

Black Economic Empowerment and Communication Challenges in South Africa: an Employers Perspective

Swastika JUGGERNATH

Renitha RAMPERSAD

Abstract

Communication is a pivotal pillar in any organization and both employers and employees need to maintain the strength that binds these pillars and brings the organization together. South Africa has faced many challenges since the apartheid era and the BEE policy aims to iron out unfair practices in businesses, which is why communication is important in this process.

The present study was conducted within a qualitative and a quantitative paradigm to investigate the communication challenges after the implementation of Black Economic Empowerment and to determine the communication strategies/policies used to inform and communicate with employees.

Data was collected through a survey using questionnaires administered to communication managers or the responsible BEE manager. This paper reports on the findings of this study which revealed that various communication strategies have been in place since the implementation of BEE. In addition the paper highlights that there was both a moral and legal obligation for the company to ensure that employees were made aware of their rights after the implementation of BEE. All respondents also agreed that the initial BEE implementation stages involved numerous misconceptions by staff, which placed a barrier on the effective implementation of BEE in the workplace.

Key words:

Black Economic Empowerment, Communication, Challenges, Management, Employees

Introduction

Recent reports cite South Africa as having an “Irish Coffee” syndrome. Cosatu general secretary, Zwelinsima Vavi, sees most of the people at the bottom of the pay pile being black South African’s, and the cream, representing whites on top. He further believes that there are a few sprinkles of chocolate on top, which represents successful black economic empowerment. Vavi believes that the empowerment policy has not redressed the inequalities of apartheid and urged that everything possible should be done to close the wage gap (Du Plessis and SAPA, 2010).

BEE was highlighted by the African National Congress (ANC) Government soon after it took power in 1994, in a bid to redress the economic imbalance of the apartheid era, in which Black people were effectively excluded from the boardroom.

Broad Based Black Economic Empowerment (BBBEE) is probably one of South Africa’s most critical business imperatives, now and in the future. Without it business can expect to experience a steady drop in turnover that will, ultimately have a detrimental effect on the national economy (Retief, 2010, p. 11)

South Africa's transformation challenges can only be addressed within the context of a growing economy. However, economic growth whilst being a necessary condition to raise the living standards of the people is unlikely to reduce the racial and income inequalities of society (Khumalo, 2008, p. 9). For transformation to be effective and sustainable, a holistic and balanced approach needs to be taken. BEE cannot be the sole consideration in the decision making process of companies, but it should be one of the most important factors, therefore effective communication is required for good human relations and a successful business (Thomson, 2007).

The BBC being the "black voice" was recognised as a communicator in the workplace. The BBC as a representative of black staff, experienced challenges and communicated messages on behalf of staff. This bears testimony that there was a lack of communication in the form of "the black voice" from employers, hence the efforts of the BBC to enact this role.

This paper explores a corporate reaction to challenges faced after the implementation of the BEE policy. The paper will assess how communication has been utilized in the attempt to iron out unfair practices in the workplace and will conclude with appropriate corporate responses to the adoption of BEE policies in the South African corporate sector.

Defining BEE

The South African Department of Trade and Industry (DTI: 2007) defines BEE as: An integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about 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 strategies and objectives, of BEE, are to:

- Increase the number of Black people that manage, own and control enterprises and productive assets;
- facilitate ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises;
- ensure human resource and skills development;
- achieve equitable representation in all occupational categories and levels in the workforce;
- to ensure preferential procurement; and
- invest in enterprises that are owned or managed by Black people (Accreditation of BEE Rating Agencies, 2007).

The above policy objectives to the political changes since 1994 serve as a framework to measure and determine how successfully BEE has been implemented within organisations.

BEE Verification Agencies and the scorecard

Siko (2008, p. 62) explains that Verification Agencies are accredited representatives of the true BEE policy. These agencies serve as watchdogs to monitor corporate South African businesses that claim to be BEE compliant. To control and measure these processes, a scorecard system is utilised. Such agencies have emerged as watchdogs to measure, verify and certify the BEE status of companies objectively and independently. BEE codes have many direct and indirect fronting risk indicators that need to be independently checked or verified and therefore verification agencies are vital for the proper implementation and control of the BBEE processes in South Africa.

