

# Trailblazers in transformation



Photograph by Errol Westoll

*Apartheid society plunged blacks into poor living conditions*

“Europeans and natives alike are integral parts of our South African nation - the better we all understand one another, the greater is the hope for a peaceful and prosperous South Africa. The future progress of South Africa is inseparably bound up with the economic prosperity of all sections of our South African population.”

This fervent declaration of belief was not uttered by an ecstatic reformist after 1994 - it was stated with passion in 1905 by Howard Pim, one of the founding fathers of today's Deloitte as he fought vainly against the early initiatives towards segregation. And it was to become one of the pillars of the policy which Deloitte and many of its constituent firms would adopt from the '70s onwards, when it was neither politically nor socially expedient to do so. The firm Howard Pim & Hardy would pursue this strategy first through its founder, Pim himself, and subsequently through Len Butt, who tried his utmost to implement these strategies in the face of harsh opposition.

Apartheid was built on the basic belief that each race and nation had the right to pursue its own developmental path according to its own culture and inherent characteristics. Fine on the surface and

theoretically, but appalling when abused, politicised and legislated, segregating races socially, economically and culturally to such an extent that whites from the '60s right up to the '80s freely admit they were completely unaware of what kind of conditions prevailed on the other side of the racial divide in black communities.

In the late '50s Len Butt appointed a Chinese accountant, Norman Song, but, as Deloitte would discover some 20 years later, this meant contacting clients beforehand to ensure that they would not be offended by his presence on their audit! Howard Pim & Hardy also attempted to hire black clerks, but without exception, every one failed. Perplexed and frustrated, Butt employed a consultant by the name of Woolfson to identify the reasons for this phenomenon and also determine how suitable blacks could be selected. His initiative was not looked upon with kindly eyes, either by the rest of the profession or by business. Appointment of black clerks continued on an *ad hoc* basis, but never with the success Butt hoped for. Howard Pim & Hardy however retained its reputation as a forerunner in the field.

Howard Pim & Hardy might not have had formal “black advancement” programmes within the firm, as Deloitte & Co later

did, but it undertook a great deal of charity work on behalf of blacks, most of which had been initiated by Howard Pim. “Long before Apartheid, Pim felt that black people should be part of society,” Jack Speirs pointed out. “He gave up land at the top of Eloff Street and they had the Bantu Sports Club and Welfare Trust and Social Centre. We also supported the Margaret Ballinger Home which looked after disabled black children and we did those things out of conviction, because we believed it was right.”

Gradually, during the '70s, opposition to Apartheid in business and political circles grew. The more visionary leaders realised that without tapping into the vast human resource potential of other races in the country, the economy would not only stagnate, it would suffocate. South Africa would never be able to compete even on an African stage, never mind an international one. There was also growing resistance to the human suffering Apartheid trailed in its wake.

## First steps

The auditing profession was among the first to appreciate the need to recruit and train black people. In 1969, the Common Body of Knowledge Committee set up by the Joint Council, alerted people like



*John Mowat*



*Jack Speirs and Patrick Kohlo, the first black articled clerk of Howard Pim & Hardy*



*Richard Dunne*

John Massey, managing partner of Deloitte Plender Griffiths Annan & Co, and one of its participating members, to the need for action. But as yet, the environment was not right. In 1976, a group of leading businessmen established the Urban Foundation, whose objective was “to promote and co-ordinate involvement by the private sector in the improvement of the quality of life of urban communities within the Republic of South Africa on a non-political, non-racial basis”.

Deloitte & Co as it had become in 1971, saw this as a means of investing in the future development of South Africa and slowly, various initiatives, mainly in the field of education, were implemented to support and assist blacks. A “school” was established for Soweto matriculants to prepare them for university and Deloitte & Co prepared a 90-hour programme for bookkeeping and accounting for aspiring B.Com students.

Following up on this propitious beginning, Massey appointed Tim Store and John Mowat to visit black universities to recruit prospective black CAs - arousing astonishment among both staff and students that a professional firm should engage in such unprecedented activity. Deloitte’s appointment of a black articled clerk, Geoffrey Moshakga

in 1974, rippled mixed waves of consternation, shock, surprise, pleasure and hesitation through the business community. Sadly, the firm’s first batch of black, Indian and Coloured trainees who arrived in 1975, failed to qualify. Massey needed to know why. So in 1976 he commissioned Denis Becket to investigate the challenges they faced and propose solutions. On the basis of this eye-opening report, which was a complete revelation to most partners, Massey established the Black Indian and Coloured Committee in 1977 under the aegis of John Mowat as National Manpower Manager. But even in describing Mowat’s new responsibilities in this position, the newsletter of December 1978 not once mentions the recruitment and training of people of other races!

Education initiatives were launched, mainly at the University of Cape Town with the inspirational leadership of Professor Kritzinger, head of the Accounting Department, “but to be honest,” smiled Mowat, “there was little enthusiasm for the idea of black advancement. Clients in particular opposed the idea. Let’s admit it,” he commented, “the average white male was conservative and racist. It was guys like John Massey who gave us a different perspective, opened our eyes and gave us an opportunity to take a different route.”

It wasn’t just in Johannesburg that transformation movements were afoot. In Durban, Martin Shaw was already employing Deloitte & Co’s first Indian clerk in 1973, meeting the usual partner hesitation, which with his characteristic decisiveness he effectively eliminated! And one tends to forget that “transformation” of the auditing environment also embraced females! At Goldby Panchaud & Webber, Richard Dunne recalls that it became staff policy to hire more females, “It actually had a very realistic and practical motivation though,” he acknowledged. “It helped make up the holes created by army call-ups!” It was also Dunne who hired the first three black professionals in the firm to do articles in 1976. “At Goldby there was no formal drive to recruit blacks though,” he hastened to add. “I just happened to be a bit more liberal than most, and it seemed the right thing to do. Deloitte was more focused and organised in implementing programmes - our attitude at Goldby Panchaud & Webber and then also at Pim Goldby was more relaxed; ‘if it happens it will happen’,” Dunne smiled.

### **Facing a new environment**

Though black clerks of the time were generally accepted and mostly made welcome within the office environment, the outside circumstances remained hostile. It was still a segregated, white





*Nelson Rampfumedzi*



*Isaac Thoka*

world - no black cashiers in supermarkets, no black tellers in banks. In most organisations, black personnel were limited to messengers, drivers, deliverymen, tea services and labourers. Seen from this perspective, the boldness of recruiting and training initiatives can be better appreciated.

Newsletters from this period though, show how little of the limelight black advancement enjoyed. Where it did feature - rarely and disinterestedly - pictures and stories of initiatives to support blacks or of some success involving black trainees are relegated to positions of unimportance.

However, ordinary black staff were treated with the same respect and consideration as whites. Nelson Rampfumedzi, who was employed by Douglas Lamont-Smith in 1952, still recalls him with considerable affection. "That man used to look after me like I was his own child," he stated proudly. "It didn't matter whatever request I would bring to him, he would always advise me which way to take." It was Kenneth Lamont-Smith who helped Nelson obtain a pension. According to Nelson, most of the black staff felt the same way about Deloitte: "It was like working for your own family. I never knew anyone at

Deloitte that was dismissed - they would never do that, because when you came here, you joined a family."

Isaac Thoka, who was the first black to be employed in the newly opened Pretoria office in 1971 agreed. "I regarded Deloitte as my parents. When I started to work here I was an orphan and Deloitte was like father and mother to me. In those days you had to carry a dompas - I still have it you know! I had to get that signed by Derek Benadie. Every month he had to sign to say that he still employed me, and I had to carry it all the time. If I didn't, I could get arrested and put in jail."

These statements about blacks at lower levels feeling that they belonged are not uncommon. Isaac enumerates many who have served with the firm for almost two decades. Where potential was recognised, individuals were promoted. Isaac himself graduated from cleaner and tea maker to photocopying and printing. He still does all the printing, book binding and filing. "I can recommend Deloitte as the biggest firm in the world," he asserts confidently. "I don't think other companies treat their staff as well as they look after us at Deloitte. People stay here for such a long time and that shows how happy we are."

