

**COMMUNICATION CHALLENGES FACED BY EMPLOYERS IN THE
IMPLEMENTATION OF THE BLACK ECONOMIC EMPOWERMENT POLICY
IN KWAZULU-NATAL**

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SWASTIKA JUGGERNATH

Bachelor of Technology Degree: Public Relations Management

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SUPERVISOR: DR R. RAMPERSAD (DPhil)

DATE

CO-SUPERVISOR: PROF K REDDY (LLD)

DATE

ABSTRACT

This study presents the research of an investigation into communication challenges that affected the implementation of Black Economic Empowerment and the communication strategies/policies used to inform and communicate with employees in businesses. To achieve this aim questionnaires were administered to seven BEE compliant organisations in KwaZulu-Natal. Mersham's communication model for development provides a basis for evaluation of the BEE communication challenges.

The study reviewed theories and literature relevant to the implementation of Black Economic Empowerment and Communication Strategies. The perceptions gained from the literature review were used to interpret the results which were obtained through a qualitative paradigm.

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

DECLARATION

With the signature below I, Swastika Juggernath hereby declare that the work I present in this dissertation is based my own research and that I have not submitted this dissertation to any other institution of higher education to obtain an academic qualification.

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S Juggernath

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LIST OF ACRONYMS

ABVA:	Association of Black Economic Empowerment Verification Agencies
BBBEE:	Broad Based Black Economic Empowerment
BBC:	Black Business Council
BEE:	Black Economic Empowerment
BEECOM:	Black Economic Empowerment Commission
BMF:	Black Management Forum
DTI:	Department of Trade and Industry
EOT:	Employee Owned Trust
GEAR:	Growth, Employment and Redistribution
HR:	Human Resources
KZN:	KwaZulu-Natal
KZNBBA:	KwaZulu-Natal Black Economic Empowerment Business Alliance
PIC:	Public Investment Company
PR:	Public Relations
PRP:	Public Relations Practitioner
RDP:	Reconstruction and Development Programm

CHAPTER ONE: INTRODUCTION TO BEE IN KZN

1.1 Introduction

Nelson Mandela acknowledged that South Africa is a democratic society which is struggling to cope with the traces of apartheid.

We face an enormity of challenges as we have emerged from an iniquitous system. A partnership has been forged between businesses and government, which is wrapped in the vision of (BEE) Black Economic Empowerment+(Governments report to the nation, 1998:20).

In the decades before South Africa achieved democracy in 1994, the apartheid government systematically excluded African, Indian and Coloured people - collectively known as "black people" - from meaningful participation in the country's economy. This inevitably caused much poverty and suffering - and a profoundly sick economy (Alexander, 2008).

The assets of millions of people were directly and indirectly destroyed, and access to skills and to self-employment, was racially restricted. Progress has been recorded in undoing the legacy of the past, however, the extent to which this economic success has been shared by all South Africans is still inadequate for the requirements of a stable and prosperous society. The time is right for the introduction of a comprehensive and focused strategy for Broad-Based Black Economic Empowerment (BBBEE) (*South Africa's economic transformation: 2003*).

Ramukumba (2007) explains that the stated objectives and measures of BEE from government are:

- to allow more blacks to participate in the mainstream economy through mechanisms like equity ownership;
- to grow managerial and operational control by blacks;
- the promotion of affirmative action and employment equity in respect of recruitment;

- skills development;
- preferential procurement through the appointment of black suppliers as a means to grow enterprises, increase capacity and create jobs; and
- investment in black enterprises or joint enterprises which aim to transfer skills and/or create jobs.

According to Jack (2008) the trickle down impact of preferential procurement has been acutely felt by all companies. It remains one of the critical drivers of BBBEE.

Elemental Analytics (2008) views BEE as a further element to price, quality and service in the competitive environment. Companies should accept the preliminary elements comprising the BEE scorecard and endeavor to obtain an acceptable BEE level based on customer requirements for the industry, the competitive environment in a specific industry and the company's capabilities. They further believe that in terms of the BEE scorecard, companies should concentrate their efforts to comply with BEE regulations in the following areas:

- **Ownership and Management**
Black representation at owner/manager level whereby preference is given to Black women,
- **Employment Equity**
Black employees as a percentage of total employees,
- **Skills Development**
Quantifiable skills development expenditure on black employees,
- **Preferential Procurement**
Pursuing suppliers based on the BEE Procurement Recognitions Levels,
- **Social Investment**

A percentage of a company's total profit is contributed to social aspects (Elemental Analytics, 2008).

The greatest impact facing businesses is the increasing level of awareness of BEE. Jack (2008) adds that many bigger companies adopted the attitude that they did not need to be rated because they did not do business with government, however, their present clients who do deal with the public sector, are requesting for these companies ratings, therefore, the effect of BBEE is trickling down to the smallest businesses.

With the evident changes that have taken place in the workplace, communication, as a whole, has become increasingly complicated. According to Mersham and Skinner (2000:9-15) communication within an organisational context is usually defined as the process by which an idea is transferred from a source to a recipient with the intention of changing his or her behaviour. Such behaviour may encompass a change in knowledge or attitude as well as in overt behaviour. Mersham, Rensburg and Skinner (1995), further emphasise that such an approach implies that human behavior change cannot be achieved through a set of rigid rules. People inside and outside an organisation are not robots that can be programmed. It is further suggested that communication is always erratic or random if it is understood from the recipients viewpoint (Mersham and Skinner, 2000:9-15).

