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THE IMPACT OF SOCIAL AND LABOUR PLANS IN ALLEVIATING POVERTY IN MATJHABENG MUNICIPALITY

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A research report submitted to the Faculty of Management, University of Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management
(in the field of Public and Development Management)

May 2010

ABSTRACT

The aim of this study is to assess the impact of Social and Labour Plan interventions on the socioeconomic wellbeing of ex-miners and their communities in Matjhabeng, a local municipality in the Free State. In pursuit of this objective, data were gathered from key stakeholder groups such as ex-mineworkers, union officials, mine officials and the local municipality. Ex-mineworkers participated in a survey and focus group discussions and the other stakeholders participated in dyadic interviews. The findings indicate that stakeholders do not share the same understanding of the objectives, strategies and processes of the Social and Labour Plan. Interventions were fragmented and marred by silos and there is a noticeable lack of integrated planning. Solutions that underpin a return to the fundamentals of organisational and project management are recommended.

Key words:
Social and Labour Plan, integrated planning

DECLARATION

I declare that this report is my own unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Management (in the field of Public and Development Management) in the University of Witwatersrand, Johannesburg. It has not been submitted before for any degree of examination in any other university.

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Matsidiso Selina Mathabela

31 May 2010

DEDICATION

To my dear husband, Mandla, for urging me on, being supportive and understanding all the way. My mother, who has selflessly shared her love and supported me for as long as I can remember. Most importantly, I thank the Lord Jesus for this opportunity and the strength to go on.

AKNOWLEDGEMENTS

I would like to express my sincere gratitude to the following people and organisations, without whose assistance this research would not have been possible: My supervisor, Dr Johnny Matshabaphala, for his valuable insight and support throughout the project, and my employer, the MDA, for allowing me to take the time off to study. My thanks also goes to the NUM, Harmony Gold Mining Limited, Matjhabeng Local Municipality officials, its councillors and community development workers for their willingness to share information, as well as to the ex-mineworkers from Thabong township in Matjhabeng for their cooperation and willingness to participate in the research project.

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CHAPTER 1: Introduction and Background

1.1. Introduction

The impact of the migratory labour system has had a devastating effect on the individuals who came to work in the mines. It uprooted them from their families who were left behind with meagre resources to fend for themselves. These problems were exacerbated in that during the economic boom, mines did not provide development opportunities for employees and instead preferred profit over human resource development. Most of the workforce, who happened to be black, remained unskilled for a long time.

Reduced economic growth in the mining industry, particularly in the goldfields, has resulted in, *inter alia*, massive retrenchments which have in turn caused socioeconomic hardships for many as briefly discussed below:

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- Most mineworkers have very little or no formal education, which makes them vulnerable to various forms of exploitation and financial scams. As a result of this, they end up losing their life savings to loan sharks (Leger & Martin, 1992).

- Despite improved administration systems, it still takes years for some retrenched mineworkers to receive their provident fund payouts and, as a result, some end up incurring unnecessary debt. Coplan and Thoahlane (1995) have also highlighted widespread practices by mines to deny workers of their pension entitlements through the use of clandestine tactics. Family members, particularly wives and close relatives, who try to present claims after their loved ones have passed on, often have to struggle to access the funds and this makes them vulnerable to all sorts of problems associated with being in an unfamiliar

environment, having limited information and being confused about what to do (Mokgoro, 2004).

- The effect of retrenchments is not confined to the workers only. Communities and local economies also suffer because of job losses. Small towns in the Free State goldfields are an example of this (Leger & Nicol, 1992).

- According to Meekers (2000), the high incidence of HIV and Aids in the mines is attributed to, *inter alia*, people sharing sexual partners. Although the National Union of Mineworkers (NUM) and other unions have managed to negotiate comprehensive health systems in the mine hospitals, most of the patients in these facilities do not declare their status when they arrive home after being retrenched.

In response to the plight of the retrenched workers, government, labour and the mining sector designed and implemented Social and Labour Plans (SLPs) to alleviate the poverty that ex-miners are exposed to and to ameliorate the social conditions in which ex-miners and their communities live.

This chapter will provide more information on the SLPs, covering the legislation governing their development and implementation. It will also provide a brief introduction to the stakeholders involved in SLPs. A brief statement of the purpose and objectives of the study, including the key research questions, will be presented. Lastly, a brief introduction will be given to Matjhabeng Local Municipality as the area where the study will be focused.

1.2. Background

1.2.1. Definition of Social and Labour Plans (SLPs)

The Mining Charter (2000)[4] defines the SLP as a principle, act, social or economic strategy, which is aimed at:

- "*Redressing the results of past or present discrimination based on race, gender or other disability of historically disadvantaged persons in the minerals and petroleum industry, related industries and in the value chain of such industries; and*
- *Transforming such industries so as to assist in, provide for, initiate, facilitate or benefit from the:*
    - *i. Ownership participation in existing or future mining, prospecting, exploration and beneficiation operations;*
    - *ii. Participation in or control of management of such operations;*
    - *iii. Development of management, scientific, engineering or other skills of Historically Disadvantaged South Africans[5] (HDSAs);*
    - *iv. Involvement of or participation in the procurement chains of operations;*
    - v. *Integrated socio-economic development for host communities, major labour sending areas and areas that due to unintended consequences of mining are becoming ghost town by mobilizing all stakeholder resources"* (Department of Minerals Energy (DME), 2002).

[4] The Mining Charter is a policy objective stated in the South African Mineral and Petroleum Resources Development Act (MPRDA, 2002) to expand opportunities for historically disadvantaged persons to enter the mining and minerals industry or benefit from the exploitation of the nation's mineral resources. Its signatories include the mining industry in South Africa and the government. This document also includes provisions for the SLPs.

[5] Historically disadvantaged South Africans in this context refers to "any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No.200 of 1993) came into operation".

For the purposes of this study, focus will be on the section that refers to '…integrated socioeconomic development in host communities, major labour-sending areas and areas that, owing to the unintended consequences of mining, are becoming ghost towns' in the Charter. Matjhabeng Local Municipality will be the area of focus, with Harmony Gold Free State operations SLPs for Matjhabeng as a specific case study.

1.2.2. Objectives of the SLP

The objectives of the SLP as outlined by the Department of Minerals and Energy (DME) are as follows:

- *Promote employment and advance the social and economic welfare of all South Africans;*
- *Contribute to the transformation of the mining industry; and*
- *Ensure that holders of mining or production rights contribute towards the socio-economic development of the areas in which they are operating as well as the areas from which the majority of the workforce is sourced (DME, 2002).*

1.2.3. Phases of the Social Plan

The National Economic Development and Labour Council (NEDLAC)[6], (1998) makes provision for three phases to deal with retrenchments in the original conceptualisation of Social Plans as follows:

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[6] NEDLAC is the National Economic Development and Labour Council which brings together government, organised business, organised labour and organised community groupings on a national level to discuss and try to reach consensus on issues of social and economic policy. This is called "social dialogue".

Phase1: Saving jobs

- Provide Social Plan centres
- Facilitate and assist Future Forums[7]
- Provide technical assistance and support
- Develop early warning systems

Phase 2: Managing retrenchments

- Counselling
- Placement
- Unemployment Insurance Fund
- Labour relations

Phase 3: Creating jobs for local economies

- Stimulate job creation for provincial and local authorities

These processes are also included in section 52 of the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA) and section 189 of the Labour Relations Act (LRA), both of which are among the key legislation governing the mining industry.

One of the aspects of the definition used in the Mining Charter to characterise the SLP is "… *integrated socio economic development for host communities, major labour sending areas and areas that due to unintended consequences of mining are becoming ghost towns by mobilizing all stakeholders' resources …" (DME, 2002).*

[7] A Future Forum is a workplace forum that comprises of workers, their representatives and management. The main task of a Future Forum is to assess problems and challenges and brainstorm possible solutions to situations that may threaten job security and ultimately result in retrenchments.

It can be deduced from this definition that the mining industry, despite the important role that it plays in the economy of this country, also has the unintended effect of impacting negatively on local economies and communities once the mineral resources have been depleted and mines are forced to close.

An SLP therefore reflects the mine's commitment to the development of communities that are affected by the mine's activities while it is still operational. Often this SLP becomes part of the mine's scorecard and contributes to the mine's adherence to the provisions of the Charter. Approval of the mine's SLPs by the DME is a prerequisite for the mine's ability to secure and retain a mining licence.

1.2.4. Strategies for implementing the SLP

The mining industry has embarked on a number of strategies for meeting the objectives of this policy. Some of the strategies have included the allocation of resources to Corporate Social Responsibility Programmes, as well as the implementation of agreements reached in negotiations with unions. Some of the current interventions in this regard include technical skills training according to the needs of employees. Ideally, these training programmes should be linked to local economic development (LED) opportunities in areas where these mineworkers come from.

In the case of Matjhabeng, whose primary economy was centred on mining and related secondary economies, the decline in gold mining has not just affected communities, but the broader economy as well. For example, a decline in the mining industry has also led to the loss of job opportunities in other smaller industries that were established purely to provide services to the mines (Leger & Martin, 1992)

The purpose of this study is to evaluate the extent to which the SLP has improved the socioeconomic wellbeing of the people of Matjhabeng. Matjhabeng constitutes an ideal case study since it has all the features contained in the definition of mining towns and labour sending areas.

1.3. The labour sending areas

According to Jeeves (1985), labour sending areas are the rural areas in which mines would recruit labour. There are pockets of these in the Eastern Cape, Mpumalanga and Limpopo, as well as in neighbouring countries like Swaziland, Lesotho and Mozambique. Historically, the mines used recruiting agencies to secure labour, of which the Employment Bureau of Africa (TEBA) was the most dominant. Recently, with high unemployment rates both in this country and in neighbouring states, the need for a recruiting agency has been diminishing because people readily avail their labour.

The gold mining sector has had various strategies for sourcing labour over time, but the most consistent has been to have a diversified labour force. For the Free State goldmines in recent times, this has meant having both local and foreign labour, comprising mostly mineworkers from Lesotho, Swaziland and Mozambique. Lesotho comprises a larger percentage of foreign labour for historical and practical reasons. Local labour is sourced mainly from the Eastern Cape and the areas closer to the mines (Crush & James, 1992).

The question is why are these areas still providing labour for the mines? The reasons for the provision of labour are twofold. Firstly, there is the growing challenge of unemployment in most of the countries within the Southern African Development Community (SADC) region. South African statistics on unemployment have been contested by different parties, but the reality is that unemployment figures are growing in South Africa. In addition, the high

illiteracy rates and low skills levels mean that South Africans do not have many options in terms of access to jobs. Secondly, most of the areas that the mineworkers come from have had a historical relationship with the mines. This could either be through a pattern that was developed by mine recruiting agencies like the Witwatersrand Native Labour Recruiting Organisation (WENELA) and (TEBA), of which the Eastern Cape Pondoland region would be an example, or that they are small towns that developed around mining activities, such as Virginia and Welkom in the Free State.

While the same conditions would apply to countries like Lesotho, Swaziland and Mozambique, another important factor was the benefits derived by these governments from migrant labour. These countries did not have an alternative source of employment for the migrant workers, the compulsory deferred pay and voluntary remittances from mineworkers boosted their fiscus and therefore there has been no political will to end this practice, despite widespread agreement that it is not an ideal arrangement (Crush & James, 1992).

Jeeves (1985) provides an historical account of the development of the migrant labour recruitment system. During the era covered in his book and beyond it was necessary for the recruitment agents to establish relationships with local chiefs in order to ensure that targets set by mines were reached. This system was further entrenched in the compounds because of the way mine management wanted to use traditional leadership structures to maintain “discipline”.

1.4. Mining towns: an introduction to Matjhabeng Local Municipality

Matjhabeng local municipality is situated just over 200 kilometres south west of Johannesburg in the Free State province. It is one of six local municipalities under the Lejweleputswa district municipality, which is one of the five district municipalities that make up the province. The Lejweleputswa District is a major contributor of the province's gross geographic product and an important agricultural area as well (Matjhabeng, 2007).

Matjhabeng municipality has a population of over 500 000 people, representing about 62% of the total population of Lejweleputswa district municipality. Economic activities in this municipality are largely centred on gold mining (although this is on the decline) and maize farming. There is no public transport and people in this municipality rely on the informal taxi service. Employment rates are at around 53% with just over half of the employed population working on the mines. Despite the overall decline in mining activities in the area, Matjhabeng is still regarded by some in the rural areas of South Africa and Lesotho as a land of opportunity. The result of this attraction is that about 37% of Matjhabeng's residents live in informal settlements (Matjhabeng, 2007).

These dynamics make Matjhabeng the most ideal area to study because of its connection to the mining industry and therefore the provisions of the MPRDA on SLPs. Matjhabeng is host municipality to a significant number of mines under the Harmony Gold Mining Company.

1.5. Stakeholders involved in the implementation of the SLP

Rossi and Freeman (1993) define stakeholders as groups and individuals who can affect, or are affected by, the achievements of an organisation's mission or alternatively as those groups who have a stake in or a claim on the firm. Stakeholders, therefore, constitute the link between the aims and ambitions of the organisation and the expectations of society.

According to Maon, Lindgreen and Swaen (2009, p 72), "Corporate Social Responsibility (CSR) is a stakeholder-oriented concept that extends beyond the organisation's boundaries and is driven by an ethical understanding of the organisation's responsibility for the impact of its business activities, thus seeking in return society's acceptance of the legitimacy of the organisation". Implied in this definition is the notion that the emphasis on the stakeholder concept calls for the integration of CSR into the organisation's strategy. Further, this definition emphasises that CSR should result in a win-win situation for the organisation and its stakeholders. Maon et al. (2009) have devised a classification to typify stakeholders. In this typology, stakeholders that have a direct impact on relationships that involve human beings are defined as primary stakeholders. Stakeholders that have a less direct impact are called secondary stakeholders and these represent civil society, business at large and various other interest groups.

