**Department of Labour**

# Commission
# for
# Employment Equity

## Annual Report
## 2002

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# Contents

*Minister Membathisi Mdladlana and the Department of Labour continued to advocate the importance of employment equity in South Africa.*

# FOREWORD

On behalf of the Commission for Employment Equity, I am indeed honoured to present to the Minister of Labour, Mr Membathisi Mdladlana, the second annual report of the Commission for Employment Equity. I present this report in terms of section 33 of the Employment Equity Act, 1998.

At the time of its establishment in May 1999, the Commission set itself goals within the framework of the Department of Labour's Five-year Strategic Plan (1999-2004). The goals aimed at, among other things, eradication of unfair discrimination in the workplace, implementation and promotion of the Act, and advising the Minister on a range of codes of good practice to guide employers and employees, including trade unions, in understanding their rights and obligations under the Act. The Commission has already made significant progress in achieving these strategic goals. This second report reflects on what the Commission achieved in the period April 2001 to August 2002.

The report reviews the employment equity status in South Africa since the enactment of the Act in 1999. It highlights new trends, progress in terms of the implementation of the legislation, and challenges faced by government, employers and employees in dealing with issues on equity in the workplace. The statistical review covers progress on employment equity in relation to designated employers that employ 150 or more employees. These employers report on an annual basis, while smaller companies with 50 or more but fewer than 150 employees are only required to report every second year. These smaller companies were not required to report in the year 2001.

In addition to reporting to the nation on the status of employment equity in South Africa, this report is intended to promote public interaction on ways to implement the legislation effectively so as to address unfair discrimination, particularly in terms of race, gender and disability in the workplace. It calls on all stakeholders to demonstrate their commitment to employment equity and diversity in the workplace. Employment equity legislation in South Africa will have little or no success unless all stakeholders are committed to equitable practices which seek to eliminate the legacy of systematic imbalances in the workplace.

We note with appreciation a positive movement among some employers who have shown their dedication to the principles of equity and the elimination of unfair discrimination by proactively developing and implementing measures to equalise employment opportunities and to improve the representation of Black people, women and people with disabilities in the workplace. The Commission salutes those employers who have taken bold steps in using the opportunities presented by the equality legislation to address discrimination in the workplace. In the interest of our economy, I urge all employers to demonstrate their dedication and commitment to promote employment equity.

I wish to take this opportunity to thank fellow commissioners, particularly the Working Group of the Commission, for their commitment and hard work during this reporting period. I also want to thank the Employment Equity Directorate and its dedicated staff for their selfless contributions in providing support and technical assistance during the work of the Commission.

The current reporting period has seen the appointment of new Commissioners to the Commission. I want to take this opportunity to welcome Commissioners Brenda Modise, Fundisile Nzimande and Sipho Ntombela. The Commission looks forward to your contribution towards the formation of policies to improve the quality of life of all South Africans.

Professor Mapule F Ramashala
Chairperson
Commission for Employment Equity



*Professor Mapule F Ramashala.*

# EXECUTIVE SUMMARY

## Activities of the Commission for Employment Equity

In the past year, the Commission for Employment Equity focused on further achievements of key priorities identified since its inception in May 1999. The following are the key achievements during this reporting period:

The Commission finalised and advised the Minister on the Code of Good Practice on the Employment of People with Disabilities that was officially launched on 19 August 2002. The Code serves as a guide for employers, employees and trade unions on promoting equal opportunities and fair treatment of people with disabilities in the workplace. The Commission is now in the process of developing the Technical Assistance Guidelines, which builds on the Code to further assist and guide employers, employees and trade unions.

The Technical Assistance Guidelines, which builds on the Code of Good Practice on Key Aspects of HIV/AIDS and Employment, which was published in 2000, is in the process of development. It is intended to further assist employers, employees and trade unions on how to manage HIV/AIDS in the workplace.

The Commission started the process of exploring ideas for the development and implementation of the Employment Equity Award System. Thus far, the Commission is in the process of examining the award systems in countries such as Canada, Australia and the United States of America. Initial consultation with key stakeholders in South Africa such as the Commission on Gender Equality and the Black Management Forum, including international experts on best practices, has begun.

A study was sanctioned by the Commission together with the Department to review and assess the nature and patterns of private sector implementation of the Employment Equity Act, and to develop recommendations to enhance compliance (procedural and substantive). This study is currently in progress.

The Commission selected a sample of employer reports for evaluation both from Government and the private sector. As custodian of the Employment Equity Act, the report of the Department was also included in the sample. The rationale behind the evaluation was two-fold – that is to assess whether the reporting forms will require any amendment and to ascertain whether employers were completing these forms correctly.

## Employment equity trends as reflected in Employment Equity Reports

As at 15 July 2002, the cut-off date, a total of 2 369 employers with 150 or more employees reported to the Department. Of the 2 369 reports received, only 1 782 were included in the analysis. The remaining 587 reports were excluded from the analysis for a number of reasons, among other things, employers submitted incomplete reports.

The analysis of the reports revealed the following:

In total employment, Black employees represent 77%( Africans 60%, Coloureds 13%, and Indians 4%) and Whites 23%, with women representing 36% and men 64%.

In top management, Black employees represent 25% (Africans 8%, Coloureds 13%, and Indians 4%) of all employees in top management positions in South Africa. Whereas, White employees still constitute the majority of employees in top management (75%). Women currently hold 12% and men 88% of all top management positions in South Africa.

Black employees hold 20% (Africans 10%, Coloureds 5%, and Indians 5%) of all senior management positions. Whites still constitute the majority of employees in senior management (80%). Whereas, women hold 18% and men 82% of the positions in senior management.

At the professionally qualified and middle management level, Black employees represent 50% (Africans 40%, Coloureds 6% and Indians 4%)of all employees at this level. Whereas, Whites still constitute the majority of employees in at this level (50%). Women hold 38% and men 62% of the positions at this level.

Black employees represent 28% (Africans 15%, Coloureds 7%, and Indians 6%) and Whites 72% of legislators, senior officials and managers. Women hold 25% and men 75% of all positions in this category.

Of all the positions in the professionals category, Black employees hold 65% (Africans 50%, Coloureds 11%, and Indians 4%) and Whites 35%. Women hold 53% and men 41% of the jobs in this occupational category.

Black employees account for 59% (Africans 41%, Coloureds 10%, and Indians 8%) and Whites 41% of the positions in the technicians and associate professionals category. Women account for 46% and men 54% of all positions in this occupational category.

Among non-permanent employees, Black employees represent 83% (Africans 61%, Coloureds 18%, and Indians 4%) and Whites 17% of the positions in this category. Women account for 42% and men 58% of all positions in this category.

During this reporting period, Black employees accounted for 73% (Africans 51%, Coloureds 16%, and Indians 6%) and Whites 27% of all recruitment in 2001. Of all employees recruited, 43% were women and 57% were men.

Termination profiles indicated that Black employees accounted for 75% (Africans 62%, Coloureds 10%, and Indians 3%) and Whites 25% in 2001. Of all employees terminated from employment in 2001, 26% were women and 74% were men.

Among those employees that were promoted during this period, Black employees accounted for 70% (Africans 53%, Coloureds 12%, and Indians 5%) and Whites 30%. Female employees accounted for 31% and male employees 69% of all promotional opportunities during 2001.

A total of 1 142 employers reported on 20 147 employees with disabilities. As a

percentage of the total number of employees, people with disabilities represent 0.9% of the employees reported on under the Employment Equity Act.

Black (African, Coloured and Indian) employees are collectively best represented in the Provincial Government Sector 88.5% and least represented with 41.7% in the Academic Sector. Women are best represented in the Provincial Government Sector 62.6% and least represented with 15.4% in the Parastatal Sector.

In the provinces, Black employees are best represented in the Limpopo Province 96.3%, and least represented in Gauteng with 71.4%. Women are best represented in the Western Cape Province 52.4% and least represented with 11.9% in Mpumalanga.

From the reports received, it appears as though, Blacks (Africans, Coloureds and Indians) are best represented with 84.2% in the Mining and Mineral SETA (MQA) and least represented with 20.2% in the Banking SETA (BANKSETA). Women are best represented in the Health and Welfare SETA (HWSETA) with 76% and least represented with 3.6% in the Mining and Mineral SETA (MQA).

Studies on qualitative measures and practices reveal, among other things, that:

The Commission observed that in 2001, employers paid attention to qualitative measures to promote employment equity. Many organisations have thought of innovative ways of spreading awareness and knowledge of employment equity. For example, a large food company decided that all of its advertisements, contracting agencies, bulletins and brochures must be used to create awareness about employment equity.

Employers were asked to indicate whether or not they had encountered each of a range of specified barriers in taking forward employment equity. The most common barriers identified included the working environment and facilities, succession and experience planning, training and development, performance management, lack of people from designated groups with appropriate skills, low turnover of staff in positions targeted for corrective action, problems in communication, sexual and other types of harassment, high mobility of people from designated groups once appointed, and economic constraints.

Employers were also able to indicate affirmative action measures they were implementing to address the barriers. For example, in terms of recruitment, one company realised through a thorough review of its policies and practices candidates were sourced from agencies that were not specifically focusing on recruitment from designated groups, while advertisements were not always placed in publications targeting the previously disadvantaged. This company has now undertaken to find new methods that address these weaknesses. Another example involves a university which previously placed too much reliance on advertising when looking for suitably qualified people from designated groups. In future, it plans to place more emphasis on explicit search strategies.

In government, for example Land Affairs, budgets were allocated for special training of people with disabilities, adapted vehicles, adapting buildings for accessibility, Braille signs, special parking bays, ramps, adapted computers, voice prompts in lifts, and

transport to and from work. In order for employment equity to be taken seriously, a university decided that submissions for budgets in respect of employment equity would be considered before overall budgets for departments are approved.

Some companies openly acknowledge the economic as well as social benefits in their employment equity plans. For example, one transport company expressed that 'the primary reason for the implementation of an employment equity process is strategic', as it will 'enhance the national and global competitiveness of the business'. Similarly, a large food company felt that a representative workforce 'can improve market share, better understanding of markets, and thus the ability to service all current or prospective clients.'

Woolard and Thompson (2002) compared the PERSAL patterns with those reported in the first report of the Commission. Their comparison suggests that the Public Service is performing better than the economy as a whole in respect of Black people, but worse in terms of women.

The Public Service Commission (2002: iii), in its report on employment of people with disabilities in the Public Service, writes as follows:

"increasing the representativeness of people with disabilities in the Public Service, albeit important, is not an end in itself. It must be accompanied by genuine empowerment. It is also about giving effect to some of our constitutional ideals. If we talk about South African society as being one that promotes diversity, embraces difference, and that is also caring and nurturing, it is important that such values are reflected in the workplace."

Although there have been weaknesses in the implementation of the employment equity Act, the Commission is encouraged by progress made by a number of employers who have reported. Many of these employers have implemented innovative strategies to eliminate barriers to achieve substantive progress with regard to the realisation of the objectives of the Act. The Commission hopes that in time all employers in South Africa will see employment equity as a mechanism for promoting diversity, representativity and creating an environment that affirms everyone in the workplace.

# 1.   INTRODUCTION

The Commission for Employment Equity is a statutory body established in terms of section 28 of the Employment Equity Act, No. 55 of 1998, to advise the Minister of Labour on the implementation of the Act.

This is the second report produced by the Commission for Employment Equity which reflects its activities, observations and the analysis of reports submitted by employers covering the 2001 reporting cycle. Only employers with 150 or more employees had to report to the Department. This is the case, as all designated employers employing 50 or more employees but fewer than 150 are expected to report every two years, while employers employing 150 or more employees are expected to report annually.

# 2.   ACTIVITIES OF THE COMMISSION

The Commission has in the past year focused on further achievements of the key priorities identified since its inception in May 1999. In the previous annual report the Commission identified the following challenges as priorities for the remaining period of its tenure:

- undertaking study visits and other forms of partnerships with similar statutory bodies in other countries to share best practices
- cooperation with other local statutory bodies working on equality matters
- consideration of technical assistance guidelines to accompany the Code of Good Practice on Key Aspects of Disability in the Workplace
- providing technical assistance guidelines to accompany the Code of Good Practice on Key Aspects of HIV/AIDS and Employment
- formulating criteria for making awards which recognise the achievements of employers in furthering employment equity and presenting awards to recognised employers
- consideration of norms and benchmarks for the setting of numerical goals in different sectors
- participation in research to determine best practices on employment equity
- undertaking field visits to establish the reality in the workplace as part of advocacy work
- providing advice on the promulgation of section 53 of the Act which deals with the enforcement of the Act through procurement
- development of further education and training materials, including on issues of unfair discrimination in the workplace
- drawing up codes of good practices on human resource policies and practices.

The following are some of the Commission's significant achievements over the reporting period:

## Code of Good Practice on the Employment of People with Disabilities

The Commission finalised and advised the Minister on the Code of Good Practice on the Employment of People with Disabilities. The Code was subsequently published in accordance with section 54 of the Act. The official launch and presentation of the Code to the Minister took place on 19 August 2002.

The Code serves as a guide for employers, employees and trade unions on promoting equal opportunities and fair treatment of people with disabilities. It is intended to assist employers, employees and trade unions understand their rights and obligations in order to promote certainty and to reduce disputes in the workplace. Among the key issues covered by the Code are reasonable accommodation; recruitment and selection; medical and psychological testing; training and career advancement; retaining people with disabilities; compensation for people with disabilities; confidentiality and disclosure of disability; employment equity planning; and education and awareness.

Employers, employees and related organisations are encouraged to use the Code to develop, implement and refine disability equity policies and programmes to suit the needs of their own workplaces.

## Technical Assistance Guidelines (TAG) on the Employment of People with Disabilities

Soon after the completion of the Code, the Commission began its work on developing the Technical Assistance Guidelines on the Employment of People with Disabilities. The Disability TAG will build on the Code to assist and guide employers in promoting equal opportunities and fair treatment of people with disabilities and to promote diversity in the workplace. The TAG is presently in the process of development and the Commission expects to advise the Minister shortly.

## Technical Assistance Guidelines (TAG) on Key Aspects of HIV/AIDS and Employment

The HIV/AIDS TAG builds on the Code of Good Practice on Key Aspects of HIV/AIDS and Employment to assist and guide employers and employees on how to manage HIV/AIDS in the workplace. The HIV/AIDS TAG will also serve as a guide to ensure that individuals affected by HIV/AIDS are not unfairly discriminated against in the workplace. The TAG is currently in the process of being developed and will be launched in early 2003.

