

*Full Length Research Paper*

# Redefining organizational practice through narratives: Unraveling the Eskom backstage

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This article is focused on discursive responses which emerge in the backstage of a large scale South-African Energy company as result of the governmental planned change program of Black Economic Empowerment (BEE). It is argued that most of the current literature on BEE deals with issues regarding the 'frontstage' rationale in terms of economic and policy impacts as well as structural implications. By analyzing specific cultural practices, especially narratives which emerge in the various sub-domains of the organization, it was aimed to contribute to the further development of BEE related theories. Three alternative types of coping responses to the dominant BEE narrative of 'liberation' were identified: (1) a narrative of 'threat' (2) a narrative of 'co -creation' and (3) a narrative of 'corrosion'. While threat deals with emotions of 'exit' and felt injustice, co-creation and corrosion are manifestations of organizational 'voice' and attempts to deal with internal tensions and ambiguities of the BEE program. The research illustrated that backstage dynamics in (BEE) change programs not only provide an important platform for narrative production, but also for modification and meaning destruction.

**Key words:** Narrative, micro stories, planned change, black economic Empowerment.

## INTRODUCTION

Since the abolishment of apartheid, the South African government faces the challenge to redress the social inequalities and create a political, social and economical division of power which is related to the ethnical composition of the population. The government has introduced several growth strategies in its attempt to economically integrate the black population and to alleviate widespread poverty. Preceded by other programmes, such as the Reconstruction and Development Programme (RDP) and Gear, Black Economic Empowerment (BEE) is considered as the most radical growth strategy of the African National Congress (ANC) in terms of fulfilling the party's overall National Democratic Revolution goals (News Africa, 2006). BEE is considered the biggest and most comprehensive initiative to accelerate the transformation

process on socio-economic level (Lester, 2007).

The government launched the Black Economic Empowerment strategy in March 2003. It was defined as an integrated and coherent socioeconomic process that directly contributes to the economic transformation of South Africa and brings about both significant increases in the number of black people that manage, own and control the country's economy as well as significant decreases in income inequalities. The mission of the BEE program concerns the empowerment of all black people, including black women, black workers, black youth, black people with disabilities and black people living in rural areas. More precisely, the BEE program concentrates on six areas (Department of Trade and Industry, 2003):

1. Increasing the number of black people who manage, own and control enterprises and productive assets.
2. Facilitating ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises.

3. Human resources and skills development.
4. Achieving equitable representation in all occupational categories and levels in the workforce.
5. Establishing preferential procurement.
6. Investing in enterprises that are owned or managed by black people.

The BEE program is shaped in a Planned Change style of reform (Burke, 2003), focussing on monitoring and control. BEE compliance of organizations is measured by accreditation and 'hard' results are publicly exposed and contain consequences for doing business (Karromboh and Khuzwayo, 2007). In the BEE logic, performance indicators and balanced scorecards become directive on the management agenda and form the topics of conservation of performance evaluations. Although the government sets the targets, the way in which BEE is implemented is up to the public and private sector organizations.

The BEE transformation program mainly relates to the 'frontstage' domain of organizational life in which the official aims, goals, and products or more in general a 'functional rationality' is presented (Veenswijk, 2005). From a managerial point of view, this is a tempting perspective. It suggests that change is materialized in a visible, measurable domain and that transformation 'happens' because the indicators act as a confirmation of the change objectives. What actually takes place in the 'backstage' of organizational life, in terms of cultural change and socio-economic emancipation remains unclear and appears to be an undeveloped area in the current body of knowledge around Black Economic Empowerment.

In this paper, we focus on Eskom, Africa's leading Electricity Company which is one of the assumed 'role model' organizations in which the concept of BEE is implemented as a large scale transformation program. The paper aims to fill some current gaps in the current BEE debate, related to the 'backstage' rationale of the transformation program. For this, we concentrate on discursive practices in organizational life in which (collective) meaning is produced and reproduced. Central question in the paper is how the BEE concept is enacted in the everyday life of the Eskom organization and how this materializes in terms of cultural practices, and in particular in respect to coping narratives and (micro) stories. After a brief background description of the Eskom transformation process and an overview of relevant methodological issues, the Eskom 'backstage' case is presented and analyzed. In the concluding section, we discuss the results of the case study while reflecting back on the initial BEE aims.

## General context

### Eskom background and the BEE transformation program

Eskom is one of the first South African public sector orga-

nizations in which the BEE program has been implemented as strategic driver in the 'ambition to become 'truly representative' of South Africa. For the ANC government, Eskom was targeted as a potential 'role model' in the new South Africa. In the recent years before the abolishment of apartheid, Eskom had developed itself from a 'typical' Afrikaner white organization, to a more socially involved electricity company (MacRae, 2006). The delivery of cheap electricity to the poorest parts of Southern Africa had become one of the main challenges<sup>1</sup>.

Reuel Khoza, who became chairman of Eskom in 1997, generated a fierce drive of employment equity with the so called program of "space creation". White senior executives were managed out of their jobs with packages that they could voluntarily accept. According to Khoza (2006), nobody was forced to move out, space creation was aimed at people leaving happy and willing to "manage in" their successors'. In addition, the drive for employment and equal opportunities was translated and embedded in equity performance targets. A broader sustainability index was created that functioned as a measurement and rewarding instrument for overall performance of all middle and top managers, at team and individual level (Mangaliso and Nkomo, 2001). On a national level, employment equity targets were set, which were translated to regional offices, teams and individuals. The targets were made up by previously disadvantaged groups, including white females, since the organization was dominated by white males. Within Eskom the employment equity targets effected the recruitment of new employees and the promotion paths. In addition, Eskom started large bursary schemes, mainly aimed at training engineers from disadvantaged communities and all women, sponsoring more than a 1000 students. With the support of packages and bursary scheme's Eskom reached all of its racial equity targets for managerial, professional and supervisory levels: 8.9% blacks in 1994, 35% in 1997, 54.6% in 2002 and 56.3% in 2004 (Khoza, 2006).