Mersham *et al.* (1995) believe that Public Relations must play an advisory role, in keeping management informed of social changes. Public Relations uses change to assist management to the organisation's advantage. This is determined through environmental scanning, human resources and issues management. The communications representative or Public Relations Practitioner is effectively responsible for keeping communication running efficiently. In most businesses, Public Relations Practitioners (PRP) or Communications Managers facilitate communication between the various stakeholders. As far as BEE is concerned, the PRP or Communications Manager will monitor the communication process between the employees, employers and stakeholders.

1.2 Problem statement

Jack (2006) believes that in modern times BEE requires employee communication to be more transparent and frequent so that employees know what is happening. There have been numerous avenues of reporting information to the employees as stakeholders which makes one question the quality of reporting that reaches the employees.

There are many misconceptions around BEE and people often make general misguided statements like ~~“they want me to just give away half of my business”~~. Not only are these comments often inaccurate, but through ignorance and lack of communication, businesses often fail (Drucker, 2007).

There is a lack of communication about BEE. Therefore there is a need to assess the methods that are employed to accommodate communication challenges which have arisen since the implementation of BEE. This study aims to determine what the current communication challenges are, when employers within KZN attempt to implement BEE into their organisations.

1.3. Research objectives

The overall aim of the study is to investigate the communication challenges after the implementation of Black Economic Empowerment and the communication strategies/policies used to inform and communicate with employees in businesses.

The objectives of this study are:

- To determine the moral and legal obligations that the employer should uphold when communicating the rights from the BEE Act 53 of 2003 to their employees.
- To examine how companies communicate their BEE policy and rights to their employees.

- To determine what communication barriers, if any, prevail at the workplace as a consequence of BEE implementation.
- To apply the Mersham *et al.* (1995) model for development and to ascertain the extent to which effective communication of the BEE policy is emphasised.

1.4 Scope of the study/delimitations

This research will be limited to seven business enterprises that are BEE compliant within KZN. Senior managers and communications managers will be selected as respondents as the focus is directed at the communication methods used by employers to communicate important aspects of the BEE policy to employees.

1.5 Rationale for the study

BEE is fast becoming a necessity in South Africa. According to Jack (2008), some companies do not even look at the CVs of white job applications because they think it will dilute their efforts to appoint more black candidates. This approach is discriminatory. Furthermore, positions are left unoccupied, especially in middle and top management because the company states that there are no suitable candidates. This study therefore investigates what challenges surface when employers attempt to implement BEE policies within their organisations.

According to Thomson (2007), effective communication of information and decisions is an essential component for management-employee relations. He emphasises that good communication skills will ensure respectful and well-ordered discussions which can be of great help in conflict resolution. These skills will in turn allow one to build sincere and trusting long-term relationships. Learning better communication skills requires effort because cooperation between people is a much more complex and mentally demanding process than coercing, threatening or just grabbing what one wants.

BEE aims to ensure that in the future, South Africa should be a completely different country. The human resource strategy must eradicate illiteracy and produce thousands of black accountants, engineers and scientists. The workplace must be an area of equality and opportunity to advance through training. Workers must have a meaningful influence in the production process. The levels of small and medium enterprise activity in the key growth sectors of the economy should have increased and the competitiveness of these industries substantially improved (Knoetze, 2006). Consequently, both management and employees of businesses will benefit from this study. Companies can further ensure that they are kept abreast of employees' feedback and will assess their communication strategies employed to communicate policies and information to their employees.

1.6 Research methodology and design

This section provides an overview of the research methodology. It indicates how the research will be designed and explains the sampling methods to be used. The questionnaire and data collection techniques will also be discussed.

1.6.1 Research type:

Against the above background, the study includes questionnaires conducted with senior management. The research is conducted within the qualitative paradigm as the study examines the strategic communication programmes that businesses have put in place since the implementation of BEE. The research instrument includes closed ended questions thus leading the study to a partially quantitative paradigm. The questionnaire survey was interpreted by the researcher adopting a thematic analysis.

Further, attention is paid to the communication challenges that may surface and to determine what percentage of focus and attention is paid to these challenges. The research utilises cross sectional methodology as all data will be collected at the same time. According to Bless and Smith (1995: 66-67), cross-sectional design does not allow for change over time, thus the immediate nature of cross-sectional designs as

well as the relative ease of data collection makes this design the most common choice for social scientists.

The study is descriptive in nature.

1.6.2 Data collection methods:

Data was collected through a survey using questionnaires administered to communication managers or the responsible BEE manager. A covering letter was used to ensure that respondents are well informed of the intentions and purpose for the research. The questionnaire was provided prior to the interviews and was designed as simply and logically as possible for ease of understanding.

The questionnaires were administered by the researcher. The respondents selected were communications/BEE managers, and were informed as to what the researcher sought to accomplish in this study.

1.6.3 Target population and sampling design:

The target population was restricted to the BEE compliant corporate sector in KwaZulu-Natal (KZN). This includes companies from all sectors such as retail, financial, mining, industrial, agricultural and more. Top management and communications managers were selected, as this research required correspondence from experts in the companies who have the authority and the knowledge to add value to this research.

The sample was selected from the Empowerdex listing of BEE compliant businesses in KZN. The non-probability sampling technique of judgmental sampling was utilised. According to Malhotra (1996:359- 380), judgmental sampling is a form of convenience sampling in which the selected population elements are based on the judgment of the researcher. Thus, the researcher exercises judgment in determining the elements to be included in the sample. Elements such as the size of the business, the level of BEE rating and the location of the business are of utmost importance.