## Employment Equity Awards

The Commission, in terms of section 30(2) of the Act, is mandated to make awards recognising the exceptional achievements of employers in furthering the objectives of the Act.

In line with this mandate, the Commission has commenced with the necessary planning and organisation in preparation for the development of an employment equity awards system. Deliberations have been held on what constitutes criteria for these awards and include the following:

- a review of strategies for promoting equal opportunity, diversity and fair treatment in employment and strategies for the elimination of unfair discrimination
- a review of strategies for implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups

- a review of strategies for ensuring equitable representation of designated groups in all occupational categories and levels in the workplace
- a review of strategies for transforming the workplace and the progress achieved to affirm diversity.

As part of this process, the Commission has examined award systems in countries such as Canada, Australia and the United States of America. Initial consultation with key stakeholders such as the Commission on Gender Equality and the Black Management Forum, including international experts on best practices, has begun. Determination of the criteria for Employment Equity Awards will also be informed by research commissioned by the Department and the Commission itself.

## Study of the employment equity compliance in the Private Sector

The Commission has in conjunction with the Department commissioned a study to review and assess the nature and patterns of Private Sector implementation of the Employment Equity Act, and to develop recommendations to enhance compliance (procedural and substantive). This study is currently in progress.

## Evaluation of selected employers' Employment Equity Reports

The Commission selected a sample of employer reports for evaluation both from Government and the Private Sector. As custodian of the Employment Equity Act, the report of the Department was also included in the sample. The rationale behind the evaluation was two-fold – that is to assess whether the reporting forms will require any amendment and to ascertain whether employers were completing these forms correctly.

# 3.  EMPLOYMENT EQUITY REGISTRY REPORT

## Introduction

The Employment Equity Registry contains employer details and report information captured during the year 2000 and has become the core operational system for Employment Equity monitoring and compliance at the Department of Labour. The second public register was published during 2001, as required by the Employment Equity Act (EEA). This published register classified employers according to those who fully complied with the reporting requirements and those employers who reported, but did not meet all the requirements.

This initial population of the Employment Equity Registry makes it possible to get a more accurate picture of compliance during the October 2001 reporting period.

## Methodology

Designated employers reported to the Department, using the prescribed forms designed for reporting on employment equity plans. For this report, employers with more than 150 employees were required to complete two forms:

- Form EEA 2:  Employment Equity Report, comprising of seven sections (employer

details, workforce profile, workforce movement, disciplinary action, skills development, qualitative assessment, progress report and signature of the CEO).
- Form EEA 4: Income Differential Statement. This form has four sections (employer details, income differentials per occupational category, income differentials per occupational level, and total income differentials).

Some employers with less than 150 employees submitted their reports, using form EEA 2A of the regulations. These forms were designed to provide smaller employers with simplified reporting requirements. As only employers with more than 150 employees were required to report in October 2001, it was expected that even those employers with less than 150 employees who are part of a larger group of companies would use form EEA2 for reporting purposes.

The occupational categories in the report are based on the standard definitions provided by Statistics South Africa in the collection and analysis of census data. Occupational levels are based on a semantic scale that can be related to any of the standard job evaluation systems and is based on the Paterson Broadband Classification. These definitions are published in the Regulations (Gazette No 20626).

Overall, the data quality for the second year of reporting shows an improvement compared to the initial reports received. Some employers experienced problems with the classification of data into both occupational categories and levels, and the findings contain some anomalies as a result of this.

This report contains a summary of some important national findings based on employers' reports. The analysis of data is based on the following classifications:

- **Province** – This category represents the head office or reporting office, based on employer contact details. A large portion of employers reporting in the Gauteng region also include all employees nationally, regardless of the geographic distribution of workplaces
- **SETA sector** – Employers were categorised according to the SETA sector as defined by the Skills Development Act
- **Employer type** – This category separates private sector employers, government employers (national, provincial and local) and academic employers.

Each of the above broad categories are analysed by occupational category and level, as well as by race, gender and disability.

## Extent of reporting by designated employers

As at 15 July 2002, which was the cut off date for the 2001 reporting period, a total of **2 369** employers with 150 or more employees reported to the Department. This includes some employers with less than 150 employees, as some of these employers form part of a bigger group of companies and are therefore required to report annually.

## Graph 1: Reports received by the Registry
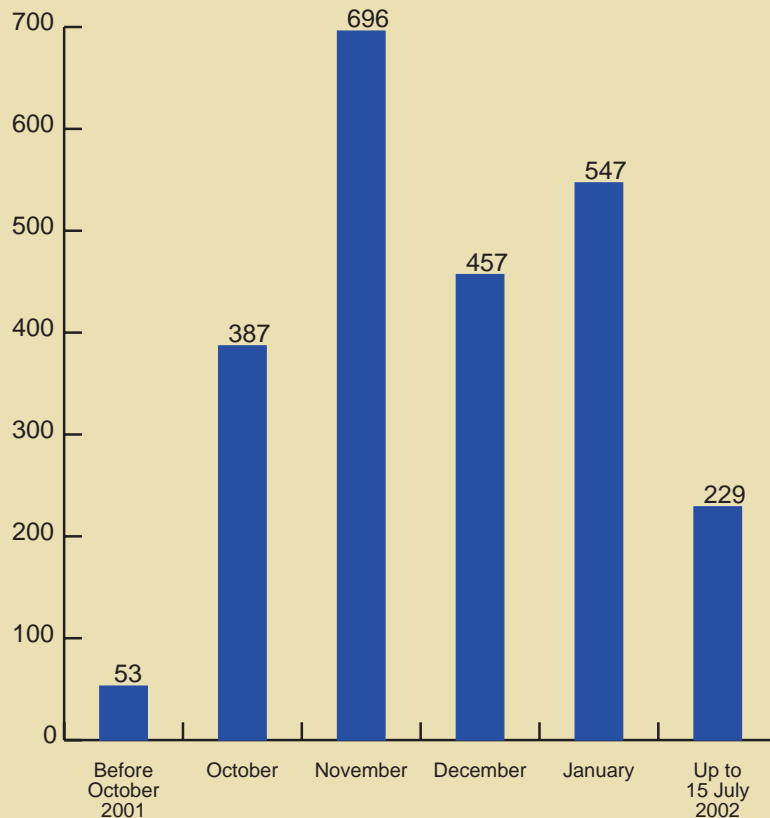


The Registry report profile shows that only 18% of employers who reported managed to report by the first working day of October 2001. The Department has indicated that it intends to implement measures to improve employer compliance with their reporting obligations.

Of the 2 369 reports received, only **1 782** were included in the analysis. The remaining 587 reports were excluded from the analysis for the following reasons:

- employers submitted the Employment Equity Plan instead of the standard reporting format (EEA 2 and EEA 4) as published in the regulations
- employers submitted incomplete reports
- employers submitted reports reflecting their own non-standard occupational levels or categories
- holding companies, submitted reports per business unit, but submitted numerical goals and income differentials on a consolidated basis only
- duplicate records, caused by inconsistent naming conventions and confusion regarding the trading names of employers
- reports received too late for capturing. A cut off date of 15 July 2002 was set, to allow enough time for the analysis of data.

Some employers, who were included in this analysis, could only report their workforce profiles by either occupational category or level. Therefore the total number of employees reported on differs slightly depending on which occupational breakdown is used.

**Table 1** below shows a breakdown of the sample of employers who reported correctly to the Department by employer type.

*Table 1:  Employers by type*

| Workforce profile by employer type | | |
|---|---|---|
| **Employer type** | **Employees** | **Employers** |
| Academic | 20 310 | 15 |
| Government | 96 702 | 15 |
| Local Government | 52 139 | 57 |
| Parastatal | 216 796 | 29 |
| Private | 1 624 112 | 1 630 |
| Povincial Government | 384 561 | 36 |
| Total | 2 394 620 | 1 782 |

*(Employment Equity reports for 2001)*

# 4.   EMPLOYMENT EQUITY TRENDS (QUANTITATIVE ANALYSIS)

This section draws on analysis of data from employer reports submitted to the Department by employers of 150 or more employees in terms of the Employment Equity Act (EEA).

## 4.1  Population and workforce distribution

The Economically Active Population consists of those who are employed and those who are unemployed.

### Population and workforce distribution by race

*Table 2: Population statistics by race*

| | **African** | **Coloured** | **Indian** | **White** | **Total** |
|---|---|---|---|---|---|
| **Total population by race** | 34 800 000 | 4 091 000 | 1 266 000 | 4 448 000 | 44 671 000 |
| **Economically active population by race** | 10 953 000 | 1 642 000 | 593 000 | 2 144 000 | 15 358 000 |
| **Employment Equity Reports - October 2001** | 1 409 902 | 300 785 | 107 347 | 576 586 | 2 394 620 |
| **% of EAP reported per group** | 59% | 12.5% | 4.5% | 24% | 100% |

*(Statistic South Africa, Labour Force Survey: September 2001)*

Out of the total Economically Active Population, only 9.1% were covered by the reports that were received by the Department during this reporting period. Africans accounted for 7.1% of the Economically Active Population (EAP) within their group; whereas Coloureds accounted for 12.4%; followed by Indians who accounted for 14.0%; and then Whites who accounted for 18.6%.

Of the total Economically Active Population that reported, Africans accounted for 59%, Coloureds 12.5%, Indians 4.5% and Whites 24%.

## Population and workforce distribution by gender

### Table 3:  Population statistics by gender

|  | Male | Female | Total |
|---|---|---|---|
| **Total population by gender** | 21 474 000 | 23 196 000 | 44 671 000 |
| **Economically Active Population by gender** | 8 188 000 | 7 170 000 | 15 358 000 |
| **Employment Equity Reports - October 2001** | 1 558 214 | 836 406 | 2 394 620 |
| **% of EAP reported per gender** | 65% | 35% | 100% |

*(Statistic South Africa, Labour Force Survey: September 2001)*

### Table 4: Employment equity distribution by province and race

| | Employment Equity Reports - October 2001 | | | | |
|---|---|---|---|---|---|
| **Province** | **African** | **Coloured** | **Indian** | **White** | **Total** |
| **Eastern Cape** | 27 845 | 13 023 | 682 | 12 459 | 54 009 |
| **Free State** | 73 165 | 2 694 | 344 | 19 463 | 95 666 |
| **Gauteng** | 855 552 | 127 410 | 57 023 | 416 129 | 1 456 114 |
| **KwaZulu-Natal** | 189 187 | 12 655 | 42 005 | 34 459 | 278 306 |
| **Mpumalanga** | 53 585 | 608 | 800 | 15 194 | 70 187 |
| **North West** | 39 066 | 415 | 169 | 6 537 | 46 187 |
| **Northern Cape** | 9 131 | 5 499 | 77 | 4 187 | 18 894 |
| **Limpopo Province** | 93 826 | 120 | 162 | 3 625 | 97 733 |
| **Western Cape** | 68 545 | 138 361 | 6 085 | 64 533 | 277 524 |
| **Total** | 1 409 902 | 300 785 | 107 352 | 576 586 | 2 394 625 |

*(Employment Equity reports for 2001)*

## 4.2    National analysis by occupational level

In this report, Black employees refer to the combined group of African, Coloured and Indian employees.
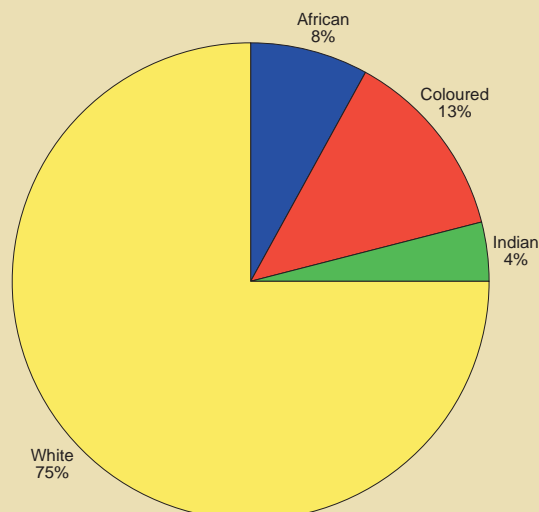
**Total employment profile by race**

### *Graph 2: Total employees by race*
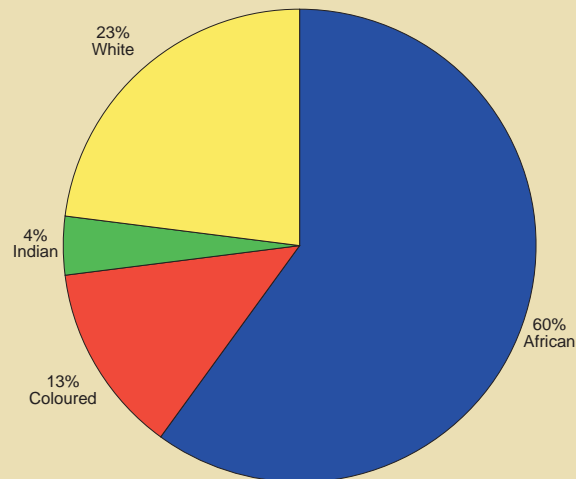


Black employees represent 77% (Africans 60%, Coloureds 13%, and Indians 4%) and Whites 23% of total employment.

**Management profile by race**

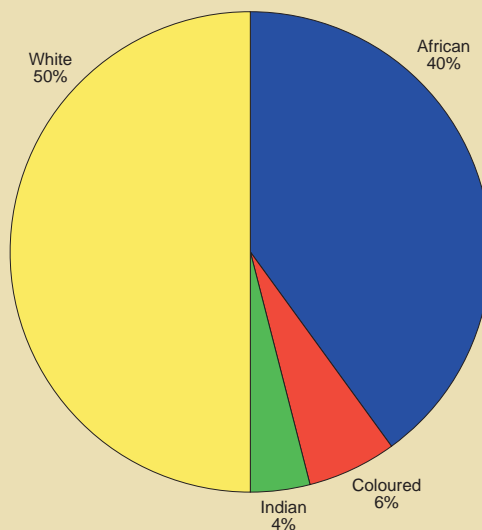### *Graph 3:  Top management by race*



Black employees represent 25% of all employees in top management positions in South Africa. This figure consist of 8% African employees, 13% Coloured employees and 4% Indian employees. Whereas, White employees still constitute the majority of employees in top management (75%).