Johannes Maunatlala has been with Deloitte since 1975. "Tim Curtis originally employed him in 1968 as his gardener," Tim Store remarked. "He then worked with Curtis from June 1972 at Halgo Trust, acting as messenger, tea maker and some-time driver. In 1974, Halgo Trust merged with Deloitte and Johannes worked there during John Massey's leadership of the firm. Massey told me to go and find a house for him in the late '70s and it was then I realised what a difficult enterprise that was. They had made so many rules and stupid regulations that it was a war of bureaucracy. Johannes eventually found his own house. He was employed originally as general factotum and he quickly made himself indispensable, putting his hand to all kinds of tasks. Today he is an accomplished Jack-of-all-trades and appears in various guises: trusted driver for local and international partners, head waiter/floor manager who keeps all client lunches and dinners running smoothly, polished barman - he really is a fixture at the firm."

"I have so much enjoyed working for Deloitte all these many years," Johannes smiled. "It has been very interesting working with different people, partners, secretaries and all the top guys."

An even longer-serving old faithful is Sidney Sefadi who started as



*Ignatius Schoole*



*Israel Skosana*

office boy in the Goldby firm and graduated to accounting clerk, running the filing office and acting as chauffeur in his spare time. One of the Pim charitable trusts is currently funding his youngest daughter who has embarked on her first year of medicine at Wits - a remarkable testimony to Sidney's determination to provide the best for his children and also to the support he knew he could rely on from the firm.

### **Mountains of opposition**

What is not mentioned in all the little snippets about training, about new black trainees and education initiatives, is the enormity of the difficulties facing blacks. Transport, accommodation, even being able to study at a particular university, all required official bureaucratic stamps of approval. And there was no lack of black dissidents who considered those wishing to educate themselves within the "white" system as sell-outs and made it as difficult as possible for them to study.

Ignatius Schoole, articled at the Pretoria DH&S office, was one of the victims of activists who took it upon themselves to make sure this "collaborationist" could not study. When manager Allen Swiegers discovered what was going on, his immediate reaction was to book Schoole and his family into the Holiday Inn where he could prepare

for his Board exams in peace. "Our office had been infused with a deep awareness of the need for transformation by people like Mike Rippon and Hennie van Greuning," commented Swiegers. "They were quietly passionate about transforming people's attitudes and exposing prejudice and preconceptions for the falsehoods they were - and it was this atmosphere and the informal culture of the Pretoria office that made a solution like that a natural reaction - which was accepted as such by all partners."

Israel Skosana was actually the first qualified black CA to work with DH&S in the Johannesburg office. He had scored well in the assessment course developed by Professor Kritzinger and qualified to attend the UCT conversion course sponsored by Deloitte. "DH&S was already known for the resources it committed to training and for its genuineness in advancing black students," he said. "But it was people like Tim Store and John Mowat who really made the difference."

Tim Store entered into consultations with Wiseman Nkhulu in 1976, the first black to qualify as a chartered accountant in South Africa. "I don't think we appreciate just what repercussions this had on white accountant psyche," smiled Store. "It shattered a lot of preconceived

ideas about black capability - so Skosana and soon others like him in business became important role models to encourage young students."

But the profession was dragging its heels. The summary of the Commission of Enquiry into Developments in the Accountancy Profession in South Africa published in the DH&S newsletter of July 1980, makes no mention of the need for black advancement in the profession.

### **Bridging schemes**

Following up on some of the recommendations in Becket's study, Store was instrumental in involving DH&S in the Anglo American Cadet Scheme in the early '80s and encouraging Hennie van Greuning to design the Accounting Development Programme (ADP). The Cadet Scheme was a mentorship and development programme, and DH&S brought its accounting and financial skills to the party. All who participated, like Doug Wallace, were profoundly enriched by the experience, as both blacks and whites learned about each other, and discovered that intrinsically, both aspired to similar ideals, suffered similar pains and were prepared to make similar sacrifices to achieve their goals.





*Hennie van Greuning*



*Allen Swiegers*

So, inspired by Store, van Greuning's newly created ADP provided 10 young black graduates with a year of on-going academic support, taking them to clients for audits and introducing them to the realities of the accounting world of work. "Getting the support of all partners of the DH&S firm was uphill," grinned van Greuning, "Being accountants of course, they were also looking at the bottom line and asking where the value and the return on investment lay. So you can imagine their horror when in the second year of the programme, we opened it not only to DH&S people, but to black staff members from other firms as well!"

Van Greuning's doctoral thesis on such programmes was a wake-up call to the profession, alerting it to the dire need to develop black chartered accountants and highlighting the barriers. Among the most stunning statistics were the vastly differing perceptions of problems by black and white. "For instance, 90% of white firms saw cultural differences at the base of problems - no more than 43% of blacks agreed with that view. Racism from peers was seen as a major issue by 61% of blacks and by only 10% of whites. Lack of honest performance evaluation was cited by 53% of blacks as a big stumbling block, but considered a problem by only 15% of white

firms. Lack of challenging audit assignments was a grievance for 61% of blacks and only 20% of whites. Other problems identified by whites, with which blacks for the most part did not agree, were lack of business awareness, inferior high school or university education, negative client attitudes, lack of communication skills, lack of mobility, lack of numerical skills, unallocated time and very importantly, absence of black role models." Clearly, there was much work to be done.

Under-utilisation of black clerks stuck around for years like a nagging toothache. These were early days of having black clerks in a traditionally English, white male environment where even females were looked at askance, and the old stereotypes were not going to crumble without resistance worthy of the great wall of China. Advocates of advancement like Mike Rippon and Tim Store inevitably found all available black clerks on their teams. And of course in many cases, clients had to be phoned and mollified when they found black clerks on their audit. "This though, tended to happen at lower levels of the hierarchy," Store explained. "At CEO and senior manager level, reservations were rarely, if ever, expressed."

Transport remained a bug-bear which exacerbated the utilisation issue. Black clerks for the most part used trains and buses - their notorious unreliability meant that frequently, clerks would arrive late for an audit - a totally unacceptable situation.

The cultural divide posed thornier challenges. Socialisation was a stinging nettle. Backgrounds were polar opposites, black education indifferent, interests had no commonality, even conversation in English was stilted and struggling because of blacks' generally poor communication and language skills. It was the boldness and confidence of Allen Swiegers in the Pretoria office though, that helped Ignatius Schoole overcome his own reticence. It is a remarkable irony that Afrikaners played such an important role in forwarding the education and training of black people, and encouraging them to fulfil their potential. Repeatedly, in speaking to people such as Skosana, Schoole, Edick Lehapa and countless others of their generation, one encounters praise for the unstinting efforts of Afrikaans teachers, lecturers, mentors and partners who unfailingly supported and spurred them on to greater efforts. Swiegers was just such a man - inspired in turn, according to his own testimony, by the quiet determination of Mike Rippon.

### *Only Englishmen need apply*

*Polarisation of nationalities was the norm in auditing firms in the '50s and '60s as the anecdote from Terry Lamont-Smith well illustrates. "The profession was very Balkanised: English firms, Afrikaans firms, Jewish firms...A Jewish friend of mine asked me to introduce him to Deloitte, so I asked Norman Ross Lake if he would mind interviewing Larry. He did, but when Larry admitted that he had also spoken to Schwartz Fine Gorvy and Kane, Lake immediately suggested that they would be a much better bet for Larry to join. Didn't even stop to take breath. In today's world of diversity, that would not have gone unchallenged, but to Larry, it was both inevitable and typical of the Waspish English firm. Deloitte had one Jewish client for many years. When he eventually sold his business, Kenneth Lamont-Smith asked him why he had not supported the Jewish firms with his business. 'Your boys don't speak in the Synagogue,' was the curt reply.*



*André Clow*

"I couldn't get over this Swiegers guy," chuckled Sehoole. "Here is this big burly Afrikaner, whose first language was not English - just like us - and he clearly struggled to express himself, but no ways did he allow that to stop him from wholehearted participation in all office activities." Allen was one of those who went out of his way to create an environment where blacks would not feel excluded. Though Sehoole was just a first year clerk, Allen as manager, made sure that he always felt comfortable at functions, and took a genuine interest in his life and progress. Sehoole was the first to point out that Deloitte had taken the very difficult decision of embarking on a cultural and environmental change that would accommodate people of other races. "It examined attitudes, behaviour, relationships and environment and began to walk that traumatic path of change," he exclaimed admiringly.