Although the Eskom 'role model' concept showed progressive figures in terms of equity targets, the legitimization of the organization's policy was more and more criticized during the recent years. The criticism mainly concentrated on two related issues: the insufficient capacity policy and a lack of stability in energy supply, which resulted in multiple breakdowns of power plants and a shortage of electricity all over the country (Graham, 2006). The (insufficient) capacity policy was directly related to the opening up of the African energy market and the privatization of Eskom in 1998<sup>2</sup>. In years to follow, no independent power providers showed their

<sup>1</sup> This article focuses on the interventions and actions of Eskom in the post-apartheid era. Therefore the early transformation programs "Electricity for all" and "Equal opportunity for all" that started in 1985 under the Leadership of Maree and MacRae do not form a part of this study.

<sup>2</sup> The capacity policy is the responsibility of the South African government but in the public eye this distinction is not made.

interest in the South African energy industry. Eberhard (in Business News, 2007) stated that government did not take the necessary steps to get the private sector in. It had failed to provide the necessary legislation and competitive tenders were not in place. Eskom had not build new generating capacity since 1985, whilst the power demand was rising since 1994. At the beginning of 2000 the country enjoyed a reserve margin of about 25%, which in 2006 had diminished to some 8 to 10%. However, the reserve margin should not be below 15%, since it otherwise does not leave enough capacity to deal with the required operating reserve, as well as the required contingency for unplanned breakdowns (Gcabashe, 2007). In due time, power cuts started to develop throughout the country. In November 2005 there were massive power cuts around the Cape due to a breakdown at Koeberg, South Africa's only nuclear power plant, resulting in a huge energy crises. This led to a national awareness that South Africa was in midst of a huge power supply problem.

Despite the criticism related to the energy crises and image loss as a direct result, Eskom settled with the apartheid in a progressive manner which led to the achievement of being one of the role model organizations within the new South Africa.

Eskom has changed into a new organization by first, making their services available to all South Africans. Second, introducing bursary schemes. Third, stimulating black companies with their procurement policy. Fourth, with corporate social investment, and last but not least, by dramatically changing the demographics of the workforce into a more representative one. The question arises how this relates to the backstage reality within Eskom. How do Eskom employees give purpose and meaning to the above described changes and how does this show in the employees daily practices?

### **Studying the 'backstage of BEE through a discursive, 'life world' perspective**

In this Eskom research, a discursive approach to organizational change is adopted. Organizational practice is rhetorized in terms of narratives that construct 'plurivocal' meaning and interpretations which lead to infinite meaning making (Boje, 2001; Bakhtin, 1981). Plurivocal meaning making stands for a surplus of possibilities of narratives in its language, its figures of speech and its many voices (Bakhtin, 1981).

Habermas (1968) distinguishes the (political economical) system from a communicative life world. He conceptualizes the system as a person, party or interest that is dominating others, whereas lifeworld points to the individual social actor. Meaning is produced in the 'life world' of the organization through textual arrangements and editing processes (Fairclough, 2005; Gabriel, 2000). The interaction of individuals with societies rules, institutions, values and language is assumed to influence the

way in which they see the world. Development of patterns of meaning, manifested through narratives, takes place through a constant process of sense-making, by which organizational actors attempt to create micro-stability in their interpretive frames and thereby their frames of action (Berendse et al. 2006; Weick, 1995). In this approach, the static definition of organization as a stable system with fixed boundaries is replaced by an approach that acknowledges modern organizations in terms of open-ended meaning networks with fluid structures and permeable boundaries. Organization is seen as a discursive process of meaning production (Grant et al., 2004), with cultural 'settings' as temporal outcome (Czarniawska-Joerges, 1998). Alvesson (2002) refers to these cultural settings as a deep-level partly non-conscious set of meanings, ideas and symbolism that may be contradictory and run across different social groupings. Organizational members operate within these cultural settings as narrative (re)producers and modifiers (Weick, 1995).

In organizational literature the process of meaning reproduction is conceptualized in various ways. Weick (1995) describes the temporal process of enactment-selection and retention in which the stages of meaning reproduction takes place. According to Weick (1995), this process is cyclic and can be analysed in a more or less condensed timeframe. Hirschmann (1970) concentrates on analytical positions of organizational actors in the (political) meaning arena, varying from adoption of the dominant perspective or paradigm in terms of 'loyalty' to criticism and modification through 'voice'. The ultimate non-reproduction of the dominant narrative is 'exit' in which the actor leaves the discursive arena and no longer takes part in the narrative dynamics (Hirschmann, 1970). In theory there are limitless options of perceiving BEE. Within organizations it can be seen as an episodic change that is an energy source for revolutionary change (Gersick, 1991). Management can also interpret BEE as not affecting central concepts of the organization thus not leading to action (Barr and Huff, 1997). In the process of meaning creation or destruction, Folkman and Lazarus (1980, 1984) describe three coping strategies as the behavioural and psychological efforts of actors to deal with -mainly stressful-events. The first strategy is problem focused, describing cognitive problem solving efforts and behavioural strategies for altering or managing the source of the problem. It involves taking direct action to change the situation in order to reduce the amount of stress.

