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Mining industry shows mixed levels of transformation

Johannesburg - The numbers of black representatives on the boards of mining houses has increased from zero in 2001 to 37 percent by the end of 2005, according to a report released by executive research company Landelahni Business.

"This represents a significant shift since the mining charter was formulated in October 2002," Landelahni Group chief executive Sandra Burmeister said on Wednesday.

"However, at other levels, representation in the mining industry trails the average across all industries," she added.

The research, covering 80 percent of the mining sector, was undertaken by Landelahni to determine progress made in employment equity at operational and corporate level in the mining industry and to provide guidelines to companies in developing employment equity strategies in line with the requirements of the mining charter.

While the number of non-engineering black and white executive directors in the mining industry grew significantly between 2001 and 2004, the ratio between black and white remained static at around 13 percent.

Black representation in positions from executive to mid-management level grew from 24 percent in 2003 to 29 percent in 2005.

"At corporate head office and at mining operational level, more than 80 percent of blacks were in support functions such as human resources, shared services, finance and communications," Landelahni said.

At operational level, the research indicated that out of 100 shafts, there were 11 black mine managers, compared to two in 2001.

The research indicated that, to date, the mining industry had been slower than other sectors to put processes in place to meet transformation requirements. "However, the significant board transformation that has occurred is a step in the right direction. It is bound to accelerate the process across the rest of the organisation," Burmeister said.

"What remains worrying, however, is the downward trend in engineering graduates from tertiary institutions since 1998, including those with mining-specific degrees," he added.

"There has been a 30 percent increase in engineering enrolments, but only 5 percent of first-year students actually graduate as engineers. The reasons include funding problems due to a decline in the available bursaries as well as the lack of effective bridging programmes to assist students who have not necessarily had a strong mathematics and science background," Burmeister said.

"At the same time, while 1 000 learnerships per annum have been targeted by the Mining Qualifications Authority, as at August 2004, only 686 had been taken up,

and only 40 had been completed," she added.

"The technical skills shortage will be compounded over the next 10 years if such a reduction in numbers is allowed to continue," she said.

More encouraging was the increase in Engineering Council registrations across all disciplines, indicating that the companies are putting employees through certification processes, according to Landelahni.

Here the employment equity statistics were quite balanced, with 907 blacks registered in 2004, as against 940 whites, it said.

The two main reasons cited for not meeting industry sector employment equity targets have been the shortage of skills in the industry and the competition for skills.

"Owing to the industry-wide skills shortage and lack of career growth opportunities, a high level of career-mobility exists among black mining professionals," said Burmeister.

"Mining is perceived as a shrinking industry and this, combined with the length of stay of experienced people, does not make mining an attractive option for ambitious, high-powered people, except at a black economic empowerment (BEE) shareholding level. Add to this the fact that most black recruits exit from the industry in 18 months," she added.

The main challenges facing the mining industry were the development of short, medium and long-term recruitment, retention and management develop strategies. "Not enough is being done to develop skills in the sector, and this will compound the skills shortage in the medium to long-term. If we don't have enough graduates, we will have to increase skills imports to meet future needs," she stated. A solid graduate programme that went beyond merely providing bursaries to black candidates was required.

"Graduate development programmes needed to focus on ensuring that each graduate has the support, guidance, career planning, mentoring and coaching necessary to ensure extended employment with the company. And, once they are employed, a fast-track programme for black candidates with management potential is needed so they can achieve executive status within the company, particularly on the operational side," Landelahni said.

"Beyond that external recruitment strategies need to be developed to address both the skills shortage and to ensure that senior positions are occupied by black people. Often potential candidates exist at executive and senior management level in other industries, with transferable skills," said Burmeister. - I-Net Bridge

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