### **The "Afrikaans transformation"**

The Pretoria office was particularly notable for this approach. It also reflected a different aspect of "transformation." In the '80s, Tim Curtis, Bertie Loots and André Clow identified the Public Sector as an area which Deloitte desperately needed to penetrate. In 1984, the Public Sector Group was established under Clow, who set about aggressively

acquiring clients in central government, local government and parastatal organisations. The move prompted a drive to employ more Afrikaans-speaking articled clerks, since government and its various agencies were dominated by Afrikaners. And Deloitte's main competitors for this clientele were Afrikaans auditing firms.

Clow, however, did not aim only at growing the Public Sector - generally perceived as somewhat boring and mundane. He wanted to penetrate the private sector too, so that the bright young people from Tukkies would queue up to become articled to tackle these exciting prospects. He convinced Tim Curtis and Fred Sage to allow the Pretoria office to handle "peripheral" work, which could be done either from Pretoria or Johannesburg, and in this way, enabled his Afrikaans *protégés* to get significant exposure to major corporate accounting. Clow had a "have to win" philosophy - as Jo'burg was to find out at its own expense! The Pretoria office became the fastest growing in the country - "because they were stealing our work!" was the frequently expressed Jo'burg complaint! And the "Boertjies" in the Pretoria office flourished!

But these pioneering young Afrikaans articled clerks didn't have the

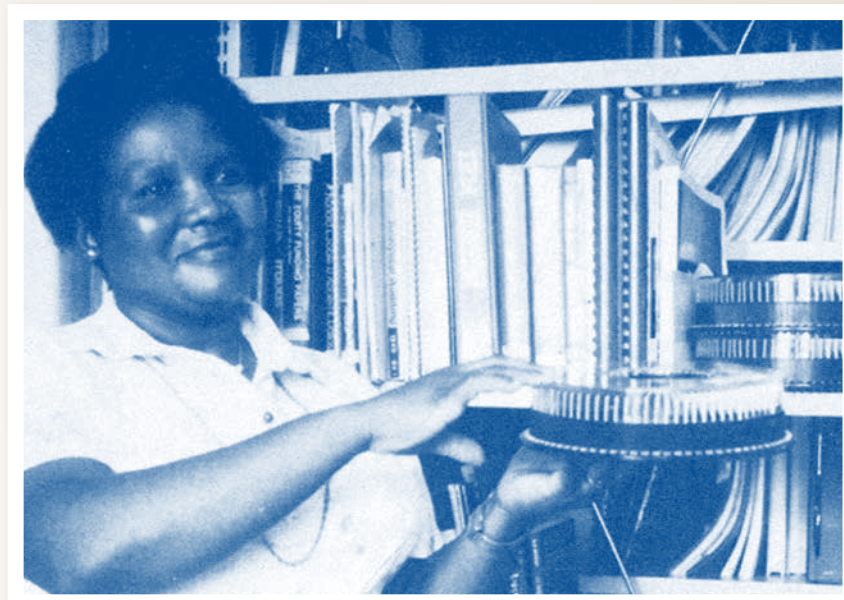
road smoothed out for them at all. Looked down upon by the more "cultured" English as rough and unsophisticated, they were treated somewhat disparagingly at first. Most had been to Afrikaans-medium schools, thus their command of English was splotchy at best - which didn't help to endear them to their English colleagues. Not only did it not deter these determined young fellows, it actually spurred them on. "We worked all the harder and achieved all the more," commented Allen Swiegers, "just to show them they were wrong." And it didn't take partners long to realise the remarkable calibre of the students coming from the University of Pretoria. But they had to forge every inch of their own way - no mentorship programmes, no bridging programmes, no additional courses, no special programmes to help with change, culture, understanding and adapting to diversity, no career pathing or fast-tracking - just grim perseverance and hard work.

"Ironically, it is probably part of the reason that Pretoria became such a highly productive office," claimed Swiegers. "Just look at the quality of the people who came out of it and what they have achieved in life and in business. My brother Giam is now CEO of Deloitte in Australia. Grant Gelink replaced Vassi Naidoo as CEO of





*Anita Clifton and Thandi Nkosi worked in the library*



*Vinah Khumalo provided support to the Technical Procedures Department*

Deloitte Southern Africa in June 2006, Bertie Loots became Deputy Auditor General, Ignatius Schoole is president of SAICA and there are countless others who have been hugely successful both in South Africa and abroad.” (Swiegers joins this distinguished list, becoming COO of Deloitte in 2006.) “To a certain extent,” he continued, “it was because the office was small in the beginning, so people had a great deal of management responsibility. We got involved in everything, staff issues, financial issues, staff utilisation, marketing, proposals - so we developed a very broad range of management skills.”

### Stepping up the pace

When Martin Shaw came to Johannesburg as managing partner reporting to Tim Curtis in 1982, black advancement initiatives accelerated. The DH&S newsletter of September reports on the black development programme aimed at promoting accounting skills among different population groups, and the bridging course to assist black matriculants through the Unisa correspondence course. The same page features a picture of librarian Anita Clifton assisted by Thandi Nkosi (*née* Ntuli). “Black staff then were mainly admin,” said Nkosi. “I know that to many white staff it was strange to see me sitting in the library with Anita - it was a new experience to see a

black person sharing an office with a white one - and then the white leaving the black in charge!” Attitudes had still not changed much.

Nkosi was one of the unusual individuals who had slowly climbed her way up to new positions through her own hard work and commitment. Vinah Khumalo of Technical Procedures Department was another. These were not the recipients of any formal DH&S programme for advancement. They simply perceived their potential and steadfastly followed their ambitions. Khumalo started off as junior typist in 1977, saw the possibilities for an audio-visual career and asked to assist Lettie van Oudtshoorn who had started the section. She eventually took over completely, making all the visual aids, from typing and photographing the material, developing and mounting the slides to highlighting them with colour tapes, not only for the firm but for clients as well. Stories such as this reflect the changing environment within DH&S - it was not just for the benefit of black clerks but of all staff at all levels and of both genders.

### The Black Sector Group

The Black Sector Group, forerunner of the New South Africa Group, was formed under Terry Lamont-Smith in 1983. Though he also

came up against a certain amount of “what are we doing this for?” resistance, there was growing realisation that it was impossible to run the economy on a purely white skills base. “We needed black skills,” he stressed, “so helping people develop was not just about a feel-good factor.” He began to push for links to an enlightened black business community and started preparing partners for the fact that objectives could not be measured on a short-term basis. “Some just had to grit their teeth and accept that we were in it for the long haul,” he grinned.

This reflected what van Greuning had already highlighted in his thesis: “qualifying as a CA takes a long time, so the profession has to bite the bullet and set long-term goals and strategies if it is serious about black advancement,” he had stressed. “They have to ask what percentage of the firm’s professional staff should be black, what percentage of partners should be black and how they will go about achieving those targets.”

Lamont-Smith engineered one of the breakthroughs in changing attitudes among clerks and partners when he threw the Accounting Development Programme (ADP) open to all clerks - regardless of



*Terry Lamont-Smith*

colour. Previously, it had been restricted to blacks. An unforeseen and most unwelcome side effect of all the programmes and attention focussed on black advancement was that many blacks began to perceive themselves as inferior, “special cases”, to be treated with kidgloves because of their skin colour. They wanted to be equals, not some kind of unique specimen. At the same time, many whites resented what they saw as unfair advantage and commitment being bestowed on blacks merely because of their race. Opening the ADP to all races changed this. “Suddenly blacks realised that the extra lessons were provided not because they were stupid - but just as a helping hand in dealing with particular disadvantages. One of the first white beneficiaries was one exceptional female accountant, so overloaded with work because of her standards that she never had time to study. She did the course and passed with flying colours!”

The Black Sector Group compiled a list of objectives - such as the percentage of internal black staff to be achieved. But external circumstances mitigated heavily against success - mainly because of the poor secondary and tertiary education standards. Insufficient numbers of graduates and matriculants were produced. Internal apathy and indifference were also still applying brakes.

During the mid '80s, DH&S changed its approach from trying to get as many black people into the firm, regardless of quality and ability to succeed, to a more qualitative strategy. “We developed an ‘alertness’ test - a type of aptitude assessment,” Shaw explained. “It was intended to identify a person’s potential for success in the profession and was a forerunner to the cognitive test later created by Vanessa Borchers.”