The second category is emotional focused, involving efforts to address the emotional distress a situation causes, such as reframing the situation in a way that it does not create a negative emotion (Folkman and Lazarus 1980). The last category of coping strategies is avoidance, entailing avoiding a situation, denying it or losing hope (Lazarus and Folkman, 1984). In our research, we concentrate on four central topics to cover

the narrative dynamics of organizational practise:

1. Narrative 'field' and interaction between various narrative constructions.
2. Content and discursive logic.
3. Dominance and sustainability narrative constructions.
4. Key producers and narrative editors.

## RESEARCH METHODOLOGY

The four central topics were pre-defined by the researchers and studied for a period of six months through a triangulation of techniques, consisting of observations, content analysis, and interviews. The choice for this qualitative research approach was based on the assumption that in a highly ambiguous and complex research field, such as the Eskom organizational BEE backstage, an explorative, 'open' research mode would be the most natural 'solution' to get access to adequate research data (Alvesson, 2002). A combination of techniques allowed the researchers to check and verify the accuracy of the dataset. The in-depth interviews were central in the data collecting process. Interviews with a wide range of relevant actors provided the researchers with a broad 'grand tour' image of the Eskom daily life and related narratives. Observation and content analysis was operated as crosscheck in order to specify and improve the quality of the research data from the interviews.

The daily life practice within Eskom was being observed by attending (in) formal meetings, informal gatherings such as lunch and coffee breaks, celebrations and hallway conversations and by watching daily work routines. In addition to the informal talks and observation, 35 Eskom key stakeholders were interviewed. During the orientation period, some interviews with organizational partners and clients were conducted outside the Eskom organization. The interview protocol contained a series of open ended questions that were directed towards grasping the 'life world' perspective of the respondent regarding post apartheid changes within Eskom. There was a loose structure for the interviews consisting of topics and listed possible questions. These questions addressed issues such as personal background and history, professional career, daily work experiences and personal feelings and experiences of transformation within Eskom. Participation was voluntary and respondents were told that they could make statements 'off the record', which meant that this information would not be used if it could be linked to them personally. All formal interviews were taped and transcribed for analysis and enabled the researchers to use exact quotes of respondents. After all (in)formal interviews, meetings and gatherings, field notes were made, consisting all observations such as room decoration, the way the buildings looked, clothing, the way people addressed each other and notes describing the atmosphere of the researcher and respondent interaction.

The research was done by two white Dutch researchers: a female PhD student and a male (supervising) senior researcher. The composition of the research team was a potential bias to the research data. In order to limit this research fallacy, the researchers considered a maximum transparency in terms of personal background, research aims and scope. During the introductory stage of the research, several Eskom members of different color and gender - and with a positive orientation to the research - were asked to mediate in the organization process of the interviews.

Interviews were held at 4 locations of which three of them were in regional offices in the Western Cape: Belville, Brackenfell and Edgemead, and the fourth being in the Headquarters in Johannesburg. The selection of the first 25 respondents was based on random selection. During the interviews the sample size was extended through the snowball method. This method relies on referrals from initial subjects to generate additional subjects. The re-

searchers followed the network of relations of the Eskom members in the Western Cape, as well as the headquarters in Johannesburg. In addition to this, the researchers were provided access to relevant company documents to reconstruct the dynamics of the Eskom transformation program, in relation to the trans-formation monitoring and reporting system. The documents studied in this research are quite diverse in a number of ways. There are 'official' documents and policy papers, but also documents written for one's own use, like memos, accompanying letters, (concept) notes and minutes. Some of these documents are publicly available on the internet website of the Eskom organization. Because the Eskom case engendered many public discussions and debates in South Africa, publications in newspapers and other forms of media were also studied. As part of this, a media analysis was a relevant part of the analysis of documents in the case. Finally, a diary was kept which not only recorded and documented the Eskom working practices and their evolving situation during the research period but also the self reflection and personal notes of the researchers. In this way the researchers were up-to-date with all the changes in the Eskom community situation and were aware of their own position during the research.

## Entering the Eskom backstage reality: challenging the liberation narrative

### Liberation narrative as dominant perspective

The BEE transformation program is dominated by a 'liberation narrative', which has great attractiveness to large groups of Eskom members.<sup>3</sup> It projects a 'future perfect' situation in which the 'old' reality is integrally replaced by a new reality of equal chances, black emancipation and consciousness and above all a situation of liberation and justice. For this -mostly black but also white and colored- group, transformation is associated with new opportunities for success and with the creation of a fair organization. The liberation narrative of change is expressed through a wide range of personal stories of promotion and success, but also supported in annual reports, interviews and media exposure of the 'New South African Eskom'. This narrative has a strong sensitizing capacity. It relates to a modernistic view of society in which the future is to a large extent malleable, controllable and can be managed towards a 'better future' with the right instruments and the right people. Key-editors in the liberation narrative are not only the ANC politicians and the Eskom top management, but also the 'new establishment' within the Eskom organization. This new establishment is responsible for delivering the 'proof' in terms of facts and figures regarding the progress and success of the transformation program (Table 1).

