded almost as fast", she says

Creighton says handling the crisis well also means that the company does not give its opposition the opportunity to capitalise on its misfortune

Creighton and partner Anne Jamotte are consultant senior executives on how to handle communications in a crisis

8/12/91 13/8/91

THE PRESIDENCY

Riding the tiger

The duty of government is to govern, otherwise reform is doomed



A week ago, in the wake of the Inkatha funding revelations, government seemed in shock and disarray. There was talk that President F W de Klerk had lost control of his own administration, that he dared not

sack senior Ministers, that the African National Congress would benefit from an international backlash against Pretoria. The crisis was essentially one of credibility and it was the most serious De Klerk had faced since taking office nearly two years ago.

Confident assurances from NP insiders that government would try to sit out the Inkatha funding storm proved to be wrong. De Klerk realised that nothing less than a drastic Cabinet reshuffle was needed. But he did delay public action for 10 days after the scandal broke, which suggests that he was surprised at what came out and needed time to consider his next move. No doubt there were hard words during the Cabinet bush retreat last week.

De Klerk's tactical handling of the crisis is interesting and offers new insights into his style of leadership. He stays calm and silent, carefully considers his strategy, distances himself from the hurly-burly; allows senior Ministers to take the heat, delays action to let the dust settle, and then acts swiftly and decisively.

His first move was to send Foreign Minister P. W. Botha in last week as nightwatchman to deal with whatever "Inkathagate" bouncers could be thrown at him by the international press and a live TV audience. This served to take the pressure off De Klerk, while giving him another chance to test the wind. It may also have been Botha's chance to cement his own position — or avoid losing his neck.

Botha's blustery performance may have lacked oratorical elegance, but it was curiously effective. It probably impressed the white voters much more than it did the cerebral analysts. And it seems clear that, in tone and content, Botha's defence was sanctioned in advance by De

Klerk. The gist of it was that the Inkatha funding was justified at the time and there was no question of an apology "No regrets".

This neatly freed De Klerk from the obligation to hold any of his Ministers directly responsible. The retention of Botha also indicates that he could not be held personally responsible for the Inkatha scandal, but merely happened to be the agent of Cabinet.

If there was doubt about the Foreign Minister's position, it was evidently dispelled by his performance last Thursday. De Klerk believes that his Cabinet is stronger with Botha than it would be without him (which, in the end, is the question that has to be asked about any Minister).

But when Law & Order Minister Adriaan Vlok and Defence Minister Magnus Malan were weighed on the same scales, the outcome was different.

Vlok had said twice before that he would resign if he became an obstacle to negotiations, in the event, De Klerk decided for him. Malan, too, had become more a hazard than an asset in the long term — though he had

often been a useful lightning conductor for the president.

The ANC's Walter Sisulu, on hearing of the transfer of Vlok to the prisons portfolio and Malan to forestry, complained that they should have been dismissed from the Cabinet, not moved "from pillar to post". But there are clear advantages in the course taken by De Klerk.

By keeping Malan and Vlok in the Cabinet, he retains their political loyalty and prevents the growth of factions around them. The NP caucus (De Klerk must remember how it turned on his predecessor) has surely noted that neither man has been overtly sacrificed to the Inkatha scandal, nor have they been put out of their jobs. Admittedly, De Klerk has moved them to less important work — but that has always been the prerogative of the *hoofseier*.

Vlok has perhaps come out of it better. Law & Order was a thankless task and the Correctional Services portfolio is an important one. Well-meaning and sincere, he will probably handle it as well as anyone.

Malan, on the other hand, is a professional soldier and the third most senior Cabinet member after P. W. Botha and Gerrit Viljoen. Handpicked by P. W. Botha, he's been Minister of Defence for 11 years. His relegation to Forestry, Water Affairs and Housing is both ruthless and humiliating. A comparable posting would be consul-general in New Orleans (Sisulu might reflect that there are worse fates than being sacked).

These demotions are vital to De Klerk's reform strategy. They prove that he has finally broken with the "total onslaught" securocrat era and shown his confidence that the loyalty of the Police and Defence Force generals does not depend on the personalities of the responsible Ministers. He is also prepared to turn his back on old colleagues whose only crime may be that they are, in Vlok's own words, "obstacles to negotiation". The message to the rest of the Cabinet is unmistakable.

Naturally the Conservative Party is trying to portray the sidelining of Vlok and Malan as capitulation to the ANC. But De Klerk coolly resisted ANC demands for ministerial



Botha



De Klerk



Malan



Vlok

heads when the pressure was at its most ferocious, during the hit-squad row. He has given the impression now that his reshuffle — while certainly taking into account political realities — was done in his own good time. It is significant that the ANC has not felt able to crow, even though one of its key demands has been effectively met.

To portray De Klerk's Cabinet reshuffle as a step forward would be convenient. But it would also be inaccurate — just as it was wrong to describe the stirring Dunkirk evacuation in 1940 as a victory. What we had this week was a very effective salvage operation, an exercise in damage control.

De Klerk now stands not too far from where he did before the Inkatha scandal broke. Ostensibly he is in a stronger position because he has a fresh team, built more in his own image — but it remains untested.

The fact remains, however, that — Inkatha scandal or not — the problems in the way of a negotiated settlement that leads to stable democracy are enormous.

Whatever the ANC says, there can be no doubt that reform is irreversible in the legal sense. Apartheid laws will not be reintroduced. Even if no settlement is in place by late 1994, when the next white general election is due, De Klerk will find a way of deferring a poll — and, therefore, any possibility of a CP victory.

The dangers to reform are more complicated and they might defy even a coalition interim government dominated by ANC and Nat members. The biggest problems are political violence, unemployment, crime, the lack of housing and the education crisis. Political goodwill alone will not solve them — though it would help if the ANC played its part by rejecting socialism and calling for an end to all sanctions.

What is needed is good government, with immediate effect. And this is where De Klerk and his new Ministers have to make up a lot of ground. It is where his tendency to sit tight, allowing his Ministers and bureaucrats great leeway, has been damaging to the process. And in areas where the officials badly need help — as in fighting inflation and

READING FOR TURBULENT TIMES

Worried about what the Nineties will bring? Afraid that high inflation and higher taxation will erode your capital base? Read *Personal Wealth*, a new *Financial Mail* publication out next month, for all you ever wanted to know about protecting your assets in turbulent times.

Edited by Tony Koenderman, *Personal Wealth* is a quarterly publication focusing on every aspect of personal finances — how to make, save, spend and enjoy your money.

Its circulation base will be an unusual one. It will be distributed free to *FM* subscribers but not be included with casual sales of the *FM* on newsstands. It will also be available separately on newsstands at R5 a copy but distributed free to subscribers of MIMs, the monthly medical directory owned by Times Media Ltd.

Thus its total circulation, including an estimate of 2 000 for casual sales, will be 38 000.

The first issue of *Personal Wealth* will be available on August 23. Don't miss it.

equalising education — De Klerk has been conspicuous by his lack of public commitment.

The absurd own affairs administrative divisions may well be unavoidable until a new constitution has been drawn up, but they are run with no imaginative sense of wider issues and officials are apparently allowed to block reform by going by the book or by quoting old and meaningless budgets.

In education, De Klerk has been content to watch his Ministers, through sheer inertia or lack of sensitivity, provoke crisis after crisis. White schools and colleges were closed and teachers made redundant, while thousands of blacks were without classrooms or teachers. These reforms have been grudging, to say the least, as the illiterate under-class grows steadily in number and frustration.

The Justice Department's handling of the recent amnesty for first offenders was bungled so badly that a general perception arose that the jails were simply being emptied. This disaster, along with the reckless agreement with the ANC to allow murderers to be classed as political prisoners, has seriously damaged the integrity of the law.

No satisfactory policy, even on an emergency basis, has been drawn up to deal with the squatting problem and all De Klerk's

men appear to be confused about the issue of compensation for those dispossessed of their land by apartheid laws.

The State President's vital political perception was that apartheid in all its forms had to go, his greatest political achievement so far is that he has persuaded his party to accept his vision.

He refused to make bargaining chips of apartheid laws, instead of being dragged to the table, he has always given the impression of being impatient to get negotiations going as soon as possible. And he has the advantage of knowing that, behind the grandstanding, the NP and the ANC are like Siamese twins — the one cannot move forward without the other. Even in the full blast of the Inkatha scandal, the ANC did not threaten to call off negotiations — it has no alternative to talking.

But statesmanlike vision and courage will be worth nothing if the country is not governed properly. The finest constitution is no defence if the conditions have been created for anarchy.

De Klerk's success so far has depended on always being one step ahead, on outflanking the opposition. It is a risky business riding the reform tiger. He will have no respite in avoiding being devoured by it. ■

FURNITURE COMPANIES

Not sitting comfortably

Profits have been good but now sales are flagging

Some furniture traders tend to argue that they have never enjoyed a fair rating from the stock market. That is partly because their companies are not comparable to any other type of business — they have both shop and bank functions.

The discount on furniture shares is such that the old Beares Group, now Prefcor, will be relisted on the more highly rated Retailers & Wholesalers sector.

Furniture traders carry their own debtors'

books, which is why their debt levels worry the market. Furniture retailers lend to customers who often cannot obtain financing from banks. Moreover, risk does not just arise from bad debt — furniture, like the durable goods market as a whole, is a cyclical industry. Furniture purchases are usually among the first to be postponed during economic downturns.

Yet recently furniture shares have languished even though sales have grown

strongly. Conventional wisdom about furniture sales — and profits — suffering severely in a recession was turned on its head. There was substantial real growth for the whole of 1990 (see graph). Attributable earnings of furniture companies have recently held up well (see table) with Ellerines, Morkels and JD Group all showing substantial real growth in earnings, while earnings have been in decline in industrial companies generally. The optimistic view held that the require-

Create more bosses, urges SBDC's Vosloo

Sowetan 21/8/91

SOUTH Africa can blame many of its chronic unemployment problems on its dismal failure to keep pace with world trends in the launch of budding entrepreneurs, according to the Small Business Development Corporation.

Studies show that in the United States no fewer than 100 000 young Americans start businesses of their own every year - 10 000 of them straight from school.

A recent count found that a stunning one-third of all new businesses launched in the US were under the command of fledgling bosses under the age of 30.

The world average of entrepreneurs in total labour forces came out at between 10 and 12 percent. The South African average trailed behind at 5 percent.

SBDC managing director Dr Ben Vosloo argues that the generation of more entrepreneurs must be regarded as a top priority in the formulation of new economic policies.

The urgency of new thinking, he says, is underlined by the growing size of unemployment queues in South Africa, now standing at between four and five million.

Job opportunities offered by the formal business sector are able to cope with only 125 of every 1 000 school-leavers pouring into the labour market.

New studies estimate current unemployment at between four and five million. The Small Business Development Corporation believes the problem will not be cracked until South Africa learns how to produce more entrepreneurs. And that means radical new thinking about the shape of the education system. **MICHAEL CHESTER**, Sowetan special writer, reports.

That leaves 875 in every 1 000 of them with no option but self-employment or the informal sector.

What worries Vosloo is whether the majority of them have been prepared to cope with the blunt realities.

He is convinced that only radical changes in the entire education system can provide solutions.

Tragic

"It would be tragic if we had to admit that billions of rands of taxpayer money is spent on educational products which cannot be used by society," he says.

"It would be equally tragic if the education system were not capable of delivering the sort of school-leavers that society needs."

South Africa, he is convinced, will only start to put more muscle into economic growth when the classrooms begin to equip pupils with the knowledge and skills that provide the foundation of such careers as artisans, production managers, data processors, book keepers, nurses, scientists, engineers and technicians.

"Our education system will have to pay far more attention to the development of entrepreneurship

at school level," he maintains.

Vosloo's own programme at the SBDC has already ploughed more than R1 billion into loans to encourage new small businesses that have created a staggering 280 000 new job opportunities since it was started 10 years ago.

He proposes a 10-point plan to tackle the dilemma.

- More effective and continuous communication between educationists and the business world to spell out in unambiguous language what society outside schools and academia really expects from the education system.

- Moves to make classroom curricula more relevant and pertinent to the actual needs of society.

- Insistence by taxpayers on more value for the money spent on education - on guard against wastage of funds on a bloated education bureaucracy.

- Preference to technical training.

- Closer aim on the transfer of practical numerical and writing skills - with recognition of the valuable role of business simulation games;

- Gearing the education curricula and didactic methodology towards the



BEN VOSLOO

stimulation of attitudes such as individualism, a sense of independence, achievement, optimism and competitiveness - aimed at conscientiousness, responsibility, adaptability, staying power and creativity.

- Focus on career information programmes tailored to alert young people to the opportunities of self-employment and business entrepreneurship as career choices.

- Encouraging schools and universities to take part in practical field studies and business plan competitions.

- Better evaluation of the role of part-time study, work programmes and post-experience training programmes, and

- Priority status for informal and non-formal skills training for adults in condensed courses worked out on a modular basis.

"It is clear that education is the key to a better future," says Vosloo.

"But then it must be relevant education that conveys the knowledge and skills needed by our society."

"A society which cultivates a strong entrepreneurial culture is bound to set off on a road to progress and economic growth."

Women to look at economy

ABOUT 500 women achievers will hold their second national convention at the Carlton Hotel on Monday to discuss how women can be used resourcefully to boost the economy. *Smefan 23/8/91*

The two-day convention will bring together company executives from diverse backgrounds like business, sales, marketing and public relations, financial institutions, administration, personnel and human resources, law and medicine.

"The convention will allow women to share their problems, learn tactics and hopefully encourage old-fashioned thinking stalwarts that it is imperative to use womanpower in the current sluggish economy," the organisers said

Topics to be discussed include "South African business trends", "Doing business with style", "time solutions", and "The difference between men and women in management"

Three international speakers will address the convention. They are John Patrick Dolan, attorney, Deanne Rosenberg, consultant and Jeff Dewar.

For further information contact Merle Purvis or Lesley Dalton at (011) 957-2097

Graduates need 'life skills kit' (172)

Graduates often find they are required to perform duties far beyond the scope of their training. They need a 'life skills kit' to manage people and develop their careers successfully, says a corporate training manager.

YEARS at school, and then a university or technician qualification may give students a lot of specialised knowledge but, it seems, no body is teaching graduates how to get along in life.

What they really need to know, says Anglo American central manager Don Wiggill, is how to run successful meetings, how to pick winning teams, evaluate decisions, manage conflict and write reports.

They need to be able to manage their time, cope with jealousy and deal with stress. He says. "Graduates enter the business world and find it's a big jump from education to corporation, and that they are required to perform duties far beyond the scope of their training."

"They need a 'life skills kit' to be able to manage people and their job, and develop their career."

The CTU business preparedness programme, pitched at entry-level corporate and training staff, was originally formed to train De Beers bursars whose lack of interpersonal skills and corporate knowledge was preventing them being effective.

"Graduates need to know fundamental things about corporate culture and to be able to read the style of the company they work for," says Mr Wiggill. "When people understand the corporate value system they know how to fit in and get ahead — or whether in fact that kind of environment is not for them."

Kane-Berman is top businesswoman

TANIA LEVY

GROOTE Schuur Hospital regional chief superintendent Dr Jocelyne Kane-Berman was named Businesswoman of the Year at a banquet in Johannesburg last night.

This is the first time someone from the public sector has won the award, presented annually by the Executive Women's Club of Southern Africa.

Kane-Berman was the centre of controversy in 1988 when she was transferred from her post as the hospital's medical superintendent after suggesting that the Cabinet be replaced by a government headed by then jailed ANC leader Nelson Mandela. *8/Dec 29/89*

She was reinstated in March 1989 after an outcry from colleagues and leading figures in the medical profession.

Businesswoman of the Year judging panel chairman Goldfields chairman Robin Plumridge said Kane-Berman was the country's most outstanding hospital administrator. She represented an outstand-

ing role model not only for women, but for all managers in the public sector.

"Running a major hospital complex is a massive task that would tax anyone's management capability," he said.

Kane-Berman is responsible for medical services in the region which extends from Cape Town as far east as George.

Despite cuts in health budgets just two months before the financial year-end, Kane-Berman managed to reduce expected expenditure by R4m without a drop in the quality of the hospital service and she helped to raise R2,7m for radiotherapy equipment for the hospital.

Fabcos executive Dora Ndaba, Simba Group finance director Trix Coetzer and Topics Stores merchandise director Erica Roodt were finalists.

● Picture. Page 3

● See Page 10

Executive women succeed neither
because of nor despite their sex, but
usually by not making an issue of it
SUSAN RAMWELL reports on women
and their ability to achieve in the
workplace.



JOCELYNE KANE-BERMAN

PRODUCTIVE and skilled use of limited resources as well as organisational leadership earned the Businesswoman of the Year 1991 title last night for Dr Jocelyne Kane-Berman, chief medical superintendent of the Groote Schuur Hospital Region

A panel of judges drawn from business and academic spheres came to the unanimous conclusion Dr Kane-Berman's achievements made an impact on community health — its infrastructure, services and labour policies.

Dr Kane-Berman be-



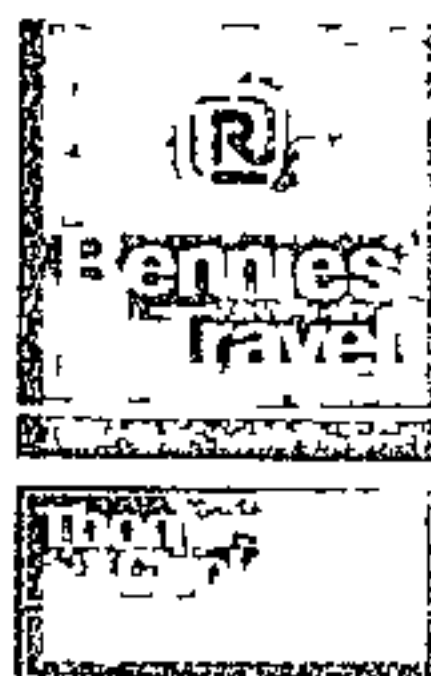
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Executive women

(112)

B/Dag 24/8/91

DUCTIVE and skilled
limited resources as
as organisational
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policies
Kane-Berman be-

Doctor is honoured for leadership

came medical superinten-
dent at Groote Schuur Hos-
pital in 1970

She is the accountable
officer for a region that
extends from Cape Town
and in certain instances as
far as George.

Her innovations include
a new organisational
structure for health ser-
vices with priorities such
as financial management,
human resources manage-
ment, marketing, risk
management and strategic
planning.

This has brought more

effective management of
resources and more effi-
cient administration

One result has been cuts
in anticipated expenditure
by her region based on im-
proved productivity

She has also helped to
improve labour relations

Under Dr Kane-Ber-
man's leadership, Groote
Schuur Hospital has stood
firm in what at times has
been a radical mission —
providing non-discrimina-
tory health care, adhering
to high ethical standards
and influencing the formu-

lation of national health
care policies

At a time when Health
Minister Dr Rina Venter is
emphasising the impor-
tance of community in-
volvement in health, this is
a concept Dr Kane-Ber-
man has taken an initiative
in — spearheading at-
tempts to provide addition-
al health services using
community funds

Dr Kane-Berman also
helped to introduce the Vo-
luntary Aid Organisation
at Groote Schuur Hospital

— providing care services
by voluntary workers to
patients, which allows
nurses to concentrate on
nursing duties

Apart from her duties in
medical administration, a
thesis subject she won a
distinction for in 1978, Dr
Kane-Berman, a mother of
four, has academic duties
as well

She is an honorary sen-
ior lecturer in the Depart-
ment of Community
Health, University of Cape
Town, and an examiner for
the Fellowship in Com-
munity Health in the Col-
lege of Medicine of SA

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600 guests gather at awards banquet

MORE than 600 guests at-
tended last night's Busi-
nesswoman of the Year
banquet at Johannesburg's
Carlton Hotel

The award is the only one
made to women for busi-
ness achievements and
nominees are accorded
prestige that long outlive
the event

Factors considered by
the judges include degree
and level of responsibility
for decision making, enter-
prise, professional activi-
ties outside the work situa-
tion and, where relevant,
progress within an organi-
sational hierarchy

Innovative management
is also taken into account
This year's judging panel

comprised Investec Bank
Limited MD Stephen Ko-
seff, Anglo American Cor-
poration group industrial
relations consultant D M J
Ncube, Goldfields of SA
Limited chairman Robin
Plumbridge Imperial Car
Rental MD Carol Scott, and
University of the Wit-
watersrand professor of ac-
counting Margo Steele

The past winners of the
award include Val Mickle-
burgh, Margaret Lessing,
Marina Maponya, Reeva
Forman, June Kritzing, Dr
Anett van der Merwe,
Jane Raphaely Joan Joffe,
Carol Scott Pru Pfuhl and
Yvonne Lottering

The award is now in its
12th year

Less maternity leave

A GENERATION ago, women left the workplace
for years after the birth of a child

The Women's Bureau, citing research by the
Unisa School of Business leadership, reports that
during the '80s this change because of

- ☐ An increase in the percentage of women at work,
- ☐ An increase in the number of households headed by single women,
- ☐ Many mothers going back to work within a year of childbirth

SA companies, however, are behind the US

In the US, a 1985 study says 75% of companies
offer a job guarantee while in SA, only 56% do the
same and a quarter don't offer maternity leave at all

strategic

page

Executive women

172

A time for recognition of business achievers

B/Pay 29/8/91

WITH nine years to go to the year 2000 what is the role of women to be in the 21st century?

As an underutilised resource of management and professional skill, the best answer to this question is that women should be playing a bigger part in decision-making and in the business world than they do now

In the SA socio-political arena this month, important women's movements joined forces as a voice for peaceful political reform — the ANC Women's League, the Women's Bureau and Women for Peace

The pattern repeated at this month's women's peace congress was that "woman-power" is traditionally gained through joint action

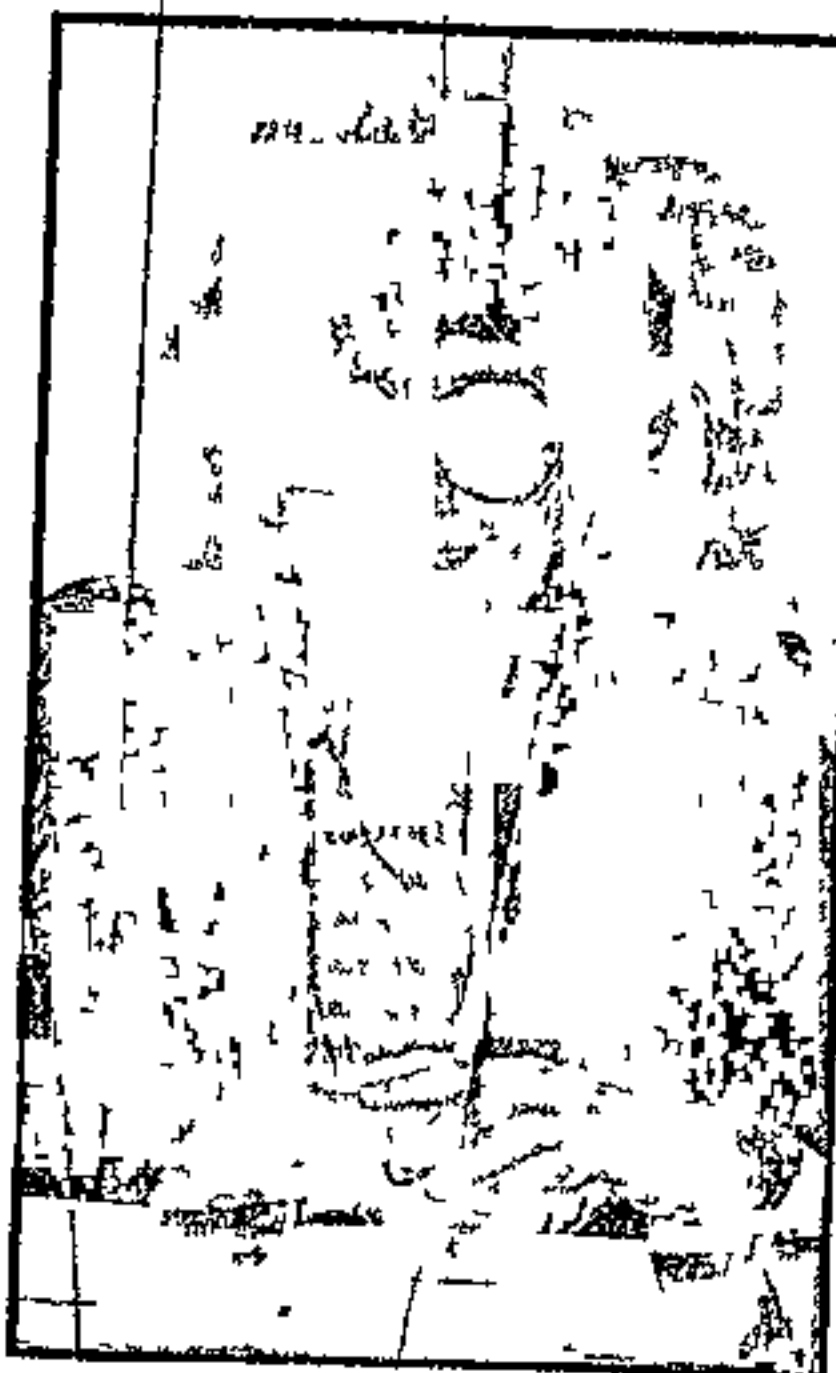
It is in setting themselves apart as a group that women make themselves heard

Individuals

In business, however, successful women have worked as individuals

But recognition for business achievement still relies on a degree of solidarity

President of the Executive Women's Club of Southern Africa Lee Whitfield, who is also financial director of Anglo American Property Services, says "Statistically



LEE WHITFIELD

under-represented at executive level in business, women are unlikely to find recognition in business awards — hence the need for a specific award for businesswomen, inaugurated 12 years ago by the EWC

"Executive women succeed neither because of nor despite their sex but usually by not making an issue of it

"A separate business award for women should not be taken to mean that women have to run a different race — just that until the playing field is even, fairness demands it"

Women of all races comprise close to 40% of the economically active population

Recently, the Executive Women's Club commissioned independent research into how much of the female workforce is at executive level in SA's top companies and policies regarding women at board level

Businesswomen made up more than 35% of the workforce in the sampled companies but less than 1% at board level

Questions

Head of the research programme, Wits Business School lecturer Mike Bendixen, says "Provided women are willing and able to adopt management roles there should be three times more women in management"

Other questions directed to the predominantly male sample of CEO's and personnel managers indicated a contradiction — they believe women were willing and able, but admitted a reluctance to promoting an open career path for women to senior levels

Whitfield says "The picture of the status quo for women in business is one of female under-representation

But under-recognition is the real issue

"The number of women who have climbed their respective ladders is in the thousands

"There are many self-made

millionairess entrepreneurs in the SA business world as well as many women in key decision-making positions for major organisations — many who carry responsibilities far outweighing their titles

"SA business schools report increasing numbers of women candidates

"Many senior executive women don't enter for business awards because they choose to keep a low profile

"The successful businesswoman is not unusual and businesswomen are playing a vital role in every sector of the economy"

Equal

Over the past 10 years corporate entrants for the SA Federation of Business and Professional Women's Gold Award for equal employment practices have been drawn from every field, including engineering and other "male" fields

History shows attitudes and social awareness tend to lag change

Social attitudes that reduce a woman's ability to achieve full potential in terms of business achievement are lagging reality and it is time to recognise that women are in the workplace to stay

Two-day seminar focuses on the need to use skills

AS THE two-day Working Woman's National Convention has drawn to a close, yet another seminar on the issues of the career woman is being arranged

Executive Seminars is hosting a two-day seminar on October 23 and 24 on the subject of Developing Women in the Workforce — a theme considering the need to maximise use of women's skills

Management should be able to use the seminars within this programme to learn skills in retaining and developing women employees and management candidates

Discussions will include how to create a developmental culture, support systems and networking

Another topic is the potential contribution of black women

The panel to discuss these issues includes ABSA Group training & development department's Aubrey Bronkhorst, Women's Forum's Kaizer Thibedi and Natbev social responsibility manager Eunice Sibuya

Topics include "shattering the glass ceiling", understand-

ing the difference between assertiveness and aggression, using communication skills strategies for gaining credibility managing stress and balancing life roles, coping as a single woman and working mother

Bookings are through Anita Stadler at (011) 726-6003

NEWS FOCUS

SA gearing up to capture refined oil export market

By 29/8/91

BRENT VON MELVILLE

SA is poised to become the refined oil producing engine of southern Africa as its major oil refineries gear up for a massive export drive.

Over the past four months SA's four oil refineries, Shell SA, BP SA, Caltex SA and Sasol, have announced significant expansion plans costing billions of rands.

The result will be bolstered production capacity which, market analysts say, will exceed local consumption demands and promote exports

Industry sources say the only constraint on exports thus far has been limited capacity. The current total crude oil distillation capacity of SA refineries is about 430 000 barrels per day (bpd)

That capacity will be dramatically improved following a host of major capital programmes. One of the most significant is the planned R450m expansion for Africa's biggest refinery Sapref, which is owned jointly by Shell SA and BP SA. The 200 000 barrels per day (bpd) refinery is set for a 30% (60 000 bpd) boost.

Engen, which holds 100% of Mobil SA, 100% of Tek-Petroleum and 85% of petrol distributor Sonnap, is planning a R2,2bn two-stage expansion to its Genref refinery in Durban

back up these estimates.

Engen MD Rob Angel says much of the new expansion will be earmarked for projected growth in the export market.

Analysts say it is also on record that Engen is hoping to export oil as far afield as India.

Caltex SA, which is wholly owned by Dallas-based Caltex Petroleum Corp, is planning to spend R240m to double its 55 000 bpd production at its Milnerton refinery in the Cape.

A Caltex spokesman says SA is well placed to supply Africa with fuel requirements, but export opportunities will depend on profit margins, as well as growth in local demand.

Domestic demand is expected to rise by about 6% over the next several years, although industry sources say this may fall slightly because of the recent increase in the price of fuel. At the 6% level, local consumption would rise to approximately 468 000 bpd by 1995.

Industry sources estimate that current output of refined products is at about 390 000 bpd, with exports at about 40 000 bpd.

There are no official figures to

THEO RAWANA

LAST week's conference of the National African Federated Chamber of Commerce (Nafcoc) left no doubt that major black political groupings saw the business organisation as a front-runner in the black liberation effort.

The 2 000 delegates who attended the four-day event at Sun City heard ANC, PAC and Azapo leaders urge Nafcoc to move hand-in-hand with them on the path to ultimate victory.

And the organisation's acceptance of PAC president Clarence Makwetu's invitation to participate in the Patriotic Front conference has placed Nafcoc among the

Nafcoc takes its place in liberation effort

By 29/8/91

heavyweights in the black cause.

Makwetu said the purpose of the Patriotic Front would be "to co-ordinate strategies of transition amongst our liberation movements and to build up support and commitment around our demands for a constituent assembly. It is a front to ensure a total transformation of our society".

He said Nafcoc was on the invitation list. Perhaps ANC secretary-general Cyril Ramaphosa summed up Nafcoc's perceived responsibility when he said people did not expect slogans, rhetoric or ideology from the business organisation.

"They expect to be informed about practical steps that will lead them to acquiring

Get an elephant's eye view

By 29/8/91

ELEPHANT-back safaris in Botswana have identified SA game enthusiasts as their latest target group.

Well-known wildlife conservationist Randall Moore, in SA for a few days, has extended the safari season by two months and laid on a special package exclusively for residents of southern Africa "as my way of saying thank you for all the support we have received from them over the past few years".

The highlight of the safaris is riding on elephants through the Okavango swamps. These are the

DAVE LOURENS

same elephants featured in the ISM commercial and in Clint Eastwood's movie, White Hunter Black Heart. Guests are accommodated in luxury tents.

Numbers are limited to eight guests per safari. Moore said the tight restriction on numbers had ensured the safaris were always fully booked. He said most tourists had come from the US, but he

economic power and nothing less," Ramaphosa said.

He said Nafcoc stood out alone among many business organisations in terms of its record in "waging war against the heinous system of apartheid and promoting the empowerment of black people".

Azapo president Pandelani Nefolovhwe, warning Nafcoc against white business efforts to divide black business to suit white designs, said "it is our view in Azapo that your organisation occupies a special position in the struggle for economic emancipation".

Urging Nafcoc to unite with the other major black business grouping, Fabcos, Nefolovhwe said "The fact that Nafcoc

gain in popularity in SA in order to cater for South Africans, the safari had been slightly shortened to make it more affordable.

Moore has been involved in the field of wildlife conservation for the past 20 years. He first became an elephant owner in 1979, when his mentor Dr H Morgan Berry died and he inherited three full-grown African elephants, who formed the nucleus of his current herd in Botswana.

The elephant-back safaris are unique in Africa. The only similar safaris are in Nepal's Chitwan Park

and Fabcos exist as separate entities does in a way serve the interests of big business.

Despite your differences, Azapo would like to see greater co-operation between Nafcoc and Fabcos."

Nafcoc president Sam Motsenyane, speaking on relationships between political and business leaders, said "In the past there was a mistaken tendency to disregard or underestimate the role of black business as a vital element of the liberation struggle in our country."

"Political and economic freedom can indeed be assumed to represent the opposite sides of the same coin, both are essential and indispensable to the progress and development of a democratic state."

White male domination in crisis

WITS Business School dean and professor of business administration Professor Keith Yeomans says SA's management crisis will force an end to "white male domination of management".

Having expressed that view in speeches to executive women and other audiences in the past, it is perhaps not surprising Yeomans has emerged a staunch supporter of moves to draw more women into management training.

The findings of the recent research project on CEO perceptions of wom-

en and the alternative view, that women are a valuable management resource, are to be incorporated into management training courses at Wits Business School and probably into the country's other major business schools.

Wits Business School Alumni association is also to make the research findings the subject of a panel discussion scheduled for the end of October.

Yeomans says managers in SA are stretched to their limits, exercising greater control than managers in other Western countries, often being pro-

moted to levels beyond their competence and in short supply.

Emigration has worsened the situation.

Yeomans says recruitment will open, creating greater opportunity for promotion of black men and women as well as white women.

"The argument is a moral and ethical one as well as practical."

He says he favours an increase in management educational programmes in universities and other institutions supplemented by in-house training.

Willman has climbed steadily

FIRST National Bank assistant general manager, advances, Irena Willman is probably the most senior woman in SA's banking industry.

She is second in command in managing FNB's portfolio of credit risks, which run into billions.

Appointed to this position in 1985, Willman was also the youngest person in the bank's executive echelons at that time, as well as the first woman to have attained the post of assistant GM.

Women made up 64% of FNB's workforce then and although the bank has made a priority of fair employ-

ment opportunities for women, few reach executive status.

She finds it easy to work with men and has never found it difficult to delegate to a man.

Resolve

"There is no stopping a woman who wants to get to the top, but I think it is still necessary for women to over-achieve to demonstrate their resolve and credibility in order to gain the acceptance of seniors and peers."

Willman found her career niche early.

Shortly after joining the

bank's advances department as a statistics clerk at the age of 19 she realised she enjoyed analysing and evaluating credit risks.

She made rapid headway and became the first woman and the youngest person to be appointed manager's assistant and departmental head of a branch in 1972 — in 1980, she took charge of her own branch.

"These top slots are filled on merit."

"There are more women vying for high-level positions than a decade ago."

"Women must simply ensure that they take control of their careers."

Mennell shatters mining notions

IMPALA Platinum Holdings GM, finance, Vivienne Mennell has responsibility for finance and information services for the world's second biggest platinum producer.

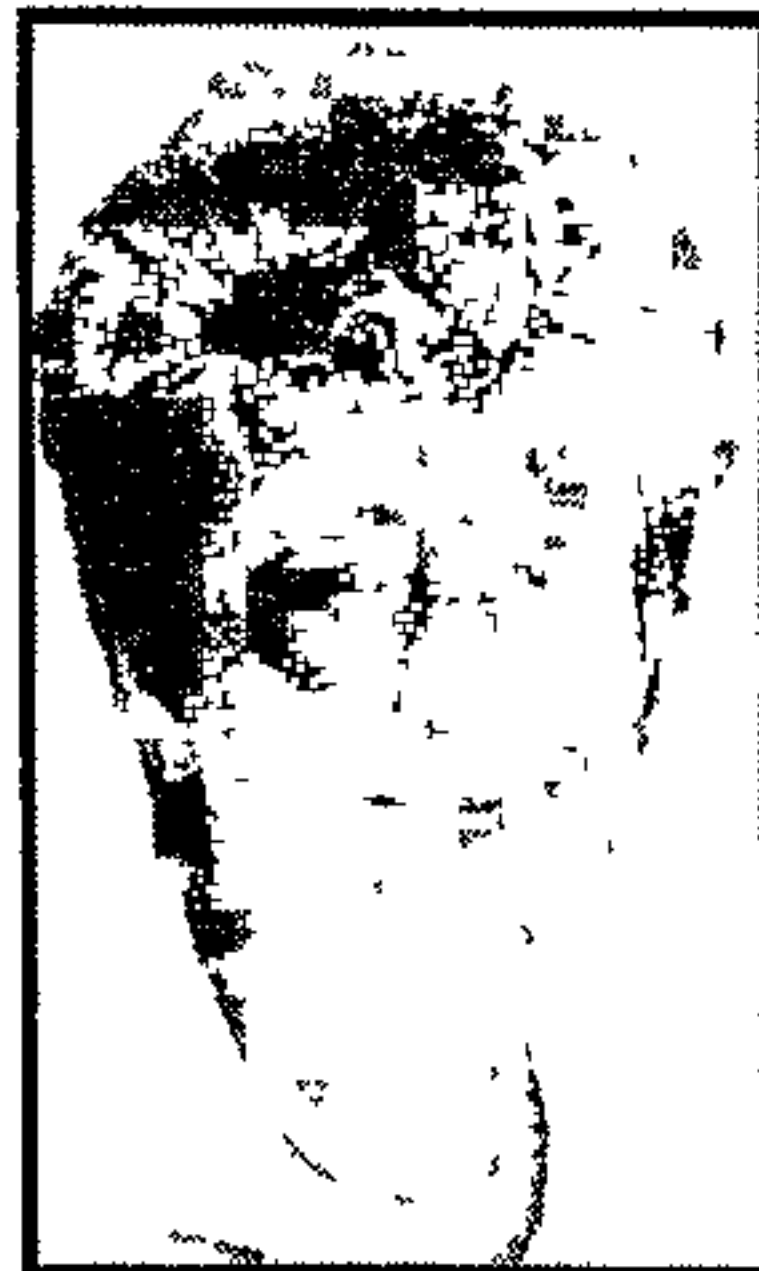
In the Genmin Group, she is not the only woman to have reached a senior position — shattering the notion that mining is best understood by men.

