# Learning from adversity: Transformation lessons for South African businesses



The recent catastrophic fires in Los Angeles have prompted discussions about critical lessons for business leaders in South Africa, particularly regarding the integration of transformation into strategic priorities. Boudine Henningse, Executive for Operational Effectiveness at Ariston Global, emphasised the need for transformation to be a fundamental aspect of sustainable business practices, aligning with the broader transformation agenda of the country.

Henningse highlighted the concepts of cultural inertia and the "path dependence feedback loop" as significant challenges organisations face in times of rapid change. The "path dependence feedback loop" refers to the tendency of established practices to perpetuate themselves, even when circumstances demand a shift in approach. This phenomenon, she argues, necessitates a reimagination of strategies among HR professionals who must act as advocates for change and intermediaries for business owners.

In reflecting on the recent fires in LA, she used historical construction choices as a case study. Homes constructed from wood have left communities vulnerable due to their susceptibility to wildfires. In contrast, San Francisco, in the aftermath of similar disasters in the early 1900s, pivoted to using fire-resistant materials such as concrete. This shift illustrates the importance of rethinking entrenched practices in order to mitigate future risks.

The recent amendments to the Employment Equity Act in South Africa have introduced significant changes for businesses, particularly those with more than 50 employees seeking to engage with the state. While the changes aim to enhance equity in the workplace, they have simultaneously created new administrative complexities. Smaller businesses may find some relief given these adjustments, yet larger enterprises may face the challenge of transforming their processes into a mechanical operation instead of a meaningful evolution.

Henningse called for HR leaders to advocate for a transition from a compliance-driven focus to one centred on purpose. This shift involves embracing the deeper aims behind regulations—such as fostering diversity and diminishing skills gaps—thereby creating workplace environments that reflect societal equity. Viewing transformation as a catalyst for growth and innovation rather than solely a regulatory demand is increasingly critical.

A pivotal aspect of meaningful transformation is addressing South Africa’s skills gap, a concern amplified by technological advancements and the rise of artificial intelligence (AI). Businesses consistently cite the shortage of suitably skilled workers as a significant barrier to progress. According to the World Economic Forum’s Future of Work report, nearly half of the global workforce will need reskilling in the coming years to adapt to emerging technologies and evolving industry demands. This scenario underscores the urgent necessity for businesses to prioritise workforce development strategies that are tailored to their specific industry contexts.

HR professionals are viewed as key players in spearheading targeted upskilling and reskilling initiatives that close the gaps between current workforce capabilities and anticipated future requirements. This challenge becomes more pronounced for smaller enterprises that often lack the financial resources to invest in comprehensive training programmes. Consequently, collaboration among industry stakeholders, government, and educational institutions is seen as essential for developing scalable solutions. Advocating for shared training initiatives with training institutions or collaborating with other organisations in supply chains has been suggested as a viable strategy.

As businesses navigate a landscape characterised by digital transformation and evolving workforce dynamics, traits such as creativity and agility are increasingly important. Organisations that become entrenched in traditional "we’ve always done it this way" mindsets risk obsolescence. Thus, HR leaders are tasked with fostering an organisational culture that promotes innovation at all levels.

Henningse contended that leveraging AI and automation should extend beyond mere operational efficiencies. These technologies can be instrumental in identifying skill gaps, personalising training programmes, and enhancing recruitment processes. By embedding such tools into transformation strategies, organisations can effectively tackle the dual challenges of compliance and innovation.

The transformation landscape envisaged for 2025 is not solely about fulfilling regulatory obligations. Instead, it focuses on reshaping the workforce to tackle future challenges. Henningse asserted that emerging from the "path dependence feedback loop," which has long characterised HR practices, will require bold thinking and concerted collaborative actions.

Drawing from the sobering lessons of the LA fires, Henningse cautioned against the perils of clinging to outdated methods that may leave organisations vulnerable. Proactive adaptation, on the other hand, promises resilience and growth, enabling organisations to unlock the full potential of their workforces and establish themselves as leaders in an ever-evolving landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.noahwire.com> - This URL is the source of the article discussing Boudine Henningse's views on transformation in business practices, particularly in South Africa.
* <https://www.weforum.org/reports/the-future-of-jobs-report-2018> - This report from the World Economic Forum supports the claim that nearly half of the global workforce will need reskilling due to emerging technologies.
* <https://www.statssa.gov.za/publications/Report-03-01-01/Report-03-01-012020.pdf> - This report from Statistics South Africa provides data on the economic landscape and workforce challenges in South Africa, which are relevant to discussions on skills gaps and transformation.
* <https://www.gov.za/documents/employment-equity-amendment-act-55-1998> - This URL provides information on the Employment Equity Act in South Africa, which has been amended to enhance equity in the workplace.
* <https://www.sanfrancisco.gov/departments/planning/codes-and-policies/fire-resistant-construction> - This resource discusses San Francisco's historical shift towards using fire-resistant materials in construction, which is mentioned as a case study in the article.
* <https://www.sabinet.co.za/handle/10620/7811> - This link provides access to academic research on transformation and innovation in South African businesses, aligning with Henningse's emphasis on strategic transformation.
* <https://www.aiimpacts.org/ai-and-automation-in-the-workplace/> - This resource explores the role of AI and automation in enhancing recruitment processes and identifying skill gaps, as suggested by Henningse.
* <https://www.sciencedirect.com/topics/social-sciences/path-dependence> - This URL explains the concept of path dependence, which Henningse identifies as a challenge for organisations in times of rapid change.
* <https://www.sabinet.co.za/handle/10620/7812> - This link offers insights into the challenges faced by smaller enterprises in South Africa, particularly in terms of financial resources for training programs.