Many respondents indicate that from all changes and interventions to undo the apartheid legacy, the transformation narrative has impacted them the most. Although it is often used as a synonym for the major changes, transformation within Eskom (and even within South Africa) is mainly ascribed to changing the demographics of the workforce. Although the word transformation is used by all respondents, employment equity, affirmative action and BEE are sometimes mentioned as synonyms. The liberation narrative supports Eskom's implementation style of transformation, which is recruitment and promotion linked to 'hard targets' for representation of gender, race (African, Colored, Indian or White) and disability. With regards to the reason behind this target system a top manager quotes:

"(...) even if your heart says to you, "man I would really like to appoint that person" but if you look at your data and your

<sup>3</sup> Within Eskom the term used for the biggest post apartheid change is "transformation". Which mainly relates to the equity element of the BEE strategy

**Table 1.** Schematic overview liberation narrative.

Dominant narrative	Main characteristics	Ways of expression	Key editors
1. Transformation as liberator	'future perfect image' Equality Black empowerment Justice done	- Stories of (personal) success -Clarity through (over) exposure (annual) reports and balanced scorecards -Media performance /interviews	- Politicians - Top management - 'New' organizational Establishment

demographics, you basically just use that and say, "well, I'm sorry my heart, this is what is required here" and then you do it that way. It's really – for me, it takes out or it – addresses the emotions."

Another top manager quotes:

"our goal in Eskom is that ideally we want Eskom's profile to represent the demographics of the country (...) There's nothing that really legitimises the idea other than what is right and what is wrong. And I think that if you look at where South Africa has come from, there has been so much in our history that has been unbalanced in our society that the sense of fairness is something that dominates many of our business decisions in fact".

Although transformation is driven from the organizational top, it is regarded as an ongoing business target in such a way that according to planning it will be a priority until 2020. As a top manager quotes:

" Remember the demographics of our country is about 80 % black people and then the rest whites and then Asian, coloreds. So I think up 'til 2020 – currently Eskom is at about 60% black that will grow to 80% (mumbling). It's still another 20% to go before things will normalise".

Some managers expressed difficulties with the focus on equity targets. As one manager quotes:

"(...) It's just numbers, nothing else. And I think – the majority of the staff in the Western region, all staff doesn't understand why – there's no change agents been described them – what is the reason – except – the only reason being given to us is – because we need to reflect the demographics of the country or the Western region. Why do we have to reflect that? Why do we as an energy company have to reflect that? I really would not know why."

One level down from top management, managers from different backgrounds feel that too little is done to give insight in the legitimization. A black employee quotes:

"Supply people with the real facts, why you want to do certain things, why you're going in this direction. Communicate those so that people understand where we're going and why we're going in certain directions, why we're taking that direction. I think that's an area where we need to improve in this organization."

Others regard it as superfluous to explain the policy and feel that if people do not see the changes of the country and, as several managers quoted, "*cannot see the beauty of transformation*" there is nothing that can be done to change their perspective. As far as meeting the targets, respondents expressed difficulties in finding employees with the right skills. Stances and debates on skills seem very sensitive and emotional. An Eskom representative quotes that the skills shortage is seen as:

"Using something to hide behind because you don't quite support the initial transformation. That's my view of it (...) "well I don't need

to do this anymore because of that problem" but what you're really saying is "I don't need to do it because I didn't want to do it in the first place"

Only two respondents in the Western Cape region expressed a racist belief that certain race groups lack capacity and skills in engineering. Most white managers oppose this belief, but experience difficulty with either recruiting or promoting employees from disadvantaged backgrounds. They feel that they are labelled anti-transformation or unwilling, although they try their best. A transformation supportive manager quotes:

"When I got to the point where I said "if I can't appoint this person, you're basically not going to meet the turnaround times that we need" then it was still "follow the BEE".

Many respondents struggle to make sense out of the dynamics between transformation targets, safety issues and the energy crises. The top management emphasized that these are the three main priorities but do not believe that they conflict with each other. To other employees transformation is one of the core elements that creates pride of working for Eskom. A top manager quotes:

"We have been driving this so passionately as one of our core objectives and targets for 15 - 20 years, that it's just become such an ingrained component of people's compacts of how we evaluate our performance and how we pride ourselves in the fact that we're a transforming company; that if that slips back, it would just not synchronise with the whole vibe of Eskom. I think it's an ingrained culture thing now and it's a given".

In terms of Hirschmann (1970), the 'Liberation' narrative is a clear example of organizational 'loyalty' to the governmental BEE principles. It is (re)produced by mostly 'true believers' of the transformation program and proclaimed by editors who either benefit from the fruits of the transformation or have a strong ideological belief in the "new and better South Africa". In the next section, additional options in this narrative field will be introduced. These coping narratives are –more or less - represented by actors who try to give 'voice' to the BEE program.

### **Coping-narratives: threat, co-creation and corrosion**

Within our Eskom research, we identified in relation to the dominant liberation narrative three alternative transformation views: a 'threat' narrative, a 'co-creation' narrative and the 'corrosive' narrative. The 'threat narrative is the – more or less – obvious dominant counter-narrative. Its central ingredients concern a transformation view in which the BEE program is defined as a political, dysfunctional, unfair 'system of control', based on distrust, punishment and inequality. In this narrative, the BEE transformation program is viewed as a fundamental risk

to the 'health' of the Eskom organization. Key editors are mainly established elites and (white) employees that have - or are searching for - exit options. The co-creation narrative is not a counter-narrative 'pur sang', but relates to the idea that the new Eskom organization should be a co-creation of different 'streams' within the organization. BEE is defined as a temporal program with opportunities for innovation and team capacity- building. Key editors are quite diverse, but mainly relate to the 'new' organizational elites, such as successful black managers. The core of the 'corrosive' narrative lies in the idea the transformation is an outdated oversimplification of engineering (organizational) relationships and lack of valuation and respect for the professional expertise of young (black, colored or white) next generation professionals. BEE is defined as 'temporal', a tool of the (ANC) establishment, which will corrode and fade away. Key editors in this narrative are the new organizational elites as well as the young Eskom professionals (Table 2).