Socially, of course, there were big hurdles to overcome. At functions, blacks would tend to drift together in little “support” groups. Whites would try awkwardly to converse and the two would find that they had little in common to talk about. The very socially-oriented Pretoria office was among the first to hit the barriers and try to find solutions.

“André Clow had started a social fund,” explained Allen Swiegers. “Employees would make a contribution of about R2,00 a month, and in the mid-'80s we started a regular ‘steak evening.’ Once a quarter, the whole office would go out to a steakhouse, paid for by the Social Fund. They were wonderful occasions which didn’t end easily before two or three in the morning! The culture has continued to this day in that we still have the Social Fund (though contributions are

somewhat higher than R2,00!) and we still go out once a quarter. But there is no steakhouse that can hold us all. More importantly, the whole nature of the evening has changed. Cultural diversity, different backgrounds, different nationalities now mean we have adopted a completely different approach. So we hold a huge variety of functions to suit the amazing range of people and personalities: pasta evenings, pizza evenings, chicken braais - you name it, we host it!”

Even the small centres experienced the change. Frans Malherbe spoke about the spontaneous braais on the beach that staff would organise after work. “Being so small meant that everyone became involved in everyone else’s life. We had a great social life. That’s all changed now. It’s actually a struggle to get people together - there are so many different cultures, some don’t drink, others don’t eat meat and so it goes on - you have to rethink your entire social calendar. As far as transformation is concerned, a year or two ago I would have said that it was impacting negatively on our social and family-type nature. We went through an initial, very social period, and then it all went quiet. As of last year though, I have noticed changes in that the transformation that has taken place is being increasingly accepted. So the social events are not necessarily braais and rugby-type scenarios





*Appointed in 1984,  
Vassi Naidoo was the firm's first black partner*

any more - they are doing different things, like action cricket, or going out for dinner or some other sports event.

"It is interesting watching the development of relationships through these events. I see certain people coming into their own as stars. We recently had an action cricket function with one of our clients, and one of our black ladies, who has always been somewhat quiet and withdrawn, took to it like a duck to water and is now fanatical about it! So I think our eyes are slowly being opened to various ways of doing different things by different cultures."

### **The first black partner**

Zimbabwe was somewhat more progressive than its southern cousin. By March 1983, the firm could report proudly in its newsletter that DH&S Zimbabwe had had a black CA every year since the first successful candidate in 1977, and that it had trained 10 of the country's 26 black CAs. As Alan Aschmann pointed out, Zimbabwe had an excellent education system, and at independence, Zimbabweans were probably the best educated people in sub-Saharan Africa. "There was no Apartheid-type legislation as in South Africa," he remarked, "so many of the black kids went to private schools,

where the same traditions had been followed for decades. It's one of the reasons why Zimbabweans do so well when they go overseas, they have a good work ethic and good discipline."

Deloitte Rhodesia and subsequently, Zimbabwe, took great pride in training and education. "We used to visit the university and colleges," Ian Appleby recollected, "and I lectured at university for three years. That was partly because I wanted the firm to get exposure at academic level and influence graduates to enter the profession, and of course, come to Deloitte. Lecturing enabled me to cherry-pick the better guys - the other firms were doing nothing in that line at all. It was through lecturing that I was instrumental in getting the first black clerk into the profession in Rhodesia in the early '60s. And in Rhodesia, relationships between black and white were far more relaxed than in South Africa. Clients didn't mind having blacks on the audit."

DH&S in South Africa made history again in 1984 when Vassi Naidoo was appointed as partner in Durban, the first "black" partner in a major auditing firm. It demonstrated the firm's commitment to black advancement. The uncertainty with which the appointment was greeted is reflected in the very bland statement of his admission to

partnership in the DH&S newsletter of April 1984! It must have been quite a shock to the conservative soul of the majority! Further tremors shuddered through the system when Brian Campbell subsequently proposed and pushed through Naidoo's membership of the Durban Club with the help of supportive partners and clients, such as Barloworld. "A walk around the dining room with Warren Clewlow's arm around my shoulders gave members an idea on how they should vote," Vassi smiled. The bastions of apartheid were being assaulted and the keepers did not appreciate it.

An additional attack was Naidoo's protest to Shaw about the "Whites Only" toilets - by now a famous internal legend. Naidoo had been using the facilities provided for black support staff for several months when eventually the stupidity and discrimination became too much for him. Here he was, being treated as an equal in every respect of the business, carrying his share of work and responsibility, producing the results required of him and even accepted by clients - so why the separate toilets? He approached Martin Shaw, and probably not without a certain degree of aggravation. Shaw's reaction once again illustrates the fact that most whites were simply not aware of the many indignities which Apartheid laws had slowly infiltrated



*Jeff van Rooyen*



*Martin Shaw accepts an award from Israel Skosana for the firm's contribution to the transformation of the profession*

into society. When one had grown up in that environment, certain aspects were part of the accepted scene and one just didn't notice them. Shaw, like most staff in the office, had quite simply never been conscious of the separation of facilities. His action in removing the signs personally was immediate (as well as illegal), and sent a strong message through the office.

### **ABASA appears on the scene**

Then in 1985, Jeff van Rooyen appeared on the scene. Having fought his way against and through the system with tenacity and a determination not to give into the bitterness that came from repeated rebuffs, van Rooyen formed his own company almost as a reaction against the walls of discrimination within one of the big auditing firms, which constantly precluded his - deserved - advancement. Drawing from his experiences, he wanted to help youngsters avoid the frustrations and aggravations of his own grindingly difficult path. "I imagined a support structure," he said fervidly, "equipping them to handle situations, preparing them for obstacles, providing them with skills to negotiate the business world." The result of this vision was the foundation of the Association for the Advancement of Black Accountants of Southern Africa - ABASA - in 1985. "I intended to use

ABASA to lobby SAICA, the PAAB and the auditing firms to become proactive in creating opportunities for blacks to serve articles. It was also to be a forum where we could network, share experiences, help one another cope with the challenges of the auditing environment."

In 1982, SAICA had already created the Association of Commercial and Financial Technicians of Southern Africa as a "second tier" of accountants who did not wish to pursue the whole CA course. To help people attain these qualifications, van Rooyen and colleagues set up a school of accounting, joining resources with the Technikon RSA and starting to run classes. This led to his first meeting with Terry Lamont-Smith and Tim Store, which was to have historic consequences.

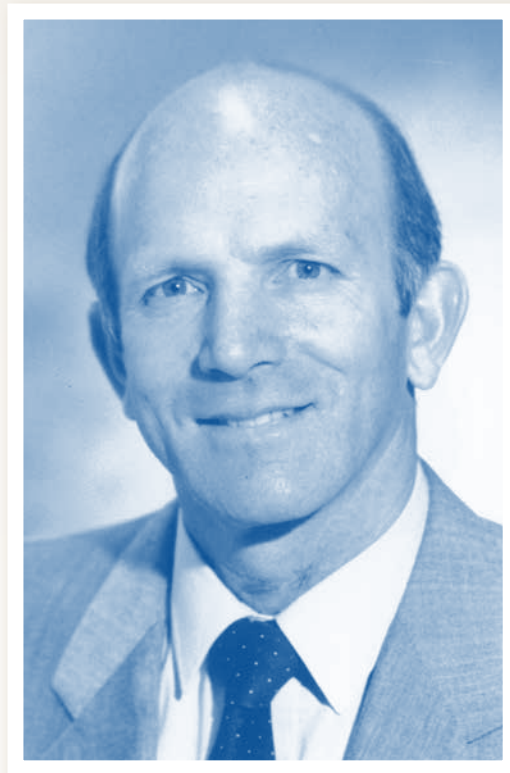
Black-based organisations were viewed with considerable suspicion by government in these turbulent mid-'80s, which saw ugly riots and uprisings and heavy-handed crackdowns by authorities. Despite this atmosphere, DH&S immediately saw the great benefit of ABASA and gave its unreserved support from the beginning - the first auditing firm in the country to do so. Van Greuning was enthusiastic about ABASA's potential, "It provided black accountants with a support

group where they could interact and help one another," he exclaimed. "It could be the catalyst to promote the self-esteem and confidence necessary to advance within the profession."

So steadfast was DH&S's support of the fledgling association, that at its second annual convention in 1988, ABASA awarded a certificate of appreciation to the firm, the first of three subsequent awards, acknowledging its efforts in running the accounting support programme and sponsoring all its black staff as ABASA members. Fittingly, it was Israel Skosana, first qualified black CA from Deloitte, who presented the award to DH&S's managing partner, Martin Shaw.

