Experiences in Transformation

Work in Progress

Diane Schneider & Hendrina Westoll
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Some city councils were doing all they could to eliminate petty apartheid.
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DEDICATION

This collection of stories and personal experiences was compiled to mark the retirement of Tim Store, in appreciation for his contribution to Deloitte over a period of 31 years. Tim was appointed to the partnership on 1 June 1973 and served as Chairman from 1 March 2001 to 30 August 2004.

Experiences in Transformation *Work in Progress* is dedicated to the men and women of Deloitte - past, present and future - for their indomitable spirit, courage, and willingness to embrace the challenges of life.
FOREWORD

This started as a modest project, inspired by a bottle of wine with Di Schneider, who wanted to download my aged brain of its memories of early transformation experiences within the firm before I retired.

So much history of the firm has been irretrievably lost because we failed to capture the memories of retiring partners, and Di did not want this to happen to the history of transformation in Deloitte. She wanted to capture the highs and lows of the process as I recalled it, conduct further interviews with five or six key individuals and produce maybe a ring-bound copy of their anecdotes, stretching to plastic binding if absolutely necessary!

And then the project came alive. One memory led to another, one name recalled two or three more and the number of people we needed to interview kept snowballing. We watched the increasing scope with excitement and some alarm – and then I realised the reason for it. Transformation in Deloitte has never been the work of one or two individuals – it has always been, and always will be, a group effort. To write a complete history would mean that we would have to interview just about everybody who has been associated with the firm since the early ’70s.

Obviously some individuals played more of a role than others, often because of the position they happened to occupy at a certain time within Deloitte, and these people are the subjects of the majority of our interviews. However, there are so many more people whose reminiscences would be valuable, and reading this publication might jog their memories and inspire them to write, phone or e-mail Di or myself. I would not be surprised if this resulted in enough material to justify a sequel!

To those of you who may have been missed this time around, we deeply regret not being able to include you in this edition and hope that you will understand.

Futhi Mtoba’s appointment signals a new era, which I am delighted to witness. I think therefore that this publication comes at a most appropriate time in the history of our transformation. I perceive that all our efforts up until now have been aimed at achieving critical mass. This very important objective will soon be within our grasp in many significant areas, and the time will come to think about new objectives, new strategies and new challenges. I am not certain what these will be, but I am certain that Deloitte will continue to be a trailblazer in transformation in the accounting and consulting professions.

RK (Tim) Store
Experiences in Transformation

HISTORICAL BACKGROUND

The times and mergers that led to the Deloitte of today.

On May 28 1948, Jan Smuts' United Party suffered a shock defeat by the National Party led by Dr DF Malan, an uncompromising nationalist with very conservative views.

South Africa, like the United States, had become a country sought-after by immigrants seeking to make a new life after the devastations of the Second World War. In one of the most shortsighted decisions of all South African history, Malan slowed immigration down, also introducing stringent qualifications for citizenship. Where America was benefiting from an influx of dynamic, entrepreneurial and ambitious people from countless different cultures, which would breathe massive creativity, innovation, development and energy into its growth, South Africa cut itself off into comparative stagnation, throwing up barriers against new ideas and inventions. America’s greatness would be hugely stimulated by this influx of cultural and intellectual diversity – South Africa’s growth stunted by rejecting it.

Afrikaners began to take over the civil service, army, police and railways. Many South Africans believed the changes to be necessary because under Smuts the bureaucracy had been very anglicised. In fact, in many branches of the services, Afrikaners had been treated as inferiors in their own country. The roles were now reversed.

The professions also began to evince signs of increasing Afrikaner influence and Afrikaans professionals began to make their mark in business, medicine, law and accountancy.

Malan began to introduce apartheid principles, describing the new South Africa as a country where the goal was “to ensure the safety of the white race and of Christian civilisation by the honest maintenance of the principles of apartheid and guardianship.”

A host of race laws and regulations were implemented, dividing whites from blacks and whites from whites. Afrikaans and English speaking peoples were divided in schools, universities, towns and many day-to-day activities.

In this environment, the Deloitte culture during the post-war years remained very British. Under the leadership of AN Smith, there was no pressing need for change since much of the firm’s fee income was still based on overseas referral work. Major decisions were still referred to the London firm.

Because the South African firm was so closely linked to the UK, qualified CAs were recruited from England. They held managerial positions and formed the back-bone of the senior staff in all offices. The UK had an oversupply of accountants, many of whom were looking for opportunities abroad and the Union of SA was an exotic and exciting place that promised adventure. The offices in SA were small and homely so these accountants were able to settle down very quickly. This form of staffing continued well into the sixties even though South Africa was becoming less and less anglicised and despite the threat of apartheid.

The growth of the firm was inhibited by the Companies Act which restricted partner numbers of any firm to 20. It was also hampered by the fact that the greater part of the South African practice was dependent on referrals from London. Development from 1957 to 1966 stagnated.
In 1973, a historic meeting changed the nature and operation of the firm, also loosening the overseas control structure. Gordon Reeler was the senior partner and his aim was to have a firm with a Southern African image and structure. To achieve this, he needed to grow and obtain local clients, and to offer existing clients a more national service. He believed the most effective way to achieve this was through merging with other firms with well-established South African clients.

**The making of Deloitte**

Deloitte Plender Griffiths Annan & Co London opened the South African office of Deloitte in 1904, headed by AN Smith. In 1971, the name Deloitte & Co was adopted. The associated firm Deloitte, Plender, Haskins & Sells was formed in 1930 following the close and friendly relationship which had developed between Deloittes and Haskins & Sells, one of the most prominent accounting firms in the United States.

One of the problems facing professional firms at the time was the Companies Act which limited the number of partners in a firm to 20. In 1973, these restrictions were lifted.

In 1974, the firm issued a statement announcing the merger with Halsey, Button & Perry, and Hans & Shore in South Africa and South West Africa, and with Halsey, Button & Perry, and Davies Behr & Co in Rhodesia.

In Southern Africa, the firm adopted one name as from 1 May 1978 to become Deloitte Haskins & Sells. This firm was the result of a succession of mergers over a number of years. The different names under which the firm practised, understandably caused confusion in clients’ minds. So it was decided to change the name to achieve a unified image throughout the world.

The firm Goldby Panchaud Webber was started in 1910 by WE Ferryman, an English chartered accountant. In 1974, it merged with Francis Dix, a firm founded in 1905 by a German, Mr E Dankwerts. In 1982 the firm Pim Goldby was formed in a merger with Goldby Compton Mackelvie.

In 1990, Deloitte merged with Pim Goldby to form Deloitte Pim Goldby. The new firm changed its name in 1992 to become Deloitte & Touche. In 2004, after comprehensive restructuring of the firm and incorporation of the consulting arm into the auditing practice to form South Africa’s largest multidisciplinary professional services firm, the name was changed to Deloitte.
“Forcing one’s mind back over thirty, forty years is never an easy undertaking – and often an uncomfortable one. It is sometimes difficult to see circumstances and events as they were, and not through the prism of wiser, more mature reflections.”
Experiences in Transformation

INTRODUCTION – THE DECIDING LUNCH

We sat around the table, the four of us, Tim Store, outgoing chairman of Deloitte, Terry Lamont-Smith, a former partner, Hendrina Westoll, the chronicler and Diane Schneider, Deloitte director of transformation. It was an exploratory session, weighing up the feasibility of a Deloitte history of transformation that would document the inside story, capture the environment and the feelings of the changing eras and mirror the personal experiences of the individuals involved.

While we discussed the pros and cons, Terry and Tim tried to remember the main events, tracing the progress from the 70s to determine whether such an historical account would have value. Memories do strange things: they leap over decades dredging up words and emotions long forgotten, they recreate triumphs and failures with painful immediacy, they confuse events, times and people. Unassuming individuals had made a significant impact in promoting empowerment; others had caused the process to leap forward through their own determination and achievements, challenging prevailing stereotypes and limitations. Seemingly insignificant events had turned out to have major repercussions. And yet, most of this information was stored only in the hearts and minds of those involved.