She says "Genmin has recognised it has some competent women and has appointed them to important positions."

"In most cases, it is in fields such as personnel and public relations that one sees women rising into management."

"That is not the case here. The position of head of purchasing, for example, is an important one in a mining house."

In Genmin, that position



VIVIENNE MENNELL

is held by Christine van Zyl.

Other senior women in the group include computing manager Hester Joubert and senior manager, strategy and intelligence, Almarie Maul.

Asked if she had any particular advice to give women aspiring to an executive career, Mennell says "It's important to find yourself in the right niche, where you're challenged, you love the work and where your superiors take an interest in your career and development."

Richardson knows how to put all into the task

LISABANK Insurance Brokers GM Lesley Richardson knows how to put everything into a task.

This trait repaid her efforts with opportunity, thanks to her breaking new ground in the insurance industry and the mentorship of MD Chris Venter.

Lisabank Insurance Brokers grew out of the insurance needs of patrons of the Bank of Lisbon, a predominantly Portuguese speaking clientele.

Today, its profile is 40% non-Portuguese speaking,

it has grown and employs a different system from most other insurers.

Instead of a separate sales force and processing personnel, every sales person processes policies and collects premiums on their own portfolio.

At 29, Richardson is second in command in managing the day-to-day affairs of Lisabank, a R10m operation in terms of premium business.

Venter says, subject to board approval, Richardson is being groomed to take control as MD.

Bursary gives a hand

THE Executive Women's Club's bursary fund will soon be sponsoring candidates at all the country's major business schools.

It presently sponsors eight women.

Galvanised by a capital injection in 1990 from Liberty Life, the EWC bursary fund, which had previously represented only member contributions and

been geared towards isolated financially deserving candidates, has become a viable project that can make a significant contribution.

Bursary committee chairman Liz Pollard says "Our bursaries are not for academic excellence."

"They are for women who have the ambition to better themselves and need assistance."

marked improvement in the past 10 years.

"But men, perhaps more than women, take time to accept a person's credentials in business and can be a touch patronising at times."

"Women have a special role to play in commerce and industry because of special qualities, such as interpersonal skills, compassion, empathy and intu-

ition, which add up to better interactive management."

"Role conflicts remain a problem — not just dual roles but, for many women, multiple roles — businesswoman, wife, mother, hostess, community player and role model for other women on the way up."

These multiple roles also increasingly apply to men, as today's fathers involve themselves in child rearing

Who's who in the boardroom

A NUMBER of South Africa's executive women.

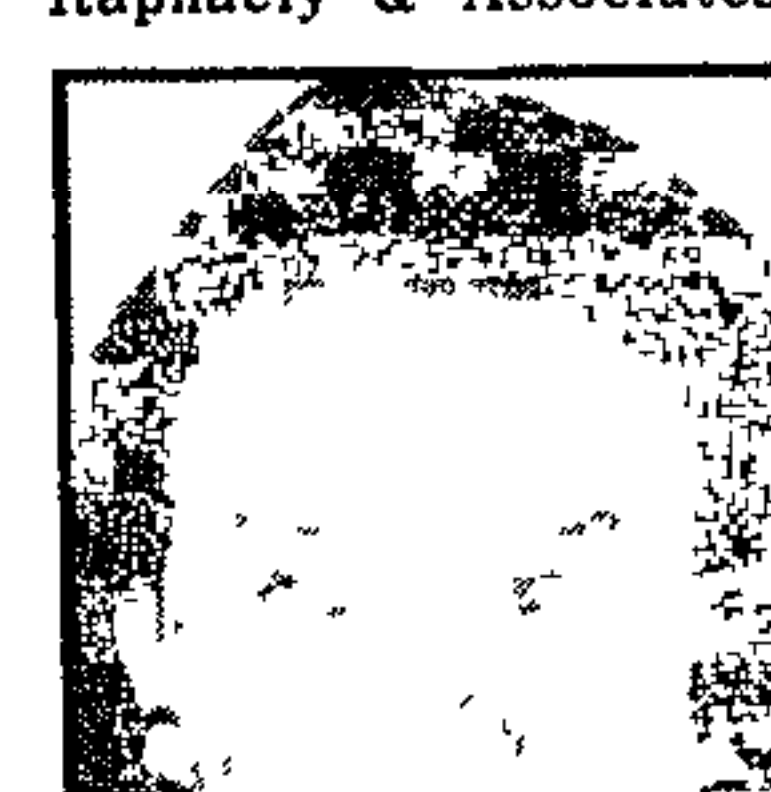
This list has been abbreviated.

Ackerman, Wendy — director Pick 'n Pay Stores, Bruwer, Anna-Marie — deputy director Tygerberg Hospital, Butler, Elizabeth — editor Fair Lady, Carstens, Isa — principal Stellenbosch Academy of Health & Beauty, De Villiers, May — senior investment adviser Syfrets Trust, Dieterle, Daphne — provincial director First Bowring (Cape), Duval, Christiane — director, Reader's Digest, Fitzgerald, Nicola — executive director Halcyon Hotels, Franzen, Isabelle — deputy registrar finance UCT, Golding, Pamela — chairman Pam Golding Properties, Gorralla, Patricia — MD Gorralla Group, Jowell, Professor Kate — Graduate School of Business UCT,

Kane-Berman, Dr Jocelyne — chief medical superintendent Groote Schuur, Kennard-Davis Christine — director First Bowring & Ass, Kotze, Anna — owner Anna Kotze Insurance/Investment Brokers, Law-Kun, Shirley — director Hasty Tasty, Markovitz, Anthula — MD and designer, Bianca, Martin, Marilyn — director SA National Gallery,

Mitton, Dr Geraldine — director Cleto & Saporetto Foundation, Muller, Janey — owner and cellar master Lemberg Wine Estate, Petousis, Kitty — director and manager Townhouse & Vineyard Hotels, Pfuhr, Pru — owner and MD, Biggie Best,

Raphaely, Jane — MD Raphaely & Associates,



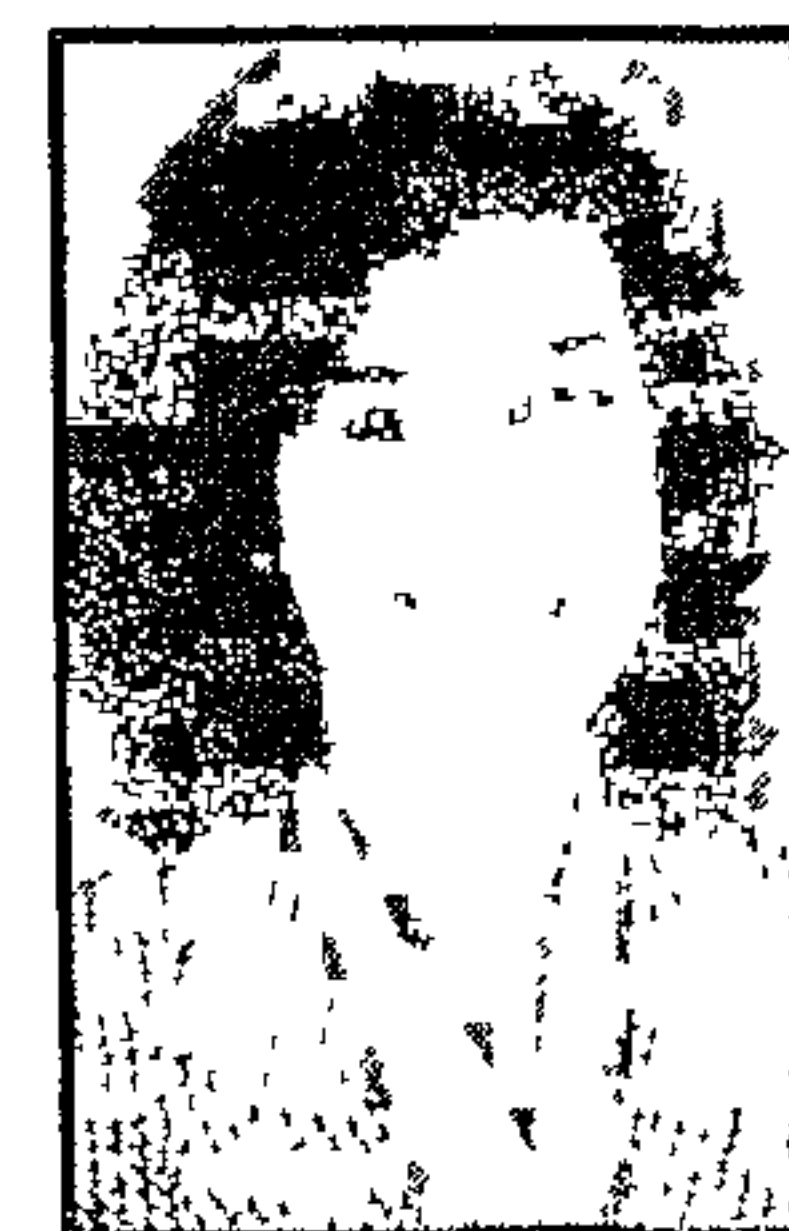
PAM GOLDING

Reinecke, Annette — MD Annette Reinecke Insurance, Roodt, Erica — merchandise director, Topics, Rosenwerth, Elzbieta — director Elzbieta Rosenwerth Couture, Rudman, Christine — Cape wine master Stellenbosch Farmers' Winery,

Sanders, Dr Hannah-Reeve — chief director Hospital & Health Services Branch, CPA, Schnugh, Elizabeth — financial director Gilbey Distillers & Vintners, Searll, Adele — Adele Searll Promotions,

Seeff, Carmella — chairman Seeff Residential Properties, Selwyn-Smith, Diana — CE, Cape Experiences,

Smith, Jay — director Jay Smith Interiors, Sulcas, Patricia — financial adviser Old Mutual, Wistyn, Rosa — joint MD Cravateur Tie, Natal Clayton, Geraldine — marketing director Vandenberg Foods, Hill, Nora — MD Export Marketing & Management Consultants, Holroyd, Mary — founder and chairman Weigh-Less, Hurter, Diane — financial director FFS Refiners, Kuzwayo, Bongile — fashion distributor Bongie's Exclusive Gowns, Leibowitz, Sally — financial executive Non-Ferrous Metal Works, Naidoo, Nino — manager Legal & Administrative Services SBDC, Seward, Noleen —



JANE RAPHAELY

company secretary SA Sugar Assn Experiment Station, Williams, Sheila — director Williams Palmer Associates, Wiltshire, Jane — manager group corporate planning Tongaat Hulett Group.

Ansley, Loy — vice-president P Elliott International, Ashton, Denise — head of research Mathison & Hollidge, Barsotti, Elaine — MD Sandton SENTRY, Bower, Elizabeth — director Spanplate, Boyle, Lillian — MD Rennie's Travel, Bradley, Elisabeth — MD Wesco Investments,

Braun, Clarice — stockbroker & director VH Simons, Carolin, Jennifer — senior manager strategic planning First National Bank, Constancon, Sharon — MD Constancon Curran-cies, Dabbs, Lynne — joint CE Newscorp,

Davis, Freda — director Overwear, Duchess; De Beer, Moira — senior consultant Old Mutual Financial Advisory Services; De Lange, Elizabeth — director Sage Trust, Devine, Veronica — MD Justine,

Du Toit, Jennifer — director Heritage Insurance Brokers, Eberhardt, Monique — MD Eberhardt Trust & Group, Egbers, Adrienne — financial director, Constantia Greetings, Elgie, Jenny — senior divisional financial manager Anglo American,

Erwee, Prof Ronel — graduate school of management University of Pretoria, Falcon, Rosemary — MD Falcon Research Laboratory, Fasulakis, Ana — MD and owner, Travkor, Forman, Reeva — MD Reeva Forman, Fowler, June — joint MD House of Gallia, Frampton, Pamela — MD Cyril Investment,

Fraser, Jocelyn — MD Scharrer Edwards Fraser, Geffen, Aida — MD Aida Holdings, Gilbert, Morag — assistant director planning, Jhb City Council, Gishen, Pam — company secretary Premier Group, Glover, Janet — conveyancing & litigation Anglo American Properties,

Goldberg, Sylvia — director Benny Goldberg Invest Co Goosen, Magda — MD First Bowring Consulting & Actuarial Services, Goss, Anita — MD AG Services, Grant, Susan — MD Markinor, Greyling, Brenda — MD SAFIA Hadassim, Hildred — manager legal department Standard Bank of SA card division,

Haggie, Dawn — chairman African Self Help Association, Hayman, Carol — director National Human Resources, Deloitte Pim Goldby, Herbst, Claire — MD Ernst & Young Corporate advisory services,

Jackson, Maureen — marketing director Imperial Car Rental, Jacobs, Carol — financial director Morganite, Joffe, Joan — MD-Joffe Technology, Johnston, Roberta — co-convenor Women's Legal Status Committee, Jones, Cheryl — MD Quest Personnel, Kabak, Babette — co-convenor Women's Legal Status Committee,

Kubheka, Beatrice — research director Bates Wells, Leibman, Charlene — MD De Huizemak, Eastgate, Lemmer, Carina — mining consultant, Lessing, Margaret — director Women's Bureau, Lie, Eve — beauty consultant Eve Lie International, Lindberg, Dawn — MD Cabaret & Theatre, Lottering, Yvonne — director Coin Security Group,

Louw, Frances — MD Amagi Books, Lowe, Freda — GM manufacturing, Gallo (Africa), Lucas-Bull, Wendy — partner Anderson Consulting, Maguire, Marie-Helene — deputy director International Marketing SAA, Maponya, Marina — director Maponya Supermarket Mountain Motors,

McCleod, Heather — MD McCleod Asset Consulting, McDowell, Johanna — chief manager marketing, Allied Bank, Mickleburgh, Valerie — consultant Total SA, Ming, Maureen — audit partner Ernst & Young, Mokhobo, Dawn — senior divisional health education manager Anglo American,

Motsepe, Bridgette — MD Kay Motsepe Enterprises & director Intercon-

tinental Projects, Nathan-son, Jennifer — marketing director Deloitte Pim Goldby, Ngcobo, Thelma — planning manager JCI,

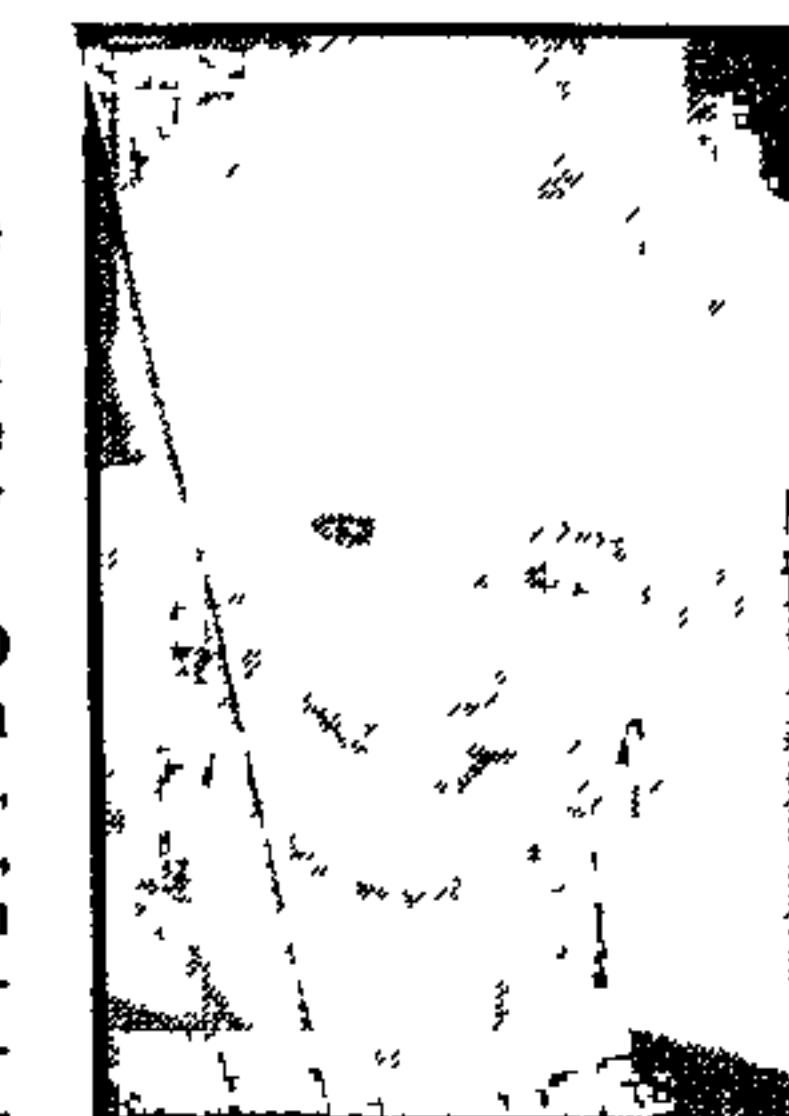
Osborne, Daphne — CE TFC Group Holdings, Reed, Ruth — MD founder Medici Gowns, Richardson, Lesley — GM Lisabank Insurance Brokers, Riesniek, Brenda — owner & principal, Birnam Business College,

Scott, Carol — MD Imperial Car Rental, Segal, Arlene — urban designer Jhb City Council, Seymour, Lindsey — MD DIY Sales Group, Shlain, Beryl — director Avroy Shlain Cosmetics, Sibya, Eunice — CSR manager, National Beverage Services, Solomon, Brenda — MD James' Ralph,

Strydom, Elaine — MD founder African International Removals, Sun, Lily — fin director Suntronika, Tagg, Esme — director property, Russells; Thayer, Eileen — financial director Murray & Roberts Plastics, Thomas, Adele — director Johannesburg Child Welfare; Trahar, Trish — executive director Mathieson & Ashley Holdings,

Van den Raad, Riekie — MD Multi Shine Cleaning Services, Van der Merwe-Reynecke, Dr Anette — hospital manager, Medi-Clin Sandton Clinic; Van der Reis Patricia — director Transportation Research Cons,

Van der Westhuizen, Ada — MD Quatro Group, Van Schalkwyk, Angela — MD Prickle Ink Publishers, Van't Riet, Dorothy — MD Dorothy Van't Riet Design & Decor Consultants, Vorster, Wendy — founder executive partner, Expeditors International; Waddington, Noelle — director Davis Borkum Hare & Co; Wagner, Joy — MD Murray



ISA CARSTENS

& Robert Properties (Tvl & OFS)

Watney, Lynne — CEO Contract Interiors, Whitfield, Lee — financial director, Anglo American Property Services, Willman, Irena — asst GM, advances, First National Bank, Woluter, Rowena — MD House of Rowena (Food Enterprises), Yungleson, Elaine — MD Vacances Club Med, Xenopoulos, Irma — co-chairman Women for Peace

Seen as a 'businessman in drag'

RENNIES Travel MD Lillian Boyle says, having won the battle for recognition in her corporation, she is regarded as a "businessman in drag."

But there is still non-acceptance of some senior executives of the company's customer base to conquer.

"The women who have succeeded in senior management have done a lot to change attitudes and I see a

Research shows the dice is loaded for top positions

8/29/91

(172)

THE Executive Women's Club of Southern Africa and its key bursary sponsor, Liberty Life, funded research earlier this year into attitudes towards women as candidates for senior management positions.

The sample comprised the CEOs and human resource directors of the FM Top 100 Companies.

The research was designed, conducted and analysed by independent researchers within Wits Business School.

Results showed as many as 77% of these decision-makers made a distinction between men and women in their chances for promotion to senior management.

Of the respondents, 52% admitted a reluctance to promoting women to managerial positions.

A further 25%, while willing to promote women, admitted they believed them to be at a disadvantage because of being "better suited" to the family role.

EWC bursary committee chairman Liz Pollard says "This must show the sceptics it is more than just a lack of female aspiration that makes it hard for

women to climb the corporate ladder.

"How a woman chooses to balance private and career goals is not left to her, but affects employment practices and depends on individual managers."

Most of the issues brought forth a high degree of ambivalence which researchers say indicates a discomfort with the issues addressed.

Conflict

The majority of respondents said women experienced conflict between working and raising a family.

A majority also admitted most corporates are dominated by male values and behaviour which "create difficulties" for women at work.

Response groupings highlighted five main segments of respondent.

These have been given names for easier identification. The Impartial (23%) — they give above average weighting to the family role for women but below average weighting on incompetence and prejudice.

This segment regards women in the same way

they regard men, seeing no difference.

The Sympathetic Traditionalists (15%) — like the Negative Traditionalists, this group believes women are incompetent, acknowledges the family role, but unlike the NTs, admit there is prejudice working against promoting women into management positions.

The Positive Traditionalists (25%) — they believe women are competent and confident, but also have a big role to play in the family.

They are positively disposed towards women, but believe the family role may conflict with work.

The Negative Traditionalists (16%) — this segment gives above average scores on incompetence and the family role, but they deny prejudice.

Researchers say they have a jaundiced view of women as managers.

The Ultra Conservatives (15%) — this segment gives an above average score to "no confidence" for women in management, scores highly on the family role and believes women have themselves to blame for any lack of progress.

If one groups these re-

sponses still further, the following picture emerges: the enlightened and negative traditionalists together with the conservatives form 52% of respondents who believe women to be incompetent in managerial roles, better suited to the domestic role.

Among them, some accept the workplace creates its own difficulties for women, others do not acknowledge that.

Respect

When one groups the impartialists with the positive traditionalists one finds 48% of respondents who respect women as equals, however, of those, 25% still feel women are better suited to the family role.

As a statement on the "status quo" of attitudes towards women in the business world, these findings matched those 16 years ago in research conducted by Management Magazine.

So, despite "affirmative action" such as increasing management training for women, growth in SA's "pool" of trained women, and high-profile awards for equal employment practices, change is slower than might have been expected.

Nominees have made their mark

THIS year's nominees included Simba Group financial director Trix Coetzer, Foundation for African Business and Consumer Services (Fabcos) executive Dora Ndaba and Topics merchandise director Erica Roodt.

Coetzer, 32, is a CA with a lot of responsibility.

As financial director she is the senior financial and strategic decision-maker for the Simba Group, which employs 3,000 people and has assets of more than R144m.

She administers annual budgets of about R18m.

Colleagues say Coetzer has a special ability to bind teams together in pursuit of defined goals, to motivate and create an atmosphere of participation.

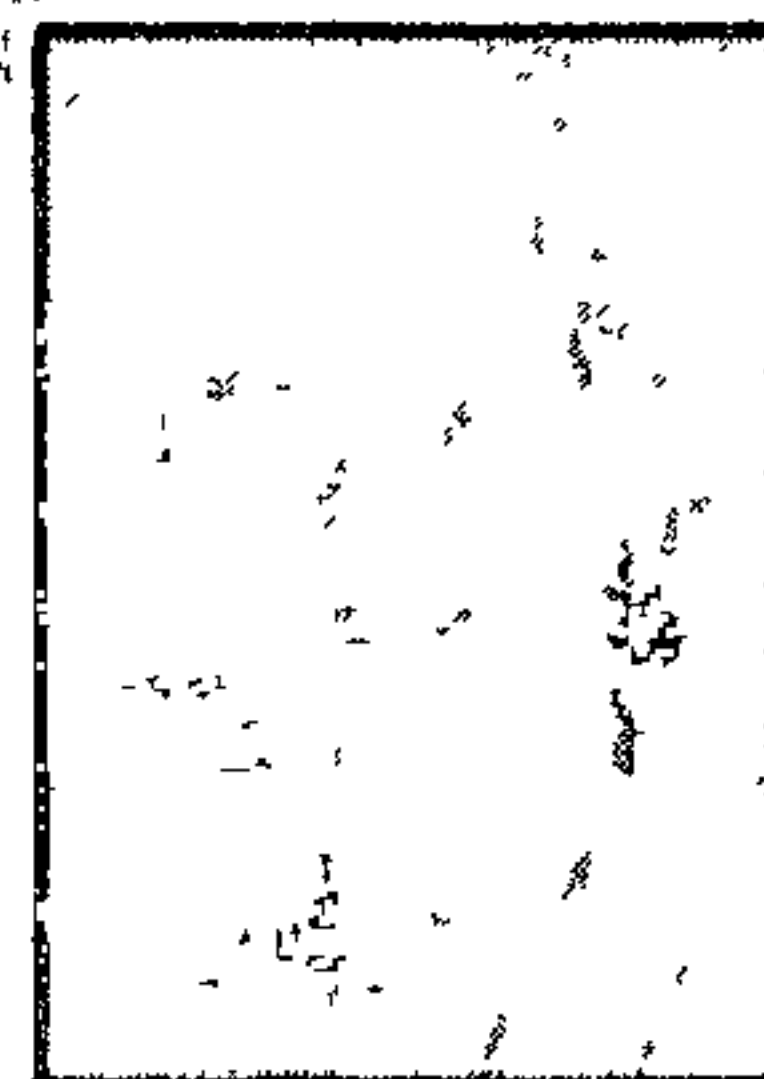
The departments which fall under Coetzer's control include operations, internal audit, company secretariat and data-processing.

Coetzer is the first woman financial director in the Fedfood Group.

She is married and has two sons aged 3 and 5.

Ndaba, 45, first made her mark in the fledgling SA black taxi industry of the early '70s as one of its uniting and driving forces.

As an executive member of both Sabta and Fabcos,



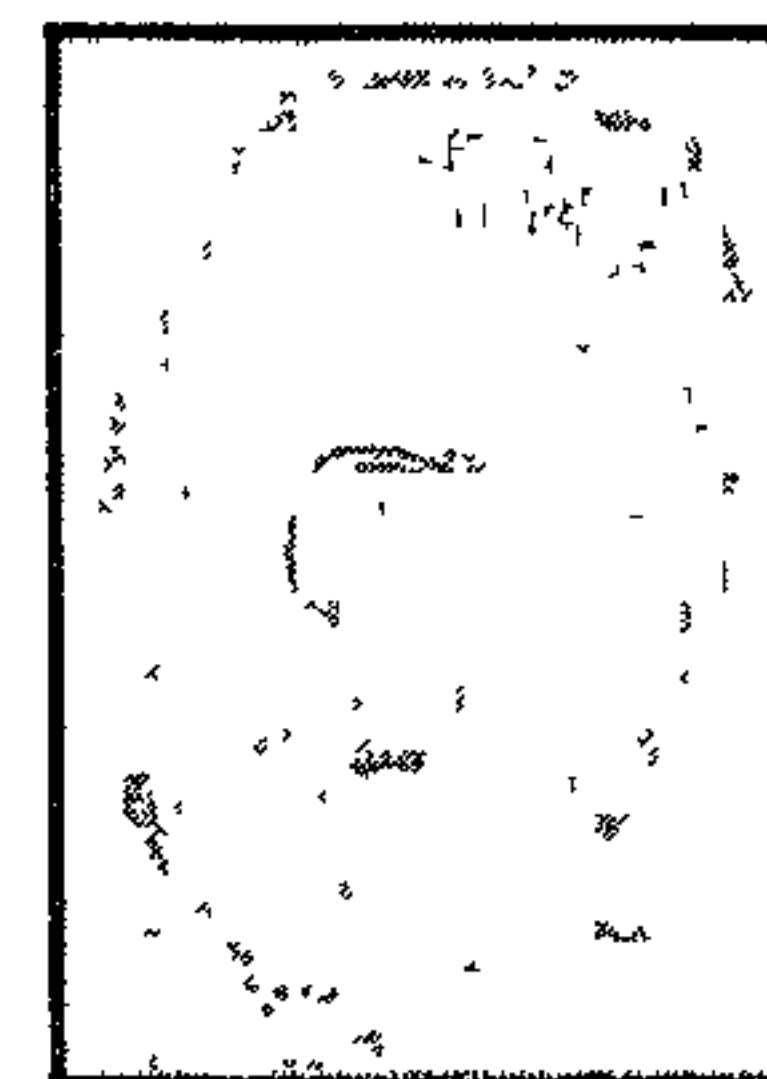
ERICA ROODT

serving more than 15 million people, she is regarded by black businessmen as someone vital to the "informal sector".

While uniting the fledgling taxi industry into a unified force, as Sabta's commercial representative she led the negotiating teams responsible for establishing taxi route facilities from the town councils of Randburg, Johannesburg, Midrand, Sandton, Kempton Park and Edenvale.

Against the background of strong opposition to the taxi industry by the Pretoria City Council, Ndaba negotiated the use of privately owned land in the CBD and the council's ultimate authority to its usage as a taxi rank.

Outside the business scene, Ndaba's achieve-



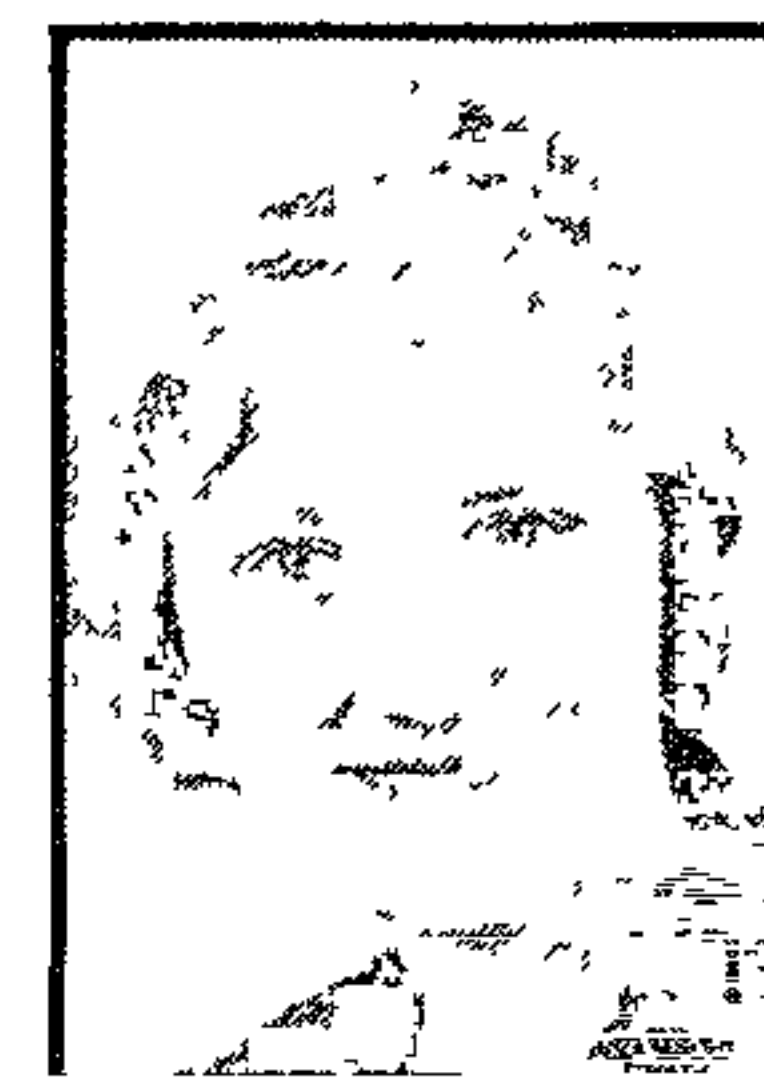
DORA NDABA

ments include the formation of the Ithlokemeng Association to care for the aged in her home town, Alexandra, including the provision of free taxi and bus transport for the aged.

A guiding philosophy is giving informal business what she believes are the four keys to success — recognition, encouragement, opportunity and hope.

Roodt, the Wooltru Group's only woman director, is merchandise director of 100-store retail fashion chain, Topics, and has played a major role in the chain's improved sales growth over the past five years.

Roodt's responsibilities include the selection of fashions, positioning of Topics in the fashion industry



TRIX COETZER

to a selected target market, pricing and advertising communication — decisions pivotal to the company's success.

Topics' more focused positioning in ladies' and children's clothing has been steered by Roodt following a career in fashion retail, fabric selection, styling, manufacture and distribution.

Her direction has established a new level of fashion "credibility" for Topics.

Significant achievements to her credit in the past 12 months is the introduction of new merchandise control systems, re-establishing Topics in the children's market, priority given to staff development and the introduction of a budget sportswear division.

Retrenchment axe is now falling on management

172
29/8/91
Sowetan

By
ALI
MPHAKI

WHILE retrenchments have long been a hazardous fact of employment it seems that, when the axe falls these days, its blows are increasingly less discriminating

Significant numbers of pinstripers are getting the chop and a recent SA Chamber of Commerce survey indicates that more than half of all companies in the manufacturing sector plan to cut their skilled and unskilled labour forces in the next 12 months

"It's the first time I've

seen significant large-scale retrenchments of management and administrative staff," observes industrial relations consultant Andrew Levy

"These days when a plant closes, management goes with it," he said

As the recession deepens and mergers, restructurings and rationalisations continue, statistics fail to reflect the severity of the situation

Unofficial figures indicate that about 40 percent of South Africa's economi-

cally active population - an astounding total of 5 million people - are currently unemployed

Some estimates put the figure as high as 7 million

Says Sacob's economist, Dr Ben van Rensburg "You can't expect management to get off scot-free in a recession like this"

An article in the current edition of *Cosmopolitan*, according to journalist Carolyn Raphaely, says the overall prognosis doesn't look good

DEMAND your rightful place in the job market but retain your femininity, is the message that ran through the two-day working women's national convention held at the Carlton Hotel this week.

Sowetan
Guest speakers and panelists advised the 500-odd women executives to be professional and 'play the game' to a certain ex-

Insist on your rights

WOMAN

30/8/91
By SIZAKELE KOOMA

ident but not to lose their identity

American management consultant Deanne Rosenberg, who addressed the convention on the differences between men and women in management, said there was nothing wrong in dressing for power, saying the right things and not down-playing one's achievements

She discouraged women, though, from adopting some of men's management styles and warned them to keep in touch with what was going on in their companies

"Men sometimes make important decisions in the

absence of women to make them look incompetent

"If you recognise what is going on you won't get caught in this situation," Rosenberg said

She said men looked at women as adversaries in terms of promotion. They nevertheless were able to work well with other men and it was important for women to learn to work well together too

The panel, made up of writer Nomavenda Mathane, Simba Group financial director Trix Coetzer, Eskom human resources manager Marie Hattingh and Dani Michel, executive director of the Institute of Personnel Managers, stressed the importance of profes-

sionalism.

People, said Trix Coetzer, will not take you seriously if you do not take yourself seriously

"Assert yourself. Make sure and assure your colleagues that you are much more of a colleague than a woman," Coetzer said

Marie Hattingh added that women should do things that make people succeed

They should also not be apprehensive about succeeding

1972

You will not succeed by saying women are discriminated against. Confidence is one of the important attributes for success, she said

The panel agreed that there was a certain degree of complacency among South African women and an unwillingness to take up opportunities when they arise.

It urged them to be proactive and "start rolling the ball".

In South Africa

women are not given the opportunities. They should therefore go out and grab them," Mathane said.

Commenting on 'cautiousness of women in corporate companies' Coetzer said, "The unwillingness among women to take risks at work could be blamed on upbringing. We have to change this influence, especially if in our positions we have to make decisions"

DEANNE ROSENBERG

How to score in the power game

SI Times 11/9/91

253A 172

THE stats are not looking good South African women make up 40 percent of the workforce — and a much less impressive five percent of senior management. A feeble 18 percent have made it into management at all

But let's not beat ourselves up here Now's the perfect time for a change A brand new constitution lurks We've just selected our 1991 Businesswoman of the Year, Dr Jocelyne Kane-Berman. The Working Women's National Convention has completed its second successful tour of 400 top female minds And the bottom line, as they say in the trade, is that once women have decided they really want to compete, they're going to need a game plan

First off, it's essential to know why men in the workplace are so different from women. We know men still hold the reins What do we need to know to get them back?

Deanne Rosenberg, an American import and management consultant, told Working Women's Convention delegates "Men think differently to women They use the same words in the same language — but they mean different things"

Here's a sample list. In the interests of womankind, it's a list that should be committed to memory.

- If a man offers to help a woman, he is not doing it out of the goodness of his heart He's doing it so he can tell party guests "She's coming along nicely, though of course, she still needs my help"

- Women are happy to share power. Men need to know exactly who has what power Men see women's apparent lack of ambition as a reason not to promote them.

- Women need support and consensus Men are moved by ego, status and the desire for independent leadership.

- Women appear to be feebly seeking approval when they ask, with genuine interest, "What do you think?" Men take this to mean not, "Let's discuss this," but rather, "I can't make up my mind, so would you mind doing it for me?"

- Women see problems as people-based issues Men see them as business decisions So when women seek opinions before making final choices, men interpret their actions as personal inadequacy

- Women play by the rules — expecting them to apply equally.

