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EMPLOYMENT EQUITY

BEHIND THE CURVE

Mining sector trails in transformation – survey

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The mining sector continues to trail other South African industries when it comes to employment equity (EE), particularly at top-executive and professional levels, according to the results of a survey conducted by local executive-search group Landelahni.

SANDRA BURMEISTER
Mining transformation trails market

The study, which looks at progress made between 2001 and 2005, concludes that data for both 2001 and 2005 show that "the mining industry has been slower than the market to react to transformation requirements".

In fact, only two companies (African Rainbow Minerals and Harmony Gold) across the industry actually met their EE targets, and have made real inroads at both corporate and mining operations level, says Landelahni group CEO **Sandra Burmeister**.

The research, covering 80% of the mining sector, was undertaken to provide insight into the progress made in EE at operational and corporate level in the mining industry, and to provide guidelines to companies in developing EE strategies in line with the requirements of the Mining Charter.

In 2005, the mining sector, which was the first to conclude and gazette a broad-based black economic-empowerment (BEE) charter, had black representation of only 18% in top management (overall for the country was 23%), 29% in senior management (overall, 28%) 27% in professional and middle management (overall, 53%) and 45% in skilled labour (overall, 56%).

While the number of nonengineering 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%.

Aside from an increase in non-executive director representation, from zero (0,05%), in 2001, to 37%, in 2006, the only other noteworthy improvement was at mine-manager level, where, in 2005, there were 11 previously-disadvantaged South Africans (PDSAs), compared to two in 2001.

Further, at corporate, or 'head office', level, most black and women employees were in support positions, such as human resources and communications, Burmeister says.

On the reasons for the industry's failure to meet expectations, she says that the miners themselves cited skills shortages, and competition for skills, as the main culprits.

The report points to an "alarming downward trend" in engineering graduates from tertiary institutions since 1998, including those with mining-specific degrees.

"There has been a 30% increase in engineering enrolments, but only 5% of first-year students actually graduate as engineers."

The reasons for this include funding problems, owing to a decline in available bursaries, and a lack of effective bridging programmes to assist students who have not had a strong mathematics and science background at school level.

Another problem facing the industry is that mining engineers are being poached out of the sector by other skills-hungry industries.

This is compounded by a high level of career mobility being sought by young black professionals, not necessarily available in the mining sector.

Further, the industry is widely viewed as 'conservative', declining and change-resistant.

"This does . . . not make this an attractive option for ambitious, high-powered people, except at a BEE shareholding level," the report comments.

On average, the time period between entry and exit in the mining industry for black executives (other than shareholders) is about 18 months, according to Burmeister.

She believes that there is a lot more the industry could be doing to develop, attract and hold on to black employees, at all levels of seniority.

In 2001, the mining sector said that it would focus on accelerating development by identifying promising black and female employees to attend technikons and universities, but the current statistics do not reflect any significant shifts since then in the development of skills at either a graduate or professional and technical level.

Further, of the 1 000-plus learnerships available every year from the Mining Qualifications Authority, in August 2004, only 686 had been taken up and, even worse, of these only 40 had been completed.

Burmeister suggests that, if the mining industry intends to meet its EE commitments, companies will need to develop short-, medium- and long-term recruitment and management-development strategies, to actively attract and retain top-quality people, in the face of more alluring prospects elsewhere.

"Mining companies will also need to explore solid graduate programmes that go beyond simply offering bursaries to PDSAs."

"Graduate-development programmes should focus on ensuring that each graduate has the support, guidance and career planning, mentorship and coaching necessary to ensure he or she will be an asset to the company in the medium to long term," she adds.