Forcing one’s mind back over thirty, forty years is never an easy undertaking – and often an uncomfortable one. It is sometimes difficult to see circumstances and events as they were, and not through the prism of wiser, more mature reflections. Terry smiles as he recalls his student days, “I was so naïve in those times – mind you,” he qualifies the statement, “us whites all were, really – idealistic, sheltered, completely unaware of the harsh realities imposed by the political climate.”

Apartheid was deeply entrenched. There was little or no interaction between whites and blacks beyond an employer/employee relationship. Terry himself had become a member of the Johannesburg student society, but even so, his experience and knowledge of the apartheid facts of life were somewhat limited. “We didn’t really come into contact much with the ‘other’ side of South Africa,” he remembers. “In fact, we were generally unaware of the restrictions that were imposed on non-whites, as they were known at the time, and had no understanding of the hardships and obstacles they faced in every aspect of their lives.”

“There was absolutely no support structure for blacks, although it might sound patronising to say so, but it was a bleak reality. The prevailing culture of the time was completely unprepared and the resistance to bringing a black trainee in would have been gigantic.”

Yet times were slowly, grindingly changing. Jeff Moshakga, the first black clerk, was admitted in December 1973. It must have been a tough experience as he was not exactly welcomed with open arms. Terry remembers that some client personnel did not want him even to see the general ledger – they were, in fact, quite appalled at the thought. However, there were also enlight-
tended individuals who realised that the time for turning one's back on the majority of the South African population was drawing to a close.

Corporate South Africa was a huge, amorphous monolith that dictated the business environment. While there were always more independently-minded thinkers within each organisation, and while progressive platitudes were often uttered in the interests of appearing liberal, the prevailing undercurrent was very conservative and opposed to any kind of relaxation of restrictions.

The sad irony of the situation is that Afrikaners had only just recently managed to struggle out from under the prejudiced views held by the more "civilised" and "cultured" English, who questioned their potential and ability as business leaders. Terry recalls reading the minutes of a meeting held in 1952, where the standard of Afrikaans universities and the students they were producing were under discussion.

Yet here were these same, now successful and independent Afrikaners falling into the identical trap of prejudice in which they had for so long been caught. We are faced once again with the truth so memorably expressed by George Santayana, "Those who cannot remember the past are condemned to repeat it." Unfortunately, it would appear that mankind’s relationship with history is cast in concrete, as accurately summed up by George Wilhelm Hegel, "What history teaches us is that men have never learned anything from it."

Slowly, however, a momentum was building up which began the first tentative undermining of the apartheid edifice. In 1977, under the leadership of John Massey, Tim Store started visiting black universities to recruit prospective black chartered accountants. Tim recalls how stunned students and professors alike were that one of the Big Eight, as they were then, should be doing something so utterly unusual.

"At that time," he says, "a number of ad hoc initiatives, such as the formation of the Black, Indian and Coloured Committee, had been undertaken by a few individuals within Deloitte. But now, a group of us liberal-thinking partners realised that something more serious and committed needed to be done. It was clear that a partner had to be freed up to develop the structure and start driving a formal empowerment policy. Up to then, the training department had been mainly responsible for any such activities."

Tim recalls taking over the position as empowerment leader from John Mowat. "I was too naïve to see exactly what I was inheriting," he smiles. "I became the designated ‘black champion’ and, overnight, the contents of my in-tray changed," he says. "Every possible event, thought, emotion or situation even remotely affecting empowerment issues ended up on my desk." Suddenly he was plunged into the tides and currents that seethed beneath the daily surface of work at Deloitte – so seemingly placid and predictable and yet so turbulent in reality.

John Massey, who was senior partner at the time, asked Tim Store to compile a paper on empowerment for the policy committee. "This was the time when Terry and Doug Wallace were working with the Anglo American Cadet Scheme," says Tim. "It was an initiative which trained and mentored engineers and we joined up with them to help with the mentoring. Anglo was a pioneer in the field of mentoring and provided us with essential tools for the future, when mentoring would become an important element in our own transformation programme."

It was at this time that Hennie van Greuning joined the National Manpower Division, as training partner, to run with "the black thing." A better
selection could not have been made. Passionate and determined, Hennie’s first responsibility was to drive the establishment of the Accounting Development Programme to train up black accountants. “So eager were young black students to develop themselves that we were inundated with candidates,” Tim comments. “One young man even walked all the way from Bloemfontein for an interview. Sadly he had not completed his matric and we were thus unable to consider him.”

“Economic pressures were now beginning to compel organisations to take cognisance of the business imperative for transformation. At the same time, individuals of liberal thought were coming together, creating a body of opinion, which pointed to the fact that the country was on the wrong track. It was economic reality more than social pressure that was forcing the change in organisations,” stresses Tim. “We had to find ways to make our economy and society sustainable and able to survive: we looked ten years down the line and envisaged future black visionary leaders – and we wanted them to come out of Deloitte.

“A huge milestone was reached in 1985 with the formation of ABASA,” continues Tim. “Terry had been intimately involved, investing considerable time and energy in supporting and assisting, firstly, its creation, and, subsequently, its activities”.

“I think Deloitte was one of the first professional services firms to realise the significance of this organisation,” says Terry. “We immediately saw the potential for the profession and, indeed, for the economy, and wanted to help in whichever way possible.”

“It also introduced us to Jeff van Rooyen, the founder President of ABASA, who was to become a partner in Deloitte some years later,” comments Diane, who has been unusually quiet up to now, except to smile with visible delight as the anecdotes and stories emerge.

Tim picks up the story again. “As I recall, the formation of ABASA coincided with the time when Cashbuild was at the cutting edge of empowerment in business. Within Deloitte, individuals, not firm policy, were driving the activity but even then we were facing the problem of cost. Already in the early 80s we were investing thousands of rand annually, but not seeing anything concrete as a result. And this, of course, was also calling into question the validity of what we were trying to achieve.

“Numerous black articled clerks had been taken into the firm, but for one reason or another had failed to qualify and left. Sadly, this only reinforced the negative perceptions of those who were less than enthusiastic about empowerment. Realising that some of those resentments arose from what was interpreted as undue favouritism towards blacks, Terry opened up the special education programmes to both white and black. The effect was instantaneous, with attitudes changing overnight. Deloitte itself was a bit chastened when a number of whites who had struggled to qualify took advantage of the additional training and sailed through the next exams. Blacks, who had felt that this training had been laid on for them because they were incapable of keeping up with the whites, suddenly realised that they were no different from anyone else, and that this was a genuine attempt to provide much-needed help.”

We had reached the 80s. The last dregs of coffee were being sipped. Countless names, events and historic circumstances had been mentioned – some only half-remembered. Diane’s eyes were sparkling. There was definitely a feeling that a foundation had been laid. Terry and Tim were fired
up by reminiscences and a sense of the great challenges, and achievements of the last 30 years. There was no question that we needed to record these stories. So now the real undertaking began

- tracking down the role players, tapping into their reminiscences and recreating the past through the memories of those who had lived it.

A queue of people nobody seems to care for and there they are, applying for one official document or another, virtually every weekday. (The Star)

One of the many “no hope” queues which stretch almost around the Bantu Affairs Department’s building in Newtown Street, Johannesburg.
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WHAT’S IN A NAME?

The name Deloitte derives from one of its founder members, William Welch Deloitte.

William Welch Deloitte, the original founder member of the firm, was the grandson of a certain Count de Loitte who held an important position in the court of Louis XV1. In 1763, during the reign of terror in France whilst all about him were ‘losing their heads’, the Count managed to keep his. Successfully reaching the coast of France, he bribed some fishermen to take him to England and thus preserved for posterity a name, which has in the international business community become synonymous with honesty and integrity.

In 1845 at the age of 27, after 12 years of valuable experience with the Official Assignee in Bankruptcy, Deloitte set up a practice as a public accountant in the City of London. These were the days when the authors and poets, Dickens, Tennyson, Thackeray and Browning were at the height of their careers and Queen Victoria was newly on the throne. Life was very different from what we know today. The quill was still being used; envelopes were practically unknown and letters were sealed by wafers; public execution was a form of entertainment; carrier pigeon services were still transmitting stock market prices between commercial centres and most Londoners walked to their place of work.

