

## **ORGANIZATIONAL TRANSFORMATION AND WORKPLACE DIVERSITY IN SOUTH AFRICA**

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### **ABSTRACT**

This paper attempts to look at organizational transformation and workplace diversity in South Africa. The subject matter is cardinal to a South African business dynamic and particularly in a period of transition in democratic South Africa. Planned change can be of two general types: Organization Development (OD) and Organization Transformation (OT). The latter, which is the focus of this paper, is described as the cutting edge of planned change and is called “second-generation OD” (French, Bell & Zawacki, 2005). It is a relatively new field and literature is limited in this area. Hence, it is ill-defined and very experimental, itself rapidly changing. The paper does not pretend to capture all the issues that encompass this important and challenging field of study, but attempts to show that organizational transformation and workplace diversity are important issues and variables in workplace diversity in a rapidly changing South Africa.

**Key Words:** Transformation, Diversity, Organizational, Philosophy, Relationship

OT focuses on effecting more profound change in organizations, targeting a ‘deeper’ level in the organization that is not traditionally targeted by change interventions in OD. French et al. (2005 82 state that OT is:

A set of behavioural science theories, values, strategies, and techniques, aimed at the planned change of organizational vision and work settings, with the intention of generating cognition change in individual organizational members, leading to behavioral change and thus promoting paradigmatic change that helps the organization better fit or create desirable future environments.

OT involves revolutionary frame-breaking interventions aiming to change the way members perceive, think and behave at work. OT aims to fundamentally change the assumptions of the organization’s functioning and its relationship to its environment. This means radical shifts in corporate philosophy and values and structures and arrangements that influence member behavior. As a result, the qualitative nature of the organization is altered. Some features of OT are as follows (Cummings and Worley, 2005). First, change happens when organizations experience a severe threat to their present existence. This occurs when environmental or internal disruptions such as industry discontinuities, product life cycle shifts and internal company dynamics make the organization’s existing strategies obsolete. Second, OT is systemic and revolutionary because it entails changing the underlying nature of organizations as well as the behavior of the majority of

its members, and needs to be executed as quickly as possible so that benefits and a competitive advantage can be achieved. Third, because OT is second-order or gamma (discontinuous shifts) change, a new organizing paradigm which involves leaner, more flexible structures, decentralizations of teams and units, lower-level decision making, participative management and organization learning is essential. Fourth, senior executives and line managers play an active role in all phases of OT, leading the process, deciding when it should be commenced, what the change should be and who should direct it. Often externally recruited executives replace existing ones as they are found to be more effective in creating such change and can envision, energize and enable. Finally, because members need to change the ways they think, perceive and behave, OT requires much innovation and a continuous process of learning (and unlearning) at all levels of the organization, directed by a firm vision and by the required values and norms.

There are three kinds of interventions in OT: culture change, self-designing organizations and organization learning (OL) and knowledge management (KM). Culture change is the most common type of OT. Organizational culture is made up of four elements: artifacts, norms, values and basic assumptions (Cummings and Worley, 2005). Artifacts are the highest level, they reflect deeper assumptions, and include observable behaviors of members; structures, systems and rules; and, physical aspects of the organization. Norms are accepted rules of behavior in particular situations. Values are what is important in an organization and provides the focus for organization members. Basic assumptions are taken-for-granted, non confront able and nondebatable, assumptions about how to think and feel, and solve problems. Culture has both an indirect and direct relationship on effectiveness.

Before culture interventions begin, the existing culture of the organization must be diagnosed. There are three approaches to diagnosing culture: behavioural approach, competing values approach and deep assumptions approach (Cummings and Worley, 2005). The behavioral approach is practical and more surface level focusing on major observable work behaviors, giving specific task descriptions and examining the management of relationships in the organization. This type of cultural diagnosis considers the cultural risk involved with the implementation of new strategies for organizational change helping managers to determine how plans should be put into place, whether strategies should be changed or discarded, or culture changed. The competing values approach examines how an organization settles value dilemmas, and states that culture can be understood in terms of two value pairs: internal focus and integration vs. external focus and differentiation, and flexibility and discretion vs. stability and control. Depending on where the organization falls along these value pairs, an organization can have four types of cultures: clan, adhocracy, hierarchical and market culture. The deep assumptions approach looks at the deepest levels of organization culture – the implicit and unspoken assumptions that influence behavior and play a significant role in the effectiveness of organizations. This approach has a few difficulties: cultural assumptions are usually taken-for-granted and implied, there is a discrepancy between held beliefs and those followed, and diverse, large organizations do not only have subcultures but countercultures as well. Techniques that are used in this approach include iterative interviewing and culture workshops.

According to Cummings and Worley (2005), there is much debate surrounding culture change and whether it is possible. However, they do offer practical guidelines for cultural change. First, cultural change should begin with a clear strategic vision as this provides the organization with purpose and direction. Second, top-management needs to facilitate cultural change and be firmly committed to seeing the change through. Third, the behaviors/actions of those at senior levels need to symbolize the new change. Fourth, certain organizational features need to be modified to support the change and adjust people to the new culture. Fifth, members must be selected and terminated with respect to their fit with the new culture. Finally, the organization needs to develop ethical and legal sensitive among members.

