Interpretation of transformation—perspectives from mining executives in South Africa

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Synopsis

In dealing with transformational aspects, the South African Constitution aspires for a balance between attempts to broadly represent the country's demographics in the way in which organizations are structured and the need to maintain the necessary skills to ensure continual retention of skills for optimum and efficient organizational performance. Through the Mining Charter, government aimed to redress gender and racial imbalances in the mining industry as part of transforming the demographic representation of mining companies to include black people, women, and people living with disabilities in all job levels up to top management. While the Constitution calls for an appropriate balance between demographic representation and competency, this aspiration for mining poses challenges for companies due to the proficient and competent skills needed in this industry. To this end, the South African mining industry has been subjected to substantial criticism from government regarding the slow progress of transformation. The mining industry justifies its slow pace of transformation by pointing at inconsistent, varying legislation and definitions governing transformation, limited skills available from historically disadvantaged groups, and cautioning not to compromise the sustainability of mining companies by marginalizing white males and white youth with the objective of addressing racial imbalances. This lack of understanding between industry and the government has led to considerable confusion regarding the accountability of stakeholders in transforming the industry. This article presents the perspectives of ten mining executives on transformation in the South African mining industry. The theoretical description of transformation, as well as other mining stakeholders' interpretations of transformation. is presented. Qualitative data from interviews with mining executives demonstrates their understanding of transformation through rich descriptions, interpretations, and implications in their contexts. The findings demonstrate that transformation in the mining industry is not simply about race and gender, but about cultural change, a change in mind-sets, embracing diversity, equalizing rights and opportunities, and attaining social justice. Moreover, transformation is clearly a gradual process. The article concludes with a recommendation for the definition of transformation to be corroborated with the views of mining executives and that of the Constitution of South Africa. This will create an overarching, simplified definition of transformation that can be accepted and interpreted by all stakeholders.

Keywords

transformation, constitution, Mining Charter, mining executives.

Introduction

During the 2014 mining Lekgotlha, the newly appointed Minister of Mineral Resources, Ngoako Ramatlhodi, emphasized that the increasing labour unrest in mining companies demonstrated that there is an urgent need for transformation in the mining industry. In his statement Ramatlhodi said, '[We] shall regain their [the mineworkers'] confidence only when they feel improvement in their material conditions. This and only this can guarantee the long term stability and sustainability of the mining industry. The author must salute those companies that have not just embraced transformation as a compliance matter but recognise it as a tool for reconciliation. These companies have understood that transformation delivers good business results' (Ramatlhodi, 2014). The term 'transformation' is often used to define some radical change that should take place in order to improve the employment and living conditions of workers, the distribution of wealth, and the facilitation of black economic empowerment (BEE) in the mining industry. If implemented correctly, transformation would confront South Africa's three main challenges, namely inequality, poverty, and unemployment among (mainly) black people, women, the youth, and people living with disabilities, in the realization of the African National Congress (ANC) strategy of 'a better life for all' (Mbeki, 2007). The historically disadvantaged South Africans (HDSAs) and companies would be the main beneficiaries of transformation strategies.

The South African mining industry continues to be perceived as possessing untapped resources which, after mining and processing have taken place, could be worth hundreds of billions of dollars in value (Sergeant, 2013). It is against this background that this industry's long-term importance, as well as its history, is being monitored closely for progress towards transformation. Since 1994 the government has promulgated policies, programmes, and initiatives to facilitate transformation in the mining industry. Mining is governed by transfor-

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mation legislation such as the Constitution of South Africa, the Mining Charter (revised in 2010), the Broad-based Black Economic Empowerment Act of 2003 (BBBEE), the Employment Equity Act of 1998 (EE Act), and the Minerals and Petroleum Development Act–amended in 2013 (MPRDA). However, a series of studies to measure the status of transformation in the South African mining industry continuously reported on the slow pace of transformation. In their defence, mining companies have justified their noncompliance and slow transformation by pointing at inconsistent, broad, and varying definitions in Acts applicable to mining transformation (Rungan, Cawood, and Minnitt, 2005).