Deloitte was a decisive man, alert and kind hearted, albeit with a somewhat austere manner - a meticulous man, always carefully dressed and with a fresh flower in his buttonhole every day. He was also a man of great determination, sound judgment and exceptional business ability. He developed the System of Railway Accounting, a system that was used for many decades, and was the originator of a system of Hotel Account Keeping, which was universally adopted by all the large hotels.

He saw the firm grow significantly during the 52 years he presided over its destiny. One year before his death in 1898 he retired, at the age of 79, leaving behind a firm that was to become one of the largest in the world.
“In 1978 there was only one African Black CA, 10 Coloured and ninety Asians (including Chinese and Malaysians). We did projections of the status of the profession up to 1998 and I think the only thing we got right was the population figure!”
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JOHN MASSEY

"Why did you actually start working towards black advancement?" Di asked Tim Store, and his frank reply was, "Because John Massey put us there and told us to do it!" He was clearly both the inspiration and the driving force behind those first tentative Deloitte initiatives to promote recruitment of aspiring black CAs and find ways to develop and retain them.

But John Massey himself almost denies responsibility for getting that early, unwieldy wagon in motion. Bright-eyed, quietly-spoken, he is probably far gentler in his approach and speech today than when he was senior partner delegating and instructing! But he was one of the pioneers of what would become the great wave that would flow into the strong tide of today’s transformation.

He had joined Deloitte in 1939, and within a few months was off to the War, but they enjoined him to register for his articles before he left. "I didn’t really understand why of course, but when I came back in 1945, at least I knew what I was going to do and had a sense of where I was going. When it came to my qualifying exams - the process didn’t require a degree in those days, one could go straight into writing the qualifying exams - I didn’t have problems with the ‘A’ and the ‘Inter-B’ examinations, but fell heavily over the final ‘B’ exams, despite several attempts - and the reason, of course, was that I was trying to get through the exams without having the necessary background and depth.” Whereupon he set himself the target of gaining that background and subsequently sailed through all examinations.

John served as President of the Transvaal Society of Chartered Accountants for some years and was later elected to serve on the Common Body of Knowledge, a group appointed by the profession to undertake an exhaustive investigation into the needs of the accounting profession. He was also a member of the Education Committee of the Public Accountants’ and Auditors’ Board (PAAB) for five years before being appointed Chairman for a further five-year term. As a result of his involvement in the profession, and thanks to being a Gauteng resident, he was invited to represent the PAAB on the Wits Faculty of Commerce. Thus his influence in determining the requirements of the profession and fulfilling those needs was extensive.

It was also under the auspices of the PAAB educational committee that John’s visits to the universities began, as part of the process of finding out how to fill the needs identified for the accounting profession. "People in the profession were pressuring the PAAB to accredit the traditionally ‘black’ universities, but results for the Final Qualifying Exam were so poor we simply couldn’t do it. We visited the universities and in some cases found that students were not being properly taught and that their academic grounding was thus not sound.

"While we were not so involved at school level in those days, we did interact very closely with PACE, a school funded by the American Chamber of Commerce in Soweto. Sadly, the school’s demise was inevitable during the stormy 80s when it was seen to be elitist and out of step with the prevailing political struggle. Speaking of Americans, I recall Reverend Sullivan visiting South Africa in his capacity as director of General Motors. He put pressure on all South African companies to complete forms
in terms of the Sullivan Code requirements and I recall that we did so. We were never asked to do so again, but it is interesting to note how many American organisations, at the time, did institute training and development programmes as a result of the code. While they might have had marginal success, every small contribution towards the dismantling of apartheid no doubt had an impact.

John was also a member of the South African Commission of Enquiry into future developments in the accountancy profession. The findings of this report paved the way for changes for trainee accountants and for maintaining international recognition of South African qualifications. “In 1978,” he recalls, “there was only one African Black CA, ten Coloured and 90 Asians (including Chinese and Malaysians). We did projections of the status of the profession up to 1998,” he chuckles, “and I think the only thing we got right was the population figure!”

It was, however, clear that if the economy were to continue to grow, the accounting profession would find itself in dire straits and in desperate need of accountants. Obviously these could not come only from the white population, which would not be able to produce sufficient numbers, and it would therefore be essential that the profession work towards attracting the African Black, Indian and Coloured populations.

“It should have been a strategic imperative for the profession,” acknowledges John, “but it wasn’t. People really paid only lip-service to the idea – mainly because they didn’t know how to go about it. We knew that black advancement needed to take place but didn’t know how to make it happen; we didn’t know what to put in place.

“In the beginning it was very difficult for all concerned – whites didn’t know how to react, blacks struggled to adapt and, of course, there were all those logistic problems about accommodation and transport. Many blacks didn’t have electricity at home, so how could they study? They didn’t have an academic learning culture: they lacked the necessary background.”

From the start John realised that if the accounting profession were to develop, it would have to attract the right calibre of people. “It was quality we needed, not quantity,” he stresses. “And we couldn’t just sit back and wait for them to come to us as was the custom then. We needed to go out and find them.” And to that end, one of the initiatives introduced to attract recruits was the exchange visitor programme, whereby qualified articled clerks would spend two years overseas and then two years back with Deloitte in South Africa.

By 1979, John had realised the importance of developing proper business planning processes. The firm held a critical partners’ meeting where, under his direction, partners identified the need to develop a corporate plan. John had shown them the need to examine their client base, the size of the market in their area and where they were positioned in relation to the opposition. The importance of this information formed the base for future refinement and planning. For the first time since its beginnings, a strategic planning process was put in motion, the firm was looking at itself objectively and becoming aware of its weaknesses and strengths.

Sadly though, it cannot be said, in all honesty, that black advancement was a priority. John put a number of initiatives in motion and by the time he left in 1983, had planted the seed for those who would come afterwards. He had set the ball rolling and others would pick it up and run with it – learning through both failures and successes. It has indeed been, as John so succinctly defined it, “an evolution in transformation.”
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A multinational group enjoying the sunshine on the Johannesburg library grounds. Even after a call was made in the City Council to restore apartheid in the parks, they remained open. (The Star)

MASSEY ESTABLISHES LIBRARY

The first para professional was employed by John Massey when he saw the need for a technical library. He received quite a negative reaction when he first suggested bringing in a professional librarian. This was the same reaction received when the first photocopier was brought into the office. Many partners questioned the viability of this enormous and expensive machine that would probably only be used for about 50 copies per month anyway.
"When I look back, I always marvel at how few of us whites can remember how apathetic we were... in those days, we would never have imagined the progress that the firm, and the country, have achieved."
Experiences in Transformation

JOHN MOWAT

Margate is a far cry from frenetic Johannesburg – an environment where a person who wants to derive the most from life, from work and from outdoor life (instead of training in a stuffy gym!) can find a relaxed, healthy balance, which is just what John Mowat has done. “Keeps you younger than your high-powered city-type lifestyle!” he smiles – and justifiably. Tim Store and Di Schneider, visiting him for his input, turned a delicate shade of envious green.

When John Massey was senior partner in the 70s, John Mowat was roped into the Massey initiatives because of their similarity of views. “In 1977, Massey made me chairman of the Black, Indian and Coloured (BIC) Committee – and I remember Brian Bayne, Dave Gibbon, John Perkins and Tim Store also being members,” says John. “Massey and I used to try to probe the reasons behind the difficulties being experienced by black trainees and I believe that we identified the study environment as one of the main culprits. It was Terry Lamont-Smith who introduced us to Denis Becket and that is where the idea arose in 1976 to commission a report that would identify the challenges facing these youngsters and help us understand what they were up against. The report was quite an eye-opener for all concerned but it did provide a solid basis on which to establish initiatives that could address the difficulties identified.