### **Coping-narrative 1: Transformation as 'threat'**

Transformation as threat relates to nostalgic ideas of the past period in terms of the assumed success and a fading body of technical electricity knowledge that was developed mainly by white technical experts in the past. The threat narrative is expressed by stories of current organizational failure and a strong exposure of the unfairness of the BEE program for - mainly white and colored - employees and managers. These stories are partly 'hidden' and embedded in a rationale of fear of being punished or dismissed. As one of the employees states:

"There's tremendous sensitivity that anything you say that sounds like criticism is being interpreted as you are negative, you are not supporting transformation. That is the standard answer you are getting. And it's not true because I am trying my best to at least make sure that the company stays afloat as far as I am concerned, because I have helped to build it, I have created the bloody place (...)".

A black manager quotes:

"If they have a big mouth, you will suffer the consequences. ... That's why people sometimes are scared to talk... So - but people will not do it in an obvious manner. You see, there's a subtle way of dealing with - that's why some people, you'll go in a meeting situation and there's a line manager who will think everything is hunky-dory, everything is fine but people talk outside of that meeting. Our culture does not really encourage people to talk freely. Those are some of the things that we need to revisit. People must be encouraged to talk freely the way they want to express themselves".

For some respondents, mainly whites and coloreds, the current transformation drive results in a struggle to give

meaning to their jobs. They feel that this strong equity target drive is not proportioned to the need for technical performance, especially in this time of need. At the organizational top there is a strong belief that transformation has no effect in the performance. But on the shop floor it is not the issue that the people from disadvantaged background are not performing, it is more related to the balance of current priorities. As an employee quotes:

"There is no balance in things. I think it's, it's a, it's like, you know, this, this thing is - the whole approach of affirmative action is just taking - occupying peoples' minds to such an extent that they don't think about what are we really for here - and that's to distribute energy."

The assumed 'lack of balance' is also related to the recent energy crises and the inability to cope with other priorities, like safety. A manager quotes:

"Our CEO visited us and he was saying that he went to, amongst others, Australia and he visited similar companies like Eskom. And he would typically ask all of them "when last did you have a fatality"? And he says virtually all of them started to scratch their heads, they couldn't remember whereas in Eskom it [fatalities] happens monthly. And then also not only the staff but also contracting staff and members of the public die."

In June 2007 the deputy general secretary of trade union Solidarity, historically representing the white workers, concluded after a PhD study that there is a severe threat of a skills drain within Eskom (Hermann, 2007) . In his research he states that 85% of the current white employees feel that they do not form part of Eskom's future plans and 75% feel that they cannot determine their own career path. This alienation from their work could result in them leaving (Hermann, 2007). Top management reacted laconic, one quotes:

"The HR people will meet with them; they'll sit down but there's a fundamental difference because they've been trying to prove for many years that there's going to be disasters happening because of this and it just hasn't happened. So I'll have to look at this report to make a call on it, but I don't think it's going to be credible because you can put a spin on anything if you want to prove a point. The reality is that the issues we've had in the Western Cape have nothing to do - these were technical failures. It had nothing to do with the race issue or black or white or anything like that". Whereas quite a few managers in the Western Cape strongly relate to the findings of the report and are almost in a crises mode. As several managers quoted: "Eskom is going down." In addition some black respondents feel the dynamics of the threat narrative amongst their black colleagues articulating meaning in relation to racial assumptions. A black female manager quotes:

"She's highly promoted, remember when black people

**Table 2.** Schematic overview coping-narratives.

Coping-narrative	Main characteristics	Ways of expression	Key editors
1. Transformation as threat	'system of control' Distrust Punishment Inequality	-Stories of failure Ambiguity through (over) exposure inconsistencies in HRM instruments and contracts Media performance	-Established elites -(White) employees with 'voice' (exit options)
2. Transformation as co-creation	'integrating old and new expertise' Connection paradigms Shared agenda Innovation techniques	- Stories of integration Ubuntu management Best practices Media performance	'New organizational elites' - Diverse actors
3. Transformation as corrosion	'driver of generation gap' Yesterdays news Oversimplification Irrelevance Fading away	-Stories of modernity Ambiguity through alternative symbols of innovation Media performance	-Innovative (globalized) elites -Young professionals

become promoted they become white. Because where you – for a black person to say to me that I'm acting white, not only are you insulting me but you've insulted yourself doubly, because you have now just acknowledged that what we fought for, for all these hundred years was in inevitably true in your mind that there is a superior race".

The organizational top is aware of the threat narrative. The perspective of the top on the existence is similar to the quote of this top manager:

"it's not something that we're prepared to say [that] because it exists now that we've got to go out and do something to make the guy who's feeling uncomfortable feel better; let them live with it. I know it may sound hard".

Transformation as threat is a coping narrative that seems to be the strongest opposing narrative in relation to the liberation narrative. The co-creation narrative appears to be closer to the liberation narrative.

**Coping-narrative 2: Transformation as 'co-creation'**

In the second coping-narrative, BEE is debated as a linear, top-down doctrine of emancipation. This narrative aims to redefine the original BEE concept and view transformation as a holistic means of co-creation, which concerns all the different Eskom groups and configurations. The dominant rationale of the co-creation narrative is situated in the interdependence of the different configurations within Eskom. Some characteristics of the co-creation narrative are strongly related to the Ubuntu concept, 'as something unchanged and unchangeable, a homogenising concept that supposedly ties all Africans together' (Van den Heuvel et al, 2006). Other aspects re-

fer to the integrative technical professional orientation and capacity of Eskom itself, which to a large extent serves as a driver for co-creation and shared responsibility. As a top manager states:

"We're now trying to bring the whole company back together again into a one company mindset, one company culture. I think we have quite a long way to go on that."