The meaning of the term 'transformation' is still being debated and there is no consistency in its definitions. Transformation is a 'buzzword' often meaning different things to different people and can be taken out of context if not defined correctly (Levy and Merry, 1986). What have been defined in the Mining Charter, though, are solid transformation guidelines by means of scorecards in which companies will be evaluated by the first quarter of 2015. Until such time as all stakeholders agree to a common definition of 'Ttansformation', efforts to transform will be hampered by this deficiency. Also, the question remains, does meeting the scorecard targets and ticking each box of the mining scorecard demonstrate transformation? It is evident that the term 'transformation' needs to be clearly defined. Without a clear definition the industry will take longer to transform and will always justify its slow transformation as being a result of the different definitions of transformation. The mining industry seems to have its own interpretations and government have their own expectations and set guidelines for transformation. Moreover, the Chamber of Mines, as well as the unions, has documented how they would like to see the mining sector transforming.

The purpose of this paper is to provide insight into the perspective of transformation from executives in the mining industry. A literature review on transformation, including stakeholder definitions, expectations, and guidelines, is provided. After the literature review the methodology used to explore the understanding of transformation is described, followed by a discussion of the results. Rich descriptions are presented in the results section to provide a deeper understanding of the meaning of transformation by executives in the mining industry. This paper concludes with a definitive and simplified description of transformation.

Theoretical understanding of transformation

In the literature on the topic, the term 'transformation' has several connotations. Levy and Merry (1986) define transformation as a drastic reshuffling in the change process, which requires radical action for change. Esterhuyse (2003) explains transformation as a moral obligation to remove the legacies of *apartheid*. Transformation has a further political association expressed as a 'political, social, and economic change process, with the aim of redressing historical imbalances' (Robertshaw, 2006, p. 8). It is a government strategy to restructure and to bring about culture change by instilling new core values, equitable access to resources and opportunities and skills (Engdahl and Hauki, 2001; Selby and Sutherland, 2006). Engdahl and Hauki (2001) state that transformation depends on how people successfully attain

mind-set changes to embrace diversity in organizations. Schoeman (2010) defines transformation as a change process that transforms institutions into achieving employment equity and diversity and creating opportunities for previously disadvantaged groups. According to Schoeman (2010), diversity and equal opportunities ensure that institutions include the mixture of individuals that reflects the demographics of South Africa. For the mining industry, it is often difficult to interpret the concept as transformation is guided by several pieces of legislatione (Rungan *et al.*, 2005), which include the Constitution of South Africa, the Mining Charter (revised in 2010), the Broad-based Black Economic Empowerment Act of 2003 (BBBEE), the Employment Equity Act of 1998 (EE Act), and the Minerals and Petroleum Development Act – amended in 2013 (MPRDA). For the purposes of this article only the Constitution and the scorecard are discussed as these other Acts are already incorporated within the scorecard.

The Constitution of South Africa – perspective on transformation

The Constitution of the Republic of South Africa is an extraction from the Freedom Charter's objectives in order to achieve the promise of a non-racial, democratic, and unitary country (Esterhuyse and Nel, 1990). The Constitution is considered the highest law detailing some transformative guidelines (Cawood, 2004). It is the commitment of the Constitution (Section 25 Act 108, 1996) to transform the mining industry through its provisions of primary pillars of the mineral policy (Cawood, 2004). In particular, the mines have to consider the constitutional aspects regarding transformation and practice common law in their business activities in order to care for human rights (Cawood, 2004; Swart, 2003). The Constitution contains provisions for improving the quality of life for all South Africans and promoting equality (Booyens, 2006). The Constitution also requires a balance between race and gender representivity so as to broadly represent the country's demographics in the way in which organizations are structured. Organizations also need to maintain the necessary skills in these structures to ensure sustainability through the retention of skills and optimum functioning and performance (Republic of South Africa, 1996).

Scorecard perspective on transformation in the South African mining industry

The scorecard for transformation in the South African mining industry is derived from the broad-based transformation charter of the South African mining industry, namely the Mining Charter. The main objective of the Mining Charter is to accelerate BEE by requiring mining companies to reach targets set out in a scorecard. Specific goals and targets are stated in each area of the scorecard (see Table I), namely human resources development, employment equity, mine community development, procurement and enterprise development, ownership, beneficiation, and reporting (Mitchell, 2013). It is important to note that the specific goals and targets should not contradict and lead to the introduction of inappropriate discrimination. The targets of each area of the scorecard are discussed below:

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Table I

Scorecard for the South African mining industry

Element	Description	Measure	Compliance target by 2014	2010	2011	2012	2013	2014	Weighting
				Progress achieved by					
Reporting	Has the company reported the level of compliance with the Charter for the Calendar year	Documentary proof of receipt from the department	Annually	March 2011	March 2012	March 2013	March 2014	March 2015	Y/N
Ownership	Minimum target for effective HDSA ownership	Meaningful economic participation	26%	15%	→			26%	Y/N
		Full shareholder rights	26%	15%	→			26%	
Housing and living conditions	Conversion and upgrading of hostels to attain the occupancy rate of one person per room	Percentage reduction of occupancy rate towards 2014 target	Occupancy rate of one person per room	Base-line	25%	50%	75%	100%	Y/N
	Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units	Family units established	Base-line	25%	50%	75%	100%	
Procurement and Enterprise Development	Procurement spent from BEE entity	Capital goods	40%	5%	10%	20%	30%	40%	5%
		Services	70%	30%	40%	50%	60%	70%	5%
		Consumable goods	50%	10%	15%	25%	40%	50%	2%
	Multinational suppliers contribution to the social fund	Annual spend on procurement from multinational suppliers	0.5% of procurement value	0.50%	0.50%	0.50%	0.50%	0.50%	3%
Employment Equity	Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top Management (Board)	40%	20%	25%	30%	35%	40%	3%
		Senior Management (Exco)	40%	20%	25%	30%	35%	40%	4%
		Middle Management	40%	30%	35%	40%	40%	40%	3%
		Junior Management	40%	40%	40%	40%	40%	40%	1%
		Core skills	40%	15%	20%	30%	35%	40%	5
Human Resource Development	Development of requisite skills, including support for South African based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation	HRD expenditure as percentage of total annual payroll (excluding mandatory skills development levy)	5%	3%	3.5%	4.0%	4.5%	5.0%	25%

Scorecard for the broad-based socio-economic empowerment charter for the South African mining industy

Element	Description	Measure	Compliance target by 2014	2010	2011	2012	2013	2014	Weighting
				Progress achieved by					
Mine community development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects	Up-to-date project implementation	Implementation of projects will serve to enhance relationships amongst stakeholders leading to communities owing patronage to projects					15%
Sustainable development and growth	Improvement of the industry's environment management	Implementation of the approved EMPs	100%	Annual progress achieved against approved EMPs					12%
	Improvement of the industry's mine health and safety performance	Implementation of tripartite action plan on health and safety	100%	Annual progress achieved against commitments in the tripartite action plan on health and safety					12%
	Utilisation of South African based research facilities for analysis of samples across the mining value chain	Percentage of samples in South African facilities	100%	Establish	25% baseline	50%	75%	100%	5%
Beneficiation	Contribution of a mining company towards beneficiation (this measure is effective from 2012)	Additional production volume contributory to local value addition beyond the base-line	Section 26 of the MPRDA (percentage above baseline)	The beneficiation strategy and its modalities of implementation outline the beneficiation requirements per commodity extracted in South Africa.					
Total score									100%

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Human resources development scorecard

The mining industry was expected to achieve a 5% target in the specific objectives by 2014. These objectives entail that mining companies are expected to:

➤ Apply and provide a certain percentage of the annual payroll (as per applicable legislation) in required skills development activities that take demographics into consideration (excluding compulsory skills levy)

➤ Offer support for the national research that is based on development initiatives and recommendations or solutions in exploration, mining, processing technology, efficient use of energy and water in mining, beneficiation, and environmental conservation and rehabilitation (DMR, 2010, p. 3).

The mining industry is required to present a skills audit in which a skills development plan with short-term and long-term goals is featured. Some of the long-term goal requirements are to grant scholarships and bursaries that support mining education. For the immediate goals, the mining industry is required to provide entrepreneurship programmes and provide literacy and numeracy as part of adult education (Cawood, 2004).

Employment equity scorecard

A 40% HDSA participation in each management category and core and critical skills by 2014 was expected (DMR, 2010, p. 3). Critical and core skills include those possessed by artisans, engineers, professionals, and specialists (*e.g.* surveyors, safety specialists, geologists, metallurgists, winding engine drivers, environmentalists, technologists, technicians, and persons with mining-specific qualifications or licences). Mining companies should identify and fast-track their current employees into talent pools to give them experience of high-quality exposure. A key focus is on women in mining, and mining companies were expected to establish a plan to achieve a set target of 10% participation of women in mining by 2014.