“We first started getting black, Indian and Coloured trainees in from about 1975, in other words before the BIC committee actually got started. But because of the difficulties they faced, their poor educational background, lack of business experience and of course the general cultural shock, none of them were ultimately successful in qualifying. Israel Skosana was the first to break the barrier, and I think that was largely due to his attending the two-year full-time conversion course at the University of Cape Town (UCT).” Mowat nudges Tim. “Remember the alertness and comprehension tests?” They both nod their heads and smile. “All the guys doing the conversion course had to go through alertness and comprehension tests run by the Human Sciences Research Council and Tim and I decided we should also take it.” John chuckles and glances at Tim, “Not sure whether Professor Kritzinger would have taken us on!”

Among the measures the “Johns” discussed to increase numbers of trainees was visiting the universities to recruit aspirant CAs. “We went to the Universities of the North and Zululand,” John recalls, “and I remember how excited the Professor was that someone from the Big Eight had actually made the effort to visit! He gave us a list of the best students that we could keep our eyes on. You see, although the profession itself was still recruiting matriculants, we felt that graduates would have a better chance of making it. I must admit though, that in terms of recruiting it didn’t start out as a huge success.”

The scene at the UCT was different. The head of the Accounting Department, Professor Kritzinger, was a progressive man full of innovative ideas. “He invited us to spend a week with his honours students to tell them about the practicalities of life
in the profession, roleplay client situations – that kind of thing, and I believe it provided them with truly valuable insights into chartered accountancy. We realised how much Prof Kritzinger had to contribute and asked him to pilot the conversion course. It was in fact he who eventually helped us sort out accommodation for Israel – because of course in those days there was no question of his staying in residence. We really had to scramble around for the money though, because we didn’t have the budget to allocate for such initiatives.”

But it was still just the dedicated and far-sighted few who realised the need for black advancement. “Quite frankly,” says John, looking to Tim for confirmation, “I think our colleagues viewed us with a kind of gentle amusement. I believe the prevailing attitude was an indifferent kind of, ‘Oh you know, they’re just beating their heads against a brick wall – they’ll achieve nothing – while they waste the firm’s money.’ And one can’t really fault them for that approach. These were the late 70s and there wasn’t exactly a plethora of black role models in business. They were by no means obstructive, but there was just not much active support on the utilisation side – black trainees were not getting out onto jobs. So we at the BIC committee decided to introduce a mentoring programme.

“We tucked black clerks under the wing of talented white youngsters at about assistant manager level. But, of course, we still had to ask clients for their permission to take black trainees on the job and believe me, we had our fair share of bad experiences at clients. But even though it was such early days, the environment in Deloitte itself was pro-black advancement. Never did anyone ever say that we were going in the wrong direction.”

Steve Ochse was one of the first Afrikaans partners at Deloitté and when he left, he joined Hoek Wiehahn & Cross where he provided active support to Wiseman Nkuhlu, much like a mentor. “Wiseman, of course,” continues John, “was the first black chartered accountant in South Africa. So we thought it would be a great idea to ask him to address our black trainees, certain he would inspire and motivate them. But for whatever reason – perhaps they were intimidated by him, maybe they were just too much in awe - they were disappointingly quiet at the end of his talk.

“We must have had about six black trainees at the time, and actually had targets for each region – though of course it was nothing like today,” says Tim, “I think then we were aiming at about two or three per region. The regional approach was focused; concentrating on Indians in KZN, Coloureds in Cape Town and African Blacks in Johannesburg. “There was no system of reward or penalty for getting it right or wrong,” Tim hastens to explain. “We just had action plans to encourage people. As I recall, Durban was good at meeting targets, but Cape Town was a different story!” Some of the stories about the general lack of enthusiasm in Cape Town about appointing people of colour are actually quite unprintable!

“Each regional office had a very distinct flavour,” continues John. “Strong characters and greater regional autonomy meant that senior partners tended to run their offices as they pleased – there was definite resistance to any interference from Executive Office - especially when it appeared to mushroom and assume ever-greater central control.

“Of course, there were incidents that today make us cringe – yet when they took place, they were nothing out of the ordinary. They certainly illustrated the mindset and climate of the time.
Like one of the lecturers at the University of the North who told us quite blatantly and without a shadow of embarrassment that he thoroughly enjoyed his work at the University because he had a farm nearby, and whenever he was short of labour, he would collect a bakkie-load of students for the day!

John also recalls an embarrassing incident which he clearly fervently hopes was nothing more than an urban legend, when, in the 60s, a trainee was requested to leave after three months because he was found to be of Jewish descent.

“While the facts of this event might be dubious,” he admits, “there is however no doubt that there was no way whatsoever that anyone of Jewish extraction would be employed at the firm in those days.

“The BIC committee was looking not only at recruiting a few blacks, it was getting very serious about attracting a significant number of people and getting them qualified. The motivating force, inspired by John Massey, was a growing social conscience within the firm. Massey was determined to tackle the issues, no matter how big the obstacles. He was enlightened and his conviction and leadership lit the fires within us too. He also placed a great deal of trust in us and that was a further factor in leading us in this direction and encouraging us to give it our all.

“The second factor behind this new drive was the skills shortage. However, it is interesting to note that women featured nowhere as part of correcting the skills shortage. It was simply not considered a strategic issue, and quite frankly, was not really thought to be the thing that women did! So the recruitment of women happened almost by default - and even somewhat reluctantly. One of the first female articled clerks used to delight in telling of her experience when applying for a position. ‘I’m so sorry,’ she was told politely, ‘but unfortunately I have already filled my quota for women.’ Nothing daunted, she wanted to know what the quota was. Looking down his nose a bit and raising his eyebrows, the partner replied, ‘Two.’

But Massey was turning up the pressure and he arranged for all issues related in any way to our black staff to be passed to him and his staff partner. That was how Tim became involved in helping Johannes Maunatlala, still the firm’s executive officer driver, to complete the paperwork needed to buy a house. ‘Poor Johannes had endured endless problems, frustrations and despair - standing in queues, speaking to hordes of people, filling in forms - all to no avail. He was simply not permitted to buy a house in Johannesburg because his original home was deemed to be in the then Northern Transvaal.’

The business environment was changing too. The traditional, more leisurely and gentle way of conducting business was undergoing massive changes - many driven by the United States, which had discovered the new theories of strategising and planning. “Though South Africa was still very much in the backwaters, some of these new ideas filtered through to us too,” John remembers. “There was a staff attitude survey which was a stunning innovation that had everyone enthusiastically involved because of its novelty.

“And then there was the introduction of the Performance Appraisal and Development System (PADS). You see, up to then we had never really had hard and fast job descriptions, detailing all the duties and responsibilities. This was a new-fangled idea! Human Resources consultants, Gouws & Moll, appointed by Massey, guided a project whereby a sample group of people had to keep a diary for some weeks. They all carried an
alarm, and every time it went off, they had to record what they were doing! A group of partners, led by the Manpower Division, then analysed the ‘diaries’ to develop job descriptions and subsequently an evaluation system.

“And who could forget the strategic planning sessions that were sprung on unsuspecting partners by Massey! He had just been to the US where he had been exposed to the staggering new concept of business planning, and returned all fired up to instruct us, ‘We MUST do this!’ - so we did. I also remember that for one partners’ meeting, every partner had to write a thesis on an allocated topic - one of which was black development.”

It’s obvious watching the interaction between Tim and John as they reminisce about those long-gone days that they thoroughly enjoyed their job and that, with their quirky and mischievous sense of humour, they created fun wherever they went. They would introduce laughter into almost any situation by taking the serious concepts and finding a funny application for them. Like the time they attended an interpersonal skills workshop that taught delegates to identify people as drivers, motivators, expressers, motormouths etc. “We used this as a party trick for a long time afterwards,” John chuckles. “We were quite intuitive about who fitted which profile and would amaze our fellow party-animals with our insights!”

And when they ran a course on personnel counselling and evaluation at a managers’ seminar at the University of Port Elizabeth, they needed something dramatic to make sure the class was alert and active. “It was our good fortune to be allocated a biology lecture room and we found a real skeleton in a cupboard. We switched off all the lights except for one that was shining directly onto it.” Tim and John laugh heartily as they remember how successful it was at getting everyone’s attention!

