

**AFRICANISATION OF SOUTH AFRICAN  
COMMERCE AND INDUSTRY:  
IMPLICATIONS FOR THE HUMAN  
RESOURCES PROFESSION  
1986**

**1. INTRODUCTION**

Talking of or advocating the Africanisation of South Africa or South African Commerce and Industry is as paradoxical as advocating the Anglicization of England. Yet upon closer examination it comes to light that there is in fact a case for this advocacy. Several aspects of corporate South Africa are painfully un-African. The following to wit:

*In the South Africa of 1986 up to 95 percent of corporate management is still white, i.e. manned and run by South Africans or expatriates of European or Western stock - in a country which is 75 percent Black/African.*

*The dominant work value system flowing from the above is the (Protestant) Work Ethic which finds itself in occasional conflict with Marxist - related or humanistic work value systems espoused and propounded by Blacks generally.*

*The mainstream of the South African economy is firmly and unquestionably in white hands. To any concerned Black observer of the South African economy it is clear that the economic highway to power has few entry lanes for Black South Africans. Nothing so vividly reveals the devastating impact of Apartheid and the legacy of political and economic exclusion as the limited dimensions of Black business participation in what is arguably the most powerful economy in Africa. South Africa's wealth and industrial production rank amongst the best in the world, and within it the production of Black managed business is so small that it can scarcely be measured on any definable scale. This despite the fact that Africans constitute 75 percent of the population.*

In the scramble for jobs, investment capital, education and political power, Europeans in South Africa continue to hold a virtually unassailable position of strategic superiority. They preside over all economic and political power and have a secure lock on the ability to decide who gets what. This state of affairs is clearly an affront to the rest of the population - an insult that is increasingly hard to swallow. In fact the African response is now one of raging indignation. A determination to put a stop to this affront and a demand for restoration of human dignity which includes the right to work without any racist interference.

Thus the call for Africanisation of South African Commerce and Industry is a response to the glaring absence of Africans in key decision making positions within corporate South Africa. It is a demand for inclusion. A demand for opportunities to influence patterns or designs for living in the socio-political and economic spheres. A desire to infuse even corporate life with African culture - African ways of life.

## 2. WHY FOCUS ON CORPORATE BUSINESS?

The challenge of Africanisation is focused on South African Commerce and industry or corporate South Africa for very sound reasons. Corporations are analogues for the rest of society. A corporation is society's microcosm. South Africa is currently agonizing about re-inventing education, health care, politics, labour relations, and virtually all other social structures. Running through all these is the Africanisation imperative. Everyday the corporation must confront the harsh judgement of the market place. Not every five years, not every school year, not every month. Customers, unlike other constituents, vote in rands every day; workers in crucial man hours; and that, for circumspect and far-sighted corporations is the driving force that hastens corporate evolution.

It is hoped that growing realization and acceptance of the need for Africanisation will provide the thrust that could halt the polarization spiral; and begin the hard but all-important task of depolarizing South African society.

## 3. INCREASING INTERGROUP POLARISATION

One of the major challenges currently facing South Africa's corporate and political strategists is how to resolve the present political logjam in the country. The prevailing socio-political situation is variously described as: "A state of violent equilibrium" "A violent stalemate" etc. Well, it is that, and more. Ours is a tragically polarized society. To start with it is racially painfully polarized. Out of the racial polarization stem a host of conflicting perceptions and behaviour patterns. The following spring to mind readily:

*Enlightened White South Africans perceive reform as both inevitable and desirable. The majority of Black South Africans perceive reform as largely irrelevant and insist on fundamental change - charging that to the same degree that one cannot carve rotten wood, one cannot reform a system as sociologically untenable and economically counter-productive as Apartheid.*

*The essence of the Reform versus Change debate is captured very aptly by Sam C Nolutshungu in his book "Changing South Africa", where he declares:*

*"Just as there is a resistance among Whites to any real loss of power and privilege, there is, among Blacks, an equally strong ideological and political resistance to any reform that might perpetuate White domination and Black subordination, and, just as, among Whites, the opposition to fundamental political change is not, as it is sometimes supposed, located only in one class, so, also, among Blacks, the rejection of white dominance is not restricted to one class, and there is no class that can be said to be decisively in support of continued white domination, even if somewhat reformed".*

*Blacks demand one person one vote in a unitary South Africa. Whites shudder at the very thought and advance numerous reasons why such an approach to resolving the core of South Africa's problem would not work.*

*Blacks call for international sanctions against South Africa as a pressure point to bring about desirable change. Whites cry fowl to the international community and plead unconvincingly that such a move would hurt Blacks most; skirting around the central issue of abolition of Apartheid and restoration of human dignity to Blacks.*

*Blacks clamour for advancement in commerce and industry - for upward mobility to policy and decision making ranks within corporate South Africa; Whites in middle management sabotage and foil these hopes and endeavours.*

*Blacks demand a Bill of Rights that would foster and protect individual human rights and consider the protection of individual rights adequate. Whites insist on protection of group rights and sectional interests.*