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 businesses in KZN were selected as a reasonable sample size as very large sample sizes are generally expensive and results may take so long to analyse that they become outdated. The data obtained from the questionnaire survey was interpreted by the researcher through thematic analysis.

1.7 Overview of the Study

- **Chapter Two: Literature review**

This chapter presents an in depth review of literature that creates an overall understanding of BEE. It will further provide a background of the communication challenges faced by BEE compliant businesses and managers.

- **Chapter Three: Research methodology**

Chapter three describes the research framework and explains how the respondent sample was drawn. The questions posed, data collection methods/instruments and processes have been discussed in detail.

- **Chapter Four: Analysis of results**

This chapter presents an analysis of the results. It further discusses appropriate testing that was used in this study.

- **Chapter Five: Conclusions and recommendations**

Chapter five presents the findings related to the BEE compliant businesses in KZN and provides recommendations for further use amongst the BEE compliant Corporate Sector.

1.8 Conclusion:

This chapter has outlined the research objectives of the study, which underpins the commitment of the KZN Corporate Sector towards BEE Compliancy. Chapter two provides an in-depth literature review of the study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides a theoretical framework of the study with the purpose of examining and emphasising the necessity for effective communication between employees and employers. The chapter further discusses the communication strategies that is initiated in any organisation and more especially any communication barriers that have surfaced since the implementation of BEE in the workplace. This chapter also reviews the history and evolution of BEE and allows the researcher to determine solutions for the present and future. A reflection on the history of BEE allows one to gauge what barriers of communication may exist since the inception of BEE in the workplace.

2.2 The history and development of BEE

BEE has developed from imbalances of the past when South Africa was separated into different racial areas. As a result, South Africans have spent a very long time as a racially divided society. It is thus not easy to assume that South Africans could unite the differences of the past. Previously there were very few opportunities to interact socially because of politics and geography, the main type of interaction being through work where there were class differences in the working environment (blacks doing jobs subservient to whites in the workplace and at home). 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, 2008:9).

With a brief introduction of the history of BEE, the researcher further analyses the evolution of empowerment.

2.2.1 The evolution of empowerment

The evolution of empowerment stems from the vision of an economy that meets the needs of the people in a more equitable manner. This was documented in the Freedom Charter of 1993. In 1994, this Charter was refined and developed into the Reconstruction and Development Programme (RDP). Thereafter the Black Business Council (BBC) was formed in response to the need for a black, previously disadvantaged business voice. The announcement of the Growth, Employment and Redistribution (GEAR) strategy, as a growth led policy for economic redress, was then introduced. The BBC formed the Black Economic Empowerment Commission (BEECOM) mandated to redefine the concept of empowerment, investigate the state of empowerment in the country, identify the hurdles to empowerment and recommend a policy to government (Ramukumba, 2003).

Due to the imbalances cited above, BEE evolved from the need to be fair to the black working class citizens of South Africa. The BBC being the *black voice* can thus be 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 further reassures the researcher that there was a lack of communication in the form of *the black voice* from employees, in an effort for the BBC to enact this role in the workplace. Ramukumba (2003) further explains that the BEE policy document lays out specific actions for aggressive implementation of measures to correct past imbalances. Thus, empowerment is defined as a broad based process that has adopted a scorecard approach and covers facets, such as ownership, investment, enterprise formation, management, employment equity, skills development, procurement and corporate social responsibility.

Qunta (2007:12) explains the history of injustices which are not often recalled correctly. Sarcastically she states that *affirmative action policies* are responsible for the skills shortage in South Africa.+She further adds that this statement is the latest urban legend in South Africa. Qunta (2007:12) explains that since 1806, the country transformed from a largely agricultural one to an industrial one, and the need for labour increased significantly. She adds that what needed to be done by the colonists was to get the

blacks to move from being self-sufficient subsistence farmers and livestock owners, to being farm and mine labourers. Due to race-based employment policies, Black and Coloured people were prevented from being employed as carpenters, blasters or other skilled workers.

Qunta (2007:12) adds that a further hurdle was placed when employers required a pass in standard six as very few Black people had reached this stage because of a lack of educational opportunities. She explains that this act also prohibited blacks from studying as they were seen as competitors to white tradesman. As a consequence of all these measures, by 1990, four times as much was spent on a white child than on a black child. Black schools were over crowded, libraries and laboratories were virtually non-existent. In the 1991 matriculation examination, only 41% of black pupils passed compared to a 95% pass of white pupils and even the few Black pupils who passed could not attend university.

The statistics above clearly assist one in understanding the injustices that occurred in the past. It demonstrates that the problem of racism, restriction to education and unfair discrimination, had existed long before affirmative action policies were implemented in South Africa. In light of this one questions whether this has had an impact on the BEE stakeholders involved in the business organisation.

To shed some positive light on the evolution process, Siko (2007:24) emphasises that Corporate South Africa is still dealing with an apartheid legacy. He adds that apartheid is gone and that there is no use in going back in time and blaming a previous government or dispensation, as South Africans are still dealing with the consequences of that era, which is an apartheid hangover.

Khumalo (2008:9) concurs with this view. He elaborates optimistically that the transition from apartheid to democracy was a miracle which we should still marvel at, but the deeply embedded racism will take more than a miracle to get rid of. The latest statement comes at a time when many South Africans feel that Nelson Mandela's all inclusive 'rainbow nation' has been abandoned by the government in a quest for a more

Black driven affirmative action agenda, which many see as ~~reverse racism~~ (Khumalo, 2008:9).