On another occasion, the firm had hired two buses to take managers from a seminar at the Burgerspark Hotel in Pretoria to a restaurant for an evening of revelry. “Revelry it indeed turned out to be,” comments Tim with a chuckle. “To say it was a good party is perhaps an understatement. But it started raining on the way back and the wipers wouldn’t work. No problem to John, he pushed out the skylight and was well on his way to lying down on the roof to use his arm as a windscreen wiper before one of our more robust (and level-headed) colleagues pulled him back in!”

John remained as National Manpower Partner for about two years before transferring to Durban as head of Audit. “Martin Shaw was senior partner in KZN at the time and Vassi was a manager. I think there were probably about four Indians and
one or two black clerks there, one of whom was Edick Lehapa.

“In 1984, one of my running buddies, who had a partnership in Margate, was offered a job in London, so they called and invited me to come into the partnership. It wasn't an easy decision. I thoroughly enjoyed the work at Deloitte and have never lost contact, even still applying its methodologies. But I must admit I love Margate’s lifestyle - and I don’t miss big-firm politics.” He smiles, “and of course we don’t have the pressures of big firm partners trying to balance stressful client demands with the requirements of the profession.

“When I look back, I always marvel at how few of us whites can remember how apathetic we were. Now of course, everyone is lining up to ‘kick the apartheid corpse’ (as Becket once put it), but in those days, we would never have imagined the progress that the firm, and the country, have achieved. Let’s be honest - 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.”
“...but the decisive factor, the true motivator, was the fact that qualified black accountants were a very, very rare animal.”
Experiences in Transformation

ISRAEL SKOSANA

Warm humanity radiates from Israel and immediately one is conscious of being in the presence of a person with profound inner strength, developed through determination and a quiet confidence in his abilities. His friendly welcome and genuine interest relax one and create a comfortable atmosphere, like a meeting of old friends.

A bright youngster, Israel's quick intelligence was obvious to his teachers. He was consistently top student at primary school, yet instead of following his ambitious colleagues to the more academically oriented Mamelodi High, cradle of many doctors, lawyers and other professionals, he chose to attend Vlakfontein Technical High School. “My original plan was to study to Standard 8,” he explains, smiling gently. “I would learn typing because that would give me access to a job at the local municipal offices, and then I would be able to help support the family.”

Fortunately that plan, though noble and in line with his respect for his parents, was thwarted. The family ethic was based on work - possibly because of the system and the times, the concept of furthering oneself through education was not fully understood, whereas 'honest labour' was. Yet Israel secretly cherished a burning desire to learn, to study, to develop his mind.

Scholarships had helped support his initial schooling and at Vlakfontein, an accountancy lecturer recognised the immense potential in this friendly, engaging youngster and started taking him under his wing. “Mr van der Merwe was an amazing man,” recalls Israel. “He spoke to me about the promise of the future and encouraged me not to neglect abilities he believed I had. Though he had only a B.Com, he believed that I should aspire to become a chartered accountant and really ignited something within me. Of course, I didn’t have the faintest idea at first what chartered accountancy was all about, so I started doing some research into it.”

From the time he began learning about it, the profession sparked a dogged determination in his heart. This was something that could challenge the thirst for learning within him, give him the kind of fulfilment that he desired from goals achieved. “I had never done maths at school, but I did accountancy and was really good at it,” he shifts in his chair to find a more comfortable position as he relives those memories and the initial excitement of finding out about this 'new' career. “The first thing I discovered was that I would have to go to university - that was enough to give me cold shivers of anticipation. Then I found there was a Board examination to sit. That caused a certain amount of apprehension. Of course then there were the articles to get through, but the decisive factor, the true motivator, was the fact that qualified black accountants were a very, very rare animal.”

This was more than enough to gear Israel up for the battle. “Mr van der Merwe was convinced that it was a really worthwhile field to explore and he made me appreciate just how much it could help the community - they had absolutely no access to any kind of financial advice and this could be a tremendous boon to them.” Israel's eyes sparkle as he remembers the promise and excitement of those days and the great dreams that inspired him. By Standard 9 he had made up his mind. There was no doubt; chartered accountancy was the profession for him. So in 1973 he took the first step, matricu-
lating with an excellent pass.

“That school was quite remarkable,” he recalls. “Most of the teachers were Afrikaans, and while many saw teaching as just a job that needed to be done, some of them were dedicated, committed professionals, treating their work more as a calling than a job. Although most of the subjects were taught in Afrikaans, like maths and science, accounting was fortunately offered in English. Actually, thinking back on it, it’s difficult to understand why some subjects were in English and others in Afrikaans - the language selection seemed really random.”

Van der Merwe was the first white person to make an impact on Israel. “He respected and appreciated academic excellence and I was always one of his top students,” he says. Then, remembering the pains and anguish of adolescent disappointments, smiles ruefully, “I remember when I got a B in accounting in Standard 8 and we were all sad, crying about why I didn’t get an A, including Mr van der Merwe. He was very supportive and encouraging.” The school itself still exists, and recently Israel was chairman of a fundraising team to help renovate the school, provide computers and other necessary items. Among the fundraisers, also alumni of the school, were Sydney Maree and Jacob Modise - “all examples of the kind of products that issued from Vlakfontein Technical High,” he says proudly.

When he started his B.Com at the University of the North in 1974, Israel very nearly hit a big stumbling block. At school, there was a division between those doing technical courses, who tended to continue with maths, and those like Israel, who followed commercial courses, which did not include it. “Unfortunately Mr van der Merwe neglected to mention that maths and stats were requirements.” There is a poignant silence. Israel shakes his head. “Well,” he smiles broadly, “I didn’t see that one coming but I started doing maths part-time and fortunately found that I had an aptitude for stats. In fact I just missed a distinction in Statistical Methods by one mark.”

The majority of lecturers at the University of the North were white Afrikaners and though the Head of the Accounting Department was a CA, most of the others weren’t. As was the unfortunate situation at the time, most of the lecturers were very mediocre. “However, the accounting lecturer was good... but, oh my word! Was he pompous! While he certainly maintained academic rigour in the programme, his pronunciations had us in fits of laughter. He used to refer to cheques as ‘chequees’ and we would laugh ourselves silly while trying to keep straight faces!”

The University was very active politically. Israel was there at the same time as Frank Chikane and Cyril Ramaphosa. “I think it was in 1974 when we participated in the activities around the Frelimo rally and the student body marched on the police station to demand the release of students who had been arrested. But we’d no sooner got there than they pounced on Cyril and arrested him too.”

Israel was also deeply involved in the Christian society led by Reverend Frank Chikane which had a strong liberation agenda based on the belief that we are all made equal in the image of God. “We certainly challenged some of the stereotypes of Christians as being meek and mild and turning the other cheek,” he recalls with a smile. “Reverend Chikane himself was a very religious man, of course,” says Israel. “He started off doing a B.Sc but went on to study theology. Other fellow students included Popo Molefe and Mathews Phosa.” Israel nods at our reaction, “The student society was very active - not every activist went to Fort Hare you know!”

As with all things he does, Israel threw himself body and soul into student life. He became extre-
mely active in student affairs, particularly those related to business. He was President of the local chamber of AISEC (an international students' economics body), qualified for an international exchange programme and, on graduation, entered into discussions with IBM who were quite amenable about his working for them in the United States. So in February 1977, bags packed, full of trepidation and anticipation, he headed off to New York.

“What an experience!” he exhales and leans back in his chair. “Here was little Israel from Mamelodi, never been out the country, and now flying to one of the biggest cities in the world. I mean I had been so unexposed, even to South Africa, that when I met some South Africans in New York who were waxing lyrical about the beauty of Cape Town and Durban I joined in enthusiastically, being just too embarrassed to admit I’d never been there!” Once again, Israel was able to give proof of his incisive intelligence and ability to absorb information quickly. Despite the inferior Bantu education, he found that his knowledge of accounting and cost accounting was on a par with that of his colleagues in the US. He ascribes this to his scholastic nature, having always sought to develop his intellectual abilities by spending hours in the library, soaking up knowledge to feed his hungry and inquisitive mind.

“I was in the States for about five to six months before returning in June 1977;” he says, “and three months later I joined Deloitte.” The decision was not cut and dried. IBM had appreciated his talents and abilities and was so eager for him to stay it offered him scholarships to complete an MBA locally at Wits or in the States.

