

# Special role of HR in South Africa

South African Minister of Labour MMS Mdladlana sets out the challenges for the HR sector in the country...

In South Africa we have passed the stage of putting in place the policies that form the building blocks for transformation and improvement in the working environment. We are now embarking on the long road of ensuring that real changes happen, and that organisations improve their ways of managing and developing their human resources. And there will be many challenges, to government, to business and labour and, perhaps most importantly, to... the practitioners and managers of the human resource functions in organisations throughout South Africa. I am extremely encouraged by the many initiatives that are taking place to organise and effectively represent the human resources community in South Africa.

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## Background

It is always pleasing to have the opportunity to write about the strides organisations in South Africa are making towards achieving the objectives of our policies and strategies. In the area of human resource development, I believe that our key reference points are:

- The Skills Development Act – which aims to develop the skills of the South African workforce in order to improve the quality of life of workers, and also to improve the productivity and competitiveness of employers;
- The goals set for skills development in the National Skills Development Strategy – which are intended to chart the way ahead for my department, for the Sector Education and Training Authorities and other key institutions up to March 2005;
- The Employment Equity Act – which is aimed at eliminating unfair discrimination in the workplace and taking measures to make organisations representative of the people of South Africa.

It is appropriate to think of these policies and strategies in an interrelated way. Skills development and employment

equity can be seen as cornerstones of good human resource practice in South Africa today, and together they contribute to enhanced performance of enterprises and improvements in the quality of working life.

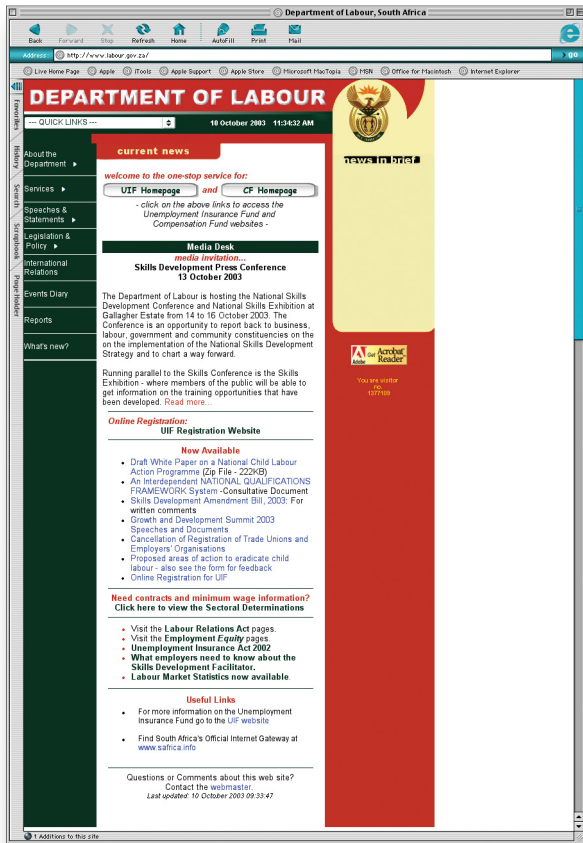
## Peak performance, skills and equity

Organisations large and small, in every sector, are being squeezed on all sides. They are competing for customers whose expectations of quality, price and service are constantly rising. South Africa is not alone in this – it’s happening the world over.

Throughout the world, education and training and equitable working practices are recognised as essential ingredients to compete successfully and to ensure what the International Labour Organisation has referred to as high-performance working practices. There is growing consensus that high-performance working practices show a concern on the part of employers with developing their labour force and making use of working practices such as teamworking, job redesign, employee involvement in decision-making, extensive communication and performance-related pay to enhance organisational performance. Although there continues to be an academic debate about the link between these working practices and the performance of organisations, British academics Ashton and Sung argue that “...we believe that link has now been established, so we use the term high performance work organisation to refer to organisations which utilise high performance working practices in a systematic manner.” (David Ashton and Jonny Sung, *Supporting workplace learning for high performance working*, Geneva: International Labour Office, 2002)

I would like to agree with Ashton and Sung. In fact, most of the legislation of my department in the post-1994 period has been crafted to move enterprises towards high-performance working practices on the premise that this is in the interests of both workers and employers.

Let us not forget the commitment of the Skills Development Strategy, which is “to develop the skills of the South African workforce to improve the quality of life of workers and to improve productivity in the workplace and the competitiveness of employers”. To



work at this commitment, we need to take a leaf out of the book of winning nations and move forward in educating and developing the nation, if we are to grow and, indeed, to thrive.

We have spoken in the past about having not only an African renaissance but also a 'workplace renaissance', where innovation and creativity are at the core. All organisations need to build on their strengths and stretch beyond their current offerings and operations, as they progress within the global arena.

### New technology

Not only do we face the challenges of global competition, however. The business environment is constantly changing; new technology is revolutionising the way businesses operate and the way we communicate with each other and with our customers. The strategies that brought success in the past are no longer appropriate in global and electronic markets. But investing in technology is not enough: to survive, we need to remain vigilant, anticipate change and adapt smartly.

Yes, technology has enabled businesses to take tremendous leaps forward. Still, it is people and not machines that are the driving force behind successful businesses. Because no matter how much you invest in new equipment or new systems, the key to your success lies in the attitudes, outlook, skills and support of your people. It's your people

who will help you to respond to the pressures of a changing world and deliver the benefits you seek.

