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RACE AND EMPLOYMENT PATTERNS AMONG LARGER
EMPLOYERS IN DURBAN: A BRIEF PROFILE AND
COMMENTS ON EMPLOYMENT POLICY IN RELATION
TO SOCIAL CHANGE

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Preface: This brief essay forms part of the reporting on a larger study of Employment Opportunity for Black School-leavers in Durban. The study was generously financed by the *Bernard van Leer Foundation* of the Netherlands, in the form of a grant to the *South African Institute of Race Relations*. The research programme was undertaken under the aegis of the S.A. Institute of Race Relations, and conducted by the Natal Regional Branch of the Institute, in collaboration with the *Institute for Social Research* and the *Department of Sociology* at the *University of Natal*. A lengthier report is currently in press, authored by Ann Perry of the staff of the S.A. Institute of Race Relations, and yet another is in preparation by Mark Boulanger.

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RACE AND EMPLOYMENT PATTERNS AMONG
LARGER EMPLOYERS IN DURBAN :
A BRIEF PROFILE

I The thesis that economic growth is likely to lead to social change on a wider basis in South African society rests on a range of assumptions concerning processes in a variety of institutional contexts. One context, among others, is that of events within employing organisations themselves. Continued economic growth, or indeed simply continued operation within a context of rationality and business expediency is considered to be likely to induce company management to reject what are assumed to be traditional and normative views on race in favour of a more pragmatic personnel orientation in which the race of employees is of little consequence. The world of business, in its effects on whites both in and outside of management, is thought to be capable of exercising a socialising influence which will contradict the prevailing influences emanating from other institutional complexes in society. Hence, the micro world of the factory is thought to become a model for race relations and status relations between races which will influence the macro situation outside. The link between the micro and macro situation is, firstly, forged by the centrality of occupation in determining status, power and more subtle qualities like self-confidence and an awareness of social worth in the wider community. Another connection rests on the importance of economic success in community and national life, and hence on the ability of the collective needs of employers to influence community and national policies bearing upon race and employment.

 This process is assumed to have commenced already, and much public debate in the Press and elsewhere, as in Parliament, for example, projects a picture of business and politicians involved in a basic dispute about the role and status of black people in South Africa. Such a picture, although manifestly oversimple, may or may not be true in a broad sense. Public statements by leading industrialists and other businessmen frequently confirm this picture. The most frequent target of the leading business

man's rhetoric is so called job reservation, which although concretely applicable only to a small minority of job positions seems to have a 'halo effect' of inhibiting the actions of employers in promoting blacks to higher positions in their firms. There are, however, other targets for the attacks of leading businessmen as well, such as the poor quality and small quantity of training and schooling for blacks, the necessity to provide expensive duplication of toilet and other facilities for employees of different races, etc.

Great caution, however, is demanded in the interpretation of these statements by leading businessmen in the public media. Several questions arise. How typical are such statements of the orientations of the majority of businessmen and managers? One may, for example, find that there is a relatively small faction of outspoken progressive businessmen in a wider conservative business community. Then again, one may ask what the aim of the public appeals for a change in policy might be. Are these businessmen who do speak out really attacking the whole system in South Africa, or are they attempting, consciously or otherwise, simply to encourage greater flexibility within the existing system - defending their own freedom to manoeuvre within the broader constraints? Evidence for both assertions can be found.¹⁾ Is the public posture matched by covert pressure on the authorities, or do relations of co-operation prevail between, say, the Department of Labour and the employers, collectively?

It has been argued by Johnstone²⁾ and others, that the way Apartheid laws are applied allow the employer sufficient flexibility to meet his needs and that they consequently exist comfortably within the system. Is the public stance of the outspoken businessman not perhaps aimed at maintaining present de facto policies rather than at changing the system. The rhetoric of employers then may simply be the counter-balance to the rhetoric of politicians anxious to reassure an insecure and conservative white electorate. A reality of consensus may lie between the two poles of the rhetoric. (One may, of course, ask where the current

1) See more detailed discussion in L. Schlemmer, *Race and Employment in South Africa*, University of Denver, Colorado, 1973.

2) Frederick Johnstone, "White Prosperity and White Supremacy" in *South Africa Today* *African Affairs*, Vol. 69, 1970.

flexibility, which Johnstone acknowledges, will lead in terms of future significant change but more of this in the conclusion).

The major argument in favour of the "basic consensus" thesis of Johnstone's is, of course, the fact that more fundamental in importance to businessmen than "flexibility" is labour stability and restrictions on the bargaining strength of black labour. This, of course, may imply that businessmen and the government share an equal desire for the wide ramification of controls over the black labour force, and, as Johnstone says, may differ only in regard to the form and rigidity of the controls.

There is, of course, no reason why businessmen should be idealists and want to change society, these aspirations are not in line with their interests as a class. This is obviously a truism, and one might suggest that further debate is unnecessary. It can be argued, however, that if, in the world of business, there is emerging a longer-term pragmatism, which recognises the economic benefits in a future society of mass affluence, consumerism, and long-term stability in an open society, then the socialising influence of the business world may be significant. If an important proportion of businessmen want more than flexibility within the system, but want and see the feasibility of completely open promotion opportunities, the incorporation of blacks into labour decision-making (free, registered trade unions) a high wage economy, and access by blacks to management positions, then there may indeed be grounds for the belief that continued economic growth will lead to the emergence of an increasingly powerful democratic "thrust" from the business sector.