From the foregoing discussion, it is clear that the concept of stakeholder is central to CSR. Previous CSR studies have recognised the limitations of any single organisation in responding adequately to social issues. Rama, Milano, Salas and Liu (2009) emphasise collaborative action in implementing CSR initiatives. These authors also recognise that multiple stakeholders create expectations, experience the effects of corporate action and evaluate the effects of these behaviours. Rama et al. (2009) argue that institutional arrangements such as culture and norms affect and are affected by

organisational action. In their analysis of CSR, these authors also emphasise the temporal dimension and aver that corporate response to social and environmental issues can range from short-term programmes to long-term initiatives that seek to affect broader institutional arrangements.

From the foregoing discussion of stakeholders, it is evident that collaboration among stakeholders is essential in the design and implementation of CSR programmes, which in this case would be the SLPs.

The next section discusses primary stakeholders in the implementation of SLPs.

1.5.1. Mineworkers Development Agency (MDA)

There is a great deal of emphasis on the role of key stakeholders in the implementation of SLPs and often the assumption is that those stakeholders are limited to government, labour and the industry. This section seeks to highlight the role that NGOs and other service providers have played and are still playing in the amelioration of the impact of retrenchments on communities and individuals. Valor and de Diego (2009) maintain that NGOs play a crucial role in the theoretical development and practical implementation of CSR. Companies seek to collaborate with NGOs in order to maintain legitimacy (De Beer, 2000) and to establish economic and political relationships. Economic relationships are aimed at raising funds for the NGOs while political relationships aim to transform business practices so that companies can meet the economic, social and environmental expectations of their stakeholders.

The Mineworkers Development Agency (MDA) was established as a project of the NUM in response to the dismissal of 40 000 mineworkers by the mines after the 1987 nationwide strike. Its mandate was to implement job creation initiatives and facilitate self-employment opportunities for ex-mineworkers.

The mandate was subsequently expanded to include the mineworkers' families and their dependents (MDA internal documents, undated).

The MDA's intervention strategies have evolved over time, starting with cooperatives and developing into a micro enterprise development strategy in 1992. The MDA has since been registered as a Section 21 Company and has increased its portfolio of services to match the needs of both industry and communities. This includes providing services that relate to the implementation of the SLPs. The NUM is still a very important stakeholder and strategic partner of the MDA.

1.5.2. National government

The national government's interest in the gold mining sector is twofold: the first is to ensure that the decline in gold mining is carefully managed to avoid huge job losses, which would in turn increase the already uncomfortable state of unemployment in the country. The special interest that government has in this is demonstrated in the current ongoing talks at ministerial level with labour (represented by NUM) and the gold mining sector. As has been mentioned above, this sector has contributed a great deal in terms of revenue and job creation and the longer this state of affairs is maintained the better.

The second interest stems from government's agenda of transformation, which is informed by the African National Congress's objective in terms of the role of the state, that is:

(i) *… democratic state must establish a dialectical relationship with private capital as a social partner for developmental and social progress".*

(ii) *… democratic state must "decasualise" the economy, which means the economic emancipation and the empowerment of the black majority, and,*

(iii) *creating a black bourgeoisie by using state capital, interacting with big capital and privatization* (ANC, 1996; 1998).

This agenda can be broadly observed in the awarding of government tenders and specifically in the Broad Based Socio-Economic Charter for the Mining Industry (the Mining Charter) in 2002. The contents of this document form an important part of the SLPs.

The key stakeholders in government are the departments of Minerals and Energy and Labour. The DME regulates the access and adherence to mining licences by mines, using the Mineral and Petroleum Resources Act (MPRDA) of 2002 and the subsequently reviewed MPRDA of 2008. The Department of Labour ensures adherence to labour-related matters, including the government's transformation agenda based on, among other things, the Employment Equity Act (No. 55 of 1998), the Labour Relations Act (No. 66 of 1995), and the Skills Development Act (No. 97 of 1998).

1.5.3. Provincial and local government

Interaction between provincial and local government in particular has shown that their interest is largely in securing financial and other resources from the mines in order to create synergies and supplement their budgetary allocations for their growth and development strategies. Mines are regarded as key stakeholders in Integrated Development Plans (IDPs) and Local Economic Development (LED) strategies and are always invited to participate in the various forums that inform and decide the economic agenda of mining towns.

1.5.4. The mining industry

The mines' main interests, like any other business, is profitability. This cannot be achieved unless the mines have fulfilled the necessary requirements for them to operate legally. The implication therefore is that, in order to secure their mining licences, they should comply with all legislation and other requirements (SLPs included). Initially, some of the mines were reluctant to sign the Mining Charter. Some companies, however, like Harmony Gold Mine, were quick to see the logic in the campaigns of the labour movement and, a few years before the advent of the Mining Charter and the MPRDA, signed agreements that would be regarded as groundbreaking for the SLPs.

1.5.5. Labour

The National Union of Mineworkers (NUM) was established and finally recognised by the mines in 1982, at a time when black African workers in the mines were among the most exploited. As an affiliate of the Congress of South African Trade Unions, NUM automatically became part of the tripartite Alliance, which incorporated the African National Congress and the Communist Party of South Africa. One of its goals in the struggle for freedom was to see the mines being nationalised. However, this was not to be as the political leadership of the African National Congress opted not to have a socialist government but a "middle of the road" type economic approach that allowed for the realisation of the transformation objectives stated above. Davis (2003) shed light on the way this process unfolded and the dynamics involved.

As a result of these developments, labour's interests are now encompassed in different types of agreement with individual mines, with the MPRDA and the Mining Charter providing them with the justification to make demands.

The NUM has sought to take care of its members beyond the workplace. This is why the union specifically established institutions like the MDA, among others, to take care of mineworkers who were retrenched so that it could focus on labour-related matters in the workplace. SLP processes, by definition, provide for these two roles.

1.5.6. Ex-mineworkers and communities (in both labour sending areas and mining towns)

Ex-mineworkers and communities, as the two groups of stakeholders involved, are important because they are participants in and recipients of the programmes that flow from SLPs. Although it is easy to lump them together as beneficiaries of the SLPs, they are markedly different in terms of the way the mines interpret and implement the SLPs that benefit them. Some of the programmes have to be implemented by the mines before retrenchments take place to ensure that mineworkers have portable skills by the time they return home. These programmes include adult basic education training, especially for those who need basic literacy. In addition, there are re-skilling programmes through which mineworkers access skills that will hopefully assist them to either find alternative employment after retrenchment, or start their own businesses. Funds have been set aside for each employee to access these programmes, depending on when retrenchments will take place. For those who leave the mines before they access theprogrammes, efforts are made to find them and provide them with training.

Communities in mining towns and labour sending areas are presumed to be covered by the IDPs and LED plans that municipalities develop through consultative processes, as required by the different legislative frameworks under which they operate. Beyond these processes, municipalities take leadership on the implementation of the programmes, depending on the

availability of funding, and they decide who benefits and who does not. Often, because of the type of projects that are implemented, not everyone gets to benefit directly and sometimes people who seem deserving may be left out. Both of the groups discussed above have an interest in benefiting from the services of the SLPs.

In summary, this discussion of stakeholders has demonstrated that integration is a key factor which could be a challenge or present opportunities for the different stakeholders, depending on how it is managed. According to de Weerdt and van der Krogt (2002), instances where autonomous stakeholders are expected to work together will always present problems regarding coordination and integration because of each stakeholder group wanting to get more for themselves out of partnerships.

On the other hand, Bidault and Cummings (1997) argue that, apart from the obvious benefits of working with others, there are hidden benefits as well. These are the innovation derived from each other's expertise, the potential for improvement in new working situations and the pressure to perform better from demanding partners.

These possible complications or challenges and opportunities are what this study seeks to explore, as a potential contribution to the effectiveness and efficiency of efforts to improve the socioeconomic status of affected communities.

1.6. Problem statement

A recent study by Ngele and Erasmus (2009) showed that the success of SLPs hinges on collaborative efforts among companies, trade unions, communities and local government.

Despite the considerable commitments contained in numerous agreements between government, labour and the mining industry, and the resources that have been allocated to the implementation of programmes, such as re-skilling, life skills, community development projects and local economic development, these interventions do not seem to be achieving the desired outcomes in a sustainable manner. This study seeks to evaluate the impact that these interventions have had on the wellbeing of beneficiaries, focusing particularly on the possible lack of integration in planning and implementation of SLP programmes for the benefit of communities by the different stakeholders.

1.6.1. Purpose of study

The purpose of this study is to

- investigate factors contributing or leading to the lack of integration in the planning and implementation of the SLPs
- present findings on the current status of SLPs
- interpret and analyse the findings of the research
- make recommendations for improvement of SLPs.

1.6.2. Research questions

Insights gained on the following research questions will help us to engage in a meaningful assessment process.

- What are the factors that lead to the poor integration of plans and programmes aimed at the implementation of SLPs?

    - Do the key stakeholders share the same understanding of the goals, objectives and outcomes of the SLP, and do they actively support them?
- What are the current strategies with regard to planning and implementing SLPs?
    - If there is no shared understanding of the strategies currently being pursued, then programmes will founder and partners in the social plan will tend to pull in different directions.
- What can be done to ensure better integration and a sustainable positive impact by SLPs in Matjhabeng in order to promote and enhance the socioeconomic wellbeing of the intended beneficiaries?
    - In order to achieve the intended outcomes, and produce the desired effects, SLPs should be well coordinated, integrated, and supported by all concerned.

CHAPTER 2: Literature Review

2.1. Introduction

In this chapter, research work by different authors that is relevant to this study will be explored and briefly presented. The main theme of the literature to be explored is the science of management, with specific focus on the four main management functions, namely planning, organising, controlling and leading. In addition, Harmony Gold Mine's SLPs for its Free State operations, which are located in the Matjhabeng Local Municipality, will be presented.

2.1.1. Literature review defined

According to Welman and Kruger (2004), a literature review is a process whereby the researcher gives a brief overview of specific literature that refers or is related to the topic being researched. The literature includes work done by other researchers on the topic being researched and may agree with, motivate, highlight or argue against the particular issue under discussion. A literature review should be preceded by a thorough search for information that is already available on the relevant topic. Reading broadly on and keeping abreast of issues regarding the topic under investigation is important for building on prior knowledge and research findings. The task of the researcher is thus to demonstrate the relevance of what is being argued by other researchers on the topic and its relationship to the topic being investigated. Key to this process is proper referencing and acknowledgement of the contributors using generally accepted standards within the research community. Neale and Libert (1980) emphasise that the researcher should cite only those sources that are pertinent to the specific issues under investigation and avoid references with only tangential or general significance to the problem.

In this regard, Kerlinger (1973) gives two reasons for a literature review: the first is to demonstrate the theoretical rationale for the “problem” or chosen topic, while the second is to present to the reader with what has already been covered by way of research on the particular topic and to demonstrate the knowledge gap that will be covered by the current research.

2.2. Management

The process of management involves looking ahead. It entails the ability to assess and anticipate the future and make provision for it. The task of management is to combine, allocate, coordinate and deploy resources in such a way that the organisation’s goals are achieved as productively as possible (Smit & Cronje, 2000).

2.2.1. A brief historical perspective on management

People have long been writing about how to make organisations more efficient and effective. Management and organisations are products of their historical and social times and places. Although the evolution of management thought is traceable to the Sumarians and Egyptians as far back as 5000 BC (Schermerhorn, 1989), the most significant transition in management thought began during the Industrial Revolution. It was Adam Smith who formally established the management principles we know today as specialisation and the division of labour (Schermerhorn, 1989; Smit & Cronje, 2000).

2.2.2. Approaches to management

Early management theory consisted of numerous attempts at getting to know industrial life, particularly at the end of the nineteenth and the beginning of the twentieth centuries. There is agreement among scholars of management that there are a number of distinct approaches to the study of management. These are scientific management, classical management theory, the behavioural

school and management science. What follows below is a brief overview of these approaches.

2.2.2.1. The scientific management school

The scientific management school emerged in part from the need to increase productivity. In the United States at the time, skilled labour was in short supply and the only way to expand productivity was to increase the efficiency of the workers.

Frederick Taylor

Frederick Taylor was the chief proponent of what came to be known as scientific management theory (Stoner, Freeman & Gilbert, 1995; Smit & Cronje, 2000). Taylor's central principles can be summarised as follows:

- A true science of management should be developed so that the best method for performing each task could be determined.
- A scientific method for the selection of workers should be developed so that each worker could be given responsibility for the task for which he or she was best suited.
- A scientific method for educating and developing the worker should be developed.
- Intimate and friendly relationships between the worker and management should be developed.

Taylor based his management system on production-line time studies. Instead of relying on traditional methods of managing, he analysed and timed steel workers' movements on a series of jobs. Using time studies as his base, he broke each job down into its components and designed the quickest and best methods for performing each component. Taylor also arranged that employers should pay productive workers at a higher rate than others, using a scientifically derived rate of pay. Workers were urged to surpass their

previous performance standards to earn more pay. He called his plan the differential rate system.

The operational efficiencies observed in modern assembly lines are by and large a contribution of Taylorism. The production effectiveness in most plants and non-industrial organisations, ranging from fast-foods and training programmes, reflects the legacy of scientific methods.

Despite its success, Taylorism had its flaws. Workers and unions opposed this approach because working harder or faster would exhaust whatever work was available and cause layoffs. Other critics of Taylor's scientific methods contended that the emphasis on productivity and, by extension, profitability led to the exploitation of workers and customers. The consequence of this was that more workers joined unions and reinforced a pattern of mistrust and suspicion that has come to characterise labour-management relations for decades. The current turmoil on the labour front in South Africa is to a large extent a manifestation of these historical tensions.

2.2.2.2. Classical organisation theory school

As the foregoing discussion has shown, scientific management was concerned with increasing the productivity of the factory and the individual worker. Classical organisation theory arose from the need to find guidelines for managing such complex organisations as factories (Bluedorn, Keon & Carter, 1985; Peterson, 1991; Schreitmueller, 1993). This approach to management evolved from systematic attempts to document and understand the experiences of successful managers.