Mine community development scorecard

Mining companies were expected to review global best practices in terms of policies, principles, and guidelines in their dealings with other mining companies. The principles require mining companies to be devoted to ethnographic discussions and consultations through concerted efforts before becoming engaged in mining projects, development, and implementation. Mining companies are furthermore expected to perform a needs assessment within the community to establish developmental focus areas. As part of their projects, mining companies should establish initatives to match the needs for community development, and these details should be incorporated in their integrated development plans.

Housing and living conditions scorecard

It was expected that mining companies would put in place development plans to improve the housing and living conditions of mineworkers by converting or upgrading hostels into family units, attaining an occupancy rate of one person per room, and facilitating home ownership options for all mine employees in consultation with organized labour.

Procurement and enterprise development scorecard

Procurement opportunities from mining companies with BEE entities should bee in agreement with the following criteria: the procurement of at least 40% of capital goods from BEE entities by 2014, and ensuring that multinational suppliers of capital goods contribute at least 0.5% of the annual income generated from local mining companies into a social development fund towards the socio-economic development of local communities. Procurement of 70% of services and 50% of consumer goods should be from BEE entities by 2014 (DMR, 2010, p. 2).

Ownership mining scorecard

HDSAs should obtain meaningful economic participation in the mining sector by way of shareholder participation.

Beneficiation scorecard

Mining companies were required to ensure local beneficiation of mineral products by submitting to the requirements of the MPRDA Section 26 mineral beneficiation strategy. Mining companies may set off the value of the level of beneficiation achieved by the company against a portion of its HDSA ownership requirements not exceeding 11% (DMR, 2010).

Reporting mining scorecard

The mining industry was obliged to report on its transformation status in terms of the Mining Charter on a yearly basis with reference to the MPRDA Section 28(2) (c). Reports will be evaluated by the DMR on an annual basis and formal assessments will be performed every five years (DMR, 2010).

In addition to the scorecard perspective on transformation, mining stakeholders have expectations for the realization of a transformed mining industry. These perspectives are discussed below.

Department of Mineral Resources transformation perspective

The DMR, formerly known as the Department of Minerals and Energy (DME), as a government department has as one of its main responsibilities the enactment of policy for the sustainable use of mineral resources (DMR, 2010). The vision of the DMR is 'to enable a globally competitive, sustainable and meaningfully transformed minerals and mining sector to ensure that all South Africans derive sustainable benefit from the country's mineral wealth' (Shabangu, 2014). The DMR views transformation as a measure to 'redress historical imbalances engendered by *apartheid* so that the industry is consistent with the changes in South Africa's overall transformation of its social, political and economic landscape' (Shabangu, 2014).

The Chamber of Mines transformation perspective

The Chamber of Mines acts as an advocacy body with the goal of creating an environment in which the mining industry will be able to deliver, timeously and cost-effectively, sufficient appropriately skilled employees, who are trainable for advancement and deployment (Chamber of Mines, 2010). It also monitors the industry's adherence to the Minerals and Petroleum Resources Development Act of 2002 and the Mining Charter (Shabangu, 2010). The vision of the Chamber of Mines is to 'achieve a policy, legislative and governance

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framework, which is widely supported and will allow the mining industry to convert as great part as possible of the country's abundant mineral resources into wealth for the benefit of South Africa' (Chamber of Mines, 2014). In its advocacy role, the Chamber is required to act as a custodian of the monitoring of transformation and sustainability progress on an annual basis as one of its key objectives.

The National Union of Mineworkers perspective on transformation

The National Union of Mineworkers (NUM) was the dominant representative of mineworkers in South Africa. It was founded in 1982 and was affiliated to the Congress of the South African Trade Unions (COSATU). NUM defines itself in terms of the concept of social-movement trade unionism (Fafuli, 2012). This union has the overall aim of improving the lives of mineworkers and has been instrumental in transforming the mining industry with regard to the conversion of hostels into family units and single units. The mandate of organized labour is to defend the rights of employees at the workplace, drive and monitor training and skills development, take up grievances, protect employees against unfair labour practices, and bargain to improve salaries and working conditions (NUM, 2013). NUM supports affirmative action strategies that seek to empower black people into senior positions, and contribute to the struggle for non-racialism and against racial inequality and gender domination in the mining, energy, and construction industries (NUM, 2013).