DO you lust after power, money and fast cars? If you do, be aware of the drawbacks You're playing in an arena long controlled by an alien species — men. LINDA SHAW investigates

Men play with the rules, seeing their manipulation as perks of leadership

- When women talk about their private lives within earshot of men, this is taken to mean home life is more important than work — and a good reason not to promote

- Women are not conditioned to ask prospective bosses about "packages" They ask for salaries — and they get them

- Women are task oriented — men power driven A man wanting to manoeuvre a woman out of the way will pile her with paperwork. She'll need courage to delegate and concentrate on decision-making instead.

- Men will never admit to intuitive feelings without backup data Women should take a lesson from this They look dilly and scattered doing things because they "feel right"

And so it goes on Recipe after recipe for disaster Yet, in spite of the obvious drawbacks, there are women who've made it. And who will continue to do so

DEANNE Rosenberg feels now is the time to make moves "The country is changing fast. There are not enough white males to maintain management dominance Left to themselves, they'll choose black males rather than white females to continue current trends"

Margaret Lessing of the Women's Bureau has asked the State President for a Minister of Female Affairs in the new dispensation — and has (of course) been turned down Mr FW de Klerk responded, however, by saying there'll be no discrimination — in either sex or colour — in the new constitution

Big deal There's none in America either, yet discrimination continues We're left to ask those women who've made it how it's done

Newly-elected Businesswoman of

the Year, Dr Jocelyne Kane-Berman — well-known for her many human rights campaigns in her capacity as chief medical superintendent of Groote Schuur hospital — thinks women have yet to understand the meaning of power

"I haven't met a power-hungry woman And women who have power tend to use it for the benefit of the organisation rather than their own egos I have not found this to be the case with men."

But Dr Kane-Berman isn't letting women off the hook either "They still haven't learnt how to relate to men in the workplace Their attitudes range from little girl to vamp to handmaiden, or, for the hardened feminists, blatant antagonism Thankfully, the new generation is learning to assert without aggression"

CAROL Scott, MD of Imperial Car Rental and winner of 1988's Businesswoman of the Year Award, says women have to make the kind of sacrifices men do

"Men have it easier because they don't have to forgo families to achieve success They just neglect them But for women, until our social infrastructure changes, we're going to have to make a choice. I couldn't do what I do if I had a husband and family"

Meanwhile, as we pontificate, men continue to rule Even in Norway, the new example of female domination, it seems men have snuck up behind us and pulled a move Today, Norway's being called the "Mummy state" — a place where women are in charge of "womanly" things like education and health — in fact virtually all "political" arenas But no one has yet figured out a satisfactorily, gentle, caring business formula to get to the top of the economic pile. The key area of business is still handled by the boys

It's kind of difficult to suggest where to go from here Successful women are saying aggression is out while assertion is in Successful men are unable to tell the difference And, as with most things, no one is willing to give up what they've long-sufferingly acquired Perhaps, in the end, it really is just a question of having been born on the wrong planet

ROLE MODEL: award-winning

Showing young leaders the way

South (Soulstyle)

S/9 - 11/9/91

(172)

(173)

COMMUNITY DEVELOPMENT has become a buzzword in South Africa and abroad, with organisations previously dedicated to welfare or politics recognising the need for an organic approach. One body putting these ideas into

practice is the Retreat-based agency Cafda, whose programmes include a course to develop the leadership skills of teenagers in the Cape Peninsula.

The participants, aged 16 and above, attend workshops twice a week in which they explore topics like effective time management, communication, and conflict management.

If the comments of previous participants are anything to go by, the course is achieving what it set out to do. "It made me more people-aware", "Now I see myself fit to handle any meeting", "Conflict resolution is a very real problem and now I know how to handle it."

The facilitators who lead each session are professionals from business, psychology and social work. They have found the teenagers responsive and receptive to the programme — in spite of the fact that the young people arrive straight from a day at school with no time to relax in between.

Their enthusiasm is no doubt fed by the way the course organisers take care to incorporate students' own priorities.

Renette Swartz, who co-ordinates the programme, explains how the emphasis is on experiential learning. In each session students divide into small groups to act out roles in a number of different imagined situations, and brainstorm their own ideas.

"That method takes away the anxiety, and makes it easier for them to report back," she explains. "It's a good way of consolidating what they learn, and they are not scared or shy any

Cafda is emphasising community development with a scheme to develop leadership skills. JUSTIN PEARCE reports:



Cafda's leadership skills programme emphasises group learning

PHOTOGRAPH Yarnus Mohammed

more"

Facilitators take care to treat participants as adults rather than take a parent-child approach, another aspect the students appreciate.

In the middle of the three-month course they go off on a mountain hike during which their ability to tackle problems is tested. Towards the

end of the programme a weekend "think-tank camp" provides a further opportunity to consolidate skills.

At the end of each course a full evaluation is undertaken by the students and facilitators, to identify where there is room for improvement for the next one. □

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ABOUT 100 delegates are expected to attend the Institute of Personnel Management's 35th annual convention at Sun City

The three-day convention will focus on "Human resources Building profitable partnerships"

Guest speaker Chester Crocker, former US Assistant Secretary of State for African Affairs, will give the inaugural address

Dr Crocker, now professor of international affairs at Georgetown University in Washington, will discuss how to get the sequence right in negotiations about power, interests, values and cultures, in Africa

Among speakers from

Crocker's cure for Africa

A Business Times Feature

(172)

abroad will be Mike Allen on company reorganisation, Tom Crum on turning conflict into opportunity, Abraham Zaleznik, professor of leadership at Harvard Business School, who will discuss whether managers and leaders are really different, and Norman Morrison, personnel head for Volkswagen Audi (UK), who will describe how to drive performance through changes in organisational structure and culture

Kathleen Murray, managing director of Product & Technology Strategies for Learning International, will also speak.

South African speakers will include Barry Schoub, director of the National Institute for Virology and head of the department of virology at Wits. Professor Schoub will discuss some of the myths of Aids transmission. Frank Chikane, general secretary of the South African Council of Churches, will talk about returning exiles.

The thinking behind this year's convention, and indeed the common thread in much of what I.P.M. representatives espouse under the leadership of president Tony Frost, appears to emanate from Houston-based Wallace Company Inc chief executive John Wallace

According to this winner of the Malcolm Baldrige award "Change cannot be approached at a snail's pace. You have to approach it and plan for it to happen like a revolution. However, it is not merely good enough to turn the organisation upside down. You have to put in place a vision which will allow all the people in the organisation to participate in the change willingly and with a clear vision of the future."

8/9/91

I.P.M. president Tony Frost believes human resource managers have a unique and historical role to play in bringing about change in SA through communications and bridging building between groups

"If change cannot take place in the work environment, where different cultures meet and spend the greater part of their lives, where else?"

"We need human resource managers who have vision, who are capable of providing strong leadership in times of turmoil. We need human resource managers who are re-

volutionaries and who are not afraid to confront issues and think radically. They should be business oriented and able to spread good human resource technology as widely and deeply in the organisation as they can

"For this reason we have lined up speakers to expose all those involved in human resource development to the type of visionary thinking that will bring about change. At the same time, we aim to equip our delegates with the knowledge of how to implement and deal with these changes"

A foot on the ladder

5/11/91 (172)
MARTIN SEBESHO is not a product of IPM's training department, but he is an executive council member and has played a role in the fate of many IPM diploma graduates

Mr Sebesho runs Controlled Management Dynamics, a management consultancy firm which averages 10 to 15 placements a month to the likes of Eskom, Sasol and Liberty Life

The Wits Business School graduate believes IPM deserves credit for taking deliberate steps to help black advancement, notably by the appointment of two black executive council members and by raising its equality of employment opportunity committee to the level of a division

Mr Sebesho believes there is discernible change in management practice, possibly

6% to 7% of senior managers now black compared with a paltry 2% in 1985

From research undertaken in 1985, however, he believes SA still has major problems to overcome, the major one being that education is seen as an end in itself, graduates with all qualifications failing to be absorbed. The exercise is frustrating

"Take the Pace Commercial College. Few of its students are employed by company sponsors

"On the other hand, there are some heartening changes that need to be applauded. Eskom, for instance, which did not subscribe to an affirmative action programme a few years ago, has changed its attitude.

"Compare this with some companies which have mouthed all the right things for so long, but have done nothing"

Recession masks the crisis in skills

MANY retrenchments are unnecessary

Innovative human resource practices, such as work sharing, may be far more preferable to both employer and employee

They include multi-skilling, shorter working hours, fewer working days, revolving lay-offs, more flexible working patterns and retraining of employees

In the 1990s, such issues along with skills training and career development, are certain to be the focal areas of human resource activity

Dani Mitchell, executive director of the Institute of Personnel Management, says the recession has masked the skills crisis

"The expected shortage has not materialised to as great an extent as it would have in buoyant times. But once we have turned the corner, the skills crisis will be a critical impediment to economic growth

"The time has never been better for companies to focus on technical skills training, management development and affirmative action"

Resort

Underscoring the timing factor and role to be played by corporate SA, Miss Mitchell says even if the education system is redesigned, it will be 20 to 30 years before SA sees the fruits

"Private- and public-sector employers will have to become the educators of last resort"

Miss Mitchell became IPM's first woman executive director in February 1991. She succeeded Wilhelm Crous. She had three years' experience as IPM training manager and another six as training head of Standard Bank's black advancement and career development programme

At IPM's central office in Parktown, Johannesburg, she heads a staff of 35, charged with serving of IPM's 8 500 members. The members include human resource practitioners, 7 000 in all, 500 companies, and 1 000 subscribers to the IPM Journal

Miss Mitchell estimates that 50% to 60% of the human resources management belongs to the IPM

Helping her are various committees appointed by the IPM's 40-member council. They are elected for three years and cover three core

EVERY year the Institute of Personnel Management hosts a convention at Sun City to highlight issues vital to the profession of managing people in the workplace

This year's convention, at which 1 100 delegates are expected and which begins on September 23, is no exception. But how does the IPM see itself positioned in this changing South Africa? How is the organisation gearing its structure and programmes to meet the challenges of the future?

ALISON GOLDBERG reports.

areas industrial relations, human resource development and personnel services

Three other committees have risen to prominence in these areas: equal employment opportunity, employee assistance programmes and assessment centres

In addition, the institute has 22 branches, comprising members in the same geographical area who meet regularly to look at issues such as training and who arrange events

Miss Mitchell handles the question of what the IPM is doing for blacks with confidence. She says "More than 50% of IPM diploma students are black. We also have a major project to ensure a significant increase in the number of black human resource managers in the working environment as well as in positions of leadership in the institute"

The IPM has two black executive committee members — JB Magwaza, human resources director for Hulett Refineries in Durban and Martin Sebesho, managing director of Controlled Management Dynamics

"We are developing a

national human resources strategy in association with the ANC's Centre for Human Resource Development. Wilhelm Crous is co-ordinating the project"

Among her priorities in the next five years is an increasingly active role in lobbying the Government and other organisations involved in manpower issues

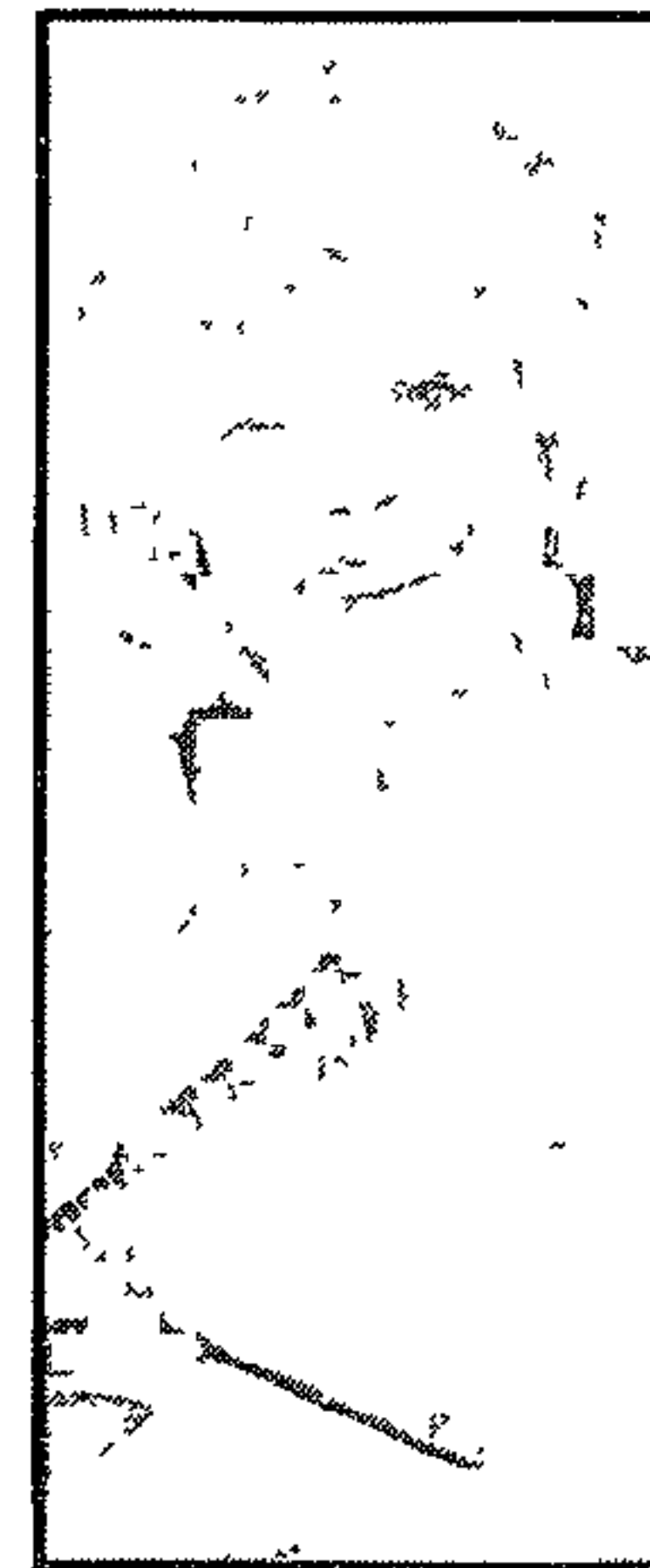
Miss Mitchell says "We are particularly keen to see more vocational and technical training at secondary school level and the establishment of a single education authority and system

"By virtue of our role in organisations and our knowledge of human resource needs, we are able to assist research into manpower issues

Poised

"Two cases in point are the Commonwealth Group on Skills for Post-apartheid SA and the British Polytechnics' initiative for collaboration with SA to deal with education and training problems"

Miss Mitchell believes IPM's efficacy will continue to lie in its provision of



DANI MITCHELL Preparing for the new South Africa

networking opportunities for members of the profession, its training and development of human resource professionals and its information service

Miss Mitchell says of the new SA "Human resource practitioners are poised to play a leading role in this era of consultative and participatory management. These new values are bound to affect all levels of human resource management"

GREATER awareness of the need for increasing input for training and career development has made the human resources development (HRD) division an active section of the IPM.

HRD committee chairman Tony Ansara says companies have recognised that if SA is to grow, its management and staff must have a share in it.

"They are therefore concentrating now on human resources development and the issues are becoming more complex."

Personnel assessment, career development, training technology, organisational development, competency-based training and the monitoring of the needs of human resource professionals fall within the ambit of Mr Ansara's committee.

In addition, the committee

Vital role in the new SA

is involved in the organisation of IPM's annual HRD convention and is responsible for helping the training department.

Mr Ansara and his council members will meet in early September at an IPM strategic rethink session to decide on the best course to take in the next few years. The results of the think tank will be presented at the national convention later in the month.

"Every IPM committee will come up with strategic plans for the next two to four years

to enable a complete plan to be put in place. Who, we ask ourselves, are the International Monetary Fund and the International Labour Organisation going to confer with in the new SA on human resource issues? IPM or some other body?"

"If we are looking at a new government, then as a profession we must look at new demands, such as possible affirmative action legislation, the penetration of African markets and what links to develop with global organisations. We

have to develop our own skills and ensure we have a role in a new SA.

"That means we will have to stop guarding our wickets and take risks so that we can meet the challenges that lie ahead."

"We have to innovate. We have to find out what the alternative voices have to say and form other alliances in SA. In this vein, we have started talks with various employer and employee groups."

"We are affiliated to the American Society for Training and Development, as well as the International Federation of Training and Development Organisations."

Education

Mr Ansara's other major concern is the responsibility of human resource development practitioners not only to meet financial goals, such as productivity and profitability, but the development of life skills.

"The dichotomy has to be dealt with. To create middle management and ensure more equitable economic distribution, our future partners must not only be educated properly but be equipped to cope with corporate life at an emotional and social level."

Mr Ansara agrees that one way in which this can be done is for more and more employers to help educate the children of their employees.

By motivating pupils in high school to choose careers and make them aware of what avenues, and more importantly, what financial assistance is available, such as company bursaries, employers will play a part in fulfilling this ideal.

Affirmative action stalls

ST Times (Durban) 8/9/91 (172) (173)
IF HE didn't have some faith in this organisation and in this country, "I wouldn't be doing what I'm doing", says Johannes Magwaza, human resources director of Hulett Refineries in Durban.

"We have no option but to continue to push for affirmative action, no matter how dismal the results, no matter how long it takes. There are no quick fixes."

Mr Magwaza, who sits on the executive committee of IPM, believes little progress has been made in affirmative action programmes since their inception two decades ago.

Mr Magwaza says: "In spite of the statements put out by companies, racism is still a pervasive factor."

"The other stumbling block to successful affirmative action programmes is in the selection process itself, with overemphasis on qualifications. Companies are

looking for machines, not human beings. When they fail, they can't understand what went wrong. They are setting standards impossible to achieve for any man or woman, no matter what colour.

"A third obstacle is the method of training and development. Too often black management trainees are overprotected. They should be dumped into the deep end and allowed to sink or swim, all the while being taught how to swim. People expect them not to fail, but it doesn't work like that."

"The biggest mistake is that most companies relegate affirmative action programmes to personnel managers. Chief executives should be in charge of the programmes and should ensure that there is sufficient infrastructure to support them."

"The other important thing is not to create high expectations, not to fool ourselves. This whole question of black ad-

vancement through affirmative action will take time.

"To expect any person in an organisation to reach middle management level, you are looking at seven to nine years, plus another five to reach senior level, if that person is a high-flyer."

"To expect blacks to be able to cut this short is particularly onerous. But, given the shortage of management candidates, we have no option but to persist."

How effective is the IPM in the field of black advancement?

"If you're asking for tangible evidence of IPM's success in various areas such as affirmative action, you would be barking up the wrong tree. It is also there to prod the consciences of organisations, so any attempt to quantify its success is futile. If you ask if it has an audience, yes it has. If you ask whether it has an impact, it has."

Help for managers (172)

S/Times (Bun) 8/9/91

THE Labour Relations Act in 1979 and the rapid development of the industrial relations profession resulted in the emergence of a powerful player — the IR manager

The problem, however, is that in some organisations the role of fire-fighter and problem solver has been relegated to the personnel department, line management remaining none the wiser about IR matters

IPM IR services manager Marcus Cohen says things are changing "We are seeing the empowerment of line managers by IR practitioners. They're saying 'We'll give you the knowledge and skills, help you to develop the right attitudes and let you get on with it'. As a result line managers are becoming more confident in dealing with such issues as discipline, conflict, grievances, collective bargaining and negotiation"

Better deal for blacks

JOB security has become a predominant concern for trade unions, says IPM Industrial relations committee chairman Mervyn Foster

The industrial relations division aims to play a leading role in matters of public policy, to spread information through pamphlets, seminars and other means, to provide training and development and to forge relations with various stakeholders

Mr Foster says the days of making minimum wages a priority are over. Most employers now pay a negotiated wage and some are linking pay increases to profitability

"This shift to a more accommodating stance on both sides, but more so by unions, is a direct result of the economic squeeze. Faced with large-scale retrenchment, unions have been left in a delicate position, unable to deny the direct and indirect consequences of sanctions, which they advocated.

"The IPM supports bilateral talks between employers and unions of a kind manifested in the Ergo agreement. It encourages both to link wage increases to performance and results.

"Pivotal is our making employers aware of the issue of relations in the workplace, between traditional categorisation and also between groups who are in conflict in our wider society, encouraging them to attend to minorities who can become disruptive if they are overlooked. The third issue IPM supports is that of black advancement and the empowerment of blacks in the workplace.

Acceptable

"This means the development of a more acceptable kind of manager with an approach which will empower black workers, advance participatory management and freedom of association, and who can support dispute settling procedures through arbitration and mediation.

"We must train the kind of people who can deal with social issues affecting workers.

"Traditionally, SA workers have been managed in an arbitrary style, given little information about their jobs, no job security, market-related wages, no say in decision making at any level, no resource to worker collectivism or to any redress against abuse of so-called management prerogatives.

Violence

"Personnel managers have to guide and educate line managers.

"Personnel managers should equip line managers with personnel management techniques. They must show them how to manage in a new SA — dealing with issues such as violence, racial polarisation, high expectations and low productivity.

"Black advancement is a high priority and line managers will have overcome



MERVYN FOSTER Guidance for the line managers

the barriers. Line managers should not be concerned whether workers they are black or white.

"Part of the problem is that some employers who have taken blacks into more senior positions have been disappointed.

"The poor education system for blacks is a legacy of apartheid. Employers have to look for ways to overcome the problem and to compensate for the backlog.

Schools

"There are two ways to do this. The first is for employers to forget about education-based competition and look for employees with innate qualities and help them. That means going to the schools to find young people with innate intelligence and appropriate aptitudes. If they can't find suitable candidates, they are not digging deep enough, not appraising properly.

"The second way is to cultivate these young people and make it possible for them to learn to fit into a corporate world. Employers must mentor them."

Too few openings for many seekers

8/ Times (Burs) 8/9/91. (141) (142)

WITH all the talk about the need for training, the discovery of the relatively few job openings available for hopefuls leaves one with a sinking feeling.

"What do you do when 7 000 people apply for 120 bursaries?" asks At du Plessis, chief executive of management resources for Genmin.

"Granted, many may be chancers, but there are at least 700 who qualify for those bursaries. Why go out and spend millions on cultivating high school children when there are so few opportunities?"

No doubt Mr Du Plessis derives as little satisfaction from this cold reality as would anyone else. In his role as IPM personnel services committee chairman, he is committed to doing something about it.

Handful

IPM's personnel services division comprises seven sub-committees dealing with Aids, compensation management, manning (recruitment and succession planning), employee assistance programmes, computerisation of human resource information, strategic management and social responsibility (employee relations).

Mr Du Plessis says "We view our role as a proactive one. As a committee, we identify needs which we can meet and limit the issues to two or three a year. Different aspects of the same issue are investigated for six months by different sub-committees. It is impossible for a handful of people to accomplish everything."

Six issues were investigated in the past year: immigration, remuneration, housing, succession planning, the rendering of assistance to returning ANC exiles and information management.

"We concluded there was little need for any SA company to recruit people abroad. The SA employer has the responsibility to train existing employees with potential or look for good-quality SA labour. However, time is against us and should there be an economic upswing as everyone predicts, then shortages will occur that will force the SA employer to recruit abroad."

"The problem, however, is the short-sightedness of some employers who stop training the minute the company suffers economically. We are aware that SA can do with good entrepreneurs, but the objective should be to become self-sufficient in the long term."

"Our review of succession planning, a subject I will speak about at IPM's national convention, led us to see the importance of selection and ensuring a mix of colours, provided standards are not dropped."

"Selecting people with the right attitudes, especially at the early stage, is crucial if prospective trainees are to compete in the race for jobs traditionally held by whites. Once selected, these people together with all other prospects need to be put on a fast-track development."

"The key to solving present and future shortages lies in a solid, workable succession planning system in a company, supported by proper development programmes."

The personnel services committee also produced two papers for publication, one on remuneration and another on housing.

The conclusion was that the remuneration policy of any organisation should support its strategic objectives. If this does not happen, it will fail in contributing to the bottom line.

Mr Du Plessis says "You cannot have a policy of worker involvement and then pay bonuses for individual performance and so on."

"The all-inclusive wage concept was also identified as the system for the future because it gives freedom for the employee and enables the company to determine the real cost of employment. More information on the subject will be available in an IPM seminar on compensation management which is being run in the latter part of the year."

Aware

"Housing is a national strategic issue and all the committee has tried to accomplish is to make members aware of what is available on financing, what is in the pot and what employers can do to facilitate the process for their employees to become house owners."

The committee's attempt to help returning ANC exiles were less fruitful, mainly because insufficient data were available about them. All avenues explored failed to provide a contact for his committee.

Subjects the committee will concern itself with in the new year are Aids and general health care, housing and any other topics branches might identify.

Mr Du Plessis says the thrust of the social responsibility committee's work is to find ways of assisting Aids victims without landing companies



AT DU PLESSIS A lot on his plate

with a huge financial load in years to come.

The committee is expected to offer suggestions to employers on what steps to take so as not to incur labour shortages should high numbers of the economically active population be affected by Aids.

A recent case at Genmin, he says, cost the company between R30 000 to R40 000 in four months for medical fees. Current estimates are that SA will spend between R7,5-billion and R11-billion on Aids in the year 2000 and that about 30% of the economically active workforce will suffer from Aids then.

The committee will look into the legal ramifications of the issue and will formulate suggestions on how to deal with medical-aid schemes.

Mr Du Plessis believes that IPM and his committee should review the role they have played until now. He hopes that the workshop scheduled for the first weekend in September will result in a new strategy for IPM to become one of the opinion formers on personnel management in SA.

Broader view for HR people

3 Times (Burs)

EQUIPPING human resource practitioners with business skills is the focus of IPM's training department in 1991

One of the messages in the institute's training programmes is profit-and-loss assessment to ensure that people in human resources have a part to play in organisational growth and can thereby justify their positions.

Incentive compensation, coaching skills and managing organisational change have been added to the training department's courses and programmes

Firings

A computer simulation business course is also being developed to orient practitioners to this type of strategic thinking. It incorporates balance sheet, marketing, production and selling variables to enable them to understand how other areas operate in their organisations.

IPM training manager Roma Howard believes the traditional practice of firing human resource practitioners and other support staff first in a recession is changing. The reason is that companies are finding their services useful, so much so that many boards today include directors with a human resource development background.

Training, industrial relations, salary structuring, career development, staff promotion and succession planning are skills that companies demand. The institute provides the training.

Half of IPM's students registered for the diploma course are black. It is believed that the human re-

sources role will be a useful one for blacks at the entry level of corporations in the new SA.

IPM's other popular courses are its short course certificate series in human resource management.

Mrs Howard says the recession has led to the need for multi-skilling and job flexibility. Instead of hiring new people to do certain jobs, employers are looking to train existing employees to carry out a variety of jobs. With reduced working loads resulting from the economic downturn, it is possible for staff members to do this.

An offshoot of the trend is that workers become more talented and make themselves more marketable and highly sought after.

Payment for extra work can be made either on a project-type basis, or appropriately developed to a new salary scale in accordance with the extra skills acquired. A simple example of multi-skilling is the case of a clerk providing relief in a typing pool.

Economical

For IPM the trend appears to be to more in-house training assignments. This is of greater benefit to the customer because it allows a training programme to be customised to the needs of the organisation.

Furthermore, training people at their own premises is a more economical for the customer and less disruptive. The training department has provided customised training to companies in South Africa, Botswana, Lesotho and Bophuthatswana.

Now firms try to place retrenched employees

VERA VON LIERES

OUTPLACEMENT — or helping retrenched employees find new work — is becoming an increasingly popular management tool in SA, according to a UK human resource consultant

MD of Pauline Hyde & Associates Christopher Blasdale, the guest speaker this week at a two-day conference on corporate restructuring, said yesterday outplacement held many benefits for SA companies

"Currently, in the UK, management (turnover) is taking place at the rate of between 20% and 25% per year. We are there to help managers to meet that change," Blasdale said in an interview.

He explained that outplacement, in its simplest form, was a method to help people leaving a company find good new careers quicker than if they were left to their own devices

Shopfloor

Outplacement was not exclusively for senior management. While it originally started with top management, the service had been extended to middle management, junior management and shopfloor workers. Counselling management and shopfloor workers was the same discipline and only the style was different.

The concept originated in the US in 1975 and came to the UK in about 1977. More than 90% of big companies overseas use outplacement and it was likely to become a standard practice in SA.

"When companies restructure, which generally means downsizing, they have a tremendous morale problem. One of the best ways of restoring the morale of the company is by placing employees in new jobs — which is the real reason why companies find it cost-effective using our services."

The conference, which starts at the Indaba Hotel today, is organised by Executive Seminars.

MAST HOLDINGS FM 13/9/91.

Moving from services to products

Activities: Education, training, time management systems and recruitment

Control: Management and staff 56,1%, Gallo Africa 37,0%

Executive chairman: S W B Dallamore

Capital structure: 21,1m ords Market capitalisation R10,6m

Share market: Price 50c Yields 7,8% on dividend, 13,0% on earnings, p/e ratio, 7,7, cover, 1,7 12-month high, 70c, low, 40c Trading volume last quarter, 3 700 shares

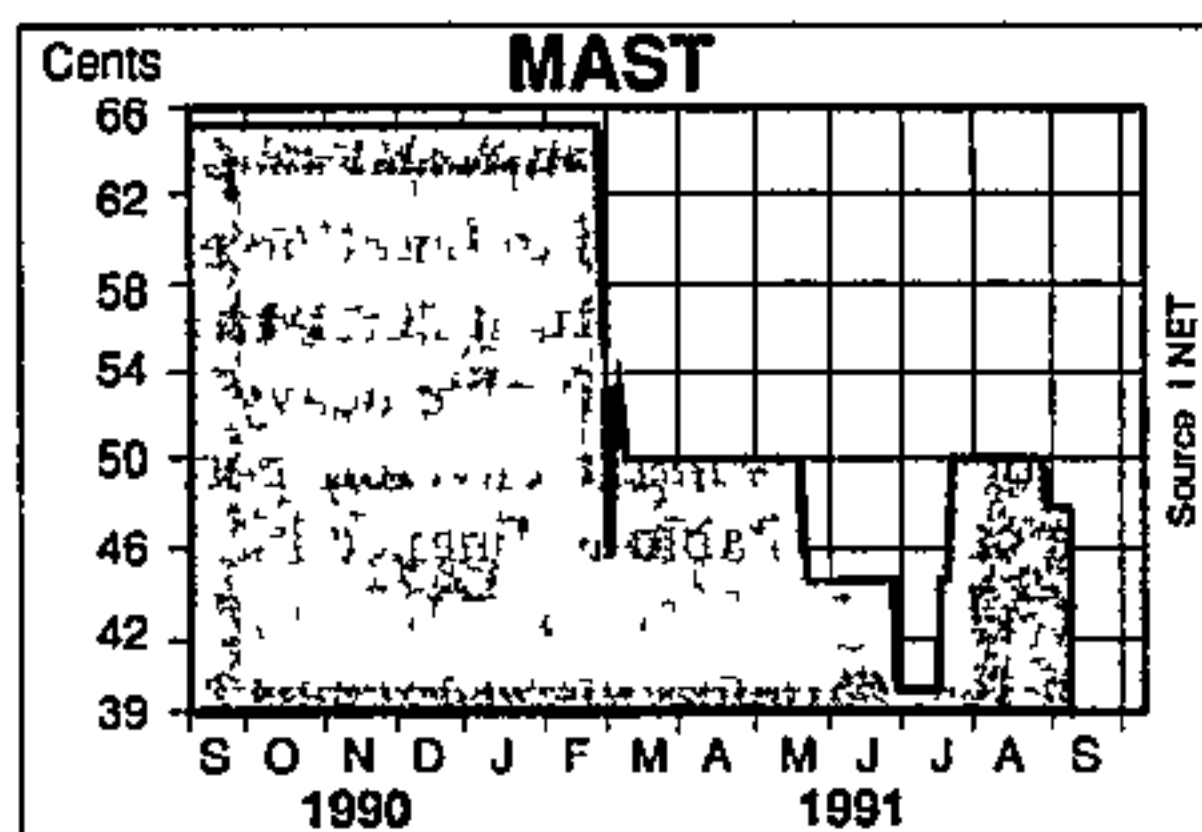
Year to Feb	'88	'89	'90	'91
ST debt (Rm)	—	0,3	0,4	0,8
LT debt (Rm)	—	0,8	—	0,1
Debt equity ratio	—	0,2	n/a	n/a
Shareholders interest	0,68	0,44	0,38	0,38
Return on cap (%)	29,0	26,9	33,5	20,0
Turnover (Rm)	4,7	8,4	15,1	18,4
Pre-int profit (Rm)	1,1	1,6	2,6	1,9
Pre-int margin (%)	22,6	18,8	17,4	10,2
Earnings (c)	5,3	6,4	8,0	6,5
Dividends (c)	2,4	3,0	3,9	3,9
Net worth (c)	9,2	10,4	14,5	16,9

Over the past three years, the focus of Mast Holdings has shifted from the sale of time-related services to a product-driven business. Last year, Business Learning Systems (computer and language training) was closed. Now, Paul Tingley Management Services has been sold and Universitas, a magazine subscription agency, was bought.

The shift in emphasis failed to buoy profits in financial 1991, but some gains should be seen this year.

Turnover, in the year to February 1991, rose 21,5%, but a slide in the operating margin saw operating profit fall to R2,1m (R2,9m). Difficult trading conditions affected margins, but executive chairman Stephen Dallamore says that the move towards product-based operations was a contributing factor.

From financial 1988 to financial 1991, the proportion of group profit originating from higher margin, time-based services fell from 70% to 27%. Dallamore says margins on the product-type operations tend to be lower until a critical mass is attained. He envisages that the recent changes and other possible acquisitions — the group remains cash flush — will continue to lift the profit contribution of products to about 90% in financial 1993.



Mast's Dallamore tax rate will rise

Paul Tingley Management Services fell outside of the new strategic focus and also underperformed last year. For these reasons, it was recently sold to its management for R450 000. According to the 1989 annual report, the company was bought in March 1988 for R1m. Dallamore says that the consideration, involving a mixture of cash and shares, effectively totalled R724 000.

At the same time, Universitas was purchased for R500 000 cash from CNA Gallo's Literary Group. CNA Gallo controls 37% of Mast. This, says Dallamore, will give the group access to a data-base of 18 000 subscribers and will spearhead their entry into the mass education and training market through direct mail opportunities. Time Systems (time management systems) and Universitas will be merged into a new division, Mast Printing & Publishing.

Dallamore reckons the various divisions are on line to meet or exceed their budgets this year. Mast SA (managerial skills and training) has recovered from a disappointing financial 1991 and Gallo Vision (distributes training and education information and renamed Mast Video Training) is expected to be ahead of budget again this year.

Not all the expected improvements at operating level will flow through to the bottom line. The prohibition placed on tax deductions arising out of investments in timber plantations will force the effective tax rate up. Dallamore says the August interims will reflect a rise in the tax rate from 27,5% to about 42%, but points to cash flow advantages gained until now.

If trading conditions for the rest of the

year remain consistent with those to date, Dallamore expects to achieve earnings growth at least in line with inflation.

The prospect of a return to profit growth is reflected in the recent rise of the share price off a 12-month low. The p/e and earnings yield are in line with those of competitor Advance Technologies, but the share is thinly traded.

Pam Baskind

UNIDEV FM 13/9/91

Recapitalising

Activities: Investment holding company

Control: Unicon 53%

Joint MDs: J K Brett, A H Chonowitz

Capital structure: 31m ords Market capitalisation R6,8m

Share market: Price 22c Yields nil% on dividend, nil% on earnings, p/e ratio, nil, cover, n/a 12-month high, 110c, low, 20c Trading volume last quarter, 2,4m shares

Year to Dec	'87	'88	'89	'90
ST debt (Rm)	8,0	38,2	75,0	77,9
LT debt (Rm)	10,7	12,3	5,4	5,5
Debt equity ratio	0,84	2,42	1,4	11,4
Shareholders interest	0,53	0,33	0,31	0,07
Int & leasing cover	19,2	3,1	1,4	(7,8)
Return on cap (%)	10,7	8,2	6,7	nil
Turnover (Rm)	n/a	n/a	n/a	n/a
Pre-int profit (Rm)	10,4	11,5	18,9	(80,2)
Earnings (c)	61	52,1	55,8	(280,4)
Dividends (c)	22,5	12,0	14,0	nil
Net worth (c)	268	178	227	28

If there is a common thread running through the many recent failures of listed companies, it is excessive gearing. This is particularly evident in the case of Unidev before its present management took over.

As joint MD Jon Brett puts it: "The previous directors were buying minority interests in companies and using short-term bank borrowings to do so. Some of these acquisitions were returning yields of 3% whereas the bank-sourced finance was costing 18% and more. It was the interest cost differential, together with the liquidation of Cortech, that killed them."

Brett and his counterpart, Alan Chonowitz, assumed control of Unidev at the end of February. They hold 60% and Senbank holds 40% in the top company, Top Hi; this company has 79% of Unicon which, in turn, controls 53% of Unidev.

It was to be expected that their first move would be to try to eliminate as much debt as possible from the "operating" company. Since the financial year-end, Unidev has announced a rights issue to raise about R23m which is to be used to repay borrowings. A further rights issue is being held to raise R13m for Unicon. The issues, being underwritten by Top Hi, closed on September

South African MDs riding the gravy train

Star 16/9/91.
By Derek Tommey

When it comes to reading the figures on the salary cheque, managing directors in South Africa are among the worst paid in the Western world, according to a survey by the London-based management consultants P-E International.