Henri Fayol

Henri Fayol is generally regarded as the founder of the classical management school because he was the first to systematise managerial behaviour. Fayol

stands out as a successful manager as well as a scholar. He believed that management practice falls into certain patterns that can be identified and analysed. He offered five principles of management, which are summarised below:

- **Foresight** – means to complete a plan of action and to prepare a scheme for the future.
- **Organisation** – means to provide the resources needed to implement the plan and to mobilise efforts in support of the plan.
- **Command –** means to get the best out of people working toward the plan, to lead, to select and evaluate the workers properly.
- **Coordination –** means to ensure that the efforts of subunits fit together properly to ensure that information is shared and any problems resolved.
- **Control –** means to verify progress and to make sure things happen according to plan and to take the necessary corrective action.

Further, Fayol propounded what has come to be known as the fourteen principles of management, which retain much of their force to this day (Bluedorn et al., 1985; Schreitmueller, 1993; Stoner et al., 1995).

2.2.2.3. The behavioural school

The behavioural school emerged primarily because the classical approach did not achieve sufficient production efficiency and workplace harmony. Managers were frustrated because people did not follow predictable patterns of behaviour. The emphasis was then on helping managers to deal with people more effectively. This approach is underpinned by insights derived from psychology and sociology (Stoner et al., 1995). This school emerged in the 1930s and placed greater emphasis on the human factor. In terms of this school a number of theories were spawned and they included, among others, the Human Relations approach, Maslow's hierarchy of needs, as well as

contributions from Douglas McGregor and Chris Argyris, who wrote extensively on the self-actualising nature of people.

The various behavioural approaches shared a central feature in their theorising, namely that people are social and self-actualising individuals. People at work are assumed to act based on the following:

- A desire to satisfy social relationships
- Responsiveness to group pressures
- The search for personal fulfilment

Elton Mayo

In 1924, the Western Electric Company was interested in studying individual productivity in the company's Chicago plant, known as the Hawthorne Works. The company was interested in examining Taylor's first principle of scientific management by studying the effects of physical working conditions on individual work output (Schermerhorn, 1989; Stoner et al., 1985).

Elton Mayo and his associates from Harvard University conducted a series of experiments the findings of which showed that, regardless of the degree of illumination in the work environment, performance continued to rise but would occasionally drop unexpectedly and erratically. From the findings of several experiments, Mayo and his associates concluded that a complex chain of attitudes had touched off the productivity increase. The study, popularly known as the Hawthorne Studies, showed that because the subjects of the research had been singled out for special attention, both the test and the control subjects had developed a group pride that motivated them to improve their work performance. Sympathetic supervisors had further reinforced their motivation.

The researchers concluded that the workers would work harder if they believed that management was concerned about their welfare and

supervisors paid special attention. The researchers also concluded that informal work groups had a positive influence on productivity.

2.2.2.4. The systems approach

The systems approach to management views the organisation as a unified and purposeful system composed of interdependent and interrelated parts. This approach gives managers a perspective that looks at the organisation as a whole and as part of the larger external environment. The systems approach stipulates that the activity of any segment of an organisation affects, in varying degrees, the activities of every other segment (Cummings & Worley, 2005; Morgan, 1998). When we recognise that individuals, groups and organisations have needs that must be satisfied, attention is invariably drawn to the fact they depend on a wider environment for various kinds of sustenance (Morgan, 1998). This is a central feature of the systems approach to management, and is built on the principle that organisations are open to their environments and must achieve an appropriate relationship with that environment if they are to survive.

Eric Trist and Ken Bamforth

The systems framework was influenced by the work of Trist and Bamforth, who studied socio-technical systems in the coal mining industry in England during the late 1940s.The dual focus on people and technology is premised on the notion of a reciprocal relationship between these two concepts. One element in this relationship always has consequences for the other. The introduction of technology in the coal mines destroyed the informal fabric of social relations present at the coal plants. Although the new technology promised operational efficiencies, it brought with it social problems by breaking up the social cohesion and support. The resolution of the problems rested in finding a means of reconciling human needs and technical efficiency (Morgan, 1998).

In summary, systems are characterised by the following features:

- **Open systems** – these are characterised by an ongoing exchange of information and energy with the external environment.
- **Homeostasis or balance** – this refers to self-regulation and the ability to maintain a steady state.
- **Entropy** – this refers to the tendency of closed systems to deteriorate and run down.
- **Negative entropy** – this refers to the attempts by open systems to sustain themselves by importing energy to offset entropic tendencies.
- **Requisite variety** – this refers to the internal complexity of a system. Essentially the argument is that any system that insulates itself from the diversity in the environment tends to atrophy and lose its complexity and distinctive nature.
- **Equifinality** – this refers to the fact that in an open system there may be different paths for arriving at the same end. Living systems have flexible patterns of organisation that allow the achievement of specific results from different starting points with different resources in different ways.
- **Systems evolution** – this refers to a cyclical process of variation and selection, and the retention of selected system characteristics that allow the system to move to more complex forms of differentiation and integration in order to allow the system to deal with the challenges and opportunities presented by the environment.

2.2.2.5. The contingency approach or the situational approach

This approach is based on the notion that the management technique that best contributes to the attainment of organisational goals might vary in different types of situations or circumstances. According to this approach, the task of the manager is to identify which technique will, in a particular situation,

under particular circumstances and at a particular time, best contribute to the attainment of management goals. The fundamental question that the manager should always ask is, “which method will work best here". The contingency approach represents an important turn in contemporary management theory because it portrays each set of organisational relationships in its unique circumstances.

The foregoing discussion of management approaches provides a focus on different ways of managing people’s experiences and interactions within varying organisational contexts, and offers valuable insights into how SLPs should be approached in the current study.

2.2.3. Levels of management

Management functions are performed at different levels of the organisation. A review of the literature on management shows that there are three distinctive levels at which management occurs in organisations (Bluedorn et al., 1985; Peterson, 1991; Schreitmueller, 1993; Stoner et al., 1995).

The three different levels together with their associated responsibilities and skills levels are briefly discussed below:

- **Top management:** This level represents a relatively small group of managers who control the organisation (Smit & Cronje, 2000). This group is has the final responsibility and authority for the execution of management processes. Top management is tasked with the responsibility for determining the overall long-term strategic and policy direction of the organisation. Katz (1955) and Randolph and Blackburn (1989) assert that, to be effective, managers need three sets of skills: (i) technical skills which entail the ability to perform the specific kinds of activities required in a job; (ii) human relations skills which entail the ability to motivate, lead and communicate with other people; and (iii)

conceptual skills which entail the ability to see the organisation as a system of interacting parts, interacting with its environment. These skills are applicable across all three levels although in varying degrees.

According to Katz (1955), top managers require conceptual skills in large measure. These skills also involve the ability to diagnose and resolve a host of organisational problems. Top managers require a small proportion of technical skills and a constant amount of human relations skills.

- **Middle management:** Middle management is responsible for specific divisions or departments of the organisation and is primarily concerned with implementing the policies and strategic plans determined by top management (Smit & Cronje, 2000). This level of management is usually focused on medium- term and short-term planning. In some instances, middle managers are responsible for functional areas such as marketing and human resource management. This level of management serves as a link between the top and lower levels of management. Middle managers require the same amount of all three sets of skills, that is, conceptual, human relations and technical skills.

- **Lower or first line management**: This level of management is responsible for the smaller segments or subsections of the organisation. This level also includes supervisors or foremen depending on the nature of the organisation. The focus of this level of management is on the day-to-day operations of the organisation, and a major concern is the application of rules, policies and procedures. Because of their closer involvement with the workers, managers at this level constitute a vital force in the organisation, as they have the power to affect productivity levels in the organisation. According to Katz

(1955), low-level managers require more technical skills, fewer conceptual skills and the same amount of human relations skills as other levels.

Understanding the various levels at which management occurs is important for the current study. Lack of alignment between the various levels in the different stakeholder groups could have harmful effects on the effective delivery of social and labour plans.

2.2.4. Management functions

Stoner et al. (1995) state that there are four major functions that are essential for the success of an organisation or project. These are planning, leading, organising and controlling and they are discussed below:

2.2.4.1. Planning

Planning is the first of the four basic managerial functions and it is foundational to the other management functions (Schermerhorn, 1989), the literature on planning (Stoner et al., 1995) identifies planning as the process of establishing goals and determining a suitable course of action for achieving those goals. Planning is therefore a process of making decisions about what the organisation is going to do,as well as about setting standards for the level at which the organisation intends to achieve those goals and objectives. In addition, it is the development of a descriptive image of what things will be like once organisational objectives have been achieved.

According to the literature sources cited (Stoner et al., 1995; Dickson, 1997), planning enables the organisation to set priorities and focus energies on objectives that will produce results and give the organisation a competitive advantage. The process of planning provides guidelines in terms of how the organisation acquires and commits the resources at its disposal to achieve its

goals. Planning also provides a framework within which members of the organisation carry out activities that are consistent with the chosen goals and strategies. Finally, planning provides the means for monitoring and measuring progress toward the strategic goals, thus providing a basis for the control function of management.

There are various forms of planning, including the following:

- **Strategic planning**:

  Stoner et al. (1995) define strategic planning as a long-term plan in which the organisation has to define its vision, mission and strategic goals. This is a high-level planning phase where only founder members or directors in the organisation are involved. The main aim is to decide on where the organisation is going based on a global view of all factors within the environment that the organisation will operate in, and an appreciation of the strategies for taking advantage of the opportunities based on the organisation's strengths and minimising weaknesses in order to best deal with possible threats. It is also based on a broad analysis and understanding of the organisation's key stakeholders.

- **Business or operational planning**:

  Operational plans indicate how strategic plans will be implemented in the daily operations of the organisation. Strategic plans and operational plans differ in their time horizons, scope and degree of detail. Strategic plans assume a long-term perspective and operational plans take a short- to medium-term view of the organisation.

  Business planning takes planning a step further from the broad strategy to detailed and very specific statements about what should happen in order for the decisions and statements made in the strategic plan to

become a reality. Timeframes in a business plan are shorter, ranging from a year to about five years. At this point, planning has to include considerations such as how the organisation will be structured in order to best carry out the functions outlined in the plan, where resources, both human and financial, will come from and how they will be allocated. Communication and marketing are some of the other considerations.

At this level, strategic goals are cascaded to objectives which have to be specific, measurable, achievable, realistic and time bound. All of these lay the foundations and provide the basis for the management functions as outlined above.

- **Budget plans**:

The literature on planning (Stoner et al., 1995; Dickson, 1997) concurs that budgets reflect formal quantitative measures of the resources allocated for planned activities over a defined period. Budget plans specify the way in which resources are allocated to various programmes and projects over a given period. There are three types of budgets,

  - **Fixed budgets**, which mean that the allocated amount for a particular project or activity cannot be changed for the duration of the period for which it was budgeted. In this instance, accuracy in budgeting is very important, because under-budgeting can have a serious effect on activities.

  - **Flexible budgets**: this is the opposite of a fixed budget. Flexible budgets allow for escalations in budgets if conditions change and more resources are required.

  - **Zero-based budgets**: this approach to budgeting means that every new financial year starts off with a clean slate. There is no

provision for carrying over the previous year's allocation into the new financial year.

Budgets actually reinforce decisions on organisational priorities because the provision of resources is key to their implementation.

- **Policy plans**:

These are standing plans that establish general guidelines for decision-making. Policies are used to guide managers in taking decisions on a day-to-day basis. They assist the organisation to coordinate activities, because they become the central unifying guideline for different departments or units within an organisation. Clear policies facilitate efficiency because nothing is left to speculation. People are able to make decisions about their work within the limitations of their scope of authority and the organisation's desired image is communicated through policies. However, for organisations to derive more benefits from policy plans, they have to be complemented by procedures and rules, because these narrow the broad policy statements into very specific guidelines that leave nothing to individual discretion (Schemerhorn, 1989).

- **Programme and project plans:**

These cover a relatively large set of organisational activities and specify major steps, including their order, timing, and the units responsible for each step.

Burke (1999) and Turner (1993), as cited in Van Baalen (2000), define projects as "… a temporary endeavour in which human (or machine) material and financial resources are organised in a novel way, to undertake a unique scope of work, of given specification, within constraints of costs and time so as to deliver beneficial change defined

by quantitative and qualitative objectives". Implied in this definition is a process of planning and specific considerations in order to ensure that the plan can effectively and efficiently achieve the desired objective. Projects do not happen in a vacuum; therefore strategic planning is important as a prerequisite for the detailed planning that happens at this level. There are instances where a single project will not be enough to achieve the desired objective, which may necessitate the need for a programme. A programme is a group of projects managed in a coordinated way in order to obtain benefits that would otherwise not be available if they were managed individually.

- **Integrated planning:**

According to Duncan (1996) project integration management is about ensuring the coordination of the various project elements. This can be done at three levels:

  - **Project plan development:** this means putting together the outputs of other planning processes into a single, coherent document. Key inputs to this process would include detailed plans, including budgets; historical information to help assess assumptions and develop alternatives; individual stakeholder policies to be able to identify implications for the project; possible constraints and assumptions. Duncan argues that this process can be enriched by each stakeholder's skills, knowledge and experience.

  - **Project plan execution:** this is the implementation phase of the project, in which Duncan avers that subsidiary management plans would be key. These are the scope management plan,

risk management and procurement management plans (among others). Measures to monitor and correct deviations from the original plan must be in place. Project review meetings, reports and authorisation processes are some of the key elements of this phase.

- **Overall change control:** This phase is about managing all the factors that may create a need for a change in the programme in order to minimise the negative impact on performance baselines. In instances where changes are inevitable, clear records of approvals for the change need to be kept and proper coordination and communication of changes should be made to all concerned.

In summary, planning in organisations is important for the following reasons:

- To eliminate uncertainty in the organisation
- To improve the efficiency of the operations
- To obtain a better understanding of the objectives
- To provide a basis for monitoring and controlling

2.2.4.2. Leading

According to Stoner et al. (1995), leading is a process whereby managers rally employees behind the same objective, motivating them to perform their tasks and directing processes linked to the performance of those tasks. Smit and Cronje (2000) and Schemerhorn (1989) concur with this view of leading and add that leading is essentially about directing and motivating people in the organisation in such a way that their actions accord with previously formulated goals and plans.