Having considered the positive and negative opinions relating to BEE, the next section defines BEE. With consideration to the past history of racism, and the current working environments, many challenges have surfaced since the implementation of the BEE policy. The researcher is led to understand that as a result of the racial imbalances of the past, the various races did not live together and, if they worked together, one often found blacks doing tasks subservient to whites. With consideration given to the different geographical locations, different livelihoods, different cultures, different values, languages, rules and norms, there is certainty that communication challenges will surface in industry due to the change of race groups employed in the workplace.

In order to understand the objectives and benefits of the intended BEE Act, further attention is focused on defining the BEE and its processes since its introduction into the South African corporate sector.

2.3 Defining BEE

2.3.1 The functions and objectives of the BEE policy

By defining BEE it will further assist in understanding the objectives of the BEE policy and understanding what the policy hopes to achieve from the objectives set out. This chapter will thereafter examine the involvement of communication in this process, taking into consideration that when there is a change in the workplace, there is also resistance to change. One can only conclude that with resistance or change, communication is a necessity for the smooth functioning of any organisation and for harmony between all stakeholders. Thus the definition and objectives will serve as a framework for the above determining factors.

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.

From the above discussion, one is led to believe that BEE does not focus on communication as there is no evaluation in place to monitor the working relationships between the various race groups. The above definition clearly states that the aim is purely to introduce black people into the workplace. This leaves one to question whether the responsibility for training, education, monitoring and evaluation, is a corporate responsibility or whether the employee is responsible for their own education and training.

It is further necessary to note that strategies and objectives, which include but are not limited to BEE, are:

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

The above objectives provide the reassurance that black and white race groups are the central focus and aim of the BEE policy. The researcher is of the belief that the objectives developed in the policy will certainly lead to communication barriers within the workplace. Considering the fact that blacks were previously disadvantaged, neglected and segregated into geographical locations because of race, the factors listed above, could cause an uneasy organisational culture. The various lifestyles, languages, customs, habits of the various race groups have been taken into consideration for examination of this study.

The above discussion has provided insight into understanding the aims and objectives of the BEE policy. 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. This overview prepares the researcher to adequately examine and suggest solutions to the current problems associated with the implementation and communication of BEE within the workplace. The agencies that are responsible for the effective implementation of BEE and its methods, will be analysed.

2.3.2 BEE Verification Agencies and the scorecard

Siko (2008:62) 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. He adds that these 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 BBBEE processes in South Africa.

The statement above clearly indicates that verification agencies are responsible for the monitoring and implementation of effective communication of BEE, which leaves one to question, what the role of corporate sector is in this regard.

According to the *DTI (2007)* the definition and objective 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. The scorecard measures three core elements of BEE which are listed below.

The three main objectives of the scorecard are:

- direct empowerment through ownership and control of enterprises and assets,
- human resource development and employment equity,

- indirect empowerment through preferential procurement and enterprise development (DTI: 2007).

An overview of the history, definition of BEE, insight into verification agencies and the scorecard objectives, have been discussed. This information provides a background to the research topic and leads the researcher to closely monitor the current BEE processes in the corporate sector. The ensuing discussion reviews both failures and successes of the BEE process as this will guide the reader in better understanding the current situation of BEE and barriers that have surfaced.

2.4 Monitoring and evaluation since the implementation of the BEE policy

The researcher commences this subsection with brief overviews of the successes and failures of BEE. Two common terms that surfaced across the media network were those of *fronting* and *black diamonds*, which will be elaborated on in this section.

2.4.1 The success of BEE

Neither literature nor statistics have surfaced to quantify the success of BEE in South Africa. Vuyo (2008:4) 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.

In agreement, Khumalo (2008:9) 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."

Naidoo (2008:1) adds that Kwa Zulu Natal (KZN) should be proud of the actions of the Durban office 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. According to Naidoo (2008:1) this employment deal 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.

Since the implementation of BEE, some of the advantages to the employee have been:

- Employees feel part of the organisation that they work for;
- Financial gain in addition to normal salary and retirement savings;
- Employees share in the company's capital growth; and
- Unity and team spirit with common objectives to improve the company (*Employee owned trusts, 2008*).

The advantages such as job satisfaction, shareholding within the company and team spirit are all crucial elements within the workplace and have been assessed, to determine whether employees fully understand what the benefits of BEE mean to them. This study will also assess the communication medium used to create an understanding between employer and employee since BEE has been implemented.

An additional success story about BEE is related by Wu (2008:2) 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 (2008:2) 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.

With additional positivity, Ackerman (2008:13) sheds light as he recollects the sheer awfulness of the old South Africa in the closing decades of 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 (2008:13) 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. Ackerman, chairman of Pick and Pay, adds that our economy has never been better managed.

With consideration given to the positive elements of BEE, the researcher now evaluates the failures and criticisms of BEE in an effort to prepare a balanced and fair perception of the implementation and communication barriers surfacing around BEE in the workplace.

2.4.2 The Failures of BEE

BEE was drawn up 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 Blacks were effectively excluded from the boardroom. Among the most trenchant of critics, Nobel Peace Prize winner, Desmond Tutu said that BEE has benefited a, small recycled elite. Trevor Manuel (South Africa's finance Minister) claimed that there will have to be a review of BEE as he cited various abuses of the system (SAPA-AFP, 2007:14). In light of Manuel's statement, the researcher will investigate what these abuses within the workplace are and determine if the communication within these organisations have any influence or relation to these abuses.