According to the DTI (2007) the definition of the scorecard is as follows: The BEE scorecard is a way of measuring the extent to which a particular business is BEE-compliant. Companies gain points in a number of different categories.

Therefore, many of the elements in the BEE charters allow points to be scored for gender representation. Points can be earned under the preferential procurement section if the company does business with black women-owned enterprises. On the other hand strong female representation can place a company strongly up the curve in the BEE Charters, especially if these women are at senior levels within the company. Greater gender diversity among corporate leaders is becoming a strategic imperative rather than a legislative requirement, however there is still only minority representation of women in decision making roles (Harris, 2010, p. 23).

The success of BEE

Neither literature nor statistics have surfaced to quantify the success of BEE in South Africa. Vuyo (2008, p. 4) elaborates on the achievements of BBBEE in its first year as he explains that the greatest impact thus far was the increasing level of awareness of empowerment. Businesses constantly enquired from their suppliers about their BEE statuses and what level of recognition suppliers could offer to businesses. Non-profit organisations are now gearing themselves to become BEE partners of choice in order for them to become more sustainable. The trickle down impact of preferential procurement has been acutely felt by all companies as it remains one of the critical drivers of BBBEE. This statement highlights the fact that there is an awareness and growing concern relating to BEE and compliancy within organisations.

Khumalo (2008, p. 9) reiterates that South Africans have not yet failed in their quest for a just and truly non-racial society. "We just have not given ourselves sufficient time. We have not examined the issue of racism properly. This is not 14 years we are talking about, it is a 300-year history that would not dissipate lightly," he stated. There is still a long way for South Africans to walk before reaching the 'promised land'. To paraphrase Trevor Manuel (South Africa's Finance Minister) in his budget speech 2008/9: "We are all in this together- business and community organisations, labour and government, the employed, the self-employed and the unemployed, the urban, the rural, men and women" (Khumalo, 2008, p. 9).

One of the few successes is that of the KwaZulu Natal (KZN) branch of Investec Private Bank which bought a 10% minority stake in Nkunzi Investment holdings (a leading KZN based empowerment group) and now has an annual turnover of more than R400 million. Such an agreement is a further example of the fact that BEE deals in KZN are taking place and that the environment for deal-making in the province is healthy and poised for growth. It is a misconception that transformation of ownership in businesses in this province is not evident. It may be slower than in other parts of the country, but it is increasing and there is commitment from both government and the private sector to speed up the process even more (Naidoo, 2008, p. 1).

The implementation of BEE has brought some advantages to the workplace. Job satisfaction, shareholding within the company and team spirit are crucial elements that have been assessed, to determine whether employees fully understand what the benefits of BEE mean to them.

An additional success story about BEE is related by Wu (2008, p. 2) who maintains that over the last five years there has been an unquestionable acceleration in the pace of transformation. He explains that direct Black ownership on the Johannesburg Stock Exchange has increased from less than 2 percent to more than 10 percent. Wu (2008, p. 2) adds that almost all firms are developing and improving their own BEE scorecard and they no longer see BEE as an external factor but as one of the key factors to ensure their survival.

Ackerman (2008, p. 13) recollects the sheer awfulness of the old South Africa in the past century. He remembers that the South Africa of today is a far better place than it was before 1994. Along with his peers in the commercial world, Ackerman (2008, p. 13), Chairman of Pick and Pay, recognised many years ago that apartheid was not just cruel, but an insurmountable obstacle to economic growth and national prosperity. "The truly extraordinary thing about our present is not the array of problems confronting us, but rather how drastically far we have come since 1994".

With consideration given to the positive elements of BEE, it is also necessary to reflect on the failures and criticisms of BEE in an effort to prepare a balanced and fair perception of the implementation and communication barriers surfacing in the workplace.

The Failures of BEE

Critics have highlighted the slow progress of BEE as a concern, especially since the era of apartheid has passed.

The South African Government has been under increased pressure to give employment equity 'greater teeth' in the marketplace. The ex-President of South Africa, Mr Thabo Mbeki acknowledges that South Africa is "not singing from the same song book" on black empowerment.