II. Some systematic empirical data bearing upon the issues raised is available from a survey among a random sample of 92 larger firms (100 employees or more) in the Durban region in 1972.³⁾ Long personal interviews, guided by an interview schedule, were conducted by a senior student (the co-author) with high-ranking representatives of management in these firms. The respondents were at the level of personnel officer or above. It can be assumed that the respondents sometimes gave personal views in their responses to certain questions, but as senior representatives of management in larger firms, even their personal views are significant. It

3) For details of methodology, see Appendix.

must be added that the survey took place before the very dramatic wave of strikes by 60 000 Africans early in 1973, and therefore also before the government commenced encouraging the widespread use of the factory committee system as a means of regulating labour relations between firms and their African employees.

The interposition of these events between the survey and its interpretation in this report highlights a major disadvantage of statistical surveys of this nature; they freeze events in time and depict an undynamic and artificial reality. Yet, it is not for a complete picture of social reality that one employs surveys. Our results are indices from one point in time which serve to anchor in empirical reality what may hopefully be a more dynamic interpretation. Besides, the interrelationships between factors revealed in survey results (as opposed to the quantitative parameters) are more enduring over time, and in this sense, survey results can be very insightful. Lastly, we would point to the fact that the interviews were far from being the typical superficial survey-type approaches to respondents; in time and technique, the interviews represented exercises more closely resembling focussed depth interviews.

The analysis will be based on all 92 firms in most cases, but the focus will be on the 38 white firms in some cases. The firms included 59 manufacturing enterprises, 18 commercial companies, 8 construction companies, 5 transport companies and two banks and finance houses. Sixty-five firms had between 100 and 499 employees, fifteen between 500 and 999, seven between 1 000 and 1 900 and four had 2 000 and more employees. A total of over 42 000 people were employed by the firms interviewed.

III. OCCUPATIONAL MOBILITY AMONG BLACKS

One of the major claims on behalf of the influence of economic growth on social change is made in regard to the occupational progress for blacks which occurs in business and industry. In the interviews we obtained exact statistics on the racial breakdown of employment numbers in 1962 and 1972; the period corresponding to a period of very rapid economic growth in South Africa and in Durban in particular. We also asked what

the desired breakdown would be in 1978 (roughly 5 years from the time of the interview) and what the probable breakdown would be bearing in mind all restrictions on the employment of blacks in higher positions. (The questions were not framed in terms of vague generalities like proportions; respondents were asked to make concrete estimates of the numbers of people in different races needed for particular roles). In the table below, we present the proportions of the total labour force constituted by employees of different race groups, according to different levels and categories of work.

Scanning this table makes it clear that shifts in occupational structure that one might deem to have a possibly significant impact on social relations have occurred mainly as regards Indians in the labour force, and in particular in the clerical grades. The most significant advance for Africans has been in the higher semi-skilled/skilled category where the proportions rose from 14% in 1962 to 17% in 1972 (in absolute terms the numbers were 1 088 to 1 483 among the 88 firms). These figures undoubtedly disguise a great deal of additional in-service training that African workers receive within occupational categories, and this training undoubtedly has consequences for the perception of workers by management and hence the bargaining power of workers. However, the job-advances made by Africans are not likely to have a wider social impact (via significantly increased occupationally linked status in the wider community) because a substantial proportion of Africans occupied semi-skilled positions in 1962 and presumably before that as well.

What is interesting is that the process of racial shifts in job positions is not perceived as likely to increase in the future. Perhaps the respondents were blinkered by their present frames of reference, or perhaps the major re-alignments have already occurred in the last decade of rapid economic growth and only marginal shifts will be required in the future. What is even more interesting is the fact that the desired ratios and probable ratios of employees are different only as regards Indians in managerial positions and Africans in higher semi-skilled and skilled positions. The differences between the desired and probable proportions are, however, only 2% and 4% respectively, and in absolute terms would account for just over 10 Indians and just under 500 Africans in the sample of 88 firms. In the latter case one assumes that legal, as well as informal restrictions, and shortages of trained Africans would

prevent the desired ratios being implemented, and as far as Indian executives are concerned, mainly informal restrictions.