But do not shed too many tears for South Africa's business high-flyers

After taking into account the tax they pay and more importantly, the differences in living costs (excluding housing) in South Africa and other countries, the survey found that our chief executives were not doing too badly after all

In fact, it found that their living standards were higher than those in similar jobs in 11 major Western countries and were not too far below those of their counterparts in a another seven

Only chief executives in New York and Toronto are substantially better off than those in Johannesburg when tax and living costs are considered

The survey was of managing directors of manufacturing companies with an annual turnover equivalent in British pounds to R250 million a year and employing about 500 workers

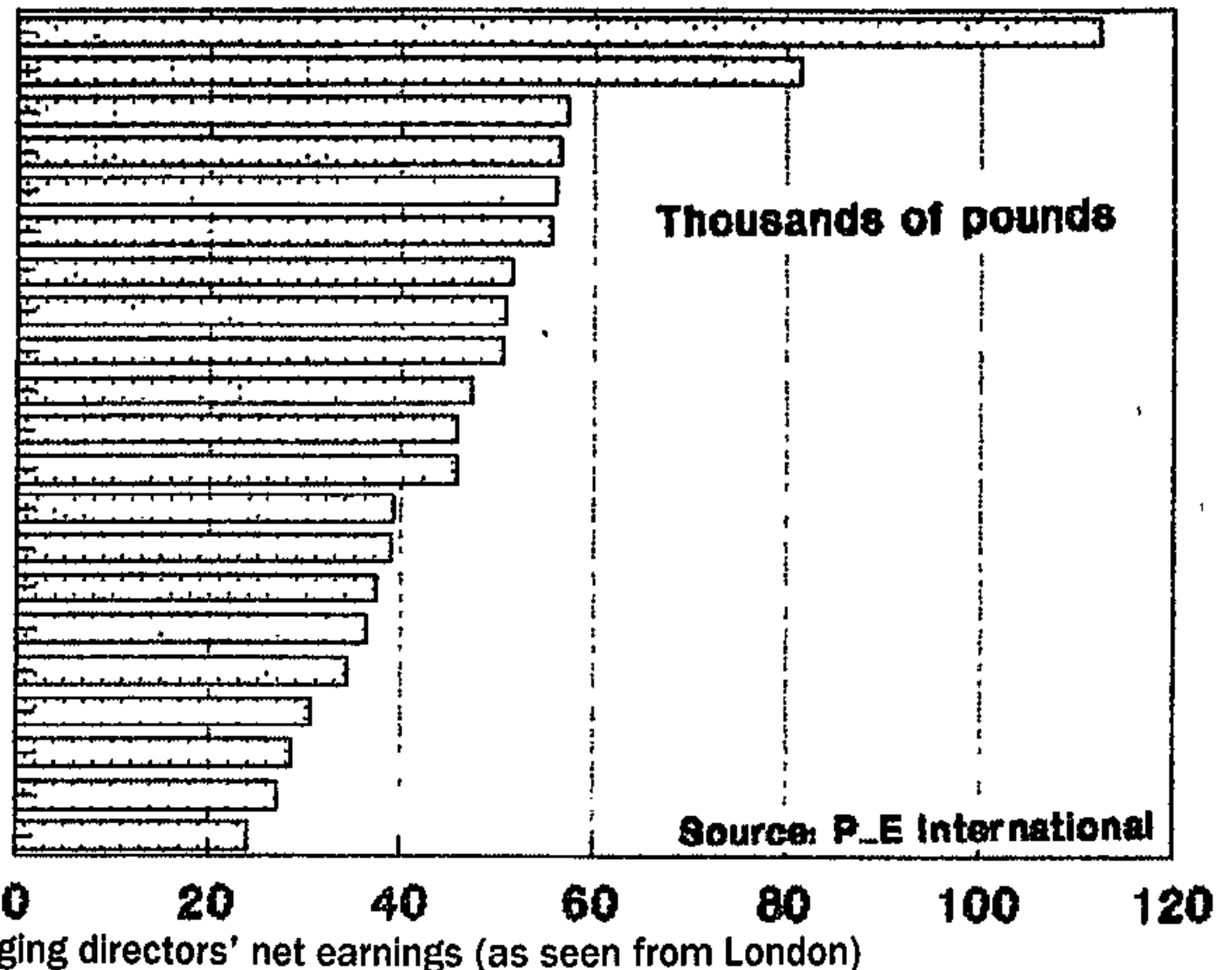
New Yorkers had the biggest pay cheque. They received on average about R808 000 a year, or about three times what a Johannesburg MD received

Toronto MDs ranked next with the equivalent of R607 000 a year

Average gross earnings slowly dwindle as one works through executive pay in Europe, Australia and Tokyo, until fourth from the bottom of the list of the 21 major cities surveyed you find Johannesburg.

Here the average earnings of MDs is estimated at R268 800 a year

New York
Toronto
Frankfurt
Zurich
Paris
Vienna
Madrid
London
Rome
JOHANNESBURG
Tokyo
Amsterdam
Helsinki
Sydney
Brussels
Stockholm
Dublin
Athens
Copenhagen
Lisbon
Oslo



Smaller annual emoluments are received only by executives in Oslo (R268 000), Athens (R204 000) and Lisbon (R128 000)

But after adjusting these figures for tax and differences in living costs a very different picture emerges

Chief executives in New York are still the best off, but now receive just over twice the sterling equivalent of a Johannesburg MD

The net earnings of a New York MD are estimated at £112 400 a year, while the Johannesburg MD receives the equivalent of £47 300 a year

This compares with the £50 600 earned by a Rome MD, the £50 700 by a London MD and the £51 100 by a Madrid MD

MDs in Vienna, Paris, Zurich and Frankfurt have a slightly higher level of earnings, receiving on average just over £56 000 a year

On the other hand, Tokyo MDs, despite Japan's reputed wealth, earn only £47 300 a year

Worst off of the lot is the Oslo MD, his earnings work out at

about half those of a Johannesburg MD

The fact that the net earnings of a Johannesburg MD compare fairly favourably with those of counterparts elsewhere might come as a surprise to some people, particularly as the economy has been suffering the depressing effects of sanctions for some years and has recently been restrained by the Reserve Bank's tight money policy

But management consultants point out that as the world increasingly becomes a global village, and people find it easier to move from one country to another, a "rate for the job" tends to be established

This is especially so for those people with high-level skills and specialist experience because there is a significant shortage of people in these categories

Such knowledge is spread by surveys of the kind prepared by P-E International

These surveys ensure that local executives know what their counterparts are receiving

The existence of international

head-hunters such as P-E International also makes it fairly easy for local chief executives who believe they are not getting a fair deal at their present companies to move elsewhere or to another country

The result is that boards of directors who want to retain their skilled and experienced people have to offer them a living standard reasonably commensurate with what they could get overseas

This is something that should also be borne in mind by those politicians who are critical of what they consider the excessively high salaries paid to top executives and who are calling for a redistribution of wealth in the "New South Africa".

They must be aware that any move to reduce the living standards of top earners — who are also its most highly skilled and experienced people — could see many of them quickly moving overseas to countries where they believe their abilities will be more fairly rewarded

That development would have serious repercussions on the South African economy

'I know my blacks' doesn't swing it

(172) (245)
CT 20/9/91

Own Correspondent

JOHANNESBURG — The small number, poor training and "I know my blacks" attitude of South African middle management was restricting productivity, US management consultant Mike Allen said yesterday.

Allen, president of California-based Louis Allen and Associates, said in an interview yesterday that these problems had emerged during discussion with businessmen in SA.

The typical attitude of middle managers was that they felt they understood their staff very well, when in fact they did not.

For example, a manager of a Japanese company operating in Natal had expressed surprise that SA companies did not require their managers to learn the language spoken by the majority of their employees.

Allen said that contrary to prevailing beliefs, SA workers were almost as productive as their counterparts in Singapore, although in Singapore workers worked a 52-hour week, whereas in SA — as in the US — the working week was about 10 hours shorter.

Allen said that in discussions with ANC representatives, he had been told SA required about 500 000 new middle managers, of whom only 50 000 could conceivably come from the white community.

The shortage of middle managers in SA also meant that people who should not have become managers had been promoted to these positions.

Allen said Japanese management systems were still playing a large role in international perceptions of how management ought to be conducted.

172 Star 21/9/91 **Your wage packet is not as fat as it looks**

ROY COKAYNE

THE real earnings of most employees in South Africa have been steadily eroded over the past six years, according to a new annual salary survey.

Hay Management Consultants' latest survey also found there was still a difference in salaries along racial lines among lower-level employees in spite of the fact that most organisations had a common pay policy for all employees.

According to the survey, the gross earnings of a clerk increased by 198,4 percent between 1985 and 1991. The consumer price index (CPI), which measures inflation, rose by 235,3 percent in the same period.

By contrast, the gross earnings of managers increased by 217,3 percent and of senior management and executives 230 percent.

A comparison of the net take-home pay, after tax and deductions, of a married man with two dependents showed reduced earnings for clerical staff and managers. Executive net earnings grew by 250 percent — exceeding the CPI increase.

Hay South Africa managing director Ib Ravensborg predicted a continuation of this trend. But, he said, the better-skilled section of the workforce seemed to weather the storm better, particularly professional staff and senior managers.

Mr Ravensborg said the financial position of the average South African could be improved through better individual skills, a reduction in the tax burden and a high economic growth rate over a number of years.

"The first option is, without doubt, the avenue providing increased security and better compensation possibilities," he said.

Salary outlook

According to the survey, overall salaries increased by 12,9 percent in the past year. But the prospect of salary increases next year matching or being above the inflation rate is bleak.

Hay Management Consultants survey manager Maureen Hovy said the predicted salary increases for next year were between 12 and 14 percent for unionised staff, 10 and 12 percent for general staff, 12 and 14 percent for management staff, and 13 and 14 percent for top executives.

There had been a trend away from a basic salary and two-thirds of top executives now obtained a package based more on benefits.

Car entitlements for employees had not changed significantly between 1985 and 1991 but the cost to a company of providing the benefit had changed sharply. The provision of a car benefit had also moved downwards in the organisational ranks.

More than a third of companies had retrenched people, at all levels, over the past few months.

However, the labour turnover figure was significantly down, dropping to 14,9 percent this year from 17 percent last year.

MANAGEMENT

New trends in getting the best from employees

Future trends in management lie not in technological expertise but in the challenge of understanding, motivating and relating to people, says a Johannesburg clinical psychologist who specialises in corporate psychology

"In South Africa, there will be a blending of cultures to try and get the best from each person," says the psychologist who cannot be named for professional reasons.

"Recruitment, management, development and growth of staff are critical success factors for any business. A lack of efficiency in any of these areas means unmotivated personnel and high levels of staff turnover. The consequences are lower morale, productivity, and rising costs," she says.

The psychologist has developed a special test to assist employers in each of these areas. The test has been designed to show managers how to handle each staff member and to assist and develop them to their fullest potential.

"The test is totally culture-free. This is crucial in South Africa as cultural and language differences generally inhibit the accurate evaluation of the potential of personnel," says the psychologist.

"Most psychometric instruments test a person's aptitude and personality traits. Our analysis reveals the deeper personality pattern upon which traits and behaviours are based.

"The key to management is understanding *why* people behave the way they do and *why* they have those attitudes. Armed with this level of understanding one can manage people in relation to their needs.

"Our testing gives clear indications of how to manage each specific individual, thereby ensuring productivity and persistence. The manager has personalised, almost custom-designed, management information in relation to each employee.

"Those managers who have used the test have had their turnover of staff drop from an average of 83 percent to 54 percent in the first year," says the psychologist.

CAROLINE HURRY



Priests ... on top of the honesty poll.



Estate agents 20 per cent honesty rating



Doctors ... scored high in the survey



Journalists very low on the list

Unionists, journalists at bottom of honesty stakes

By Jacqueline Myburgh

Trade union leaders have been rated at the bottom of the ethics stakes — along with used-car salesmen, journalists and estate agents.

A Gallup Poll conducted by the Markinor research group showed that pharmacists, medical doctors and the clergy came out on top in terms of honesty and trustworthiness.

The survey on ethical standards was conducted among 1 000 white adults

(500 men and 500 women) in the main metropolitan areas

The findings confirmed the main results of a study carried out among women in November

Trade union leaders were at the bottom of the list, with only 10 percent of people regarding them as honest

'Low morals'

New-car and used-car salesmen were added to the list of occupations surveyed in the recent study

Only 11 percent of people

believed used-car salesmen had a high standard of ethics, with new-car salesmen faring better at 21 percent

Also towards the bottom of the list were insurance salesman, with a 23 percent honesty rating, journalists (22 percent) and estate agents (20 percent)

Members of Parliament have low morals, said 27 percent of respondents

At the top of the scale, 81 percent of respondents believed that pharmacists were highly ethical

They were in good com-

pany with medical practitioners (72 percent) and the clergy (69 percent)

Policemen are rated fourth on the list of ethical people, with 54 percent seeing them as honest and trustworthy

What may be of concern to lawyers and bankers is that they are regarded as middle-of-the-road in terms of standards of ethics, each obtaining a 49 percent vote of confidence

Business executives had a 37 percent honesty rating

Whither women in the new SA?

8/00ay 27/9/91

LINDA ENSOR

CAPE TOWN — The priority given to eliminating the racism rife in SA society is likely to see the emergence of affirmative action programmes, educational enrichment programmes and advancement on merit programmes.

And so it should, too. But silently in the background the women of our society will in all probability continue labouring away without recognition, as they have done for centuries past.

Progress for them might just mean that they will have male bosses in a range of colours rather than only one. On the other hand it is possible — if they insist on it — that women will benefit from society's move towards equality.

Whether it be the result of deliberate discrimination or a culture which wags its finger at female success in any sphere other than motherhood or titillation, the fact is that finding a woman among the country's business leadership is like looking for an oasis in a desert.

The qualities of toughness, aggression, decisiveness and authority required to get to the top conflict with notions of gentle, soft, servicing femininity, and so it is no wonder that women choose careers in the professions like teaching and nursing which entail as little role conflict as possible. Otherwise, it feels, says Cape Town businesswoman Pam Herr, like you have a split personality.

The University of Cape Town's Graduate School of Business reports that in

the five years to 1990, 38 women out of the total student complement of 431 graduated with an MBA. Of the 113 students currently on the MBA course, 13 are women.

Surveys of the place of women across the spectrum of industry, finance and commerce, identify middle management as the limit of their climb up the career ladder, and even there they are few and far between.

This is confirmed by looking at SA's large life insurers, Sanlam and Old Mutual, which together must employ more than 20 000 people countrywide. Women dominate the lower levels of office staff but disappear from the scene altogether the higher one goes up the hierarchy.

At Old Mutual, 55% of all office staff are women. At Sanlam the figure is 70% of the total of 8 000 office staff. Of Old Mutual's middle management, which includes supervisors, department heads and specialists, 33% are women.

At Sanlam, there are more women department heads with responsibility for clerical workers than men, but at middle management, only 44 of the 480 managers are women. Four of the 130 senior managers are women.

Women represent 14.7% of Sanlam's marketing staff, and only 2.3% of the sales management at branch level. But there has been progress of sorts in that

whereas today there are 530 women marketers, in 1980 there were only 40.

Old Mutual has two women divisional managers. Neither Old Mutual nor Sanlam has a woman GM and neither has women at executive level.

Both life insurers would insist that promotion is on merit, that the rate for the job is paid and that there is no discrimination between men and women. But the fact is that the female half of society is being left behind.

Sanlam's personnel manager, remuneration, Flip Gouws says Sanlam's performance compares favourably with the market generally.

"Typically the highest level for women is middle management. This is also typical of Sanlam, but we are starting to move them up. Women are becoming more and more career-oriented and no longer take off long periods to have children. In the past they used to lose years and years of experience in this way and fall behind their men counterparts."

Life insurer Southern Life has a conscious policy of ending discrimination towards women and has made some progress in advancing them. It has three women in executive positions, 20% of management are women and 54.3% of its total workforce of 2 817 are women.

One of Sanlam's four top women is Frieda Botma, senior manager, product promotion, who is remarkably open about the obstacles and difficulties she has had to overcome in her long haul to the middle. In the early '80s, she was one of Sanlam's most successful marketers and recalls, for instance, the difficulties women had in those days in earning more money than their husbands.

"With male employees it was always assumed that they would work a long time with Sanlam, would earn more and be promoted automatically. For women, there is no such thing as automatically. No attention was paid to identifying their career possibilities."

Before her recent appointment to senior management Botma was manager of Sanlam's women's market and co-ordinator of all women marketers. She says it took some time to convince branch and regional managers of the ability of women to give financial advice. Now women marketers are well established in the organisation and receive no special attention.

There are still traditional bosses in Sanlam but there is a new tendency in the organisation to be more open and to promote respect for the individual.

Botma is the first and only woman to be appointed to the management of Cape Town's very male and very traditional businessmen's club, the Here Seventeen Club which she regards as a breakthrough, though she feels she is treated as a token figure.

Old Mutual divisional manager Rose Keanly is another example of a woman who has risen through the ranks. For the past 18 months she has acted as a project manager for the installation of a new F21m insurance administration computer system for group schemes following the society's merger with Colonial Mutual in 1987.

"I have never felt that from a company culture point of view there is anything preventing women from getting to the top. However, women who do get to the top are put under the spotlight, are very visible and are watched, and that creates a fair amount of pressure."

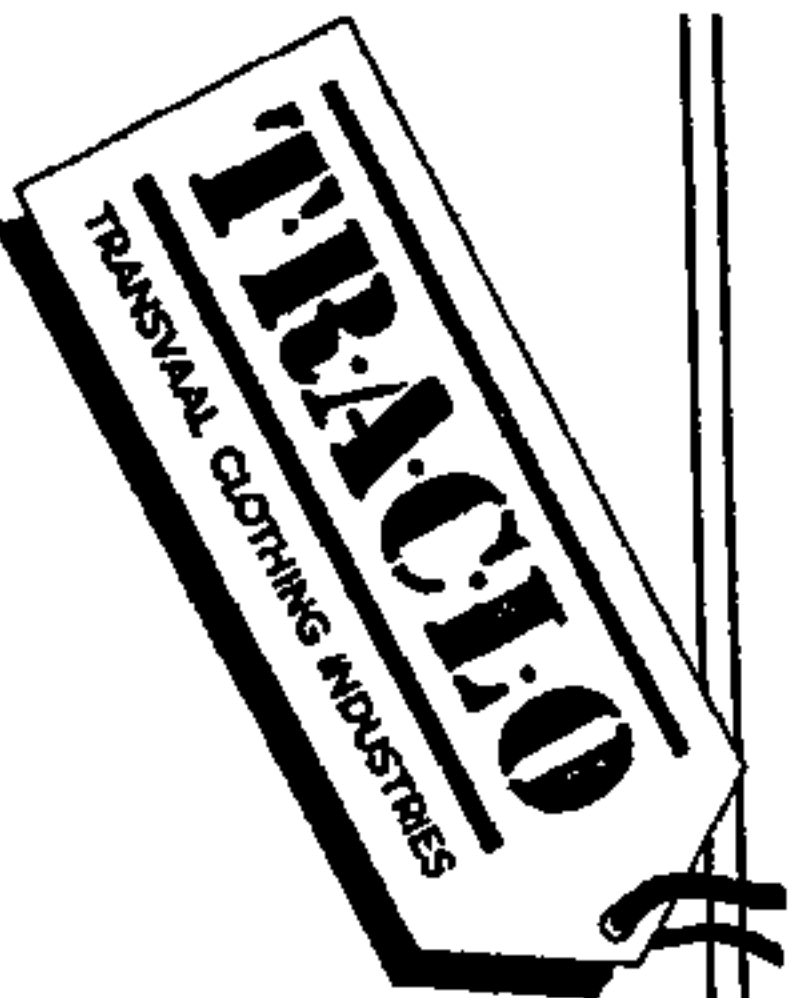
"I don't think that there are many women in SA who choose to go up the management ladder and who have the qualifications and experience to allow a company like Old Mutual to appoint them to senior positions. I don't think it is discrimination — the opportunities are there for men and women and it is up to women to take advantage of them."

Graduate School of Business's Linda Human disagrees. She has undertaken research into the attitudes of white male managers and found they have a fairly negative view of women advancement and of women's abilities.

These attitudes, she adds, limit the opportunities and performance of women in the job situation as people's work tends to reflect the expectations management has of them. Negative perceptions affect their self-confidence and their will to succeed. But even if women want to advance, they are not allowed to.

"Most male managers don't believe in affirmative action for women as this would limit the opportunities of white males, opportunities which they guard jealously," Human says.

So the new SA will only provide the broad parameters within which change in the structures of employment will take place. And that is likely to be a lengthy process.



Transvaal Clothing Industries Limited

(Registration Number 87/03294/06)

Unaudited preliminary report for the year ended 30 June 1991

Income statement

	1991 30/06/91 R000's	1990 30/06/90 R000's
Turnover	44 440	40 192
Net income before interest	2 237	1 761

Majority of course candidates are female

KEEPING the credit profession up-to-date with the latest education and training is a major focus for the United Institute of Credit (UICM)

Executive Information Services MD Ian Langworthy holds the education portfolio for the institute's Transvaal chapter while also being chairman of the northern Transvaal region. He says "The institute offers formal education which allows recipients to get a credit management diploma, but we also offer face-to-face education through Damelin College. This covers credit management 1, 2 and 3 on senior and junior levels.

Basic

"Trainees also do basic business law and economics and then qualify for formal diplomas."

"However, if they don't wish to cover these subjects they will qualify for certificates, but not a diploma."

The subjects can be written by correspondence or at Damelin, Intec College or Rapid Results.

"The institute also does one-day seminars covering subjects such as basic credit control and cash flow management and litigation, liquidations and sequestrations, among others."

Courses are popular among up-and-coming credit controllers.

Langworthy says there is an upsurge in demand for training by black and Indian candidates and about 70% or more are females.

Well-qualified

"On achieving credit management 1, one is generally considered a well-qualified credit controller, normally with three to five years' experience."

"Credit management done by people in middle management or supervisory positions, junior credit managers and people in similar positions."

"Credit management suited to those moving into corporate level or top credit management positions."

"The diplomas are highly valued on candidates' CVs, and this is especially true in today's competitive market."

Socio-political changes will have a profound effect

18 (10 am) 30/9/91
THE socio-political changes in SA will have a profound effect on credit management within the business community

It will be challenged to formulate a credit policy to meet the needs and aspirations of the new SA and at the same time ensure sound financial criteria are applied.

Information Trust Corporation director John Malone says the challenges facing credit grantors will be to offer credit to all SA businesses and individuals

"In few countries in the world do we have such a close interface between so-called Third World and

First World cultures and ethics, each with its own values and norms.

"Both cultures will need educating in order to understand the role and function of credit in the new SA.

"In order for SA to develop and survive in the '90s, businesses must become export/import replacement orientated

Trained

"To advise on this and other issues, such as the critical issue of communicating and understanding credit needs, the industry will need trained, qualified and experienced staff.

"Indeed, credit will offer increasingly exciting career opportunities," he says.

Other challenges facing the credit industry include

- The definition of a credit policy flexible enough to meet the needs of the emerging business culture,
- A more realistic framework for the credit industry which meets the needs of suppliers and users of credit, and

- An educational programme which will make the consumer aware of his areas of responsibility as well as the rights of all concerned

New company will focus on training and education

8/Dec 30/9/91
172
ABOUT R163bn in credit was owed in SA at the end of 1990

This credit is the core asset of most organisations and probably the most difficult to control.

If poor control results in a large portion of this debt being written off, the country's standard of living and economic growth will drop and prices will escalate.

Many organisations don't place sufficient emphasis on the importance of credit control.

Specialise

With this in mind, Credit College, the first company in SA to specialise in credit education and training, has been established.

Although the official launch of the company is scheduled for October 16, Credit College has been in operation since April this year and has already signed its first major contract.

The company was formed by experienced credit specialists, all of whom have lectured for Credit Management Education Associates (CMEA), a subsidiary of the United Institute of Credit Management (UICM).

Philips group credit manager and past president of the UICM Pieter Buitendag was elected managing director by the shareholders.

Additional directors include John Downie, credit manager for 3M, and

George Gericke, full-time credit training executive for Credit College.

The company runs courses nationwide.

Buitendag says "Our courses are structured in accordance with UICM requirements and Credit College diplomas are recognised nationally."

"We offer day and evening courses as well as consultancy and in-house training customised for specific needs."

Credit College distinguishes between skills training and education.

Its daytime skills courses cover issues such as customer communication, collections and financial statements and focus on the practical use of theoretical knowledge.

The educational courses are run in three categories: intermediate, advanced and higher.

Experience

"All Credit College lecturers are practising credit managers and lecturers with many years' experience," Gericke says.

"The content of our courses is designed to be dynamic, stimulating and demanding."

"Students are guaranteed the ability to optimise their potential."

It is Credit College's objective to assist the employer in his responsibility of creating the environment, structure and systems to enable credit staff to function effectively.

The aim is to keep members of credit profession in touch

B! sur 30/9/91 172

THE existence of bodies which represent the credit profession in southern Africa dates back to April 1953, when the Society of Credit Managers was formed

Many developments have taken place since then, with considerable ramifications for the industry, not least of which was the formation of the United Institute of Credit Management (UICM) in 1988

The institute was formed as a result of the amalgamation of the United Association of Credit Managers and the Institute of Credit Management, both of which were professional organisations focused on furthering the credit professions

The credit profession is defined as involving everyone who issues credit, vets or administers credit, so it includes thousands of practitioners around southern Africa, including those involved in credit bureaux such as Information Trust Corporation and KreditIn-

form, as well as those in areas such as staff recruitment for the credit industry

Transvaal Committee chairman and director of the National Executive Grant Donaldson says the objective of forming the UICM was to provide a unified and stronger body to represent the profession

Communicate

"Apart from holding regular functions, speakers evenings and encouraging the players in the industry to communicate with one another on a wide range of topics, we also inform members about any issues which may affect the industry," he says

Issues can range from fraud to tax and political developments, to name but a few

"One of our roles is to enhance the status of members and of the profession

"One of the most efficient methods of achieving this goal is to ensure our mem-

bers undergo professional training"

It is for this reason the UICM takes its educational and training responsibilities seriously

"From January this year, Damelin College took over the education function and also provides training in the subjects required for the diploma in credit management"

Other objectives of the institute include

- ☐ Promoting or voicing opposition to legislation and other measures or developments affecting the profession, its members and credit policies in general,

- ☐ To combat any abuse of credit,

- ☐ To combat unethical and unsound business practices,

- ☐ To promote credit bureaux or other sources of credit information, and

- ☐ To encourage the highest ethical standards among members

Donaldson says there are new developments brought about by the institute

"One which is probably

long overdue is the secondment of the first black member to serve on the Transvaal Committee, Lloyd Sidaki of CGIC

"This move was made with a view to spearheading research in methods in which the institute can uplift the position of black members and encourage an interest in the black credit fraternity in the context of the new SA"

Innovation

Another innovation is the holding of a Finance Expo in Pretoria in October

Organised by the institute, this allows banks, credit consultancies and other industry players to have an opportunity to explain their functions to the public

Topics and concepts which will be covered will include residual leases on motor cars, while the credit bureaux and recruitment agencies will also be available to answer any questions"

ANC calls on small businesses to meet their social obligations

By David Canning

Stew 4/10/91
DURBAN — Small businesses will soon be called upon to meet their responsibilities for social upliftment, Don Mkhwanazi, president of the Black Management Forum, said in Durban.

Mr Mkhwanazi, convenor of the ANC economic task force in Natal, told The Daily News/SBDC Small Business Conference that small business had largely escaped attention regarding social upliftment and black economic empowerment because the main focus had been on large companies.

This would be short-lived.

"If small businesses do not take a pro-active approach, the might and pressure of the dis-

advantaged masses will be felt sooner rather than later," he warned.

There was a general impression that small businesses were the worst employers and exploiters of the people.

Yet small to medium-sized businesses were well poised to make black economic empowerment a reality. This included potential for joint ventures and partnerships, hands-on management training, and worker empowerment.

Worker empowerment would include educational assistance for employees' dependants, training of the workforce, sharing of information, housing subsidies and loans.

There was no reason why

small business should not also be involved in social upliftment.

Turning to the SBDC, he said the organisation had to correct a perception that it was a "white" institution serving white interests.

Its non-racial approach must be reflected in its management structures, number and value of loans and assistance to black-owned business.

Whites accounted for about 74 percent of loans in value terms and blacks for only 14 percent.

Another criticism was that the SBDC was no longer a lender of last resort but was directly competing with, and no different from, the conventional banks.

Putting emphasis on training

TRAINING courses to equip the budding entrepreneur with the necessary skills and know-how to enter the business world are on offer through special units and institutes attached to universities.

The Unit for Entrepreneurship and Small Business Management at the University of Stellenbosch has been supplying the small business sector with skills and advice since 1976.

The unit is closely linked to the University of Stellenbosch's Business School. Unit spokesman Giel Naude said

ST Times (Buss) 6/10/91
the emphasis was very much on research and training.

"We offer a variety of programmes starting with our management development programme. We also have a programme in enterprise management and a programme for the informal sector which we call the entrepreneurial skills development programme."

Mr Naude says that there has been an initial language problem on this programme, because Xhosa-speaking people who came to Cape Town from Transkei were not fluent in English.

"Now we put them through a business English programme developed especially for them."

The entrepreneurial skills development programme has been running for the past

four years. Last year there were 67 students. There were 120 students on the enterprise management programme (now in its sixth year) while the management development programme attracted 220 students.

There is also a programme for women entrepreneurs which drew 59 students last year. Other programmes offered by the unit include computer literacy, environmental scanning and export marketing opportunities.

For the management development and enterprise management programmes a matriculation certificate is normally required, but students with Std 8 will be admitted to the courses if they have had some practical experience.

Says Mr Naude: "We are busy with a research programme to give us an idea of our success rate. Every year we reach approximately 5 000 potential small businessmen, the majority of these being telephone inquiries and we have something like 3 000 students who have already made use of our facilities."

Largest

The unit is also responsible for the editorial functions of the Southern African Journal of Entrepreneurship and Small Business — an academic journal in entrepreneurship and small business.

The Small Business Advisory Bureau at Potchefstroom University (established in 1970) is the oldest and largest small business institute in Southern Africa, operating as a non-profit service organisation for small businesses.

The bureau's public relations officer, Stoffel Oberholzer, said "We have a very



Former nurse Kedibole Mokgathe of Mabopane turned butcher. Miss Mokgathe started her northern Pretoria business with an initial R5 000 loan from Get Ahead and a year later successfully applied for a second loan of R27 000. She now runs a butchery chain.

close liaison with potential black businessmen. The bureau ran a total of 268 courses from January to August this year, attended by 14 200 entrepreneurs.

The SBAB can claim to be the largest trainer of small business entrepreneurs in Southern Africa. Last year, 6 280 people attended the 268 SBAB management courses country wide.

MANAGEMENT BUY-OUTS

Scaling down

FM 11/10/91

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Rocketing interest rates, a slump in consumer demand and well-publicised difficulties of some large buy-outs have led to a sharp drop in the number and size of UK management deals in the past two years. Twenty large buy-outs were completed in the first half of 1991, compared with 30 in the same 1990 period, according to accountants KPMG Peat Marwick McLintock. The value of all deals, including an estimate for those smaller than £10m, fell to £1bn this year, from £1.61bn in the first half of last year.

The UK accounted for more than half of all MBOs in Europe, with 572 deals in 1990 (compared with 517 in 1989). But activity is increasing on the continent. A total of 411 were completed in continental Europe in 1990 (374 in 1989) according to research at Nottingham University. The most active continental markets were France, with 150 deals (130) Sweden with 40 (32) and Germany with 36 (25).

The UK market is dominated by deals worth less than £10m, in sharp contrast to the late Eighties, when each year set a new record for their size. The most common source of deals is once again the large company attempting to raise cash by disposing of non-essential activities.

The depth of the recession has meant managers often buy their company from the receiver. Frequently the business being bought out is a healthy part of a larger, failed group. The receiver may be willing to do a deal at a very favourable price to achieve a quick sale. But the purchaser can't expect the usual "lock-out" period of other bidders while he carries out his checks. If a better offer is made, the receiver is bound to accept.

The buy-in, rated until recently by many deal makers as providing a profitable new avenue of diversification, has fallen out of favour. Many buy-ins have not performed as well as expected, either by comparison with their own forecasts or with comparable management buyouts.

Buy-ins are more difficult than buy-outs because incoming managers are not familiar with the company's problems. Private companies, in particular, frequently have unsophisticated financial control systems.

Few people in the industry believe there will ever be a return to the large-scale deals of the late Eighties and listed company buy-outs seem unlikely to stage a comeback.

Despite this, the long-term future of the management buy-out market seems assured. Financiers are taking a more cautious attitude, but there is no shortage of either equity or loan finance for the well-structured deal.

Maponya, Mabuza get top VW posts

Sowetan 11/10/91 ENOS MABUZA

Former Chief Minister of Kangwane Mr Enos J Mabuza and prominent local businesswoman Mrs Marina Maponya have been appointed non-executive directors of Volkswagen of South Africa (Pty) Ltd, the company announced in a statement this week.

Mabuza, a business and political consultant, resigned from his position in April this year. He was elected Chief Executive Councillor of the Kangwane Legislative Assembly in 1977. The title changed to Chief Minister in 1984.

A former teacher, inspector of education and member of the Swazi Territorial Authority, he is currently a director of the Standard Bank Investment Corporation, the Premier Group, Times Media Limited, Anglovaal Limited and Fabcos Marketing.

Mrs Maponya joined her husband in business 32 years ago and was awarded South Africa's Businesswoman of the Year award in 1982/83.

Founder member and first president of the Housewives League, she has won many awards for her services to welfare organisations and the community.

Mrs Maponya is also director of 11 companies in the Maponya Group and non-executive director of numerous companies and councils, including the State President's Economic Advisory Council and the Board of the South African Broadcasting Corporation - Sapa.

on October 24. The
boarding
will proba
The
tion of several departm
Eskom employees in a letter
pending changes in the management board had
month by CE Ian McRae.
McRae said the management board had
released four general managers from their
routine duties to investigate and define

He was aware there would be uncertainty.

and anxieties, but calm. "I accept that this major change is a place because it was important to SA and SA. We must improve our efficiency as a business, we must keep costs down, we must look at surplus capacity and other factors," said McRae.

GM management services Johan van den Bergh said last night that the investigation was still going on.

"No final decisions have been made," he

...den Bergh and human resources manager, who is a member of the investigating team, would not comment on the possible job cuts. Lindeque confirmed the investigating committee included GM (CE office) Jack Messerschmidt, GM distribution and marketing manager and GM senior employee yesterday described the move as an attempt to catch up with. rationalisations, which should have been made long ago. She admitted per-

business about possible sources speculated that a new marketing section, which has been decentralised, would come from Eskom chairman John Maree is on further rationalisation record as saying that the utility could operate effectively with about 45,000 employees. The number of employees has dropped from about 50,000 at last year end to about 48,000 — a 2% decline from the 1995 level of about 66,000.

Do company directors deserve their huge salaries?

W/M 622 18/10 - 24/10/91

AMMD appalling poverty (and declining profits) should directors award themselves pay increases?

Recently, there has been much debate about director remuneration. There are two sides to this debate: the first is that directors earn too much; the other is that directors do not earn enough.

The former argument stems from the recent Labour Research Service (LRS) study into director salaries. The latter is a pro-corporatist reaction to the report. The LRS is a union-affiliated body; no

doubt it has its own agenda.

The strategic impact of directors is well known and understood by most. Marxists are the exception — they do not believe that directors create value as they do not produce tangible goods.

There are several determinants of directors' salaries. Human capital is scarce in South Africa; given this scarcity it can be argued that scarcity and monopoly rents attach themselves to director salaries.

The average director's value to the

Are South African directors overpaid fat cats or misunderstood kingpins in the economic structure?

SINCLAIR DAVIDSON argues for big pay packets for the people at the top

firm is far greater than that of the average worker, so we expect that they should earn more than workers.

A major consideration is the fact that no barriers to exit exist within the South African economy. If directors are not compensated for their human capital then various exit options are available — not least of these is emigration. At best, the director will be tempted away from the firm by competitors.

In economics, the concept of economic rent is well established. This is the payment that a factor of production receives in excess of the payment necessary to retain that factor within a particular occupation. Ensuring that the directors' services are retained is ensuring that the assets of the firm are maintained. After all, good management is probably the most important asset a firm can have.

We should not fall into the trap of thinking that this opportunity cost is constant. When the profits of the firm decline (through no fault of the director), the opportunity costs for the director increase, thus the firm needs to pay him or her more to retain his or her services. This is especially so when the director owns shares in the firm — a pay increase will partially offset losses on the market.

Once the director is earning enough to stay with the firm, we

can then consider the effect of incentive structures on remuneration in the firm. This is where the pay-for-performance debate enters the picture.

Directors' remuneration can be divided into two components: the amount necessary to retain their services and that necessary to provide incentives. Incentives should include both the directors' and the shareholders' interests.

It has been argued that director remuneration should be tied to performance — but how to do this?

An obsession with accounting profits can and does lead to that favourite bogey man of the corporate critic — short-termism.

On the other hand, if performance is measured by the stock market a myriad of other problems arise.

The most important consideration is that the market evaluates the firm as a whole, it does not evaluate the performance of individual directors. Directors cannot be held responsible for the crash in 1987; having their pay linked to such occurrences seems unusually cruel.

Having said this, we should also recognise that there is scope for abuse of the system. In the final analysis, directors set their own salaries.

If shareholders feel that the system is being abused, their only recourse is to fire the director(s). In the United Kingdom, we have seen examples of this. To my knowledge, no South African director has been fired for paying himself too much. Similarly, no director has been castigated for paying himself too little.

If directors are abusing the system, how are they getting away with it?

It is generally held that there are three mechanisms that will monitor directors.

The first mechanism is corporate control. The second is the market for man-

agers.