## Graph 4: Senior management by race

African
10%

Coloured
5%
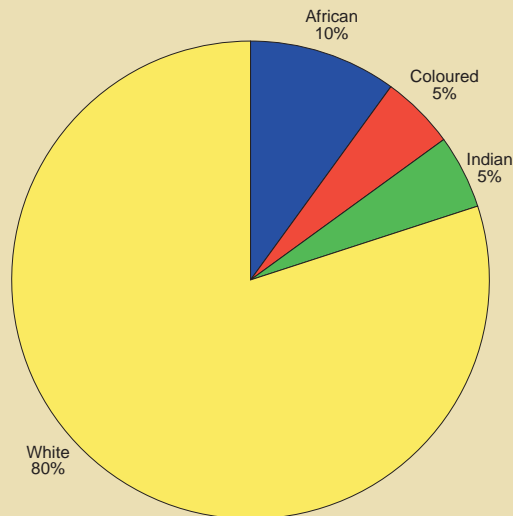
Indian
5%

White
80%

Black employees hold 20% of all senior management positions, African employees 10%, Coloured employees 5% and Indian employees 5%. Whereas, White employees still constitute the majority of employees in senior management (80%).

## Graph 5: Professionally qualified by race

White
50%

African
40%

Coloured
6%

Indian
4%

At the professionally qualified and mid management level, Black employees represent 50% of all employees at this level, with African employees 40%, Coloured employees 6% and Indian employees 4%. Whereas, White employees still constitute the majority of employees in senior management (50%).

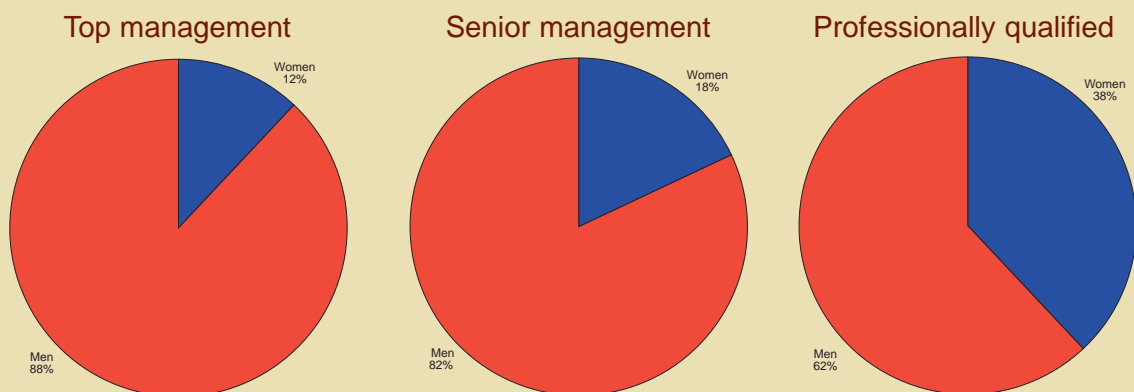## Total employment profile by gender

### *Graph 6: Total employees by gender*
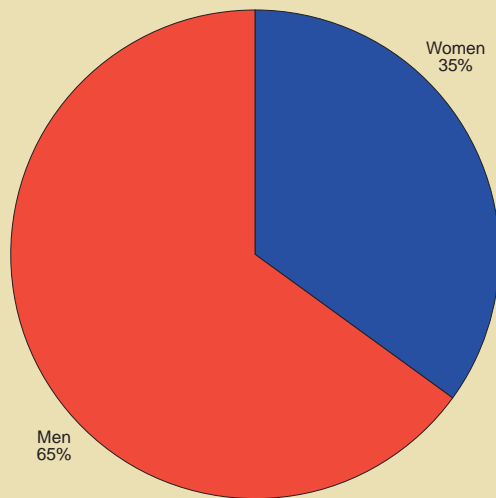


Women represent 35% and men 65% of total employment. This clearly shows that women are still under-represented in the workplace.

## Management profile by gender

### *Graph 7:  Management by gender*



Women currently hold 12% and men 88% of all top management positions in South Africa. Whereas, in senior management, women hold 18% and men 82% of the positions, and in the professionally qualified level, women hold 38% and men 62% of the positions.

*Table 5: Summary of designated group representation*

| Occupational level | Black % | Female % | Employees with disabilities % |
|---|---|---|---|
| Top management | 25 | 12 | 1.2 |
| Senior management | 20 | 18 | 1.0 |
| Professionally qualified | 50 | 38 | 0.8 |

Employees with disabilities represent 1% of all employees at the combined management levels. Much work still needs to be done by employers in terms of employees with disabilities.

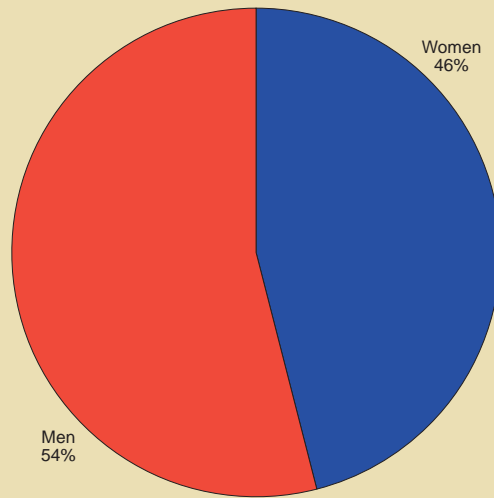**Skilled technical, junior management and supervisor profile**

*Graph 8: Skilled employees by race*
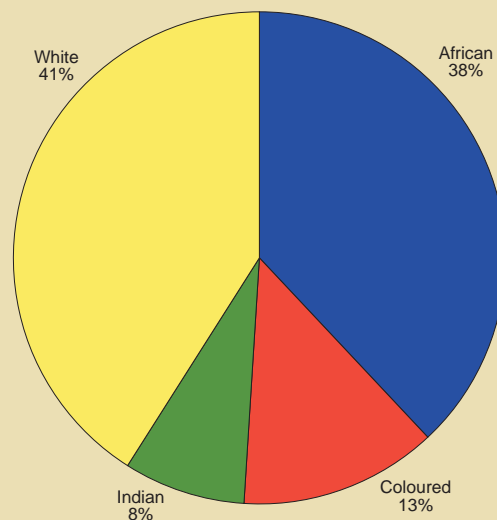


Black employees represent 59% (Africans 38%, Coloureds 13%, and Indians 8%) and Whites 41% of all employees at this occupational level.

**Skilled technical, junior management by gender**

*Graph 9:  Skilled employees by gender*



Women hold 46% (African women 18 %, Coloured women 6%, and Indian women 3%, and White women 19%) and men hold 54% of all skilled positions in South Africa.

Employees with disabilities represent 1% of the employees in the skilled occupational level.

**Semi-skilled and discretionary decision making profile by race**

*Graph 10: Semi-skilled employees by race*
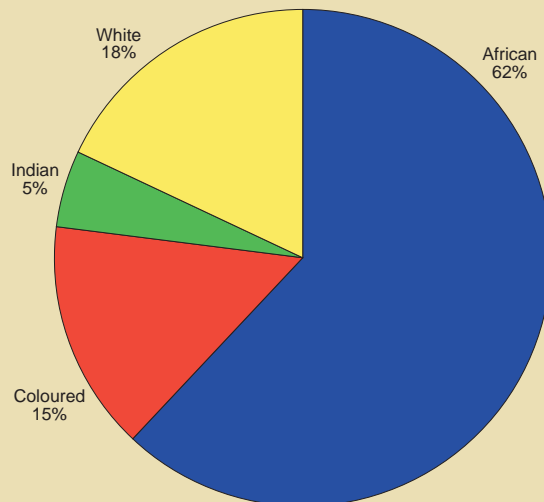


Black employees hold 82% (Africans 62%, Coloureds 15%, and Indians 5%), and Whites 18% of all semi-skilled and discretionary decision making jobs.

Employees with disabilities account for 0.7% of the total number of employees on this occupational level.

## Semi-skilled and unskilled employees by gender

### Graph 11: Semi-skilled and unskilled employees by gender

| Semi-skilled and discretionary decision making | Unskilled and defined decision making |
|---|---|

Women 36%
Men 64%

Women 27%
Men 73%
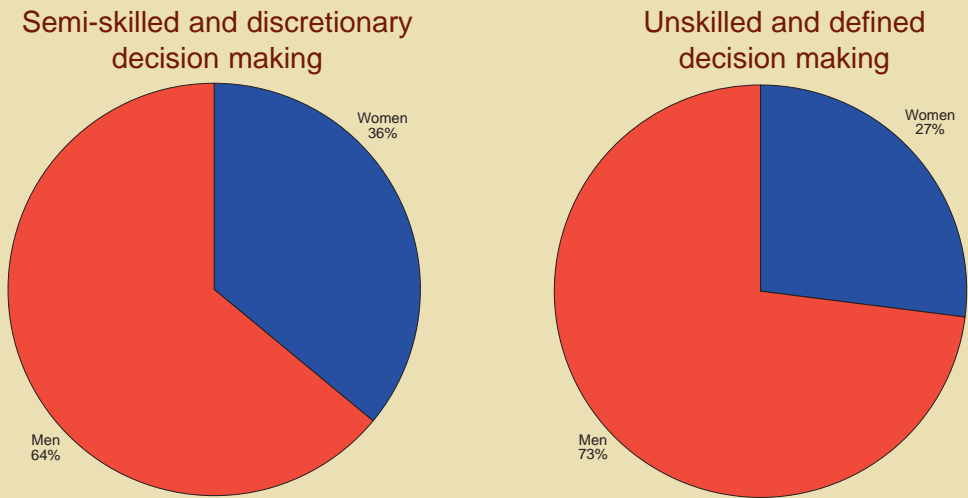
Women hold 36% and men 64% of all semi-skilled and discretionary decision making positions. Whereas in unskilled and defined decision-making, women hold 27% and men 73% of the positions.

## 4.3    National analysis by occupational category

The national sample size for the analysis by occupational categories is 1 782 employers and 2 394 620 employees.

### Legislators, senior officials and managers by race

*Includes: chief executive officer, president, vice-president, chief operating officers, general managers and divisional heads, managers who provide the direction of a critical technical function, postmaster, superintendent, dean and school principal etc.*

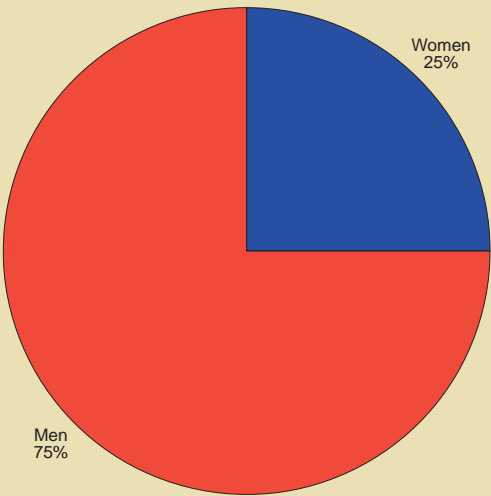### Graph 12: Legislators, senior officials and managers by race
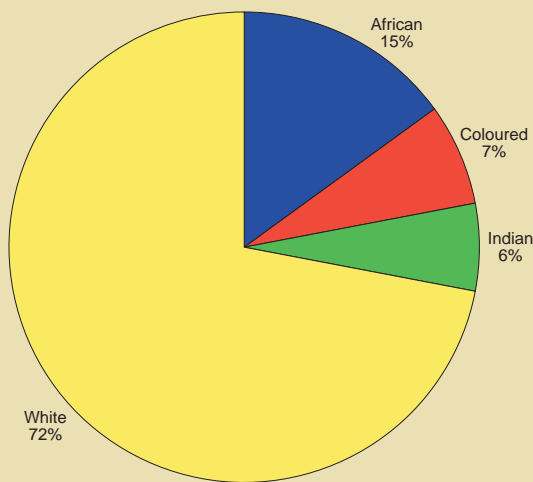
African 15%
Coloured 7%
Indian 6%
White 72%

Black employees represent 28% (Africans 15%, Coloureds 7%, and Indians 6%) and Whites 72% of legislators, senior officials and managers.

**Legislators, senior officials and managers by gender**

*Graph 13: Legislators, senior officials and managers by gender*



Women hold 25% and men 75% of all positions in this category.

**Professionals by race**

*Includes: engineers (civil, mechanical, chemical, electrical, petroleum, nuclear, aerospace, etc.), architects, lawyers, biologists, geologists, psychologists, accountants, physicists, system analysts, assayers, valuators, town and traffic planners etc.*
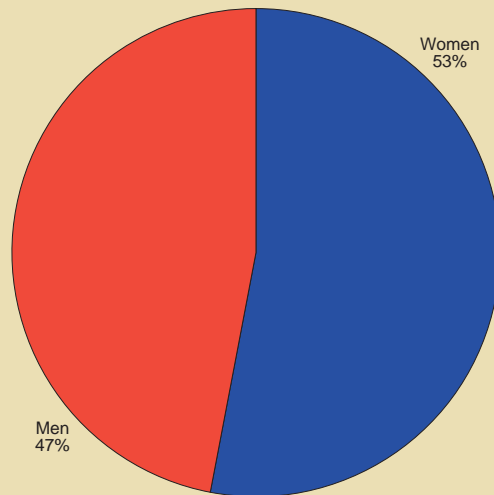
*Graph 14: Professionals by race*
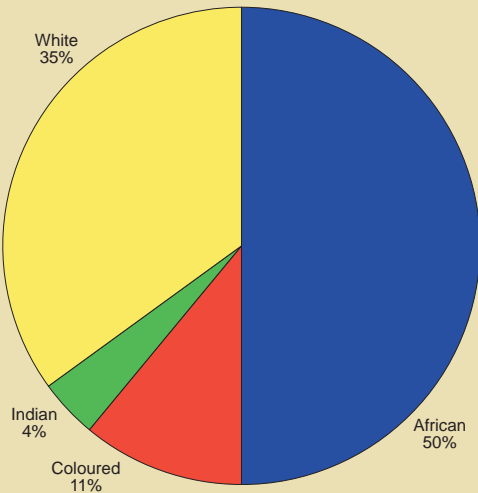


Black employees hold 65% (Africans 50%, Coloureds 11%, and Indians 4%) and Whites 35% of the positions in this category.
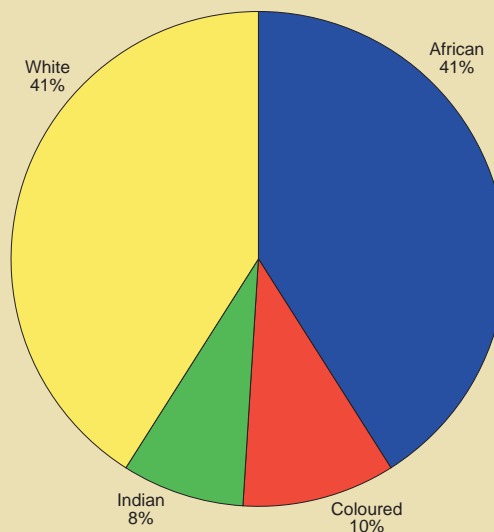
## Professionals by gender

Women
53%

Men
47%

Women hold 53% and men 47% of the jobs in this occupational category. These jobs consist of teachers and nurses, positions typically held by women.