The aspect of interdependence in the BEE program is described as by a black respondent in the following manner:

"Eskom says that they've got a transformation policy or plan but I'm still sitting here. (...) among the black employees there's a priority as well and then other black employees who are male are beginning to complain that the ladies get the chances first. It becomes a whole cycle, the unhappiness ends up not only being amongst white employees, it ends up being amongst the black employees as well. Like, if you lose rhythm and there's discontent or demoralisation of one sector the other sector gets affected inevitably'

According to a local manager, the pressure on Eskom to use the co-creation as a business advantage is very high, since 2005 Eskom has been dramatically aware of the need for change within the company.

"We're focusing back on the core and we're building but it's been very hard. It's been very hard to get the business to once again think in that sort-of one Eskom mindset and to move from a mindset of efficiency improvement, cost reduction type business to one of massive expansion, employing more people. You know, every

year we used to have fewer people in the business. Every single year the manpower numbers would go down”

Although co-creation outreaches the borders of Eskom, for many employees social interaction specifically remains within the Eskom context. Although the idea of ‘being into this together’ is felt as a strong counter perspective to the world of BEE figures and quotas, there is a deep emotion that the transformation can only partly connect people in their ambition to innovate the organization as a whole. As a respondent quotes:

“We only interact at work and it ends there. I'm not saying we must be friends outside but they don't understand exactly where I'm coming from, or why I'm doing certain things, or why I'm behaving in a certain manner”.

Most respondents feel that within the Eskom organization the social integration is ahead of the rest of South African society, Eskom employees tend to feel more comfortable with each other than people outside the company. Still they argue that the ongoing segregation in daily life is being highly influential on the perspective of Eskom employees. As a manager quotes:

“But if you scratch the surface of that and you get down to the person in the street and have a look at how little social and cultural interaction there is across the race boundary, it's – that's what worries one. So has the transformation really got depth?”

Some respondents share stories to illustrate the changes on personal interaction level within Eskom. As a manager quotes tragically:

“We had an unfortunate incident (...) We had two workers that died. They were live line workers; they were doing maintenance work in a substation. There was an equipment failure and both of them were electrocuted. The supervisor – they were both black employees. The supervisor who was on the ground was a white employee but this supervisor was absolutely devastated. And when we went and visited the site and that, he came and he was a wreck. And he said [that] it wasn't because we were doing the incident investigation and fingers were being pointed and saying "should you have done this, should you have done that". That isn't what was causing him to be a wreck but what was causing him to be wreck is that he'd seen a very close friend die in front of his eyes. And that says to me that people relate to people as people, irrespective of the colour of their skins and that is such an enormous change that we've seen in Eskom but I think that we've got a long way to go in South African society as a whole still.”

The view of transformation as integration, acceptance and personal change forms a foundation of the co-creation narrative. As a white top manager quotes about his

experience in a now mainly black team:

“(…) the kind of conversion I'm having with you I've had with them when I talk about the guilt that I feel from my upbringing and the way I thought in the past and things I've done in the past. It's amazing to be taken in by a team like that when you've got such a terrible legacy, to say that "well my colleagues don't hold it against me". In fact we have a wonderful working relationship. It's a great team here. The executive team in Eskom is phenomenal and I would work with them anywhere. Anywhere in the world I'd take these people and hold their heads high. So yes, it does affect me”

In the recent development of the Eskom organization, the co-creation narrative has become more influential, because it is viewed as a potential ‘bridge’ to partially competing economic, political and social interests. For other groups, the co-creation narrative is seen as variant of the outdated BEE doctrine itself, with ‘old generation’ representatives as central editors. The ‘corrosive’ view can be identified as the third counter narrative to BEE.

### **Coping-narrative 3: Transformation as ‘corrosion’**

Several respondents describe Eskom in terms of a hierarchical oriented company and the BEE transformation approach as reproduction of the ‘old’ top down Eskom culture. There are several micro-stories about how young people came with good ideas and solutions to problems which were not taken seriously.

A respondent tells the story of his –former- young black colleague (named X):

“There was a power station failure that caused breakdowns. X knew the solution, which was cheap and simple but no one would listen to him. How could he, this young black inexperienced guy, know this! X eventually went to the very top management of Eskom, where he was finally heard. It appeared that he was right all along and that his solution fixed a difficult technical problem in a quick and simple manner. X was so demotivated and disappointed in the culture, which he left after his solution was implemented.”

The younger ‘Eskomites’ regard themselves as being more dynamic and indicate that they have problems with the ‘old’ culture, which is defined as ‘out there’ reality and part of past generations. As one manager quotes:

“The young blood has come in and the young blood is black. And it's finding it very oppressive; it doesn't really know how to go about changing it, and the old culture is also very resistant because it's being supported by a lot of people you see (...), the departments that generally have younger people you can see, you can feel the energy (...) there's a lot of movement.”

For many young professionals, the BEE program itself has a multiple meaning. On the one hand, BEE has created new job possibilities, but at the same time it is defined as a 'systems' intervention, which does not fully expose and reward individual quality and excellence. A black female employee quotes:

"I know that I put myself under a lot of pressure to say that I'm not a number I'm a person. I don't want to be just the girl who was appointed to meet the target."

A young colored manager states:

"I'm not going to stay twenty five years at Eskom. So for me Eskom is my building ground. I want to acquire as much, I want to see, I want to learn and I want to use every single opportunity that there is for me to use. So there's a lot of energy, there's a lot of movement. You understand? Whereas if you think you've got the whole day to do something my goodness you're going to take the whole day to do it. Do you understand? So there's that very slow steps with the older culture".