Both of these market mechanisms need active competition in order for them to operate successfully. In their absence, the scope for opportunism can be quite high.

As for the third mechanism, the relationship between outside directors and boards has recently been described as incestuous.

The pyramid structure within our economy inhibits shareholder activism and ensures an almost complete separation of ownership and control. The pyramid structure has the same effect as issuing dual-class shares.

While some academics have argued that pyramids are an alternative monitoring mechanism, the present corporate structure provides few incentives to maximise wealth. (With the pyramid structure all the directors have to do is to meet the objectives of the parent company — these objectives need not be wealth maximisation.) It is for this reason that investor power is not well developed.

The whole debate in South Africa is exacerbated by the lack of shareholder power.

If there were constraints on directors, or at least, if constraints on directors were perceived to exist, then the debate would not be a ferocious as it is.

This is an example where the perceived lack of legitimacy in the South African corporate world becomes apparent.

If we wish to avoid non-market intervention, we need to address the question of corporate legitimacy. This is a perfect example of where perception, valid or not, can have a far-reaching impact on our environment.

● **SINCLAIR DAVIDSON** is a junior lecturer in the Department of Business Economics at the University of the Witwatersrand

FACULTY OF ARTS

Admissions Research Officer (contract post)

If you are informed about issues involved in identifying academic potential, and aware of the importance of developing a more representative student body at South African Universities, you may wish to apply for this challenging new position. We are seeking a person with intellectual creativity and administrative ability, to assume responsibility for planning and developing admissions procedures in the Humanities and Social Sciences, in co-operation with the established Faculty-based committees.

Duties include: * comprehensive research into present procedures, * investigating and piloting revised procedures, * co-ordinating and running all admissions tests, * monitoring the progress of students admitted through selection tests, * liaising with schools, * co-operating with cognate faculties in the development of selection procedures.

Requirements: Suitable academic qualifications, knowledge of basic statistics, computer skills, experience preferable

The appointment could take the form of a secondment from an academic position. A new appointment would be at Senior Lecturer/Lecturer level, depending on the qualifications of the applicant, for a period of 2/3 years.

An administrative appointment would also be considered.

Salary: Senior Lecturer R 52 182 - R 67 944 p a } or on the special lecturer R 35 808 - R 59 910 p a }

Conditions of service include generous leave, bonus, medical aid (if eligible) and the possibility of a temporary pension scheme. Secondments would retain existing benefits.

Applications, including a detailed CV with the names and addresses of three referees should be sent to: University of the Witwatersrand, Personnel Office, Private Bag 3, Wits 2050, by 8 November 1991 or fax (011) 359-2223. Quote ref W/M 622.



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W/M 622 18/10 - 24/10/91

Call to enforce affirmative action

THE Black Management Forum is to lobby for legislation which will force companies to adopt an affirmative action programme, says executive director Lot Ndlovu.

Along with political, labour and community organisations, the forum will press for acceptance of rules similar to those in operation in Namibia where an employment equity commission has been set up. The forum's membership includes the top black managers in the country.

Ndlovu said an equity commission would investigate complaints of discriminatory practices in employment and assist and advise employers who wanted to set up affirmative action programmes.

Employers, employees, trade unions and members of the public would be invited to submit comments to the commission.

A similar approach was suggested in a paper presented at the Black Management Forum's recent conference by Shell SA public affairs GM Humphrey Khoza. He highlighted similarities between the two countries, which had both experienced apartheid.

Khoza said the impact of apartheid in Namibia had been such that the country's Labour and Manpower Development Ministry had felt it necessary to set up an obligatory affirmative action programme.

The programme will be administered by an employment equity commission, which will in turn be attached (for administration purposes) to the ministry.

Ndlovu said the conference had resolved to embark on a programme for the development, management and promotion of black skills.

"This strategy is aimed at accelerating the development of managerial capacity

THEO RAWANA

among blacks, since the forum, in its pursuit of affirmative action, is totally committed to merit and is completely against tokenism," said Ndlovu.

The key components of the strategy would be the establishment of a development fund, training and development investment by individual organisations, and guarantees from the developed managers.

The strategy would also include the management of skills importation and the creation and development — with appropriate placements — of black people to assume an effective role on companies' boards of directors.

Addressing the conference, outgoing president Don Mkhwanazi said "When we talk of affirmative action we mean equalisation of equal opportunity. We mean a deliberate attempt to enhance the ability and capacity of disadvantaged masses to participate and compete on an equal footing with those who have benefitted immensely from apartheid and entrenched white advantage."

"Affirmative action refers to a sustained and deliberate strategy to overcome the effects and damage of years of apartheid, colonial rule, economics of exclusion and social deprivation."

He added "By affirmative action we do not mean compromising standards. We do not mean reverse discrimination but positive empowerment of the disadvantaged, exploited and excluded masses. It is a systematic attempt to increase the capacity of self-reliance and the ability to participate unhindered in all endeavours of human life and in all sectors of the economy."

Ex-SADF men in military lobby

A NEW military lobby group will be formed in Pretoria today to push for more professionalism in the SADF and encourage the conversion of military technology to commercial applications.

The Defence Institute of Southern Africa (Disa) will be headed by retired former deputy head of the SA Navy, Rear Admiral Chris Bennett, according to Disa spokesman Jakkie Cilliers.

Cilliers said the institute aimed to provide a forum for individuals and organisations to debate and influence SA and southern African military affairs in the interest of regional stability, the promotion of democracy and the furthering of economic growth.

Bennett said military technology developed with taxpayers' money should be urgently redirected into commercial enter-

JONATHON REES

prises. He said recent retrenchments of defence technology staff could cause permanent damage to the competence of companies which had a high potential for conversion to commercial applications.

Defence technology was used not only for defence equipment, but permeated other sectors and could be routed into daily non-military commercial enterprises to boost the national economy, Bennett said.

Another of Disa's objectives was to pass critical and constructive comment on the actions and state of readiness of the SADF.

Disa claims to have no links to government or any serving military officers, but has an extensive core of former senior SADF personnel.

Graduate school is going international

8 Dec 21 10 19 (172)

THE University of Cape Town's Graduate School of Business is becoming an international centre of learning, having received 76 applications from foreign students throughout the world to participate in its MBA programme next year.

This year there were 13 people from overseas on the programme.

1992 will be the dawn of a new era for the school when it moves into the renovated prison building at the Waterfront.

Director Professor David Hall says the move is part of a five-year plan that

will enable the school to meet the growing demands made on it for management education in SA and to ensure an increasing number of students are enrolled from the rest of Africa, North and South America, Europe and the Far East.

School administrator Fred Roux says the site in a working harbour is probably the most exciting for a business school in the world and one likely to attract people from abroad.

It will take builders the rest of this year to complete the renovations to the Breakwater Prison and the school will move in at the

end of the year.

The school has borrowed the R40m purchase and development cost and is confident the greater student intake will enable it to repay the loan.

The GSB campus will overlook the yacht basin from its main building in the prison, complete with working treadmill and death cells.

The fort will provide all the sophisticated accommodation a modern business school needs — office accommodation, seminar rooms, group rooms, on-line computer facilities and a modern library.

The building is flanked by two residences and the complex will ultimately house up to 350 students and executive delegates.

Five modern lecture theatres are being sunk into the ground to cater for the increased student body while preserving the facade of the original building.

Roux says the new school became necessary because the present site had no facilities for residences to enable MBA students to live on campus, which is vital for a course based on student interaction.



Breakwater Prison campus of the Graduate School of Business

Professional Women

ISM clings to its employer reputation

ON THE last day of February 1987, IBM, the internationally known computer company, officially withdrew from South Africa after 34 years of providing the information technology industry with hardware, software and services.

In its wake, Information Services Management (ISM) was born.

With its own identity and an enhanced array of new products and services, ISM continues to set high standards.

ISM clings to its reputation as being the employer of choice and invests heavily in its people.

In particular, it has introduced innovative employment packages for its women staff.

This has put ISM on the select list of companies which qualified for this year's 1991 Gold Award.

It was also a qualifier last year.

Trainer/employee development senior specialist Marlene Ward says three things set ISM apart from the crowd: the permanent part-time programme (PPT), training and maternity benefits.

"The PPT programme was designed for the women in the company, particularly mothers.

"ISM PPT employees are people employed by the company to work for

a period of not longer than 75% of the normal working hours.

"Employees have the choice of working 66% of normal working hours or 75%, while enjoying the same conditions of service and benefits offered full-time employees," she says.

PPT remuneration packages are evaluated in the same way as full-time positions.

The salary is then factored down on a strict pro-rata basis.

ISM offers two training courses for all female staff: the first, women in business, looks at internal and external images and communication skills.

"Emphasis is put on networking, power talking and assertiveness.

"The company nurses discuss stress and PMT while a senior manager discusses managing change."

The second course is designed as a forum for women and designed to help female staff work at obtaining and maintaining a balanced life combining leisure, work and family interests.

Earlier this year, ISM upgraded its maternity benefits.

Paid leave was extended from 12 to 26 weeks and the company increased the amount paid out.

important part to play in the new SA"

ness — mining — these percentages are high"

needs of all employees, regardless of sex, race, religion or creed"

A task force to identify needs

COOPERS Theron du Toit, a firm of auditors, accountants and business advisers, provides a wide range of services in the public and private sectors

It has more than 30 offices with some 2 200 employees

Of these, 230 are partners and directors. Around 39% of staff are women

Dynamic

Human resource director Louis Fick says Coopers Theron du Toit is an enlightened and dynamic firm with the mission of being the leading business advisers in southern Africa

The firm has established a task force charged with ensuring equal opportunities for women and identifying areas for accommodating their special needs.

"At the inaugural meet-



Coopers Theron Du Toit takes proactive approach — from left, Madeleine van Tonder, Zelda Mulder and Annette van der Laan, partner in the Pretoria office micro computer division

ing in June this year, we invited executive director of the Council for Equal Opportunity Employment in Australia Heather Carmody and University of Pretoria Graduate School of Management's Professor

Ronel Erwee to guide us in our proactive endeavours," Fick says

"Being a full opportunity firm, Coopers Theron Du Toit will continue to create progressive employment benefits for women"

Forging ahead in Genmin's world

B/day 23/10/91

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GENMIN, one of South Africa's largest mining houses, strives to give equal opportunities to all employees, says managing manager Desiré Corns.

"We try to create the a progressive occupational climate for all employees, including women, who form a large pool of our resource," she says.

Of Genmin's more than 1 300 staff, 31% are women

Genmin encourages employees to combine their abilities and strengths to maintain high standards and to recognise their national responsibilities and those to their communities in order to obtain status in the economic, civil and political arena, she says

"We believe equal opportunities for women has an import part to play in the new SA"

Proof of this is the recent appointment of a woman as general manger of finance and administration at Impala Platinum Holdings. She also serves on the board of all the Impala Group companies

Guidelines

Corns says a woman has been given the responsibility of having an input into the guidelines of the second largest producer of platinum in the Western world

"Career development opportunities within Genmin are unlimited for employees"

Corns says the female executive work force totals 3,2%, management 18% and the senior work force 54,2%

"Taking into account the nature of Genmin's business — mining — these percentages are high"

Women head the group purchasing department, the technical services training and development department, strategy and intelligence department, finance and administration (Impala Platinum) and manning departments.

All employees are given equal opportunities to develop by means of internal and external training and exposure.

One example of this is the inclusion of women on the teams involved in annual union negotiations, she says

"Employees are not only trained for the benefit of the company as a matter of policy, they are also educated to enrich their personal lives

"Various training programmes cater for the needs of all employees, regardless of sex, race, religion or creed"

Aida's path to success was a long, hard pull

WHEN property broker Aida Geffen started her business in 1958, she only had a scooter to her name

In addition, being one of South Africa's first women to break into this traditionally male domain, she faced more difficulties. It took her eight years, for example, to get her own building society branch

But from humble beginnings, Aida Real Estate has grown into a multi-million rand business which has almost 100 head office staff — most of them women — and hundreds more women are involved through the 70 franchises

Majority

The Aida National Franchise organisation has 335 agents and a head office staff of 65. The majority of them are also women.

The company was the first to introduce franchises to the property business, the first to pioneer show houses and the only estate agency listed on the JSE.

Three of the company's most senior positions are held by women: chairman and MD Aida Geffen, Aida National Franchises MD Charlene Lea, and sales director Joan Richter

Develop

All have served in these positions for many years. Five women sit on the company's board of directors

Richter says: "We feel we can acknowledge and develop the skills of women in order to realise an evolving career for them and for women to be able to carve a niche for themselves in a field which has great importance in the new SA"

Justine pays attention to benefits for staff

JUSTINE is a South African direct selling company that manufactures and markets a wide range of skin care, body care, sun care and beauty care products, as well as fragrances and products for men.

It was founded in 1973 by Veronica Devine and has grown to become one of the largest skin-care houses in the country.

It has around 10 000 consultant, 400 area managers, 82 regional managers and 16 controllers in the field.

There are two sales executives, two black market developers, 80 factory staff, 30 administration staff and 20 branch offices around the country.

All the key positions are held by women.

Because of the company's focus on women — both in its product range and staff — particular at-

tention has been paid to employment benefits and opportunities for women.

In the case of maternity leave, for example, mothers-to-be are entitled to six months paid leave, while fathers have 10 days.

In addition, the company allows staff 10 days compassionate leave, full flexitime, determined by staff (within reason), on-going free training in all aspects pertaining to their profession, free motivational and image building courses, free counselling regarding professional, career and personal life.

The need to enhance and assist the development of black women in the new SA was recognised as far back as 1986 with the launch of the Secretary of the Year award and the Black Secretaries Forum, sponsored by Justine.

The route upward is open at Transmed

TRANSMED, the medical aid scheme and pharmacy business unit of Transnet, employs almost 600 people, of which more than half are women. for example, leadership skills, interpersonal skills, customer care, in-house and external courses.

Of these, more than half are in senior or management positions, says executive manager Retha Ross. Transmed's parent company, Transnet, is concerned with the well-being of all the women employed by it and women whose husbands are employed by the company.

"Transmed is committed to training and development of all races and sexes at all levels," she says.

Personnel are encouraged to further their studies and 36 employees are involved in part-time studies.

About 10% of pharmacists attend a course in small business management each year.

Women enjoy the same opportunities as their male counterparts in terms of development of, **Improve**

To this end, a community-orientated women's organisation — Femnet — was established in September last year.

Its objectives are to improve the quality of life of Transnet employees and their families and to become instrumental in promoting the well-being of the Transnet community as well as that of society at large.

Rennies Travel earns a certificate of merit

NOT too long ago, an article by Felice Schwartz in the Harvard Business Review promoted the idea of a "mommy track" — a career plan whereby mothers could put their climb up the corporate ladder on the back burner until the children grew up and then resume their careers without being prejudiced.

In South Africa, there is one company which has taken this idea one step further and created career paths for women with no desire to achieve management status because of family commitments, but want to receive equal remuneration, and women who want to move into management and take on greater responsibilities.

Rennies Travel, a previous winner of the Gold Award, this year received a certificate of merit, only the second such recognition given a company.

Fair Lady associate editor and 1991 Gold Award judge Sue Grant Marshall said it was Rennies' attention to management development and its succession plan which resulted in it being given recognition.

"Rennies has two career path plans running parallel to each other.

Development

"The first allows for the development of women who have family commitments where, by choice, this is their priority.

"They are given equal remuneration to women in management.

"The second allows for formal management development through in-house training programmes, including supervisory development, management development, organisation development and manage-

ment situation," she says.

Rennies Travel's initiatives over the past year to enhance and advance the position of women contributed to the judges' decision.

In the past 12 months, for example, Rennies has seen

- The appointment of the first female MD in the 138-year history of the Rennies Group (Lilian Boyle, appointed MD of Rennies Travel in September last year),

- The appointment of two women — Lilian Boyle and Karen Long, human resources director — to the board of directors,

- The appointment of a female general manager, four female regional managers and one female area manager.

Grant Marshall says "The judges felt Rennies Travel needed some recognition for the effort it has made in improving women's status in the company."

Glaxo is blind when it comes to gender

28/10/91 23/10/91
GLAXO is an integrated research-based group of companies whose corporate purpose is the discovery, development, manufacture and marketing of safe, effective medicines

It is one of the world's largest and fastest growing pharmaceutical companies

...Its international sales totalled £3.4bn last year and some 44 000 people work for the company in 75 countries

In South Africa, there are around 400 employees, of which 46.3% are women

Of these, two serve in executive positions Lyn Walsh and Vicki Freeman, both marketing executives appointed in January this year

This equal opportunity company has for many years appointed, developed and promoted women who meet set criteria, says corporate affairs manager



VICKI FREEMAN

Martin Jennings

"Glaxo's readiness to preserve jobs until women return from three months maternity leave, equality of pension fund rules and equal pay structures indicate a blindness in sex status," he says

"The number of women involved in production at most levels and those ac-

tive in sales and marketing, registration, and as regional managers, product managers and divisional heads refutes any minority perceptions," Jennings says

Among the perks enjoyed by staff are study and exam leave, payment for studies, training courses, flexi-time and involvement in strategic planning.



RINA BROOMBERG

Radio 702 committed to training for all

RADIO 702, an independent radio station broadcasting in the PWV area for the past decade, offers a non-sexist environment where all employees, regardless of gender, are granted development opportunities in accordance with their personal capabilities, says station manager Rina Broomberg. **23/10/91**

Female employees can be found throughout the company, at every level, including executive management, and in every function, including programme planning and production, news reporting and sales, public relations and promotions, finance and administration.

"Radio recognises the similarities and differences between people and the need for individuals to meet their needs while meeting company objectives."

Progressive

"It is a progressive, dynamic environment which seeks to respond to the needs of listeners, advertisers and employees," she says.

Of the station's 92 staff — up from 64 last year — 53% are women.

Broomberg is the only woman to serve on the board of directors (since her appointment as station manager in June 1987).

But since a restructuring in January this year to improve communication and clarify career paths, a new sales manager, Terry Williams, has been appointed, and all female managers, with the exception of the producer, have been promoted from within.

"Training is extended to all levels in the company and established according to need."

"In addition, the entire staff is taken away on retreat for a weekend at least once a year," she says.

Pick 'n Pay says the people are its greatest asset

PICK 'n Pay, a past winner of the Gold Award, considers people its greatest asset.

In terms of the company's culture it is developing a sense of shared values among staff, says the company's Mary Rodney

"When a woman is promoted to run a store, having to keep the same hours as her male colleagues, Pick 'n Pay is proud to report this area of responsibility is successfully handled by the four women who are store managers," she says

"We also have women in buying positions who have to cope with being at the markets at 4am to purchase fresh fruit and vegetables."

The giant retailer has

pleasing numbers of women in senior ranks

Of the 235 executive employees, 16 posts are held by women, of the 421 management positions 53 are held by women, of the 665 senior positions, 160 are held by women

Appointment

This year saw the appointment of only the third woman to an executive position — Linda Saacks to the post of human resources general manager

Wendy Ackerman, wife of chairman Raymond Ackerman, has been a board member since 1980, with responsibility for staff liaison and benefits

Pick 'n Pay was awarded the Gold Award a few years ago in recognition of its out-



LINDA SAACKS

standing parental rights agreement, which came into effect in August 1988 and replaced the maternity leave policy

"The agreement entitles women to 11 months leave, nine months of which are paid, and two months unpaid

"Where both parents are

employed by the company, they may share the leave," Rodney says

An additional benefit is the right to return to work and receive the same wage and status as before they left, with any increases that may have been awarded during their absence added to their salary.

Business Day SURVEY

The Federation of Business and Professional Women's Gold Award is given annually to a company judged to have done the most to further the status of women in the workplace. The companies are evaluated according to a number of criteria including the nature of the business, the compilation of the workforce, salaries, fringe benefits and training opportunities. MANDY JEAN WOODS reports.

A voice in the cause of equality

THE Federation of Business and Professional Women (FBPW) is an international organisation for women with more than 250 000 members in 68 countries.

The organisation has been established in SA for 43 years.

SAFBPW delegates regularly attend the international congresses.

This November, around two dozen SA delegates travel to Nairobi for the 20th bi-annual congress, which will see delegates from 83 countries attending.

Recognised

It is the recognised voice for business and professional women at the UN and as a non-government organisation has consultative status at the UN Economic and Social Council, the UN Educational, Scientific and Cultural Organisation, the International Labour Office and the UN Children's Fund.

The international federation was established in 1930, some years after the organisation was founded in the US by Dr Lena Madsen Phillips.

The theme is Women, Environment and Development.

The SAFBPW is designed to organise business and professional women:

- ☐ To use their combined abilities and strengths to work for high standards of service;
- ☐ To stimulate and encourage in women a realisation and acceptance of

their responsibilities to the community, locally as well as nationally;

- ☐ To encourage women and girls to acquire occupational training and advanced education;
- ☐ To use their skills and intelligence for the advantage of others as well as themselves;

Status

- ☐ To work for equal opportunities and status for women in the economic, civil and political life of the country;
- ☐ To collect and present the views of business and professional women to the government and other official bodies;
- ☐ To promote friendly relations and understanding among the business and professional women of all countries.

GOLD AWARD (172)

Southern womanhood

FM 25/10/91 (3558)

Assurance giant Southern Life is this year's winner of the Gold Award, which recognises companies that have excelled in advancing the position of women in the workplace

The award's chief adjudicator, Nedbank Executive GM Philip Bacchioni, said this week that Southern has opened up many opportunities for women "It is quite evident that Southern is paying attention to its female staffers and doing everything possible to promote them" (3558)

At Southern, 54,3% of the staff are women. In addition, 57,5% of the senior positions are held by women and 20% of the management positions are occupied by women, who also account for 5,1% of executive positions. There are only six qualified female actuaries in SA and Southern employs three of them.

Says Southern MD Jan Calitz: "While Southern has made great strides in improving the lot of women in the workplace, we will continue giving attention to matters such as child care and greater flexibility of working arrangements, both in terms of office hours and interrupted career paths."

But while women have gained from better

FM 25/10/91 (172) (3558)
fringe and maternity benefits, their absence at the executive level stands out. (3558)

Says Bacchioni "It is quite clear there is not enough movement of women up the corporate ladder. In the US, for example, around 30%-40% of the executive work force is comprised of women. In SA, this is not so. We did notice a great improvement at the senior management level, but almost no movement of women into executive ranks."

More than 60 entries for the award were received. Also singled out for its efforts in the past year was Rennie's Travel — a previous winner — which received a Certificate of Merit.

The award has been presented annually for the past 10 years by the internationally affiliated Federation of Business and Professional Women. Says president Sharon Lain. "Firms which have come out tops in the Gold Award have done so because of employment practices that place work performance, training and skills above gender."

Previous winners include Anglo-Alpha, last year, Pick 'n Pay, Nestlé, Gilbeys, Rennie's-Thomas Cook, and the Carlton Hotel.

If you build, they will come



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FM 25/10/91

Could SA become a mecca for international conferences? With the country gaining more political acceptance, SA's advantages as an exotic conference venue are becoming clear.

The weak rand makes it inexpensive for delegates from Europe and the US. As a summer destination during the northern winter, it has the essential ingredients of sun and sea backed by a fairly sophisticated tourism infrastructure. Game parks are already the main draw for overseas visitors.

But does it have the facilities to make an international conference industry viable? Not now, says Brian McDonald, president of the SA Direct Marketing Association and head of Cape Town-based Global Conferences.

The five-star hotels in the three major cities get much of the conference business, but the Cape Sun in Cape Town can accommodate only about 400 delegates and the Elangeni in Durban has facilities for just 500-700 delegates. The Johannesburg Sun can handle no more than 850 delegates while the Carlton in Johannesburg can handle up to 1 200.

Sun City can accommodate 2 500-3 000 people in its Superbowl but, McDonald says, this is still not sufficient, considering that some associations and multinational companies have annual conferences of more than 5 000 delegates. "These bodies have tried everywhere from Hong Kong to Hawaii and San Francisco to Sydney, and now they are looking for something new and exciting. SA certainly fits the bill, but the facilities don't."

Larger venues are available but, like the Superbowl, they aren't dedicated to conferences. In Johannesburg, for example, the Standard Bank Arena can hold 5 000-6 000 people and in Durban there is the University of Durban Westville's sports centre, which hosted the ANC conference in July. But the cost of converting sports venues into conference facilities starts at R50 000.

Cape Town's Good Hope Centre, owned by the city, can hold about 2 000 delegates, but it is primarily an exhibition hall. It costs from R50 000-R100 000 to convert it for conferences.

Lack of demand and poor economic growth during the country's years of isolation have stifled the development of big conference centres. But local demand is now growing. The Southern African Black Taxi

Association draws 5 000 delegates to its annual conference and the ANC conference attracted more than 3 000 delegates, guests and observers.

Building a dedicated conference centre can cost R80m upwards but, with the demand from both overseas and local organisations expected to soar in the years ahead, private developers are keenly studying the market. Plans for a centre over the railway tracks between Harrison and Rissik streets in downtown Johannesburg are the furthest along. The Rail Commuter Corp and other landowners in the area are drawing up a detailed development proposal that will be used to line up private firms to build, own and run the project.

In addition to a centre that could accommodate 3 000-4 000 delegates, the development would also include a road transport terminal, an international class hotel, offices, restaurants and shops. Preliminary work on the site has begun and work on the centre should start by the end of next year, accord-



The Standard Bank Arena expensive to convert

ing to Dirk Ackerman, GM-property for the corporation. The centre is expected to be completed by 1995 and an international convention with 2 500 delegates is already booked for then, he says.

"We've spoken to international convention associations and convention management agents and they say the potential for conventions in SA is incredibly good," he says. "The industry is crying out for new venues; it's tired of the same old venues and SA will be a tremendous drawcard."

Cape Town is also moving ahead. A R50 000 study by Kessel Feinstein, commissioned by the city council and expected to be completed by the middle of next month, will recommend the best site for a centre, the size

and how it should be financed. The sites under consideration are the Good Hope Centre location, the Waterfront, the Foreshore, the parking lot next to the Civic Centre and a spot near the railway station.

"We feel that Cape Town's centre will have the advantage over others because the city has more to offer visitors," McDonald says.

Former Cape Town Chamber of Commerce president Lionel Hartmann is a staunch campaigner for an international conference centre in Cape Town and believes that the city that builds first will get a strong competitive edge, he envisages a centre accommodating 2 500 people.

During a visit to Britain earlier this year, he was impressed by a Birmingham conference centre with state-of-the-art technology, breakaway rooms, facilities for the media and the ability to convert from cinema-style to school-room layout at the flick of a switch. The centre cost £180m and can handle 3 000 people. A marketing team ensured advance booking for three years after its opening in April.

Even before new convention centres get off the ground, international conclaves are beginning to trickle in. Satour assists local branches of international organisations in bidding for conferences — and there have been successes.

Over the next three years in Durban there will be three international conferences of more than 2 000 delegates each.

Cape Town travel agent Barney Singer, who is a deputy director of the Universal Federation of Travel Agents' Associations, will bid for its international conference to be held in SA in 1993 or 1994 when he travels to Portugal for this year's conference next month. He says feedback from the federation's board meeting held in SA last year was positive but final board approval is needed.

Helen Brewer, a conference facility consultant and chairwoman of the SA Association for the Conference Industry, says the success of large centres depends on their ability to cater for international conferences, which means having facilities for receptions and providing catering, secretarial and translating services.

"There seems to be a basic lack of understanding of peripheral services. This must be faced before we launch new projects." ■

SA group abuzz over Africa talks

History will be made today when a delegation of 150 South African business people leave for Cameroon to attend the first all-African business conference

The conference starts in Yaounde, capital of Cameroon, and will be attended by business leaders from all over Africa, as well as a number of business and political observers from the US and Europe

Known as Sidco '91, the conference has been organised jointly by two SA firms, Baird Communications and Network International, on behalf of the Paris-based Movement for Dialogue and Co-operation.

Effective

"With all the exciting news the past few days about new trade, sports and cultural links, Sidco could not have happened at a more appropriate time," Baird chairman Jacques Verster said yesterday

Safair managing director Braam Loots, who will be in the South African delegation, said yesterday "For South Africans trading in Africa, the conference provides a golden opportunity for bringing key customers and trading partners together in one place at one time

"This is far more effective than travelling from country to country. I'm really looking forward to a few days of important discussions with business leaders who are gearing up for a new dispensation for this continent"

Staff Reporter

'Adapt lifestyles to suit nature'

CAPE TOWN — The President's Council report on an environmental management system presented SA with an enormous opportunity to institute a world-class management system, Geneva-based Business Council for Sustainable Development executive director Hugh Faulkner told the Southern African International Conference on Environmental Management (Saicem) in Somerset West yesterday.

Faulkner said the political changes in SA would succeed only if the economic process was successful and this required a marriage with environmental processes.

World Wide Fund for Nature director Charles de Haes said there was a need for human beings to adopt lifestyles and development patterns which accepted nature's limits.

"Our civilisations are at risk because of the way we are misusing the world's resources and are threatening its ecosystems," De Haes said. He said there was a need to secure com-

LINDA ENSOR

mitment to a new ethic of sustainable living and to translate this into practice "Caring for the environment is the responsibility of everyone"

Governments would have to reorganise themselves so all aspects of economic policy were taken together from an environmental point of view, Oxford's Green College Warden, Sir Crispin Tickell, said in a video-recorded speech.

He said governments needed to have national environmental audits to see how their countries' renewable and non-renewable resources were being used. He also recommended the use of fiscal incentives and disincentives to achieve environmental objectives.

London-based KMPG Management Consultants' Environmental Unit manager Martin Houldin said UK companies were coming under increased investor and banking pressure to embark on environmental management programmes in areas

where there was a potential market gain or loss, or potential liability.

"Banks and other financial institutions are concerned to minimise their exposure to industries that will be forced to invest heavily to meet legislation or that will have their markets severely affected."

Industrial Environment Forum of Southern Africa chairman John Maree told the conference the challenge facing SA was to find a balance between development and economic growth and the protection of the environment.

Maree said it was not always appropriate to uncritically import all the environmental standards from the northern hemisphere and apply them in SA as there were many people living in abject poverty.

Standards applicable to Africa and other underdeveloped countries had to be identified, he said.

The conference has drawn about 350 delegates from 20 countries representing large corporations, companies and interest groups in SA.

Changing Africa the focus of talks

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YAOUNDE - About 110 delegates, comprising business people and representatives of political organisations, yesterday arrived at Yaounde, Cameroon, to attend the three-day All-Africa Business Conference - Sidco '91.

The conference, with a theme "Exploring oppor-

By **JOSHUA
RABOROKO**

tunities in a changing Africa", is expected to provide the first forum of its kind for businessmen in Africa to discuss and explore opportunities in a fast-changing continent.

Business people from South Africa include Eskom's chief executive Mr Ian McGray, Mr Joas

Mogale of the Federation of African Business and Consumer Services while the Pan Africanist Congress is represented by Mr Mark Shinnars and Mr Mosebyane Malatjie.

The conference has been organised by South African consultancy firms, Bird Communications and Network International on behalf of the Paris-based Movement for

Dialogue and Co-operation.

A spokesman for the conference said it had come at a time when the dismantling of apartheid coincided with the process of economic recovery.

During the conference delegates will hear a panel of about 36 speakers, experts in their fields, from Africa and other parts of the world.

'African ethos' should permeate business

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BUSINESS managers yesterday urged SA companies to incorporate the African ethos — ubuntu (translated as humanness) — into their management strategies.

At the first seminar on the subject, held in Midrand, speakers told 200 delegates that incorporating ubuntu would create a stable environment and would stimulate economic growth.

The delegates, who included trade unionists and academics, were told that ubuntu involved an emphasis on caring, sharing relationships rather than formal, mechanistic ones.

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Business Day Reporter

Interdependence and Transformation of SA director Albert Koopman said examples of ubuntu included respect for one's elders and the extended family.

Africa worked on removing dissent rather than achieving consensus.

"At work more focus must be placed on the task to be achieved by a team than on the role a supervisor plays as individual," said Koopman.

Junior Potloane of the Development Bank of Southern Africa said South Afri-

cans should not be kept apart by their cultural differences, they needed to focus on similarities while retaining their cultural differences.

Business consultant Anne Newman said by learning to use ubuntu concepts — respect, dignity and mutual understanding — as "the basis for a rapprochement to a better SA, we could avoid destructive conflict and create positive growth."

But NUM official Sam Tambani said the necessary conditions for ubuntu to be a factor in employer-employee relations "simply do not exist at present."

Call for humane business

SOUTH Africans lived in a multicultural society with common needs, fears and aspirations, therefore their cultural diversity should not keep them apart, said Mr Junior Potloane of the Development Bank of Southern Africa

He was speaking yesterday at a seminar in Johannesburg on "The incorporation of Ubuntu into a uniquely South Africa approach to management" organised jointly by the Black Management Forum, the SA Institute of Management and the Secretariat of the Economic Community of Southern Africa. Potloane said South Africans

needed to focus on similarities while retaining their cultural differences. Through communications they could build cultural bridges and manage their cultural diversity.

"Through inter-cultural communication in society and in organisations, we will demystify inter-cultural interaction, achieve cultural synergy, and live and work together for a better and more prosperous South Africa for all - Ubuntu."

"As individuals our lives are becoming more and more complicated, as managers we face increas-

ing pressure and uncertainty, and as South Africans we're struggling with the political transformation and some are perturbed about the resultant social effects and impact."

He said certain facts should be considered.

Demographers had estimated that by the year 2000 blacks would outnumber whites by 15:1.

Tomorrow's manager would have to deal with the so-called "lost generation" which would be uneducated, hungry, angry, radical and poorly socialised as a work force.

The economy had to grow at least six to seven percent a year for the rest of the decade to provide 250 000 to 300 000 new jobs needed every year.

"These are the realities with which South African business leaders have to deal with. Although the solutions will partly hinge on the new political system, one thing is certain and it is that those businesses which have 'Ubuntu' as an integral part of their human resource management strategy will develop the capacity to manage cultural diversity." - SA Press Association

Skilled worker crisis forecast

Star 2/10/91 173

By Helen Grange
Pretoria Bureau

The shortage of executive and skilled workers in South Africa was expected to reach 921 000 by the year 2005, a report by the Bureau of Market Research at the University of South Africa has predicted.

By contrast, there would be no jobs in the formal sector for between 7 325 million and 11 576 million semi and unskilled workers by 2005, the report states.

By implication, about 57 percent, or just more than half, of the labour force would have to earn a living in the informal sector or be unemployed.

The report says the labour market will be expanded largely by blacks between the years 2000 and 2005.

This would decrease the white share of the market to 12 percent while blacks would have 75 percent of the market share.

This change would be the result of a sharp decline in the growth rate of the white male labour force as opposed to a steep increase in the black male labour force.

Job creation

"These growth rate differences in the elements of the labour force have major implications in the spheres of job creation and unemployment..."

"As whites and Asians are responsible for 97 percent of job creation in the formal sector, this sharp drop in the ratio of black to white workers will make it increasingly difficult to provide work for new entrants in the formal sec-

tor," the report says.

Another prediction made is that the years spent in retirement by both black and white workers will lengthen because of extended average life expectancy rates.

This meant that in 2005, an average white male would have to earn enough during his average 38 years in the labour force to make provision for the 16 years he would not be earning an income.

The report further states that the South African labour force is expected to total 20,2 million in 2005, with between 450 000 and 510 000 people entering the market annually.

Women's share of the labour market is expected to rise from 23 percent in 1960 to 39 percent in 2005.