## Technicians and associate professionals by race

*Includes: computer programmers, nurses, physio-and-occupational therapists, draftsmen/women, musicians, actors, photographers, illustrating artists, product designers, radio and television announcers, translators and interpreters, writers and editors, specialised inspectors and testers of electronic, electrical, mechanical, etc. products, vocational instructors, technicians (medical, engineering, architectural, dental, physical science, life science, library, etc.), pilot, broker, designer, quality inspector etc.*
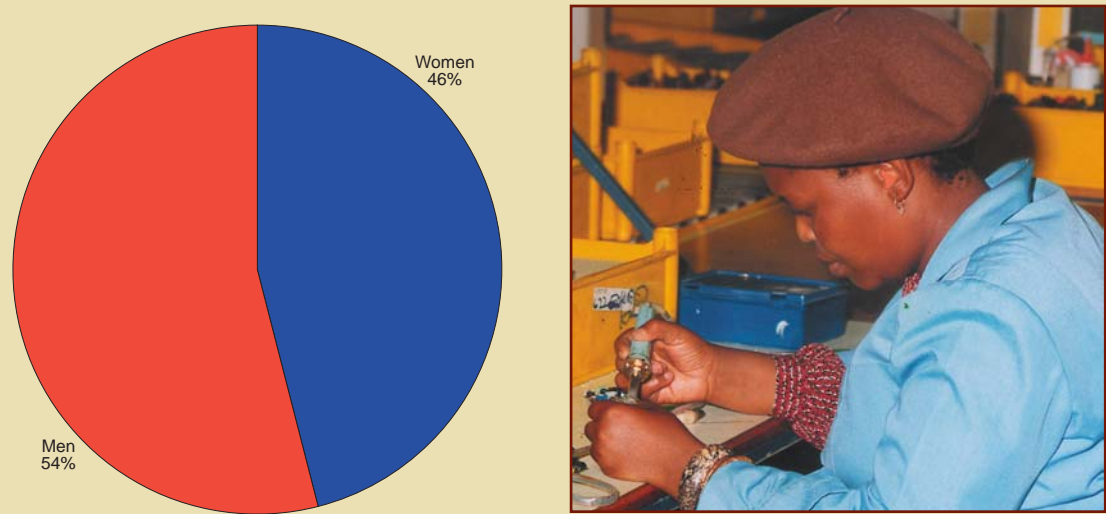
*Graph 16: Technicians and associate professionals by race*



White
41%

African
41%

Indian
8%

Coloured
10%

Black employees account for 59% (Africans 41%, Coloureds 10%, and Indians 8%) and Whites 41% of the positions in this category.

## Technicians and associate professionals by gender

### Graph 17: Technicians and associate professionals by gender



Women account for 46% and men 54% of all positions in this occupational category.

## Clerks by race

*Includes: bookkeepers, tellers, cashiers, collectors (bills and accounts), messengers and office helpers, office machine operators, mail clerks, typists, telephone operators, electronic data processing equipment operators, clerks (production, shipping and receiving, stock, scheduling, ticket, freight, library, reception, travel, hotel, personnel, statistical, general office), secretaries etc.*

### Graph 18: Clerks by race
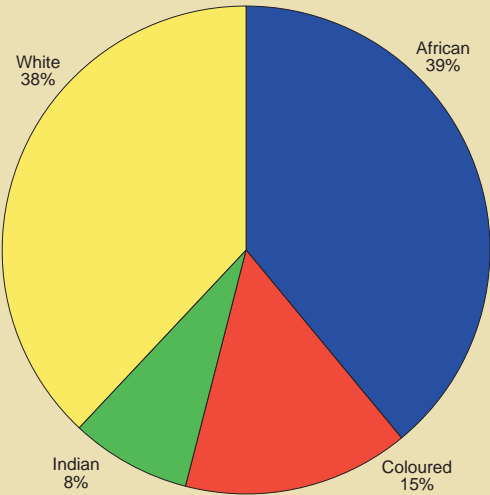


Black employees account for 62% (Africans 39%, Coloureds 15%, and Indians 8%) and Whites 38% of all positions in this category.

## Clerks by gender

### Graph 19: Clerks by gender



Men
36%
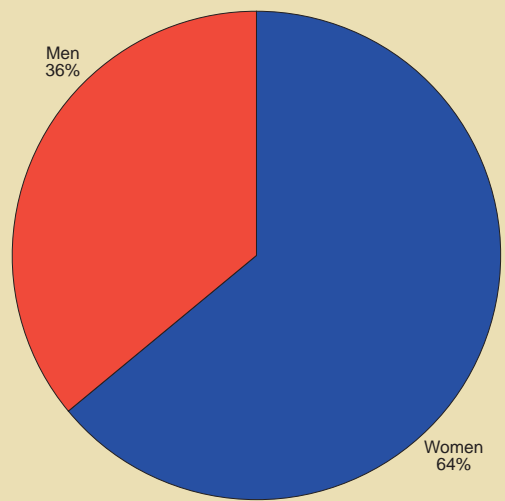
Women
64%

Women account for 64% and men 36% of the positions in this category.

## Service and sales workers by race

*Includes: attendants (hospital and other institutions, including nurses' aides and orderlies), barbers, bartenders, guides, food and beverage serving occupations, housekeepers, childcare occupations, conductors, fire-fighters, police officers, advertising agents, real estate agents, sales workers and sales clerks, shop attendants, stock brokers, insurance brokers, travel agents, sales people of technical and business services, etc.*

### Graph 20: Service and sales workers by race



White
26%

African
54%

Indian
5%
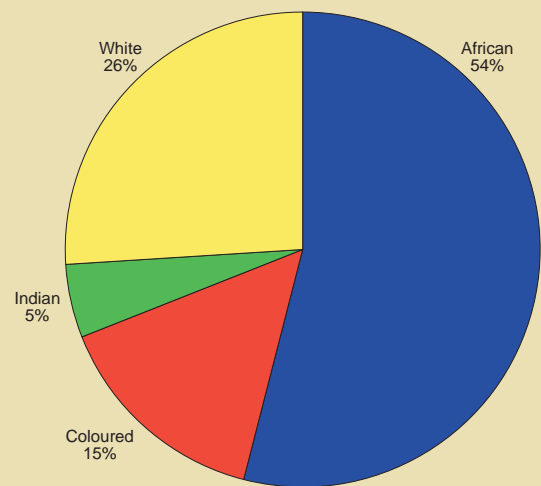
Coloured
15%

Black employees represent 74% (Africans 54%, Coloureds 15%, and Indians 5%) and Whites 26% of the positions in this category.

**Service and sales workers by gender**

### Graph 21: Service and sales workers by gender



Women account for 30% and men account for 70% of all positions in this category.

**Skilled agricultural and fishery workers by race**

*Includes: farmers, growers, planter, viticulturists, winemakers, skilled horticultural workers, greenkeepers, skilled fishermen/women etc.*

### Graph 22: Skilled agricultural and fishery workers by race
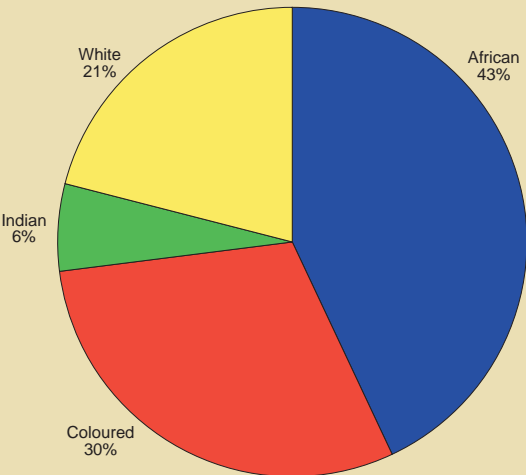


Black employees represent 79% (Africans 43%, Coloureds 30%, and Indians 6%) and Whites 21% of the positions in this category.
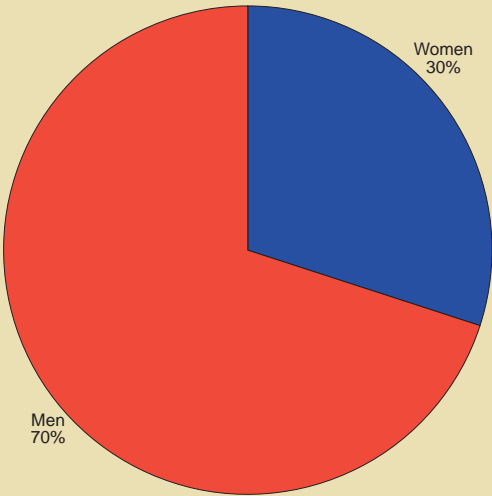
**Skilled agricultural and fishery workers by gender**

*Graph 23: Skilled agricultural and fishery workers by gender*
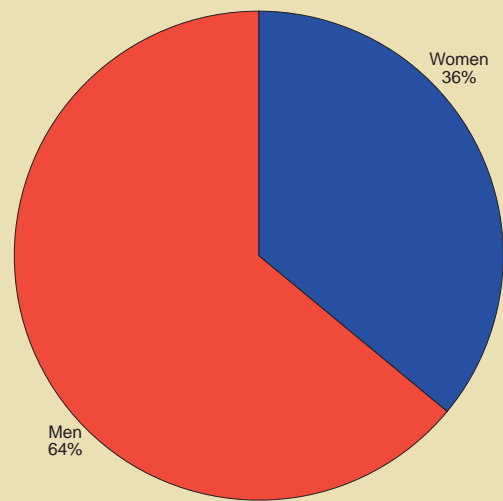


Women account for 36% and men 64% of all positions in this category.

**Craft and related trades workers by race**

> *Includes: miners, quarries, stoneworkers, bricklayers, stonemasons, carpenters, shopfitters, plasterers, plumbers, electricians, painters, mechanics, glass-makers, locksmiths, sheet metal workers, etc.*

*Graph 24: Craft and related trades workers by race*
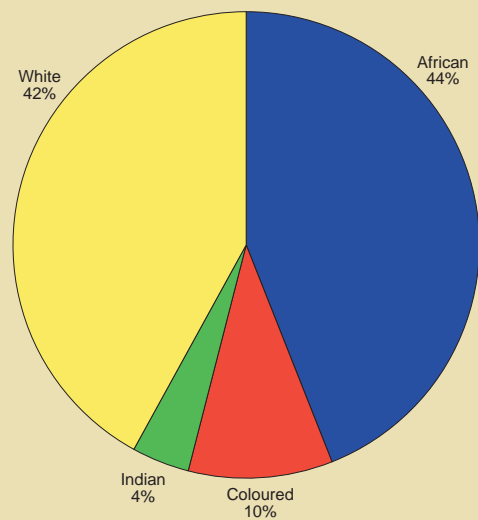


Black employees represent 58% (African employees hold 44%, Coloureds 10% and Indians 4%) and White employees 42% of the positions in this category.

## Craft and related trades workers by gender

### *Graph 25: Craft and related trades workers by gender*
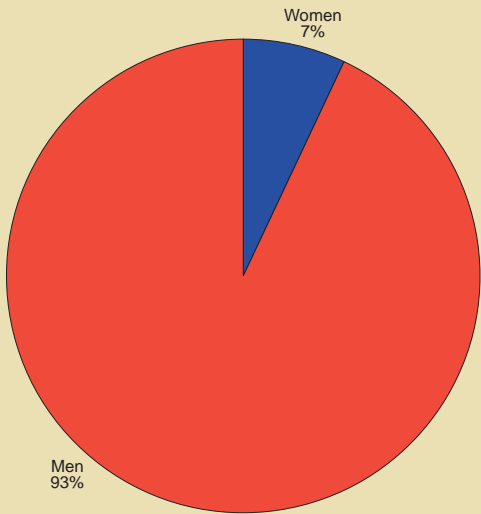
Women account for only 7% of positions in this occupational category, and men account for 93%. This is not unusual because the majority of female traders are in the informal economy and are not included in this report.

## Plant and machine operators and assemblers by race

*Includes: truck and tractor drivers, bus drivers, paving, surfacing and related occupations, roofers, photographic processors, sound and video recording equipment operators, those in apprenticeship training, textile workers, production machine workers etc.*

### *Graph 26: Plant and machine operators and assemblers by race*
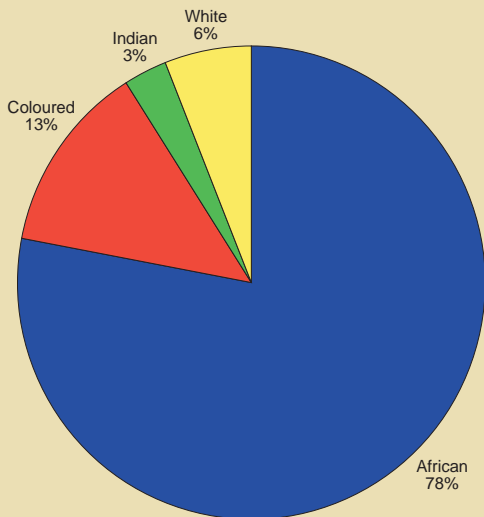
Black employees represent 94% (African 78%, Coloured 13% and Indian 3%) and White employees 6% of the positions in this category.