Some critics have highlighted the slow progress of BEE as a concern, especially since the era of apartheid is over. Dlomo (2008:89-92) questions why over 90% of the population (black people) are failing to attain even minority ownership (25%) of the enterprise in their own country, even thirteen years after the first democratic election. Dlomo adds that in order for the government to move BEE forward, the ruling party must move drastically on its interpretation of BEE.

In defense of the government, Pressly (2007:1) adds that government is coming under increasing pressure to give employment equity greater teeth in the marketplace, with the ex-president of South Africa, Thabo Mbeki acknowledging that South Africa is ~~not~~ singing from the same song book on black empowerment. Mbeki relayed figures indicative that nearly 75% of those in top management are white with more than 60% of these being white men, and blacks, coloureds and indians representing the remainder.

An additional reason for the failure of BEE can be attributed to the corporates themselves. With a different perspective, Manyi (2008:28) boldly states that 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. Given that it is public knowledge that Black people are relatively new in business, he further questions if it is really fair to put them on the same scale as established businesses that have been operating for decades.

Pattman (2008:4) and Moya (2007:114-116) are of the opinion that racial prejudice is a social ill that still widely exists within the workplace. ~~R~~Racism these days camouflages itself; it is not black and white. Today's racism comes with a cloth of sophistry. They explain that the difference now is that people prefer not to talk about it. The researcher is led to conclude that, racism still exists in the workplace, together with the fact that people don't talk about it, as communication barriers are still in existant. There is certainly conflict and challenges of communication between the different race groups which is causing employees to not communicate effectively.

With focus turned to government, many critics blame the government for the lack of proper BEE monitoring. Despite BEE and the governments declared intentions, inequality has increased since 1994. Inequality has increased significantly within the Black community. There is an urgent need to address the plight of the poorest. Black and White South Africans have substantially different views on, and understanding of BEE. Unless these differences are addressed, there is a serious possibility of growing inter-racial alienation. This statement confirms that there is conflict at the workplace (Transformation and Black Economic Empowerment in South Africa: 2005).

Whiteley (2007:18) 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 or opportunities not forthcoming at all. An additional reason for the failure of BEE is that of family owned enterprises. According to Whiteley (2007:18), 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. However, he adds that they have been so brow-beaten with bureaucratic mumbo-jumbo that they are in a state of total confusion. The researcher is led to believe that 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 corporates.

To keep track of the growth of BEE, Dlomo (2008:89-92) and Levinson (2007:6) 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).

Some challenges in implementing Employee Owned Trusts (EOT) are:

- Raising capital to finance the EOT;
- Communication of the concept of ownership to employees;
- Communication of expected economic benefits to employees, allocating shares to White and Black employees;
- Managing the conflict in mind sets of the employee, manager and owner and
- Funding employee redemptions (Employee owned trusts, 2008).

The discussion above is indicative of BEE challenges that exist in the corporate sector. Fronting is another common problem that is associated with many of the BEE failures and will be discussed in detail in the next section.

2.4.2.1 Fronting

Ross (2008:6) 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. He adds that while the progress of affirmative action was important, there was a need to improve those further down the ladder through a programme of skills development. There is no link between skills training and affirmative action. The skills shortage in the country had already made affirmative action irrelevant in certain categories of employment. The people who are still denying the skills shortage are the people who are destroying affirmative action.

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, 2008:4). 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, 2008:21).

Vuyo (2008:4) 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 (2008:4) adds that the majority of these ~~%agents of transformation+~~ were appointed as Corporate Affairs Directors, a perfect way to ~~%window dress+~~ and then boast about it in public.

Motloung (2007:2) 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 (2008:29) who in agreement, firmly believes that meaningful BEE deals should involve the workers of the company involved in the empowerment transaction. Participation of the neighbourhood around the operations of the firm involved should be encouraged. One of the burning issues in BEE is the onerous conditions faced by black partners. Unfortunately in their haste to conclude the deal, they sign away their lives. In KZN we have said that the KZN BEE Business Alliance (KZNBBA) needs its role redefined. It should monitor and evaluate all BEE deals in the province to ensure that our people are not abused in the BEE arena.

Mthunzi (2008:5-7) adds that transformation and the change of organisational culture and leadership are the opposite sides of the same coin. When people and organisations express their intentions to transform they often do not realise that they are advocating for change of organisational culture and leadership. Transformation by its very nature has to impact on the organisational culture, processes and belief systems. In fact, it cannot be affected without impacting on the status quo. Most organisations, upon realising the meaning of their commitment to transformation, begin to create delaying tactics and excuses for implementing transformation.

Today, corporates are perfecting the ploy of appointing weak and conforming black people and women as candidates from designated groups. They make a mockery of transformation. These organisations are taking advantage of the fact that our country is littered with an increasing number of people who are willing to legitimise dishonest schemes in exchange for comfortable lifestyles. 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, 2008:32-33).

Many corporates are guilty of window-dressing, lack of or poor communication between its employers and employees, cultural diversity and language barriers. The work of authors cited above are indicative that such practices still exist.

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. A discussion on Black Diamonds ensues in the next section.

2.4.2.2 The “Elite Few” and Black Diamonds

The literature reviewed provides numerous articles on the failures and shortfalls of the BEE policy. This stems from the statement that BEE has created a black business elite but has failed dismally to offer far-reaching economic empowerment at grass roots level. There are numerous criticisms that only the %elite few+ have benefited from BEE and not blacks lower down the ladder.