It is for this reason that organisations need to ensure that they develop, and, most importantly, communicate their vision, ensuring that everyone in their organisation knows and understands it. Before people can change, they need to know and understand where they are going, and to buy into the reasons for going there. And they need the skills and opportunities to get there. And for those who were denied access to skills and opportunities in the past, and continue to suffer the ramifications of such discriminatory practices, the Employment Equity Act is aimed at ensuring that their full potential is developed and realised. We therefore must ensure that opportunities open up for them to participate fully in our economy. The organisations that stand to gain the most are those that equip their employees with knowledge, talent, skills and opportunities to deliver and create value. It is such organisations that will establish a culture of lifelong learning and that will ensure sustainable growth in our economy.

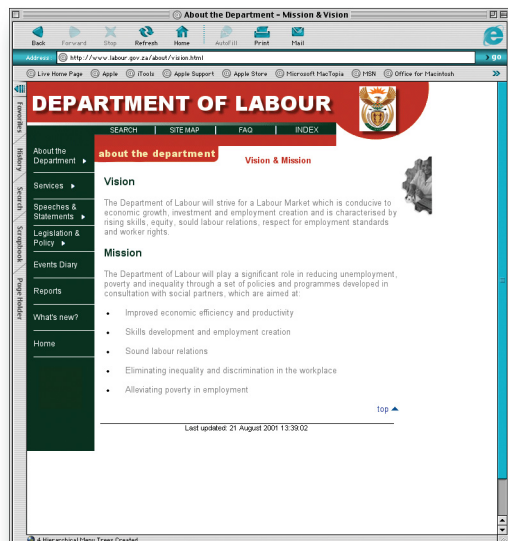
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Skills development and employment equity are, therefore, inextricably linked. They are not the same, in that a culture of learning and training in enterprises is necessary for good performance irrespective of the workforce demographics. But we know that in South Africa, with our legacy of institutionalised segregation of labour that we are reversing, skills development is an essential component to achieving employment equity.

However, the key question remains whether we are succeeding in reversing the legacy of the apartheid system. Cabinet has commissioned a research study to review how well we have done in the last 10 years of our democracy – which should be ready when we celebrate 10 years of democracy next year. But looking at what emerged out of the employment equity report published by the Employment Equity Commission recently, you will note that the pace of change is too slow. Amongst others, the report notes that "whites still constitute the majority of employees in senior management (80%)", "women hold 18% and men 82% of the positions in senior management", and "people with disabilities represent 0.9% of the employees reported on." These signals are worrying indeed and, if not turned around, will come back to haunt us all.

### Joint campaign

At the Growth and Development Summit in June this year, government undertook to "co-ordinate a joint



campaign to enhance public awareness of the provisions of the Employment Equity Act by August 2003". Similarly, organised business undertook to contribute resources to the campaign, with organised labour also undertaking to mobilise and educate its members as part of the campaign. This campaign is aimed at the submission of equity plans by organisations in October. ... We must all work together to ensure that the next employment equity report gives us more encouraging signals than the ones we have at the moment.

The Report of the Commission for Employment Equity for last year highlighted that many organisations complain that there is a shortage of appropriately skilled persons from designated groups. Finding practical ways of addressing this must surely be the substantive challenge in the linking of equity and skills development. Whether this means new innovations in tackling barriers for people with disabilities, improved recruitment policies or better use of learnerships and mentoring arrangements, there must be many options open to companies in supporting equity through skills development.

## Conclusion

With regard to the Employment Equity Act, the Skills Development Act and the National Strategy for Skills Development, we are making progress, but there is still much to be achieved. I know that achieving a more skilled, a more representative and productive workforce will take time. But we must make sure that we accelerate the momentum and that we are able to identify concrete evidence of progress along the way.

Building a culture of lifelong learning and achieving equity in the workplace means creating high-performance enterprises – changing negative attitudes and encouraging employers and workers to accept both equity and skills development as vital contributors to productivity and competitiveness. And I would be happy to consider any

joint proposals from stakeholders in the human resources community on ways to strengthen or formalise the role of [their] profession – as long as such proposals are within my mandate, and do not result in exclusionary practices.

*'The organisations that stand to gain the most are those that equip their employees with knowledge, talent, skills and opportunities to deliver and create value.'*

I am also pleased that my department is making good progress in the piloting of the Investors in People standard – a standard that enables organisations to benchmark themselves against good practice in people development. I am told that the National Skills Authority has recently recommended that the Investors in People standard be implemented nationally, and it is important to note that the proposed Amendments to the Skills Development Act will enable me to adopt a national standard to promote good practice in skills development – which I will consider doing once I am informed of the outcome of the roll-out.

The Investors in People standard is a valuable means of assessing the commitment of companies and government departments to the development of their employees. It is a standard that can benchmark good business practice and make South Africa more globally competitive and attractive to investors.

However, a tool is only as effective as the people who use it. If Investors in People is to contribute to the growth and development of South African industry, it needs to enjoy the full support of employers and workers, employer associations and trade unions.

As with all other skills development efforts, the time and effort employers put into this initiative will reap enormous rewards. I have said it before: realising the potential of machines depends on people. Securing customers depends on people. Producing quality goods and services depends on people. How can an investment in their upgrading be seen purely as a cost? People are at the very heart of the productivity quest.

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