TABLE I Proportions of the Total Labour Force within Categories of Employment Constituted by the Four Race Groups in 1962, 1972 and the Likely and Desirable Proportions in 1978. (88 White Firms)

OCCUPATIONAL CATEGORY AND YEAR	RACE GROUPS			
	AFRICANS	INDIANS	COLOUREDS	WHITES
<u>Managerial and Executive:</u>				
-- 1962	Nil	1%	Nil	99%
-- 1972	1%	2%	Nil	97%
-- 1978 Probable	1%	3%	Nil	96%
-- 1978 Desirable	1%	5%	Nil	94%
<u>Medium and Senior Clerical:</u>				
-- 1962	2%	15%	1%	82%
-- 1972	2%	24%	1%	73%
-- 1978 Probable	3%	25%	1%	71%
-- 1978 Desirable	3%	25%	1%	71%
<u>Lower Clerical:</u>				
-- 1962	4%	24%	Nil	72%
-- 1972	4%	33%	Nil	63%
-- 1978 Probable	4%	33%	1%	63%
-- 1978 Desirable	4%	33%	1%	63%
<u>Higher Semi-Skilled and Skilled:</u>				
-- 1962	14%	43%	7%	36%
-- 1972	17%	49%	9%	25%
-- 1978 Probable	17%	50%	9%	24%
-- 1978 Desirable	21%	48%	9%	22%
<u>Lower Semi-Skilled:</u>				
-- 1962	45%	49%	3%	3%
-- 1972	43%	53%	3%	1%
-- 1978 Probable	43%	53%	3%	1%
-- 1978 Desirable	43%	53%	3%	1%
<u>Unskilled:</u>				
-- 1962	88%	11%	1%	Nil
-- 1972	88%	11%	1%	Nil
-- 1978 Probable	88%	11%	1%	Nil
-- 1978 Desirable	88%	11%	1%	Nil

Overall, the figures in the table do not suggest that Business

and Industry are being throttled by formal and informal job reservation. Quite considerable shifts have been allowed to take place in regard to ethnic ratios in the labour force and the general assessment of the future by respondents does not indicate the prospect of a growing conflict between management and the government. This assertion can be made with confidence since the government has very recently committed itself to a programme of vocational training for Africans for work in white areas.

An analysis from a different statistical perspective is provided in the following table. This table gives the proportions of members of each race and sex group likely to be employed in our sample of firms in 1978 (the realistic or "probable" figure) who are given as likely to be engaged in positions which are presently occupied by whites.

TABLE II Proportions of the Probable Labour Force within Race and Sex Categories in 1978 Who are Likely to Occupy Positions Currently Held By Whites, According to Type of Firm.

TYPE OF FIRM	RACE AND SEX CATEGORY			
	AFRICAN MEN	INDIAN MEN	INDIAN WOMEN	COLOURED MEN
Manufacturing	1,4%	14,9%	4,3%	2,9%
Construction	-	-	-	-
Banking and Finance	-	-	-	-
Transport	-	54,1%	-	-
Commerce	-	14,1%	-	14,3%
All Firms (92)	,8%	14,7%	2,7%	4,8%

This table reinforces the trends revealed in Table I, in that it shows that the pattern of replacement of whites by blacks will occur mainly through the promotion and recruitment of Indians and to a lesser extent, Coloured people. The Africans, in Durban at any rate, are not likely to benefit from this process in any significant numbers.

In view of the relatively restricted desired rate of upward occupational mobility for African workers, why do businessmen appear to place so much emphasis on the limitations on their policies in this regard? Part of the answer seems to be found in the proportions of employers who feel constrained (as opposed to the likely effects on the labour force as a whole).

Thirty percent of employers sampled desired to promote or recruit African men to higher status positions over the period 1972-1978 whereas only 11% expected to be able to accomplish this. With Indian men the proportions were 41% versus 30%, and among Coloureds 30% versus 10%. In most cases the desire to promote black workers would affect only small absolute numbers of workers, as our previous tables suggest. Nevertheless, it is apparent that a substantial proportion of employers experience constraints on the free utilisation of some black workers.

A somewhat smaller proportion of employers wished to promote or recruit black employees into positions actually held by whites. The proportion of firms seeing the need for the recruitment or promotion of African men into 'white positions' was 10%, and 1% expected to accomplish it. The equivalent proportions among Indian men were 25% and 13%; for Coloured men, 21% and 5%. The numbers of employees to whom these desires or expectations applied were, once again, relatively and absolutely small, particularly in the case of Africans.

It is of interest to note the reasons why employers wish to raise the occupational position of black staff in relation to white employees. The following is a broad rank-ordering with percentages of the reasons given by respondents for wishing to improve the occupational position of blacks on their staff (more than one reason was given by firms, hence the proportions cannot be summed) :

- shortage of white workers (35% of employers);
- growth needs of firms (32%);
- black workers felt to deserve opportunity (29%);
- inefficiency and incompetence of whites in lower positions (26%);
- shortages of Indian or Coloured workers (16%);
- necessity of reducing labour costs (14%);
- qualified blacks available (10%);
- policy of firm to provide opportunities for blacks (9%);
- other diverse reasons (8%).

It would seem, therefore, that although most reasons for wishing to grant greater opportunities to blacks are instrumental in nature, a not insubstantial proportion of respondents mention reasons which reflect a concern for the aspirations of blacks.

Respondents were also asked to detail the factors which inhibit the upward occupational mobility of blacks in their firms, irrespective of whether or not they intended or wished to advance black employees. The following rank-ordering of factors emerged from their responses :

- resistance of white employees (43% of firms);
- blacks not considered to be capable (43%);
- cost of providing separate facilities required by law (29%);
- resistance of customers or public (26%);
- trade union or industrial council practices or regulations (26%);
- government legislation (22%);
- job reservation regulations (22%);
- fear of friction between whites and blacks on the job (17%);
- fear of friction between Africans and other blacks (11%);
- other diverse reasons (6%).