Early studies on leadership sought to establish what made some leaders more effective than others. This led to the development of theories that sought to explain this phenomenon. These theories are discussed below:

- **Trait theory:** This theory is based on the premise that leaders have specific traits that make them more effective. Although a list of common skills or competencies such as honesty, independence, decisiveness and verbal skills have been compiled in these studies, the list is not definitive and cannot guarantee leadership success. In addition, it has been established that physical traits such as height or physique have no influence on leaders' ability to lead (Schemerhorn, 1989).

- **Behavioural theories:** These theories are based on an understanding of how leaders behave towards their followers. Leaders are grouped into two categories: those who were most concerned about the task at hand and those who are concerned about the welfare of the people who work for them. These two may be demonstrated in the styles of leadership defined as follows: (i) Laissez-faire, meaning a leader who tends to leave decisions to the followers and shows little interest in the work process or its outcome; (ii) autocratic; the leader is more interested in the work process, is dictatorial and has very little or no concern for people; and (iii) a participative or democratic leader; this leader would have a balanced view and concern for both work processes and people, encouraging participation and motivating them to do more. However, even in this study, participative leadership was not found to be conclusively the most effective.

- **Contingency theories:** These theories are based on the understanding that: (i) leadership is strongly influenced by the situation in which the leader finds him or herself; (ii) that leaders can influence situations by adapting their style to suit that particular situation. The conclusion here is that all leadership styles are appropriate, depending on the situation. What is of importance is for the manager or leader to be able to read situations accurately and adapt their style of leadership accordingly (Schemerhorn, 1989).

In summary, carrying out the task of leadership depends on individual leadership traits and styles, and an understanding of which style is most appropriate for the particular context.

2.2.4.3. Organising and coordination

According to Stoner et al. (1995), organising reflects the process of arranging and allocating work, authority and resources among the organisation's members. Smit and Cronje (2000) concur with this view. This means that plans alone are not enough without ensuring that there is a structure through which the plan can be implemented and to which resources can be allocated. This process is called organisation design. For proper implementation, organisational structure should be: (i) appropriate to the work that needs to be done; (ii) informed by the overall strategy of the organisation; (iii) in line with the basic technology of the organisation; (iv) in line with the size of the organisation, and (iv) appropriate for the type of people who will be within the system (Schemerhorn, 1989). There are different types of organisational structure (which will not be discussed here), however, these are informed by the organisation's individual circumstances.

2.2.4.4. Controlling

Controlling is an important management function that assists the organisation to constantly measure its performance. Van Baalen (2000) attributes the failure of many projects to two reasons: the failure to implement according to stated objectives and the failure to achieve the intended effects. Therefore, making decisions in the planning phase about standards and objectives for measuring performance is very important. Schemerhorn (1989) avers that there are three different types of control, which are briefly explained below:

- **Preliminary control:** this is an assessment of whether all the resources needed are in place and ready to be used before the execution of the plan.

- **Concurrent control:** this is an ongoing process of assessing progress made against set targets, verifying assumptions made against the reality of the circumstances under which the organisation is operating, and making the necessary adaptations to the original plan in order to achieve the planned results.

- **Post-action control:** this happens after completion of all activities. The main purpose of this type of control is to evaluate whether the overall objective of implementing a particular programme or project has been achieved. In the context of development projects, this could be the impact assessment.

There are four different steps in implementing the control function and these are: (i) setting objectives and standards; (ii) measuring actual performance; (iii) comparing actual performance with objectives and standards; and (iv) taking the necessary action. This is a cyclical process which should serve to inform the next planning session and assist the organisation to draw lessons from the experience of implementing.

2.3. Social and Labour Plans: Harmony Gold (Free State Operations)

Mines follow set guidelines that are developed by the DME to assist them in developing SLPs (DME, 2002). Based on these guidelines, Harmony's SLPs are aimed at extending the lives of operations, improving the skills of its employees, transforming its operations, as well as normalising the company and the socioeconomic development of communities around its operations and from which Harmony recruits its employees (Harmony, 2007).

The Free State Operations Scorecard (Harmony, 2007) for the implementation of SLPs comprises the following:

Human resource development

- Offering all employees the opportunity to be functionally literate by 2009.
- Implementing career paths for previously disadvantaged employees, including skills development.
- Developing systems for mentoring empowerment groups.

Employment equity

- Publishing and reporting progress annually on employment equity plans.
- Developing and implementing a plan for a 40% participation of previously disadvantaged employees on its management structures within five years.
- Developing and implementing a plan for a 10% participation of women within five years.

Migrant labour

- Subscribing to government and industry agreements to ensure non-discrimination against foreign migrant labour.

Mine community and rural development

- Cooperating with government in the formulation and implementation of IDPs for mining communities and labour sending areas.

Housing and living conditions

- Establishing measures, developing, implementing and reporting progress on plans to improve the standard of housing, that is, upgrading of hostels, conversion of hostels into family units and promotion of home ownership options for employees, in consultation with stakeholders.
- Establishing measures, and developing, implementing and reporting progress on plans to improve mine employees' nutrition.

In instances where, like the Harmony SLP, there are multiple programmes and projects, multi-stakeholder partnerships, detailed plans, experienced leadership and skilled human resources are a necessity and a prerequisite for the successful implementation within the constraints of time, scope and cost.

As discussed above, planning is a very important function of management, but, on its own, cannot ensure that the organisation achieves its objectives. There are other functions that should be performed in order for this to happen, such as organising, controlling and leading. Also, depending on the magnitude of the programme that the organisation seeks to implement, integration is a very important consideration. Integrated planning avoids the silo mentality and helps to pool the resources of different stakeholders.

CHAPTER 3: Research Methodology

3.1. Introduction

Research methodology describes the process that the researcher will follow in collecting all the data needed to respond to the research questions. In this chapter, key concepts of research methodology, such as control, interpretation, replication and research design, will be discussed. Further, the researcher will provide an overview of the key respondents and the way they were selected. Methods used in the data collection, and which of the key respondents participated in which methods, will be presented. Lastly, the instruments used for data collection in the research will be discussed.

3.2. Discussion on research methodology

Babbie and Mouton, (2007) aver that social research is the systematic observation of social life for the purpose of finding and understanding patterns in what is observed.

According to Welman and Kruger (2004) research is the process by which scientific methods are used to expand knowledge in a particular field of study. Research methodology therefore refers to the application of various methods and techniques in order to create scientific knowledge using objective methods and procedures.

Research methodology differs from research methods, such as opinion polls, and techniques, such as attitude scales. Welman and Kruger (2004) argue that research methodology is wider than research methods. Research methods are in turn wider than research techniques. Both research methods and research techniques form a part of research methodology. Research methodology can therefore be defined as the methods, techniques and

procedures that are employed in the process of implementing the research plan, as well as the principles that underlie their use. Research methodology helps to acquire scientific knowledge in four ways: (i) systematic observation, (ii) interpretation, (iii) control and (iv) replication.

3.2.1. Systematic observation

Social researchers observe aspects of social reality and then draw conclusions about the meaning of what they have observed (Babbie & Mouton, 2007). Sometimes social researchers use measurement and observation interchangeably. Measurements may be quantitative or qualitative.

In the social sciences, more than in the natural sciences, what is observed is as important as how it is observed or measured.

3.2.2. Control

Scientific knowledge is obtained in a controlled manner. Welman and Kruger (2004) refer to control as a means of systematically eliminating alternative explanations for the obtained results.

3.2.3. Interpretation

Interpretation, according to Babbie and Mouton (2007), is sometimes referred to as data analysis. Sometimes logic theory and mathematical models are brought to bear on a body of observations in order to discover meaningful patterns. The interpretation of observations involves more than measurement; it also rests on a logical or theoretical understanding of why variables should be related.

3.2.4. Replication

The manner in which scientific knowledge is obtained must be replicable. What this means is that comparable results should be obtained by other researchers independently of the original researchers, involving other research participants and other circumstances yet still be compatible with the same theory or logic (Welman & Kruger, 2004).

3.3. Research design

A research design is a plan that reflects precisely how the researcher intends to go about achieving the research objectives. It also provides the rationale for the choice of method for achieving the research objectives.

The research design specifies where the research will be conducted, for example, which sectors of the economy will be investigated, who the population of interest is and the rationale for the choice of population. The research design also specifies the data collection methods that will be engaged, for example surveys or interviews. It explains in some detail how data will be gathered or observations made and subsequently analysed. It is important to note that the research design should resonate with the research objectives. In some instances, particularly where human subjects are involved, the design should state how the researcher will adhere to any ethical guidelines (Saunders, Lewis & Thornhill, 2003: Kerlinger & Lee, 2000).

This study uses the qualitative, quantitative and content analytic methods for data collection purposes. Bailey (1987) argues that measurement is a process of determining the value or level, either qualitative or quantitative of a particular attribute for a particular unit of analysis. Measurement is therefore not confined to numerical or quantitative specification but can be qualitative as well.

3.3.1. Qualitative research

According to Babbie and Mouton (2007), qualitative research refers to the generic research approach according to which research takes its departure point as the insider perspective on social action. The focus and goal of research are to describe and understand human behaviour. The emphasis here is on methods of observation and staying close to the research subjects or respondents. Observational methods used in qualitative research include interviews, participant observation and the use of personal or organisational documents. In the analysis of qualitative data, the emphasis is on grounded theory and other more inductive analytical strategies, such as ethnography, field research and naturalistic observation.

Since the focus of this study is the social activities, interactions and experiences of people regarding a range of interventions aimed at improving their socioeconomic wellbeing, the study included logically, qualitative measurement. In order to tap into the experiences of people, a demographic research design was employed (Bailey, 1987; Patton, 1990; Merriam, 2002).

3.3.2. Quantitative research

Quantitative research in social science emphasises the quantification of constructs. The researcher here believes that the best way of measuring property is through quantitative measurement. The focus is on the central role of variables in describing and analysing human behaviour, and the role afforded control for sources of error in the research process.

3.3.3. Content Analysis

Content analysis falls under secondary analysis Bailey,1987). In content analysis researchers use data from available documents written by other people. According to Bailey (1987) content analysis has the following advantages:

- It saves time and money by using existing data rather than the collection of the original new data.
- There is less invasion of privacy by using existing data rather than collecting new data.
- There is ease of using comparative analyses (e.g. comparison of different countries on a particular social issue). Comparative analyses would include trend studies or comparisons over time.
- Content analysis can also be used to validate other methods of observation and measurement.(Kerlinger and Lee,2000)

3.3.4. Sample

Purposive samples comprising representatives from the mining industry, the MDA and the NUM were used. Profiles of the ex-mineworkers who took part in the study are shown in Figures 4.1 to 4.9.

3.3.5. Data Collection

The data collection process comprised in-depth, dyadic interviews with stakeholders from the NUM, the mining industry and the MDA. Focus group discussions were held with ex-mineworkers and community leaders. An interview schedule was drawn up to assist in collecting data from these respondents. The respondents involved in the focus group discussions were identified through the MDA's programmatic activities.

Four respondents from the NUM took part in the dyadic interviews in this study. The researcher is an employee of the MDA and this made it relatively easy to gain access to these officials. One official from the NUM regional structure and four senior MDA officials who are involved in SLP activities were interviewed individually, as were two local government officials and three officials from Harmony Gold Mining Company. Thirty-six respondents

participated in three focus group discussions. These participants were identified through the MDA's programmatic activities. All other respondents were selected because of their involvement in SLPs. All interviews were conducted by the researcher.

Data on the demographic profiles of ex-mineworkers were collected from two hundred ex-mineworkers. A questionnaire was used as a data-gathering tool for this purpose.

Furthermore, a content analysis was conducted on relevant documents.

3.4. Limitations

The success of the research is dependent on the cooperation of all the stakeholders in terms of providing the necessary information and participating in interviews. The unavailability of some key stakeholders denied the researcher access to valuable inputs.

3.5. Conclusion

As discussed above, the purpose of the research methodology was to get as many views as possible from relevant stakeholders. In addition, the methods used were largely informed by the type of stakeholder group that was engaged in order to obtain as much information as possible. In addition, the language used in many instances when interacting with most respondents was Sesotho and isiXhosa, in order to avoid the creation of a language barrier between the researcher and the respondents.

CHAPTER 4: Presentation, analysis and discussion of findings

4.1. Introduction

This chapter presents a summary of the findings from the different stakeholder groups that participated in the research. Firstly, the researcher conducted a demographic survey of 200 individuals in order to have a better understanding of the people who are beneficiaries of SLPs. A summary of the findings of the survey is presented below. This is followed by some of the stakeholder group responses that were given during the interviews and the focus group discussions.

The study sought to answer the following research questions:

- What are the factors that lead to poor integration of plans and programmes aimed at the implementation of SLPs?
- What are the current strategies with regard to planning and the implementation of SLPs?
- What can be done to ensure better integration and a sustainable positive impact of SLPs in Matjhabeng, in order to promote and enhance the socioeconomic wellbeing of the intended beneficiaries?

The responses from each stakeholder group are presented as follows: firstly the shared understanding of the SLP is presented; and secondly, responses from each stakeholder group are clustered according to the following themes: Planning, Organising, Leading and Controlling.

4.2. Findings

4.2.1. Ex-mineworkers demographic survey:

Two hundred ex-mineworkers took part in this study. Demographic variables on which information was obtained for the study are as follows:

- Age
- Marital status
- Number of dependants
- Nationality
- Educational levels attained
- Current employment status
- Source of income
- Profile of skills of the respondents

The demographic profiles of the 200 participants who took part in the study are summarised in figures 4.1 to 4.9 below.