“But this little voice inside kept reminding me of my dream to become a CA,” he confesses. “I really don’t know why I applied at Deloitte, I think maybe I just heard about it, but, anyway, I joined the Johannesburg office and worked closely with John Mowat, who was national manpower partner at the time. I came into contact with many good people, including Tim Store, who, in his own quiet way, was a man one could talk to and be assured of receiving sound advice.

“Deloitte committed significant resources to training. I can remember speaking to counterparts at other firms and there was no doubt whatsoever that Deloitte excelled in terms of support and exposure to business. I also remember participating in Dr Hennie van Greuning’s study, which played an extremely important role in putting things into perspective. It touched on basic but important issues which influenced black performance, even simple things like the availability of transport.”

This triggers other memories and Israel recalls the challenges. “Transport - aah. I lived in Pretoria and worked in Johannesburg, so it was a daily adventure. Of course, the times precluded the firms in Pretoria from taking in black clerks - their clients would just not have it. So I used to leave home in Mamelodi at four in the morning to be sure I was in Johannesburg by eight. But what a journey! From home to Mamelodi station by bus. Then a train to Pretoria station, then another train to Germiston, then yet another train to Johannesburg. The return journey got me home by about eight - and then of course one had to find time to study.....”

Towards the end of the year, Israel started with the UCT programme run by Professor Kritzinger.

“As far as I can remember I think there were only about two or three of us black guys. I recall we had to do some kind of assessment and Professor Kritzinger actually came to Johannesburg to conduct the tests.” He grins broadly, “You know, the excitement of learning that I had been successful was a feeling of exhilaration I will never forget! It was the opportunity of a lifetime! I was going to UCT!”
Of course, that’s when the bureaucracy of the system stepped in. The firm had to apply to the Minister of Bantu Education for permission for Israel to attend UCT. And there were endless questions...... why not the University of the North? (when they knew full well that the University did not offer the CTA)...... so why not Fort Hare? (knowing equally well that Fort Hare didn’t offer the course either). But eventually the paperwork was done and Israel was on his way.

“Except for one snag. A major thing that had never been discussed. I arrived in Cape Town, suitcase in hand with nowhere to stay. Fortunately, the Cape Town office partner met me at the airport. He was very friendly, introduced me to everyone in the office and then got down to helping me find a place to stay. Eventually I ended up in the Athlone Hotel on the Cape Flats.” He raises his eyebrows and widens his eyes as his thoughts take a step back in time.

“Now that was an interesting experience!” Israel had ended up in the middle of a Coloured area - and here he stood, as black as they come. “I remember encountering a bit of resistance from some of the other hotel guests who were not too happy about my presence. And was the hotel noisy! Especially during weekends. I wasn’t mobile at the time, so it was difficult to get to the library to study and I was quite confined to my room. In fact it was a big challenge. I stayed in the hotel for the whole of 1978 because we simply couldn’t find an alternative. Then in my second year I moved into a catholic ‘residence’ where some of us black students found accommodation. It wasn’t ideal, but under the circumstances, a significant improvement. I think the place was partly funded by UCT - I seem to remember Professor Kritzinger helping me get sorted out with accommodation there.”

In 1979, Israel’s father was involved in a very bad accident at the construction site where he was employed. “He survived, but I felt strongly that as the eldest child I needed to be back home. I think the difficulty of studying also added to that pressure to get home so I returned and continued my studies through UNISA while carrying on with my articles.” He completed his B Com and then the B Compt (Hons) and passed his Board exam.

“The environment was challenging - no doubt about that,” he admits. “But though the business milieus was predominantly white, there were no racial issues in the office. The attitude was ‘let’s just get the work done’ - but consequently there was also little socialisation. I gained good experience on the auditing side and went through the normal challenges related to exposure. Initially, though, I

Mrs Puleng Zulu signs the petition calling for the release of jailed president of the banned African National Congress, Mr Nelson Mandela, at the South African Council of Churches office in Johannesburg. Waiting for their turn are Miss Moira Potgieter (left) and Miss Mirriam Motsoari. Bishop Desmond Tutu, general secretary of the SACC, looks on. (The Star)
spent more time being unplanned because seniors didn’t feel comfortable picking blacks on their team. Certainly, it could have been better, but in the context of the time I enjoyed quite a lot of support and worked on some good audits such as FirstRand and Barlows.

“I do remember one unpleasant client experience. It was a cashbook audit and I was supposed to check the cashbook and the petty cash. The lady in charge of that section refused to let me see the books. She just couldn’t cope with the idea of letting a black guy have access to this sort of information! Fortunately I received a great deal of support from the firm and the matter was taken up with the client’s senior management. The lady was given a very clear message and that was the end of it. On reflection, I think Trushar Kalan, now a partner at Deloitte, might have been my senior at the time.

“As I grew in the organisation though, I received more exposure. I eventually left as a senior, leading my own jobs and evaluating and managing white trainees, which was not actually as difficult as it might have been. I’m quite pragmatic and firm on issues. And of course it also helped that I was confident of my own abilities, so it wasn’t too difficult for me to manage people or give them feedback.”

Israel’s style is not confrontational - he has the ability to take people along with him, gaining their support and trust along the way. Among the trainees who worked on his assignments he recalls Osman Arbee and Ismail Mamoojee, the latter of whom is now a partner at Ernst & Young.

“During my studies I had been supported by a generous grant from Anglo American, part of its Group Vocational scholarship programme and was consequently bound by a contractual obligation to join them on completion of my articles. Had Anglo not insisted that they wanted me, I might well have stayed in the profession,” and here he chuckles, “but the amount of money I would have owed Anglo as a result would have been way out of my reach, so in 1984 I left Deloitte to join Anglo.”

Israel blossomed in the role, which was in internal audit, but with a slightly broader, more strategic focus, and before long had been promoted to divisional manager. “This was quite something!” he smiles. “In those days, divisional managers had a separate dining room. All eyes were on you! Fortunately I didn’t do anything too embarrassing, though believe me, at times it was very unnerving.”

Israel reflects, with deep appreciation, on the support Deloitte provided throughout his career. “When I was studying, the firm paid my fees and part of my salary so that I was able to continue supporting my family. Ah, but the best support it provided was completely unintentional!” and he laughs with delight. “Deloitte sent me to UCT to get a Certificate in the Theory of Accountancy and I came back with a Certificate in Marriage!” Israel met his wife, Ursula, in Cape Town, where she was a teacher at a local school. “She was quite active politically and I met her in one of the discussion groups,” he recalls.

Though politically active himself, Israel always believed that education was key. “One had to arm oneself with knowledge,” he insists. “I was fairly confident that we would see political freedom in our time and then we would need to be educated if we wanted to see the country succeed. The Black Consciousness Movement had a strong influence on me in terms of giving me a sense of self-confidence and allowing me to see myself as equal to the task. We recognised that it was the system that was the problem and we had a strong belief that, if nothing happened to change the situation, it would mean the demise of South Africa. I simply couldn’t believe that this was what sensible whites would want - in the event, and I say this with profound gratitude, I, and many others were proved right.”
"Sadly, more than legal, political or logistical barriers, it was people’s attitudes which created the most daunting obstacles."

With all the changes that have taken place now, it’s clear to me that here we have experienced a huge leap forward."
Experiences in Transformation

TIM STORE

Tim leans back in his chair and stares up at the ceiling, his gaze lost in memories as he thinks back to the days of the Black, Indian and Coloured Committee.

“It was when Wiseman Nkuhlu made history by becoming South Africa’s first black chartered accountant in 1976, working with Hoek Wiehahn & Cross,” he remembers. “He had set up an office in Umtata in the Transkei and we held consultations with him about developing black chartered accountants.” The very fact that a black person had qualified as a chartered accountant shattered many preconceived ideas. Prevailing stereotypes did not cast black South Africans in the role of professionals, much less accountants. Thus in a way, Professor Nkuhlu’s achievement, together with those of other blacks chalking up successes in various fields, formed the thin edge of a wedge which would eventually crack the apartheid monolith from top to bottom.