**Plant and machine operators and assemblers by gender**

*Graph 27: Plant and machine operators and assemblers by gender*
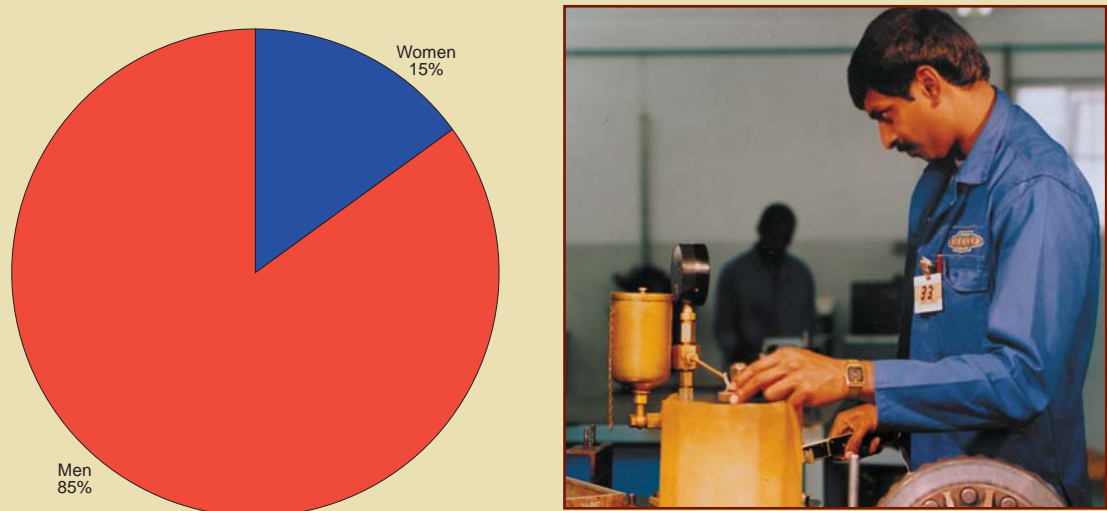


Women account for 15% and men 85% of the positions in this occupational category. Historically, more men tend to be recruited than women in this machinery category.

**Elementary occupations by race**

*Includes: news and other vendors, garage attendants, car washers and greasers, gardeners, farm labourers, unskilled railway track workers, labourers performing lifting, digging, mixing, loading, and pulling operations, garbage collectors, stevedores, sweepers, charworkers etc.*

*Graph 28: Elementary occupations by race*
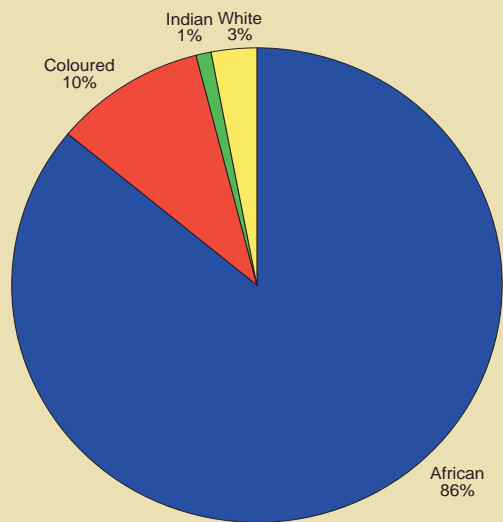


Black employees represent 97% (Africans 86%, Coloureds 10%, and Indians 1%) and Whites 3% of the positions in this category.

**Elementary occupations by gender**

### *Graph 29: Elementary occupations by gender*
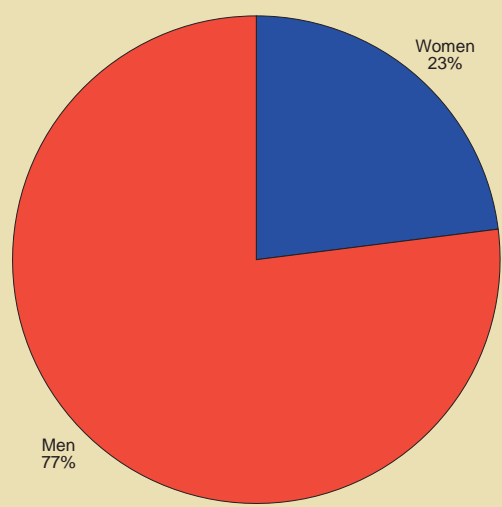


Women account for 23% and men 77% of all positions in this occupational category.

## 4.4    Non-permanent employees

*Includes: employees who are employed to work for less than 24 hours per month or those engaged to work for less than three continuous months.*

**Non-permanent employees by race**

### *Graph 30: Non-permanent employees by race*
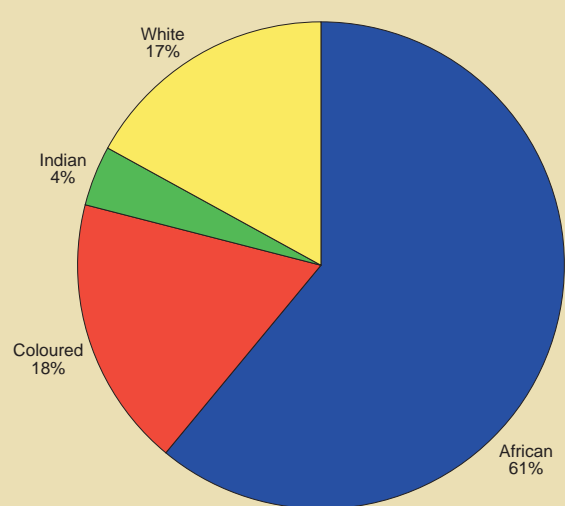


Black employees represent 83% (Africans 61%, Coloureds 18%, and Indians 4%) and Whites 17% of the positions in this category.

Normally, employers see this category as advantageous as in most cases they do not have to contribute to benefits such as medical aid and retirement funds. It is expected

that the Department will monitor this category closely as Africans appear to dominate in this area of employment.

**Non-permanent employees by gender**

*Graph 31: Non-permanent employees by gender*
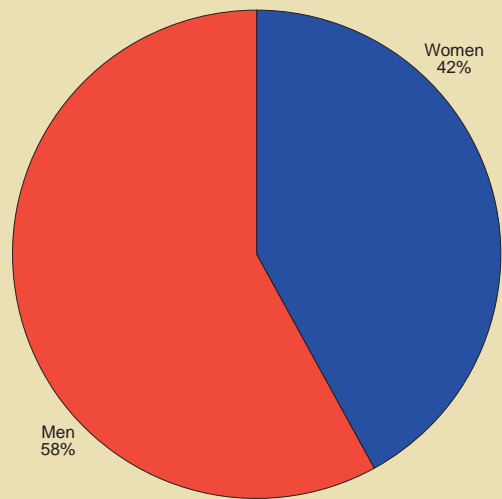


According to the report received, women account for 42% and men 58% of all positions in this category.

### 4.5     Recruitment profile

**Total recruitment by race**

*Graph 32: Total recruits by race*
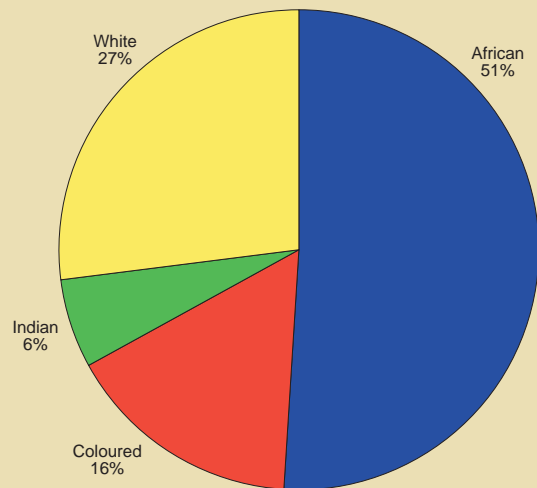


Black employees accounted for 73% (Africans 51%, Coloureds 16%, and Indians 6%) and Whites 27% of all recruitment in 2001.

**Management recruits by race**

*Graph 33: Management recruits by race*
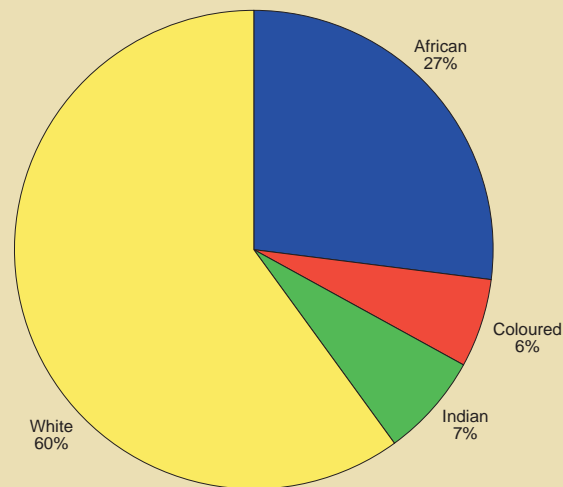


Black employees represent 40% (Africans 27%, Coloureds 6%, and Indians 7%) and Whites 60% of all top, senior and professionally qualified recruits. It must be noted that Whites hold 75% of top management and 80% of senior management positions.

**Total recruits by gender**

*Graph 34: Total recruits by gender*
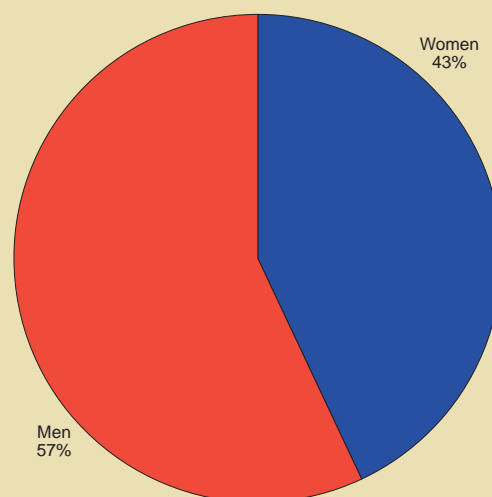


Of all employees recruited during 2001, 43% were women and 57% were men.

## 4.6    Terminations profile

**Total terminations by race**

*Graph 35: Total terminations by race*
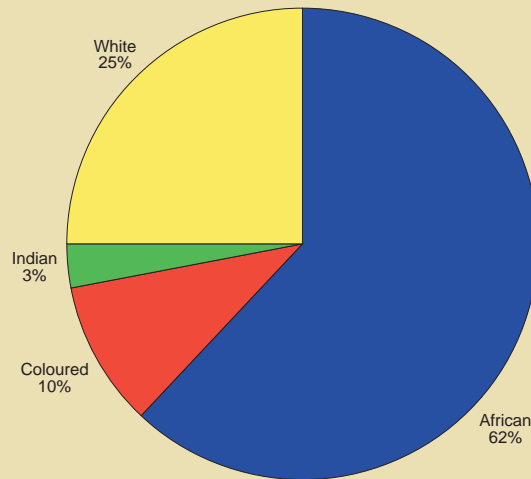


Black employees accounted for 75% (Africans 62%, Coloureds 10%, and Indians 3%) and Whites 25% of all terminations in 2001.

**Management terminations by race**

*Graph 36: Management terminations by race*
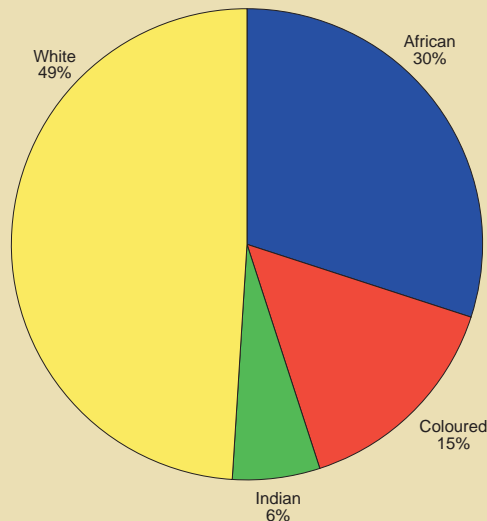


Black employees accounted for 51% (Africans 30%, Coloureds 15%, and Indians 6%) and Whites 49% of all management terminations in 2001.

**Graph 37: Total terminations by gender**



Women
26%

Men
74%
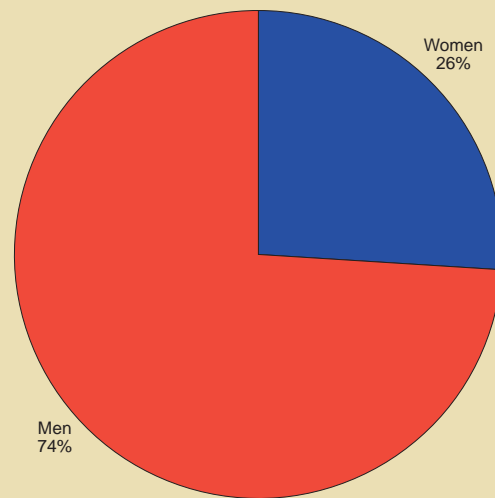
Of all employees terminated from employment in 2001, 26% were women and 74% were men.

**Table 6: Total terminations**

| Termination categories | Terminations | % of Total |
|---|---|---|
| Resignation | 99 616 | 36.7 |
| Non-renewal of contract | 41 498 | 15.3 |
| Dismissal - operational requirements (retrenchments) | 47 844 | 17.6 |
| Dismissal - misconduct | 31 984 | 11.8 |
| Dismissal - incapacity | 5 011 | 1.8 |
| Other | 45 274 | 16.7 |
| Total | 271 227 | 100 |

Most terminations (36.7%) were due to resignations by employees, while retrenchments were the second highest (17.6%).

### Graph 38: Total terminations by race



Graph 38: Total terminations by race

- % Black
- % White

| Category | % Black |
|---|---|
| Total | 70.3% |
| Other | 74.8% |
| Dismissal - incapacity | 79.4% |
| Dismissal - misconduct | 89.0% |
| Dismissal - operational requirements (retrenchment) | 81.7% |
| Non-renewal of contract | 82.9% |
| Resignation | 51.1% |
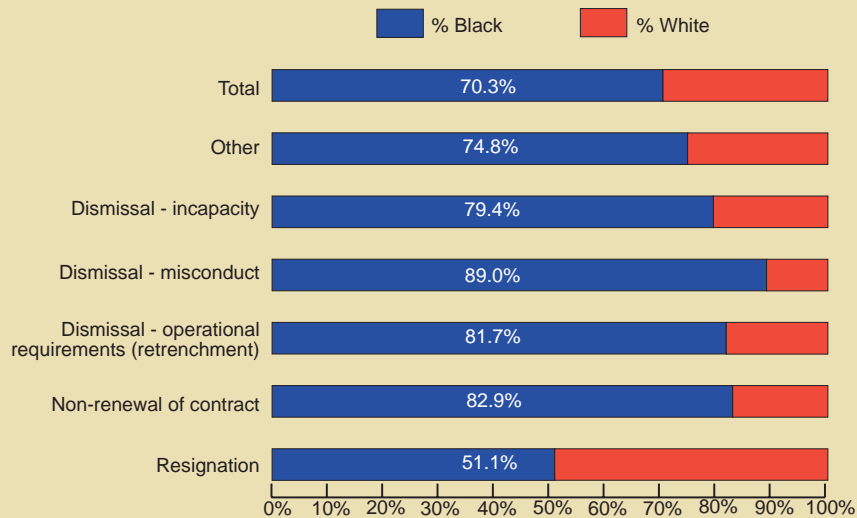
Black employees represent 51,1% and Whites 48.9% of employee resignations. Black employees represent 83.9% and Whites represent 16.1% of dismissals.