Many of these inhibitions or restrictions were merely assumed to exist and employers could not give any specific instance, experience or details of the inhibiting factor. This was particularly the case with "government regulations" where 75% of the reasons were vague and insubstantiated, and with blacks not considered "capable", "resistance of public or customers", "fear of friction between white and black on the job" where between one-third and one-half of the reasons could not be empirically defended. It is particularly in the extent to which employers assume that the job advancement of blacks is impossible on vague and ill-substantiated grounds that they reflect the influence on them of the wider system of norms and assumptions regarding race and status.

It should be added, though, that a not insubstantial proportion of our employers were constrained by concrete trade union and industrial council rulings and by formal job reservation clauses applying to particular types of work. These limitations apply theoretically or concretely to almost one-half of non-commercial and non-finance companies. The fact that exemptions from these regulations could probably be obtained if no recruits of the appropriate race group were available does not gainsay the inhibiting effects of such regulations. Particularly when such regulations are accompanied by a fear of resistance to black job advancement by white employees, the firm can certainly be forgiven for operating within the "traditional" system of a job colour-bar. Added to this, the widespread (if fictitious)

belief that some government policy or another affects plans for job advancement of blacks, makes the inaction of most firms perfectly understandable.

It is particularly the first reason given in the listing above; the "feared resistance of white employees" which underscores the fact that companies operate within a wider racist culture. Out of all the reasons advanced by respondents, 40% had some bearing on popular racial attitudes and the frictions these could cause. We may legitimately raise the question, provisionally, of whether the influence of the wider community on the company is not more powerful than the company on the community. The effect of popular attitudes among white staff and customers is all the more potent because of the not unrealistic assumption among employers that even if a single offended white customer or employee approaches the authorities (Department of Labour, Security Police, Member of Parliament, etc.) in the prevailing climate of politics in which the two major parties fear losing conservative voters, some enquiry is likely to be directed at the firm in question.

IV. RESPONDENTS' VIEWS ON THE ABILITIES OF BLACKS

Status differentiation in South Africa is usually accompanied by widespread rationalisation among whites concerning the relative abilities of the different race groups. An underestimation of an out-group's ability is a not uncommon accompaniment of race hostility and race prejudice. In order to assess employers' views on the abilities of blacks in the context of business operations, respondents were asked to indicate what level of employment Africans, Indians and Coloureds would ever be able to reach in their firms, disregarding present practical impediments. This question also gives some insight into the extent to which respondents, as key decision-makers in the firms, were able to foresee an ultimate situation of a non-racial employment structure. As regards Africans, 29% of respondents saw the theoretical possibility of positions in senior management, 17% drew a line at junior and middle management, 18% at clerical work, and 13% at skilled manual work. All told, 23% saw no possibility of Africans advancing beyond unskilled, lower-skilled and semi-skilled work. As far as Indians and Coloureds are concerned, the responses were significantly different, with hardly any respondents expressing the view that members of these groups could not move into skilled positions or higher.

What is important to note in this regard is that there seems to be no typical response among employers; opinions varied just as widely as one would encounter among members of the white general public, with perhaps a tendency among employers to be more open than the man in the street to envisage blacks in higher status positions. Indications obtained from comments by respondents suggest, however, that most of these who can envisage blacks in very high status positions see this as a longer-term possibility, i.e. in ten to thirty years time or more.

More broadly, each interview schedule was scanned in its entirety in order to pick up from answers to any question indications of negative stereotyping of black abilities. In just under 25% of cases no such indications could be found. Broadly assessed, this proportion would probably be higher than one would find in the general white population. Africans tended to bear the brunt of negative stereotyping; the most common stereotype of the African worker being that he/she lacks initiative, imagination, dexterity and the innate ability to attain equality with other race groups despite education.

One positive feature of our results was that when respondents were asked to specify the educational qualifications required for each level of employment within the company, hardly any significant distinctions were made according to race. We had expected that employers would demand more of black recruits than of whites (to compensate for negative stereotypes, as it were) but this proved not to be the case in general.

V. BLACK JOB ADVANCEMENT, WAGE COSTS, AND PRODUCTIVITY

The sound business reasons for a widespread support among businessmen for the job advancement of black workers appears clearly from the following results of our survey. Of firms who had replaced whites by blacks, 75% enjoyed decreased wage costs and only 3% experienced increased labour costs as a result of change. Among 55% of these firms productivity and efficiency in those operations affected by the change increased while only 10% of firms experienced a decrease in productivity or efficiency. The performance before and after the change was admittedly based on the judgement of our respondents, but they were after all, in a very fair position to make these assessments.

Among firms in which Africans had taken over positions formerly filled by other race-groups, one-third estimated that labour costs had decreased by 20%-50%, and a further third were able to reduce labour costs by over 50%. Where Indians had replaced whites, the decrease in wage costs in 55% of firms was between 20% and 50% and in 12% of firms the reduction of labour costs was over 50%. Much the same estimates as those for Indian "replacements" held for Coloured workers.