Tim and others visited several universities, including the University of the North, the University of Zululand, the University of the Western Cape and the University of Durban Westville.

“There was always much amazement that a prestigious firm such as Deloitte would be visiting universities to seek black recruits. The results were not stunning,” he admits, “but then again we hardly expected them to be. We knew that the root cause of the problem was education, but there was not much we could do to fix that since the problem actually started at primary and secondary school level. Our influence was limited to tertiary levels. And, of course, not many black people knew anything about accounting as a career, so it just didn’t shape as a career choice.

“I remember a visit to a school in Soweto where I went to recruit for bursaries. I told the headmaster he should assemble those matric students who might be interested in a career in accounting. ‘Excellent,’ he responded, ‘we’ll use the school hall!’ I was a bit taken aback, imagining a handful of students lost in the gaping vastness of a hall while I tried to grab their attention from the platform. But when I got to the hall every single matric student in the school was crammed in, taking up every square inch of space. It became obvious as I spoke that not a single one had ever heard of accounting, but they were there because here, it seemed, was opportunity, and I represented the possibility of some kind of change and some kind of better future.”

Israel Skosana, now an executive at ABSA, was another of the talented protégés taken into Deloitte when John Mowat and Tim were empowerment leaders. It was at this time that the University of Cape Town established a conversion course, taking on students who hadn’t done accounting degrees and turning them into accountants.

The success rate was still low, however, so Deloitte commissioned Denis Becket to do a study on why it was so difficult for black students to achieve success in the profession. One of the outcomes of the study was Deloitte’s involvement in Anglo American’s Cadet Scheme and the start-up of Hennie van Greuning’s Accounting Development Programme.

“In 1981, Osman Arbee was appointed as one
of a growing number of Indian articled clerks in Deloitte. Amusingly enough, he remembered the early 80s as heralding a ‘big wave’ of Indian appointees – all three of them! But this is all from the Johannesburg point of view,” Tim interrupts himself. “You know we should also consider Durban and Cape Town. The climate there was actually considerably more conservative than here in Johannesburg and people were far more reluctant to employ blacks. Just take Vassi Naidoo as an example. We know that despite doing well at university and having all the right stuff, it took the intervention of a client to secure him articles in the Durban office. Fortunately he went on to be very successful, eventually becoming senior partner. And to be fair, many of these unfortunate experiences happened throughout corporate South Africa, including Johannesburg.”

Tim points out that it wasn’t just the attitudes of partners, staff and clients that caused obstacles, but the legal and bureaucratic requirements of hiring black staff. “Blacks had to get passes to work in another area,” he reminds us, “and that raised the problems of accommodation, transport and where they could study. I recall the difficulties we faced with one of my clerks who lived in Tembisa. We had to contend with the Group Areas Act and I remember going to Home Affairs with him on more than one occasion to try and arrange passes and accommodation. We simply hit a brick wall. It was impossible.”

There were also cultural differences which often gave rise to huge misunderstandings and resentments as well as much amusement. “The culture of the big city, and especially of the corporate environment, was often incomprehensible to blacks and they simply did not approach it with the seriousness with which we thought they should. Punctuality is a case in point. I used to mentor a black trainee and would set meetings for which he would simply not pitch up. I would get extremely annoyed because I considered these meetings vital for his own development and was also losing considerable time from my own work. Then he would casually arrive hours later, when I was busy with clients or partners, and simply not understand why I would get angry!

“And then there was the occasion when he desperately needed my advice because he could not come out on his salary. I sat with him to work out his expenses and found that he was putting 40% of his salary into a savings account. I just used to throw my hands up in the air – these were the kinds of issues that made me aware of the divide and I sometimes despaired of our ever overcoming them.”

In those early days, social occasions were awkward and stilted, Tim recalls. “Blacks would either not come because they felt uncomfortable, or would huddle together in their own groups when they did. It was completely understandable – there was little common ground for associations or friendships to form. The Anglo American Cadet scheme, however, achieved quite a significant measure of success in this regard. It funded a hostel, thus solving the transport, accommodation and study problems – which were often insurmountable obstacles – and was consequently able to attract the very best students.”

One forgets how difficult black advancement was in those days. The greater majority of employees wanted no part of it. Black trainees were considered the mentor’s job and everyone else turned a blind eye. “One ended up with all
these literally insoluble problems with little support from the broader organisation," Tim explains. "The attitude was, 'that's what you're appointed for, you solve them, don't bring them to me.'"

Tim sighs and shakes his head. "One of the main difficulties was under-utilisation. Many clients were averse to having blacks on their accounts and some partners were less than eager to view blacks as anything except a social responsibility project. This impacted on their sense of responsibility for development and advancement and black clerks really struggled to get adequate exposure and experience."

People who live through periods of intense change often don’t realise just how dramatic they are. They happen by increments and, little by little, a new culture, a new environment, a new way of life emerges. Tim leans back in his chair and relives those distant days when he joined Deloitte as an articled clerk.

"I was one of only five articled clerks taken on in 1960 in Johannesburg," he smiles, "now we have an intake of hundreds each year. I was the only clerk who did not have a private school background - and the only reason I was accepted was because my father had been educated at a private school and had done his articles at Deloitte. In fact, about five years before I joined, paying articled clerks was not even a remote consideration - quite the opposite - you paid them to take you in and teach you!"

"Of the other four clerks, one was the first Afrikaans youngster to be employed. The culture shock was simply too great and he lasted only six months. The environment was not really conducive to any but white English males. In my class at Wits there was only one woman and she disappeared before long. Remember that this was when the Rand Club did not allow Jews to be members, and quite frankly it would have been unheard of for Deloitte to hire a Jew. Our first female articled clerk, ironically enough, was Jewish - Anne Pappenheim, who was hired in the 70s, but there was so much preoccupation about her femaleness that it quite obliterated the fact that she was Jewish.

"Sadly, more than legal, political or logistical barriers, it was people’s attitudes which created the most daunting obstacles. With all the changes that have taken place now, it’s clear to me that here we have experienced a huge leap forward. When I was growing up, black people were something strange, one kept away from them. Now young people have no problem making friends across the colour line. Of course, in my day even those of us willing to develop relationships experienced difficulty because of the legal and political restrictions and the language barrier. The black education system was deficient, which resulted, among others, in students struggling to hold a conversation in English. On the other hand, our black language skills were zero," he smiles in wry acknowledgement. "We also had little in common to talk about. Now we come from more similar backgrounds, we have more similar interests and the great politically-enforced divide has gone."

Tim remembers an incident from the 90s when he was sent by one of the banks to participate in an acquisition deal in Zimbabwe. "I was supposed to meet the team from the bank’s subsidiary in a restaurant, and drawing on my own, often awkward experiences of black/white social occasions, was somewhat dreading the event. I anticipated a strained evening and was hoping against hope that they would be there on time and that they would speak English..."
in deference to my presence.

“When I arrived I announced who I was to the maitre d’ and while waiting heard a party talking behind a screen next to me. They were discussing all the kinds of things I was interested in – sport, business, women – you know, all the things that interest red-blooded South African males! I recall thinking how much I wanted to be with them rather than the party I was due to meet. Well, much was my surprise to find myself ushered to their very table! It transpired that they had all been to private schools in Zimbabwe. Of course, one doesn’t have to attend a private school in order to mix across the racial divide – I didn’t – but it is good to see this mixing happening more and more here and it’s extremely encouraging to observe as it makes life a lot easier!

“Nowadays young people from all cultures are mixing. I mean, my children have no hesitation in travelling in black taxis, because they are cheaper. And when my son who was at university told me he was taking a fishing holiday in Mozambique, my first reaction was, where on earth are you going to get the money to afford that? ‘Ah Dad,’ was his dismissive reply, ‘I’ll travel by black taxi to Maputo and then hitch-hike up the coast.’ And that’s exactly what he did! Stopping at local villages where he offered his fishing services in exchange for food and shelter – extraordinary!” and Tim just shakes his head.
“But remember what it was like in the mid-80s. This generation simply cannot understand the level of anxiety and tension prevalent at the time. I recall my son phoning me from boarding school in Grahamstown in 1985 and being drowned out by the thunder of army vehicles in the background. And that same year, when my daughter was in Standard 9 in St Mary’s the school sent out appeals to parents to lodge young girls from black schools who were being prevented from writing matric by young township activists. ‘No education before liberation’ was the cry – leading to the loss of an entire generation. I used to listen in amazement and horror to these two girls recount their experiences. It was such a world away from what we knew.”