Although many young professionals regard Eskom as 'good employer' they are "not planning to stay at Eskom for the next 30 years". Whereas the older managers have a cynical perception about the younger generation. As a top manager quotes:

"They want a cell phone and a nice BMW at a very young age. We – I'm not sure how old you are – but in my case, if you wanted to go through the ranks, you know you still have to reach this and you actually were comprising and very content in terms of your progression. But it's different with the younger people coming into the market; they want all those things from the start; and not necessarily because they want to be acknowledged for what they know."

Acknowledgement and experience form a big part of the corrosion narrative. A young professional describes it as:

"Then we have the generational thing, where the person that sits with all that knowledge says "it took me 30 to 20 years to get here. Today's millennium kids and generation Y comes into the organization and they fast track. I mean what we've learnt in 30 years, they can learn in three years". Are saying to them "you guys are moving to quick through the organization without gaining enough experience"

The exit option forms a problem for the younger generation, since there is a scarcity of engineers in not only the South African but also the international job market for engineers. The younger generation can swap jobs quickly, although this is something that is looked down upon by the older generation, there is awareness that it is a problem that has to be dealt with. During the period of research, the narrative of 'corrosion' was expressed

through a large variety of stories and statements. In terms of counter-narratives, it indirectly but thoroughly affected the legitimacy of the BEE program. BEE is not seen as something that has to be stopped or explicitly has to be debated. The corrosive narrative has a strong 'laissez faire' component: it is defined as a temporal instrument of the 'old, or 'the other', which - in the end - will fade away.

### **Analyses of the narratives**

During the research the dominant liberation narrative mainly appeared to gain its dominance through Eskom's top management, the so-called top 200 managers. This was acknowledged by a top manager who stated that "there's been a consistency of vision of the importance to transform and to maintain that momentum". Respondents with different perspectives on transformation, experienced the liberation narrative as the only 'right' narrative with little to no room left for different views. This seems similar to the political and public discussion on BEE and transformation within South African society, where the liberation narrative is regarded as the 'morally right', positive and only constructive narrative. The liberation narrative can be linked to the problem focused coping strategy, which is related to positive and proactive functioning. One manager literally spoke of "taking the emotion out of the situation".

Transformation as threat is clearly the strongest coping narrative that views the changes in a manner that does not coincide with the liberation narrative. The threat narratives is regarded as negative and deconstructive in relation to the other narratives which is illustrated by the ignorance of its existence. This has created a taboo atmosphere where people expressing sentiments that could relate them to the threat narrative, communicate in secretive ways by for example lowering their voices and using the 'ssst-don't-tell- anyone' hand gesture. The taboo atmosphere and lack of openness creates 'meaning destruction' for employees that support the new South Africa and are neither anti-transformation or racist, but struggle to make sense of the different dynamics in the present time. They ask themselves how transformation can be so important and influence recruitment and promotion while there is a power crises? Or where and how they can find the right people for the job within the current job market. Within Eskom the existing threat narrative has led to de-motivated staff members, taboos and gossiping. The editors of the threat narrative are not taken seriously which is illustrated by the laconic response on the statements made by the trade union Solidarity. Practically all respondents estimated that the threat narrative results in a productivity decrease between 10 to 15%. The perceived negativity, reactive response and 'loss of hope' match the avoidance coping strategy.

The co-creation narrative is very close to the liberation narrative. The awareness and understanding of diversity

is a key element in the narrative. If you want to create together, you need understanding. There are currently, hardly any interventions relating to this narrative, although respondents describe a wave of interventions right before and just after the abolishment of apartheid that focused on diversity and respect. Most managers stated that they will intervene if there is a problem. Within the co-creation narrative, integration on different levels, acknowledgement, acceptance and building bridges are regarded as a necessity for transformation. Not only the numbers of transformation count, but the experience and sense-making of the actors are seen as giving in depth meaning to the transformation. The co-creation narrative is one of the most accepted ones, there were no strong 'anti' sentiments towards the liberation narrative. However, the 'top-down' and obligatory manner of implementation is questioned. Quite a few respondents quote that: *"a change in perspective cannot be done by force, only by inspiring"*. Although policies and strategies can be clear, sense-making can not be forced upon organizational actors. Therefore, a clear difference with the liberation narrative is that co-creation fits the emotional coping strategy.

The corrosion narrative is an upcoming narrative within Eskom. Until recently it was not linked to the turnover of young staff, since it was the assumption that they left for higher salaries. Although salaries are important, respondents stated that they are not the only reason for leaving the organization. Respondents link the friction between the "old and new culture" to transformation. Most participants that support the narrative have a no-nonsense attitude and feel that time is on their side, ignoring the long term existence of the liberation narrative. This ignorance coincides with the avoidance coping strategy, whilst other –young- employees cope alter the situation in a radical, problem focused way: by leaving the organization.

The analysis shows that there are diverse narratives with different ways of expressing and different key editors. In creation of meaning we find that the liberation narrative is strong within the top 200 managers. But meaning creation partly ends at other levels of the organization with the threat and corrosion narratives resulting in meaning destruction and/or negative meaning creation. The co-creation narrative seems to be evolving as a bridge between the different narratives, not denying the existence of threat and corrosion, but by searching for a way to influence the sense-making process.