By 1990, both DH&S and van Rooyen had realised that they would be able to achieve more if they joined forces more effectively, and van Rooyen's firm merged with DH&S at the same time as Pim Goldby, leading him to comment wryly, "Here's the three-firm merger: Deloitte Haskins & Sells with 1 000 people, Pim Goldby with another 1 000 and Jeff van Rooyen with four!" Mike Rippon was by then the promoter of black advancement and commented on the warm reception he was given by Pim Goldby when presenting the case for the van Rooyen merger.





*Mike Rippon*

Inspired by the profound commitment of Rippon, the New South Africa Group, as the Black Sector Group had been renamed, set about improving awareness of the crucial need for black advancement. “It was an uphill struggle against the usual apathy,” sighed Rippon. “And of course there were those embarrassing moments when at hotels, Jeff would be taken for a driver or messenger of some sort instead of an equal partner. I was always impressed by the diplomacy and humour with which he straightened out the misconceptions!”

Rippon was one of those people who made indelible impressions on the people he associated with. When Ignatius Schoole speaks of his experiences at Deloitte, Mike Rippon’s name surfaces in almost every sentence with admiration, respect, appreciation and affection. “Mike is one of those people that God sent to earth because He felt sorry for the rest of us,” is Schoole’s firm conviction. Rippon put his money where his mouth is. In both his personal and professional life, his dedication to transformation was total and utterly genuine. His influence, particularly at the Pretoria office, which became a vanguard of black advancement, was extensive. The positive impact he made on people and the changes he wrought in their lives were permanent.

### **What it takes to make it**

During the '80s, the firm ensured that whenever Indians, blacks or coloureds were on an audit team, all the annoying bureaucratic pettiness was taken care of - the necessary travel permits, the restaurants where the whole team could have lunch, accommodation when audits were several days long. And the attitudes of both whites and blacks on the team began to change. The Indians, blacks and coloureds, by their commitment, wholehearted involvement and hard work, did a great deal to break down prejudices. They themselves were taken aback by the genuine white response of friendship and encouragement. They were accepted as part of the DH&S family, one of the guys, and when racist attitudes did pop up their ugly heads, found united support from their colleagues. Schoole mentions an incident where the Pretoria staff quickly sorted out some rock-hard conservatives in a pub where they were accompanied by a black clerk.

Trushar Kalan probably describes the most eloquent example of this sense of “you’re part of the family.”

“I was very apprehensive when they all wanted to go to a club in Hillbrow,” he chuckled, “Well it was a first-time experience for me

and I was terrified! ‘Guys!’ I whispered, ‘You’ve got to get me out of here before they arrest me and lock me up!’ But they just laughed it off! ‘Nah!’ they shrugged, ‘You’re with us - no ways would we let something like that happen!’

“I speak for many of us in those days,” he continued earnestly, “and I repeat it to the youngsters of today. We worked twice as hard as our white colleagues, dedicating more time and effort to tasks, taking files home, ensuring that when presented to partners, they were pristine - we demonstrated our competence, we proved our ability, we worked for and earned our colleagues’ respect and trust. You can’t expect that kind of treatment just on the basis of some misplaced idea that the world owes you something. It doesn’t. If you don’t work for something and earn it, then you don’t deserve it. Neither will you value it properly.”

This attitude is echoed again and again by the blacks, Indians and coloureds of the time: Vassi Naidoo, Edick Lehapa, Osman Arbee, Lwazi Bam, Grant Gelink: don’t think you are entitled just because of your colour. And it reflects the very sound philosophy of the firm in treating all people as equals, in ensuring that performance was acknowledged, in promoting talent and providing opportunities for growth. “Those of us



*Edick Lehapa*

who fought an unrelenting system stand where we stand today because of our own achievements, efforts and sacrifice,” Naidoo stressed with fervour. “Don’t think you should be given opportunities on the strength of anything but your performance. You must earn your reputation and your credibility - and you do that with old-fashioned hard work!” Arbee agrees with similar passion, “Don’t come here with a victim mentality and feel that everyone owes you something. No one owes you anything. Take what you have and make the best of it, make the best of Deloitte, its exceptional training, its mentoring, its clients - and take the most out of it and learn from it all.”

Adding his agreement to these sentiments, Edick Lehapa, who was the first African black appointed partner in 1994, also illustrated an aspect of the responsibility blacks shouldered of which most whites were unaware. “You know what it is like when you feel you are under a microscope the whole time. There was a prevailing reaction to the failure of a black: if a black didn’t perform to standard or did something wrong, it wasn’t considered an individual failure - the entire black race was tarred with it. A failure was not just your individual responsibility as it was with whites - it affected every other black in the firm.” One can imagine the pressure that placed on these early pioneers of black advancement.

Richard Dunne, with his characteristic outspokenness and sometimes brutally realistic approach to issues, often found himself pushing the “you’re not a special case, you’re the same as everyone else and you’re not going to be treated differently” approach, with sometimes unforeseen consequences. “The firm had a policy that if trainees failed their first year with the firm twice, they would be requested to leave. When I was head of the audit division in Johannesburg in the mid-nineties, about seven black staff failed for the second time and I summoned them and explained that they would be dismissed.” He smiled ruefully. “It was not taken kindly. Not only did I have Trade Unions phoning me all day, I actually received death threats. So I thought the best way to handle it would be to discuss the situation with senior blacks in the audit division.” They were unanimous: dismiss them all.

“They stressed with great conviction that in the first place, there was no way we could afford to lower our standards,” continued Dunne. “Secondly, and I think just as importantly, all the senior blacks had achieved their position through their own efforts, hard work, sacrifice, commitment and principled, ethical work. ‘If the firm retains underperformers, it undermines and demeans our own position,’ they pointed out.”

Nevertheless, mixed groups of black and white audit clerks on trips still underwent some traumatic experiences fraught with incidences of humiliation, misunderstanding and discomfort, particularly in certain conservative areas of the country. “The ‘Whites only’ sign might not have been physically present,” observed Andrew Mackie, “But it was there in the mind of the town’s population and their hostility was almost tangible. To be honest, our own internal relationships were also wracked with difficulty. It was often awkward for our black colleagues to fit into the typical white, mainly male approach to such trips. Whites would usually gather early for breakfast, get their heads down and work long, hard hours until fairly late in the evening and then all go off somewhere for a beer or two. And during these early years, there wasn’t much we had in common.”

The New South Africa Group enlisted Indians, such as Osman Arbee, and blacks to help with mentoring and encouraging students. “It was essential that we prepare them for the stresses they could experience within the firm,” he commented. “By then we had gone through the treadmill and knew what kind of pettiness could be expected, and the little stings and slights that waited around unexpected corners.”





*John Stevens*



*Vanessa Borchers*

In Botswana, Deloitte prided itself on being the leading firm in training indigenous accountants. John Stevens was one of the original directors of the Botswana Accountancy College, formed in the mid '90s to increase the number of locally trained accountants substantially. The firm continues its support of this vital aspect of the economic growth of the country.

Deloitte Namibia was also the first firm to employ a black clerk, "and a female to boot!" exclaimed Larry Kritzinger.

Nkondola Uka, CEO of Deloitte, Malawi, remembered his early years. "Deloitte, together with the other major firms, actually set up a school for accountants, since there was no other formal tuition. They sent managers to lecture us and eventually recruited a full-time lecturer for people from all four firms - Deloitte, Price Waterhouse, Coopers & Lybrand and KPMG. Deloitte always got better people because it was more proactive and genuinely wanted to see blacks advance." However, as in South Africa, in primary and secondary schools, there was little knowledge of accounting as a career. Deloitte became the leading firm in approaching colleges to inform and recruit young black Malawians.

### **Casting the net wider**

What was lacking at this stage though, was a comprehensive communication programme to staff about DH&S's transformation initiatives, its successes, the obstacles and proposed solutions. Staff as a whole were still not involved. Partners still tended to shrug the problem off to those "responsible for black advancement" and resisted becoming personally involved. The lack of articles of substance on the topic in newsletters of the '80s is clear testimony to this. Transformation and the need for it were accepted intellectually and there was much airy debate and agreement - but little action. Emotional buy-in was not on the cards.