According to the 2008/2009 Employment Equity Report, black people (African, Indian, and coloured) account for 87.9 % of the country's economically active population (EAP). But only 18.1% hold management positions. Whites on the other hand account for 12.1% of the EAP, but occupy 61.1% of top management positions.

An additional reason for the failure of BEE can be attributed to the corporates themselves. A major deterring factor stifling the growth of BEE is that corporates want established companies that have experienced and educated staff. It is not uncommon for companies' procurement divisions to emphasise that they welcome all service providers regardless of their race subject to price and quality. Manyi further defends that the issue of quality is a consequence of many years of continuous improvement and that it does not happen overnight (Manyi, 2008, p. 28).

Pattman (2008, p. 4) and Moya (2007, pp. 114-116) are of the opinion that racial prejudice is a social ill that still widely exists within the workplace. "Racism these days camouflages itself; it is not black and white". They explain that the difference now is that people prefer not to talk about it. There is certainly conflict and challenges of communication between the different race groups which is causing employees to not communicate effectively.

Whiteley (2007, p. 18) explains that the failures of BEE can further be related to the poor provision of information and communication about the Act. He adds that Black businesswomen have, in some provinces, still not benefited from the BEE process and this is largely due to opportunities being unknown to them. African women account for 34.7% of the economically active population (EAP), with only 3.8% holding top management position, while 11.7% of white women hold management positions (Nyadoo: 2010). An additional reason for the failure of BEE is that of family owned enterprises. According to Whiteley (2007, p. 18), some 84% of South African businesses are family owned. This is the area where there is the greatest confusion, lack of education and resistance to implementing BEE. Compliance is a much better way to go, especially as it is much easier than most companies think. Such confusion arises from a misunderstanding which directly stems from miscommunication, which confirms that the clarity of communication is the key pillar in successfully implementing BEE within the corporate sector. To keep track of the growth of BEE, Dlomo (2008, pp. 89-92) and Levinson (2007, p. 6) add that recent studies by Consulta Research found that 38.9% of companies had no plan or progress on BEE, compared to the 19.7% that had fully implemented it. Less than a quarter 24.7% of the respondents had a formal BEE scorecard to track their progress. 74% of the large respondents

claimed difficulty in finding “suitably qualified and experienced Black people” to appoint. 39.95% had no skills development plan, 74.8% had no Black ownership and 60.3% had no compliance with employment equity.

The statistics above reveal that South African companies are far from making BEE a real priority. BEE, as a new business environment, has been solidly established and is causing companies great stress.

Since the implementation of BEE, some of the challenges for the employers have been to:

- Align employer and employee interests;
- Boost employee morale and motivation levels;
- Build employee commitment;
- Reduce employee turnover;
- Improve employee performance and productivity levels; and
- Improve project, business unit, and company profitability (Employee owned trusts, 2008).

In addition to the BEE challenges that exist in the corporate sector, fronting is seen to be another common problem that is associated with many of the BEE failures.

Fronting

Ross (2008, p. 6) believes that affirmative action will eventually disappear; however, concerns arise from the statement that it has only benefited the elite and not helped the masses.

The biggest challenge in implementing BEE is “fronting”, which is not comprehensively dealt with in the codes. For transformation to be effective and sustainable, a holistic and balanced approach needs to be taken. BEE cannot be the sole consideration in the decision-making processes of companies, but it should be one of the most important factors (Vuyo, 2008, p. 4). With attention focused on corporates, the transformation of the South African business sector has been earmarked as a priority for government. In effect, the codes of good practice are fantastic, but they have failed in terms of implementation (Salgado, 2008, p. 21).

Vuyo (2008, p. 4) explains that Brian Molefe, CEO of the Public Investment Company (PIC) embarked on a campaign to stop the abuse of BEE by some major companies in South Africa. To paraphrase, Molefe demonstrated that most companies in South Africa were not honest when they claimed to be dedicated to the advancement of those who were denied opportunities by the apartheid government simply because they were not White. Molefe added that most of the black people appointed by these companies held positions where they could not make a meaningful contribution to the policies and strategies of the companies. Vuyo (2008, p. 4) adds that the majority of these “agents of transformation” were appointed as Corporate Affairs Directors, a perfect way to “window dress” and boast about it.