These results only applied to those firms which had some experience of the replacement of whites by blacks (69 out of the 92) so further hypothetical questions were asked of all firms. When asked whether "efficiency" and "productivity" would increase or decrease if clerical work were to be performed by blacks instead of whites, 45% of respondents expressed the view that an improvement would result, whereas only 10% believed that productivity would deteriorate. As far as technical work was concerned, however, the equivalent proportions were 28% and 30%, hence suggesting that skilled technical work is considered, on the whole, to be less suited to blacks (in this case mainly Indians and Coloureds, presumably) than clerical work. As far as ordinary manual work was concerned, more (50%) believed that performance would increase with blacks in the positions than those who believed that performance would suffer (16%). Generally, the widespread belief that efficiency in clerical work would improve if blacks were promoted or recruited to such positions rests on a relatively high regard for the abilities and education of Indians, and a relatively low regard for the performance of white women who tend to be employed in substantial numbers in clerical positions at the present time.

When questioned on the factors which respondents considered could increase the profitability of their firms, the factor most commonly mentioned was that of the training and education of blacks. This was followed by the factor of a relaxation of legal restrictions on the employment of black labour, ahead of factors like automation, mechanisation, improved supervision, etc. (In view of these results, it was surprising that only 36% of firms had formal off-job training schemes for black workers or were considering schemes). These results certainly seem to confirm the popular wisdom that the most effective rationalisation in production and output is a better utilisation of black labour rather than mechanisation and other techniques of achieving improved production.

When questioned on their beliefs regarding factors which could decrease the profitability of their firms, respondents tended to place emphasis on the following factors, presented in descending order of perceived importance:

- having to pay higher wages;
- legal restrictions on the use of black labour;
- shortages of labour;
- lack of training and educational facilities for blacks;
- strikes and "agitation",
- turnover and absenteeism.

These results tend to bear out those given in response to the previous question, except that the ordering of factors neatly illustrates what can be seen, in terms of popular ideologies, as the conflicting motivations of employers in regard to black labour - an almost equal emphasis on maintaining low wage rates and a docile labour force, on the one hand, and a more effective utilisation of black labour with training in more skilled and responsible positions on the other.

We turn now to an examination of two rather more troublesome issues as far as employers are concerned: wages and labour relations.

VI. MINIMUM WAGES

In our study we were only able to question employers systematically on minimum wage rates paid for the lowest echelons of workers in the firms, i.e. the level of lowest wages in the firm. It is at this level of employment, however, that the greatest problems of under-remuneration and poverty exist and furthermore, minimum wages are a very broad index of general wage structure and wage policy in firms.

Taking as a standard of evaluation, an estimated poverty datum line for a typical family in Durban at the time of R83,00 per month,⁴⁾ we

4) This was a figure based on the calculations of Prof. H.L. Watts and it lay between higher and lower estimates made by others. The lowest PDL figure publicly available at that time was only marginally lower than the figure quoted above.

noted that not one firm in the entire sample paid minimum wages for unskilled labourers equivalent to or above this poverty datum line. Some 15% of firms paid up to 30% less than the PDL, 70% paid between 30%-60% less than the PDL and 14% paid over 60% less than the PDL. Some 40% of firms claimed to take either the PDL, the "breadline" or the "cost of living" for black workers into account in setting minimum wages, apparently with limited effect. Apart from legal minimum wages laid down in wage determinators and agreements, the most frequent bases of minimum wages were stated as being 'supply and demand', "experience and ability", and "seniority".

These wage rates would not have surprised an observer of the business scene before the wave of strikes which occurred soon after the survey was completed. Evidence has been compiled to show that wage rates for African workers in a large range of industries in Durban were falling dramatically below the rising cost of living in the years immediately preceding the strikes.⁵⁾ Our concern, however, is not to discuss wage rates for black workers in general, but rather to discover whether or not any process is occurring of its own volition in large firms which is likely to lead to significant improvements in remuneration. This question is one which is most closely related to the basic question posed in the introduction to this paper.

Each completed interview schedule was carefully scanned, taking all responses and reported employment patterns into account, with a view to isolating "progressive" firms. These were generally firms in which opportunities for advancement had been granted to blacks, in which racial stereotypes appeared to play no part in employment policy, where respondents criticised job reservation, labour laws and government policy in general, etc. The total number of firms identified as being 'progressive' on this basis was 22, or 24% of the total - a substantial and gratifying minority. The median minimum wage for unskilled labourers in all firms in the sample (92) was R44,30 per month. The median minimum wage in the "progressive" firms was R46,01. The difference is not statistically significant and even if it were it would verge on the trivial. On this limited but surprising piece of evidence, we feel that we can conclude tentatively, that employer orientations or "ideology" has but little effect where many would argue it really should count -- on minimum wages for Africans.

5) Figures compiled by Mr. Thomas Vogel of Huletts Company.