Future bleak for job hunters

Star 2/10/91

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NEW STUDIES by the Development Bank of Southern Africa (DBSA) into the sharp contrasts in the economic profile of each region have drawn a grim scenario of the challenges to be faced at the dawn of the post-apartheid era

Among the worst problems that have been underlined in a special report entitled "South Africa: an inter-regional profile" is the bleak outlook for job-hunters unless the economic wheels turn a lot faster

What has especially alarmed DBSA chief executive Dr Simon Brand is the dramatic shrinkage in the employment opportunities offered by companies in the formal business sector in recent years — "falling dangerously and rapidly"

Back in the 1960s they had no trouble in absorbing as many as 736 out of every 1 000 school-leavers. Over the past four years, with the economic tempo at a crawl, they have found room for only 125 in every 1 000 of the 300 000 to 400 000 newcomers streaming into the labour market each year

Population explosion and economic stagnation cannot wholly be blamed. There is an increasing tendency among employers to use machines rather than manpower to escape the risks of labour unrest and higher wage demands

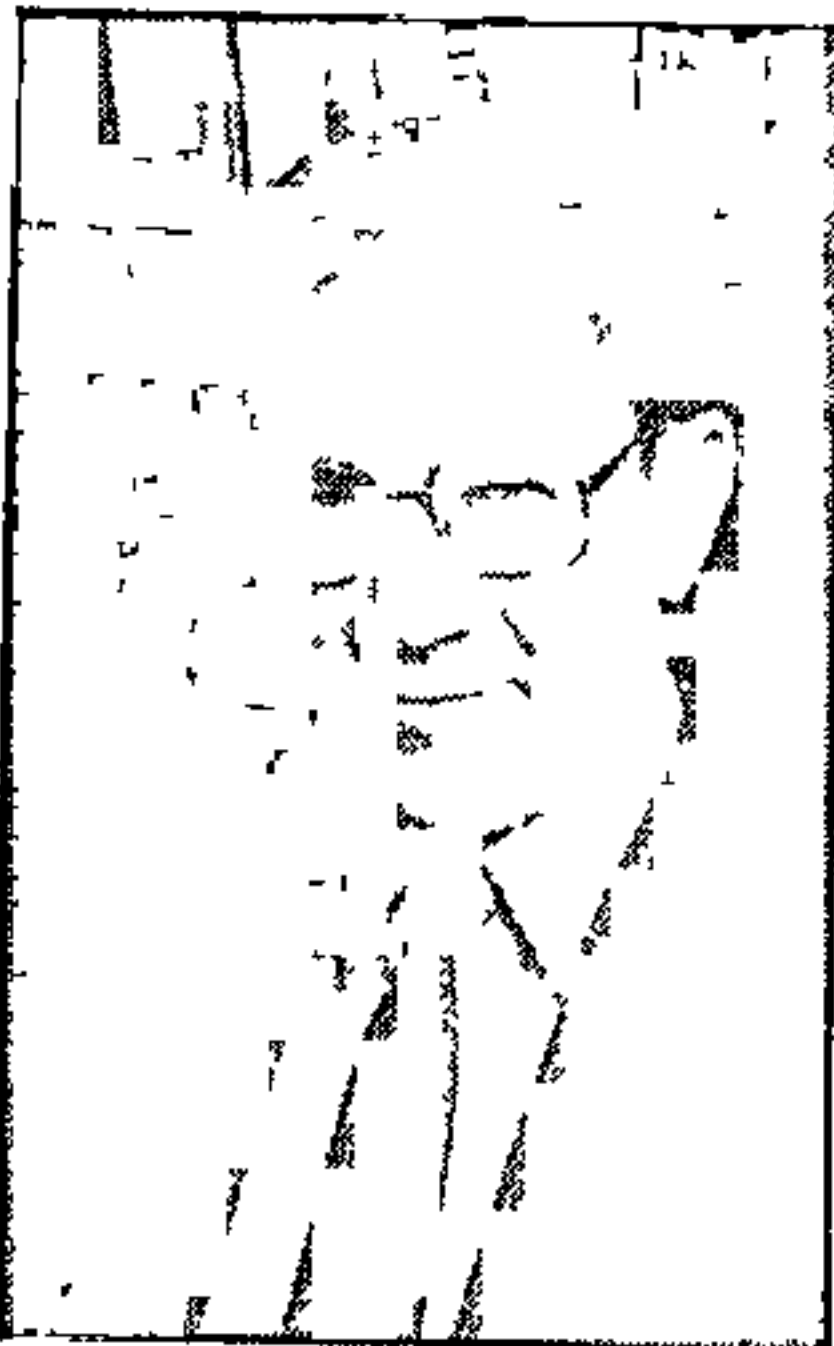
The researchers have worked out that the economic growth rate — struggling to stay above zero at the moment — would need to bound ahead by a formidable 7 percent a year to create the jobs needed to keep pace with the school exodus

The brutal reality was that the economy would be hard-pressed to attain even a 2 percent growth rate — and still do no more than create jobs for only 29 percent of school-leavers, without making a dent on existing unemployment

The bulk of job-hunters face the option of semi-permanent migration in search of work, scraping a survival from subsistence farming, or joining the growing informal sector, 80 percent of which is struggling along on a monthly income of less than R650 each — no better than a minimum living level

And the bank has found that the number of workers flocking

The Development Bank has listed certain challenges on regional economic problems, reports
MICHAEL CHESTER.



Dr Simon Brand shrinking employment opportunities

to the urban areas to escape unemployment has outnumbered the actual jobs available by more than three to one

The unemployment problem is compounded by the failures of the education system. On the most recent count, the number of South Africans who had received no education whatsoever stood at a staggering 11 million — almost one in every three

It comes as no surprise that average living standards have been falling. One indicator of trends in the quality of life is national gross domestic product broken down into a head count that allows for the population explosion. It shows that when inflation is put on one side, GDP per capita shrank from R3 531 in 1970 to R3 285 by 1989

A start has been made to reduce the uneven distribution of income on a racial basis

For example, between 1970 and 1987 the white share of total personal disposable income was sliced from 69 percent to 57 percent. The share of the black population grew from 22,3 percent to 31,5 percent. Asian and coloured families also increased their share

"Clearly," says the DBSA,

"the changes under way in the political sphere will direct attention towards the extent of these inequalities and give rise to intensified programmes for rectifying the situation"

Poverty has already made its tragic mark. In 1988 the infant mortality rate in South Africa was 70 in every 1 000 births, the fourth highest in the world

What's to be done? The challenges, says the Development Bank, can to a large degree be encompassed in a single aim — the alleviation of poverty

"The more equal distribution of income and wealth resulting from programmes aimed at ensuring equitable access to the economy and economic empowerment should in large measure come about through a strong emphasis on investment in poor people who have not reaped the benefits of economic growth and development," it says

New strategies could consider

- A more appropriate set of regional development policies
- An emphasis on economic growth and development based on human potential and promoting human dignity
- Facilitating growth based on the expansion of the domestic market
- Emphasis on efficient resource allocation in both the private and public sectors
- Strong emphasis on the upgrading of deprived urban areas and informal settlements
- Creating adequate but affordable social and physical infrastructure
- Designing a macro-policy framework to facilitate more efficient production, individual initiative and social stability through public intervention
- Land reform to address the skewed distribution of land ownership
- Devolution of decisions and responsibility to grassroots level
- Redirection of public expenditure to basic human needs, such as education, on a non-discriminatory basis
- "Humanisation" of all policies having an impact on development
- Strong emphasis on employment creation and income generation by addressing especially institutional and financial constraints □

Cosatu quits manpower body

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CT 2/10/91

Own Correspondent

JOHANNESBURG — Cosatu yesterday announced its withdrawal from the National Manpower Commission and called instead for the creation of a national forum of employers, government and trade unions to negotiate all macro-economic issues during the transitional period.

Spokesman Mr Neil Coleman said Cosatu's decision was designed to ensure that any economic restructuring proposed by the government during the transitional period would not be carried out unilaterally. The VAT issue was one such policy matter.

Mr Coleman said the decision followed failed attempts to restructure the commission to deal with broad economic issues rather than just labour-related ones as at present.

Manpower Minister Mr Eli Louw noted Cosatu's decision with concern, saying it was contrary to the understanding on dialogue and consensus developed over the past 12 months.

He said he had already undertaken to inform the commission of his views of restructuring proposals late this month or early in November. He had honoured all undertakings given in the Labour Minute signed last September.

Gloomy glimpse of your job in 14 years

The Argus Correspondent (173) (173) 3/10/91

PRETORIA. — The shortage of executive and skilled workers is expected to reach 921 000 by the year 2005, says a report by the Bureau of Market Research at the University of South Africa.

By contrast, there would be no jobs in South Africa's formal sector for between 7 325 million and 11 576 million semi-skilled and unskilled workers by 2005, the report states.

By implication, about 57 percent of the labour force would have to earn a living in the informal sector or be unemployed.

The report says the labour market will be expanded largely by blacks between the years 2000 and 2005 — thus decreasing the white share of the market to 12 percent. Blacks will have 75 percent of the market share.

This change will be the result of a sharp decline in the growth rate of the white male labour force as opposed to an increase in the black male force.

"These growth-rate differences in the elements of the labour force have major implications in the spheres of job-creation and unemployment."

As whites and Asians are responsible for 97 percent of job-creation in the formal sector, this drop in the ratio of black to white workers will make it more difficult to provide work for new entrants in the formal sector, the report says.

Another prediction is that the years spent in retirement by black and white workers will lengthen because of extended life expectancy rates.

In 2005 an average white male would have to earn enough during his average 38 years in the labour force to make provision for the 16 years he would not be earning.

The report says the South African labour force is expected to total 20,2 million in 2005.

Spotlight on jobs crisis

A co-ordinating committee is needed in the Western Cape to tackle the region's unemployment crisis

This was the main thrust of a seminar held in Cape Town this week to focus attention on what was described as the "new realities" of the South African job market. *South (Business)* 3/10/91 - 8/10/91

The seminar, part of the Small Business Week programme of the Small Business Development Corporation, was attended by educationists, business representatives and officials of the Department of Manpower.

Delegates expressed concern about the duplication of career training in South Africa and spoke about the need to consolidate career projects.

Professor Wolfgang Thomas, SBDC regional general manager, said shocking unemployment levels could leave thousands of people with little choice but to look at self-employment.

"We have to put all our energies together. We have to sit down with the key players and look at how we can deal with this situation," said Thomas.

The SBDC believes the country's unemployment problems cannot be solved unless South Africa produces more entrepreneurs.

With job opportunities offered by the formal business sector for only 125 of every 1 000 school-leavers, 875 of them have no option but self-employment or the informal sector.

The seminar was aimed at promoting youth entrepreneurship and looked at what could be done by schools, career advisers, the business community and small business support groups to strengthen it.



SEARCHING FOR OPPORTUNITIES: SBDC regional general manager Wolfgang

Thomas, left, with delegates at the Cape Town seminar this week

LABOUR **Horror story**

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FM 11/10/91

Closely tied to any prospects for growth and stability is the size and make-up of its labour force. Employers will be especially interested in the changes expected in labour supply and demand over the next decade — some of which are quite startling, according to a report by economist and demographer Prof Jan Sadie, just published by Unisa's Bureau of Market Research.

Among the most important findings are

- The labour force (13,4m in 1990) is expected to total 20,2m in 2005, and from 1990 to 2005 an average of 450 000 people will enter the labour market annually, rising to 510 000 in the last five years of this period. This should be seen in relation to only 31 000 jobs a year having been created in the formal sector in the last five years of the Eighties — 95% of which came from the public sector.
- The labour force grew by 2,8% a year from 1960 and this rate is expected to be maintained until 2005. From 1960 to 1990 the female component rose by 4,3% a year compared to 2,2% for males. It is expected that the number of working women will increase by 3,4% (men 2,4%) over the next 14 years, which means that women will then make up nearly 40% of the labour force, compared to 23% in 1960.
- Between 2000 and 2005, 91% of the net addition to the labour force will be black, with whites representing only 1,7% — compared to nearly 22% between 1960 and 1970, when blacks made up 65%. Comparable figures for coloureds are 5,5% (10%) and Indians 1,5% (3,6%).
- As a result the composition of the labour market will change considerably, with whites' share plummeting to just under 13% from 20% in 1960, and blacks' rising from 67% to 76%.
- A sharp drop in the growth rate of the white male labour force will be the main reason for this change. In the past 30 years

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its annual growth rate stood at 1,7% (blacks 2,3%), and between 1990 and 2005 it will be as low as 0,4% a year compared to blacks' 2,8%, coloureds' 1,9% and Indian males' 1,6%.

- These growth rates have major implications for job-creation and unemployment. Where the labour corps grew by about three blacks for each white in the decade from 1960, from 1985 the ratio has risen to nearly 1 10 and is expected to reach 1 53. As whites and Asians are responsible for 97% of job-creation in the formal sector, this dramatic change in the white black worker ratio will make it increasingly difficult to provide jobs.
- Excluding migration, the shortage of executive and skilled workers is expected to reach 921 000 by the year 2005. In contrast there will be no jobs in the formal sector for

7,3m semi-skilled and unskilled workers, and

- Assuming that the employment of executives and skilled workers is a prerequisite for job-creation, and that it will not be possible to fill the 921 000 top vacancies, the surplus of semi-skilled and unskilled workers will rise to 11,6m.

This implies that 57% of the labour force will either have to earn a living in the informal sector or be unemployed — with worrying social implications.

Among other far-reaching changes are that black and white men are now economically active for roughly the same number of years (46 and 45,4 years respectively), mainly because blacks are now studying longer and retiring earlier.

Though white males' life expectancy (67 years) is still much better than black males' earning

(55), at age 60 the difference becomes negligible. Therefore, they will spend about the same time in retirement (about eight years), which "refutes the idea that membership of a pension fund is more advantageous to whites." The general increase in life expectancy has of course lengthened the time spent in retirement. This has increased by three years for white men and nearly four years for blacks between 1969 and 1985.

More significant is the number of years men will spend outside the labour force from age 15 to the end of their lives. In 1960 the figure for whites was 21% and blacks 9,5%. By 2005 these will rise to 42% and 37%, which means that white males will have to earn enough during their 39 years in work to provide for the 16 years they will not be earning.

neid legacy

Money will dictate new SA success

Sowetan 14/10/91
Substantial government intervention in support of efforts to eliminate imbalances of apartheid should be possible without interference with market forces and without reducing incentives for private investments

South Africa must adopt growth-oriented policies. The only way for the society to meet these ends and to increase the share of the wealth for everyone is for the economy to grow

Those who hope to assume positions and responsibility in the new South Africa must also be prepared to make economic decisions which will demonstrate their commitment to economic democracy and to obeying the will of the market - answering to the needs of the people.

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Job creation is vital to black economic empowerment. Unemployment estimates in South Africa run as high as 40 percent. At the same time, jobs requiring special skills go unfilled because of the lack of qualified candidates.

The right environment can create jobs. Or will it?

w/mail 18/10 - 24/10/91

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EITHER we lose jobs. Or we lose the environment.

There's a temptation to sum up the great ecology debate with those two simple opposites.

But a recent *Worldwatch* paper, "Jobs in a Sustainable Economy" by Michael Renner, argues that the ever-changing interplay between jobs and the environment is far too complex to be reduced to slogans.

He throws up interesting points for economic debate.

However, the paper itself makes some questionable assumptions economists will associate with followers of the free lunch approach to economics.

Renner's thesis is the movement towards an environmentally sustainable global economy will create far more jobs than it eliminates.

"Less damaging ways of producing, consuming, and disposing of goods are consistent with the goal of full employment because they tend to be more labour intensive."

He goes on to say that governments will have to show the way. A host of government policies both encourage pollution and discourage job creation, he says. "By shifting the tax burden away from labour and toward capital and energy, job creation can be spurred."

South Africans are familiar with the perennial problem of drive towards high productivity costing bigger and bigger lumps of capital without creating more jobs. Capital productivity in South Africa is worse than labour productivity, a common scapegoat for our economic problems. The West reflects the same phenomenon.

Renner's observation that high unemployment stems from the same economic choices that cause industries to destroy the environment deserves some attention. He contends the quest for labour productivity lies at the root of structural unemployment as well as unsustainable levels of resource use and environmental destruction.

But he arrives at this conclusion by defining labour productivity increases as the substitution of capital and energy for human labour. This is not the only definition. Labour productivity can be increased in two ways. Either you can cut the number of la-

The link between economic growth and environmental conservation is complex enough to cause plenty of confusion. A new study offers some excellent arguments for going green — and a few rather dubious ones.

REG RUMNEY reports

bourers producing X number of widgets or the same number of labourers produce more than X widgets in the same amount of time. The second option may use more energy and capital — but it doesn't lose jobs.

Looking too narrowly at the interplay between capital and labour also creates a misconception.

Take an example closer to home, such as the pending Columbus Stainless Steel project. The project only creates 1 500 jobs for a cost of up to R3-billion. Moreover, the production of stainless steel is the kind of necessarily polluting, materials-intensive technology Renner would probably want the world to move away from.

"If environmental degradation is to be reversed we're talking about much bigger economic changes than 'tailpipe' controls like smokestack scrubbers — we're talking about fundamental changes in the way products are manufactured, used, and disposed of."

Renner goes on to argue that the mainstream industries of manufacturing, transportation, and energy will undergo pronounced change and create substantial new employment opportunities as they restructure every stage of their operations to minimise the input of natural resources and the output of pollution.

"Just as automobiles, synthetic chemistry, and throw-away products have characterised life during much of the 20th century, so will the features of a sustainable economy — energy efficient appliances and homes, bike paths, solar power plants, and recycling centres — reshape life in the 21st."

However, Renner fails to address the role of materials production in the industrial life of any country. The Columbus project, for example, will

benefit South Africa in earning much needed foreign exchange. Whether it should be subsidised by the taxpayer is another issue. And yet to be proved is that the availability of stainless steel will spur downstream production of value added products, for example, surgical instruments. Nonetheless, without foreign exchange we would have to borrow to buy the stainless steel to produce those products.

So South Africa is faced with a seemingly intractable problem. Labour-intensive projects are desirable, but they may not be internationally competitive. However, internationally competitive industries will bring in foreign exchange.

For South Africa, where pollution is not yet as much of an issue as the developed world, the question is rather how trends in the developed world will affect us.

Renner contends sustainable technologies such as windpower are not starry-eyed visions of a far-off future. The sceptical response is that if they were commercially attractive, they would already have been adopted.

But let's assume the First World does swing to labour-intensive, earth friendly industries like recycling and away from steel and chemicals production. That will hand the developing countries a gift in the form of new opportunities to build such plants. While products are becoming less materials intensive, cars, for example, still need metal, plastic and glass.

In effect, the First World will be exporting pollution abroad, just as electric cars shift pollution from cities to the power stations.

Clearly, this will help cut down on noxious emissions at home but will leave intact the greenhouse effect.

Renner seems aware of this in arguing that the world community must work "co-operatively to create new industries that will both enhance the environment and provide millions of rewarding new jobs".

Quite how this will be done is not explained, for Renner's focus is on the industrialised countries. But it sheds light on the difficulties of grand plans to combat pollution, especially those that involve international effort.

R1,7-bn could create 2-m jobs, says Trust

AS MANY as two million jobs could be created within three to five years for R1,7 billion — one-sixth of the money wasted on Moss gas.

How? Cape-based Informal Business Training Trust believes it can be done by facilitating the development of SA's neglected heroes — the survivalist entrepreneurs in the townships and other areas in the informal sector.

In its October Focus, the Trust comments: "There are about two million of these informal sector entrepreneurs. They are enterprising men and women, unable to find jobs in the formal sector, who have started their own small businesses in order to survive. With nearly everything against them, they have managed to establish some form of micro-business activity."

"Our involvement in this field has shown that, with basic business training and a

mini-loan, on average each township entrepreneur will employ at least one other person within six months. It is therefore possible for the existing two million survivalist entrepreneurs to provide work for two million of their unemployed brethren, provided there is a strategic intervention to facilitate this development."

The Trust says basic business training, using the so-called "Township MBA", can now be provided on a large scale at an average total cost of R350 a trainee. Add in a mini-loan for R500, and the creation of a new job costs R850. Two million jobs at a cost of R850 each would amount to R1,7 billion.

"The training of two million survivalist entrepreneurs over three to five years is not impossible. Through the Department of Manpower about two million unemployed people were trained for non-existent jobs during the past few years."

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New scheme to help create employment

By ISAAC MOLEDI

UNI-CARD Ltd has introduced a marketing system aimed at transforming the country's marketing of goods and services and also create thousands of jobs.

Multilevel marketing, which the USA *Wall Street Journal* had predicted would account for more than half of America's consumer turnover of goods and services by the late 90s, predicts about R280 million a month discounts and income for its consumer members within the next two years and which would create more than 200 000 full- and part-time jobs in the country.

Selected affiliated Uni-Card sellers will gain many benefits of increased turnover and improved profit margins, according to Uni-Card sales and human resource director Mr Arthur Kruger.

"Uni-Card-affiliated retail outlets pay an advertising and promotional fee to Uni-Card based on a percentage of money spent at their stores by Uni-Card consumer members.

"Uni-Card distributes up to 70 percent of that income back to consumer members. They thus have a strong incentive to shop at affiliated Uni-Card retail outlets and use their cards to prove purchase," Kruger said.

He said the multilevel

marketing gives retailers an accurate measurement of the value of the consumer members participating.

"What's more, since the fee payable to Uni-Card is due only on our consumer's actual purchase, the use of our multilevel marketing system by the affiliated retail outlet cost them nothing unless it generates sales to cardholders."

Kruger said an added advantage to cardholders was the incentive for them to introduce new Uni-Card members as they would earn an introductory bonus on the enrolment plus a percentage of the company's earned fee on that new member normal monthly expenditure.

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NEWS FOCUS

Informal sector is the key to job creation — Sacob

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B / Day 24 / 10 / 91
SHARON WOOD

DEVELOPMENT of the informal sector was the key to job creation, new SA Chamber of Business (Sacob) president Hennie Viljoen said in an interview yesterday.

While trade prospects for the country in the year ahead were exciting, Sacob was concerned about the unemployment situation.

"Sacob is concerned at how we can, through our initiative and support, ensure new opportunities for job creation," Viljoen said.

"We have to think about the wonderful opportunities which are creating jobs in the informal sector."

Sacob would like to help members start expanding into those areas where there were opportunities.

"It is important to develop the existing business structure in SA. The process can now get off the ground because for so long there wasn't business confidence and that is what counts," Viljoen said.



● VILJOEN

Prospects for an export-led recovery were brighter and SA was definitely going to witness an economic upsurge in the first quarter next year.

--"Sanctions are yesterday's problems and we now have to ensure that we are up and going," he said.

The green light given by Japan when it lifted sanctions was the most positive thing that had happened to SA recently.

Over the last six months 59 trade missions visited Sacob offices and people had indicated that they were not interested in viewing SA in isolation.

"They see SA as a key player and a gateway to southern Africa," Viljoen said. People were inclined to underestimate the buying power of Africa, but there could be so many trading opportunities which weren't there when sanctions were in place.

"SA will have to ensure its industrial strategy is in place. SA technology and productivity must be of such a high standard that it can be competitive in world markets," he said.

Sacob would be critical of both the government and the ANC if they did not recognise the important role of business.

Viljoen took over from John Hall of Barlow Rand as Sacob president at the chamber's annual convention last week.

He is a director of National Beverages Services, the company that succeeded the Coca-Cola Export Corporation. He was president of the Witwatersrand Chamber of Commerce and Industry and the Transvaal Chamber of Industries.

FOR TIME

Over 200 retired people teach business for SBDC

THEO RAWANA

810 cup
29/10/91
ABOUT 225 retired business people have joined the SBDC since 1985 to teach business skills in the small and medium enterprise sector, SBDC MD Ben Vosloo said in a statement.

But, he said, the corporation still urgently needed more of these veterans to join its Mentor Advisory Programme (MAP) as it wanted to help more informal and semi-formal businesses to advance into the formal business sector.

The ability of the SA economy to create employment opportunities had decreased so drastically over the past five years that only 12,5% of new job-seekers could be absorbed, he said.

"In other words, only 125 out of every 1 000 people who enter the job market daily succeed in obtaining full-time employment. The other 875 must become self-employed in the informal, semi-formal or formal sector or join the swelling ranks of the unemployed — already at between 4- and 5-million."

He said among the 225 advisers taking part in the MAP scheme were retired academics, former bank managers and directors of public companies, retired public servants and former small business people.

The number of people assisted by MAP, has grown from the initial 954 in 1985 to 35 000 in the past year. The programme cost R2m last year.

MANAGEMENT. - 1991

NOV. — DEC.

Southern wins for boosting women

S/Times (CM)

3/11/91

THE Gold Star award for doing most to enhance the position of female staff went to Cape Town-based Southern Life at a black tie banquet in Johannesburg.

The award, given annually for the past decade by the internationally affiliated Federation of Business and Professional Women, recognises companies which have done most in the past year to enhance and advance the position of women at work.

Chief adjudicator Philip Bacchioni said Southern Life won the award because of the great strides it had made in opening up opportunities for women.

"We awarded them a Certificate of Merit last year because of this and the Gold Award this year because their proposals have now begun to bear fruit.

"It is evident that Southern Life is paying attention to its female staff and doing everything possible to promote them."

Female employees of Southern Life compose 54,3 percent of the total staff. Of these 57,5 percent are in senior positions, 20 percent (16,7 percent last year) in management positions and 5,1 percent (3,4 percent last year) in executive positions.

Standard fringe benefits for Southern employees, including women, include 13th cheques, special performance bonuses, personal loans, interest-free study loans and study leave, maternity/paternity leave and flexitime.

The company is continuing its efforts to eliminate all barriers to promotion as it celebrates 100 years in South Africa this year.

Southern Life managing director Mr Jan Calitz said he was thrilled at the news of the award, specially as the company had been entering the competition for the past five years.

Big business has new beat

Star 4/11/91

FOUR years ago, when South Africa was manacled to the international whipping post over its apartheid regime, a survey around the executive suites of big business found that the profit motive dominated all else on most agendas.

The relative simplicity of the theme was noted in detail by Robyn Levin, a graduate researcher at Wits Business School, in a special study that won her a Master of Business Administration degree.

Now that the outside world has started to remove the manacles in exchange for pledges about political reform, Miss Levin has revisited the boardrooms to take a new measure of the business pulse.

The changes in the batting order of priorities on the agenda have been as radical as the changes on the political scene.

Nowadays, she finds, the list is often topped by the company's progress with social programmes — with the profit motive still intact, of course, but now more likely to be regarded as the vital lubricant needed to keep the business motors running not only to satisfy shareholders but also, equally important, to finance a wider new corporate role in society.

Social issues, such as employee housing and education schemes, rank alongside the balance sheet as priorities.

The subtle but profound shift in business thinking has been set out by the Corporate Research Consultancy (CRC) in a study entitled "Business in the New South Africa Impressions from the Top".

In interviews at managing director level with 21 of the Top 100 companies listed on the JSE, the researchers found that only one of the giants still considered profit the single principal objective.

"A couple of years ago, most businesses liked to project an image that linked them with popular buzz words about 'social responsibility' but reckoned

There have been radical changes in the list of priorities on many business agendas since South Africa began the climb out of apartheid according to new research, reports **MICHAEL CHESTER.**

their role started and ended with tossing a bundle of rand notes into the kitty," says Iske van den Berg, head of the CRC research unit.

"Today, they are far more earnest about programmes that make a true impact on the whole social environment."

However, social issues are not the only new items that pack the modern boardroom agenda. Moves toward political reform have by no means solved all the headaches. The dawn of a post-apartheid era has created new conundrums.

One major concern is the verbal capitalism versus socialism battle that has broken out, and in particular, the frequent mention of nationalisation by various ANC leaders.

Many businessmen say even passing reference to nationalisation as an option is anathema to the chances of renewed flows of the foreign investment they believe is crucial for economic growth.

The researchers found businessmen deeply concerned about a number of pronouncements from the ANC. "They obviously listen very closely to everything being said by the ANC and even if they realise that a lot of it is rhetoric to please followers, it still causes a great deal of concern."

Also listed on the negative side were violence in the townships, the general volatility of the political scene, and high taxation and tax rules that put investors off.

There was general consensus that new wealth must be created to finance socio-economic

programmes — rather than a mere distribution of existing wealth.

"Overall," say the researchers, "the businessmen interviewed had quite a pessimistic short-term outlook and looked towards employees and trade unions to assist them in creating the wealth needed to put SA on the high road."

"However, they had quite an optimistic long-term view of the economy, especially if foreign investment would start flowing into the country in a few years' time — and the social programmes undertaken by individual companies could be widened into a collective drive by the business world."

Most saw the inevitability of a black government, with the ANC in control or else one of the main players. "Many also believe that whites will still play a prominent role..."

They were equally convinced that the government that finally emerged would be run in a responsible manner.

Meantime, most big companies had launched affirmative action programmes, particularly in the training and promotion of black managers.

"The exercise is no longer regarded as window-dressing," adds Mrs van den Berg.

Many businessmen forecast that the major problem lying ahead for any new government, whatever its composition, would be to fulfil the high aspirations that have been encouraged by political rhetoric — and to keep the economy on an even keel.

"Few businessmen felt able to predict what will happen next in the whole reform process or lay out an ideal formula for the future," says Mrs van den Berg. "Nevertheless, it's highly significant that the majority feel quite confident that all will come well after South Africa goes through the bumps and eventually releases its huge longer term potential." □

Time to show some action in affirmative process

KARL HOFMEYR

"DEPEND upon it sir, when a man knows he's to be hanged in a fortnight, he concentrates his mind wonderfully." The likelihood of affirmative-action legislation in the future is causing companies to have a hard look at their employment profiles.

There are precedents. In Zimbabwe, affirmative action was directed at the public sector rather than the private and today most jobs in the public service are occupied by blacks. In Namibia, draft legislation proposes affirmative action in both sectors.

The most well-known case of affirmative action legislation has been in the US, where it dates back to 1965. The presidential directives aimed to make up for past injustices, overcome continuing discrimination, and ultimately to provide equal job opportunities for blacks and whites.

Today the issue is still debated hotly in the US, but many would argue that affirmative action has produced major gains for blacks. The percentage of blacks in the US workforce has risen by half in the past 25 years. About 5% of all managers in the US are black, representing a five-

fold increase since 1966 and a 30% increase since 1978.

Given these precedents and a need to do something deliberate to normalise occupational structures in SA, opposition groups are calling for affirmative action.

The ANC argues that legislation is needed to redress imbalances and inequalities imposed by apartheid. Affirmative action is seen as a process "which would make black economic empowerment a reality".

The possibility of affirmative action legislation is only one reason why SA companies are looking seriously, perhaps for the first time, at the need to integrate their workforce. But it is a particularly compelling reason and is prompting companies to debate in earnest the need to pre-empt legislation by starting to act "affirmatively" sooner rather than later. This is particularly noticeable in some of the parastatals — perhaps not surprisingly.

Other reasons are also persuasive. Some of them are "business" reasons. Black consumers represent a dominant share of the market for many products. Companies realise

that to understand and to have credibility in those markets their structure has to be more representative of that society. Another reason is that black supervisors and managers arguably have many advantages over whites in managing a predominantly black workforce.

Companies also recognise that as other sectors such as health, the church, sport, and government itself become fully integrated, business will be out of step and a target for legislation if it does not adapt. A company which finds itself out of step with more progressive rivals also runs the risk of becoming a target for consumer boycotts or action by a future government.

The leadership of some companies accepts that the viability of a new society depends not only on a more widely accepted constitution and a stronger economy, but also on the advancement and incorporation of

blacks into the mainstream of business at all levels. This makes integrated employment a strategic necessity for the survival of a business and the economy as a whole.

The need for integrated employment is pressing. Over the years there has been considerable rhetoric but very little has changed. Blacks still occupy only 2.4% of management posts and less than 1% of executive positions. There has been almost no change in these statistics in the past five years.

In their responses to the problem, some companies have recognised the need to apply "affirmative action" although many of them prefer to call it something else. They realise that "equal opportunity" is not enough.

If a company has a policy of "promotion on merit" without affirmative action, then the many advantages enjoyed by whites will ensure that they continue to be promoted ahead of blacks. Thus these companies' plans include targets and increased training for employees who have been disadvantaged. Some are actively recruiting black graduates,

returning exiles, and others who have been studying overseas.

Companies which are integrating their workforce are adopting a holistic and participative approach. Top management is committed and line managers are responsible for developing their employees. They are setting goals and holding managers accountable. They have abandoned the arrogant view that "whites know what is best for blacks" and are involving black employees, unions and community groups in drawing up plans.

These companies are still in the minority. And it still has to be seen whether the companies which are formulating affirmative action policies and plans have the perseverance and creativity to make them work. What is clear, however, is that the debate within companies has a new urgency. But words must be translated into action if the business sector is to be part of the solution and not part of the problem.

□ Hofmeyr is Professor of Organisational Behaviour at the School of Business Leadership, Unisa

LETTERS

CRIME AND MANAGERS

Calling the shots

FM 8/11/91

Crime is hitting home — literally Escalating violence could achieve in a few years what government failed to accomplish in decades a boost in decentralisation Millions of tax rands were lost trying to break up the natural processes of urbanisation and industrialisation Now other brutal forces are at work

That is the view of property economist Neville Berkowitz He believes skilled and senior managers will opt to move from the country's economic powerhouse — the Johannesburg-Pretoria corridor — in search of a better, safer, family lifestyle, and that business and industry will have to follow

Berkowitz says "It may sound far-fetched but skilled management is this country's scarcest resource and companies will have to locate their offices and factories where the skills are"

He says a survey of the top 50 companies, public and private sector — ranked by assets and extracted from the *FM's Top Companies* report — shows that 43% have their head offices in the Johannesburg CBD

Sandton is next with 14%, followed by Pretoria — primarily as host to the public sector — and then Cape Town, Braamfontein (Johannesburg), Durban, Parktown (Johannesburg), Kimberley, Stellenbosch, Rosebank (Johannesburg), Verwoerdburg and Midrand

"This shows 84% of the top companies have their head offices in the Johannesburg-Pretoria corridor," he says

He points to the drawing power of the cities in the aftermath of influx control and greater freedom of movement to sell labour, a factor which draws 500 000 blacks to the cities each year

"That is where the jobs, offices and people are but, with limited new jobs being created, many of the migrants are being forced into a life of crime During 1990 nationwide there were 15 000 murders, 125 000 serious assaults, 61 000 robberies, 20 000 rapes and 225 000 housebreakings

"Regrettably, 1991's crime statistics are well up on last year, and most of us in the Johannesburg-Pretoria corridor live behind perimeter fencing topped by razor or similar wire Most of us have security alarms connected to rapid response security firm control rooms Today, when going out, one phones a restaurant not just for a booking, but to ensure that it has a security door Most of us live in fear"

He believes the result will be a wave of emigration "Not necessarily abroad, but to parts of the country where the crime statistics show that living is safer and they have the bonus of more attractive recreational amenities

"That means places like the Natal-Kwa-

Zulu area and the western Cape, which a few years down the line will be considerably safer than the corridor That doesn't mean property in the Johannesburg-Pretoria area will collapse There will still be growth, but not as much as in the past"

Berkowitz believes skilled management will be calling the shots — and skilled management will be in Ladysmith, Richards Bay, Paarl or Stellenbosch

This has already happened to some extent with the decentralisation from Johannesburg's CBD to places like Sandton

"Employment agencies will tell you CBD employers have to pay a premium for executive secretaries because they prefer to work in the safer, more pleasant environs of Rosebank or Parktown," Berkowitz says

Translated into property terms, he believes management will have to take the skills migration into account when considering the future location of factories

"There will be a higher demand for industrial property in these lower-risk areas as industrialists are forced to follow senior managers who say, 'I want to be where I can work and live peacefully, with good schools for my children, and pleasing recreational facilities, even if it means a drop in salary'"

While Berkowitz's analysis of the situation may be an oversimplification of very complex economic, political and social problems, there is little doubt that unless the

crime wave is curbed, demographic changes will take place Alas, it seems more likely that industrialists will be following the skilled managers abroad rather than to other parts of the country, however safer they appear at present

RESIDENTIAL

Sugar coating

FM 8/11/91

Moreland Estates, a subsidiary of the giant Tongaat-Hulett Group, is to establish a new town north of Durban, centered around two golf course estates

The development will be an expansion of what is now the company village of Mt Edgecombe

The development's first phase, of about 240 houses, is scheduled for completion by the end of next year The second phase will include a new golf course adjacent to Mt Edgecombe Country Club course About 740 houses in total will be built around the golfing facilities An application to establish Mt Edgecombe as a separate local authority is being processed and proclamation is expected before the end of the year

At the same time, the group's property development company, Moreland Estates, is selling prime sites overlooking Umhlanga Rocks, probably the most sought-after land

BANKING ON LAND

In spite of continued tough trading conditions in the office property market, Liberty Life Properties has bought, for R1,8m, the site next to its Parkway Place development (pictured here) being built on the

Bedfordview-Johannesburg boundary.

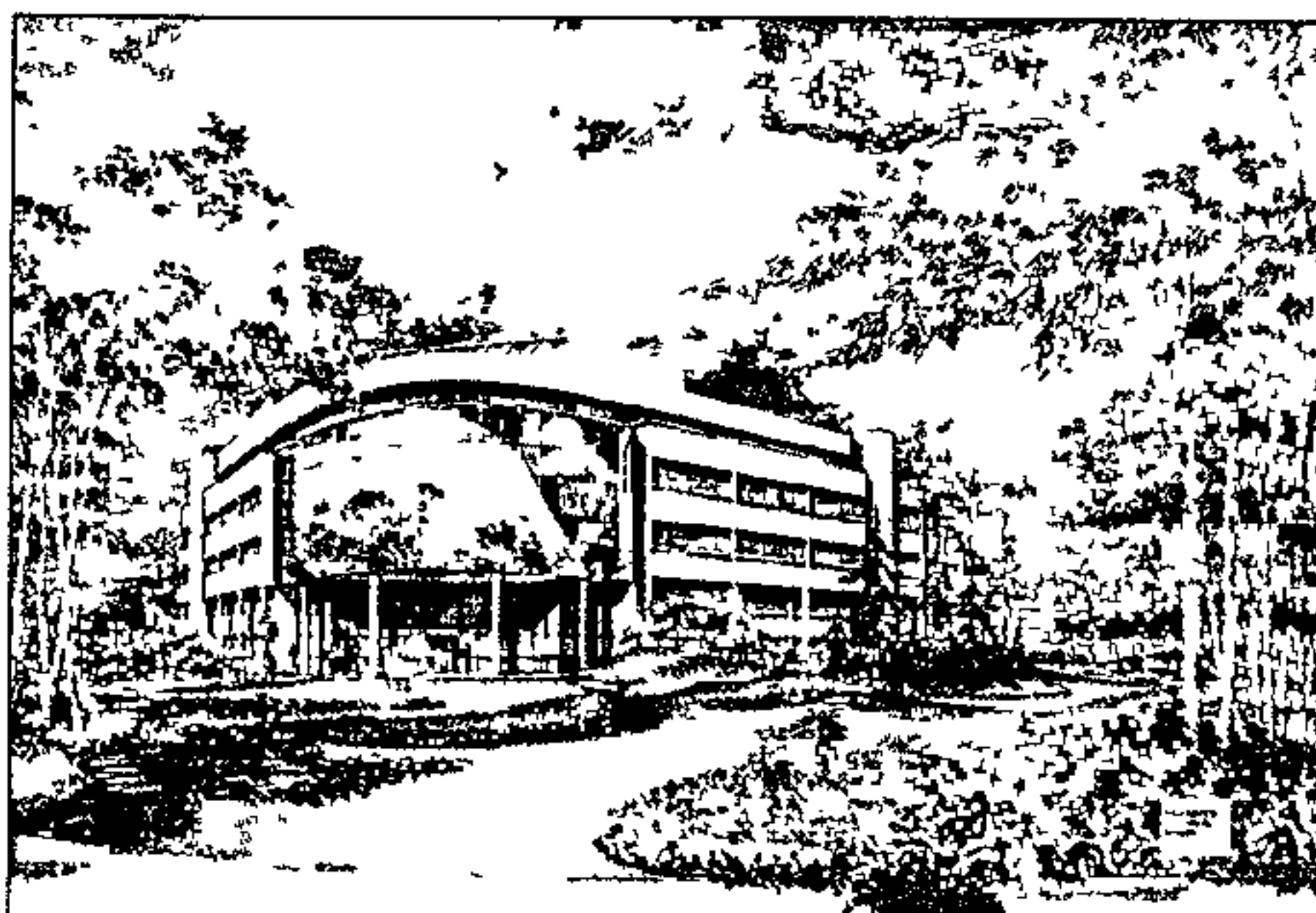
The 4 783 m² stand with a bulk of 6 700 m² — and labelled a "gateway to Johannesburg" — was bought through public tender from the Johannesburg

City Council. It will be developed at a future date, according to Liberty

Liberty Life says both the stand and neighbouring Parkway Place are well located at the junction of the R22 and Marcia Street

The five-storey 9 000 m² (net) Parkway Place is due for completion and occupation early next year.