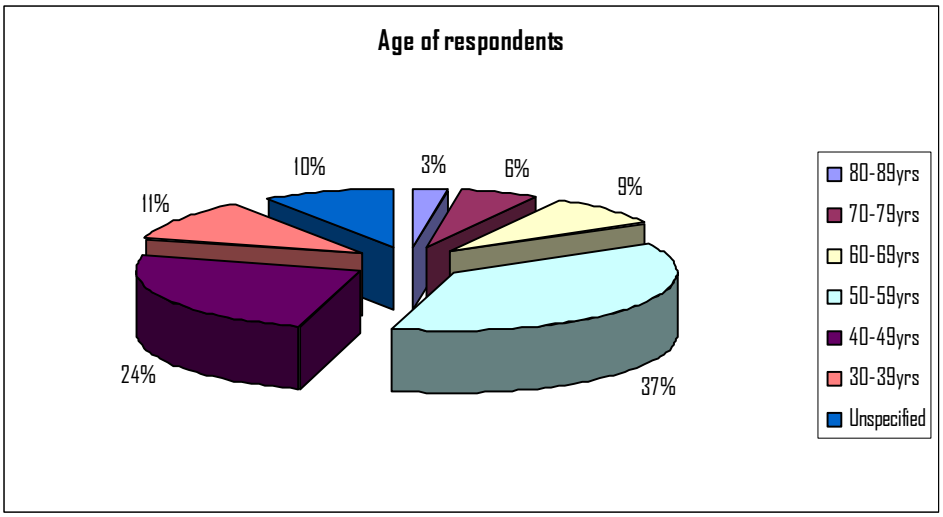


Figure 4.1: Age distribution of respondents

Figure 4.1 shows that most of the respondents fall into the age group 40 to 59 years. One of the provisions of the Social Plan is that people who are about to be retrenched should be assisted to acquire portable skills so that they can either be able find new jobs or use those skills to be self employed. It is therefore important to assess whether there is any value in training people who are nearing retirement in a new skill?

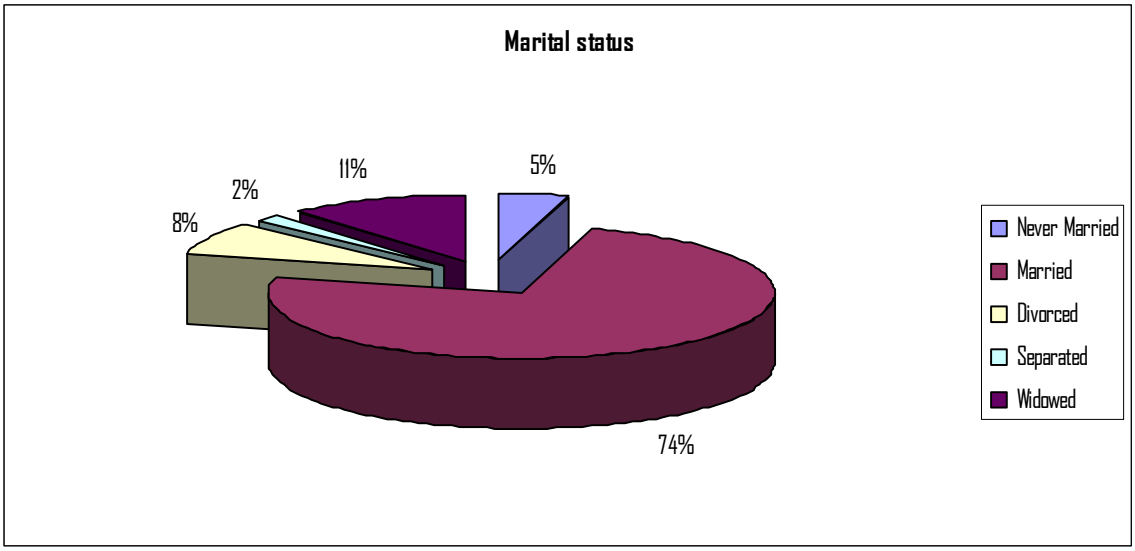


Figure 4.2: Marital status of respondents

As shown in figure 4.2, the majority of the respondents are married. As the majority are the only breadwinners, they often have to respond to a number of competing priorities, like their childrens' education; paying off bonds or even completing the construction of better houses for families, things they may have deferred because they thought they had some time.

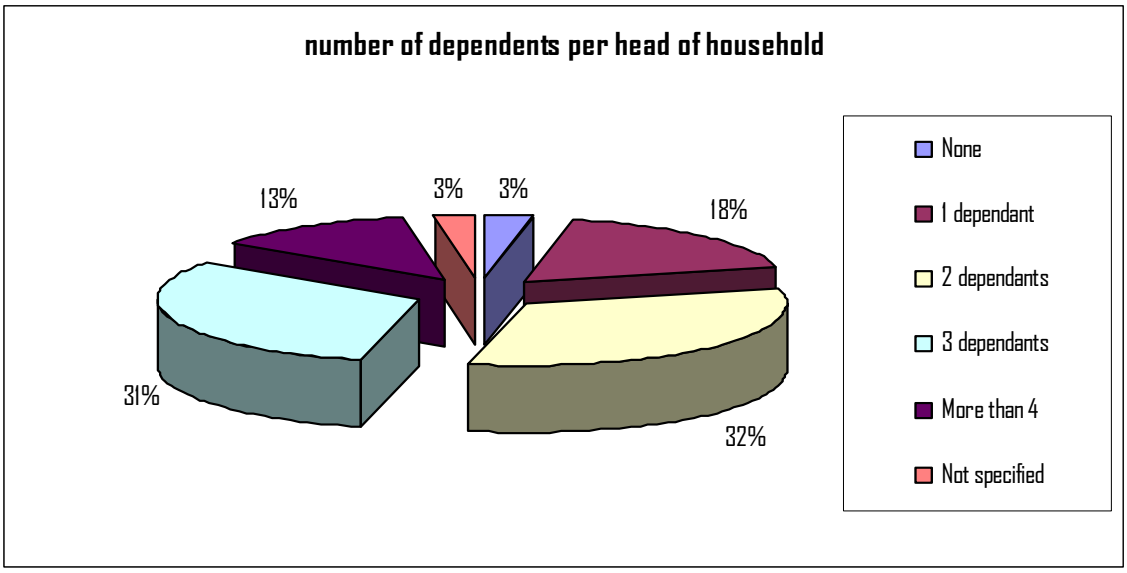


Figure 4.3: Number of dependants of respondents

As reflected in figure 4.3, 44% of the respondents have between three and 10 dependants, with 32% having 2 dependants. As in the previous figure, dependents put pressure on households already constrained by lack of financial resources.

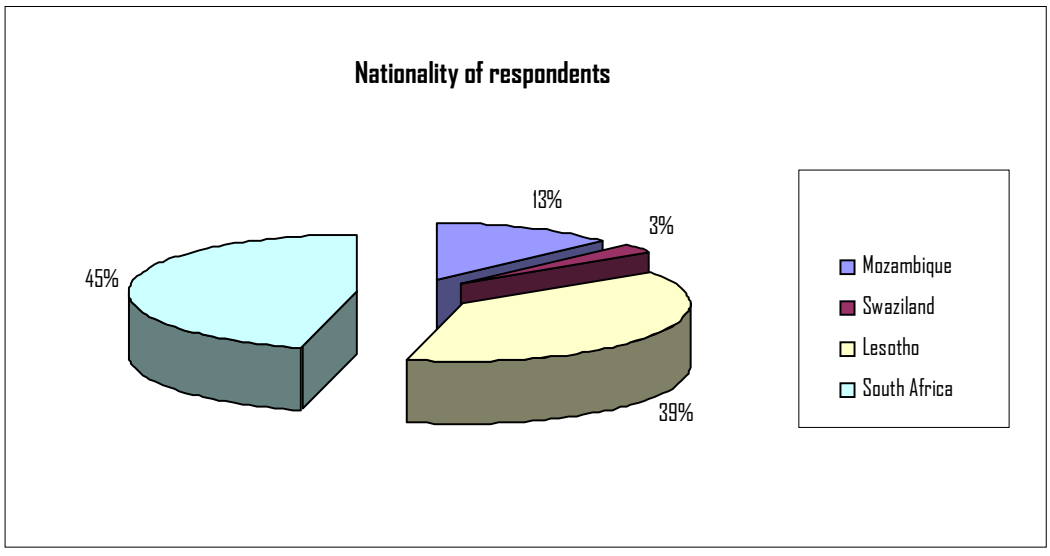


Figure 4.4: Nationality of respondents

As shown in figure 4.4, the largest group of respondents is from South Africa, followed by Lesotho. This means that the majority of SLP beneficiaries are in South Africa.

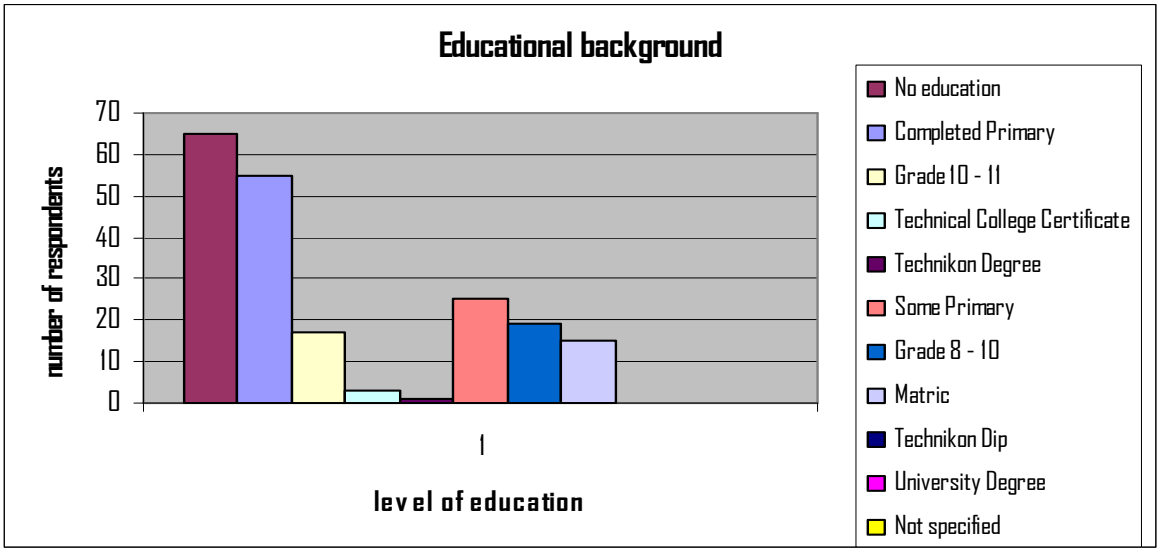


Figure 4.5: Educational levels of respondents

As reflected in figure 4.5, the majority of respondents either have no education at all, or have only completed primary school education. Training of these respondents would have to start with Adult basic education in order for them to be able to get further training in other areas. This makes the turnaround times to be too long for respondents to realise the benefits of training.

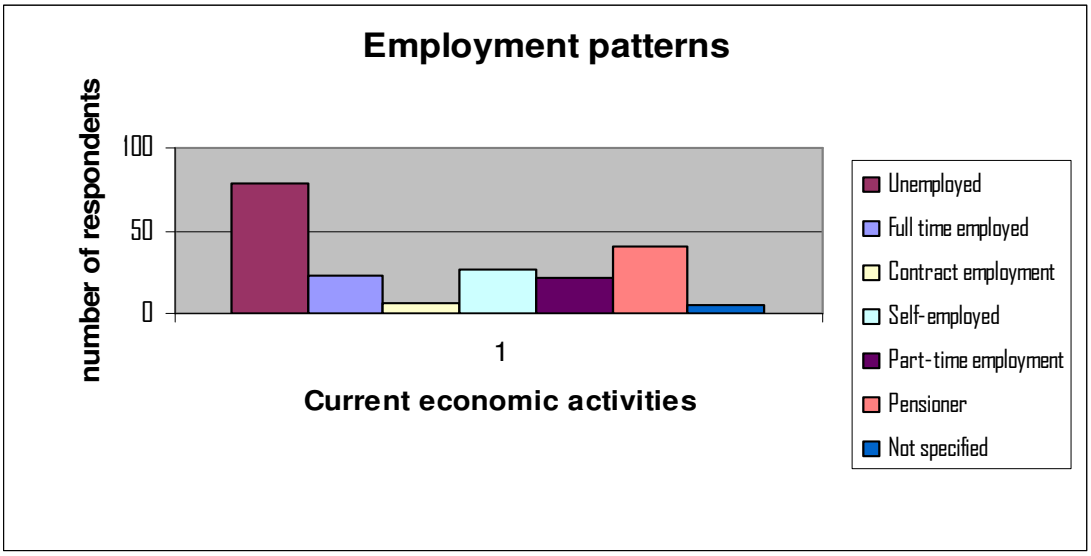


Figure 4.6: Employment status of respondents

Figure 4.6 shows that the majority of respondents are either unemployed or have inconsistent sources of income.

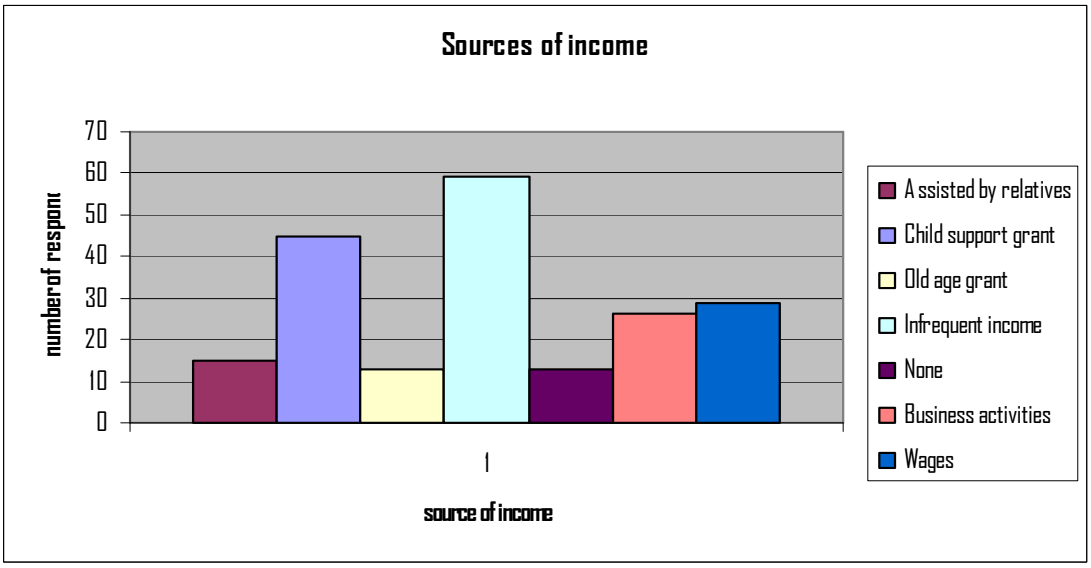


Figure 4.7: Sources of Income of the respondents

As shown in figure 4.7, the majority of the respondents receive infrequent income, although some rely on child support grants. What this figure illustrates is that most people have no regular or reliable income.