Martin Shaw was to lay the first paving stones of the long road which would eventually start penetrating the apathy, indifference and "it's not my responsibility" attitude. In 1992, he launched the Multi Cultural Development Programme (MCDP). Deloitte employed a lady by the name of Anne Newman to drive this at first. She had a difficult time trying to change particular attitudes and get buy-in. "The original idea was that whites, blacks, Jews, Christians, Muslims, Afrikaans, English, male and female would be able to co-exist and develop in a diverse environment," recalled Trevor Brown. "Unfortunately, the concept

of MCDP was hijacked to mean blacks. But though it didn't live up to expectations initially, it did launch some great initiatives, such as the bursary and scholarship programme, the retention strategies and partner-pairing concept."

The MCDP programme evolved quickly. By the mid '90s, when Shaw was developing "Vision 2000" which would restructure the firm along national rather than regional lines, the notion of responsibility for achieving transformation targets being passed down to service lines began to be promoted.

It was also during this period that the highly proactive Pretoria office notched up another transformation first. In the early '90s the black trainees mooted the idea of going to townships to teach children in Grades 11 and 12 accounting and maths. Project Siyakhula - we are growing - took off like a missile. It was powerful proof that the idea of transformation was taking deep root - "black and white managers and partners pitched in with burning enthusiasm," said Allen Swiegers. "Deloitte has now rolled this initiative out across the whole country - it also showed the whole firm that just throwing money at problems was not the solution - what we needed



*Futhi Mtoba was the first black female partner in the Big Five in 1998*

was time, personal interaction and commitment.”

One of the components of the MCDP was that partners in charge of the Programme would be rotated. “This was an excellent idea,” believed Futhi Mtoba, “it enlightened partners about issues and each one drove the strategy up another gear, so that each year there was improvement and success. It was also this policy that showed unequivocally that the policy at the top was immaterial if it wasn’t implemented all the way down the corporate ladder, with responsibility being clearly defined and placed squarely in the lap of each individual partner and manager.” Mtoba herself became the first black female partner in 1998, and indeed the first in the Big Five in South Africa.

In this same year, Shaw approached Vanessa Borchers to take over the ailing MCDP. One of the first things she realised was that black advancement initiatives had not been integrated into everyday operations, and that quite frankly, transformation was not a top priority in the firm - except for those who were directly involved. A clear, firm-wide strategy was an imperative. Borchers harnessed the cooperation of all those who had any experience at all and together

they formulated a business case, laying down the principles that would drive transformation and motivating the need for it:

- It was the right thing to do
- It was fundamental to the business to achieve growth targets
- It was critical for the future of the country.

It was at this time that the vision was crafted which would guide the programme: To be a truly Southern African firm in terms of race, gender and organisational culture and to promote the principle of strength through diversity.

### **Revitalising the MCDP**

An MCDP Board was created, including the Executive Committee and an external business person, in this case Louisa Mojela, a well-known black businesswoman. The idea was mooted that the strategy should be driven by business unit leaders. Various initiatives were introduced to promote understanding and provide support to new recruits, such as the coaching and mentoring programme. “We took the important step of deciding to measure partners on their performance around black advancement - otherwise it would never become institutionalised,” believed Borchers.

It was Borchers who was instrumental in developing an assessment tool to streamline and refine the recruiting process. “This would give us an indication of talent and potential,” she pointed out. Much time was spent visiting schools and universities to inform students of the opportunities offered by a career in accounting, and even clients were involved in sponsoring and identifying people they would like to employ once trained.

The next vital project was diversity training. “The basis of racism is ignorance,” is Borchers’s view. “Get to know one another and ignorance is eliminated and with it, the foundation of prejudice.” One- and two-day compulsory workshops were held for all staff where people were encouraged to express their fears and hopes and understand one another’s cultures. Communication began to play a more important role and roadshows were undertaken to all regions and business units to explain the vision and business case. These were complemented by questionnaires to gauge people’s views. “It was important to understand people’s concerns,” she stressed, “because that would reveal the areas we needed to address.”

The programme pounded stakes into the ground. It was uphill going,





*Charles Godfrey*

### *Speaking up in Malawi*

*When Malawi became a multi-party democracy in 1994, people suddenly found they could speak their minds and voice their opinions. One of the initial movements to stimulate this development had been the Catholic pastoral letter of 1992 which enumerated a host of grievances. In about 1993, as Nkondola Uka remembers it, some junior members of Deloitte in Blantyre thought it an excellent idea and sent a pastoral letter to partners! “It listed their complaints about salaries, treatment and perks, and made the partners wild!” he laughed, “But it did open them up a bit more to the general environment and what people were thinking. By the time they calmed down they realised there was substance to the complaints and tried to do something about them. We have never had that kind of situation again - now when the staff have grievances, we quickly hear about them!”*



*Nkondola Uka*

but objectives had been firmly stated and it was clear that the Executive and senior partners were solidly and unwaveringly committed. It was essential that there be a move from “emotional buy-in” to operational implementation. There was some success, but when Mike Jarvis took over from Borchers after her two-year stint, he still found deeply embedded apathy.

### **Interacting with business**

On the external scene, Jeff van Rooyen’s merger into Deloitte Pim Goldby had brought van Rooyen in contact with Charles Godfrey, who was running the Financial Accounting Division with Entrepreneur Services. As a result, Godfrey began to interact with the National Federation of Chambers of Commerce (NAFCOC) and the Foundation for African Business and Consumer Services (FABCOS). “Black empowerment in those days was largely about small business, and those two organisations were in the forefront,” he explained. “Deloitte began to engage seriously with FABCOS, helping it develop a national strategy as it evolved from its earlier political background into a business organisation. Though we had a strong public sector focus, we didn’t have a private sector empowerment focus,” he continued. So a number of initiatives were implemented,

starting with the amalgamation of the New South Africa Group with the Private Sector Strategy Group which ultimately led to the formation of the Business Equity Initiative (BEI) in 1997, and its entrepreneurial development project, Business Beat.

NAFCOC and FABCOS represented SMMEs which did not fit Deloitte’s client profile, but Godfrey felt the need to make Deloitte’s resources available to this vital part of the nation’s growing economy. First initiatives to partner major organisations with community stakeholders failed, probably because they were premature. It was a steep and harsh learning curve for Godfrey and his colleagues, who sought countless different solutions to encourage and promote the development of entrepreneurs and SMMEs - still a harassing problem in today’s economy.

Finally a Business Beat model was designed and launched in 1999, and to date it has notched up several significant successes, particularly in Cape Town.

In the mid ’90s, the firm began investing resources to support the development of black-owned businesses in the corporate sector - the

most significant being WIPHOLD. Godfrey and colleagues helped devise the correct structure for the holding company and WIPHOLD Trust. “BEI was a catalyst for us to build relationships with key players in the market,” he claimed. “Now, since black empowerment has ballooned, it cannot be managed from a central point, so BEI is being devolved down to business unit and regional level.”

### **Increasing the reach**

Internally, transformation went into overdrive as Vassi Naidoo became CEO in 1999. But as Sandile Gwala confirmed, “Not all our clients had yet caught the transformation bug, and most of the black guys were still being sent to the public sector.” And not surprisingly, there was still a certain amount of internal resistance, though gradually, improved communication was beginning to sweep away the cobwebs of prejudice and ignorance.

Malawi, interestingly enough, had actually jumped the gun on Deloitte in South Africa, when Nkondola Uka became CEO in 1998 - the first black to be appointed in a major accounting firm in that country. “It was exhilarating!” exclaimed Uka. “I was so elated! Both staff and clients welcomed it, and the move mirrored what was



*Miles Crisp*



*Ntlai Mosiah*

happening across the industry in Malawi. Malawians were assuming senior positions and it indicated how the country was growing. Of course, there was no legislation to push Malawian promotion like in South Africa - we were achieving it on our own merit.”

Because of Deloitte’s increasing commitment to black empowerment and transformation, it provided a framework for other passionate individuals to actually use its structures and resources to launch empowerment schemes apart from Deloitte’s overall strategy. One such individual was Miles Crisp, whose previous experience, particularly with charismatic Dr Nthato Motlana and black business leaders, created a profound conviction in him of the need for transformation. He desperately wanted to be part of the solution and become instrumental in changing the lives of individuals and communities. His passion and commitment in turn fired the spirits of his colleagues in Enterprise Risk Services (ERS). Crisp himself had become involved in the community where he lived, generating considerable trust and confidence with community leaders. Gradually, his enthusiasm drew in the participation of ERS, sponsoring education of children, providing learnerships, school uniforms and donations of furniture, equipment and stationery, becoming involved with the Monahan Farm School.

