

## Company News



Lawrence Wordon

# Firms put survival ahead of quotas

**SANCHIA TEMKIN**

Professional Services Editor

EMPLOYMENT equity is no longer the biggest concern for SA's companies as they restructure their human resources to survive the market turmoil.

Cost cutting and restructuring operations have taken the urgency off attracting and retaining black candidates.

Madge Gibson, a partner at Jack Hammer Executive Headhunters, said earlier this week that it appeared many companies had shifted their focus to "survival mode" and on attaining solid results for their shareholders.

"Profit margins and bottom-line focus has become king. In some sectors, the best performing companies are those that have been able to cut costs and minimise the pressure on cashflow."

Gibson said prior to the recession, many companies had invested in the training and development of key staff and set up succession plans for "hot talent" such as young employment equity chartered accountants, executives and engineers.

For the first time since the institutionalisation of empowerment, the market was seeing "hot talent" appearing on the chopping block as companies looked to survive the crisis, she said. "Although quotas and employment equity had slipped from the priority list for many companies, a company's empowerment status remains important with regard to attracting and winning new business." Gibson said empowerment was far from over. It was just taking a back seat to more pressing issues, such as keeping the company afloat.

She also said there was a preference among companies to hold onto the "rainmakers" in tough times, irrespective of race or gender.

Landelahni Recruitment Group CEO Sandra Burmeisters said black economic empowerment had not taken a back seat, although skills remained the top priority for companies when recruiting. "Preferential procurement had become more critical for companies, particularly for economic survival purposes," Burmeister said.

Lawrence Wordon, MD of Professional Assignments Group (PAG), said: "In a scarce skills environment, empowerment is not the most important factor, it's finding the skill and very often this means moving global talent so BEE cannot be inherent to the job. Having said that, should the position not fall within the scarce skill categories, then empowerment is still very relevant as companies are still striving to achieve their employment equity targets."

Gibson said some companies had "battered down the hatches" to survive the tough times and had implemented measures such as salary freezes, with buy-in from employees, in exchange for a commitment not to retrench any staff.

temkins@bdfm.co.za