## Reflection

The described and analyzed narratives don't give insight in the 'overall Eskom truth'. Hence they don't answer questions such as: "Can whites and coloreds be promoted within Eskom?" "Is there a skills shortage?" "Are young professionals taken less seriously?". The analysis of the narratives allows the researcher to enter the parti-

cipants' experiences, perspectives and descriptions of issues that are related to the above questions. This corresponds with the ideas of the philosopher Rorty who stated that we as humans are subjective beings that cannot step outside of ourselves, our powers of examination, and our thought processes to find an objective truth (Rorty et al., 1984). He states that people are always dealing with multiple and conflicting claims of truth, none of which can be conclusively established. Instead of focusing on a quest for the truth narratives can provide insight in the language that humans need and use, to think, process and organize experiences. To find out how people describe their world is the first step to creating new descriptions that can change how people think, feel, act, speak, live and exist (Rorty et al., 1984).

During the interviews it was a challenge to create openness, since transformation is a highly sensitive topic that touches personal life, thoughts and experiences, which is not often formally and openly discussed within Eskom. However, in daily life practice most employees feel affected by transformation through recruitment or promotion issues, personal challenges or stories about colleagues. We observed that transformation is often informally discussed at the coffee tables or during personal chitchat with friends or trusted colleagues.

The empirical research was mainly conducted by the female PhD researcher, who is conducting field research for a period of two years in South Africa. The male senior researcher, who supervises the PhD research of the female researcher, visited South Africa to conduct additional formal and informal interviews at Eskom. Since both researchers are Dutch and white, it was questioned if the respondents would 'open up' during the interviews. Most interviews were conducted by the female PhD researcher which resulted in successful access to female respondents. Based on the field notes, the researchers conclude that irrespective of colour, the interviews with most of the women participants took place in an open and friendly atmosphere. With the white males there seemed to be a quick bond. Most of them speak Afri-kaans and appeared to like the closely related Dutch language. Some black male respondents were more difficult to connect with. Interestingly, some male respondents that referred to themselves as being black, first seemed to test if the female white PhD researcher was "ok". Some of these men even spoke out loud that it was now "ok to talk because you are a sister". To create the openness and explore existing narratives it was also important to remain as neutral as possible, not reacting on either racist or insinuating comments that were against the researchers values.

The role of the PhD researcher changed during the research. Although in the beginning the role was more an outside observer and interviewer it grew to be more participative. Research findings were – formally and informally- presented to the organization for feedback. Also the researchers were approached by several orga-

nizational members to contribute to presentations and discussions on organizational culture and transformation. Respondents that related to different narratives recognized the analyses. Due to the sensitivity of transformation within the organization, some Eskom managers felt it was good to have, as quoted several times “outsiders present a mirror” of the organization. The fact that the research was conducted by academia employed by the Free University of Amsterdam and not hired by Eskom, brought a feeling of ‘outside analysis’ which was a part of being accepted. In addition not being South Africans but foreigners that do not form part of the narrative dynamics, was mentioned as an important reason for acceptance during the research and the outcome.

### Conclusion: redefining exit, voice and loyalty

In this paper, we explored the ‘backstage’ BEE narratives that have emerged in the context of the transformation program. This transformation program has an important meaning within the wider social context of the ‘new’ post-apartheid South-Africa. Eskom expresses the ambition to be one of the leading socially responsible organizations in the development of communities for growth and prosperity. In addition Eskom wants to improve the quality of life of previously disadvantaged South African citizens through integrated, efficient and effective social investment programs (Eskom, 2007).

The research shows that the dominant BEE liberation narrative is widely enhanced and defined as an important pillar for the further development of Eskom as a whole. Central in this narrative are the aspects of clarity and homogeneity: the world of facts and figures is clear, ‘speak for themselves’, and form an important source of legitimation for the ‘new’ post apartheid top-management. However, the liberation narrative is obstructed and blurred by several coping-narratives, especially the threat narrative. This narrative underlines the internal tensions and ambiguities, which, in contrast to the ‘frontstage’ presentation of ‘clear’ policies, seem to characterize everyday life within the current Eskom organization. The tensions narrow down to issues regarding:

1. Socials aims and targets versus professionals and “technical” targets
2. Enthusiasm and hope for innovation versus fear and lack of future perspective
3. Support for Eskom as role model versus risk the company is going down
4. Investment in capacity building versus corrosive orientation young professionals
5. Professionalism versus destruction of professionals (white) knowledge capital

In terms of Hirschmann (1970), these tensions emerge in obvious organizational responses, varying from exit,

voice to loyalty. For those -especially white managers- who seem to be a natural ‘victim’ of the current BEE program with no alternative left than to use the ‘exit’ option, the threat narrative seems to be an obvious way of expressing meaning. However, for many managers, the narrative of threat is also related to loss of pride, referring to an ‘underdog’ situation, which many managers do not wish to associate themselves with. In this sense, the narrative of co-creation is more attractive, and seems a more ‘positive’ way to deal with the described tensions. Co-creation generates meaning in such a way that actors from different backgrounds (white, colored or black) can give meaning to their own role and position in Eskom, without excluding themselves and other actors upfront. In this sense, the co-creation narrative is an inclusive way of giving voice to the transformation program. The corrosive narrative, on the contrary is based on exclusion. By dismissal of the ‘old’ culture, the (mainly) young professionals dissociate themselves from the BEE transformation, which in their view is merely an expression of the top-down, linear approach of the organizational establishment. Resistance to ‘past’ generation becomes a new, shared source of identification.

With the ‘backstage’ analysis of the Eskom transformation program we aimed to fill some gaps concerning the dynamics of backstage narratives in organizational practice. The research shows that backstage dynamics in (BEE) change programs not only provide an important platform for narrative production, but also for modification and meaning destruction.

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