Motloun (2007, p. 2) suggests that there are two reasons for implementing BBEE in a company:

- ethical/moral: this relates to uplifting and assisting the rest of our population; the arguments for this are social and political.
- business: it will assist in doing business and making a profit; business is about providing the right product/service at the right price.

Mkhwanazi (2008, p. 29) in agreement, firmly believes that meaningful BEE deals should involve the workers of the company involved in the empowerment transaction. Today, corporates are perfecting the ploy of appointing weak and conforming black people and more

especially women as candidates from designated groups. Genuine organisational diversity is a creation of dynamic organisational culture and behavioral change. Transformation, if honestly implemented could impact and change lives of people for the better. It remains part of our state's social contract with its citizens. Transformation could eliminate our social and economic injustices brought about by the legacy of the past (Mvoko and Brown, 2008, pp. 32-33).

Many corporates are guilty of window-dressing, lack of or poor communication between its employers and employees, cultural diversity and language barriers.

The above statements indicate that corporate South Africa is still in the process of facing challenges since the implementation of BEE. "Black Diamonds" are seen to be another challenge often related to BEE. The young, emerging market, now classified as black diamonds are prime candidates to benefit from the processes of BEE in South Africa.

The "Elite Few" and Black Diamonds

There are numerous criticisms that only the "elite few" have benefited from BEE. South Africa's "Rainbow Nation" is nothing but a myth as the country is far from becoming an integrated nation. "The Rainbow Nation" was a term coined by Desmond Tutu with the admirable intention of moving beyond the apartheid mindset and celebrating cultural and racial diversity rather than presenting this as a threat. The term "black diamonds", is used to classify the young black market. The term can be generally accepted as one which has evolved since the introduction of BEE, characterising the younger, emerging black market as one with considerable wealth and earning capabilities (Pattman, 2008, p. 4 and Moya, 2007, pp. 114-116).

"Black Diamonds" constitute an economic group that germinated from the seeds of democracy. Rapid emergence of this economic grouping has evoked much debate around consumer spending and South Africa's racially based employment policies. This statement reinforces racist arguments that people have got to where they are because of a transformed government and does not take into account those who climbed the cut-throat corporate ladder by means of their own hard work, merit and dedication (Fredericks and Siko, 2007, pp. 48-50). The corporate sector is employing 'black diamonds' in an effort to align its BEE status with compliancy of the BEE act.

The Moral/Legal obligation of the employer

To implement and sustain the BEE policy there are both moral and legal obligations that employers face.

Black Economic Empowerment is regulated by the Broad Based Black Empowerment Act 53 of 2003. The main purpose of the Act is to redress inequalities of apartheid by giving previously disadvantaged groups economic opportunities, previously not available to them. It includes the following measures:

- Promoting employment equity;
- To achieve a change in the racial composition of management and ownership structures;
- To increase the extent to which communities, workers and co-operatives own and manage existing enterprises;
- To increase the extent to which Black Women own and manage enterprises; and
- Empowering rural and local communities by enabling access to economic activities, ownership and skills (Venter and Levy, 2009, p. 236).

In terms of section 9 of the Act, BBBEE codes of good practice have been gazetted. These codes provide a framework for the measurement of BBBEE compliance across all sectors. Various government departments are bound by the codes when making decisions relating to

procurement, licensing, public-private partnerships and sale of assets (Venter and Levy, 2009, p. 238). Hence, when private enterprises wish to tender, apply for licenses, enter public-private partnerships or purchase state owned assets, they need to comply with the codes. Legally not all companies are bound to comply. However if an organisation deals with state departments they have no choice, as they are legally required to comply (Black Economic Empowerment, 2008).

The future of BEE

South Africans have different perceptions of the concept of BEE and more especially the future of BEE. Vilakazi (2008, p. 29) explains that the South African democratic government means well with its BBBEE Act and associated programmes which include the charters and codes of good practice which are under scrutiny. These charters have many flaws and weaknesses which are also open to manipulation. Vilakazi (2008, p. 29) describes it as a dream and an exercise in futility. He cautions that as long as corporate South Africa treats BEE as a compliant way of life, BEE cannot be a defining catalyst for socio-economic transformation.