Pattman (2008:4) and Moya (2007:114-116) express their opinions of racial integration since apartheid, as they elaborate that South Africa's %Rainbow Nation+ is nothing but a myth as the country is far from becoming an integrated nation. They are of the belief that %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. They further indicate that South Africans may read in the tourist brochures about the %rainbow nation+ and the spectacular colour it adds to the blue coastal skies of Durban but its brightness fades when one follows it across the city and its racialised spaces, as the pot of gold seems to be at the end of some colours and not others.

The literature review identifies the term 'black diamonds', within industry 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.

Since the introduction of the phrase 'Black Diamonds' into the corporate sectors marketing industry, there is keen fascination about the extent and the swiftness with which the majority of the black people have embraced this term. A term which initially thought would only be used as part of 'marketing speak'. It is truly awe inspiring to hear ordinary people . people who are not in the marketing field refer to themselves as 'Black Diamonds'. People are even hosting parties with a 'Black Diamond' theme and inviting other 'black diamonds' to celebrate the good life (Mataboge, 2006).

Fredericks and Siko (2007:48-50) are of the belief that 'Black Diamonds' constitute an economic group that germinated from the seeds of democracy. They add 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 emphasise that once employed, many black diamonds are left confused as to whether they received their positions because of merit or to fill a quota. 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. This further contradicts the concept of fairness and empowerment.

The above discussion on black diamonds assists the researcher in understanding the necessity of black diamond status and employment of staff that belong to this category. The workplace is currently employing 'black diamonds' in an effort to align its BEE status with compliancy of the BEE act. With both advantages and disadvantages surfacing from the review of literature, the researcher concludes the discussion of apartheid in South Africa.

2.5 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, 2009:236).

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, 2009:238). 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).

2.6 The future of BEE

South Africans have different perceptions of the concept of BEE and more especially the future of BEE. Vilakazi (2008:29) explains that the South African democratic government means well with its BBEE 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 (2008:29) is of the belief that for anyone to think that BBEE, as it stands today, will fundamentally change the economic power in South Africa, is hallucinating. He 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.

Many South Africans with positive perceptions have faith in BEE growing the country to new heights. Mary de Haas, a Kwa-Zulu Natal-based sociologist, claims that South Africans have spent a very long time as a racially divided society and it is, therefore, unrealistic to think that they could bridge the divides of the past overnight just because of the political changes in 1994. Historically they were not just divided by legislation but also of course, spatially, that is, into different racial areas (Khumalo, 2008:9).

It is inspiring to note that there is positivity and hope for BEE and development within the South African workplace, however others are still of a negative opinion.

Thiel (2008:29) expresses the view that 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. Thiel (2008:29) adds that 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.

Vundla, (2008:10-15) who is in agreement with these views, adds that big businesses are still dragging their feet with an argument that there is a lack of clarity about how it is supposed to comply with the codes. He adds that the establishment of the much awaited Black Business Council must not simply be an advisory board, it must have teeth and monitor implementation stringently.

The trickle-down effect of using BEE suppliers and contractors is now impacting on smaller businesses because of government procurement. Vuyo (2008:4) explains that many of the bigger companies adopted the attitude that they did not need to be rated because they did not do business with government. Big businesses now have clients who deal with the public sector who are enquiring about their ratings. The trickle down effect of BBBEE is felt by even the smallest businesses. Vuyo (2008:4) 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 (2008:22-23) 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.

2.7 Conclusion:

Khumalo (2008:9) reviews the new era optimistically with a belief that South Africa requires an economy which meets the needs of all its economic citizens, its people and their enterprises in a sustainable manner (following decades during which apartheid restricted the majority of South Africans from meaningful participation in the economy). Thus, with apartheid as a careful reminder of our past challenges, the way forward to South Africa's evolution is through BEE. He further adds that 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 that South Africans live.

This chapter focused on an overview of BEE. The Chapter also assessed the importance of BEE and its impact on the South African corporate sector.

Chapter three will concentrate on discussing the relevance of communication theory and the applicability of communication theory in the implementation of BEE. A communication model will be adapted to set a benchmark of measurement and comparison with the companies' communication strategies since BEE was introduced.

CHAPTER THREE: ORGANISATIONAL COMMUNICATION

3.1 Introduction:

This chapter reviews and analyses the importance of organisational communication, as well as the processes and strategies that should be practiced by corporates once BEE policies are implemented. To enable the practice and implement BEE communication in the workplace, the researcher believes that the following influences are crucial in the advancement of this study:

- organisational culture,
- communication challenges,
- change,
- education and training.
-

According to Merhsam and Skinner (2001:4) the term organisational communication has only two elements, which are people, and working together towards a common purpose. They define organisational communication as the necessary communication that takes place to achieve that common purpose, adding that the relationships among the members of an organisation are relatively stable. This structural stability allows an organisation to function effectively in achieving certain objectives. Organisational communication includes many varied activities, such as counseling workers, interviewing new employees, evaluating staff, motivating people, analyzing problems, resolving conflicts, establishing and monitoring work groups, etc.