VII. POLICIES AND VIEWS ON BLACK LABOUR RELATIONS

As basic an issue as wages, the ultimate character of the emergent form of management-black labour relations is crucial to the future welfare of South Africa's black people, particularly Africans. At the time the study was conducted, the only legally recognised form or 'labour organisation' for Africans was the Bantu Works Committee system, which could be established by workers or employers in terms of the 1953 Bantu Labour (Settlement of Disputes) Act. Subsequently, the legislation has been marginally improved in some ways, giving greater protection and powers to Works Committees, but also introducing an alternative form of committee - the Liaison Committee - which comprises nominated representatives of management as well as elected workers (the 'Works Committee' consists only of elected workers). However, a few non-registered African Trade Unions did exist at the time of the survey, and in Johannesburg and the Witwatersrand one or two enjoyed the informal recognition of employers. The obvious and major disadvantage of the committee system as against trade unions is that it is not so based as to institutionalise and regulate constructive conflict between workers and management (which is possible with trade unions) but, rather, has the effect of encouraging the (imperfect?) "co-optation" of workers onto an essentially management oriented structure and obscuring the lines of structural conflict. Classically, the Works and Liaison Committee system, without the sheet-anchor of effective trade union support and sponsorship, tend to encourage negotiation within a "human relations" framework, with possibly a degree of defusing of structural conflict, as opposed to the "labour relations" framework which promotes a recognition and possible reconciliation of conflict along more equitable lines. We would postulate that one of the ways in which economic development can achieve significant impact would be if a model of negotiated resolution of conflict could evolve in the sphere of labour relations. Since an appropriate structure for such development is the effectively recognised African trade union (whether in combination with a factory committee system or not), the orientations of management as regards labour relations are particularly crucial to this discussion. While new legislation and the wave of strikes early in 1973 have altered the labour scenario since the fieldwork for the survey, the basic orientations of management can nonetheless be discerned from our results.

Among the executives approached in the survey, only 15% had had any experience of Works Committees and 5% had had dealings with or experience

of African Trade Unions. The majority of the Works Committees referred to were non-statutory bodies. The impression gained was one of very widespread ignorance of the government policy in regard to Works Committees. Before the strikes and the revised legislation, almost overwhelmingly, even the limited advantages for labour relations of the factory Works Committee system were overlooked or disregarded by management.

When questioned on their preferences as regards the form of labour relations, the executives interviewed tended generally to opt for Works Committees as the most appropriate form of organisation (many only after the system had been explained by the co-author; 20 out of 92 respondents even then could form no opinions). Of those who gave opinions, slightly less than 68% preferred Works Committees, 12% were prepared to support the idea of registered African Trade Unions, 2% the possibility of Africans in mixed Unions, and 4% merely suggested that some form of African labour organisation would be advantageous.

Roughly 14% of respondents averred that any form of African labour organisation was undesirable, many expressing a preference for the age old "Induna" system; a heritage of colonial employment practices. (Induna = traditional tribal headman and the adaptation of the tribal system to industry preserves essential elements of colonial indirect control through traditional leaders).

Among these respondents indicating a preference (mainly theoretical) for Works Committees as opposed to Trade Unions, the following breakdown of major reasons emerged (percentages out of 92 in brackets):

- Works Committees allow the restriction of labour issues to those concerning the individual firm (23%)
- they facilitate communication between management and worker (14%)
- they are not able to be manipulated by outside persons or groups (11%)
- they are able to be controlled or influenced by management (9%)
- they are more democratic than a trade union (5%)
- they are "better" for African workers (5%)

The perceived disadvantages of African Trade Unions emerged in the

following order of importance :

- they cause unnecessary trouble
- they are vulnerable to outside infiltrators and agitators
- they cause management to have to bear the brunt of problems and malpractices in other firms
- they are a "waste of time"
- they develop patterns of leadership which are authoritarian/dictatorial
- they are the first step towards Communism
- they have leaders who speak for themselves, not the workers
- the running of trade unions is beyond the ability of Africans

From the results it appeared, tentatively, that those respondents with concrete experience of both Works Committees and African Trade Unions were more inclined to see advantages in each form of labour organisation than those who had no experience of such bodies.

The general impression emerging from these results is that the basic orientation of representatives of management as regards African labour relations is defensive and, in various ways, antipathetic to the idea of organised and clearly defined negotiation as between two factions with interests which are opposed in many respects. This orientation may have adjusted to a different level of reality since the strikes and the encouragement by the Department of Labour of the Liaison Committee system in particular, but the basic frame of reference has not necessarily altered. This may be perfectly understandable. Employers, in denying the existence of basic conflict between themselves and their employees, may seek to avoid its consequences or to encourage a micro-environment of co-operation in the firm which (artificially?) obscures the recognition by workers of the basic cleavage. The fears of management as regards "agitation" and "trouble-makers" are also understandable if seen at the level of their own subjectivity. Objectively, these fears are not necessarily valid at all, since it is equally likely that as African Trade Unions became more and more viable and firmly established, the vested occupational interests and desire for survival of leaders and organisers (not to mention the easy surveillance of such organisations by the authorities) will operate against the influence of "politicians" in the trade union movement. An African trade union leader in Durban very recently issued a pamphlet to workers urging them not to use the weapon of strikes. In

Johannesburg, some very established and prominent African unionists are, we believe, very firmly committed to a low profile and politically incontro-versial stance.

However, our results tend to suggest that large employers in Durban are not inclined to meet the inevitable challenges of the future in black labour relations. Movement from the position which our results describe to a more uncertain and experimental stance in very recent months was not of own volition, but due to the wave of strikes and even to government prodding (albeit towards a Liaison Committee system).