*Blacks want all South Africans to be involved in planning this country's education - People's Education! Whites want to plan and run their education as well as that of Blacks.*

*Blacks perceive current American interference in Southern Africa as destructive engagement, and abhor it. Whites perceive American intervention in Southern Africa as largely constructive and applaud it.*

*Whites experience South Africa as by and large a democracy with an economy founded on free enterprise principles.*

*Blacks experience South Africa as a modern-day illegitimate tribal feudalism with an economy grounded in racial capitalism bent on exploiting Blacks and sinfully enriching Whites.*

*White people complain about paying too much tax and imagine a great deal of this is spent on improving the lot and livelihood of Blacks. Blacks complain even more bitterly - charging that no matter how much or how little they pay in taxation to a state they perceive as devoid of legitimacy; this act cannot be justified on moral or any other human grounds since the money paid is used to fuel an oppressive machinery that crashes them daily.*

And so one could go on. These conflicting views manifest themselves in virtually all walks of South African life. These conflicting perceptions generate tension. The tension finds expression in violence, all sorts of violence. Protracted violence undermines confidence in the soundness of the country's economy. Lack of confidence in the economy makes corporate planning difficult and undermines sound human resources planning and development. Overcoming all this is a massive challenge that will continue to face South Africa for the foreseeable future.

#### **4. IDEOLOGY AND BELIEFS ABOUT WORK**

One of the major forces undermining labour force stability is ideological differences between managers (who are virtually all white) and the managed (who are predominantly Black). Such ideological differences often masquerade as cultural differences.

Following Harvard Business School's Professor George Lodge, we shall define ideology as quite simply "the collection of ideas that a community uses to make values explicit in some relevant context". In a sense, ideology serves as a kind of conceptual bridge. It links general and non-controversial social values such as "survival" or "justice", "a strong economy", or "national self-determination" with concrete realities (such as demographic, geographic, geopolitical, and economic forces which, Lodge says, shape the "relevant context". Ideology provides values with institutional vitality. And particular ideologies give birth to specific social institutions - forms of government, legal frameworks, management styles,

human resources policies and systems of labour relations, and the like. Put differently, ideology is how a community explains itself to itself, how it justifies what it does and the choices it makes. Ideology is, as Lodge perceives it, “the hymns a community sings to justify and make legitimate what it is doing, or, perhaps, what it would like to do”.

Viewed in this light South African corporate management and those they manage sing discordant choruses. Management sings capitalism and free enterprise. Labour which is predominantly African asks the rather revealing question: What is free about your Free Enterprise? And then proceed to sing a chorus akin to socialism. The incompatibility of the ideologies of the managers and the managed in this country generates a great deal of tension and in many instances leads to reduced productivity and the loss of a myriad man hours.

Understanding ideology is crucial for management because ideology is the key to managerial authority in any society. To know the source of your managerial authority requires an examination of ideological principles. Who decides community and national needs? Is it corporate business? Is it government? Is it the various communities? Is it all these together-in co-operation or conflict?

Viewing culture as the whole constellation of values, attitudes, skills, and contacts that economists call “human capital” opens up new vistas in which the challenge of Africanisation manifests itself: the realm of beliefs and values about work.

Given prevailing conditions in South Africa one could safely postulate that Whites would as a general rule subscribe to the Work Ethic, and Blacks would in general espouse and propagate Marxist - related beliefs.

The Work Ethic posits that work is good in itself and bestows dignity on a person. Everyone should work and those who do not are not useful members of society. By working hard, a person can overcome every obstacle that life presents and make his own way in the world. Success is in this way directly linked to one’s own efforts, and the material wealth a person accumulates is a measure of how much effort has been expended. The underlying ideology of the Work Ethic belief system is individualism. Founded on the principles of 18th century liberalism, it takes an “atomistic” view of society, defining the community as nothing more than the sum of its individual parts. It lays greater emphasis on competition and individual excellence than on cooperation and team work.

The Marxist-Related Belief system, more likely to be propagated by Blacks in particular those in the trade union movement - posits that productive activity or work is basic to human fulfillment. Without work, humans can neither provide for their physical needs nor realize their potentiality as human beings. Through work, humans create the world and relate to fellow human beings. As organized in a capitalist system, however, work does not allow people to fulfill themselves as creative and social individuals. The work of most people within such a system mainly benefits the ownership classes rather than the people doing the work. Thus workers are exploited and alienated from their productive activity. To overcome this condition, workers should be given more of a say as to what goes on in corporations and exercise more control over the workplace. The underlying ideology in this belief about work is communalism. In contrast to its individualistic counterpart, the communal ideology emphasizes the “organic” nature of the community as something more than the sum of its individual parts. Over and above recognizing the formal rights of the individual, communalism highlights the concrete duties and privileges of membership

in the community. Indeed, individual fulfillment depends on a place and role in a given community and on identifying with the whole. This ideological base is conducive to cooperation and team work in the workplace.

