

## VALUE ENGINEERING A NATION - SOUTH AFRICA: A CASE STUDY

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### ABSTRACT

On Wednesday April 27 1994, South Africa reached a watershed on its journey towards democracy. Both periods, prior to this important election and the Transformational process that has since followed have been strongly influenced by Value Management (VM). The need to recognise and address the inequalities of the past whilst ensuring all stakeholders have the opportunity to participate in the decision making process, created a difficult but unique environment for change. This non-political paper will demonstrate the reasons for, and methods by which VM's role played an important part in the transition that has thus far proved so successful.

seldom beyond first order, resulting in only incremental improvement that would ultimately achieve perfection.

### GROWTH CYCLE

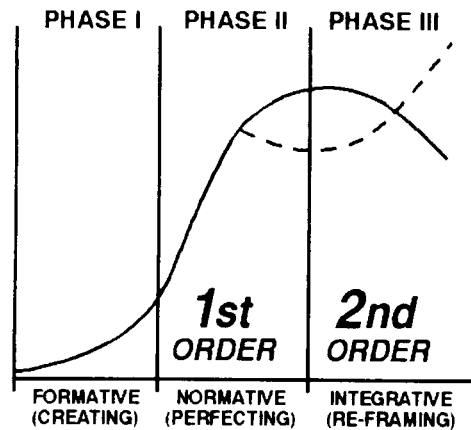


Figure 1

### Challenges of Change

Since the early 1990's our nation has progressively advanced along the growth curve (fig. 1) within the *Normative* phase, rapidly approaching the more unpredictable *Integrative* phase early in 1994. In reality we found ourselves erasing many past frames of reference without having, as yet, created any new models. *Normative* growth is essentially focused on "doing what you have always done, just better and smarter". The frames of reference are clearly defined and proven with little or no need for high level creativity. Change within this phase is

*Integrative* growth, on the other hand, requires that things be "done differently", resulting in second order change with reframing being the primary objective. It is during this phase of growth that the new paradigms will emerge leading to the next higher level of growth, where the *Integrative* phase of the old cycle becomes the *Formative* phase of the newly emerging cycle.

Due to the success of the liberation struggle against the unfair political systems of the previous 46 years, 1994 saw South Africa cross the divide between *Normative* and *Integrative* growth. The resultant rejection and past symbols and structures

becoming illegitimate, created the necessary chaos for this phase move. As a nation South Africa lost many significant frames of reference overnight. Including it's flag, National Anthem, education system and even it's Constitution.

The uncertainty of this period lead to unprecedented violence, mass emigration, increasing disinvestment and extremely high levels of personal stress amongst many South Africans, irrespective of their colour.

We had unwittingly created all the necessary ingredients for a social step change.

Cultural Dynamics

To complicate the situation still further South Africa is an extremely heterogeneous society. We had known for many years that the different peoples of the region had different styles of behaviour and applied different thinking processes. For more than a decade many South Africans came to realise that these differences were far more fundamental than that based on ethnicity or race. The answer to understanding this milieu was provided by the research of the American psychologist Dr Don E. Beck when he first visited our shores in 1981. A protégé of the late Dr Clare W. Graves, Professor Emeritus of Psychology at Union College, New York, who we are told frequently consulted with the late Larry Miles, during his early development of Value Analysis Methodologies.

In brief Graves' theory postulated the existence of two psychological spirals. The first relating to the *problems of existence*, or the conditions without (of the environment), from the most elementary "A" through eight increasingly more complex stations to "H". This spiral would accommodate all levels of existential complexity known to mankind as we currently know. The second spiral refers to the *Coping Mechanisms*, or Systems within (Man), to deal with his particular *Problem of Existence*. The corresponding stations of this second spiral range from position "N" at the lowest level to "U" at the highest level of complexity. When superimposed, eight different progressive *Value Systems* emerge i.e. "AN" to "HU" (fig.2). To enhance our understanding Dr Beck allocated colours to each of these *Value Systems*. The insight provided by these *Spiral Dynamics* have proved fundamental to

understanding the complexities of our social structure. In summary each station on the psychological map represents a different mind set.