It was Crisp who made the penetrating observation that individuals should not consider themselves as instruments or “sub-sets” of Deloitte. “Deloitte itself can become our tool,” he enthused. “We as staff members can take our personal convictions and use the firm as an instrument to realise them and go out and make an impact. It speaks volumes for Deloitte and its values that we can count on that kind of support and encouragement, and that indeed, we can even come to perceive the firm in that way!”

### **Transformation within Deloitte Consulting**

Deloitte Consulting, which was at that time separate from Deloitte & Touche, was also constantly striking out externally to develop BEE relationships, one of the most significant of which was the participative venture with Khulisa, a company started by Ntlai Mosiah, Thiru Pillay, Kennedy Mogotsi and Steven Molloy. In 2001, Deloitte Consulting bought the company, bringing many additional black clients and professional staff into the fold. The impact of these professionals, who were highly disciplined business people, would add to the transformation momentum, helping to change stereotypical ideas.

Deloitte Consulting established an internal employment equity task

team to drive internal transformation. Recruitment was brought in-house, targets explained and transformation goals communicated. Here too, was the usual apathy and tendency to take a back seat and let someone else do the hard work. So responsibility and accountability were driven down the ranks to involve all partners, both white and black. “This ensures that each of us runs with the ball,” smiled Mosiah.

Externally, Mosiah ran the Partner Empowerment Programme, developing project relationships with BEE companies. Kamal Ramsingh monitored employment equity targets. The third leg of the transformation programme was affirmative procurement and the fourth focused on black staff utilisation. Communications and consequently support were significantly improved by monthly “flybacks” which reported on progress and promoted cultural awareness and the positive impacts of diversity. “We helped people understand different cultures, different ways of behaviour, so that gradually we eliminated the habit of people making decisions based on ignorance or prejudice,” he claimed.

But both in Deloitte & Touche and Deloitte Consulting, it was clear that transformation still had to be driven proactively and determinedly - it was not a natural process. Take your foot off the accelerator and





*Mike Jarvis*



*Andrew Mackie*

the vehicle would coast to a stop. Mosiah encountered the same “transformation fatigue” that plagued Deloitte & Touche. “Of course transformation is taxing,” he sighed, “it’s taxing on the mind, on the normal daily work routine, on relationships - the list goes on. It gets to where we all suffer a bit from transformation fatigue. Then we get the guys who decide they want to take a back seat for a while: ‘We’ll support you,’ they say half-heartedly, ‘you go run with it - you take this up, we’ll sit in the background and watch and cheer you on when the going is rough and applaud when you have successes.’”

### **Changing of the guard**

In 1999, Mike Jarvis assumed the reins of MCDP. “Vanessa had been a great catalyst,” he affirmed. “But many of the initiatives had been sporadic and she had limited success in coordinating them. One of the unfortunate consequences of her drive though, was that people were quick to offload all responsibility for transformation onto her.” Jarvis grasped the concept of compelling business unit leaders to assume ownership and began to drive it. Strategies, policies and structures had been put in place and there was a team of MCDP managers in each business unit. Regular monthly meetings were held, but Jarvis realised that lack of authority impeded all projects and plans. “The current

system was actually unworkable,” he admitted. “I started involving business unit leaders, pounding home the point that they, and not the solitary black manager in the office, were accountable. I went through a process of making business unit leaders come to the Board to explain what their unit was doing for transformation, and though it was cumbersome, it was a step in the right direction. Andrew Mackie, who took over from me, refined the process and got it right.”

But as yet, as he pointed out with regret, “The programme was without teeth...at the end of the day, we were nothing more than a wart outside the business units.” People wanted to get on with the demands of daily business - transformation was still seen as extraneous to the priorities of business.

The climate began to change thanks to external circumstances. Legislation on black empowerment was stepping up the pressure. Deloitte Consulting was adding its voice to the chorus, since it was among the first to perceive that without the necessary conformity, government contracts would be impossible to obtain. Jarvis had to spend a great deal of time with the requirements of employment equity. “The legal aspect required policies, procedures and consultations with

employees and partner representatives. Representatives from each group established a forum and put together reports with all the gripes and prejudices,” he sighed. “But much of it was just whining about human resource matters with no relevance to the topic at hand.”

Notable during this period was the shift from general transformation of all designated groups to African black. The ambitious, and very successful R30 million scholarship programme was limited to African blacks only. An inevitable result was increasing concern among the white Deloitte population and a rising sense of resentment because of the focus and resources being concentrated only on blacks. On the other hand, many blacks disliked intensely being the centre of this attention, complaining that they were being made to feel not like individuals, but like special projects based on skin colour. “No one really knows how to manage this yet,” confessed Jarvis.

### **Taking off the brakes**

This was the situation which Andrew Mackie faced when he stepped up to take leadership of MCDP. “He was the right person to push the transformation pace up a gear and lift it into a new dimension,” asserted Jarvis. He was also greatly assisted by new





*The Deloitte Scholarship programme assists talented black students, 2005*



*Students from the National School of Accounting*

CEO Vassi Naidoo, who had become impatient with the slow pace of transformation and put his foot down, demanding that delays and recalcitrance be wiped from the map.

The external business environment had by now woken up to the fact that black empowerment and transformation were not temporary and transitory, but permanent facts of life in the new dispensation - though to be honest, lower levels of organisations did not have the same degree of enlightenment as the upper echelons. Deloitte faced the same problem. In addition, the constant harping on transformation had introduced the by now familiar phenomenon of “transformation fatigue”. Mackie shrugged, “people forget that transformation is a hard job and a long process that simply has to be driven relentlessly. People constantly came up with excuses not to get involved. So eventually with the support of the business unit leader, I insisted that responsibility be pushed down to managers as part of their daily requirements. They had to become proactive in training black staff and including them on audits and we threatened their bonuses if they didn’t.”

But this process would not work on its own, so Mackie devised a “top-

pull” approach to complement it. “We began to focus on the pipeline of up-and-coming partners so that we could monitor their progress and manage their careers more effectively,” he explained. Initially, there was feet-dragging - blacks weren’t ready, they needed more experience, they didn’t have the proper communications skills - as yet there were only two African black partners, Edick Lehapa and Futhi Mtoba.

Naidoo practically issued an ultimatum - make more black partners now, or else! He demanded that leaders know where talent was situated and that they be fast-tracked. “Management had to explain where its business was in terms of demographics, how robust its pipeline was, who was in it and how it was looking after and developing the identified talent. And if it didn’t perform it was penalised,” said Mackie.

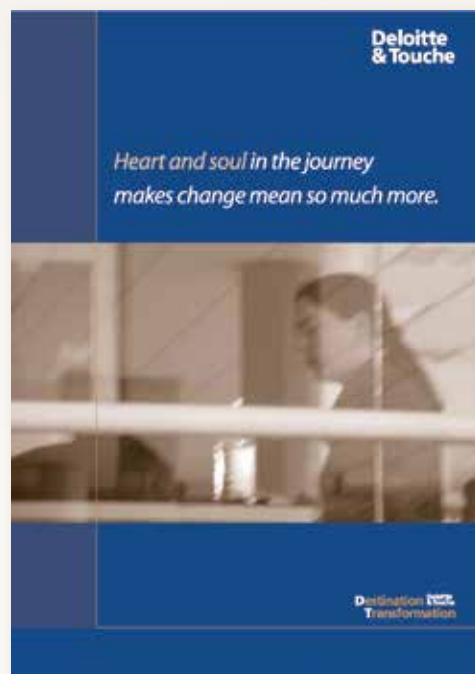
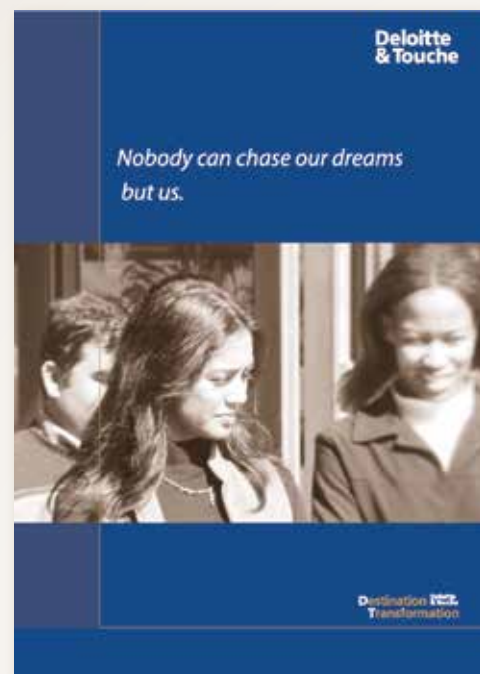
One tends to forget that Deloitte had a very rigorous partner assessment programme in place, so the chances of selecting someone who was totally unsuitable were rare indeed.