A sad irony of the South African situation, is the co-existence of vacancies in skilled occupation alongside a mass of unemployed people who lack the skills to fill these vacancies. South African companies spend between 0 and 1 % on skills development, which is hardly adequate for a modern economy. This country urgently requires 60 000 black middle and senior managers who meet the required standards. From a business point of view, since 2005 a focus has been to address the issue of shortages of black managers in the country. The current growth of 6% per annum of black managers is steadily increasing, which means that South Africa is on track to put people in key management positions that represent the different backgrounds of South African people (Thiel, 2008, p. 29).

The trickle-down effect of using BEE suppliers and contractors is now impacting on smaller businesses because of government procurement. The trickledown effect of BBBEE is felt by even the smallest businesses. Vuyo (2008, p. 4) expresses the view that there is a dire shortage of information and understanding among corporates on how to ensure enterprise development. This statement pinpoints that there is a lack of communication surrounding BEE and its implementation processes.

To ensure that a successful BEE implementation process is carried out, corporates are cautioned to ensure that proper communication and effort is made by the employer. Makakane (2008, pp. 22-23) states that in order for implementation to minimise resistance, a few executions need to be in place:

- Firstly, the balanced scorecard is a transformation journey and as a change initiative, must not be not a once-off project. The change management plan should address, among other things, employee resistance and critical questions: e.g., “what’s in it for me?”
- Corporates must maintain a committed and engaged leadership (change should be driven from the top); and
- Businesses must emphasise continual improvement in the process of employee learning and skills development.

South Africa requires an economy which meets the needs of all its economic citizens, its people and their enterprises in a sustainable manner. Thus, with apartheid as a careful reminder of our past challenges, the way forward to South Africa’s evolution is through BEE. Current developments are a powerful reminder that racism was a disease which affected both the victim and the perpetrator and that racially discriminatory attitudes and behaviour are deeply embedded everywhere in South Africa (Khumalo, 2008, p. 9).

Communication barriers and the BEE policy

Communication challenges have been evident within the South African corporate sector due to the diversity of the various race groups. With the introduction of the BEE policy, evidence of challenges has surfaced among employees, employers, stakeholders and other representatives.

Changes within an organisation including, the lack of proper communication via channels, and the lack of education and training amongst employees, can lead to such barriers in the workplace.

In order to get staff buy-in, the quality of information flowing to them, regarding BEE deals, is vital. In modern times, BEE requires employee communication to be more transparent and frequent so that employees know what is happening.

Corporate South Africa is increasingly prioritizing communication efforts. They are working on ensuring that staff are adequately informed and that open channels of communication exist, this yields a more efficient and productive organisation. The discussion that follows complements this process (Vuyo, 2006).

Methodology

The sample was selected from the Empowerdex listing of BEE compliant businesses in KZN. A non-probability sampling technique of judgmental sampling was utilized in the selection of the population, based on the judgment of the researcher. The selection criteria adopted elements such as:

- the size of the business,
- the level of BEE rating and,
- the location of the business.

Determining the most adequate size of a sample is crucial. Bless and Smith (1995:96) highlight that a large sample is more representative but very costly. On the other hand, a small sample is much less accurate but more convenient. Thus, seven BEE compliant companies in KwaZulu Natal were selected as a reasonable sample size; this includes companies from sectors such as retail, property, financial, industrial and agricultural. Top management and communication managers were selected as respondents

Results

The study assessed the challenges faced by the corporate sector after the implementation of the BEE policy and looked at how communication has been utilized in the attempt to iron out unfair practices in the workplace. The following themes emerged and were investigated:

Theme One: Discrimination in the workplace; Theme Two: Companies' perceptions on BEE; Theme Three: Interpretation and understanding of black diamond's; Theme Four: Internal employee reaction to BEE implementation; Theme Five: Communication about compliancy internally and externally; Theme Six: Organisational communication; Theme Seven: Communication strategies focused on BEE; Theme Eight: BEE and training; Theme Nine: Mediums and barriers of communication; and Theme Ten: Top management's involvement in the process.

In the discussion that follows, results are drawn from the analysed data to illustrate and support the discussion.