The South African Mining Development Association perspective on transformation

The South African Mining Development Association (SAMDA) is a non-profit organization that was established in 2000 to represent the interests of junior and BEE mining companies. SAMDA advocates for transformation and compliance with national transformation objectives in the mining sector (SAMDA, 2011). It is insistent on transformation and continues to lobby for developmental policy objectives in the sector through the existing channels (SAMDA, 2011). SAMDA has been involved in the draft of the Minerals Bill and participated in the drawing up of the charter on empowerment of HDSAs. This commission drafted the agreement between the government and the mining sector on time frames and quotas to allow the objectives of the Mining Charter to be met. Amongst other things, SAMDA also takes responsibility for developing capital markets for junior companies.

The mining industry has a task to attempt to meet each stakeholder's expectation. Thus this research offers views on how such expectations are interpreted by mining executives.

Population sampling

A non-probability purposive sampling technique was used to sample the participants from the population comprising mining companies listed on the Johannesburg Stock Exchange, ranging from micro- to mega-companies. This technique allowed the researcher flexibility to make judgements regarding the selection of specific participants to partake in the research. Participants who monitor and oversee transformation in mining companies were invited to share their understanding and interpretation of transformation. The 10 participants selected had different job titles but all were executives and members of senior management responsible for overseeing transformation, sustainability, human resources, people management, or employment equity in their respective organizations.

Data collection method

This study was exploratory and was conducted within an interpretivist paradigm. The data collection involved in-depth interviews with 10 participants. A structured interview guide was used to pose open-ended questions which allowed the interviewees to elaborate, to explain their answers, and to offer additional information which was not part of the solution. This method offered the interviewer the flexibility to probe for further information, clarify issues, and seek explanations to assist in the reporting of results. The purpose of the study was explained to the participants and informed consent was obtained for participation. Participants voluntarily participated in the research and anonymity and confidentiality of their responses were ensured. The interviews ranged from 45 minutes to one-and-a-half hours, and were held at a place convenient for each participant. The majority of interviews were conducted at the participants' offices. All the interviews were recorded and were later transcribed into primary documents ready for qualitative content analysis.

Data analysis strategy

Primary documents were loaded onto the Atlas.ti software, which is a qualitative data analysis software package that offers support involving the interpretation of text through coding, theme identification, and making sense of data. Atlas.ti 'has the capacity to deal with large amounts of text, as well as the management of annotations, concepts and complex structures, including conceptual relationships that emerge in the process of interpretation' (Muhr, 1991, p. 349).

Qualitative content analysis was used to analyse the transcribed verbatim data. A summative approach was used, which started with the coding of text into quotations, counting and comparing quotations, keywords, or paragraphs, followed by the interpretation of the codes to form categories or themes (Rosengren, 1981). Results are presented verbatim using direct quotation.

Results and key findings

The results of the study indicated that six common themes emerged to explain stakeholders' perspectives of transformation as interpreted during the analysis. It was found that the participants interpreted transformation as a cultural change but not a race issue. Transformation was seen as a mind-set change, embracing diversity, equalizing rights, and creating opportunities; about doing what is right for organizations; and being a long-term process.

Transformation is about cultural change, not about race and gender

Three participants (30%) considered transformation as not being about racial issues and meeting the scorecard targets. They explained that appointing black candidates for key

positions was not a reflection of transformation; rather, transformation was seen as a complete cultural change and a way of transforming the way things are done in the business:

> 'Transformation is not getting black managers on top of the organizational structure. Transformation is [a] complete culture change, doing things differently, in order to make sure that you sustain the organization. People think that when you have got two or three black managers sitting in the board or at the top of the organization, then you are transformed' (Participant 1).

> 'Transformation is also determined by the nature of your business and how much are you prepared to develop talent and balance it out. That is why we have to be big and make sure about it, look at the demographics of the country. Not [to] build negative dynamics within the company for yourself by trying to push a particular agenda because of colour. So we are not going to use colour that much. But at the same time, you need to look into it to say, you can't just have 100% Africans' (Participant 5).

> 'White people are feeling so disenfranchised now. They are feeling so reversed apartheid. [They] feel like second-class citizens at the moment. [They] feel they have got something, but at any moment [they] can lose it and it is actually very depressing for white people' (Participant 2).