Osborne (2004) questions why people state that they live in an age of communication when they continue to have so many problems communicating effectively in the workplace. Managers, supervisors and employees alike repeatedly claim they never receive enough information, that superiors never tell them anything - or that they are always the last to find out when changes that affect them are happening within the organisation. He elaborates that a key factor which emerges from studies of successful managers is that they have a regular and meaningful communication process with their

staff. He adds that many companies have internal newsletters, newspapers or company bulletins but these written communications cannot be an adequate substitute for managers communicating directly with employees.

Osborne (2004) indicates that irrespective of the modern communication methods available within industry, there are problems when communicating with one another. Employees and employers alike are all of the same opinion that they do not receive sufficient communication regularly on BEE. He recommends that developing two-way communication can involve management presentations, meetings, consultative committees, discussion groups, attitude surveys or training needs analyses.

In the next section the researcher undertakes to explore the necessity of organisational communication as far as the implementation of BEE is concerned.

3.2 The importance of organisational communication in the workplace

Organisational communication is a crucial factor that contributes to the understanding of BEE among all stakeholders in the workplace. The theory and properties of organisational communication allows the researcher to understand the expected norm of the corporate sector in organisational communication procedures.

A Daily News reporter (2008:8) explains that according to a recent survey conducted by the Wall Street Journal, 80% of 'Today's Businesses' cite written communication as their employees' biggest skill problem. Information and services are created and delivered by communication, therefore, this skill has become essential in the everyday running of any business. Managers must be trained to be able to organise and express ideas in writing and speaking. There is a need for business employees to be trained on how to manage communication within the organisation, how to create goodwill and how to communicate across cultures. One of the challenges facing South African employees is interpersonal communication.

A Daily News reporter (2008:8) further elaborates that managers must be well equipped in terms of understanding how to communicate across cultures, how culture affects business, values, beliefs and different practices. In light of the importance of organisational communication, the researcher further investigates the ways in which effective communication can take place within an organisation.

Singh (2008:12) echoes that due to the general lack of awareness created by government on BBEE since the codes were gazetted in February 2007, many businesses are still largely unaware of its requirements. Such a statement reassures the researcher that the communication elements are lacking with regards to educating stakeholders informatively about BEE.

A Mercury Network reporter (2008:3) states that the association of BEE verification agencies (ABVA) has released a resourceful question and answer document dealing with frequently asked questions on BEE. It comes in the wake of the organisations receiving many questions from businesses owing to the large amount of uncertainty and confusion surrounding the BEE verification of enterprises in terms of the BEE codes of good practice. This is significant in highlighting that there is information available for corporates to utilise, and is certainly unknown to many. The above statements assist the researcher in understanding the significant role that communication plays in any organisation. The various factors that contribute to successful communication include overcoming communication barriers and change.

3.3 Methods and processes of communication in the workplace

The methods and processes of communication that exist for BEE to be successfully communicated within industry, are examined in this section. Within a BEE compliant organisation, all communication channels are expected to be of a high standard for effective communication. If the strategies are well implemented and strong monitoring measures are put into place, these methods of communication will serve as a worthy tool. These processes of communication allow minimal room for communication barriers and conflicts to arise within an organisation.

Kjeldsberg (2000) explains that communication plays a key role in the success of any workplace program or policy and serves as the foundation for healthy workplace practices. Effective two-way communication about workplace practices helps achieve the desired outcomes for both the employee and the organisation in a variety of ways:

- Bottom-up communication (from employees to management) provides information about employee needs, values, perceptions and opinions. This helps organisations to select and tailor their programs and policies to meet the specific needs of their employees. Considering the various values, cultures, languages, there is certainly bound to be communication challenges among staff or between employee and employer.
- Top-down communication (from management to employees) can increase utilisation of specific workplace programs by making employees aware of their availability, clearly explaining how to access and use the services, and demonstrating that management supports and values the programs (Kjeldsberg: 2000).

To provide solutions to corporates who may be guilty of poor communication, Osborne (2004) recommends that they can easily improve their communication by assessing their communication skills. The skills supporting good communication include knowing what medium to use (small group meetings, one-to-one discussions and meetings of all employees), what information to communicate, how to assess the climate for communication, and what obstacles there are likely to be. He adds that there is no safe prescription to improve communication with guaranteed results, but there are some principles that will give their communication strategy a much greater chance of success. Osborne (2004) cautions that if communication is properly planned and delivered, it will ensure that everyone understands what their goals are, and what they can do to make sure that the goals are achieved. He emphasises that the time lost through lack of direction and misunderstandings will be dramatically reduced.

Kjeldsberg (2000) explains that if the following solutions can be applied to the BEE processes within organisations, they are sure to succeed in effective communication between employees and employers. He further provides examples of communication strategies that can help make the workplace programs successful:

- Making the goals and actions of the organisation and senior leadership clear to workers, by communicating key activities, issues and developments to employees and developing policies that facilitate transparency and openness;
- Assessing the needs of employees and involving them in the development and implementation of the workplace practices;
- Using multiple channels (for example, print and electronic communication, orientation and training, staff meetings and public addresses) to communicate the importance of a productive workplace to employees;
- Communicating information about the outcomes and success of specific workplace practices to all members of the organisation; and
- Providing regular, on-going opportunities for employees to provide feedback to management. Communication vehicles may include employee surveys, suggestion boxes, town hall meetings, individual or small group meeting with managers, and an organisational culture that supports open, two-way communication.

Organisational culture and diversity could pose as challenges to effective communication. This leads the researcher to examine the characteristics of organisational culture more closely.