Figure 1: BEE Compliancy

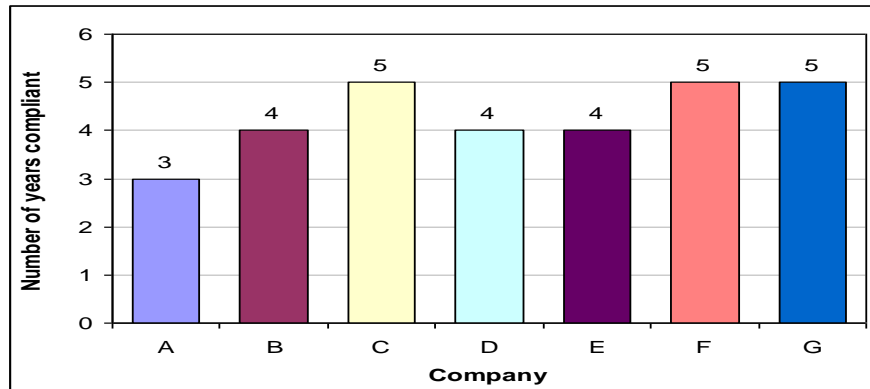


Figure 1: BEE Compliancy Time Frame

- One company has been compliant for the past three years;
- Three companies have been compliant for the past four years;
- Three companies have been compliant for the past five years.

The years of compliancy have only been effective since their verification with the Empowerdex verification agency.

Theme One: Discrimination in the workplace

- Two out of seven companies claimed that discrimination is not evident in their organisation and that South Africa as a whole has overcome the “apartheid” era at the workplace.
- Five out of the seven companies agreed that discrimination is evident in their organisation and that South Africa as a whole has not overcome the “apartheid” era at the workplace.

Theme Two: Companies’ perception on BEE

- Five out of seven companies agree that according to the media coverage, BEE has benefited only a few. These five companies are of the opinion that the media is solely responsible, as they disclose selective, valuable information that generally remains behind closed doors. These five companies agree that “government officials” are the prime culprits who could have benefited from this process.
- Two companies do not support this view. They are of the belief that BEE has benefited all.

Theme Three: Interpretation and understanding of black diamonds

All companies agree that the term black diamond is more commonly used to describe the emerging black market. Common descriptions from the seven companies include: “A young trendy market with high income potential”, “young black market with high spending power” and the “middle-aged black spenders”.

- Four of the seven companies emphasised that this term was introduced as a marketing terminology to the industry, indicating the value of potential spending power from this market, when it was then “emerging”.
- Three of the seven companies believe that this term will grow to develop a unique category of the young black market who earn affluent salaries.

“Black Diamonds” constitute an economic group that germinated from the seeds of democracy. They explain that the rapid emergence of this economic grouping has evoked much debate around consumer spending and this country’s racially based employment policies. They further explain that one might assume that affirmative action and other equity legislation currently in place would make it easier to obtain Black Diamond status.

Respondents were further asked to confirm the percentage of “black diamond’s” employed within their organization. All companies agree that they have a percentage of black diamond’s employed at their organisations.