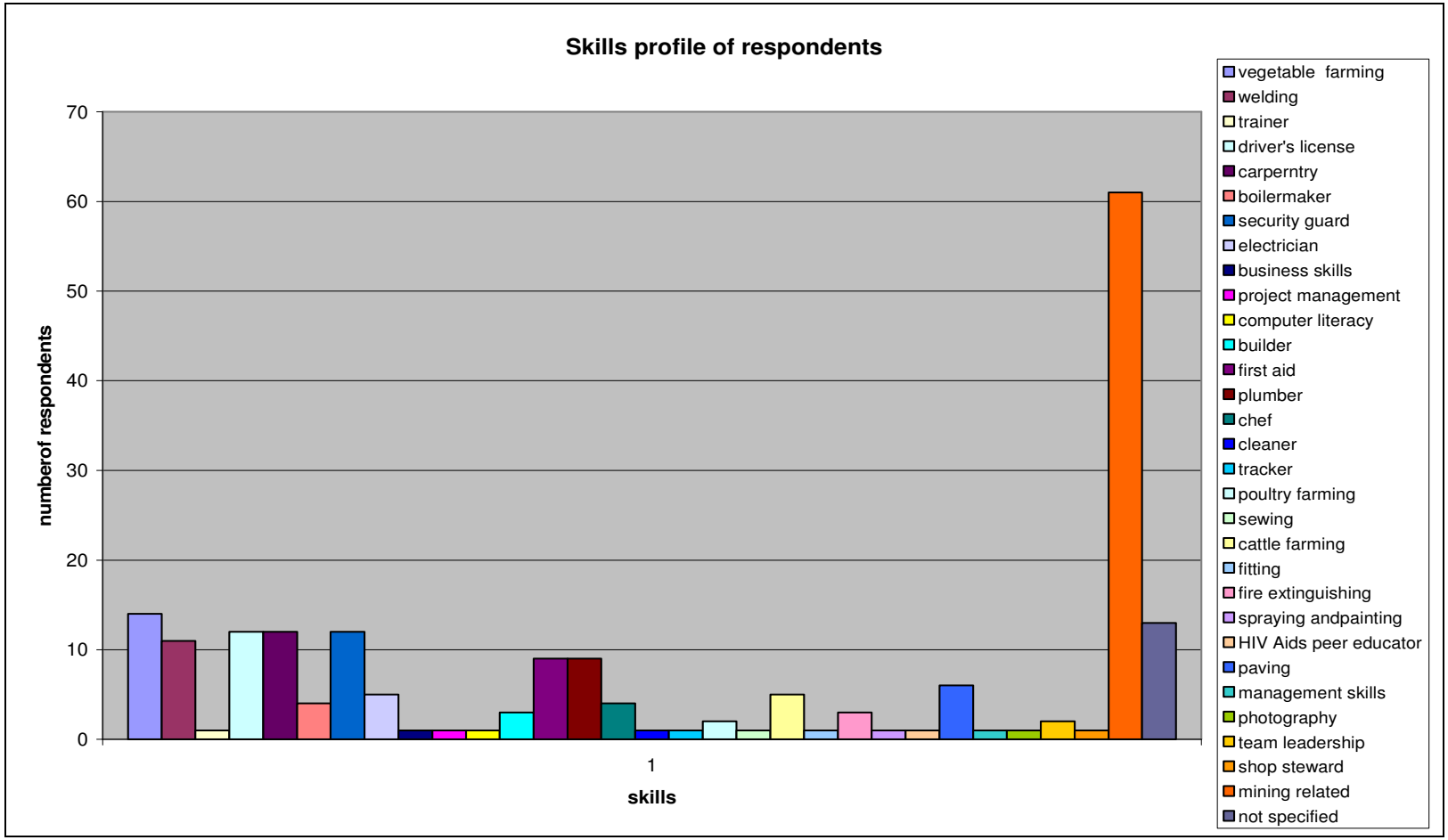


Figure 4.8: Skills of the respondents

As reflected in figure 4.8, the majority of respondents have mining-related skills. from this figure it is evident that with the closure of some mines, most people from this industry are prone to suffer.

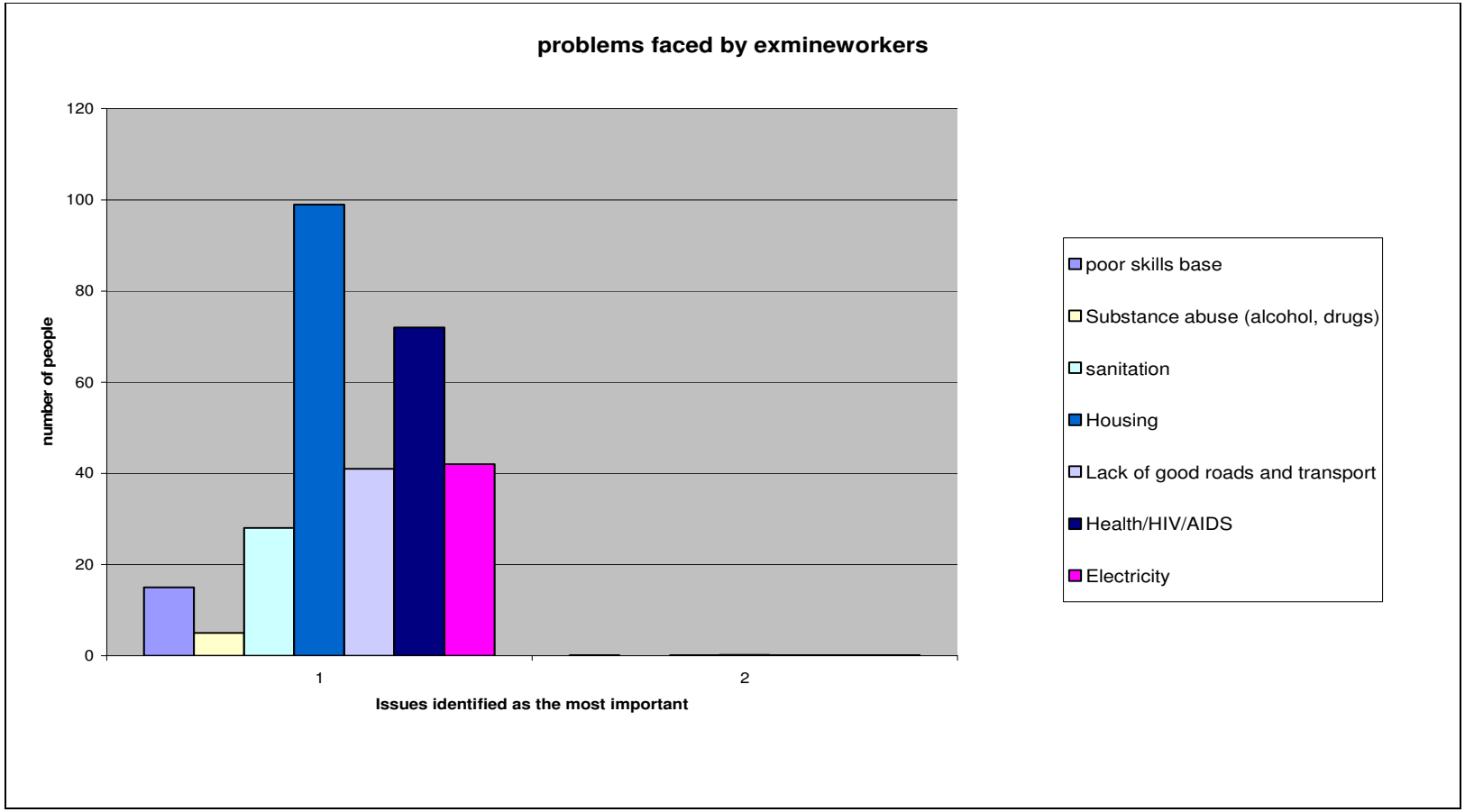


Figure 4.9: Social challenges faced by respondents

As shown in figure 4.9, the major challenge confronting respondents is housing, followed by health and then by a lack of good roads and transport, as well as electricity. The system of migrant labour has been proven to be a

contributing factor in putting mineworkers in the high risk category for HIV and Aids. From the above figure, there is a clear relationship between poor nutrition and poverty in general, as well as the quick progression of HIV to Aids. Disease has a serious impact on family income and consequently the quality of life, especially for people who have unreliable income. Lastly, there are indisputable links between the availability of basic infrastructure and services such as roads and electricity to the economic vibrancy of communities.

4.2.2. Themes from data collected in interviews and focus group discussions

The following section examines the themes that emerged from the interviews and the focus group discussions.

4.2.2.1. Ex-mineworkers

- **Understanding of the SLP**

About 80% of the ex-mineworkers who participated in the focus group discussions demonstrated a very limited understanding of what SLPs are. The remainder only understood them to mean re-skilling programmes for people so that they could develop alternative skills in order to be able to find other jobs. None of them had ever participated in a planning or consultative forum to discuss SLPs. They all said this had been left to elected representatives.

- **Planning**

All the respondents said that they believed that, even if the union was involved, the mine did most of the planning. About 20% explained the role of Future Forums and shop stewards, which, according to them, included making inputs into the SLPs and signing them off on behalf of the workers.

- **Organising**

All the respondents felt they did not have enough information on this issue. They referred the researcher to union officials.

- **Controlling**

All the respondents said they could only base their responses on their personal experiences. Below are some of the issues they raised as part of the challenges they would be faced when returning home after being retrenched. "… you get skills, then you are sent home without any practise. When you

observe other people who are in the same trade, you feel a bit inadequate and feel that you still need further training" said one respondent.
Another respondent said there was a problem with access to start-up capital once workers had been trained. The respondent said: "We have many responsibilities as breadwinners. I cannot take the retrenchment package and put it into a business venture that may not be successful. I will be gambling with my children's future." Others, who said that it was difficult to access tenders, supported this respondent and stated that it was difficult to access other opportunities if you were not "connected" (meaning if you did not know anyone influential). About half of the respondents said that some ex-mineworkers were still owed moneys by the mine, which they were supposed to get after retrenchment.

- **Leading**

The respondents felt that they did not have enough information to share on the aspect of leading, but the majority felt that the government and the NUM should be taking an active interest and providing more leadership on how the re-skilling programmes are implemented, especially once people have left the workplace.

4.2.2.2. Harmony Gold Mining Company Limited

- **Understanding of the SLP**

The understanding of SLPs within Harmony is based primarily on existing legislation. More about this understanding is discussed below under the management functions.

- **Planning**

The view from Harmony respondents is that planning for the SLPs is a participative process, which involves key stakeholders at different levels.

Each operation develops a plan in consultation with stakeholders within the company.

The respondents outlined the process for each of the key deliverables as follows: In terms of re-skilling, employees decide on what they would like to be trained in and inform the mine. The mine, in collaboration with the Future Forum, will try by all means possible to counsel workers on what would be relevant skills for the local economy from whence they come in order to try and link their skills to possible opportunities in those areas.

The respondents went on to say that, for LED projects the company, at group level and the individual operations, works closely with different levels of government to ensure that what is included in SLPs is in line with the IDPs of the local and district municipalities. The same applies for the Matjhabeng local and Lejweleputswa district municipality. These plans should also conform to the Free State Province's growth and development strategy. Further, they should conform to national goals for economic development, infrastructure development, social development, and poverty eradication. The implication therefore is that individual operations should be part of local forums where these plans are discussed and developed.

Other commitments like human resource development and employment equity, which should be implemented by the company internally, would be part of agreements signed with labour. "As you can see, there is no way that the company can do things unilaterally", said one of the respondents.

- Organising

Harmony respondents believe that the company has done everything possible to make sure that SLPs become a reality in mining communities and mining towns. One of them said, "in order to achieve this, Harmony has appointed a

full-time LED manager to deal with the issues mentioned above in the Matjhabeng Local Municipality".

Another said that because of Harmony's positive attitude towards SLPs, even before they became legislation, the company had learnt a lot from their experience of implementation such that they are currently far ahead of other mines. To illustrate this, one respondent said, "… there are structures in place; people have been appointed within the company to ensure that there is delivery to the commitments that we made".

Each of the respondents explained how the company has gone to great lengths to ensure that there is a systematic implementation process for SLPs. These included the following:

- The setting up of representative structures with authority within the company to oversee the process at all levels, including a representative Social Plan Board.

- The provision of space within hostels for re-skilling programmes in order to make it easier for workers to attend classes.

- Participation in and cooperation with municipality structures in order to be part of the deliberations regarding LED.

- The allocation of R3000 per employee for re-skilling programmes. As the respondent said: "We try, through negotiations with service providers, to ensure that this amount covers everything and what makes it easy for us are the numbers of people that need to participate in the re-skilling process. In the event that there may be a need for this amount to be adjusted, there is a representative Social Plan Board of trustees that can make those decisions."

The only challenge that they all raised was the availability of data at municipalities, which made their task of career counselling for workers difficult. One said, “municipalities do not have information on the skills needs of their local economies. Often, projects are identified, feasibilities conducted in some instances, but there is always a gap in terms of what skills are available or needed in that area”.

- Controlling

Harmony respondents believe that the structures that have been assigned the role of managing the implementation of SLPs are doing a sterling job. One of the respondents said, “part of what Future Forums do is that they sign off payments for training programmes. Before they do that, they would have ensured that the training actually takes place as agreed”. Harmony respondents believes that they are doing enough by screening and appointing accredited service providers and giving them clear contracts. In addition, they said, service providers award certificates of either attendance or competence. For the Harmony respondents, this is a measure of the success or failure of the project. No statistics were provided to illustrate this point.