Only some 7% of respondents overall, were prepared to concede the advantages of African Trade Unions (in one case mixed trade unions) because of the perception that they are better able to represent the interests of African workers as a collectivity. Although a small minority, the attitudes of these respondents, in our view, embody a longer term realism and as such are significant in terms of our basic research question in regard to the relationship between industrial evolution and social change. Among the 24% of employers whom we were able to classify as "progressive" (see earlier discussion) 23% of respondents took this view. Here we have a fairly clear indication of a significantly different orientation in regard to the basic issue of labour relations among the "progressive" employers. The 23% represents five firms, four of which were manufacturers and one a printing firm.

VIII. "PROGRESSIVE" FIRMS

We have seen that those respondents whose firms, in terms of labour policy, could broadly be defined as "progressive" tend to be significantly more likely than others to accept important arguments in the "case" for African unions. However, the firms they represent were found to be paying significantly the same minimum wages for unskilled workers as larger firms in general. How do the "progressive" firms compare with the rest on other aspects of employment policy?

The respondents in these firms very definitely tend not to support the idea of the colour-bar in employment. Twenty out of the twenty-two respondents in "progressive" firms were quite willing, indeed eager, to see

blacks in high white collar, higher technical and in most cases even in high managerial positions in the near future.

As regards factors considered to inhibit the job advancement of blacks, only 10% of "progressive" respondents mentioned fear of the reactions of white employees, customers, or fear of friction between employees of different races. Earlier results show that this proportion was very substantially higher among other firms. This raises the question of whether or not other firms, in their expression of these fears, were not perhaps revealing a "projection" of attitudes of management onto the labour situation. However, it can also mean that the progressive firms constitute a socialising climate which reduces the danger of race friction. Since respondents in "progressive" firms claim, to the same extent as others, to take the prejudices of whites into account in promoting or recruiting blacks, it does also seem, however, that progressive firms are more likely than others to try to overcome the prejudices of white employees rather than to regard them as inhibiting factors. Overall, it seems fairly clear that the progressive firms give as little support as possible to the norms underpinning the industrial colour-bar.

A slightly higher proportion of progressive firms had replaced whites by blacks over the period 1962-1972; i.e. 82% versus 74% among all firms. This would be consistent with the greater openness to blacks in higher status positions discerned among progressive firms. However, 90% of the progressive firms that had advanced blacks in this way had saved labour costs (one-quarter in the initial stages only). The inference is clear; jobs had been offered to blacks at lower rates of pay than the whites had been receiving or fewer blacks than whites were performing the same functions. The proportion among progressive firms experiencing cost decreases was slightly higher among progressive firms than among the total sample. One element in the progressive businessman's greater encouragement of shifts in the job colour-bar is undoubtedly greater business efficiency. Productivity increases seemed to be associated with the labour cost decreases; to a lesser extent in technical and supervisory positions than in white-collar positions.

Finally, to return to the issue of the wages paid in progressive firms and the factors taken into account in formulating wage policy, 36% of our "progressive" respondents claimed that the Poverty Datum Line was taken

into account in setting wages, compared with roughly 17% in the sample as a whole. The effect on actual minimum wages, as we have already noted, was insignificant, however. Perhaps the "progressive" thing to say is that the PDL is taken into account in setting wages. A point we may note in passing is that not one respondent claimed that wages were based on the expectation of encouraging productivity.

IX. CONCLUSIONS

Within larger firms in Durban, the effects of job-advancement for blacks, including advancement into positions formerly occupied by whites, have been striking for Indians but much less significant for Africans. Indians, who occupy modal occupational status positions intermediate to those of Africans and whites in white controlled firms, have achieved substantial access to higher white-collar and clerical positions and have also made a small but significant entry into executive positions. This latter process seems likely to continue. The most likely avenue for job-advancement for Africans, on the other hand, is likely to be in higher semi-skilled and skilled positions. Indications from results not treated systematically in this paper are that, on grounds of production experience, supervisory manual positions are not likely to become available in large numbers to Africans, but rather to Indians and Coloured people, especially once these groups, partly by virtue of occupational mobility, become more closely identified with white management. It would seem, therefore, that continued expansion of large private enterprise in Durban (including, of course, the growth of Indian enterprise) is likely to continue the process of differentiation between Indians and Africans. A process of differentiation is, of course, also likely to occur within the ranks of the African manual workers, particularly now that opportunities for skills training have become part of an official programme in "white" areas.

Generally, however, our results show that upward occupational mobility for blacks over the period 1962 to 1972 has not been dramatic. Changes have certainly not been so significant as to warrant the expectation, for Africans at any rate, that increased social status and power attendant upon occupational advancement will become a significant political reality in the short to medium-term future in Durban. Similarly, our results, based on management's own assessments of future needs and prospects, do not suggest

that private enterprise is likely to be significantly constrained by formal and informal social and political limitations on the job-advancement of blacks. Our results suggest that the appearance, in the mass media, of a conflict between private enterprise and the authorities is probably to be explained by two factors: firstly, a substantial minority of employers are prevented from making small but necessary adjustments in the racial composition of their labour forces, and secondly, criticism of "job reservation" is partly aimed at protecting the existing flexibility in the system from which employers have benefitted hitherto.