Self-designing organizations is the second type of OT, and “have the built in capacity to transform them to achieve high performance in today’s competitive and changing environment” (Cummings and Worley, 2005: 493). OT has certain requirements/demands: it involves aligning the features of the organization with its strategy; it occurs in a context of heavy change and uncertainty; it needs to facilitate organization learning; the interests and goals of stakeholders need to be reconciled; and it needs to occur at all organizational levels. The self-design strategy attends to all these demands focusing on all features of the organization. The approach has three stages. In laying the foundation, members are given the basic information needed for OT. This involves acquiring knowledge, valuing and diagnosing. In the second stage, designing, the broad design of the organization is created to support strategy and values. The final stage involves implementing changes through action research and assessing the process through continuous learning (Cummings and Worley, 2005)

The third OT intervention focuses on “OL, which enhances an organization’s capability to acquire and develop new knowledge, and KM, which focuses on how that knowledge can be organized and used to improve performance. Both OL and KM are crucial in today’s complex, rapidly changing environments” (Cummings and Worley, 2005: 497). OL and KM are widely used and fast-growing interventions. OL interventions focus on organization characteristics such as structure, information systems, human resource practices, culture and leadership. KM interventions focus on tools and techniques that help organizations collect and translate information into knowledge. Learning organizations (LO) have certain features. In terms of structure, LOs highlight teamwork, few levels, lateral relations and networking. Information systems assist in the management of information/knowledge to provide competitive advantage. Human resource practices are also used for knowledge development. The culture of a LO endorses creativity, openness and experimentation. OL and KM also depend heavily on effective leadership that provides empathy and support. There are three types of learning in an organization (Cummings and Worley, 2005). Single-loop or adaptive learning is the most common type of learning and aims to improve the status quo, reducing the disparity between current and preferred conditions, and results in incremental changes. Double-loop or generative learning aims to change the status quo by changing current assumptions and can result in transformational change. Deuterolearning is learning how to learn, targeting the learning process and improving single- and double-loop learning.

According to French et al. (2005), OT is only possible when the individual workers fundamentally change their usual ways of thinking and acting. This has two approaches: reframing (a techniques

used in family and narrative therapy) and consciousness raising (adapted from transpersonal psychology). Reframing aims to change the way members of an organization perceive reality. It does not change the current reality but rather aims to alter the way members view this reality. Once the worldview of an individual member has changed, so too will their attitude and behaviors, resulting in an inevitable OT. Consciousness raising aims to make processes and interventions visible to organization members. It is believed that thoughts, attitudes and behaviors are a result of current circumstances and potential change, so if individuals are aware of processes it will guide them toward change. Some of the interventions used in this approach are meditation and creativity exercises.

The contemporary workplace is radically different from what it was 20 years ago. However, as Cummings and Worley (2005 10) state, diversity in the workplace means more than just cultural or racial differences, a diverse workforce encompasses a range of other issues: "Diversity results from people who bring different resources and perspectives to the workplace and who have distinctive needs, preferences, expectations and lifestyles." Cummings and Worley (2005) use a model to explain diversity in organizations. First, the approach of the organization with regard to diversity is a result of internal and external pressures for and against diversity. Second, the approach that management approaches to diversity can range from resistance to active learning and marginal to strategic. Third, the organization's strategic response to diversity can be reactive or proactive. Fourth, the implementation of diversity can either be episodic or systemic.

In South Africa, the legacy of Apartheid and lack of education in black schools during this time has led to the under-education and under-skilling of the majority of the South African population. The 1991 census saw a population exceeding 39 million (75.5 % black), 29% unemployed and 8.3 million illiterate. Historically, in South Africa, discrimination was supported by the law (Industrial Conciliation Act of 1956). Presently however, the Constitution and various other Acts protects against discrimination and the Employment Equity and Skills Development Act is directed at addressing racial and gender inequalities in the workplace. As Jackson (1999:310) states: "To discriminate positively towards the black population through affirmative action programmes in the context of South Africa is not merely politically and socially desirable... It is an economic necessity as the majority of the economically active population is black." However, as Horwitz, Bowmaker-Falconer and Searll (1996 135) state, the "removal of legislated discrimination has not meant pervasive removal of racial prejudice and social discrimination in practice," and workplace diversity is still an ongoing battle, because South African organizations seem to be disinvesting in its' people (Jackson, 1999).

Thus, there are some barriers that are hindering the implementation of diversity in South Africa's workplaces (Sacht, J. ND). Firstly, the task of implementing diversity is often pushed to staff members or consultants who are not only unable to grasp the law, but cannot deal with the human challenges that surround the process of organisational cultural change. Second, employers fail to see how diversity can be a competitive advantage: when the diversity of the workforce can mirror that of its consumers then it can have a powerful impact on understanding the customer. Third, diversity is being treated as an imposition the government is placing on organizations instead of a key priority that can ensure the long-term survival of the organization. Fourth, although organizations are saying diversity is central to their business, they do not treat it with the same

discipline and accountability as other initiatives. Fifth, instead of learning to work concertedly and collectively to bring about change, different groups still compete with each other for scarce resources resulting in racial and gender conflict. Finally, organisations and businesses are too internally focused; diversity battles are continuously being fought in the courts.

## **Conclusion**

It is believed that change and developmental efforts in South African organizations needs to move away from an instrumental to a more humanistic view, and those Western styles of management and change are inappropriate and confining when placed in the diverse context of South Africa (Jackson, 1999). Thus, Jackson (1999) suggests that change and development efforts must concentrate on developing people by making development and training a priority and by having reward systems in place, that attentions needs to be given to affirmative action policies and policies that aim to increase diversity and address inequality in the workplace, and that cultural factors must be taken into consideration. Effective individual and organizational change will only “occur when human resource development and diversity management approaches are adopted simultaneously” (Horwitz et al., 1996: 134).

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