Dear Ms Sepanya, Mr Wicomb

Submission to SCOF by Actuaries Lekgotla

Actuaries Lekgotla (AL) was formed in 2016 and is made up of actuarial professionals working in South Africa. The vision of AL is to empower, celebrate and encourage black actuaries in South Africa. Actuaries predominately are employed in the financial sector. AL is frustrated by the lack of transformation (or deracialisation) experienced by its members in the financial sector. In particular, the main reasons for this lack of transformation are lack of equal pay between different races and gender, and the lack of mentorship and development of black and female actuarial talent.

Equal pay

The perception that black and female actuarial professionals get paid less than their white counterparts has been confirmed by 21st Century Salary Survey conducted in 2013. Many senior actuaries/managers know the results of this survey. However, there has been limited action to correct this. AL has formally engaged with the President of the Actuarial Society of South Africa (ASSA) on finding a lasting solution to this issue. So far, we have not received positive feedback in our engagements. We hope that by discussing equal pay at the SCOF, a solution can found to this important issue.

Mentorship of black actuarial talent

Many members of AL come from disadvantaged backgrounds. Therefore, they usually do not have mentors in the social networks (e.g. through a friend of a father or similar). As a result, after completing their degrees, black actuarial professionals are unprepared for life in the financial sector. In addition, they face an environment where most of the senior managers are white. What usually manifests is that the white senior managers will usually get along with white junior staff to the exclusion of black professionals. The result is that white senior managers will have effectively mentor white junior staff. In addition, white staff have the advantage of knowing many of the white senior managers even before they start working.

The logical solution to resolve this issue would be to have targeted mentorship programmes for black and female professionals to ensure that black and female professionals are on an equal footing as their white predominately male counterparts. Once on an equal footing, all races can compete fairly for opportunities in the financial sector. Unfortunately, mentorship for black and female professionals in companies are very rare. The result is that black actuarial professionals are always on the back foot, and are thus not given leadership or managerial opportunities. AL believes that mentorship of black talent is a requirement of the financial sector charter and needs to be implemented to achieve effective transformation.
The 2013 review of progress of the financial sector charter by the Financial Sector Charter Council revealed that only 5% (70 of 1423) companies responded to the survey. This is disappointing and AL believes that companies that participate in the review should be specially named so that non-participants can be easily identified, and encouraged to participate in transformation to the benefit of society of South Africa. In addition, AL believes that the financial sector charter should be more widely promoted and companies that do not comply with its provisions should be punished financially.

AL is of the view that SCOF can contribute to enabling small financial services companies managed by black people to compete more effectively in the financial sector. Research has shown that the Small to Medium Enterprises (SMEs) are a great contributor to job creation and economic growth. AL believes SMEs will also contribute to transformation in the financial sector as it will result in black professionals being involved in strategic positions, and provide role models from the youth in their community which will give them confidence to participate in the financial sector in future.

AL fully supports and appreciates the work performed by SCOF. We would like to be involved in decisions made by SCOF as we believe we can contribute positively to meeting the objectives of the financial services charter.

Please contact any of AL members below should you have any questions.

Yours sincerely,

Actuaries Lekgotla Leadership

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