To a large extent these massive gaps have been bridged. “We still have a great deal of work to do,” Tim cautions. “And we need to draw our inspiration from the past too. Strangely enough, we who were always pushing for empowerment somehow took it for granted that we were beating our heads against a brick wall and would ultimately fail. Yet no one ever felt that we should stop. We never did. And slowly the movement grew and the momentum increased. And somehow, by accident or design, someone always seemed ready to step in and keep the whole process going. We mustn’t give up now. We need to keep going, forging a common business culture, merging and fusing elements from the strengths of both black and white cultures, and creating new structures and initiatives to facilitate both. We have always been pioneers in this area - and I believe we can continue to set benchmarks for the rest of South Africa to follow.”
Experiences in Transformation

THE SCIENTIFIC APPROACH

When John Massey started tackling the problems involved in attracting, training and retaining black trainees, he commissioned Denis Becket to investigate the challenges they faced and propose solutions. The following is a summary of Becket’s very insightful report.

Extracts from a proposal to promote successful employment of black professional staff in chartered accountancy firms

Prepared on behalf of Deloitte Halsey – by Denis Becket – August 1976

In the early 1970s, several commercial organisations and some professional partnerships – principally attorneys – made tentative efforts to slot blacks into “white” professional jobs.

In most cases, the outcome was disastrous. The result has been that substantial resistance has built up in white business and professional quarters to the idea of employing blacks in “white” jobs.

Management vs employee perceptions

Black professionals think they are doing their jobs extremely well, whereas management complains that they are slow, unreliable, misunderstand requirements etc.

Once relationships have broken down, each party tends to blame the other. Management says blacks had the wrong background, training and personality for the job and seemed to think that mere accession to a professional post was in itself a fulfilment of their aspirations and that no further effort was necessary.

Black employees accuse management of not giving suitable training or guidance, of being kept on soft jobs and being subjected to obstructive treatment by white clerical staff. Many concede that they were rudely shocked to find how little their university training had equipped them for the pressures of the job.

Pointers to a solution

1 The expectation of failure

Possibly the most important problem is psychological – management doesn’t expect it to work. Still less do white rank-and-file. Even the most high-minded of senior executives do not employ black recruits because they expect full value-producing workers but because they feel it is the firm’s duty to have one or two token blacks on the staff. To avoid inevitable failure, management must be totally determined to develop black clerks into full working employees.

This should start with a formal structured system of development, incorporating major problem areas regarding employment of black professionals and showing a clear route towards their resolution.

Suggestions for a practical approach to successful employment of black professionals follow below.

2 Selection

Obviously certain minimum standards such as education and fluency in English must apply. They should be used as an initial qualifying factor and supplemented by qualities which in
the circumstances are more significant and enduring:

a) Confidence. Confidence in technical aspects of the job is only one part. Social confidence is the other and more substantial need.

b) Enterprise. Whites commonly feel that blacks lack initiative. Blacks who exhibit enterprise are off to a head start.

c) Industry. Blacks who demonstrate their preparedness to put effort into the job are respected.

3 Differentiation in treatment

The fundamental question facing the employer of a black professional in a white environment is: should he differentiate or not? By purely objective criteria, the vast majority of black graduates are less capable than their white counterparts of surviving in the normal sink-or-swim atmosphere of professional organisations and therefore would benefit from special treatment.

However, by and large, well-educated blacks are extremely sensitive to any differentiation in treatment. In professional firms where management practice regarding junior employees is thoroughly planned and highly structured, it is enough to extend these practices to blacks in the same way as to their white colleagues.

In firms where training and development are informal and haphazard, it is essential to provide clear and positive management programmes for blacks. If this is not done for their white colleagues it runs a risk of offending them. Experience has shown however that the alternative is a certain route to a sad ending.

Firms generally make two basic errors. Either bending over backwards in an effort not to discriminate or cosseting and protecting blacks to an unnatural degree. The “non-discrimination” policy ignores the fact that black graduates are worse equipped to cope with demanding commercial jobs and that they find it more difficult to solve problems informally. The “protectionist” policy emphasises the latent fear of inferiority and destroys confidence in self as well as colleagues’ potential confidence in the blacks’ ability. The solution is a delicate middle line.

Chances are, blacks will have to put in more effort than most white colleagues to overcome accumulated comparative disabilities. Management should recognise this and encourage the recruit to recognise it. The recruit should also be fully involved in determining the degree to which he will receive individual treatment.

4 Development schedule

To ensure that blacks are properly utilised, schedules should be drawn up in consultation with recruits who can thus bind themselves by their own estimates of their potential capabilities. The schedule should give firm dates and descriptions of responsibilities. Ideally it should map out the recruit’s career up to the time he concludes his articles, by which time he should be on an equal basis with white contemporaries.

5 Authority structure

Recruits should have a single and undoubted boss. There should be regular report-back sessions for at least three months when the recruit details daily progress and problems.

6 Training

The most important form of training is feedback. One of the most frequent complaints of black articled clerks is that they are not given any reaction to their work. If an adequate feedback system is provided there should be little need
for formal in-service training. Feedback should be comprehensive and detailed. In many cases, black professionals studying for professional exams have felt too proud to approach partners for guidance. When the approach has come from the partners it has been generally well received.

7 Responsibility
To thrust too much responsibility on a man is as wrong as not giving him enough. To expect a black graduate fresh from university to immediately carry the same responsibility as a white in the same position is usually unrealistic. It is both fair and necessary to provide closer supervision at the early stages. It is also important that at each stage of development recruits should have some area where they can do their own work and carry responsibility for it.
## Definitions

*Definitions extracted from Deloitte publications over the years*

### PERSON/ITEM/EVENT	BIBLICAL DEFINITION

<table>
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| Manager                           | For I am a man under authority and I say to this man go, and he goeth, and to another come, and he cometh, do this and he doeth it  
Matthew 8,9                                   |
| Secretary                         | Do all things without murmurings and disputings  
Philippians 2,14                                        |
| Chief Executive                   | They said unto him, grant us that we may sit, one on thy right hand and the other on thy left hand in glory  
Mark 10,37                        |
| Working paper review              | Fear came upon me and trembling, which made all my bones to shake  
Job 4,14                               |
| Partner review                    | There comes one mightier than I, after me  
Mark 1,7                               |
| Out of town audits                | They that have wives, be as though they had none  
1 Corinthians 7,29                     |
| Staff training session            | Some fell upon stony places where they had not much earth  
Matthew 13,5                          |

### PERSON/ITEM/EVENT	DEFINITION

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<thead>
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<tbody>
<tr>
<td>Audit programme</td>
<td>A document prepared for the amusement of partners and the bafflement of audit clerks</td>
</tr>
<tr>
<td>Audited accounts</td>
<td>The last set of accounts not to be proved wrong</td>
</tr>
<tr>
<td>Audit query</td>
<td>Partners’ and managers’ attempt to justify their continued employment</td>
</tr>
<tr>
<td>Sample check</td>
<td>Splash a few ticks around</td>
</tr>
<tr>
<td>Test check</td>
<td>Don’t bother</td>
</tr>
<tr>
<td>Analytical review</td>
<td>An audit technique used to prove that expenses vary on an entirely random basis</td>
</tr>
<tr>
<td>Review</td>
<td>A time of feverish activity during which clerks attempt to perform the work that should have been done during interim visits whilst at the same time attending to the imaginary queries and complications stirred up by partners and managers</td>
</tr>
<tr>
<td>Time budget</td>
<td>Actual time taken to theoretically perform audit work</td>
</tr>
<tr>
<td>Cut-off</td>
<td>A painful procedure - used to determine whether one wishes to perform work this year or next</td>
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