For as long as the work values of the management class (which is White) and those of the managed (largely Black) remain incongruous, human resources management will continue to be conflict ridden. Africanisation of South African commerce and industry, by way of giving Blacks a real stake in the economy and incorporating them substantively in the corporate management structure, could bring about convergence of these two work value systems. The outcome may be a socio-economic system akin to post World-War II West Germany's. West German communalism is founded upon a multiplicity of "para-public" institutions such as industry confederations, major banks, trade unions, and works councils. And, while there has been a broad consensus around the goals of German society for much of the post - World War II era, it has been "laissez-faire" and "social welfare" principles known as the SOZIALMARKTWIRTSCHAFT "Social Market Economy" - which is neither strictly "individualistic" nor "fully communal". That is obviously preferable to an extreme form of socialism which may follow corporate recalcitrance to Africanisation.

## **5. INTERFACE MANAGEMENT : A TOOL FOR INTEGRATING SOUTH AFRICAN CORPORATE BUSINESS**

South African society is designed to foster and nourish ignorance between and among the various race groups. The country is something of a national schizophrenic. This split national personality is manifest in political authority's insistence on and enforcement of socio-political separation along racial lines whilst the imperatives of a single economy demand and to some extent enforce integration. This national malaise drastically undermines economic performance. Corporate South Africa must fight with every might at its disposal to cure this South African disease of racial separation and divergence amidst economic interdependence.

Interface management at various levels could serve to remedy this national malady. The following areas are worthy of serious consideration:

### **5.1 *Bridging the Gap during Formative Stages***

The educational system or should one say systems in this country are designed to produce "deficient human models" for commerce and industry. Black matriculants and graduates are churned out by a system that is by now discredited - a system that is at best ill equipped to educate. White matriculants and graduates from so-called Christian National Education enter commerce and industry relatively better equipped technically speaking but psychologically misguided and infused with a false sense of superiority. Consequently, corporate South Africa has to waste a lot of time and money trying to remedy a national malady caused deliberately. It is imperative for corporate management to take preventive steps by insisting on sound educational planning that would ensure interface among the various race groups during the formative stages. In brief, education should be integrated. Organized commerce and industry must ensure that.

### 5.2 *Drawing Managers from the Total Population*

The fact that upward of 90 percent of South Africa's current management is drawn from the White sector of the population - a sector that constitutes less than 15 percent of the total population - is by now common knowledge. A situation so anomalous must of necessity have thrust a substantial proportion of these White managers to their levels of incompetence (in terms of the Peter Principle). And as we know, at this level (of competence) managers are at best unproductive and at worst counter-productive.

Preoccupation with the use of Whites only as managers has gone beyond the point of diminishing returns and it is now imperative for corporate South Africa to tap and develop the virtually untapped management brain power potential of people other than White. Effective interface management presupposes the inclusion of a large enough number of Blacks in management so that inter-race interface at managerial levels can take place continually. It is no good excuse for corporate South Africa to moan that there are no qualified Blacks to incorporate into the management class. There are several million qualifiable Black individuals out there. Corporate South Africa must find and develop them.

### 5.3 *Developing Competent Managers Overall*

An overriding challenge that supersedes the Africanisation imperative is the development of competent managers for a non-racial South Africa.

One way to envision a truly integrated South African Management Structure is to picture in your mind's eye a South Africa without Apartheid. As currently structured South Africa is designed to keep various race groups essentially ignorant of one another. As things stand now, management, which is White, cannot really claim to be able to manage the managed, who are mainly Black, competently and effectively. Competent management presupposes knowledge of the managed's world-view and existential experiences. In a South Africa beyond Apartheid this will be possible.

During the past two years there has been a resurgence of corporate awareness of the need to "breed" and develop managers and to focus greater attention on the hitherto largely untapped "Black Management potential". The resurgence manifested itself in such concepts and intended programmes as :

*Black Advancement Programmes*

*Special Emphasis Programmes*

*Accelerated Management Development Programmes*

*"Affirmative Action Programmes"*

*Equal Opportunity Programmes, etc.*

If we accept that South African society is structured to promote inter-racial ignorance, then what is missing from the above list of programmes is a "White Advancement Programme" designed to inform Whites about the concerns, expectations, agenda and value systems of those they manage. The envisaged "truly integrated South African management structure"

would be designed for human resources development and utilization. The cardinal object would be to ensure PEOPLE MANAGEMENT COMPETENCY.

In recent times there has been too much talk about this or that advancement. Advancement where to? I guess towards proper and full utilization of our economic and human resources which is heavily dependent on effective and competent management. But what is competent management -how is it conceptualized in this country, what is the ideal we should strive to attain?

There is a crying need to develop a logical, integrated model of managerial competence. Such a model should provide a context for understanding the different demands of the management job, and help managers tap their competencies to become more effective. Such a model should take into account the developmental stage of the country's demographic variables, the socio-economic milieu and prevailing socio-political mood. Allied to this should be a model of individual competence that goes beyond the typical simplistic notions of traits and skills, illuminating various levels at which competencies exist in the human organism.