Floor sizes will vary between 1 500 m² and 2 000 m² each.



EXECUTIVE RETRENCHMENTS

No help wanted

More executives have been retrenched in this recession than in any other in the past 15 years, but it's an exaggeration to say scores of them are walking the streets looking for work

To be sure, some are looking for new positions and sounding out employment agencies. But there are also some who can afford to sit back and ride out the recession. They firmly believe that there will be a demand for their skills when the economy turns around

cont ->

FM 8/11/91

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Edwin Basson, head of the SBDC's information bank, says many have opted to start their own businesses. "The pace of applications we're getting from people wanting assistance to start on their own is hotting up. It's a fact of life that the number of applications we get increases whenever there's an economic downturn."

Roly Boardman, senior member of Impact Human Resources, specialists in placing financial personnel, says there are more financial executives on the market now than two years ago, but a 2% growth rate would absorb everyone on offer.

"We are having some difficulty placing people. It isn't so much that there is a significant increase in the number of applicants, but those with jobs to offer have become terribly choosy. They perceive, wrongly, that there are lots of good calibre people out there scrounging for jobs."

"There have been few retrenchments in the financial sector, particularly at senior or top management level. Those looking for jobs are mainly at middle-management level. In fact, if the economy grew by only 2% we'd be scraping the bottom of the barrel, as we were two years ago."

Paul Tingley of Paul Tingley Management Services, which caters for a wider spectrum, takes a more pessimistic view. He says the situation is becoming more serious by the day across the commercial and industrial sectors.

"The political situation is stifling investment, which means a lack of jobs and many losing their jobs. Emigrating won't solve their problem. They can't pack their bags and look for jobs in the countries we trade with, such as France, Germany and Britain, as they did in previous recessions, because those countries also are in deep recession."

"We not only get letters daily from highly qualified out-of-work people in those countries looking for work in SA, but we have actually had highly skilled people from Denmark, New Zealand, Australia and the Americas pay their way out here, walk into our office and say they're looking for work. That has never happened before."

He expects that there won't be full employment for executives for another two or three years, but the news is not all bad. "The current recession has forced companies to reduce their complements and become leaner and healthier, which will be good for them when they have to compete in the world's markets."

Gordon Whitaker, a senior consultant with PE Corporate Services, a Price Waterhouse subsidiary, says "Economists say this recession is not as deep as others, but it is lasting longer and it's affecting the man in the street much more seriously. People further up the line are being retrenched."

"We cannot place them in jobs because very few in jobs are resigning and plans for expansion have, in most cases, been put on the backburner. The only alternative for some who have lost their jobs, if they can indentify a niche market, is to go to the

SBDC, ask for assistance and start a small business."

Whitaker likes this option because, if some survive, it will increase the number of small businesses. This would bring SA more into line with the US and other countries where small businesses employ more people than the big corporations.

Economist Michael McDonald of Seifsa says factories and engineering workshops are holding on to their senior technical people for as long as they can because they know they will need them once the economy swings.

"But when their backs are against the wall, they have no option but to let them go. There is no way of saying how many people of that calibre have been retrenched, they earned too much to qualify for membership in the Unemployment Insurance Fund and there are no other reliable statistics that would reflect their numbers."

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managers have not explained basic business principles to their staff, which means that the employees do not regard the customer as being responsible for paying their wages. He points out that language barriers and a lack of training also contribute to the problem.

According to a US study, Profit Impact of Market Strategy, "the most important single factor affecting a business unit's performance is the quality of its product and service, relative to those of the competition." The results show that of 450 US companies researched, the top third in terms of perceived quality out-earn other companies by 2:1.

Not surprisingly, therefore, companies are realising the importance of service to their overall profitability. As competition increases, good service is often the only way to clinch sales because undercutting competitors on price is no longer viable.

Because customers, the ultimate judges of service quality, base their decisions purely on subjective perceptions, measuring service quality is not as straightforward as measuring the quality of a manufactured product. Nevertheless, scientific methods have been developed to measure levels of service.

One method is the GAPS management system, which uses a questionnaire to measure the discrepancy (or the gap) between customers' expectations and their perceptions of the service delivered.

It also provides a systematic method to identify and measure the internal organisational factors that contribute to the discrepancies. For example, gaps often occur between management's perceptions of customer expectations, the translation of these perceptions into service-quality specifications for employees and, ultimately, the delivery of service to the customer.

The GAPS system allows managers to develop strategies to address these discrepancies. By focusing on specific gaps, companies can improve their standard of customer service. Once managers know where the discrepancies are occurring they can rectify the problem by, for example, training staff on the finer points of selling.

The GAPS model has been refined for SA by a local company, Service Quality Management. Nel, who is also a director of the company, says about 25 local companies are using the model.

MD Rory Boyes-Varley says the main benefit of GAPS is that it offers an integrated approach, while most companies recognise the need to measure their service levels, too much of the research has only an external focus, which provides a measurement but no sign of the root causes of the problems inside the company.

As more organisations see the benefits of good service, and begin to train their staff to adopt the have-a-nice-day philosophy, hopefully customers will do less grumbling and more smiling. ■

FW 8/11/91 (172) (181) (182)

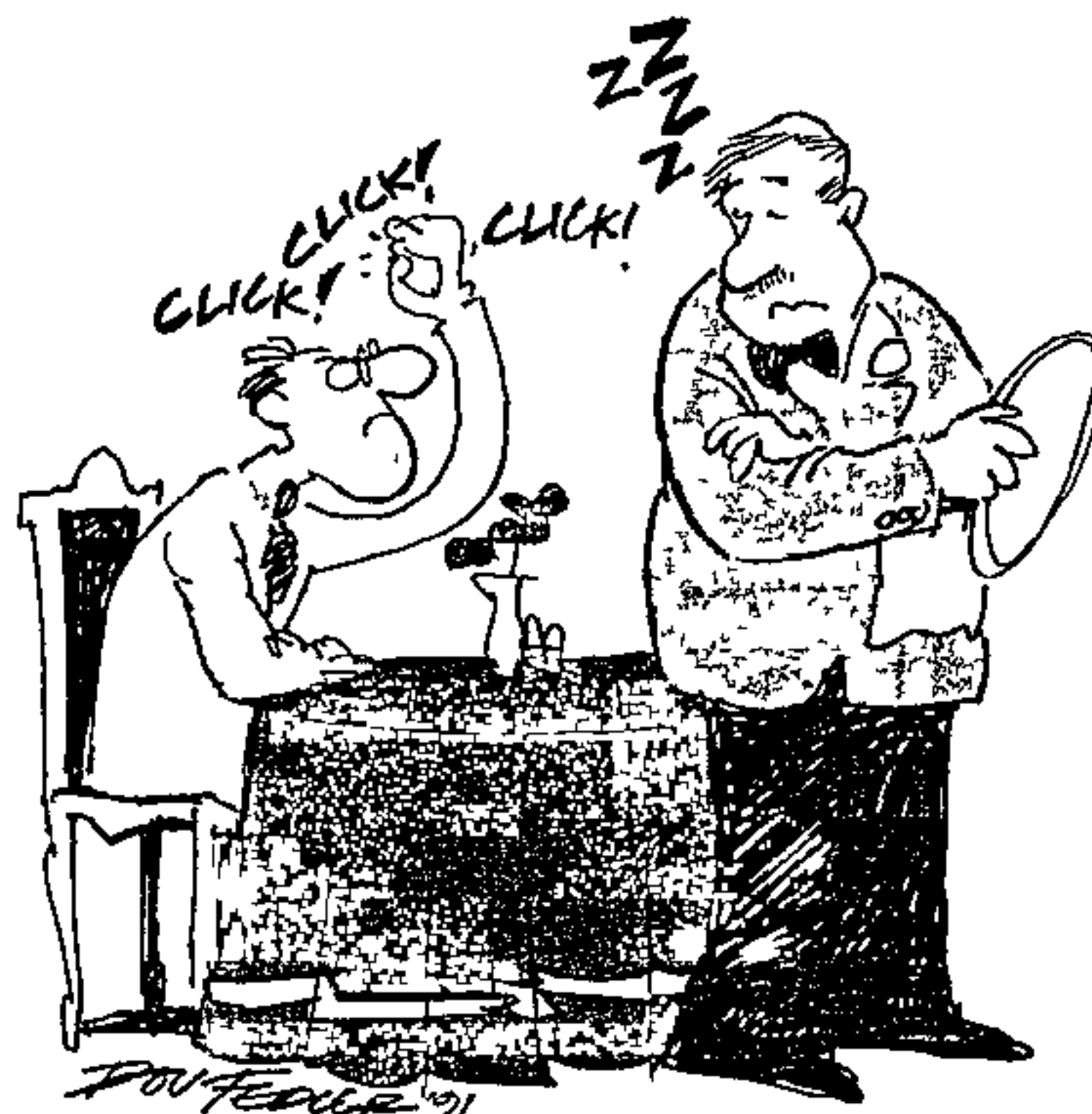
Getting at the problem

Bad service does not make good business sense. Yet SA is notorious for bad or even no service. At almost every turn the poor customer must deal with rude receptionists, incompetent clerks, unco-operative bureaucrats and lazy and devious sales staff.

Deon Nel, professor of marketing in RAU's Department of Business Management, says, "Companies know what their customers want but fail to deliver what they expect." He blames the inability and sometimes the unwillingness of employees to offer the service that customers desire.

However, the blame also lies with management. According to Don Caldwell, an author on customer service, the rot starts at the top. He says "If bosses never thank employees who do good work, what is the point of being lively and helpful if nobody notices?"

Caldwell says another explanation is that



Women must play role in business

By JOSHUA RABOROKO

THE role of African women entrepreneurs in the formal and informal sectors of business is essential in boosting the economy and social welfare of their countries.

They must study and uphold the rights and interests in general of both women and entrepreneurs.

The participation of women in fields such as agriculture, food production, rural development, energy, mineral and hydro resources, computerisation, transport, communication and tourism and the development of the informal sectors must be explored in a changing Africa.

Issues

These issues were highlighted by the Cameroon Minister of Social Affairs and Feminine Condition, Mrs Yao Aissatou, during the All-Africa business conference - Sidco '91 - organised by the Paris based Dialogue and Cooperation.

The first forum of its kind for businessmen and women in Africa, the conference was aimed at discussing and exploring business opportunities in a fast growing continent.

It was also aimed at encouraging a new dynamism of inter-African cooperation from Cape to Cairo.

Speaking on the role of the African women in developments, she said women must participate in all sectors of the economy, as well as movements, in the changing Africa.

Appeal

She said already 90 percent of African women were involved in agriculture, food production and storage of crops and a considerable number were engaged in industrial activities

tions and to aid professional bodies in the State dealings with economic questions," she said

to export the food to other African countries, as well as those overseas, in an attempt to develop our economy."

She appealed to African women to involve themselves in joint ventures and partnerships, matchmaking, seek financial aid and to investigate legal implications and State support.

Aim

Supporting the Minister's assertions was the president of the Cameroon Association of Women Entrepreneurs, Mrs Abiaaleu Lucienne, who said that her association encouraged women to foster, exchange and communicate internationally to facilitate such communication and to keep them informed about all questions generally pertaining to their double role as women and entrepreneurs.

"It is our aim to bring to the notice of women business owners details of functions that are, or will be open to them, to put forward support nomina-



Mrs Yao Aissatou, Cameroon Minister of Social Affairs.

However, she said, women must develop their technological skills, education and training in order to overcome their economic hardships.

Most of the agricultural crops in Africa rotted because there was no place for them to be stored.

"This is a waste and we need to improve our storage facilities in order

star 11/11/91

US scholarship offer for aspirant hoteliers

A scholarship for South African students to study hotel management in the United States has been named after South African Chef Association chairman Billy Gallagher.

The scholarship, for a four-year course at Johnson and Wales University, was announced by university executive

vice-president John Bowen during the Chefs' Showcase, which ended at Sandton City yesterday.

Mr Gallagher has accepted an invitation to lecture during a visit to the university in April.

The scholarship was a tribute to Mr Gallagher's contribution to "the culinary arts and the role of

the chef, not only in South Africa but also internationally," Mr Bowen said.

The scholarship, worth \$4 000 (about R11 000), will enable a student to study hotel management or a related course.

Mr Gallagher is the food and beverage director of Southern Sun Holdings. — Staff Reporter.

Makeba gets on board NSB

By DERRICK LUTHAYI

SONGBIRD Miriam Makeba, internationally known as "Mama Africa", will no doubt feel closer to the continent of her birth after her appointment as a director of the "back-to-my-roots" sorghum company, National Sorghum Breweries.

Makeba, banned in South Africa for more than three decades after addressing the United Nations on the South African political situation, is based in Brussels but hopes to return home for good after next month's *Children of Africa* concert in Lagos, Nigeria.

Makeba's appointment was announced this week by NSB executive chairman Mohale Mahanyele, together with those of well-known musician and founder of the Ionian Choir Prof Khabu Mngoma; former head-



A MEMBER OF THE BOARD... Miriam Makeba with, from left, NSB board members M Leoka, Dr N Mzamane, M Mahanyele, ET van Rensburg, IB Skosana and JJ de Bruyn.

'Business must reflect community needs'

master at Morris Isaacson School Lekgau Mathabathe and leading medical practitioner Dr Ndumiso Mzamane.

Mahanyele announced the departure of executive director Sam Mosikil, who has resigned

from the board and the company to pursue other interests.

Mahanyele told the shareholders that business was an organ of society and it had to reflect the needs of the community within which

it operated.

"The NSB board of directors must, therefore, not only reflect the high calibre of business acumen required, but also the grassroots characteristics of religion, cultural, educational, health and other

wider communal interests.

"We are indeed honoured and proud that leading members of different segments of our communities have been nominated to our board. Through their illustrious

careers, we believe they can bring to bear on our company the need to serve the interests of our shareholders, employees and communities," said Mahanyele.

He added that, in line with its mission, the board, management and the entire staff of 3 500 reflected the population profile.

"We have the single largest complement of highly qualified and experienced black people of any company in the history of South Africa.

"Our relationships with trade unions, who represent the majority of our people, are healthy and we will continue to nurture this warm development."

"We are supporting a wide range of social projects on education, health, culture and business. All these are aimed at employment creation and the past year's performance," he said.

are vital for a stable society," said Mahanyele. There was jubilation and wild excitement when Mahanyele announced that NSB made a whopping R17-million profit, which represented a 54 percent increase in real earnings in the first trading year.

The company's annual financial report, the first since it became a black-controlled company after more than R44-million shares were bought by blacks early this year, shows that profits have risen from R11-million for 1990 to R17-million and that the turnover is up 15 percent from R310-million to R357 million.

"These high earnings were attributed to strict control of overheads and capital expenditure and the enforcement of a strong managerial bias for action. We are proud of the past year's performance," he said.



OUT OF THE KITCHEN, INTO THE BOARDROOM ... Ten of the 12 directors of BC Stars, SA's first company owned by black women.

No longer a man's world

By KATE MAMABOLO

TWELVE black women have proved they can make it in business without men in control - in fact without men at all. *clips 17/11/91*

Muscling into the business world, they have formed South Africa's first company owned solely by black women, BC Stars, which was launched in Johannesburg this week.

And they have big plans

With initial capital of R50 000, BC Stars plan to get into service stations, fast-foods outlets, laundrettes, confectioneries, hair salons, supermarkets and florist shops, according to managing director Brenda Maisela

Women should not feel it is their

(146) duty to serve men and live in their shadows, Maisela added. *(142)*

Company chairwoman Daphne Sith-ebe said: "We do not promote sexism in business, but we feel as women we have to pool our resources

"The interaction of men and women in business cannot be overlooked, after all they (men) will be the consumers of our products."

BC Stars has also established links with the Small Business Development Corporation (SBDC).

For those interested in knowing more about the company, there will be a general meeting on December 8 at 10 am at the Downtown Holiday Inn in Johannesburg. The registration fee will be R20

17/11/91

Dawn opens new horizons

By SOPHIE TEMA

HIGH achiever Dawn Makhobo is scaling new heights with her recent appointment as senior health education manager with the Anglo American Corporation.

She is responsible for educating workers on the prevention of Aids.

Makhobo is certainly qualified in the field, being part of the Aids Education Working Group of the Medical Research Council, and having advised several companies on Aids education programmes.

What motivates Makhobo is her love for challenges.

Two years ago the mother-of-two came to Johannesburg from Mafikeng to start her own community affairs consultancy, a job she gave up to join Anglo full-time.

At the same time she was appointed to the board of Metropolitan Life and the SA Media Council – their first black woman member.



DAWN MAKHOBHO

A strong need to help others achieve a sense of self-worth led Dawn to study Social Science at the University of the North. Her first job was as social worker in Bloemfontein.

She moved with her husband, Dr. Patrick Makhobo, to Bophuthatswana where she joined the Agricultural Development Corporation of Bophuthatswana (Agricor) and rapidly moved up the

ranks

One of the highlights of her career was her visit in 1985 to the US and Canada as part of an all-woman exchange programme.

Two years later she was promoted to Agricor's group manager for community development, with responsibility for all community development programmes in Bop.

Here she helped create the development concept for all of Agricor's activities, called Temisano.

Makhobo does not believe claims by white-owned companies that there is little black management material available.

"I refuse to accept that potential black managers are not available.

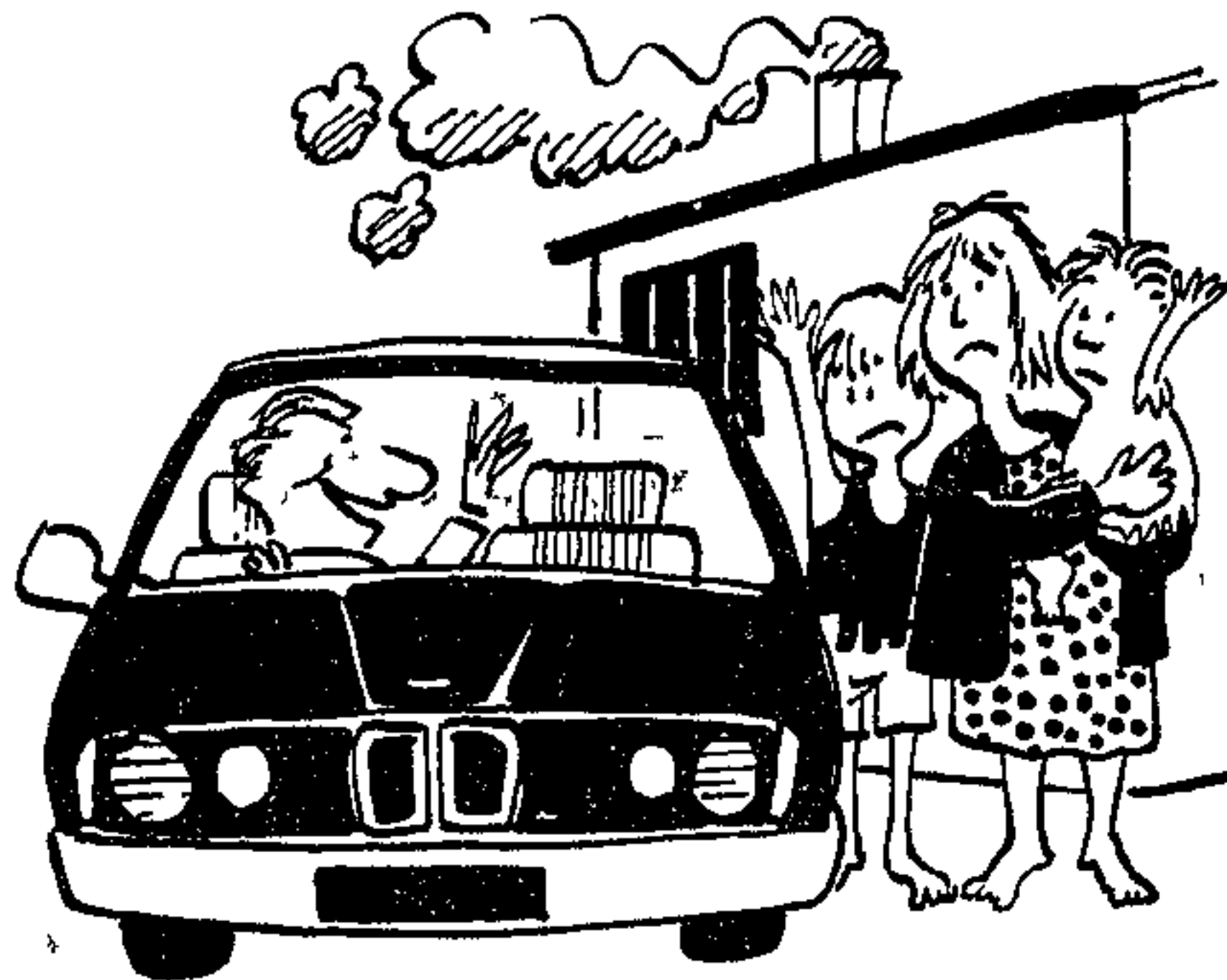
"Companies should seriously look at the issue of increasing the number of their black managers.

"What happens is that many corporate environments are sometimes hostile to the idea of black advancement in management," Makhobo added.

'BMW poverty' abroad but SA executives go for status

Business executives abroad are being driven by "BMW poverty" — cash cramps caused by the expense of flaunting an executive car — because of changing tax incentives South Africans have yet to get on that road, a local tax consultant says

Executives who opt for a luxury company car at the expense of its cash salary equivalent are usually more heavily burdened by a large mortgage, school fees and the other costs of a middle-class lifestyle. However many will make any compromise to achieve a status-symbol car



star 20/11/91.
A major new study of British employee benefits estimates that 10 percent of company car drivers suffer "BMW poverty", but the numbers are now declining as car tax advantages are whittled away

The new National Insurance charges imposed on company vehicles are also having their effect, especially on users who do fewer than 2 500 company miles a year

Personal finance expert Lorna Bourke says executives giving up their status symbols are also being offered a "long menu" of benefits and perks ranging from cash, extra pension, life assurance, private medical insurance and subsidised mortgages to help with school fees and cheap loans.

British tax consultants say senior bosses are realising the best thing to do is to ditch their prestige car, take cash in exchange, and buy a second-hand Ford Escort

South African financial adviser Costa Divaris says South African executives, by contrast, are as far as ever from giving up status cars

"Although there is now a perks tax on cars it is still at nominal levels, not enough to outweigh the prestige factor.

"There is no real incentive yet for executives to give up fancy cars. They would need a really substantial cash increase just to offset the car tax benefits that still exist here for them," he says

DAILY MAIL and
ADAM GORDON

Strong ties with Africa urged

Sowetan 21/11/91
IT is of the utmost importance that South Africa strengthens its ties with the market research industry in Africa as soon as possible after sanctions have been lifted

Local contact with this market has been limited because of political isolation, said Mr Deon Herbst, chairman of the Marketing Research Standard Authority

Herbst, who was recently appointed as the new chairman of MRSA, is also the director of Markdata, a division of the Human Sciences Research

By JOSHUA RABOROKO

Council.

He said "The opening up of international ties after a period of political isolation gives MRSA the opportunity to strengthen relations with similar associations in other countries.

"Over the years MRSA members had close liaison with sister organisations abroad on individual and company levels. As a result of this, the general standard of research in South Africa is on a par

with the standards accepted internationally.

"Contact with the market research industry in Africa has been limited and permanent relations will have to be established next year."

Bond

Herbst said MRSA's other main objective for next year was to improve the image of the industry with users in market research and the general public.

"South Africa is undergoing a definite period of change. Market research and surveys will become prominent and relevant either for business, government, communities and decision

makers in general.

"MRSA will have to play an important role to promote the significance of quality information for effective decision making

"The generation of information in the market research industry is largely dependent on the goodwill of the general public. MRSA will address the issue of professional standards during this interviewing process."

He said MRSA would also address black advancement within the industry.

"During last year MRSA voiced its concern about the shortage of qualified and experienced black people within the marketing industry

"It identified the vital importance of adequate resources of trained black market researchers for the future. A project has been started to identify ways and means of bringing and attracting more people to this industry by providing suitable employment opportunities and setting up appropriate training for such people. Marketing of the industry at training institutions will have to receive the necessary attention

"The industry can only position itself in the future with the basic statistics at hand. Managers within the market research industry should have statistics at hand about the environment in which to operate.

"Statistics and information, for example, on total turnover of the industry, number of operating companies, salaries of researcher/interviewers, usage of different data collection methods and the conditions of employment of permanent/contract personnel is of the utmost importance," he said

Andy's MBA

course on way

STIMES (BUS)

Business Times Reporter

24/11/91
ANDY Andrews, Dean of Wits Business School for seven years, is taking on the universities by introducing a new MBA course. He has the right to introduce the distance-learning MBA course developed by the UK's Henley Management College.

The two-year part-time course is offered in 80 countries.

"Now we have the true global classroom," says Dr Andrews.

He left Wits two years ago with the ambition to establish an independent educational facility able to turn out managers the new South Africa will need.

Between business consulting assignments he scoured the world for the right course.

"Henley offers everything we need," says Dr Andrews.

"It is a practical course designed for busy executives who cannot take a career break."

Targets

"Assignments and case studies are approved by employers and can have immediate application in the work place."

The international nature of the course will benefit SA students who will increasingly face competition in world markets.

The first course will start next March. Dr Andrews says his first targets for students will be the handful of top companies which will lead SA's charge into export-led expansion, "which we must have if this country is to work for everyone."

The programme uses video and audio facilities. International lecturers will come to SA for the full-time sessions several times a year.

Candidates do not have to be graduates. The first year provides the equivalent of a BComm degree and the whole course must be completed in two years.



ANDY ANDREWS

Women at war on business forums

By KATE MAMABOLO

(142)

human relations

MORE and more black women are getting out of the kitchen and giving their male counterparts a run for their money in business.

However, a snap City Press survey has shown that although many women run their own businesses successfully, they are excluded when it comes to collective business decisions in companies where men are in positions of authority.

That is still a man's world, the women said.

Bridgette Motsepe of Nexus said: "It is a fact that despite the success of women in business and their excellence in other fields where men used to dominate, we are not yet included in economic forums."

Bridgette's company is at the forefront of initiating and implementing strategies which will link up South African businessmen with their counterparts in the rest of Africa.

"Business forums are suit and tie affairs. Women must gear themselves towards integrating forums so as to strengthen

men and women promote sexism and the kind of fierce competition that could lead to intimidation.

"On the other hand, if men and women pool their resources, it could enhance economic empowerment," said Bridgette.

Successful Soweto hairdresser Fredah Malebone is looking forward to integrated business forums.

But she said women have to go a step further and equip themselves with management skills.

Dorah Ndaba, sales executive and founder-member of Sabta and Fabcos, said "Most men in the industry have still not come to terms with women joining their field."

"They don't expect women to know much about taxis and that makes it difficult for them to accept a woman's opinion and involvement in forums."

She estimated that 80 percent of spaza shops, taverns and shebeens were owned by women.



BRIDGETTE MOTSEPE... Business forums should be integrated. Separate forums for men and women promote sexism and fierce competition.

Distance-learning provides a solution to skill shortage

THE shortage of qualified managers in South Africa has reached alarming proportions and it continues to grow.

It has been estimated that by the turn of the century SA will need between 100 000 and 120 000 new managers and local business schools do not have the financial, human or infrastructural resources to meet the need.

Wits Business School produces just over 100 MBA graduates a year while UCT's Business School is trebling its capacity, at tremendous expense, to 300 graduates a year.

Centre for Advanced Management Development

(Camdev) MD Dr Neill Stevenson says "Business must look beyond the traditional local schools to meet its needs and quality distance-learning products from recognised overseas schools could provide a solution."

Camdev is the sole local representative for a course offered by Heriot-Watt University in Edinburgh, Scotland, which has over 1 000 students in 23 countries.

Choice

Stevenson says his choice of a UK course rather than an American one was based on the fact that the educational system in the US is different from that in SA.

Stevenson says the Heriot-Watt course is recognised by the HSRC and offers a number of other benefits to students.

"The MBA programme has been designed for distance-learning and offers a high level of flexibility.

"Students have seven years from the time of writing their first exam to complete the course, making it possible for them to work at their own pace.

"In addition, the course is supplied in individual mod-

ules which can be bought separately, making it easier for the private student to budget fee payments," he says.

The course material is written by an international faculty, selected from the top business schools in the Western world, whose aim is to give students a global view of business administration.

The benefits of this degree are available to people regardless of previous academic qualifications or the graduate management admission test often required for entry into an MBA course.

"We believe executives with the intellect, ability and motivation to complete an MBA degree should be given the chance to do so irrespective of whether or not they already have an undergraduate degree," he says.

"This does not mean the university has compromised its standards.

"A potential student, not in possession of a first or second-class honours degree is required to pass two of the seven compulsory courses before he is registered for the degree."

Analytical thought is a problem for the arts graduates

ENTRANCE requirements for an MBA at most universities are too broad, says RAU department of business management chairman Ludi Koekemoer

"Worldwide, business schools find arts graduates have the most difficulty with their MBA programmes because they have not been trained to think analytically

"For this reason, the MComm degree offered at RAU — which is equivalent to an MBA — is aimed at graduates in science, engineering and commerce

"We don't automatically disqualify a person with a social sciences degree — someone with an honours degree and a fair level of practical business experience could be accepted

"But such a student will have to be prepared to put in a lot of extra work in mathematics, statistics and accounting," he says

To qualify, a student must have an honours degree in commerce

Engineering and science students can do a one-year bridging programme, covering business management, economics, financial accounting and business law.

Around 40 students are accepted on this course annually and Koekemoer says a maximum of 80 students are accepted each year out of around 400 applicants for the MComm degree

The RAU business school was established towards the end of the '80s in response to a demand from the Sakekamer.

Initially, it depended for its lecturers on the business world and other departments, but Koekemoer recently increased the school's staff complement.

Range

The department offers a range of other management training programmes in addition to its MComm degree.

"I recently toured Europe, visiting the 20 top business schools in the Western world and came back with information on how and why they do what they do.

"We have streamlined and extended our MComm course to make it more relevant to South Africa's changing needs," he says

The MComm degree is taken as a two to three year part-time course.

Most students, says Koekemoer, complete their 15 academic subjects in two years before taking three to six months to write a dissertation

"In the second year, our students choose whether to specialise in financial or marketing management, while strategic management is compulsory," he says

Other courses offered by RAU are aimed at keeping middle and senior managers up to date.

Its top executive programme has been designed to give executives a broad international view of business, widening their perspective and giving them opportunities to make contacts in centres all over the world

Entrepreneurial skills needed at grassroots

8/10 ay 26/11/91 (172)

THE small business sector is the fastest growing sector of almost every economy in the world and South Africa is no exception.

Developing entrepreneurial skills at grassroots level is a priority if this country is to achieve its potential as an industrial nation.

Fresh

Business schools can play a role in ensuring this is done and add a fresh dimension to their students' expertise in the process, says SA Board of Personnel Practice chairman of the public relations committee Syd Catton.

"The Wits University centre for developing business is a model more universities would do well to imitate.

"Business students must get involved in hands-on development of small business if either they or the businesses are to benefit."

He says his criticism of

the typical business school approach is that it tends to be weighted towards large organisations, ignoring the fact that the strongest growth occurs among companies employing fewer than 50 people.

"The majority of jobs today originate with the informal sector.

"We must bring our skills to bear in helping small businesses grow to medium size.

Catton says business schools must make it a requirement that each student during the course of his studies gets involved in launching a viable small business.

"They could identify a need and an opportunity within a community, locate the businessmen with the potential to take advantage of it and make their academic knowledge available to help get it off the ground.

"This would give practical experience in an area to which they would otherwise not have much exposure.

"At the same time, it would equip them better to deal with the realities of the new SA."

Catton says corporations are looking for ways to help set more small businesses on their feet.

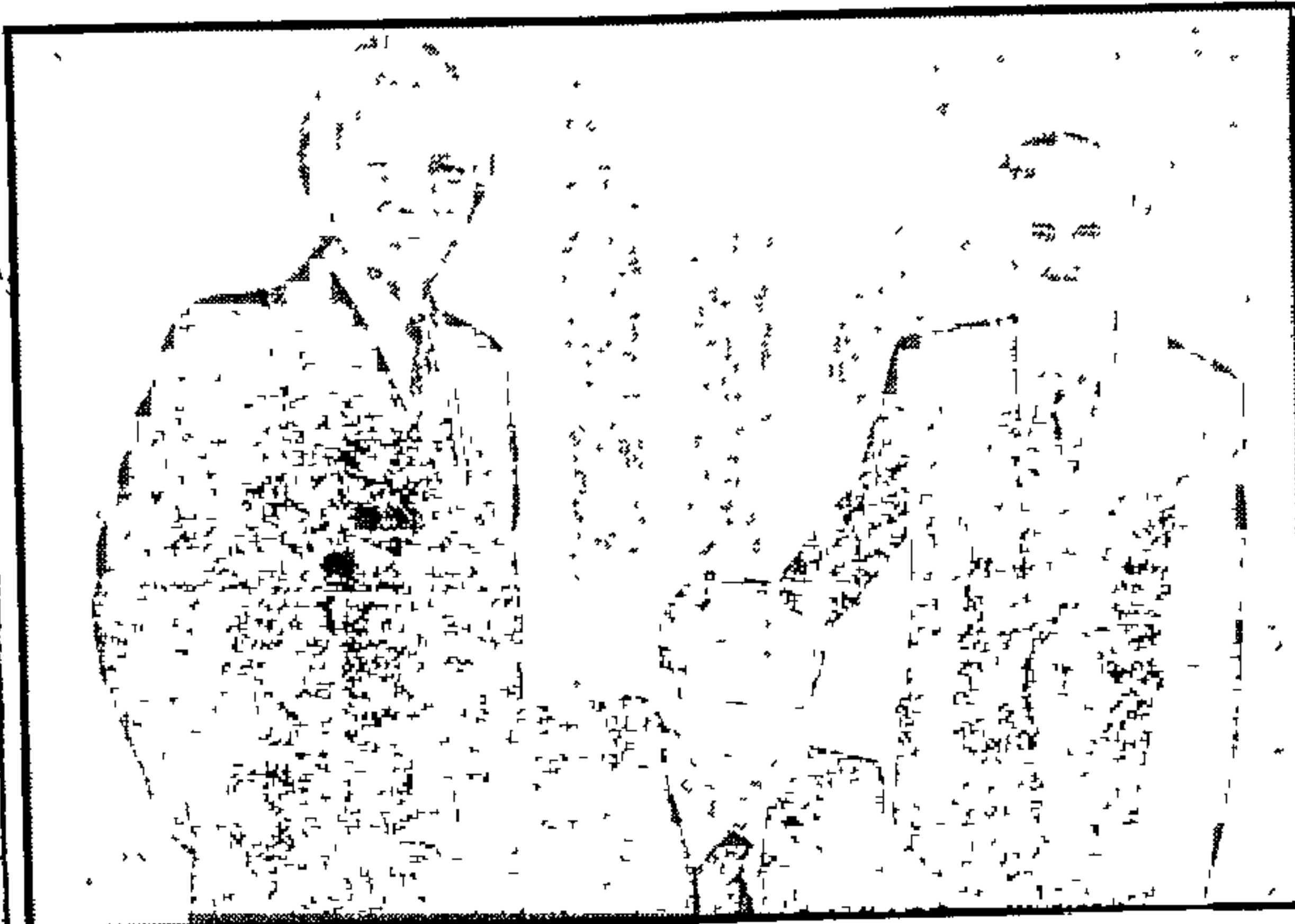
"It is corporate policy in a large number of organisations to deal with small local businessmen wherever possible rather than carrying out as many as possible of their functions in-house.

Hampered

"But their progress is hampered in that the people who head these programmes are, by and large, corporation men not accustomed to tuning in to the entrepreneurial style of operation.

"If MBA graduates are provided with the experience and expertise to deal with this business sector, they will be able to serve as a bridge between the First World and the Third," Catton says.