Transformation was regarded as a complete and cohesive practice of doing things differently in an organization. This implies removing old ways of doing things and adopting new ways to meet transformation targets:

> 'We go along and say African, African, African, before we know it we have marginalized the youth of another colour [white youth]. What are we turning them into, because now we are complicating the social problems' (Participant 6).

> 'Because if [refers to a stakeholder] understanding of transformation is getting more blacks and getting more women, then we have got a serious challenge there, because you cannot put a black individual in a position who hasn't got the competencies' (Participant 1).

Participant 1 quoted above was weary of the racial connotation attached to transformation by strongly disregarding the numbers (achieving demographic statistics as per scorecard) as evidence of transformation.

Transformation is about a change of mind-set

The transition to changing the way business is done perpetuates the change of mind-set which had a strong connotation to transformation, supported by the views of six participants. The majority of the participants stated that their understanding of transformation meant a mental shift towards transformation and accepting that the imbalances of the past need to be addressed:

> 'Transformation in the mining industry means addressing the imbalances of the past, simply put. Addressing of the imbalances of the past does not mean you still compromise quality. You don't say, for instance, let me go if you talk appointments, let me go an appoint a black woman because we need figures. It's not about that. It's about the right people for the right positions

with the right skills, okay, number one. It's also about in my opinion the mind-set change' (Participant 10).

> 'We all now understand that we had these imbalances, it's a question of now changing our minds instead of us being pushed by the Act to make these changes, by now we should be making these changes ourselves without waiting for the Act' (Participant 10).

> 'Transformation means doing things differently than you used to do them before … now what we need to do, we need to make sure that we transform the way we do things' (Participant 1).

Transformation is about the creation of opportunities and equalizing rights

The results further indicated that transformation was interpreted as creating opportunities, equalizing rights, and ensuring fair representation for all, as described by two participants. Equal and fair presentation of opportunities should be afforded to all, and this will equalize society:

> 'That is quite an overloaded word. We have got different meanings to attach to these things and I think for me transformation or any other thing; for example with us, we had to come together and say, how we define transformation for ourselves … Amongst others it would mean affording every person who is in the system an opportunity to be developed in the areas of their future careers, career aspirations' (Participant 5).

> 'Transformation means that there has to be fair representation and distribution of everything. Then coming back to the work context, fair distribution of wealth, possessions, there must be just equity and fairness in the workplace' (Participant 4).

In equalizing rights, Participant 4 (quoted above) referred to a fair distribution of wealth and possessions and was adamant on the need for equity and fairness in the workplace:

> 'Transformation in South Africa is … first and foremost about equalizing the rights, it's about equalizing society … and giving an opportunity to those that didn't have an opportunity before. I think transformation in South Africa is an opportunity. It's an opportunity of saying if I was a white manager and I'm running [name of company], it will be an opportunity, I would see that the growth of my business is in my people in my country, whether they're black, green, yellow, blue, understanding my business and what I do about my business' (Participant 8).

Participant 8 strongly argued that transformation was about opportunity creation for all, regardless of one's race. She believed that holding this transformation perspective would be a long-term and sustainable objective rather than numbers objectives:

> 'We all now understand that we had these imbalances, it's a question of now changing our minds instead of us being pushed by the Act to make these changes, by now we should be making these changes ourselves without waiting for the Act. I think that 18 years into democracy a lot of companies have made progress at this moment. We shouldn't be talking about employment equity at all now, I think we should now be talking about we are now

equal in terms of qualifications and the colour should not be an issue and the issue should now be who is the best. But because a lot of companies started a bit late, they are still sitting in my opinion, the Act is still breathing in their necks because they are, they have been very slow' (Participant 10).

'Transformation is a very huge and broad thing. It is primarily a social, people thing. So it is dealing with the disparities, the economic divide. It is dealing with these different barriers, dealing with the poverty barrier, the skills barrier, the business barrier, the opportunity barrier, and the equitable economic opportunities barrier, between our different race groups in South Africa' (Participant 3).

Transformation is about valuing diversity

The majority of participants (90%) revealed that transformation meant valuing and embracing diversity. In the response below, Participant 3 reflected on the tension that exists when people of different races work together as a team:

'Because people fundamentally don't understand what diversity means and the fact that the more different we are, the better we can be … because typically we try to gravitate towards the sameness. If I am an African female, maybe I will work better with a fellow African female. Now [when] a white woman comes in, all of a sudden there is tension, maybe we don't understand why, but we don't leverage off the difference' (Participant 3).