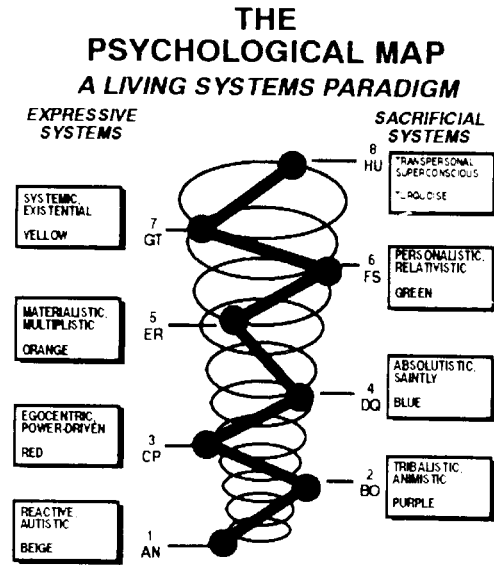


Figure 2

- 1. A-N(Beige) "I Survive"
- 2. B-O(Purple) "We are safe"
- 3. C-P(Red) "I control"
- 4. D-Q(Blue) "We are saved"
- 5. E-R(Orange) "I improve"
- 6. F-S(Green) "We relate"
- 7. G-T(Yellow) "I learn"
- 8. H-U(Turquoise) "We experience"

A few important observations of the generic model need to be made at this stage, namely...

- ▶ *Expressive* (Individual focus) and *Sacrificial* (Group focus) systems alternate along the spiral.
- ▶ The first three stations (A-N, B-O, C-P) operate within an historic to an immediate time frame.
- ▶ From D-Q upwards the horizon of the future progressively increases.

In most homogeneous societies, research indicates that the majority of inhabitants are represented by two or three of the *Value Systems*. As movement on the spiral is dependent on existential circumstances, many South Africans, due largely to apartheid policies, were prevented from advancing beyond Purple (B-O) and Red (C-P), resulting in the country having a unique representation in all *Value Systems* (fig.3).

**VALUE SYSTEM - SOUTH AFRICA\* - WORLD VIEW**

\*Reflects the Cutting Edge in Thinking Not the Entire Group

<b>6 Social Gospel Churches</b>		
EGALITARIAN Human Bond	DP Social Democrats FW de Klerk	Social Democracies
<b>5 DP Freemarketers Prosperity Churches 1st WORLD</b>		
MATERIALISTIC Strive Drive	Zulu Party, CP Party, HNP, Labour, Bop, ANC	Multi-party Democracies Free Market Capitalism
<b>4 Zulu Inkatha Conservative Christian, ZCC, ANC 2nd WORLD</b>		
ABSOLUTISTIC Truth Force	AWB, SACP, Ciskei, Transkei, AZAPO, PAC	One Party States Authoritarian Structures Mass Democratic Socialism
<b>3 Zulu Shaka Young Lions, ANC 3rd WORLD</b>		
EGOCENTRIC Power Gods		Empires Rand Lord Capitalism
<b>2 Zulu The Tribe Traditional Leaders 4th WORLD</b>		
ANIMISTIC Kin Spirit		Tribal Orders

With more than 60% of South Africans committed to some form of religion there is a strong Blue (D-Q) order within a stable Orange (E-R) capitalist business community, reflected in all races. Green (F-S) participative structures reinforce a consensus decision making approach, with ever increasing recognition, that only by celebrating and managing our differences in Yellow (G-T), will we ultimately achieve the much needed synergy, required of a united nation.

As if these problems were not enough to cripple our nation, the situation was further exacerbated by the devastating effects of prolonged punitive sanctions, plunging South Africa into an unemployment crisis as never before.

To manage change within such a complex environment requires the constant application of a proven and respected process.

Figure 3

Process - from Beige (A-N) to Yellow (G-T)

Nobel Peace Prize recipient, Archbishop Desmond Tutu refers, in his recent book, to South Africa as a "rainbow nation". We have an increasing Beige (A-N) community of squatters as urbanisation attracts the rural population to the City. We have the rich Purple (B-O) of tribal royalty often in direct conflict with the growing Red (C-P) gangsterism evidenced in taxi wars and faction fighting.

Value Engineering/Value Analysis was first introduced to South African industry during the early 1970's. Although slow to grow these disciplines made significant impact on a number of local organisations. One such Company was Middelburg Steel & Alloys (MS&A), a primary stainless steel producer in South Africa and a major employer within the small town of Middelburg. The MS&A management team under the able chairmanship of John Hall, became a role model of the application of the Value Engineering process, resulting in the company becoming World competitive against all

John Hall's total commitment, and ultimate success in the application of VM contributed largely to him being presented with the National Human Resource Man of Year award in 1989. In his acceptance speech Hall made these remarks, "In the past decade I have become increasingly aware of the inadequacy of traditional thinking processes to objectively respond to the key issues of change".

