

HR's **BEE** question: Organic growth or bought skills?

With BEE, the ICT industry's key mission at the moment, those involved are asking: is it better to recruit new BEE ICT skills or to develop them in-house?

By Tracy Burrows

The SA ICT industry's new empowerment charter comes into effect this month, with the aim of empowering historically disadvantaged individuals (HDI) within the ICT sector.

As industry players scramble to rearrange their staff quotas and open new lines of business with BEE partners, HR departments are left scratching their heads over the question of how to meet the needs of great numbers of skilled HDI in their employ.

Genuine and effective empowerment requires a great deal more than just giving HDI candidates equal opportunities. It requires proactive moves, such as actively fast-tracking the progress of HDI, running intensive skills development programmes, and partnering with BEE small and medium enterprises in business.

This is a taller order, since skills development can prove costly, and there are still shortages of HDI skills especially at management level in the ICT arena.

Soria Hay, executive director of BEE specialists Bravura, warned recently that the Charter was too prescriptive and could prove too difficult for companies to achieve. Hay pointed out that achieving a certain empowerment rating in each of several categories including corporate social investment, enterprise development, preferential procurement, equity ownership, skills development, employment equity and management and control could be exceptionally difficult.

WHY CARE?

Besides the obvious facts that empowerment is the right thing to do and the Charter prescribes ways to accomplish it, there is also a watertight business case for

empowering your company as soon as possible. Quite simply, if your company is not empowered, nobody will do business with you in a few years' time.

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- Org Geldenhuys, Abacus Recruitment

Jill Hamlyn, Group MD of The People Business, points out that any business entity depends directly upon people in their capacity as both resources and consumers. "Business can never afford to live 'alone', as it can only exist as a name, not as a living functioning organism, without the active support of people," she says.

Therefore, Hamlyn says, the business and social case for meeting the ICT Empowerment Charter guidelines is "to reinforce the needs of the social fabric of the current environment in which business exists in order to successfully ensure business sustainability, through the people who are in fact both the direct and indirect supporters of the business".

UPSKILLING AND RECRUITMENT

Most companies are well aware of the business case for BEE and are upping their efforts to draft an empowerment plan.

Not all of them are going about it effectively. In some cases, a limited number of BEE candidates are being headhunted from post to post at unusually high salaries. This, say experts, doesn't help anyone but the aforementioned candidates. True empowerment requires a proper plan and a commitment to real skills development, they say.

Org Geldenhuys, a director of IT recruitment company Abacus

Recruitment, said as early as a year ago that BEE was creating a bigger pool of workers in the IT industry, with BEE companies being especially inclined to employ and train BEE

candidates. These candidates are now starting to circulate with the industry, meaning there is a slowly growing pool of BEE ICT skills available.

On the question of whether upskilling existing staff or recruiting new staff to meet BEE quotas is the better option, Geldenhuys says there are arguments in favor of both.

"There are pitfalls when it comes to upskilling, especially if staff are fast-tracked into positions without really gaining the necessary experience. Even if you find the right person, with the right skills, it takes time to impart the necessary training and knowledge."

Geldenhuys says: "Recruiting new staff is a safer option, but it can be far more expensive. We have seen many companies pay a premium of as much as 20 percent for the right skills. What we have also found is that if you have a BEE candidate with up to 10 years' experience you don't always pay a premium, but for a BEE candidate with more than 10 years' experience there is always a premium, as skills at this level are very hard to find".

Mark Fraser-Grant, head of The People Business Recruitment, says: "Where upskilling is not practical or appropriate, then recruiting employment equity candidates should be considered for example, if a company is looking for a specialist skill not available within the

current make-up of the organisation.”

He notes that care needs to be taken in ensuring that any candidate recruited to a business is a match in terms of functional skills and cultural fit.

Because of the sheer volume of qualified BEE candidates needed by the ICT sector, upskilling is in effect the only way to meet demand. In addition, industry players feel the era of the senior “black fat cat” who job-hops and names his price to serve as a token is over.