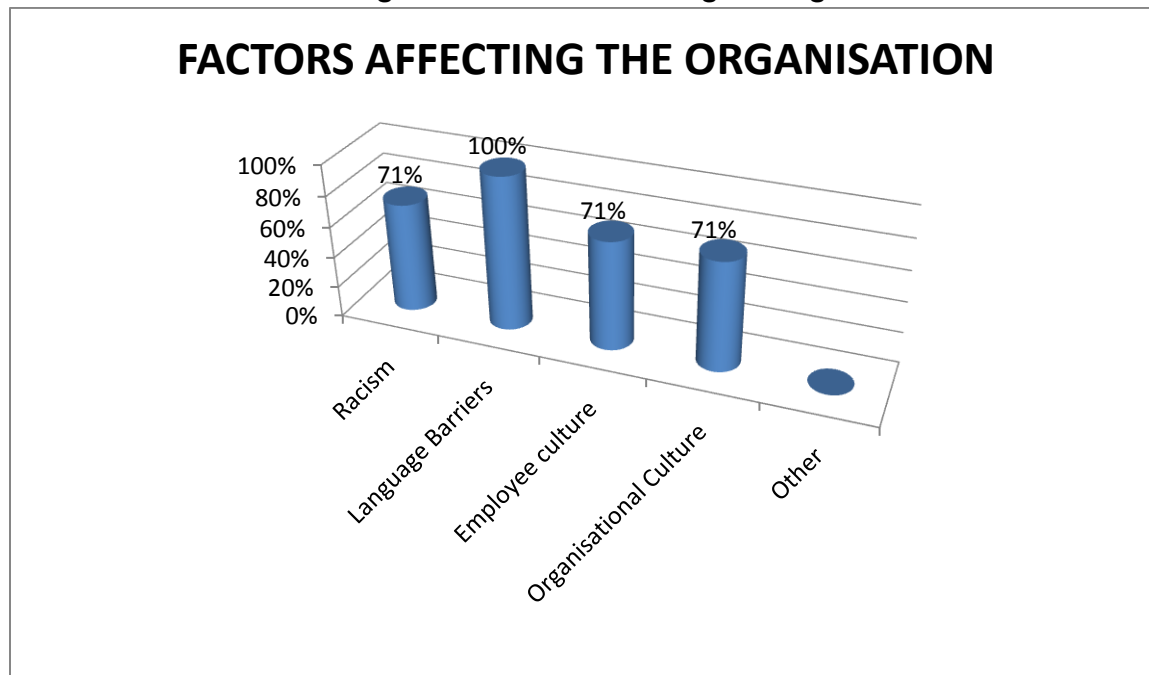
- Three companies employ 15% of black diamond’s within their organisation and;
- Four companies employ 25% within their organisation.

Theme Four: Internal/employee reaction to BEE implementation

- Two companies explained that their employees have reacted well to the changes since the implementation of BEE at the workplace.
- Three companies indicated a negative response. They have experienced retaliation from a minor group of employees, which predominantly consists of white employees.
- Two companies explained that the majority of their employees have now accepted the BEE policy and changes, with an understanding of the benefits.

It is evident that employees now view BEE as a holistic approach in developing South Africa.

Figure 2: Factors affecting the organizations



The response from figure 2 indicates that:

- Five companies have been affected by racism;
- Seven companies have been affected by language barriers;
- Five companies have been affected by employee culture; and
- Five companies have been affected by organisational culture.

The South African corporate sector has a range of values, cultures and languages. Such factors will assist organisations in selecting and tailoring their programs and policies to meet the specific needs of their employees.

Theme Five: Communication about compliancy internally and externally

- All companies agree that they are frequently questioned about their BEE ratings and are of the shared opinion that clients/suppliers are keen to do business with companies who have high BEE ratings as this further enhances their own BEE ratings. The respondents further indicated that their BEE compliancy is rated with the utmost importance to their clients.
- Four companies are strong supporters of effective communication. All companies agree that their BEE compliancy was communicated effectively both internally and externally. Employees were given the first priority to the information, followed by suppliers and clients. A common pattern noted was that employees were informed by heads of departments or regional managers, in meetings about the company's BEE compliancy. An open forum was popularly used by most of the companies which allowed for all

questions from employees to be answered and discussed further. Developments and progress were further communicated to clients by emails, personal letters, in house journals and newsletters.

- Three companies rated communication about compliancy with lower priority as compared to that of the other four companies. They communicated their BEE compliancy internally via meetings with employees. This information was further communicated externally to clients via letters.

Theme Seven: Communication strategies focused on BEE

- The use of a top-down strategy, with open channels for feedback and easily accessible communication with staff;
- The use of a cyclical effect strategy, whereby information is constantly flowing between employees and employers. There is always feedback and evaluation involved in the processes of communication. There is continuous input and involvement from both employers and employees;
- The use of open communication practiced at every level. This strategy is used to ensure the information flowed from top management to the lowest levels of staff. All levels of employees are kept informed at all times in various languages via the most appropriate mediums applicable or accessible to them;
- Diversity management workshops are hosted every three months during which all levels of employees within each region/province meet to discuss various issues including BEE. This was initiated with the implementation of BEE and serves as a platform for employees to air their views and discuss any challenges. Information is also strictly confidential as one-on-one opportunities are offered to employees for sensitive discussions;
- Communication filters from top management to employees only (from directors and board members to managers and employees);
- Findings indicate that the current communication challenges in corporate South Africa prove to be more prevalent since BEE was implemented.