Within six months Hall's convictions were to be tested under the most difficult of conditions. Middelburg, historically a political "hot-spot", was in May 1990 plunged into major social upheaval. In the months that followed the MS&A team took the initiative upon themselves to establish the Middelburg Forum with the mission: "To create a better Middelburg for all its people, around and within existing structures, resources and services".

The VM process was extensively employed as the driving process. (fig.4) So successful was the forum that by December 1990 the national press frequently referred to it as the "Middelburg miracle". VM had passed a crucial test, with flying colours! Now recognised as a Yellow (G-T) process, the unique strengths of this methodology had been defined in practice.

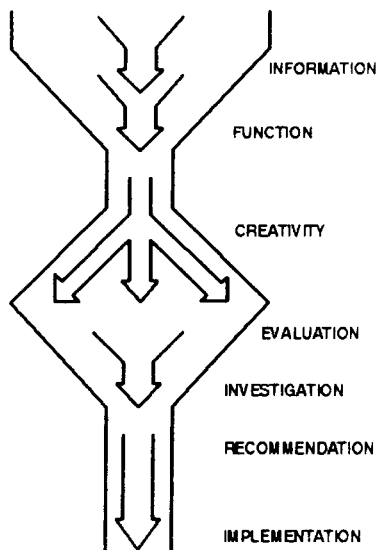


Figure 4

- ▶ The more diverse the input from participants, the more successful the output i.e. achieving synergy.

- ▶ Total process is directed toward the future though a clear objective focus i.e. it is visionary.
- ▶ It facilitates agreement on WHAT is needed (functions) before the more threatening discussions on HOW to go forward, i.e. it neutralises emotions.
- ▶ It provides an environment for participants to change their perspective without "losing face".
- ▶ Being located in such an advanced station on the Psychological Map (Yellow G-T) it possesses the unique ability to deal with all of the preceding Value System's needs.
- ▶ All of the above strengths make it an ideal facilitation process for integrative growth and subsequent second order change.

VM HAD NOW BECOME A JOURNEY AND NOT MERELY A DESTINATION

Transitional Milestones of Significance

In the Middelburg Forum an original model had been created that caught the attention of many decision makers in South Africa. Following the release of Nelson Mandela in February 1990, after more than 26 years of imprisonment, political tensions progressively worsened amid intensified township violence, reaching a point just short of anarchy by mid 1991 at which time a church motivated initiative occurred in Rustenburg, to address the escalating crime being politically inspired. This multi-faceted group of church leaders, businessmen and politicians recommended the immediate establishment of a neutral body to re-establish order within the nation. On September 14 1991, 29 organisations met in Johannesburg to take an historic step, binding themselves to a "Code of democratic values", unlike anything agreed to before in South Africa. The National Peace Accord as it became known, was the result of an urgent desire to stem the increasing violence through; (i) structured Monitoring, (ii) Mediation and (iii) Investigating. VM proponent John Hall, was appointed chairman of the National Peace Committee addressing (i) and (ii). Following extensive country-wide research a national peace symbol depicting two doves, complete with olive branch was launched shortly thereafter. Extensive Peace structures have since been implemented throughout South Africa, from a full time Peace Secretariat to thousands of Peace Monitors through a network of dedicated South

Africans at National, Regional and Local levels. In addition, teams from United Nations, the Commonwealth, the European Union, Organisation of African Unity (OAU) and the International Ecumenical monitoring programme joined this effort as official observers.

In retrospect one shudders to think what may have happened had these Peace structures not been in place. VM thinking, we are assured, played a crucial role in all the top level decisions made by the National Peace Accord.

Concurrent with the establishment of Local Peace Committees a Yellow (G-T) training programme entitled "Innovative Decision Thinking - through VM" (IDT) was being developed to support the change facilitators within these communities. Launched in May 1992 this modular programme has since empowered more than 250 facilitators annually with VM skills, many of them at "grass roots" level. Following a referendum in January 1992, a profound "yes" set negotiations for a future South Africa in motion. These were administered through a multi party structure known as CODESA. This forum met continuously over several months and travelled a very bumpy road!

This period in our history was very unsettling and to say the least, disconcerting. Amid an attack on the venue, participant withdrawal, numerous death threats on negotiators, amazingly promising results were achieved.