In terms of LED, respondents said that all projects are managed through joint structures with municipalities, and therefore the same applies to Matjhabeng. They referred the researcher to the principles that are applied to support LED projects as outlined in the Free State Operations SLP (Harmony, 2007).

The main challenge and concern that the respondents raised is that Harmony’s contribution ends with the provision of skills. One of the respondents said, “we are not able to follow up and assess how the knowledge gained through training is applied or whether it is attaining the desired results. Once projects have been agreed and funded, the municipality decides on who is going to benefit”. The respondents believe that since the

DME is responsible for the overall monitoring of LED and social plans, as well as for conducting annual audits, it would have picked up if something were wrong. One of the respondents said, “if they find that the mine has not complied, they can take drastic measures, which may include withholding a mining licence”.

- **Leading**

All the respondents felt that Harmony is the leader of the pack when it comes to SLPs. One of the respondents said, “Harmony was the first company to sign agreements and commit funds to the implementation of SLPs. The fund is still there and being used. The overall commitment was R53 m with disbursements of R3,5 m per annum”.

All respondents felt that Harmony as a holding company is accountable for the success or failure of SLPs, but the subsidiaries, as licence holders, are even more responsible for the implementation of these programmes because if there is no delivery, there are serious penalties for individual mines and they run the risk of having their licences withdrawn.

In terms of the hierarchy and line of accountability for social plans, the respondents referred the researcher to the Free State Operations SLPs, which outline the different levels of responsibility for the development, implementation and reporting of SLPs (Harmony, 2007).

4.2.2.3. National Union of Mineworkers

- **Understanding of the SLP**

All the NUM respondents said that their understanding of SLPs was informed by their exposure overseas and the subsequent work that had been done locally. The respondents felt that the NUM could not disassociate its

understanding of the SLP from the MPRDA because it had actively lobbied for it. As one respondent put it, "… by the time the Act was promulgated, we had already signed agreements with the industry".

According to the NUM respondents, the original idea with the SLPs was that mining companies should take responsibility for the impact that mining activities have on communities. The main purpose was to assist mineworkers to get portable skills in order for them to be able to survive after retrenchment. It was also about assisting them to start projects in their home areas in order to avoid a situation where they would wallow in poverty and ultimately become "… a burden of the state after spending all their economically productive lives in the mines," said one respondent.

- **Planning**

All the respondents said that mines develop SLPs on their own and then present the complete documents to employee representatives for signing off, as part of the legislative requirements. One of the respondents said, "the mine sits down and develops a plan, which they take to the Future Forum and the Human Resource Development committee for discussion and agreement. Then they take it to the department for approval". Another said, "they are taking advantage of the limitations of the labour unions. They know that often the shaft stewards that they engage on SLPs will not make any substantive contribution to the content and will just sign off". Eighty percent of the respondents felt that this process is largely driven by the mines.

Each of the respondents cited examples to illustrate why they felt planning for SLPs was not a participative process. One of the examples given was that there had been incidences where disputes had to be declared because companies had either submitted SLPs without consultation or the consultation had not been meaningful. Another said that, in some instances, the company would want to involve the union very late in the process and the unions had

refused to participate. According to these respondents, there had been cases where employee representatives had signed off plans without knowing the budgets. In another example, a respondent said that often when resources like land are donated labour is not involved. He said, "… we are just informed. This defeats the purpose of SLPs because we are denied the opportunity to influence the conditions for those donations, for example, what is the percentage allocation of employees who will benefit from the housing programmes that will be implemented on the donated land". One respondent said, "transparency in the development of plans only happens in instances where the branches of the union are stronger and are able to challenge the mines on these issues".

All of the respondents invariably agreed that the possible reasons for some of the problems cited above were that labour unions, particularly the NUM, are more concerned with the conditions of service of the employees and amounts to be paid out in instances where retrenchments are imminent. SLPs are often a secondary matter that union representatives discuss once they are satisfied about the outcome of negotiations on the issues that they regard as primary.

- Organising

All respondents from the NUM felt that there is no clear coordination among stakeholders, especially on projects that are outside training. As one respondent put it, "mines are doing their own thing, labour has limited information, municipalities are doing their own thing and often retrenched workers are marginalised or even do not know what is happening".

One of the respondents highlighted this point by sharing what was allegedly happening in Matjhabeng municipality. He said, "… about two months ago, we were approached by the Matjhabeng municipality, complaining that the mine (Harmony) has made a lot of promises regarding LED development but those promises were not being met". The respondent felt that the problem was that

the mine did not involve the NUM on LED projects. This isolates the union and therefore there is no coordination.

“The issue of resources is still a challenge and we need to lobby for more resources from the employers and the Department of Labour; the truth is that the mines, Harmony included, are not really spending what they allege to be spending on re-skilling because they claim most of that money back from the government,” said another respondent.

All of the respondents felt that the success of the SLPs depended on resources being committed throughout the entire cycle, rather than in the initial steps. For instance, one respondent stated that there was no point in training somebody in welding for an equivalent of two weeks without follow-up support and an opportunity to apply the knowledge acquired from the training. Another concern raised by the respondents was on the disjuncture between re-skilling and opportunities presented by LED programmes.

- Controlling

All of the respondents said that there is no mechanism known to them for monitoring implementation and or assessing the results or impact of the programme against the resources spent. One respondent said “… but we have been able to observe that: (i) the company is doing well in the provision of bursaries, learnerships, but is struggling with the housing and human settlement programme, and the LED programme”. About 60% of the respondents felt that the company is not committed. One respondent explained as follows, “they send junior people who cannot make commitments or answer our questions satisfactorily to stakeholder meetings. What is the point of sending someone to represent the company without giving them the full mandate?”

Another respondent said that they know that re-skilling programmes have been conducted, but there were no databases that they knew of or that were shared with them of the people who had been trained. This respondent further argued, “there is no evidence that the people who have been trained are able to use the skills they acquired to earn a living for themselves. There is no clear programme that outlines what should happen once people have been trained. There is often a big discrepancy between what the companies commit on paper and what happens in reality”.

The respondents felt strongly that there are no tools developed either by labour or by the mines to monitor whether resources have been well spent, apart from the cheques that are signed in order to pay service providers. As one respondent put it, “we rely on reports from Future Forums and attendance registers from service providers, which may not be accurate because they are intended to release money for payment. Often people on the ground do not realise the importance of monitoring these programmes and leave it to the company to give them updates on progress. There is a need for serious improvement, especially for labour, in this area”.

All respondents emphasised that training on its own cannot deliver the desired results of the SLP.

Forty percent of the respondents felt that the lack of criteria or performance standards for engagement with stakeholders or the implementation of SLPs at municipality level is a problem. Another 40% of the respondents said that the lack of integration between government procurement policies, which municipalities are using, and the provisions of the MPRDA on procurement are a major factor that undermines the purpose of SLPs. One of the respondents felt that a major contributory factor to the problems outlined above was that there is poor coordination at the regional level of the NUM and

no clear reporting guidelines on the implementation of SLPs. The respondent said, "… we do not have anyone assigned with that task".

- **Leading**

All the respondents felt that the NUM took leadership at the beginning by fighting for SLPs to be part of agreements signed by the industry, but felt that, at some point, that role had been replaced by a level of complacency because there is legislation to enforce the agreements.

There was a general feeling by all respondents that instead of the mines taking leadership and accountability on the SLPs, all key stakeholders should have a role. Forty percent of the respondents went into the details of who should play which role among the stakeholders.

The following are some of the comments the respondents made about who they thought should have ultimate responsibility on the SLP:

One respondent said, "all key stakeholders should be accountable, that is why we feel that there needs to be a regional task team that can coordinate, manage and hold stakeholders accountable".

Another respondent said, "… both labour and the employers. However, we have allowed companies to take the lead in these matters. We only involve ourselves when there are problems. There is no real ownership of these programmes by the labour movement. Government should also take responsibility because after retrenchments these workers will become the government's responsibility".

"We need to acknowledge that the real custodians of the SLP are, or should be, labour unions and the Department of Labour. Employers are enablers.

Unions should also take the blame if things go wrong. We cannot expect others to ensure that the SLP is done according to the original concept. The NUM regions, Department of Labour and provinces should ensure that things go according to the original plan or at least according to the commitments that mines make", said another respondent.

Another respondent went to great lengths to outline each stakeholder's responsibility on the SLP. This respondent felt that government should take the most responsibility, followed by companies and then labour. Government, as the structure responsible for awarding licences, should not only rely on company reports. They should put in place mechanisms to verify the existence of what is contained in those reports. Government should also find ways of ensuring that labour plays its part; make it an obligation for them. The respondent felt that there is a need to build the capacity of labour to monitor because in the absence of that capacity companies will continue to take advantage of the situation.

4.2.2.4. Local municipality

- **Understanding of the SLP**

Respondents said the local municipality's understanding of the SLP was that it was about mining companies, and Harmony in particular, supporting LED plans, in the form of big capital projects developed by the municipality. The respondents believed that community development and poverty alleviation projects were a function of the Department of Social Welfare.

- **Planning**

The respondents said that the planning they did through the IDPs and LED plans informed what the mines did within the local municipality, emphasising that the mines were required by law to cooperate with municipalities on their development initiatives. One respondent said, "we follow thorough

consultative processes in developing IDPs and LEDs, which the mines are also involved in".

- **Organising**

The respondents saw the municipality as an equal partner in the delivery of economic development in Matjhabeng. To the respondents, the relationship with Harmony was a mutually beneficial one. They have the political influence and Harmony has the money. The respondents therefore emphasised that they had plans in place, which Harmony had agreed to fund and that the funding would amount to millions of rand.

- **Controlling**

The respondents said that even though they had not started with the implementation of the projects that they had agreed to under the current SLP, there are structures in place to manage those projects.

- **Leading**

There was no clear response from respondents on this aspect.

4.2.2.5. Ward councillors and community development workers

- **Understanding of the SLP**

The majority of respondents were not to sure about what SLPs were. Those who had a clue only understood the re-skilling part as "retrenched people are called back in order to get training which the mines are paying for, some do not even attend", one of the respondents said.

- **Planning**

None of the respondents could relate to this aspect of the questions and therefore did not have much to say except that "we were invited to participate in one or two meetings in the recent past where discussions around IDP and

funding from the mines took place. I am not sure about the details, the Mayor's office handles all these things" said one respondent, with agreement from the others.

All respondents, however, said that they were aware that Harmony had been generous in funding most of the municipality's events, even though they did not know whether that was done as part of the SLPs.

- Organising

The respondents had no information about this and therefore could not comment, referring the researcher to the municipality officials.

- Controlling

The majority of respondents said that there was no evident impact from the training that people receive as part of the SLPs. One respondent said, "some do not even know what the training they have undergone was about, while others feel they are not fully equipped to do anything meaningful after the training". Another respondent added "… most just see it as a waste of time and actually feel it would have been better if the money that was used to pay for the training was given to them or used to contribute towards their children's education". Most of the respondents said that there were obvious gaps in terms of the local skills base and the needs of the municipality, which could be filled through training. They also raised a concern that sometimes the training is targeted at people who are too old to derive value from it anyway.

- Leading

The respondents had no comments on this issue.

4.2.2.6. Mineworkers Development Agency

- **Understanding of the SLP**

Respondents from the MDA said that their history and understanding of SLPs were so intertwined with that of the NUM that they could not be separated. According to the respondents, the MDA came about as part of the NUM experiment in Social Plans, even though they were not called by that name at that time. The respondents defined the SLP as a programme that was conceptualised after there had been a realisation that the socioeconomic impact of mining on poor communities increases the burden on government's resources. “The idea was that companies that are involved in mining activities should contribute towards making communities that have been affected by mining, either through their provision of labour or through living in mining towns, economically viable beyond the life of mining activities,” said one respondent.

One respondent explained that the goals are determined by legislation, even though they borrowed heavily from what already existed in agreements that the NUM had already signed with mines. Another respondent said that the goals of the SLPs would be achieved if, “there are mining communities that are socially stable and economically viable, transformed companies who open up opportunities for previously disadvantaged groups to participate in procurement opportunities, a skilled labour force and productive mines”.

- **Planning**

On the question of planning, all respondents invariably said that the MDA is not part of those processes. One of the respondents said, “mines normally withhold information about these things. We have to make presentations, develop proposals and attach our own budgets to activities and then we will be funded to implement specific projects. The only things we are aware of are

funds allocated to each employee for training purposes, which is R3000,00, but we also have to bid for that, in competition with other service providers".

- **Organising**

One respondent summed up the MDA's views on this aspect as follows: "There is no integration as far as we know. Ideally, re-skilling programmes should be linked to opportunities in labour-sending areas or mining towns, depending on where the recipients come from. There should be counselling services to help employees to choose the right skills to be trained for; this should be done in collaboration with other stakeholders, but we have no real evidence of that happening".

- **Controlling**

All the respondents said that they were not aware of any system for monitoring the implementation of SLPs in an integrated manner. The respondents said that the MDA's role was limited to managing the allocations that the MDA gets for implementing specific projects on behalf of the mine in specific areas.

Respondents said that even the best quality training cannot achieve the desired results if it is not linked to follow-up support, resources and opportunities. One of the respondents said, "currently, the commitment of re-skilling per employee is R3000, despite workers having different choices of training, how is that possible?" In addition, the respondents expressed concern that there is a general problem with SMME development and support in the country: "… people struggle with access to start-up capital because they are regarded as high risk by banks; access to markets is still a big problem and there are real challenges regarding meeting quality standards for products developed by small businesses. All of these things are not covered through this programme," said one respondent.

The MDA respondents see the re-skilling programme as just raising expectations with very limited chances for success. Another respondent added “we have interviewed ex-mineworkers in areas where we work, including Matjhabeng and we come across a lot of people who have been trained but are still unemployed with no alternative source of income, some cannot even remember what they were trained on”. The MDA respondents said most ex-mineworkers are more concerned about moneys that they believe are being owed to them by the mines than about training and how it could possibly help them to overcome poverty. The respondents also added that most ex-mineworkers want to go back to mining rather than start something new, because of the lack of recognised skills, fear of failure, and losing all their investments.