Against a background of a widespread conviction among our respondents that greater profitability of their undertakings is more likely to result from an improved utilisation of black labour than from automation or mechanisation, our results show very clearly the economic rationality behind the job advancement of blacks. Large majorities of larger firms were able to decrease wage costs and increase productivity and efficiency by replacing whites by blacks. The increases in efficiency and productivity are, however, not nearly as significant in skilled manual and supervisory work as in white-collar work.

Broadly, our results suggest that the social consequences, for the African community as a whole, of upward occupational mobility as a result of continued economic growth in Durban are not likely to be significant in the short and medium-term. This, however, does not apply to the Indian community in which a significant breakthrough into non-trading white-collar positions with high social status may well have wider social and possibly political implications.

Our survey results for 1972 show that larger firms, while protesting their rights as to the free utilisation of black labour, were undeviatingly conservative as regards minimum wages for black unskilled staff. All paid minimum wages below the Poverty Datum Line, admittedly at a time when general African wage rates in Durban's industry were falling rapidly behind rising costs of living. This pattern in our sample of firms was accompanied by claims among a large minority that wages took account of Poverty Datum Lines and costs of living; possibly a form of self-deception that was to be shattered shortly after the survey when 60 000 Africans went on strike in Durban.

Orientations in regard to labour relations were similarly conservative. Apart from a minority of respondents amounting to less than 15%, most executives interviewed were defensive in their approach to management-worker interaction, and tended to stress the manipulative "human relations" viewpoint rather than the "labour relations" approach. To boot, a substantial minority were almost completely ignorant of legislation.

The position, both as regards minimum wages and awareness of and views on labour relations has undoubtedly changed since the February 1973 strikes and the subsequently higher level of labour unrest which is still continuing. This, however, has been a change imposed on industry rather than flowing from management initiative. We are, however, doubtful as to whether the basic orientations of management have altered, despite widespread uncertainty in regard to labour-relations. Since the strikes, a veritable "industry" of seminars and symposia on labour relations has grown up, but the basic emphasis seems still to be on human relations rather than sound labour relations. Where the inevitability of African Trade Unions is acknowledged, statements tend to be hedged about with qualifications and pitched at the middle distance in time.

The personal views in regard to race of the business executives interviewed displayed as much variation as one would find among any cross-section of white South Africans, with probably a marginally greater minority of "liberals" than would be typical on average. It also needs to be noted that racialism in the white community and among white employees induces a climate of great caution in firms as regards the job advancement of blacks. One may very well ask whether the effect of the community on business is not greater than that of private enterprise on the community. However, there is more than a suggestion in our results that a fear of dealing with white racist reaction derives to some extent from management's own orientation to race.

All the conclusions mentioned hitherto are perfectly understandable and should come as no surprise. Managers are, after all, fairly ordinary white South Africans, and by virtue of their business interests, must in a non-idealistic way assign high priority to the flexible utilisation of labour, savings in wage costs, and labour stability under firm management control. From the business community at large, the only possibly significant consequence of continuing economic growth is likely to be the increasing

differentiation of the black labour force, and increasing social acceptance by whites of minorities within it, like Indians in Durban, for example.

As indicated in the introduction, however, there does exist the possibility that some influential firms or managers will discern a longer-term self-interest and may, as a consequence, exercise a significant influence in the wider community. We accordingly isolated a group of firms amounting to roughly one-quarter of our total sample who could be seen as "progressive" in the type of employment values they espoused and in their complete rejection of popular racism.

Among this substantial minority of "progressive" companies, we found that a slightly higher proportion had advanced blacks into positions formerly occupied by whites, but also that a higher proportion than average had decreased labour costs with each "promotion". These firms also appeared to be better equipped to deal with the reactions of white employees and the white public to black job advancement, showing, as we have noted previously, that the effects of resistance to black job progress are in part a reflection of the orientations of management itself.

However, the image of progressiveness is somewhat tarnished by the finding that the median minimum monthly wage for unskilled workers in these firms was only R1,70 above average - statistically and materially insignificant. This fact stands in sharp contrast to the claim among a higher proportion of "progressives" than average, that Poverty Datum Lines are taken into account in wage policy decisions.

The only truly qualitative difference between "progressive" and less "progressive" executives seemed to lie in attitudes to labour relations. A higher proportion of "progressive" respondents than average seemed to accept the fact that the most appropriate form of labour relations for Africans is the Trade Union system. Bearing in mind the inevitable future reality of rising expectations of material security and improved job conditions, and the reality of the weaknesses of the factory committee system for coping with wider structural conflict in industry, there are indeed signs of a longer-term pragmatism among "progressive" employers.

If we accept that organised or institutionalised negotiation between white and black in various institutional contexts is one way in

which race-class conflict in our society may be reconciled, then the emergence of a viable African Trade Union movement may represent an important thrust for change. If our 'progressive' employers who accepted the idea of African unions represent a section of industrialists who will actively anticipate the incorporation of African Unions into industrial decision-making, then the expanding influence of this group may well have wider social consequences.



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