There is a strong correlation between the responses of Participants 3 and 4. Participants 4 advocated for a sense of belonging to be created for new entrants in mining companies. According to this participant, a sense of belonging should be fostered to create an industry that employees belong to:

'You know, you can't bring people into an organization and still make them feel like they don't belong' (Participant 4).

Participant 8 added that even though transformation implies creating a sense of belonging in an accommodative environment, *Ubuntu* should be promoted and preserved. This participant stated that the African culture should be preserved without compromising on profits and sacrificing the standards of the business by including HDSAs who do not integrate well with how the business operates:

'Transformation, what it means for this country going forward is that we have to embrace the African culture, the South African culture, the indigenous of South African culture into business. And making it work and make money out of it. Nowhere does it say you must lower your standards because the world will eat you alive. Nowhere [transformation] says you must compromise your profits' (Participant 8).

The majority of participants showed that they accepted diversity but they were concerned that it was not embraced in mining companies. They emphasized that people who enter the mining industry need to have a sense of belonging and feel accommodated.

Transformation is doing what is right

Doing what is right was positively correlated with transformation by responses from two participants. These participants highlighted the nobleness in the quest for transformation by stating that transformation was not about achieving the targets of the scorecard, but associated with doing right:

'Our view is not necessarily to tick the box in the scorecard, our view is to do the right things and the numbers will come … so we are not really fixated about ticking the scorecard. We are more fixated about doing what is right for the business' (Participant 6).

'[Transformation] is not about ticking box number 1. It is not just about meeting the compliance requirements. But [transformation] is also about what is it that we would like to see the industry, starting with our own organization, look like at a particular point in time, because transformation assumes a particular journey now knowing and understanding the history of mining in South Africa within the context of the history of the country. You can't transform the country and have the [mining] industry stay where it was' (Participant 3).

The responses of the participants reveal that for them transformation means more than just a tick on a scorecard: it is a process of social justice and of transforming this industry which historically had an enormous impact on the country as a whole.

Transformation is a process

Lastly, the results showed that the participants agreed that transformation is a long-term process that cannot be fast-tracked. The view was that change, embracing the whole culture, must first take place before real and solid transformation can happen:

'Today must obviously be better than yesterday and tomorrow must always be better than today etc., as you move forward in transformation, it is a gradual process. [Transformation] is a process, but it must be a process that indicates a difference as you move' (Participant 3).

'[Transformation] is not a process that you can just plug in, then wow, the organization has transformed' (Participant 1).

'[Transformation]is actually moving the different segments of society at least up one or two notches [so that], the next generation can be better off … so it is a long-term transformation' (Participant 2).

Participant 3 argued that the process of transformation is lengthy because the mining industry started to transform from a zero base. Therefore, rapid transformation cannot be expected, although the industry is gradually embracing the need for transformation:

'There was a point in time where women were not allowed to be involved in mining. So really, [it's] an industry [where] you come from a zero base where there were no women that could work underground. There were certain jobs … ground that could be done by women; limited, but ja, not even talking African women. I am talking about there would have been white women

at that time because black women were not allowed. So the kind of progress that has been made is a progress from zero' (Participant 3).

Conclusions

This paper aimed to explore mining executives' understanding of transformation and to understand how this understanding supports or differs from existing definitions and expectations in the literature, relevant legislation, and industry guidelines. The results of the study show that the interpretation of transformation varies in mining companies but can be consolidated to feature in a definition for transformation.

➤ Firstly, Participant 1 interpreted transformation as *culture change*, and not related to race or gender. It cannot be regarded as entailing that a white individual is replaced by a black individual. This implies that companies should create a culture of embracing change, regarding new values and providing equitable resources and opportunities by accepting the agenda of transformation, which will be reflected in their new and innovative ways in their business dealings. This view supports the interpretation of transformation by Schoeman (2010), Selby and Sutherland (2006), Engdahl and Hauki (2001), and the Constitution, that transformation aims to inspire new fundamental values, equitable access to resources, and opportunities and skills development