Media utilised in the communication of BEE

Figure 3: Media used to ensure the flow of information

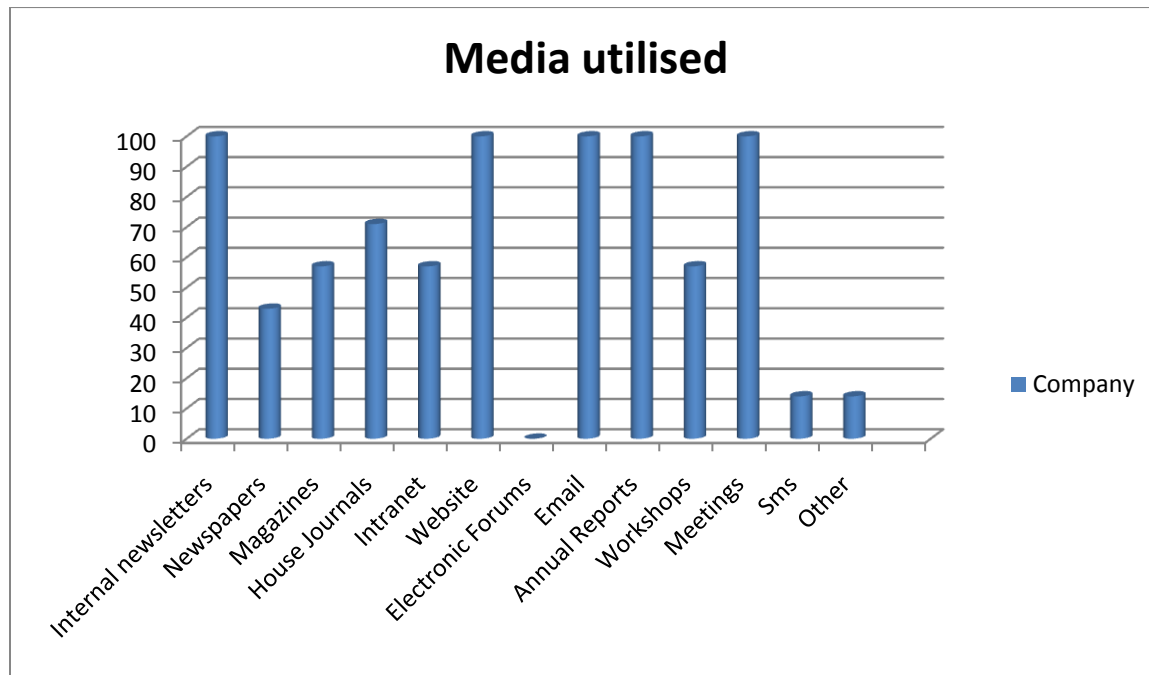


Figure 3 shows evidence that three companies strongly believe that frequent employee communication using various mediums is necessary to effectively communicate with employees.

Seven companies use internal newsletters, website, email, annual reports and meetings to communicate with their employees;

- Three companies use newspapers;
- Four companies use magazines;
- Five companies use house journals;
- Four companies use the intranet;
- Four companies use workshops; and
- One company uses an SMS system.

Conclusion

The findings of the study indicate that certain practices are consistent with the literature reviewed while other practices lack a strategic communication approach and implementation of effective communication strategies.

A quality driven organisational culture can only produce effective productivity among staff if all employees work together and put the effects of apartheid behind them. A commitment from top management is a necessity to drive this process in ensuring that all employees are given the proper mediums and processes for effective communication and feedback on an ongoing basis. There is little evidence to show that organisations have implemented formal communication models although partial strategies have been implemented within the corporate sector. The results of this study indicate that, in certain cases necessary tools and mediums were implemented, catering mostly for the minimum requirements of effective communication in the workplace. Due to the sensitivity of BEE, there is much more that can be implemented by the employer to ensure effective implementation and understanding by employees.

Transforming the economy is an enormous task that cannot be tackled by government alone. With the global economy sitting on a 'knife edge', business should be doing everything possible to ensure not only its survival, but its successes too. There has to be a concerted effort by all stakeholders. At the end of the day it's all about collective activism.

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