## 4.7    Promotions profile

Promotions are the internal opportunities created for further development and learning.

### Total promotions by race

#### Graph 39: Promotions by race



Graph 39: Promotions by race

- White 30%
- African 53%
- Indian 5%
- Coloured 12%
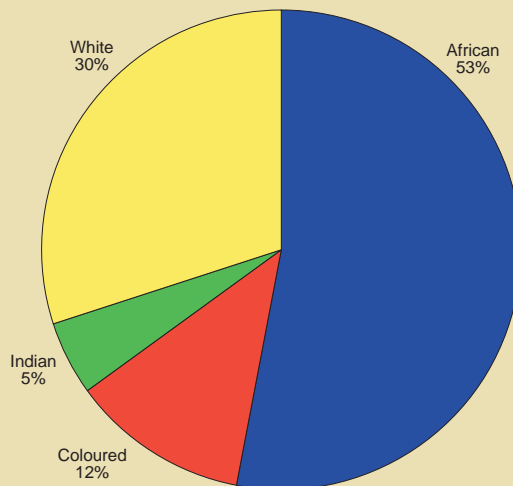
Black employees accounted for 70% (Africans 53%, Coloureds 12%, and Indians 5%) and Whites 30% of all promotional opportunities in 2001. Unfortunately, the promotions profile was not broken down by occupational levels or categories. This would have enabled the Commission for Employment Equity to determine if there was an improvement in the promotions of the designated groups particularly at higher management levels (top, senior and professionally qualified).

**Total promotions by gender**

### Graph 40: Promotions by gender



Women
31%

Men
69%
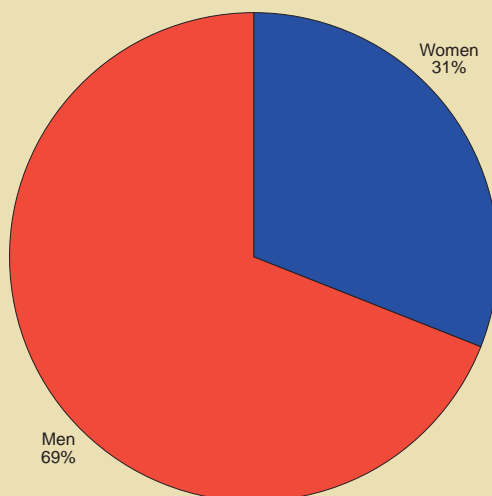
Women accounted for 31% and men 69% of all promotional opportunities during 2001.

## 4.8    People with disabilities profile

A total of 1 142 employers reported on 20 147 employees with disabilities. As a percentage of the total number of employees, people with disabilities represent 0.9% of the employees reported on under the Employment Equity Act. The reporting of data on employees with disabilities by employers is of a poor standard. Very few employers managed to report on flow data, such as recruitment and termination of employees with disabilities.

## 4.9    Sector analysis

The sector analysis comprises six broad sector classifications: Academic, National Government, Provincial Government, Local Government, Parastatals, and Private Sector.

### Graph 41: Sector representation by Black employees
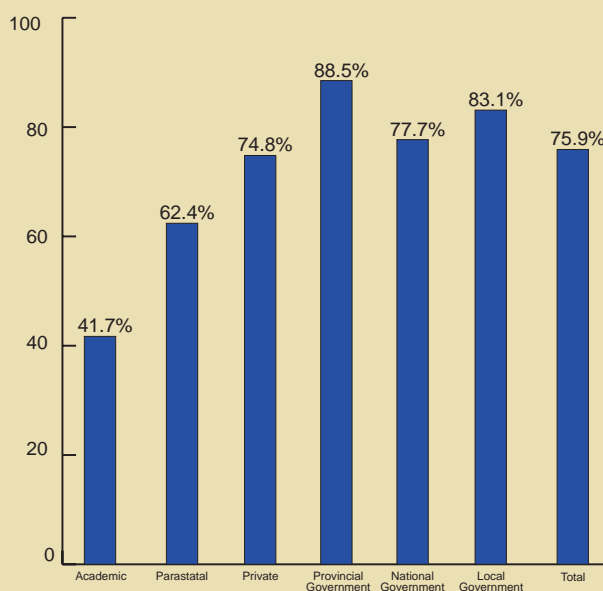
Black (African, Coloured and Indian) employees are collectively best represented in the Provincial Government Sector 88.5%, followed by Local Government 83.1%, National Government 77.7%, Private 74.8%, Parastatal 62.4% and least represented with 41.7% in the Academic Sector.

*Graph 42: Women representation by sector*
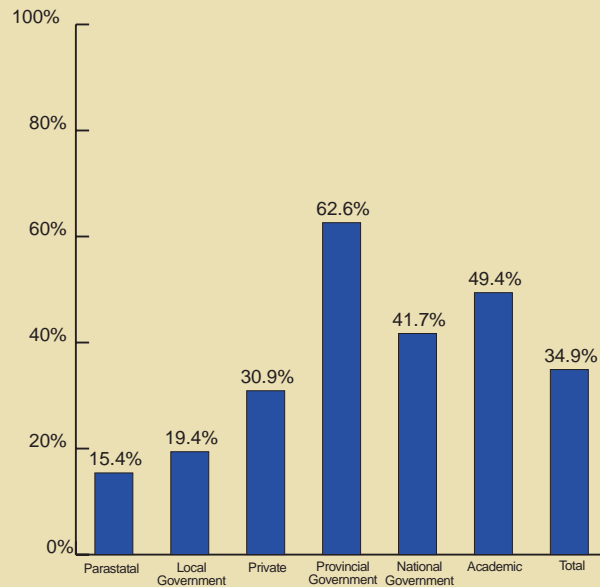


Women are best represented in the Provincial Government Sector 62.6%, followed by 49.4% in the Academic, 41.7% in National Government, 30.9% in Private, 19.4% in Local Government and least represented with 15.4% in the Parastatal Sector.

## 4.10   Provincial analysis

The provincial analysis comprises all nine provincial offices, and combines all six broad sectors.

*Graph 43: Black representation by province*
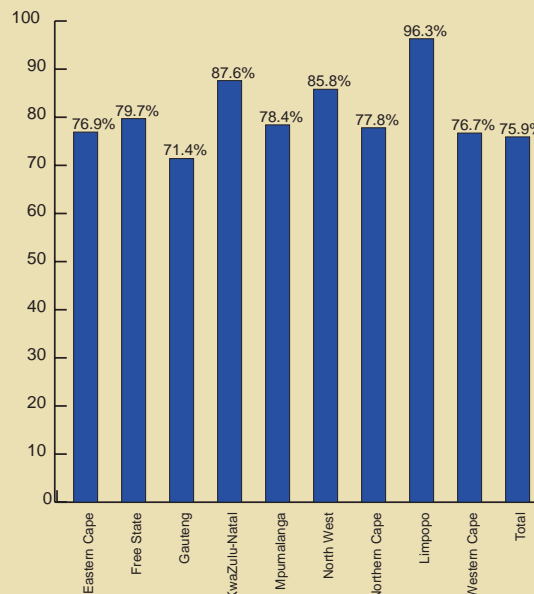
Black employees are collectively best represented in the Limpopo Province 96.3%, followed by 87.6% in KwaZulu-Natal, 85.8% in North West, 79.7% in Free State, 78.4% in Mpumalanga, 77.8% in Northern Cape, 76.9% in Eastern Cape, 76.7% in Western Cape and least represented in Gauteng with 71.4%.

*Graph 44: Provincial representation by women*
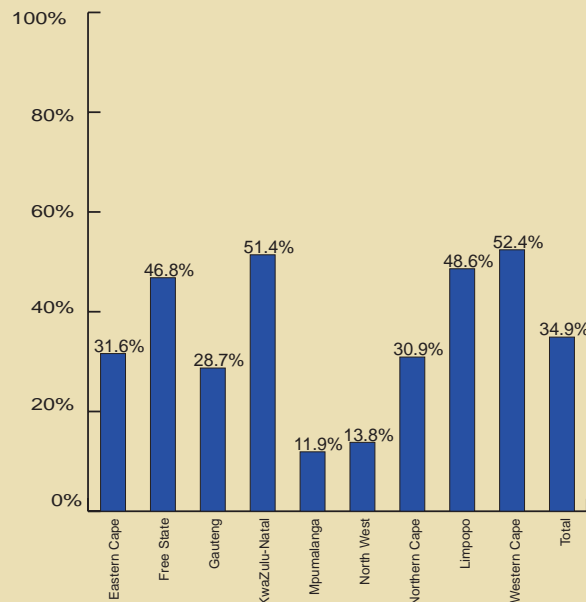


Women are best represented in the Western Cape 52.4%, followed by 51.4% in KwaZulu-Natal, 48.6% in Limpopo Province, 46.8% in Free State, 31.6% in Eastern Cape, 30.9% in Northern Cape, 28.7% in Gauteng, 13.8% in North West and least represented with 11.9% in Mpumalanga.

## 4.11    SETA analysis

The 25 SETA classifications and corresponding abbreviations are shown in **Table 7**. The benchmarks follow these classifications.

## Table 7: SETA abbreviations

| SETA description | SETA |
|---|---|
| Accounting and other financial services | FASSET |
| Banking | BANKSETA |
| Chemical and allied industries | CHIETA |
| Clothing, textiles, leather and footwear | TEXTILES |
| Contruction | CETA |
| Defence | DIDTETA |
| Education, training and development practices | ETDP SETA |
| Energy | ESETA |
| Food | FOODBEV |
| Forestry, furniture, pulp and paper board and wood | FIETA |
| Health and welfare | HWSETA |
| Information systems, electronics and telecommunication | ISETT |
| Insurance | INSETA |
| Local government, water and related services | LGWSETA |
| Media, publishing, printing and packaging | MAPPP |
| Mining and minerals | MQA |
| Metal, plastics, motor retail, auto manufacture, tyre | MERSETA |
| Police, justice, security and correctional | POSLECSETA |
| Primary agriculture | PAETA |
| Public sector | PSETA |
| Secondary agriculture | SETASA |
| Services | SERVICES |
| Tourism and hospitality | THETA |
| Transport | TETA |
| Wholesale and retail | W&R SETA |

The SETA classification of employers have improved significantly since the year 2000 reports as all employers are now registered for Skills Development purposes and were able to complete this aspect of the report. Information on 24 of the 25 SETAs is captured in **Table 8**; however, the DIDTETA was not captured because insufficient information was received.

**Table 8:  Employers by SETA**

| SETA | Employers | Employees |
|------|-----------|-----------|
| ESETA | 2 | 2 622 |
| FASSET | 40 | 24 407 |
| ETDP | 29 | 27 373 |
| MAPPP | 72 | 31 153 |
| THETA | 69 | 34 661 |
| SETASA | 39 | 40 208 |
| PAETA | 91 | 40 547 |
| HWSETA | 60 | 43 584 |
| INSETA | 28 | 44 492 |
| CETA | 65 | 46 391 |
| FIETA | 46 | 53 229 |
| CHETA | 82 | 56 618 |
| SERVICES | 81 | 59 057 |
| TEXTILES | 106 | 62 888 |
| FOODBEV | 134 | 85 269 |
| LGWSETA | 60 | 57 432 |
| ISETT | 69 | 89 545 |
| BANKSETA | 25 | 109 708 |
| W&R SETA | 109 | 154 189 |
| POSLECSETA | 44 | 167 058 |
| MERSETA | 299 | 168 362 |
| TETA | 92 | 198 368 |
| MQA | 88 | 321 101 |
| PSETA | 52 | 446 358 |
| **Total** | **1 782** | **2 394 620** |

Black employees are collectively best represented in the Clothing, Textile and Footwear SETA (TEXTILES) with 94%. In the skilled and technical occupational levels, Black employees are best represented in the PSETA with 84.6%.

In total employment, Black employees have the lowest representation in the ETDP SETA (40%). In the skilled and technical occupational levels Blacks also have the lowest representation in the ETDP SETA with 30%.

**Table 9: SETA Rankings by female representation**

| SETA | Female % |
|---|---|
| HWSETA | 76.1 |
| TEXTILES | 65.2 |
| BANKSETA | 63.5 |
| PSETA | 58.2 |
| INSETA | 54.7 |
| FASSET | 54.7 |
| W&R SETA | 52.9 |
| ETDP | 50.1 |
| PAETA | 47.1 |
| THETA | 45.1 |
| SETASA | 38.3 |
| LGWSETA | 37.4 |
| SERVICES | 36.2 |
| ISETT | 33.2 |
| FOODBEV | 29.0 |
| MAPPP | 26.5 |
| CHETA | 23.9 |
| FIETA | 21.1 |
| POLSECSETA | 20.4 |
| TETA | 18.9 |
| MERSETA | 18.6 |
| CETA | 10.6 |
| ESETA | 7.0 |
| MQA | 3.6 |

Women are best represented in the Health and Welfare SETA (HWSETA) across combined occupational levels: 76% for total employment, 85% in the skilled and technical occupational levels and 69% in management.

In total employment, women have the lowest representation in Mining and Minerals (MQA), 3.6%. In the skilled and technical occupational levels women also have the lowest representation in MQA (9.5%). Women are most under-represented in management in MQA (9%).

# 5. EMPLOYMENT EQUITY MEASURES AND PRACTICES (QUALITATIVE ANALYSIS)

## Introduction

This part of the report deals with qualitative measures that employers have implemented to transform the workplace to remove unfair discrimination. It covers an analysis of barriers to employment equity and includes affirmative action measures adopted to deal with barriers in pursued of the objectives of the Act.