➤ Secondly, transformation is regarded as a change of mind-set whereby individuals in organizations acknowledge that historical imbalances need to be addressed, and innovative ways should be sought to accept policies that encourage transformation. This finding supports the meaning of transformation according to Engdahl and Hauki (2001), as well as the Constitution, in that transformation is about embracing diversity and equal opportunities and ensuring that institutions include the mixture of individuals reflecting the demographics of of South Africa

➤ Thirdly, transformation is interpreted as the creation of opportunities and safeguarding equity, and fairness for employees in the workplace. This finding was discussed by Schoeman (2010) and Levy and Merry (1986), that structural, but radical change was needed for the creation of opportunities for all. This endeavour requires that mining companies accept legislative, regulatory, and statutory frameworks that seek to facilitate transformation. Examples of such policies are the EE Act, MPRDA, and the Mining Charter. These frameworks should be consulted to ensure fair and equitable hiring procedures, with fair and equitable treatment of all employees. However, the change in organizational demographics should be subject to the maintenance of competency

➤ Fourthly, transformation is explained as the embracement and valuing of diversity. Diversity is valued when mining companies' employee demographics reflect the demographics of the country. This finding implies that all occupational levels within mining companies should reflect diversity in terms of race, age, and gender. In relation to embracing diversity, the findings revealed that transformation is about creating a sense of belonging for mining industry entrants. It is nonsensical to recruit people for the sake of achieving the scorecard targets, but making them feel as if they do not belong. This finding confirms a perspective described by Schoeman (2010), discussed in the literature review, namely that diversity in institutions should be encouraged

➤ Fifthly, it was found that transformation is associated with justice – doing the right thing. Given past injustices and inequalities, transformation is seen as a corrective measure to redress past equalities. Comments made by Participants 3 and 6 suggest that transformation is seen as a vehicle to make things right and achieve social justice, given the inequalities of the country. This finding concurs with Esterhuyse's (2003) claim that transformation is a moral obligation

➤ Lastly, transformation is seen as a long-term process, as indicated by Participants 2 and 3, because the mining industry started transforming from a zero base. Given the need for cultural change, it was found that the industry will transform gradually; thus, transformation is regarded as a journey and a process that will not happen overnight. It can be concluded that systems should allow a cultural change process to take place. This finding is in line with the recommendation by Rungan *et al.* (2005) that there should be realistic expectations from mining companies. It is clear, therefore, that transformation is interpreted differently by other stakeholders in comparison to mining executives as stakeholders. However, the interpretation in the literature does not deviate from the perspectives of mining executives. This shows that mining executives and government, as well as other stakeholders, need to align their interpretations of transformation.

Recommendations

➤ It is imperative for all industry stakeholders, mining companies, and government to agree on a common definition of transformation

➤ The study recommends that the regulator define transformation as suggested by Esterhuyse (2003) and Rungan *et al.* (2005). This definition should be corroborated with the views from mining executives and that of the Constitution. This definition should include a reference to cultural change that involves a mind-set change to create equal opportunities, equalize rights, and embrace diversity. Cultural change is about the creation of a sense of belonging for all employees. Transformation ensures social justice by doing the right things to correct past imbalances and ensure fair and equitable opportunities to all. Transformation is a process that will take place gradually and for it to successfully happen, a culture change is needed first

➤ It is also recommended that the regulator integrates applicable policy documents in the mining environment; namely, the Mining Charter, the BBBEE, and the MPRDA of 2002 as recommended by Rungan

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et al. (2005). New and realistic transformational targets need to be set for the period 2018–2030, and these should be in accordance with the National Development Plan. Once the new targets have been set, an awareness regarding the new targets should be created and the implications and consequences of noncompliance should be communicated

➤ It is further suggested that the transformation targets be monitored and evaluated on an annual basis to ensure substantive progress. Moreover, strict and legal enforcement must be put in place so that mining companies will adhere to the targets, and operational consequences for noncompliance should be imposed. For example, the licence to operate should not be renewed for companies showing a lack of transformation. The results of the study are not generalizable, but are limited to the South African mining industry. However, future research can be extended to compare the interpretation of transformation by other industries.

Limitations of the study

Transformation is a sensitive issue in South Africa, and most participants who were contacted for interviews showed a reluctance to participate. The researcher is aware that the participants' views may not necessarily represent the views of the overall population in the mining industry. Also, this study presents views by mining executives at a particular point in time, in the prevailing circumstances; it is possible that the results would differ if the research were to be repeated at another time or by a different researcher.

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