Business schools



Credit College GM George Gericke (left), MD Pieter Buitendag (seated) and director John Downie

An SA first in credit education

THE first company in South Africa to specialise in credit education and training has been established in Randburg (172)

Credit College was formed by experienced credit specialists, all of whom have lectured for Credit Management Education Associates, a subsidiary of the United Institute of Credit Management (UICM)

ence," he says

The college's objective is to help the employer in creating the environment, structure and systems needed to enable credit staff to function effectively

"At the end of last year, R163bn in credit was owed in SA. B/News 26/11/91

"This credit is the core asset of most organisations and is probably the most

difficult to control

"Should a lack of control result in a portion of this debt being written off, the standard of living and the economic growth rate will drop and prices will escalate

"Yet many organisations don't place enough emphasis on the importance of credit control," Buitendag says

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MD Pieter Buitendag

Times School Int'l

Black management advancement also an in-house task

BlOay 26/11/91

112

THE need for South Africa to develop the management skills of its black workforce is widely accepted, but on a practical level little is being done

Camdev MD Neill Stevenson says SA will need 120 000 middle and senior managers by the turn of the century and the white population can supply only 40% of this

"The ratio of managers to managed in this country is around 1:40 and if present trends continue it will be 1:70 by the year 2000

"This does not compare favourably with our main trading partners, where the ratio is between 1:8 and 1:12," he says

Relevance

Unisa School of Business Leadership director Professor Gert Pelser says he questions the relevance of such statistics

"The quality of management in SA is high, especially considering how much it is achieving with a relatively small number of people

"But direct comparisons with other countries aren't entirely accurate.

"In the US, for example, a person is given the title of manager at a far lower level than here," he says

However one interprets the statistics, it is clear the future of this country's economic growth depends on tapping the potential of the black workforce

But the burden of bringing about black management advancement cannot be carried by the business



NEILL STEVENSON

schools, says Graduate Institute of Management & Technology director Andy Andrews

"Business schools can play a role, but much of the work must be done in-house

"Black employees with management potential must be given the chance to make mistakes or they will never develop

"Business schools have a variety of products, not all of them aimed at the graduate, but few black managers are being sent on them," he says

"Maybe they are still pitched at too high a level. What is needed is a series of programmes graduated like stepping stones"

The challenge to companies is to step beyond the rigid parameters set by most corporations to identify talent among both black and female members of staff

RAU department of business management chairman Ludi Koekemoer says "Companies have two options

"They can look to the future and start building up the skills of their black employees or they can delay acting until social and political pressure forces them to look for a quick-fix solution, promoting people beyond their capabilities and leaving them to sink or swim"

The logical course is for established management to start identifying black staff with potential, regardless of the level they occupy

"It doesn't matter whether the employee is a driver with a Std 6 education, if he is intelligent and capable of showing initiative he has capacity for development," Koekemoer says

Having identified potential, the employer should embark on a graded training programme with short

training blocks alternating with practical experience

"The trainee should be moved from one department to the next in the organisation to give him a broad view of what the company is about and how practical management is carried out

"The mistake many employers make is to send their staff on training programmes and then put them back in their old jobs

"Staff must be given the opportunity to experiment with what they have learnt or the company's investment in their training will be wasted," he says

Develop

Many training programmes aimed at meeting this need are coming onto the market, and whereas the MBA is typically pitched at the graduate, university courses are available to develop non-degreed managers

It is crucial that companies take advantage of what the better programmes offer

Andrews says "The typical SA company has not learnt to think in terms of export, but this is changing

"If we become part of the global market we could grow at a rate of 5%-7% a year

"The compound effect of a growth rate of 7% a year will double the size of an economy every 10 years

"We need this kind of growth if SA is to recover its economic health, but unless we develop managers we will never be able to cope"

Local courses lack global perspective

26/11/91
MOST MBA degrees are offered to students who are too young to gain optimum benefit from them, says Graduate Institute of Management & Technology director Andy Andrews

Local programmes also tend to be lacking in global perspective

Both these problems are overcome in the Henley executive MBA offered in 80 countries as a distance-learning programme backed by a small but reputable London business college

"The programme adopts a practical approach and is designed for senior management," Andrews says.

"The typical MBA student is 27 and has yet to manage anything meaningful

26/11/91
BIDay
"Henley is targeted at the 35-50 year old"

This approach makes for a different course structure

Whereas the usual MBA tends to present its material neatly boxed in separate courses, the Henley programme aims for an integrated approach

"One of the disadvantages to the typical MBA is that the information is fragmented

"The experienced manager knows all the facets of a business and an economy work together and wants to learn to manage them as a whole," Andrews says

Recognising that relevance is crucial to business schools wanting to survive, Henley offers courses such as resource management,

developed out of research into the needs of the business community

In some cases, the college custom-designs MBA courses for employers such as Shell and British Airways

Sophisticated

(172)
"In addition to supplying sophisticated teaching material, the course incorporates a series of one-week workshop and lecture sessions

"These are conducted by overseas lecturers from leading business colleges and universities and local consulting academics"

"While our aim is to achieve a world view, everything is related to the SA context."

The advantage to using consultants, says Andrews — who was formerly dean of Wits Business School — is that consultants, unlike academics, are forced to keep close to the cutting edge of developments to survive

This work is supplemented by research projects which Henley requires that students to carry out within the companies that employ them

"We want management to recognise the projects our students do are of real, immediate value

"In most cases, students are sponsored by their employers and in the interests of good business we aim to ensure the employers get their money's worth," he says

Financial and legal skills are needed to cope

15/10/91 26/11/91 172
THE prime challenge to business is to find enough people with the financial and legal skills to cope with increasingly complex administration in a developing economy.

Estimates vary as to the number of managers that will be needed in South Africa by the turn of the century.

The Institute of Chartered Secretaries & Administrators (CIS) puts the figure at around 425 000 in addition to those already operating.

At present, fewer than 4% of these positions are held by blacks — a mere quarter of them in the formal sector — and only 2,2% of managers in the Top 100 companies are black.

CIS chief executive Alan Barrable says "The black students who should be filling these gaps are the victims of the educational crisis."

"University places are so limited they cannot scratch the surface of the educational needs of the new SA."

"Fortunately, there are many alternatives to a university education and it is possible to overcome edu-

cational disadvantage."

The CIS offers alternatives at all levels, from a degree-equivalent course whose graduates hold senior positions throughout SA commerce, industry and the public sector.

Recent research shows financial director as the largest job category and over 41% of these directors are CIS members.

Emergent

"From MD and chairman to assistant manager, from private consultancy to company secretary to accountant, CIS graduates are found in financial services, manufacturing, retail, banking, mining, engineering and construction."

"Many of them are also making a home in the emergent service and leisure industries," Barrable says.

The institute has had 100 years experience in training people for management at all levels.

Its twin pillars are accounting and law, but the courses of study embrace a broad spread of disciplines, from computing and management information systems to human resources,

which equips alumni to play a role in the critical arena of industrial relations.

In addition, to keep up with the times, CIS is introducing post-graduate courses in industrial relations, marketing and internal auditing.

Its programme continues to be a success.

This year has seen a 24% growth in student numbers, but the question is how a student can join if he is starting off a base of educational disadvantage.

While matric is the passport to CIS, the institute's offshoot, the Institute of Business Studies (IBS), offers exemption through diploma and certificate courses in business skills to prepare students for advanced study.

These cover business English, calculations and basic accounting.

"Even if the student decides to study no further, these courses will have conferred valuable skills which equip him for advancement," says Barrable.

"Should he choose to study further, he can join the ranks of CIS graduates who hold pivotal positions in the SA economy."



A number of Unisa support programmes have sprung up in colleges in various centres around SA. The newest of these is Boston City Campus, Orange Grove, which offers full-time and part-time programmes for students studying such fields as commerce, law and computing through Unisa. These programmes make formal university training in a lecture-room environment available to students. Some 40% of university students in SA are registered with Unisa. At Boston City Campus, classes are limited to a maximum of 40 students. In addition, students can supplement their lecture programmes with individual computer-based training, which they carry out at their own pace.

Practical alternative to going to university

BUSINESS colleges can offer a practical and cost-effective option to people embarking on a business career and who are either not ready or able to tackle a full-scale university degree.

Although the courses are compressed into one or two years, Birnam Business College principal Brenda Riesnik says the institutional exams offered by many business colleges are equivalent to matric plus three.

Life skills

"In addition, subjects such as organisational behaviour, journalism, communications and desktop publishing are life skill subjects for the '90s

The result is a diploma of immense practical value.

Riesnik says while university graduates may walk the streets for months in search of jobs, her students are snapped up in the marketplace.

"But in many cases the telling factor is price.

Established

"A university education can cost in the region of R18 000 as opposed to the R6 000-odd one would expect to pay at a business college," she says.

Birnam was established 27 years ago.

Its courses include marketing management, executive advanced diploma, business management, advertising and personnel management.

In addition, it offers specialised courses such as advanced travel, public relations, computing, hotel management and fashion marketing and management.



CTU's Maccaulei conference centre in Vereeniging

Local executives neglect strategic management

EXECUTIVES in South Africa do not manage strategically, says Anglo American Corporation training branch CTU assistant manager Frans de Kock.

"They tend to do strategic planning, but then they revert to operational management activities and little comes of their plans

"They over-emphasise daily operational details and neglect the ongoing strategic positioning which ensures their organisation's viability in the new SA," he says

CTU was established 34 years ago and is today the largest residential training organisation in SA, with over 200 clients

A new product developed by the organisation is an

approach which helps a manager make a smooth transition from one level of management to the next

De Kock says there are two types of management transactional and transforming

"Transactional management is concerned with the day-to-day operations in the organisations

"Individuals in these roles — generally middle management — are responsible for using resources to achieve targets

"Transforming management refers to strategic operational and pure strategic management by executives with a view to long-term visions and missions

"These executives must

distance themselves from the operational world and conceptualise and implement new systems," he says

The CTU programme assesses the manager's readiness to make the transition from transactional to transforming management

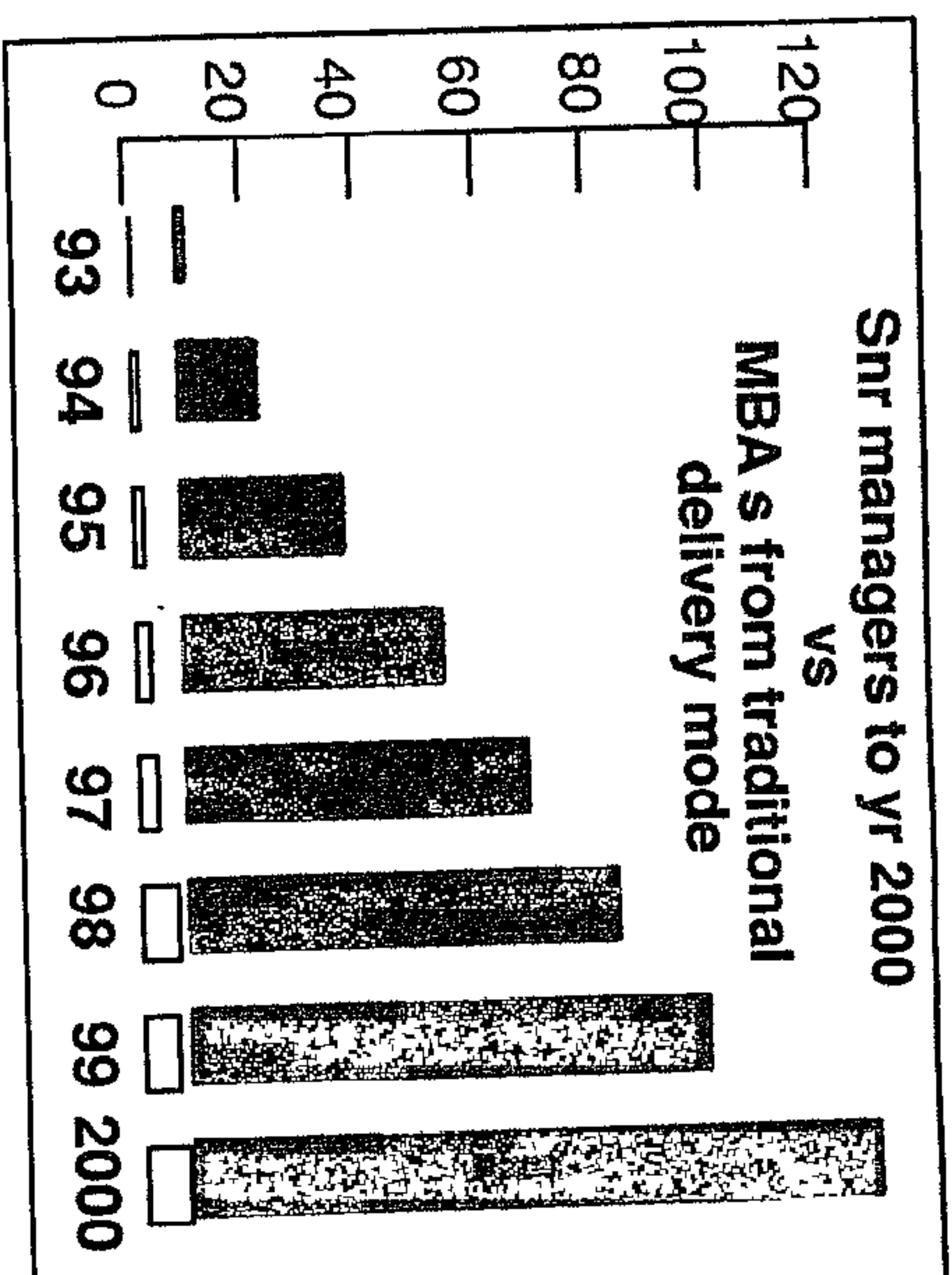
CTU unit manager of individual skills development Graham Turner says "With the turmoil in most SA organisations, senior managers are losing sight of what is important to their organisation and the output requirements of their position

"To reverse this situation, we have developed a course that enables executives to unfreeze, remould and stabilise their management styles"

Business Day

SURVEY

Courses offered by business schools do not always keep pace with the changing needs of the business community and as a result, some say business schools are processing people who cannot be used in the economy. At the same time, an MBA is not an easy degree to earn and some graduates assume a right to authority and income that have not been earned. VAL PIENAAR reports.



Market is flooded with overseas products

THE local market is being flooded with MBAs and business courses from overseas colleges and universities. Prospective students must be on their guard against products which promise more than they can deliver.

Unisa was the first university in the world to offer a management course by correspondence. Today, similar courses are offered by 50% of US universities and the trend is growing in Europe.

Unisa School of Business Management & Technology

Effective

His company is the local representative of Henley University in London. "An effective distance-learning programme must be a combination of video, audio and software packages complemented by group interaction."

On the other hand, he says, "Once people have been granted tenure they have little incentive to do more than churn out academic articles at a safe distance from the real world."

"There are people teaching at local business schools who have no exposure to the latest overseas material, while people with relevant skills and experience are dealing with the marketplace on a day-to-day basis."

Even those which offer their courses exclusively to graduates are not always accredited by the Human Sciences Research Council (HSRC) for Advanced Management Development (AMD). MD Dr Neil Stevenson says "No US MBAs are locally recognised without residency and the university student could find himself putting a tremendous amount of effort into a study programme that has no value apart from the knowledge gained."

"Neither are all UK courses what they claim to be. Some institutions offer study programmes offering an MBA degree of membership, which is nothing like a true MBA."

Andy Andrews

Andy Andrews

Part-time study has advantages

TOO many MBA students lose touch with reality when they leave the business world to study full-time.

Because of this, the business community is favouring mini-MBAs — concentrated courses aimed at keeping executives abreast of developments — and part-time MBA courses.

The trend is for MBAs and their equivalents to be offered on a part-time basis.

In many cases, students are financed by their companies, which are unlikely to pay a full salary for a one to two-year sabbatical.

International experience has shown the difference between an mediocre and a good MBA is what happens in the classroom and course instructors want students who can contribute to the learning process.

RAV department of business

RAV department of business

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Courses lagging behind the needs of the economy

COURSES offered by business schools are not keeping pace with the changing needs of the South African business community, says SA Board of Personnel Practice chairman of the public relations committee Syd Catton.

"SA has not succeeded in correlating supply and demand in any of its university courses."

"When attempts to do so are made, they are usually too historic to have any relevance and such research as is available, for example from the Human Sciences Research Council, is not disseminated."

"As a result, business schools are processing people who aren't needed in the economy."

Reconcile

"Even those business schools that commit themselves to meeting the needs of the community have a hard time identifying what these are when trying to reconcile the agendas of the Chamber of Commerce, the Sakekammer and Fabcos, to name but a few."

Ideally, Catton says, business school students should be motivated by their employers to be groomed for more complicated jobs.

But in all too many cases, the business schools generally fail to see themselves as in service to the economy.

Leadership is the focal issue in training

LEADERSHIP rather than administrative skills is the focal issue of effective executive training, says Unisa School of Business Leadership director Professor Gert Pelser.

This emphasis is what sets the school's Master of Business Leadership (MBL) course apart from the MBA.

Students are required to have a bachelors degree and at least three years experience in business.

In addition, they are expected to submit their reasons for wanting to study an MBL.

"The answers given help us determine which students are sufficiently committed to cope with the demands of the course."

"They vary but most students see an MBL as a route towards developing their management potential," Pelser says.

The programme takes longer to complete than the usual full-time MBA degree, which takes one to two years of intensive study.

Pelser says this is its strength.

"We don't lift our students out of the real world."

"They bring their newly acquired knowledge to bear in working through problems in the workplace,

which makes it far more valuable."

The first year of the course is aimed at bringing the students with their varying backgrounds to the same level of knowledge and introduces industrial psychology.

By the fourth year, the student will have training in organisational structures, negotiation skills, management support systems, decision support systems and the like.

The final stage is to integrate this knowledge to make it practically useful. Students carry out a detailed investigation into a company — not their own — and submit their report to the company and Unisa.

Pelser says the Unisa course goes beyond the usual imitations of a correspondence course.

"Group work is fundamental to the programme."

"The group is one of the most important elements of management development and group decision-making is what management is all about."

"Each student is placed in a group with others from differing backgrounds and they meet weekly to work through problems together."

Learning to be tough without being rough

WITH conflict an increasingly prevalent aspect of life and work in South Africa, effective leaders need to know how to manage aggression, be tough without being rough and how to be assertive without being aggressive, says Integrated Management SA MD Keith Edmeades.

An aim of the company is to place an emphasis on SA's approach to management education.

Its goals include inspiring a personal work ethic, facilitating practical learning and promoting a free market economy.

As a non-profit trust, funds raised by IMSA's training and consulting activities are ploughed back into training.

The organisation has the backing of some of SA's largest employers.

The practical implementation of IMSA's goals is well underway, with regular courses designed and run within organisations as well as public courses held at IMSA House in Midrand.

"To stimulate personal commitment and self-fulfilment in employees re-

quires a management attitude of respect for employee dignity and worth," says Edmeades.

Vision

"It requires managers who have vision to become true leaders — people who seek less to control than to inspire and encourage their employees to take personal responsibility and manage themselves."

Among the public courses to be offered next year by IMSA through its operating subsidiary, Effective Executives, are as-

sertiveness training (two days), how to handle people (one day), how to run a meeting (morning session), industrial supervision (three days), management (three days), practical time management (two days) and time management for the executive secretary (one day).

Corporate courses include management and management aggression for leadership effectiveness.

The public courses may also be tailored to suit an in-house application.

Business 'has to catch up'

SA EXECUTIVES are reacting too slowly to the rapidly changing international business environment and are in danger of being left behind, says Andersen Consulting's partner in charge of the manufacturing practice, Uri Galimidi

"If SA managers want to compete internationally, they must realise that 'business as usual' does not work anymore. The long recession is prompting more companies to consider business re-engineering, but they need to act promptly."

CEOs are under pressure to come up with new ideas in an environment where product lifecycles, techno-

logy lifespans and management philosophies are being shortened

"Clearly, our reaction time to developments of any kind — be they technical or managerial — is too slow in the face of shortened lifecycles. We must learn to respond quicker to what is happening"

Business re-engineering or realignment is a tool for gearing up to international competition. It re-examines the business process pipeline which comprises various segments, including business planning, raw materials procurement, manufacturing and distribution

"We find that in SA these processes take too long, and are not always aligned to companies' business strategies"

"Business re-engineering cuts wasted and duplicated efforts that do not serve the strategic vision. It re-evaluates relationships with suppliers and customers. It

exposes a fundamental understanding of what is driving the business process, what is added value and what is wasted. From this is determined how processes should be aligned to support the business objective"

Galimidi says four elements make up successful nations. These are entrepreneurial drive, work ethic, discipline, and the capacity and desire to develop and acquire skills and knowledge

"Successful nations like Japan, Germany and Switzerland have a varying mix of these qualities, and SA must create a culture where they can play a major part"

He says re-engineering involves streamlining operations, shortening processes, and eliminating non value-added elements. Integrating business processes can lead to a 30% to 50% reduction in time taken to produce goods

ICTURE

Assumptions important in corporate culture

CORPORATE culture is a glue which holds together diverse people in a coherent way through the basic assumptions prevailing in an organisation

Assumptions are important because they will be built into the style of management, structures and systems in an organisation, says Deloitte Pim Goldby Management Consultants strategy group's Evan Dold

Different assumptions in the case of merging organisations are likely to lead to clashes and conflict

This is a key thread running through research conducted by consulting firm Arthur D Little in the US and Europe on a range of mergers and acquisitions over a five-year period

Dold says the findings can be crystallised in the statement that more mergers fail for neglecting to manage the culture implications than any other reason

"These findings fly in the face of one of the most common arguments proposed for merger integration to

realise synergy of resources, markets, technologies or people

"In reality, a merger process can be compared to the analogy of an iceberg. Culture represents the four fifths of an organisation which lie beneath the surface

"Merging two cultures is like merging two icebergs. If it is done without understanding what lies beneath the surface in terms of attitudes and beliefs, collision is inevitable"

Dold says managing cultural integration can be

daunting, but there is a broad process which can be applied to this task

First, measure the separate cultures, decide which culture is wanted and build these assumptions into the things done in the organisation (172)

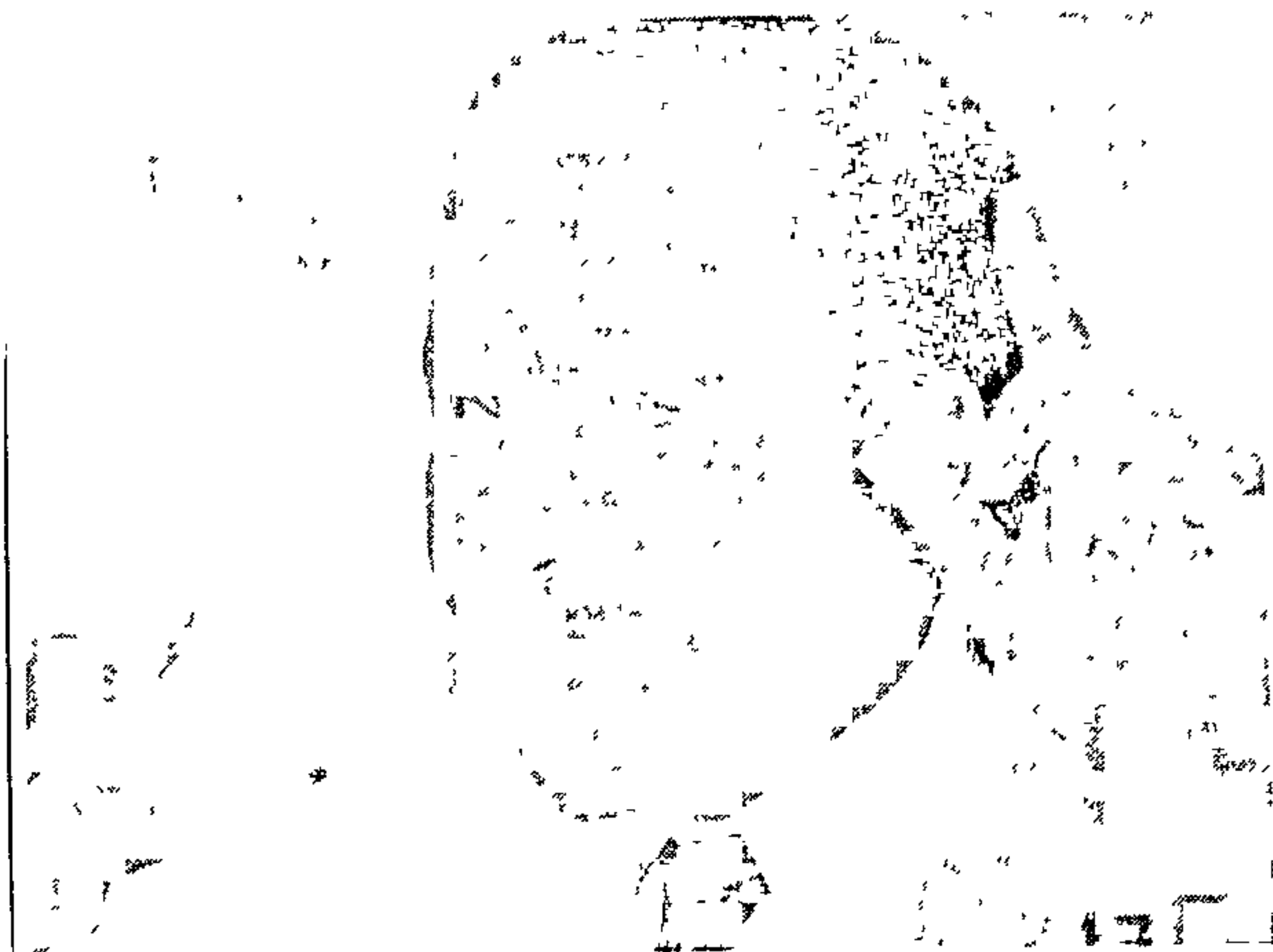
This involves the way people are managed, their performance measured and rewarded and training and development (232)

To engender a feeling of belonging to the new organisation, the involvement of people throughout the structure is essential

Call to consult black staff

812647
2/12/91 ROBERT GENTLE (142/142)
IMPORTED concepts like Japanese quality circles and American advancement programmes will never work in SA until management involves blacks in the decision-making process and respects their dignity and pride, author Albert Koopman told the Matching the First World to the Third World in a Business Environment seminar in Johannesburg yesterday

Koopman said the key to unlocking SA labour productivity lay in managers, who were largely white, understanding the culture of black workers



Don Ncube, appointed an alternate director by Anglo American, at yesterday's news conference. Suggestions that he was a token black were "an affront to my intellectual integrity", he told reporters

Picture ROBERT BOTHA

Ncube joins Anglo board

DARIUS SANAI

ANGLO American group industrial relations consultant Don Ncube, named as an alternate director this week, yesterday emphatically denied being appointed as a "token black"

"It would have been an affront to my intellectual integrity if I had been appointed on the basis of my skin colour," he said

He said such appointments were "the most pernicious form of reverse discrimination", and added that the appointment reflected his 18 years of service and the position he had reached in the company

Ncube is the second black person to be appointed to Anglo's board. Zulu-land University anthropology professor A L Vilakazi was appointed in 1980.

Ncube was appointed along with Anglo's executive committee secretary Philip Baum and finance manager Chris Yates.

Baum was a personal assistant to former Anglo chairman Gavin Relly for five years. He also heads up the Anglo American and De Beers Small Business Initiative, which is responsible for developing business relationships with emerging enterprises.

An Anglo spokesman said race was "utterly irrelevant" in determining appointments within the corporation.

172

6/12/71

STAR 6/12/91.

Black managers seek changes

Finance Staff 172 (11)

The Black Management Forum (BMF) was committed to the training, development, and job placement of black managers in the new democratic South Africa, says its new president, Professor Wiseman Nkuhlu.

Speaking in Johannesburg this week, Prof Nkuhlu said the BMF intended running manage-

ment programmes which would include workshops, career planning, guidance and counselling, overseas internship, bursary schemes, research projects and the fostering of links with other organisations.

He said the organisation would ensure that there were changes in the big companies' policies which would enable the disadvantaged black

managers to have a slice of the cake

Prof Nkuhlu, who is principal of the University of Transkei, said BMF would focus on the rebuilding and reconstruction of black management capacity to play an advocacy and active role in the future economy of the country.

He advocated a mixed economy to redress the imbalances

Sunday Profile

'Bean-counter' with a genius for consensus

By [Name] 8/12/91

(172)

TWO senior executives at Gencor, locked in a dispute, decided to approach their executive chairman for a solution.

Mr. Derek Keys sent their memo back with a note: "I don't feel like Solomon today."

But it is the wisdom of Solomon that Mr. Keys, appointed this week Minister of Trade, Industry and Economic Co-ordination, will need in the months ahead. Few of his former private-sector colleagues doubt that he has that wisdom or capacity.

The strength of the 60-year-old minister, say colleagues, lies in his ability to draw the best out of those with whom he works. He is going to have to rely on this skill as he weaves his way through competing interest groups in both the private sector and government in his ministerial role.

An anecdote proves the point. On Mr. Keys's first day at work as executive chairman of Gencor five years ago, an employee in the lift remarked, "Now we have a bloody bean-counter running the company."

Mr. Keys, a chartered accountant and B Com graduate from Wits University, did not make his presence known. Instead, later that day, he told his staff that he did not want any "bean-counters" around him. He wanted men and women who would concentrate on growth and, in particular, developing the potential in people.

On taking over a highly centralised and bureaucratic Gencor

in 1985, Mr. Keys allowed down the-line management to develop delegated responsibility and achieved unprecedented decentralisation of the group.

A colleague describes Mr. Keys as a producer of a play. He never takes the leading role. Rather he teaches, supports and directs behind the scenes.

Mr. Keys's other talent is the ability to grasp and analyse the central problem without being bogged down by the extraneous, they say.

At his board meetings, instead of dealing first with the last month's minutes, which tend to be time-consuming and divisive, he deals with the important issues of the day and leaves the minutes for last.

By this time, much has been accomplished and the bulk of the

minutes would have been covered during the central debate. He does not allow the petty and the trivial to obscure the task at hand.

Colleagues, while conceding there must have been one occasion, cannot remember when consensus in discussions with Mr. Keys has not been reached.

While holding a particular view on a matter, he would allow all the opinions to surface and gently steer those around him towards his view. Employees would never leave the meeting feeling that their views had not formed some part of the solution to the problem, they say.

Despite his skill at handling people, Mr. Keys is described as a very private person. He seldom does the social circuit, is devoted to his wife, Silma, his two children and two grandchildren, and lives in a modest flat in Killybeg.

His ability to get to the heart of

the matter in an unobtrusive yet authoritative manner is illustrated by his participation at a conference in Cape Town a few days ago.

Presenting a slide show, Mr. Keys stood at the back of the room behind the audience. The focus of attention was directed at the matter at hand rather than at the presenter.

His appointment to the cabinet does not surprise business associates. He would be a success at anything he did, they say.

With one exception, perhaps. A friend who has played golf with Mr. Keys for more than 20 years says he still has a handicap of 16. He plays golf for the relaxation and enjoyment, rather than to win.

Colleagues put his acceptance of the cabinet position down to a

sense of duty. He always intended to do some sort of "social work" on his retirement and this would be a higher form of this intention.

He is a deeply religious man. His colleagues say his sense of social responsibility would have compelled him to take the job. The challenge of such a task would also have been irresistible.

Having been self-employed from 1965 to 1966, occupying positions as a board member or chairman of companies like Malbak, National Discount House, Price Forbess, Samancor and Sappi, Mr. Keys accepted the position at Gencor after this challenge. "Wouldn't it be fantastic if you could end your business career by making a success of Gencor?"

Ironically, he accepted the job on condition that he did not have to deal with government ministers all day, a colleague says.

Although business associates are confident that Mr. Keys has

the skills and the ability to contribute to the economic restructuring of the country, Gencor's competitors are not as charitable.

One said he feared that Gencor would be unduly favoured as a result of Mr. Keys's appointment.

However, his conduct on the Tax Advisory Committee should allay these fears. One colleague says that, instead of promoting a sectional interest on the committee, Mr. Keys always took the fair and sensible decision — even to the detriment of his own group.

His ability to approach problems from a different angle and to simplify complex problems distinguished him.

His bridge partners are less enthusiastic about his appointment — it messes up their Thursday night bridge sessions.

An aggressive and competitive bridge player, Mr. Keys tends to play an adventurous rather than an orthodox game, always ready to take well-considered chances.

While he is extremely cutting when his partner makes a mistake, his annoyance is brief.

A friend speaks of his knowledge of Shakespeare and his delight in quotations. A favourite, he says, comes from *The Tempest*: "We are such stuff that dreams are made on."

Edyth Bulbring



SOLOMON'S WISDOM Derek Keys, hailed by his colleagues

Airlines rate tops for service quality

PAUL ASH

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IN TERMS of quality of service, airlines rate tops among white consumers while at the bottom of the list of a recent Markinor survey on how consumers rate the service industries are municipalities and car repair garages.

A Gallup Poll carried out among 1 000 adults in main metropolitan areas in June 1991 showed that 66% of respondents rated the quality of service received from airlines as high or very high with 39% noting an improvement over the past three years.

Banks came second with 55% of those polled rating their services highly, and notching up a 37% improvement score. Hotels got a 48% rating.

The survey reflected difficulties experienced by services such as hospitals, Markinor's Peter Scott-Wilson said.

"Health care services are having problems and cutbacks at hospitals are evidence of this," he said.

Only 24% of those polled felt hospital services improved and about 47% did not see any change at all in the quality of care.

In the Markinor group's newsletter, senior research adviser Jill Kaicener said: "SA companies have long been criticised for delivering poor quality service to an uncomplaining public." Surveys of this sort should be food for thought for corporate executives, she said.

B (day) 9/12/91

Management group opens to whites

Sowetan 9/12/91

By JOSHUA RABOROKO

THE Black Management Forum, catering for the interests of aspirant managers in South Africa, has opened its doors to whites

The first white to join the Johannesburg branch of BMF was Mr Glenn Cowley, director of public relations company, The Associates

"I have always been a supporter of black economic empowerment - the reason I joined the forum. I believe blacks have a great future," Cowley said.

BMF's spokesman said a few others have joined its branches, although the spokesman did not have the exact number of white members. "We are not going to change the name so far," the spokesman said

The BMF, formed in the aftermath of the 1976 uprisings, has pledged itself to support the political settlement which is almost in sight and contended that it must be accompanied by an economic settlement.

At a Press conference this week, newly elected president Professor Wiseman Lumkile Nkuhlu said the BMF would use its expertise to provide economic hope to blacks.

Nkuhlu, who is also rector of the University of Transkei, said: "It must play a massive role, a qualitative role with a small yet growing membership base

"The BMF's reason for existence is the promotion of the development and empowerment of managerial leadership among the black people within the business environment and the creation of a work place that reflects the demographics and values of the wider community"

He said that they subscribed to a just and nonracial democracy for South Africa; optimum use of the country's human resources, and an African-centred leadership perspective

He also called for a land and graduate tax to rectify apartheid imbalances and urged for a radical redirection of Government expenditure from the rich to the poor

(1972) 1972
The graduate tax would allow those who had benefited from apartheid education to repay their debt to those unable to enjoy those benefits, he said

He believed in a mixed economy and said that nationalisation would be the last recourse if apartheid was not completely abolished.

The BMF also announced the launch of a four-year project aimed at improving black management skills and identifying potential managers

"It is urgent that a model of affirmative action be developed if any serious progress is to be made in the development and advancement of blacks in business

WISEMAN NKUHLU

Most managers to be black

By LULAMA LUTI

NEW Black Management Forum president Prof Wiseman Nkuhlu is a man of vision

He hopes that 60 percent of South Africa's qualified managers will be black by the year 2000

Prof Nkuhlu, who is Transkei University principal, a noted academic and a successful business consultant, was the first black chartered accountant in South Africa

He helped set up the Department of Accounting at Unitra, where he has been principal since 1987

Barely a week after taking over from outgoing president Don Mkhwanazi,

Prof Nkuhlu committed the BMF to contributing to the development of black managers

It is estimated that about 420 000 managers will be needed in South Africa by the year 2000. Blacks now hold only four percent of the managerial positions in this country

"Sixty percent of managers will have to be black. It's in the long-term interest of the country's economic growth for them to have managerial skills," said Prof Nkuhlu

"The protest era has ended and we have entered a phase in which we will have to implement programmes aimed at solving economic problems like poverty," he said

Resolutions Board plans public mediation course

VERA VON LIERES

THE Resolutions Board — a trust to facilitate the development of alternative dispute resolution (ADR) — will hold SA's first public mediation training course next February in a bid to bring "law to the person in the street", says board MD John Howard.

Training courses in conflict management have in the past been conducted on a closed shop basis by professionals and have been largely inaccessible to the public, he says.

The course — designed in consultation with leading business, legal, and labour academics — will cover an introduction and background to negotiation and mediation in the SA context and also emphasise the practical application of negotiation and mediation. Follow-up courses will be held in all main centres.

Effective use of mediation and ADR — the process of resolving disputes using a neutral third party facilitator acceptable to all disputing parties without

recourse to formal court procedures — was still at a formative stage in SA conflict management, a Board spokesman says.

It dates back about 10 years although widespread use was only made in recent years.

Says board chairman Prof Nic Wiehahn: "Against this background, the time is right for the sharing of knowledge through training courses and seminars which will help in cementing proficiency levels in the use of ADR."

Management and labour relations consultancies increasingly claim proficiency in ADR, says Wiehahn.

Conflict

"The claims are too often made prematurely, prior to consultants having gained adequate experience in the field," he adds.

The board was formed more than a year ago and is currently the only organisation geared towards implementing ADR in the wider spectrum of conflict resolution extending beyond the labour field into civil, commercial, agricultural and even domestic conflicts, Wiehahn says.

"The Resolutions Board did not assume an immediate high profile as we took care to develop our access to expert panelists and our infrastructure before we began to publicise the service."

After handling many successful cases, the board had now designed a two-day certificate course in mediation skills which will be held at Unisa at the beginning of February.

A MILLION FRODOUS BUBBLES FLIRTING WITH YOUR TASTE-BUDS



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Retained income

Consolidated balance sheet

Capital employed

Share capital
Share premium
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Total capital employed

Employment of capital

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— Trade creditors and ac
— Amounts due to share
— Provisions
— Interest-bearing debt

Total employment of capital

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Commentary

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4. Current status and future

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