In addition to the data reported on workforce profiles by designated groups, all workplaces employing 150 or more people are required to report to the Department on the:

- communication and consultation process
- barriers that have been identified in their organisations on progress of employment equity
- affirmative action measures that have been identified to address these barriers
- other details regarding employment equity plans.

## Barriers to employment equity

### Overview of barriers

Employers were asked to indicate whether or not they had encountered each of a range of specified barriers in taking forward employment equity. Work environment and facilities, succession and experience planning, training and development and performance and evaluation systems were the most common barriers. Each of these was encountered by at least a quarter of reporting organisations.

Some employers described barriers additional to those listed. Among these, the most common were lack of people from designated groups with appropriate skills, low turnover of staff in positions targeted for corrective action, problems in communication, sexual and other types of harassment, high mobility of people from designated groups once appointed, and economic constraints.

The most frequently reported barriers fell into the following categories (in order of most frequent occurrence):

### Table 10: Employment equity barriers

| Employment equity barriers | Employers | % of employers |
|---|---|---|
| Work environment and facilities | 566 | 31.8 |
| Succession and experience planning | 545 | 30.6 |
| Training and development | 496 | 27.8 |
| Performance and evaluation systems | 492 | 27.6 |
| Recruitment procedures | 489 | 27.4 |
| Appointments | 429 | 24.1 |
| Advertising positions | 427 | 24.0 |
| Promotions | 426 | 23.9 |
| Selection criteria | 426 | 23.9 |
| Remuneration and benefits | 387 | 21.7 |
| Corporate culture | 336 | 18.9 |
| HIV/Aids education and prevention | 335 | 18.8 |
| Job classification and grading | 320 | 18.0 |
| Job assignments | 215 | 12.1 |
| Terms and conditions of employment | 197 | 11.1 |
| Disciplinary measures | 164 | 9.2 |
| Transfers | 163 | 9.1 |
| Dismissals | 96 | 5.4 |
| Demotions | 79 | 4.4 |
| Other | 4 | 0.2 |

## Description of barriers

The most frequently reported reasons for listing working environment and facilities as a barrier relates to:
- access to buildings for people with disabilities
- ablution facilities for employees with disabilities
- work environment unsuitable for the employment of women.

The second most frequently reported employment equity barrier is in the area of succession and experience planning. The main reasons are:

- lack of human resources planning
- no formal procedures in place
- low staff turnover – therefore no opportunities
- skills shortage among designated employees.

## Barrier categorisations and relationships

Considering the most common barriers reported, it is clear that employers have a problem with bringing new people from the designated groups into their organisations, and secondly, having done so, in supporting their progress in the organisation through structured training and development, and succession and experience planning.

The fact that training and development issues are so frequently reported as barriers shows that employment equity and skills development planning are not adequately integrated and do not support one another in organisations.

*Table 11: Affirmative action measures*

| Affirmative action measures | Employers | % of employers |
|---|---|---|
| Recruitment procedures | 1 333 | 74.8 |
| Appointments | 1 231 | 69.1 |
| Training and development | 1 222 | 68.6 |
| Advertising positions | 1 216 | 68.2 |
| Selection criteria | 1 191 | 66.8 |
| Promotions | 1 094 | 61.4 |
| Setting numerical goals | 1 077 | 60.4 |
| Succession and experience planning | 853 | 47.9 |
| Remuneration and benefits | 772 | 43.3 |
| Work environment and facilities | 753 | 42.3 |
| Terms and conditions of employment | 735 | 41.2 |
| Community investment and bridging programmes | 683 | 38.3 |
| Performance and evaluation systems | 664 | 37.3 |
| Job assignments | 660 | 37.0 |
| Job classification and grading | 636 | 35.7 |
| Transfers | 632 | 35.5 |
| Disciplinary measures | 583 | 32.7 |
| Diversity programs and sensitisation | 571 | 32.0 |
| Retention measures | 566 | 31.8 |
| Reasonable accommodation | 539 | 30.2 |
| Demotions | 333 | 18.7 |
| Other | 2 | 0.1 |

The most frequently reported reasons for listing recruitment procedures as an affirmative action measure relates to:

- a policy to give preference to candidates from designated groups when recruiting new employees
- the way in which vacancies are advertised, both internally as well as externally to attract the right candidates
- the earmarking of specific positions for the recruitment of designated employees.

In terms of relevant research, this section, in particular, draws on the *Department of Labour (June 2002)* report conducted by Global Business Solutions, which describes the experiences of 21 companies. It highlights policies and practices that appear to be effective as well as those that did not delivered the desired results.

In conceptualising the research, *Global Business Solutions* focused on holistic employment practices rather than on the achievement of numerical targets. The issues studied included overall progress to date and perceived problems; management commitment and accountability; consultation and communication; employment practices; special measures for people with disabilities; organisational culture; resources and budget; benchmarking; and recommendations to the Department of Labour. The report discusses both challenges and examples of employment equity practices and strategies used to address these barriers:

### Implementation of affirmative action measures

Many organisations have thought of innovative ways of **spreading awareness** and knowledge of employment equity. For example, a large food company decided that all advertisements, contracting agencies, bulletins and brochures must be used to create awareness about employment equity. The same company has provided all members of the employment equity committee with nametags to identify them. Another company produces a monthly corporate cartoon, which focuses on equity in the workplace.

A large retail company has produced an innovative A to Z pocket-guide to Employment Equity that is given to all employees. This guide covers relevant aspects of the Employment Equity Act, and answers questions that employees may be reluctant to ask, including the concerns of White male employees.

The finance division of a large multinational allocated an area on employment equity on its website. Included on the website are on-line labour legislation, guidance on the interpretation of the legislation, and the division's policies on discrimination and harassment. The division has also developed an Equity Kit and other forms of on-line learning that allow employees to increase their knowledge, awareness and competence in relation to diversity.

A shipping company distributes information sheets on issues such as sexual harassment, the Equality Act, and the meaning of different terms to sensitise employees on issues related to employment equity and eradication of discrimination. Another company places table-top menu-type updates on employment equity and skills development in their canteens and in all break-away and conference rooms. A retail company produces monthly hour-long videos that are shown to all employees in each store with discussion time afterwards to address employee concerns and to

answer employee questions.

One university decided to develop an in-house diversity management-training programme after investigating available options, and coming to the conclusion that more context-specific training would be better able to meet the challenges.

In terms of **barriers for people with disabilities**, a large retail company installed a special light to alert a deaf baker when the baking is completed. Another retail company utilises interpreters to assist deaf employees at meetings and also have dedicated staff to assist customers with disabilities. A financial institution installed special computerised equipment for blind people working in their IT section. A university has special wheel-chair passages in the building in which most people with disabilities are employed.

The organisational environment and culture are particularly difficult areas to address. One parastatal, among others, attempted to address this issue through its overall principles. The principles in respect of diversity state that it is the responsibility of every person in management and every employee to:

● treat people with fairness, courtesy and sensitivity with respect to their rights
● behave as if no employee is superior to others because of their race, gender or religion
● avoid using derogatory, racist or sexist language when dealing with fellow employees
● challenge others if they are acting in a discriminatory way and report such behaviour
● report any form of victimisation against those who speak up against inequitable treatment
● challenge those who deny access of others to facilities that they are entitled to.

The managing director and deputy managers of a financial institution travelled around the country with a road show and held workshops to bring the message of internal cultural change to staff.

One large company has initiated a special drive to celebrate diversity and the various cultures of South Africa. Aspects of religious and cultural diversity are highlighted on a regular basis on notice boards, in newsletters and in catering of different foods in the staff canteen. Annually, a diversity day is held where employees dress in a manner that celebrates their cultural heritage.

While the shortage of appropriately skilled people from designated groups is a common complaint, some organisations have taken steps to address the problem. A parastatal in the scientific field has recognised that in the past it relied too much on other companies in the industry for personnel. It is now assisting a previously disadvantaged university in administering and running a postgraduate course relating to its area of operation. As part of this assistance, the parastatal conducts lectures and provides lecturing materials, as well as placements for students to do their practical work. The same parastatal is assisting another university in establishing a postgraduate degree in another related area. The latter course is intended to cater for participants from elsewhere in Africa where there are no such training programmes.

Another example, is a finance division of a large company which offers a learnership which involves practical training and professional accreditation in the accountancy field to other companies which are members of the same group.

A transport company undertook an audit which, among others, involved a questionnaire distributed to all staff in which they were asked for their personal assessment of the company. Over three-quarters of the staff responded. Analysis revealed that the 10 most critical barriers to employment equity at the company included forming of cliques, the 'harsh' culture, nepotism, favouritism, and misuse of the flat structure of the company. The company drew up a matrix that, for each of the 10 barriers, provided an explanation, initiatives to address the barrier, and measures and objectives to eliminate it.

A university has implemented exit interviews and questionnaires for staff that resigned. The information obtained through this process allowed the university to establish the most important reasons for staff leaving, including information as to the aspects of organisational culture and working conditions experienced as negative.

In terms of **recruitment**, one company realised that through a thorough review of its policies and practices that candidates were sourced from agencies that were not specifically focusing on recruitment from designated groups, while advertisements were not always placed in publications targeting the previously disadvantaged. It has now undertaken to find new methods that address these weaknesses. A university decided that it had previously placed too much reliance on advertising when looking for suitably qualified people from designated groups. In future, it plans to place more emphasis on explicit search strategies.

A parastatal in the scientific field noted in its employment equity plan that when recruiting, they did not rely only on formal qualifications, proven competence or experience, but also allowed candidates to submit proof of prior learning, relevant experience, life skills and potential.

A university is experimenting with different ways of arranging for temporary secretarial and administrative assistance to determine which approach would best facilitate the gaining of experience by people from designated groups so that they would be suitable for employment when permanent vacancies became available.

Special measures are often needed in respect of people with disabilities. Within the Public Service, several departments distribute their vacancy lists to disability-specific civil society organisations. A few also contact the Office on the Status of Disabled Persons for assistance.

In terms of **training**, a large packaging company employs university and technikon students from designated groups during vacations so that they gain practical experience and, on graduation, are considered for employment. The company also provides educational assistance to dependants of current, retired and deceased employees. A parastatal that provides bursaries reported that where it is not able to accommodate all its bursars in-house after graduation, it introduces them to related industries.

Within government, some departments, for example Land Affairs, have **allocated budgets** for special training for people with disabilities, adapted vehicles, adapting buildings for accessibility, Braille signs, special parking bays, ramps, adapted computers, voice prompts in lifts, and transport to and from work.

In order for employment equity allocations to be taken more seriously, a university decided that submissions for budgets in respect of employment equity would be considered before overall budgets for departments are approved.

## Factors contributing to success in implementing employment equity measures

**Management commitment**, as well as **buy-in from shareholders**, will usually be promoted if managers understand the range of benefits to be derived from employment equity. Some companies openly acknowledge the economic, as well as social benefits in their employment equity plans.

The placement of responsibility for employment equity can be an indicator of management commitment and it can also influence the seriousness with which the issue is addressed within an organisation. A university shifted the responsibility for employment equity to the Office of the Vice-Chancellor after observing that organisations which place responsibility in the office of the CEO tend to be more successful in driving and implementing employment equity than those where the responsibility lies with the human resource function or elsewhere.

One transport company stated that 'the primary reason for the implementation of an employment equity process is strategic', as it will 'enhance the national and global competitiveness of the business'. Similarly, a large food company felt that a representative workforce 'can improve market share, better understanding of markets, and thus the ability to service all current or prospective clients.'

Many employers have paid particular attention to their recruitment methods. At one of the universities, all selection committees are now required to include in their report an aide memoire that details measures taken to recruit people from designated groups. Chairpersons and members of selection committees have also received training in respect of employment equity.

Some companies have found **innovative ways** to promote internal candidates who might previously have been overlooked. A large food company has, for example, trained previously unskilled laboratory assistants as packing managers and grain graders, and a loading clerk as a rail-loading manager. A university provided developmental opportunities for staff from designated groups by seconding them to positions where they were exposed to new methodologies and could acquire marketable skills that better equipped them to compete for higher-level positions within the institution. The same university plans to offer a keyboard skills training course to less skilled staff so that they can apply for a broader range of posts.

A large retail company holds annual graduation ceremonies around the country to celebrate the achievements of employees who have been involved in programmes from ABET to management development.

The finance division of a large company combines individual interviews, mentoring and coaching, participation in a company-wide business forum and global exposure through placement at its international offices to develop future leaders. The same company tries, in scheduling development opportunities, to ensure that no employees are prevented from participating because of family or other commitments.

## 6.  EMPLOYMENT EQUITY IN THE PUBLIC SERVICE: 1995-2001

The Public Service's performance in the area of employment equity is important for several reasons. Firstly, the Public Service employs over one million people. It therefore constitutes a significant proportion of the formal labour market. Secondly, the Public Service can and should act as a role model in taking forward employment equity in the country.

Government recognised its responsibility in this respect through the development and publication of the *White Paper on Transformation of the Public Service, 1996* as well as the *White Paper on Affirmative Action in the Public Sector, 1997.*

A recent report *(Thompson and Woolard, 2002)* based on analysis of the PERSAL (Personnel salaries) database reveals that by 2001, 51% of managers were African, compared to 30% in 1995. Black representation among Public Service managers increased from 40% to 63% over the same period.

The authors investigated whether there were differences in the patterns for senior and middle management. Among senior management, they record an increase in Black representation from 37% in 1995 to 55% in 2001. In middle management, the percentages for Blacks were 41% and 64% respectively for the two years. More detailed comparison of the percentages for senior and middle management reveal that the increase in managers for Africans was concentrated at the middle management rather than senior management level.

While the analysis focuses on management, the authors (2002: 11) note that 'transformation at non-managerial level … has important implications, by providing previously disadvantaged groups with a stable income and opportunities for advancement for themselves and their children.' Among non-managerial public servants, they record an increase in Black representation from 76% in 1995 to 86% in 2001.

The authors also examine the representation of women among Public Service managers. Overall, they record an increase in the percentage of women managers from 17% in 1995 to 35% in 1999, followed by a drop to 31% in 2001.

At senior management level, representation of women increased from 8% in 1995 to 20% in 2000, with a subsequent drop to 19% in 2001. Among middle management, female representation increased from 19% in 1995 to 36% in 1999, with a subsequent drop to 32% in 2001. The detailed tables reveal that the reversal of the pattern in respect of female representation in Public Service management affected all race groups.