This forceful approach by Naidoo accelerated the pace of transformation and compelled partners and managers to ditch their non-involvement

attitude and seriously examine issues they had previously ignored. There was also constant emphasis on the decision that transformation at Deloitte would take place from within, not through mergers or acquisitions. Jarvis had started the process of forcing people to assume responsibility for transformation, Mackie intensified it. He insisted on reporting to Naidoo - a turning point for MCDP. He physically removed MCDP from Human Resources and translocated to a different building. Responsibilities were identified right down the reporting line. A new, more comprehensive communications strategy was designed. “This included an annual CEO roadshow which gave Naidoo the opportunity to address all the strategic issues and engage the entire staff on imperatives the firm had to confront.” A motivating video which captured the spirit of the initiatives accompanied the roadshow.

Probably for the first time, large numbers of staff began to appreciate the implications of transformation, both internally and within the country itself. To a certain extent, this exacerbated the problems of white fear for their futures and black resistance to being “special cases.” Mackie quotes the complaint of a particular black manager which encapsulated the situation. “When I come to work, I am forging my own career,





*Destination Transformation showed staff that transformation was a journey which had to be undertaken together*

and if I don't cut it, I should be the only one to be disappointed. But because there is so much emphasis on black empowerment and so much expected of me, I become a corporate disappointment if I don't shape!"

Performance evaluation became increasingly problematic, as white managers, apprehensive about being seen as racist, tended to avoid giving negative feedback to blacks. "In addition to which," laughed Mackie, "accountants are inclined to be conflict-averse, so we are not particularly good at giving feedback in the first place!"

Career progression was another thorny issue. "Sometimes black managers are appointed to partnership over managers to whom they reported or who have greater seniority. Those same managers are now required to report to them," he said. So managing fears and expectations has become a huge challenge, requiring considerable sensitivity and understanding.

### Shaping "Destination Transformation"

Mackie assaulted the "transformation fatigue" with a revamp of the programme. Together with Di Schneider, he conducted extensive market research, interviewing black business leaders and government

ministers, and based on their information, developed a holistic strategy built on five foundation blocks:

- Equity or ownership
- Depth and quality of black managers
- Creation of a welcoming corporate culture
- Investment in BEE
- Investment in our communities.

This concentrated efforts and resources, streamlining activities and facilitating communication. In the process, the MCDP was renamed "Destination Transformation", which implied the concept that transformation was not a quick-fix or an overnight solution, but a long journey that the entire Deloitte staff had to undertake together.

### Looking at the ladies

Greater emphasis was now also laid on the recruitment and promotion of women. A number of policies were designed, mainly for the benefit of women, but equally available to men, to facilitate the work/family balance, such as flexi-time, fully and partly-paid maternity leave benefits and residential learning activities. By 2005, the annual intake of female articulated clerks exceeded that of males for the first time.

That same year, Deidre Botha took over responsibility for the Women's Leadership Initiative, which reports to the Transformation Board. Its main objective is to promote the retention, development and promotion of women in the firm. In doing this, Botha has set up sub-groups which engage with women business leaders, keep staff and stakeholders informed of all programmes and successes on gender transformation, and provide support for the practical challenges facing women in the workplace.

Deloitte now prides itself on its gender statistics: 17% of partners are female, 20% of partners on the Southern African Board of Partners are women, as are 53% of overall staff.

The fact that Futhi Mtoba, Deloitte's first black female partner, has now been appointed chairman will undoubtedly give a new impetus to the recruitment and promotion of women, since it is an issue very close to her heart.

### "Internalising" transformation

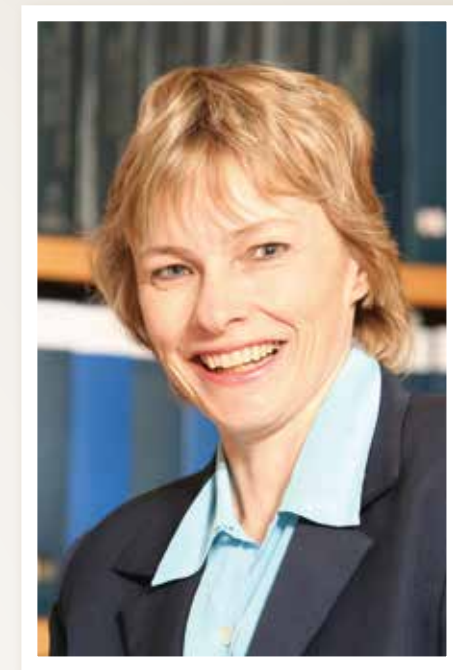
As the objectives and ideals of transformation have filtered through the firm, more and more individuals have taken it upon themselves to



*Deidre Botha chairs the Deloitte Woman's Leadership Initiative*



*Diane Schneider heads up the firm's Transformation drive*



*Anne Bennett was the first woman appointed to Deloitte Board in 2001*

become change agents within their own spheres of work, mentoring, encouraging, supporting and advocating. By 2004, 35 black partners had been appointed, and their influence as role models and leaders cannot be underestimated. "Many of them have a strong personal commitment to taking the firm forward," commented Di Schneider.

"They are exemplary in their own behaviour, walking the talk in their relationships across the board, offering mentoring and creating cohesion within the organisation."

Schneider took over from Mackie in 2003, building on the new "awakening" of the realisation that transformation is a business imperative, and further breaking down the now rapidly crumbling barriers of prejudice that had shored up misconception and misunderstanding. She has been largely instrumental in "internalising" transformation. "Fundamentally, transformation is about personal responsibility, self-awareness and relationships," she stressed. "You have to take responsibility for what you believe, how you implement those beliefs and principles and what effect you have on others. It's also about opening your mind to others and their opinions and being tolerant with those who disagree with you."

Deloitte has started a "Southern African Experience Programme", focusing on education and awareness of diversity. "We use every opportunity to build this into learning programmes and have initiated diversity workshops," explained Schneider. A Trainee Transformation Initiative is also underway as a response by trainees to change their environments proactively.

Schneider has conducted a range of interventions which engaged participants at intellectual, emotional and experiential levels, challenging mindsets and preconceived ideas. Gradually, under her aegis, transformation is shedding some of its "numbers" personality and assuming a more cultural face. It is moving away from procedures and strategies and gaining "heart and soul". In the 2005/6 Stakeholder Report, CEO Naidoo pointed proudly at the voluntary participation of over 2 000 Deloitte staff during IMPACT Day on various charitable and community-related organisations as proof that the firm had "not only a social conscience, but a soul."

An interesting and unique initiative was the publication of the book by Hendrina Westoll and Diane Schneider, *Experiences in*

*Transformation*, which chronicled the experiences in transformation of individuals and of the firm itself from the '50s, when "black advancement" was an ad hoc initiative until transformation became a business strategy. "The objective of the book was to learn lessons and inspire our readers," claimed Schneider.

One of the most influential driving forces in powering Destination Transformation to achieve as much as it has since the turn of the century though, was CEO Vassi Naidoo. Uncompromising, tireless, hands-on, he took a personal interest and kept the pressure on all stakeholders relentlessly. He himself is confident that Deloitte now has all the policies, procedures and processes in place to continue on an accelerated, and successful, transformation course.

Deloitte has undoubtedly set benchmarks, not only for the profession, but for business in the country. It has learnt from its learning curve and not been deterred by mistakes and failures from vigorously pursuing its stated objectives. As Grant Gelink prepares to step into the "oval office", he has already proclaimed his intention of adding muscle to the transformation process. Deloitte is well set to lead the profession into the future.