Geldenhuys says companies now want proof of any candidate's track record, no matter how badly they need a skilled BEE management candidate.

Fraser-Grant says many BEE candidates are becoming averse to job-hopping and tokenism tags. “I have actually come across BEE candidates who have been moved out of roles in a form of demotion or exit strategy and others who are desperately unhappy. Both are as hard to place elsewhere as the market has reacted against candidates who are perceived to move for money alone or failed to deliver previously. A lot of BEE candidates are cognisant of the way their CV looks and a few I've tried to headhunt have specifically said 'No, not yet!'”

PITFALLS

The trick to successful empowerment in a company is to invest in appropriate skills and training there are no short cuts, warn those in the know.

Geldehuys says: “Fast-tracking can be dangerous, because if the person is propelled into a management position and he cannot deliver, there will be a lot of frustration and animosity, both from the incumbent and from his or her previous peers who were overlooked for the advancement. This can create a negative morale in the company.”

“There is a lack of **role-model behaviour.**”

- Jill Hamlyn, The People Business

Hamlyn says token recruitment does a disservice to all concerned. “In my opinion, the saddest thing in business today is the appointment of BEE candidates into

senior roles where there is no direct support and investment in them as people,” she says.

“Where they are not equipped either functionally or experientially they have a huge challenge in truly gasping and owning the position in which they are appointed. The results are that they are unaware, purely through a lack of experience, appropriate support or the influence of experienced role models as to how to conduct themselves at senior levels and to master the level of responsibility bestowed upon them.”

“So although these individuals are desperately needed in senior positions as representatives of the future generation, they also like many business leaders today, need guidance, support and coaching in order to flourish.”

Hamlyn says people who are not confident in business tend to give the impression of insolence, autocracy, or simple lack of professionalism that is tolerated through a lack of direct support, encouragement and guidance.

“Any outward behaviour often compounds the challenges that business is facing as there is a lack of role-model behaviour at the level of seniority and a lack of appreciation of the representation of diverse cultures that they are also upholding,” she says.

“As in any position where we conduct ourselves in a manner that is inappropriate to the role that we hold, judgement can be not only harsh, but can also be spread throughout the community that we are representative of.

SKILLING STAFF FOR THE OPPOSITION

Naturally, there are no guarantees that expenses training programmes will ultimately give the company a skilled team of employees. Newly

trained staff can - and eventually will - take their skills and move on.

Geldenhuys says: “Companies are investing more in their staff, often to avoid paying the high premiums that come with finding

fresh blood. But if companies do invest in their staff it does not mean that they will be retained.”

He points out that staff consider more than just a size of their pay. “They are also looking at the overall work environment style and future career prospects. Some people with high demand skills would rather be paid less and be allowed to spend a few more hours each week with their family and these issues need to be considered if companies invest in training.”

BEE UPSKILLING PLANS

During a workshop on “How to BEE in IT” staged by ITWeb and Sondeza Transformation Holdings in Bryanston late last year, Urmila Bhoola, executive director of human resources organisation the Resolve Group, said: “It won't work to simply place any BEE candidate into a management position and expect [the initiative] to be successful. There must extensive planning involved.”

Hamlyn says it is far better to upskill staff than to recruit new ones but only “where a company is mature enough to understand, harness and strategically and knowingly become a custodian of culture in order to enhance the core of the business.”

She explains: “The creation of a structural hierarchical framework enables the appropriate distribution of responsibility and accountability. Where this framework is upheld by behavioural consistencies throughout the organisation, trust occurs through consistency in approach.”

In contrast, she says recruiting new people to positions of power before the norms and mores are established could allow to destabilise the environment, with potentially devastating effects on the organisation.

Hamlyn reiterates that there are no short cuts to the development of managerial and leadership skills.

She says an important step in planning a BEE upskilling programme is to align leadership and management behaviour with the vision and strategy for the organisation. The fast-tracking of any high potential individuals should involve mentors and coaches and incorporate group development as a necessary support structure.