*Woolard and Thompson* compare the PERSAL patterns with those reported in the first report of the Commission for Employment Equity (CEE). Their comparison suggests that the Public Service is performing better than the economy as a whole in respect of Black people, but worse in terms of women.



*Dr William Rowland (centre) is welcomed by staff at the launch of the Code of Good Practice for the Employment of People with Disabilites in Midrand.*

### The employment of people with disabilities in the Public Service

A recent report of the *Public Service Commission (2002)* reveals that in 2002, people with disabilities account for only 0,25% of the total number of people employed in the Public Service, with better performance in the national than provincial spheres.

Of the total number of people with disabilities employed, only a third were women. The report notes that these statistics 'clearly depicts the double marginalisation of women with disabilities' *(Public Service Commission, 2002: 24)*

The report concludes that the enactment of the Employment Equity Act has clearly contributed to an increase in the employment of people with disabilities. However, it notes that the Public Service is still far from meeting its target of 2% in respect of people with disabilities.

Similarly, the *Public Service Commission (2002: iii)*, in its report on employment of people with disabilities in the Public Service, writes as follows:

"increasing the representativeness of people with disabilities in the Public Service, albeit important, is not an end in itself. It must be accompanied by genuine empowerment. It is also about giving effect to some of our constitutional ideals. If we talk about South African society as being one that promotes diversity, embraces difference, and that is also caring and nurturing, it is important that such values are reflected in the workplace."

# 7.   COMPARATIVE ANALYSIS OF 2000/2001 REPORTS

A sample of 576 employers who reported correctly in 2000 and 2001 were selected in order to determine the progress made with employment equity implementation to date. The workforce profiles for the respective years are shown in **Tables 8 and 9**.

*Table 8:  2000 Sample*

| Occupational level | Male | | | | Female | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | Total |
| Top management | 132 | 58 | 78 | 2 170 | 37 | 7 | 8 | 229 | **2 719** |
| Senior management | 590 | 249 | 213 | 6 086 | 152 | 59 | 42 | 1 109 | **8 500** |
| Profesionally qualified and experienced specialists and mid-management | 4 309 | 1 546 | 1 515 | 24 653 | 2 407 | 815 | 559 | 9 256 | **45 060** |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 38 178 | 8 574 | 8 998 | 46 570 | 40 400 | 7 373 | 8 760 | 39 372 | **198 225** |
| Semi-skilled and discretionary decision making | 102 211 | 15 705 | 5 412 | 13 307 | 44 466 | 21 020 | 5 218 | 33 511 | **240 850** |
| Unskilled and defined decision making | 141 066 | 7 068 | 935 | 1 593 | 26 301 | 7 535 | 721 | 1 717 | **186 936** |
| Non-permanent employees | 15 113 | 2 802 | 816 | 7 290 | 9 658 | 3 890 | 941 | 8 728 | **49 238** |
| Total | **301 599** | **36 002** | **17 967** | **101 669** | **123 421** | **40 699** | **16 249** | **93 922** | **731 528** |

*Table 9:  2001 Sample*

| Occupational level | Male | | | | Female | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | Total |
| Top management | 154 | 63 | 89 | 2 239 | 43 | 9 | 9 | 263 | **2 869** |
| Senior management | 597 | 261 | 255 | 6 078 | 185 | 80 | 53 | 1 233 | **8 742** |
| Profesionally qualified and experienced specialists and mid-management | 4 389 | 1 922 | 1 913 | 25 799 | 1 844 | 1 308 | 785 | 10 867 | **48 827** |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 37 994 | 8 696 | 9 121 | 43 214 | 43 776 | 8 739 | 8 773 | 36 999 | **197 312** |
| Semi-skilled and discretionary decision making | 99 661 | 15 546 | 5 623 | 13 006 | 44 853 | 20 663 | 5 177 | 31 307 | **235 836** |
| Unskilled and defined decision making | 116 897 | 6 641 | 841 | 1 771 | 24 041 | 6 681 | 717 | 1 218 | **158 807** |
| Non-permanent employees | 20 183 | 3 053 | 958 | 6 340 | 11 734 | 4 711 | 722 | 5 781 | **53 482** |
| Total | **279 875** | **36 182** | **18 800** | **98 447** | **126 476** | **42 191** | **16 236** | **87 668** | **705 875** |

## Table 10: Summary of changes in Black representation in the workforce

| Occupational level | Black | | Growth in representation % |
|---|---|---|---|
| | 2000 % | 2001 % | |
| Top management | 11.8 | 12.8 | 1 |
| Senior management | 15.4 | 16.4 | 1 |
| Profesionally qualified and experienced specialists and mid-management | 24.7 | 24.9 | 0.2 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 56.6 | 59.3 | 2.7 |
| Semi-skilled and discretionary decision making | 80.6 | 81.2 | 0.6 |
| Unskilled and defined decision making | 98.2 | 98.1 | -0.1 |
| Non-permanent employees | 67.5 | 77.3 | 9.8 |

At top management level, Black representation increased by 1% from 11.8% in 2000 to 12.8% in 2001, and at senior management level, Black representation increased by 1% from 15.4% in 2000 to 16.4% in 2001. At the unskilled and defined decision making level, Black representation decreased by 0.1% from 98.2% in 2000 to 98.1% in 2001.

## Table 11: Summary of changes in female representation in the workforce

| Occupational level | Female | | Growth in representation % |
|---|---|---|---|
| | 2000 % | 2001 % | |
| Top management | 10.3 | 11.3 | 1 |
| Senior management | 16.0 | 17.7 | 1.7 |
| Profesionally qualified and experienced specialists and mid-management | 28.9 | 30.3 | 1.4 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 48.4 | 49.8 | 1.4 |
| Semi-skilled and discretionary decision making | 43.3 | 43.3 | 0 |
| Unskilled and defined decision making | 19.4 | 20.6 | 1.2 |
| Non-permanent employees | 47.2 | 42.9 | -4.3 |

At top management level, female representation increased by 1% from 10.3% in 2000 to 11.3% in 2001, and at senior management level, female representation increased by 1.7% from 16.0% in 2000 to 17.7% in 2001. At the unskilled and defined decision making level, female representation increased by 1.2% from 19.4% in 2000 to 20.6% in 2001.

# 8.    CONCLUDING OBSERVATIONS

The report has revealed that a number of employers made progress in the implementation of the Employment Equity Act.

The report suggests that compliance with reporting requirements of the Employment Equity Act will have to be managed firmly by the Department to ensure that all designated employers report as required, and to ensure that employers make reasonable effort to achieve the objectives of the Act.

The conclusions drawn by the Commission in this report are limited by the fact that not all employers with 150 or more employees submitted the reports by the cut-off date. Moreover, some of the reports do not provide adequate information.

## Conclusions

- there is frequently no direct relationship between the employment equity barriers identified and affirmative action measures reported to the Department. In other words, there are occurrences of barriers identified with no corresponding affirmative action measures. Similarly there are instances with no barriers but with corresponding affirmative action measures. This is likely to be attributable to employers not conducting thorough analyses of their current practices

- despite the fact that the reporting format is comprehensive, it is clear that further guidelines are required to assist employers

- categories such as 'terms and conditions of employment' and 'remuneration and benefits', and internal movements such as 'promotions', 'demotions', 'dismissals' and 'transfers' do not appear to be material. Consideration should be given to redrafting and simplifying categories and including detailed explanations

- the category 'work environment and facilities' is generally only related to people with disabilities and affirmative action measures stated are reactive e.g. 'will be addressed as and when necessary'

- there is a great deal of cross-referencing to attached plans that means that the required information is not necessarily filled in on the form

- in many cases stated affirmative action measures reported are superficial. Examples are statements like 'removal of all barriers', 'we expect every employee to volunteer for training and development', 'a formal and fair procedure is followed', 'procedures the same for all race groups', etc.

- the affirmative action measures reported are very generic and generally not stated in the form of an action to be taken by the employer. This creates the impression that no real affirmative action will take place, since no responsibility for remedial action is assigned.

Although there have been weaknesses in the implementation of the Employment Equity Act, the Commission is encouraged by progress made by a number of

employers who have reported. Many of these employers have implemented innovative strategies to eliminate barriers to achieve substantive progress with regard to the realisation of the objectives of the Act.

## REFERENCES

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Thompson K & Woolard I. January 2002. Achieving Employment Equity in the Public Service: a study of changes between 1995 and 2001. Development Policy Research Unit working paper no 02/61. University of Cape Town.

Commission for Employment Equity. Annual Report. 2000/2001. Department of Labour.

# APPENDIX A

## The mandate of the Commission for Employment Equity

The Commission for Employment Equity is a statutory body established in terms of section 28 of the Employment Equity Act, no. 55 of 1998 to advise the Minister of Labour on the implementation of the Act. The Commission advises the Minister on:

- Codes of Good Practice issued by the Minister in terms of section 54 of the Act
- Regulations made by the Minister in terms of section 55 of the Act
- Policy and any other matter concerning the Act.

The statutory mandate of the Commission also gives it the power to:

- make awards recognising the achievements of employers in furthering the purpose of the Act
- research and report to the Minister on any matter relating to the application of the Act, including appropriate and well-researched norms and benchmarks for the setting of numerical goals in different sectors
- hold public hearings and call for written representations from the public
- perform any other prescribed function.

## Composition of the Commission

The Commission consists of nine members appointed by the Minister on a part-time basis for a period not exceeding five years. The Minister appoints the Chairperson independently. The remaining eight members are drawn from government, organised labour, organised business and civil society organisations. They are nominated by social partners represented in the National Economic Development and Labour Council (NEDLAC). In terms of section 29(3) of the Act, all parties must have due regard to the promotion of representation of people from designated groups – Black people, women and people with disabilities – when they nominate people to serve on the Commission. The tenure of the present Commission ends in the second quarter of 2004.

## Profile of current members of the Commission

Since the last report, three members have left the Commission, and three new members have joined. The members who left are Karl von Holdt, Meko Magida and Crecentia Mofokeng. The Commission takes this opportunity of acknowledging the contributions of these three individuals, and thanking them for what they put into our work. The three new members are Commissioners Brenda Modise, Fundisile Nzimande and Sipho Ntombela. Their profiles are contained below together with those of continuing members.

**Professor Mapule F Ramashala (Chairperson)**
Professor Ramashala is the Vice-Chancellor and Principal of the University of Durban-Westville. She was previously a Commissioner on the Truth and Reconciliation Commission and a member of the Committee on Reparation and Rehabilitation. She is Vice-Chairperson of the Medical Research Council Board and was Chairperson of the National Research Foundation.
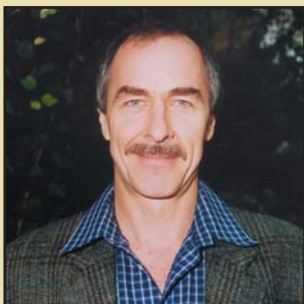
**Dr Frans Barker (Organised Business Representative)**
Commissioner Barker is currently Senior Executive and Chief Negotiator for the Chamber of Mines and a member of the Labour Market Chamber of NEDLAC.

**Mr Tom Boya (Organised Business Representative)**
Commissioner Boya is the Managing Director of TS Marketing. He holds various community positions and is Chairperson of the Daveyton Adult Centre and the Northern Province Community College respectively.

**Mr Tefo Raditapole (Organised Labour Representative)**
Commissioner Raditapole, an attorney, is a partner at Cheadle Thompson and Haysom Attorneys. He is a part-time Commissioner for the Commission for Conciliation, Mediation and Arbitration (CCMA) and a Director of TOKISO Dispute Resolution.

**Ms Fundisile PL Nzimande (Organised Labour Representative)**
Commissioner Nzimande holds a Bachelor degree in English and Economic History and a teaching diploma from the University of Natal (Pietermaritzburg). She was formerly the Vice-President of the Gender Committee of the South African Democratic Teachers Union (SADTU), and a member of both the National Working Committee and the Executive Committee of SADTU.

**Mr Kgotso C Tau (Community Representative)**
Commissioner Tau has worked for the South African Broadcasting Corporation (SABC) and for the Free State Development Corporation where he was the Manager for Public Relations and Corporate Secretary respectively. He was also the former Director of Communication at the Department of Public Works. He currently holds a position in the Office of the Premier, Free State Provincial Government.

**Ms Brenda Modise (Community Representative)**
Commissioner Modise holds a qualification in Labour Law from Rand Afrikaans University, and is employed by the National Council for Trade Unions (NACTU) as their National Gender Coordinator. She is a representative of the Women's National Coalition and replaces Ms Crecentia Mofokeng who resigned during 2001.

**Advocate Thuli Madonsela (State Representative)**
Commissioner Madonsela, a lawyer by profession is Project Manager of the Equality Legislation Education and Training Unit (ELETU), a judicial education project of the Judicial Services Commission and Magistrates Commission which is based in the Department of Justice. She is CEO of the Centre for Reconciliation and Equality Studies (CRES) and a member of the Black Economic Empowerment Advisory Committee (BEEAC) of the Department of Public Works. She also holds a non-remunerative position of Chairperson of the South African Labour Development Trust (SALDT), a collaborative capacity building project of the three major labour federations in the country.
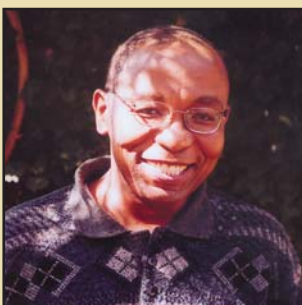
**Mr Sipho Ntombela (State Representative)**
Commissioner Ntombela holds a Bachelor of Science degree from the University of Fort Hare, a Higher Diploma in Education and a Bachelor of Education from the University of Natal. He is currently studying towards a Master of Management degree in public and development management offered by the University of the Witwatersrand. Commissioner Ntombela currently works for the Department of Public Service and Administration (DPSA) as Manager of Employment Practices. The unit he leads is responsible for policy formulation, advice and guidance to national and provincial government departments on human resource policy areas such as recruitment and selection, competency profiling, performance management for public servants below the senior management levels, integrated human resource planning and the management of HIV/AIDS.

**Technical and administrative support**

The Commission expresses its gratitude to the Executive Manager, Mr Frans Moatshe, and his staff for providing support and coordinating related activities of the Commission during the year under review, particularly:

**Technical Assistance (Policy Development Unit)**

Victor Ramaema
Ntsoaki Mamashela
Niresh Singh
Dorothy Khosa

**Secretariat**

Lucia Rayner

**Department of Labour**