Out of sheer frustration and a sincere desire to contribute towards positive dialogue, in July 1992, our organisation circulated to the 26 most influential decision makers, a proposed Objective for the

future South Africa (fig.5). Although this action may have been considered presumptuous at the time, it did produce the desired effect. It is significant, that from this point onwards our national negotiators were largely focused on points of agreement and not concentrated on the differences of the past. The last major crisis to shock us was the brutal assassination of an extremely popular Communist leader, Chris Hani. Shortly after his momentous funeral and the ensuing violence from the angry crowds, the date of our first democratic election was announced.

## Objective Matrix

Date: July 1992

**PURPOSE:** For ensuring a healthy & prosperous South Africa...

**OBJECTIVE:** ...by agreement and implementation of national goals and leadership structures by 1993, ultimately empowering all inhabitants of South Africa to fully realise their potential in a stable economy.

RESULTS TO ACHIEVE	RESULTS TO PREVENT
<ul style="list-style-type: none"> <li>- Economic Growth of 2% &amp; Prosperity for All People</li> <li>- Personal/Group Dignity</li> <li>- Global Recognition</li> <li>- Rectify Past Inequalities</li> <li>- Reconcile Values</li> <li>- Establish/Secure Standards</li> <li>- Superordinate Goals</li> <li>- National Pride</li> <li>- Leadership Credibility /Integrity</li> <li>- Freedom of Expression</li> <li>- True Democracy</li> </ul>	<ul style="list-style-type: none"> <li>- Political Violence</li> <li>- Racial/Sexual Prejudice</li> <li>- Group Dominance</li> <li>- Foreign Interference</li> <li>- Unethical Behaviour</li> <li>- Clandestine Activities</li> <li>- Resistance Backlash</li> <li>- Bribery and Corruption</li> <li>- Environmental Damage</li> <li>- Unnecessary disruptions</li> </ul>
AVAILABLE RESOURCES	CONSTRAINTS
<ul style="list-style-type: none"> <li>- Trade Unions</li> <li>- Codesa Structures</li> <li>- Peace Accord Initiatives</li> <li>- Local Goodwill Groups</li> <li>- International Interests</li> <li>- Organised Business</li> <li>- Public Infrastructures</li> <li>- Political/Cultural Groups</li> <li>- Int.Monitoring Groups (UN,OAU etc.)</li> <li>- Church Groups</li> </ul>	<ul style="list-style-type: none"> <li>- High Unemployment</li> <li>- Cultural/Ethnic Differences</li> <li>- Apartheid Aftermath</li> <li>- Lack of Capital</li> <li>- High Inflation</li> <li>- Historical Lack of Trust</li> <li>- Conflicting &amp; Divergent Interest</li> <li>- Urbanisation Pressure</li> <li>- Disadvantaged Majority</li> </ul>

Figure 5

### Our Future Vision

The subsequent success of the African National Congress (ANC) in the election and the wonderfully moving inauguration of our President on May 10, 1994 has been well publicised.

At this auspicious time President Mandela had this to say,

"We enter into this covenant, that we shall build the society, in which all South Africans, both black and white, will be able to walk tall without any fear in their inalienable right to human dignity...a rainbow nation at peace with itself and the World"

Having crossed the divide the challenge that all South Africans now face is Nation Building. Substantial national effort and emphasis is currently being placed on the "Reconstruction and Development Programme" (RDP), the vehicle by which all South Africans can contribute. Following the recent adoption of a white paper by Parliament, the local Peace Committees will soon be converted to RDP structures. VM will continue to play an important role as South Africa picks itself up, dusts itself off and becomes a legitimate nation of the World.

### Conclusions

Within the past five years South Africa has experienced metamorphic change. Currently positioned in the *Integrative* phase of growth, as a nation we now have, an interim flag, two national anthems, a new Constitution in the making and a Government of National Unity that accommodates all political parties.

Many Value Systems within the nation are now experiencing high levels of stress. As we slowly progress towards *Formative* growth it is predictable that various groups and bodies will attempt to place themselves in a favourable position for future control. This is very evident by increased Trade Union activities, affirmative action initiatives and public demonstrations by numerous interest groups. Furthermore there has been an interesting emergence of Purple (B-O) processes, never recognised previously. One such approach is known as "Ubuntu", where individual conformity and loyalty to the group is demanded and expected in the decision making process. The Purple system encourages complete transparency in it's belief that, "I am because you are". Change becomes people centred within an environment of cooperation, not competition.

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