One of the respondents said on monitoring: “We have our own monitoring systems that we use internally, and that helps us to be able to report to Harmony on a regular basis. However, we are not aware of how their entire programme is monitored and assessed to ensure that the outcomes are achieved”. The MDA said that it believes that the ideal would be for the DME to monitor implementation with participation from the unions, organisations like NGOs, municipalities and communities.

- **Leading**

Respondents felt that there is poor leadership among all stakeholders, because even if the problems are known, no one is taking the initiative to try to find a solution.

The MDA would like to see the overall accountability for SLPs being apportioned as per the level of responsibility of each stakeholder. For instance, the respondents said, service providers should be responsible for the part that they are doing, with the company taking overall responsibility and the client, communities and unions should be watchdogs, the government

through the DME and DoL should be the ones that crack the whip if things do not happen.

CHAPTER 5: Data analysis and discussion of the findings

5.1. Introduction

As mentioned previously, the qualitative data gleaned from the respondents in this study were organised into the following themes: Planning, Leading, Organising and Controlling. These themes were discussed extensively in the literature review section.

The thematic analysis assisted in generating key issues around perceptions of SLPs and their impact, particularly interventions aimed at promoting employment and advancing the social and economic wellbeing of mining communities and the major labour sending areas. The thematic analysis also helped to generate information on the patterns of interventions, general experiences of beneficiaries regarding these interventions, and the overall general impact of SLPs on individuals and their communities.

Content analysis provided the necessary historical context within which the purpose and rationale of the SLPs and the intended outcomes should be understood. The historical context also threw more light on the roles of various stakeholders in the implementation of the SLPs. In addition, content analysis shed light on the design of internal processes and structures in the mines and how the plans were subsequently implemented.

5.2. Achievements of the SLPs

Information gathered from most of the respondents, with the exception of the MDA, ex-mineworkers and community representatives, confirmed that the following aspects of the SLPs were working, even though they might need some improvement.

5.2.1. Human Resource Development

- **Bursary schemes** – a number of bursary schemes had been awarded to deserving students and employees who wished to further their studies. Over and above this, there is a bridging school for those matriculants who would like to continue with their studies in areas that are relevant to the mining industry, so that they can get better results and gain entry into those fields at a tertiary level.

- **Reskilling programmes** – these programmes seem to be on track. All the respondents confirmed that there were activities taking place in this area, although the numbers of those who participate could not be confirmed. There is room for improvement in terms of linking skills to local opportunities.

- **Literacy programmes –** Harmony has made a commitment to end illiteracy among its workforce by 2015. They have set specific targets and provided resources for this goal to be achieved. Literacy classes are being held, although the numbers of participants could not be specified.

5.2.2. Commitment to make SLP work

- **Overall commitments contained in the SLPs.**
  The SLPs are a written commitment of what the company intends to do and how much it is prepared to spend. This document can be used to make the company accountable and is an important first step towards accountability.

- **Structures**
  There are structures in place that are meant to ensure that work continues according to plan and to provide support where

necessary. Harmony, the municipality and the NUM already have an understanding in terms of which to work together on aspects of the SLP. While there may be room for improvement in terms of coordination and broader participation, these structures do communicate and interact in different forums. Bringing them together for the purpose of the SLP should therefore not be difficult.

5.3. Understanding of SLP by stakeholders

The DME has developed guidelines to explain the provisions of the MPRDA for SLPs. These guidelines outline the way SLPs can be developed. Further, the mining industry has adopted a charter, which also gives clarity on what the industry undertakes to do to meet its SLP obligations and fulfil the requirements of the MPRDA. Most stakeholder groups, with the exception of the community representatives and ex-mineworkers, have said that their understanding of the SLP is based on the MPRDA. However, it is clear that their interpretation of the SLP tends to favour their own needs. There seems to be variation among the stakeholders' understandings of SLPs.

Lack of a shared understanding of the SLP leads to fragmentation in the planning and implementation processes.

5.4. Management themes

5.4.1. Planning

The SLP, by design, is a participative, multi-stakeholder programme. The implication is that planning should be a consultative and well-coordinated effort. The implementation of the SLP is like going through a supply chain, and unless all the role-players in the supply chain share an understanding and support the goals of what they are participating in, there is bound to be a lot of fragmentation.

The findings confirm the following: that the NUM, through negotiations, ensures that SLP provisions form part of the agreements they have with mines, but they are not involved in the development of the SLPs save for signing them off before submission to the relevant government departments. The NUM's role in negotiations on the SLP is largely informed by a motivation to get the best deal for its members, with whom it has very limited if any interaction after retrenchments. These negotiations are not based on an empirical study of the conditions and challenges of each area that the mineworkers will return to, nor are they informed by the experiences of previously retrenched workers.

Municipalities have different planning processes for development in their areas. When these processes are put in place, they are not meant to feed into the SLP development process; but are aimed at complying with government policies for needs assessment and provision of services to citizens. In addition, IDPs and LED plans are developed for municipalities by consultants, independently of the mines. On the other hand, when mines send representatives to IDP and LED consultative processes, they are complying with a requirement by the DME to do so, not necessarily to plan jointly with the municipalities.

This explains why, for example, the municipalities will not conduct a skills-based analysis that will assist the mines in their re-skilling programmes. It also explains why the mines cannot influence municipalities to involve retrenched mineworkers in programmes that the mines have funded.

The findings have confirmed that there is insufficient consultation on the development of the SLPs, which results in very little, if any, match between

intervention programmes and the needs of ex-mineworkers and their communities.

Figures 4.1 to 4.9 illustrate very important information, which should ideally form the basis of or provide lessons for the development of any SLP. Most of the retrenched mineworkers are over 40 years of age, with very limited if any education, married with at least two dependents and no reliable source of income. However, nowhere is this group of people (in whose name SLPs were initially conceptualised) mentioned as potential beneficiaries of LED programmes. The mine says it provides counselling for workers on training in skills that are linked to opportunities in the places that they come from, but those skills are not even factored into projects that are funded at the municipality.

Multi-stakeholder programmes like the SLP should be a partnership for the achievement of a certain goal; however, this is not happening. Instead, all the stakeholders are working in silos. Stakeholders regard SLPs as a funding or a consulting opportunity, rather than a value-adding service to the country's broad poverty reduction programme. The programme has more characteristics of a donor-driven programme than a partnership.

All of the above indicate a serious lack of integration in planning, which leads to an uncoordinated effort in implementation, diluting the impact of SLP interventions on targeted groups.

5.4.2. Organising

Effective strategy implementation should be preceded by organisation design, which determines the appropriate structure for the achievement of the organisation's strategy and goals. The implementation of SLPs calls for the participation of various stakeholders and therefore the lack of integration in

planning makes it difficult to carry out organisation design. Instead of the stakeholders drawing synergies through access to the knowledge, skills and experience of working together, they pull in different directions.

5.4.3. Controlling

This function seems to be largely left to the DME, which conducts audits to ensure that mines comply with legislation. This makes SLPs more of a compliance project, with a focus on quantitative results rather than the qualitative impact that it has the potential to achieve in communities. It is evident that Harmony has done a lot in terms of putting the right plans on paper, allocating huge amounts of money to budgets and putting together the right structures within the company to oversee implementation. All stakeholders other than Harmony seemed to agree that its re-skilling programme is achieving the correct numbers, but other programmes like LED and housing seems to be failing. Stakeholders are concerned about the lack of implementation of these programmes.

5.4.4. Leading

The findings confirm that there is a lack of leadership on SLPs both at individual stakeholder and at multi-stakeholder levels. Each of the stakeholder groups have identified different challenges that impact negatively on the outcomes, but none have taken the initiative to tackle those issues or even bring the different stakeholders together to find a common approach to dealing with those issues.

5.5. Conclusion

As shown in the discussions above, there has been some good elements of the SLP, especially with human resource development. Also, there is consensus on efforts made to demonstrate commitment to the programme.

These aspects are indicators that there is a firm foundation on which meaningful partnership can be established, despite current disagreements.

CHAPTER 6: Conclusions and Recommendations

6.1. Introduction

This study has shown the value of SLPs in the alleviation of poverty and the enhancement of the socioeconomic wellbeing of ex-mineworkers and their communities. Whilst the study has demonstrated the potential for resolving issues around the plight of mineworkers, it has also shown the importance of going back to the basics of management in terms of planning, organising, controlling and leading.

The study has further demonstrated the need for integrated planning which is pivotal to the effective implementation of SLPs.

6.2. Conclusions

The following conclusions have therefore been made, based on the initial research objectives listed below.

6.2.1. Investigate factors contributing or leading to the lack of integration in the planning and implementation of the SLPs.

The research has found that stakeholders do not share the same interpretation of the purpose and objectives of the SLPs, even if they refer to the same source, that is, the MPRDA. This is the underlying reason for working in silos and therefore the main reason for the lack of integration in planning and implementing SLPs. It also emerged that the key stakeholders that play an active role in aspects of the SLPs are the mine, the municipality and the NUM. The main beneficiaries of the programmes, who are ex-mineworkers and communities, as well as NGOs and other structures that work closely with communities, are not involved in key decision-making, planning and implementation processes.

6.2.2. Findings on the current status of SLPs

It has been found that there are strengths and weaknesses in the way that current SLPs are planned and implemented. What has been achieved is that the current plans have been approved by government, re-skilling programmes are underway and structures are in place, certainly within Harmony, for the implementation of SLPs. However, the implementation of the housing programmes and the integration of re-skilling programmes with local opportunities need to be improved.

6.3. Recommendations

This study sought to evaluate the impact that SLP interventions have had on the wellbeing of beneficiaries. A particular focus was on the possible lack of integration in the planning and implementation of SLP programmes by the different stakeholders for the benefit of communities.

Findings in this study confirm Ngele and Erasmus's (2009) conclusion that collaborative efforts among companies, trade unions, communities and local government are important for SLPs to be successful. In order to achieve this success, we recommend the following to stakeholder groups:

6.3.1. Harmony Gold Mine

- Use the current SLP programmes to improve consultation with and accountability to other stakeholders.

- Introduce a follow-up programme for those who have been trained in order to assess the impact of training.

- Work with the municipality and other stakeholders to conduct a training plan based on a thorough assessment of economic trends affecting a particular municipality.

- In consultation with the municipality, introduce quotas to ensure the participation of ex-mineworkers in some of the projects that are funded through the SLP in order to enhance the image and value of training for ex-mineworkers and communities. Currently, most ex-mineworkers view the training as a waste of time and resources.

- Institute a strict monitoring system for the re-skilling programmes to ensure that service providers submit independently verified reports.

- In conclusion, strive to make the SLPs a programme that will have a sustainable qualitative and quantitative impact on the communities affected by mining.

6.3.2. NUM

- As part of the negotiations with mines, insist that SLPs become an integral part of the mine's activities so that they are not seen to be implemented merely as a sign of impending retrenchments.

- Conduct education campaigns across all the membership so that it remains vigilant and takes all SLP interventions seriously. Importantly, the purpose of education should be to ensure that the members do not relate the SLPs directly to retrenchments.

- Ensure that all levels of leadership, starting with shaft stewards, are adequately equipped to engage substantively with the contents of SLPs, right through from the planning phase to impact assessment.

- Ensure that NUM structures include the SLP function at all levels in order to facilitate communication, monitoring, trouble shooting and responsiveness to any deviation from what has been agreed.

- Dedicate some time and resources to consulting with ex-mineworkers who have been retrenched under agreements that included SLPs. The engagement with ex-mineworkers would go a long way to providing the union with valuable information for negotiating better SLPs.

- Work with its partners to influence the implementation of what the NUM refers to as the "original model/concept" of SLP, which addresses bottlenecks through the supply chain and ensures a clear link between human resource development interventions in the workplace and opportunities in the community. Case studies which reflect "best practice" could then contribute towards informing strategies for implementing SLP.

6.3.3. Ex-mineworkers

Ex-mineworkers have an opportunity to reorganise themselves and work through their community leaders, NGOs and other relevant structures to advocate for their inclusion in programmes and to consult on these programmes that are presumed to be of their benefit.

6.3.4. Local municipality

The municipality has a responsibility to look after all the citizens within its jurisdiction. In the interests of boosting economic activity it might want to consider working with some of the ex-mineworkers who demonstrate entrepreneurial flair, not only by giving them opportunities through procurement, but also by linking them with existing resources and institutions like the Small Enterprise Development Agency (SEDA).

6.3.5. Local councillors and community development workers (CDWs)

The community has demonstrated its support for and faith in counsellors by electing them. CDWs, on the other hand, are the facilitators of development initiatives in the community. Both the counsellors and CDWs therefore have a responsibility to inform themselves as much as possible about the latest developments in terms of opportunities and possible interventions that could add value to the communities they serve, SLPs included. Having access to this information would enhance the quality of service they provide to communities and ensure that there are no missed opportunities. Their knowledge of the community makes them an important stakeholder group in the development and implementation of SLPs.

6.4 Conclusion

Basically, all stakeholders should go back to the basics. An essential condition for the implementation of the suggested recommendations is the need to establish a multi-stakeholder forum, which will ensure integrated planning, coordination, monitoring and impact assessment.

The fight against poverty, hunger and disease is among the key features of the Millennium Development Goals, to which South Africa subscribes. The gold mining sector has been a major role-player in the provision of employment opportunities in South Africa and the SADC region thereby contributing towards the achievement of these goals. The current recession, the decline in gold mining activities and the general concerns about the high unemployment levels in the country make SLPs a necessity.

It is important to note the effects that retrenchments have on communities that are already struggling to respond to the challenges presented by poverty, unemployment, disease and lack of opportunities. Efforts to mitigate the impact of poverty should be carefully monitored and constantly improved in order to ensure a long-term, sustainable impact, particularly in view of the fact that the pool of resources is not bottomless.

In conclusion, further research is required to study other contexts other than just one locality as was done in this study at Matjhabeng.

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