3.4 Organisational Culture

Culture is comprised of the assumptions, values, norms and tangible signs of organisation members and their behaviors. Culture is one of those terms that are difficult to express distinctly but everyone knows it when they sense it. According to McNamara (2007) organisational culture is the personality of the organisation and corporate culture can be viewed as a system. He further explains that the concept of culture is particularly important when attempting to manage organisation-wide change. Practitioners are coming to realise that organisational change must include not only changing structures and processes but also changing the corporate culture as well.

The researcher is lead to conclude that with regard to employment of new black staff members, black shareholders and black investors, there is bound to be a new company culture and change in the organisation. It is imperative to ensure and remember that these new BEE associates should have expressed their culture, languages, language barriers and communication skills to the employer. Likewise, the employer needs to fully understand the above characteristics of their BEE associates.

The ensuing discussion focuses on communication barriers that could have surfaced since the implementation of BEE.

3.5 Communication barriers since the implementation of the BEE policy

There are various communication barriers that surface within an organisation. Communication challenges have been evident within many organisations for many years. With the introduction of the BEE policy into the corporate environment, there are evidently challenges of communication among employees, employers, stakeholders and other representatives. Due to the introduction of diversity and various race groups, communication challenges are sure to arise. Thus, an analysis of these challenges will be assessed. Attention will be focused to determine what remedies have been put into place to rectify and alleviate these challenges (Siko, 2008:6).

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

3.5.1 Changes within an organisation

Prior to BEE being introduced and implemented within an organisation, it is necessary to ensure that corporates are prepared for change. Makakane (2008:22-23) explains that the most important step is organisational assessment; which entails conducting a change readiness review to determine how ready the organisation is to embark on such a journey. It further involves determining what needs to be put in place to make it ready as well as defining a communication strategy which will identify the target audience, key messages, media channels, timing and messengers of the communication.

Makakane (2008:22-23) explains that there is a misconception that once a balanced scorecard is built and implemented, there will be automatic transformation and buy-in. For the scorecard to be successful and for change to occur, the scorecard must be embedded in the management systems. The scorecard must be understood to be a strategic management system as opposed to only being a measurement tool.

With reference to the above statement, one can conclude that for successful change within an organisation, communication is of fundamental importance. It is dangerous to assume that the scorecard will automatically transform the organisation.

Wherever change occurs or is about to occur, and deviation from long-accepted cultural norms looms, two results are possible. Change occurs at both the individual and social levels. Mersham & Skinner (2001:4) explain that all analysis of social change must be directed at the communication process and how people have obtained and modified new ideas through communicating with others. In order to achieve economic progress, social modernisation and political participation, people must be exposed to new ways of thinking and should be encouraged to adopt new attitudes. Change improves the living standard of people and enables them to act in a way which promotes self improvement

and the improvement of their living conditions (Mersham and Skinner, 2001:4). In relating the above statement to the current research, BEE can be considered as the %change+within the organisation.

This allows the researcher to determine whether informative communication processes are utilised when the %change+ (which is referred to as BEE), is introduced to the organisation. Considering that at the time of implementation, BEE was a fairly new concept to both employers and employees, this adaptation to BEE would have brought about changes within the organisation. In order for both employers and employees to adapt to these changes both, stakeholders would have had to adopt new attitudes, beliefs and practices.

Lotter (2009) explains that organisational change refers to any event within or outside an organisation that requires its employees to change their behavior. The causes of change can be internal or external. Most common internal factors are changes in strategy, process, technology or organisational adjustments. External factors include changes in legislation, merger and acquisitions. Change management assists organisations in ensuring that these changes are both successful and sustainable. Change Management facilitates and guides organisations through the cycles of change by creating awareness, soliciting buy-in and ownership until sustainable performance is achieved. It is necessary to note that %change management+ is a necessary strategy that should have been implemented together with BEE.

Although the concept of %change+ is easily targeted as an excuse for communication challenges within organisations, there are many other communication barriers that also surface in general. This is further reviewed in the paragraphs below where the strategy for communication and education are examined.

Mtshali (2007:5) refers to a statement by Lerato Ratsome, Marketing Manager at Empowerdex (a BEE rating agency in the country) agreeing that they both believed that the BEE codes were sufficient to ensure that companies played by the rules. There is no need to review the entire BEE policy. The problem is that peoples focus is often on ownership and management.

The above statement is an example of a communication barrier that can lead to a lack of understanding and ineffective communication.

3.5.2 Communication challenges

In light of an organisations culture, BEE has unquestionably created a new organisational culture with the diverse mix of races, bringing with it new practices and evident communication barriers. With this various misunderstanding arise within the communication process.

3.5.2.1 Misunderstanding

Various communication challenges can be related to poor communication or misunderstanding. Yeomans and Niekerk (2007:20) explain that misinformation and misunderstanding have given rise to negative perceptions about aspects of BEE without a true understanding of the details contained in the codes of good practice released in February 2007.

3.5.2.2 The role of the media in change

The media is often recognised as a powerful medium of communication. Reviewing the communication process from a different perspective is Marsland (2007). He believes that the media is a crucial role player in the BEE communication. He further explains that people employed in the marketing, advertising and broader communications industries, influence and produce the images and messages sent to the 40 million plus population of South Africa and is the reason why the transformation of this sector is so critical to end stereotypical, racist, irrelevant and polarising messages that are sent out even inadvertently in our advertising and media on a daily basis. This sector has an influence on the hearts and minds of South Africa and it needs to fully represent the soul of the nation as set out in the final draft of the BEE scorecard.

3.5.2.3 Racism in the workplace

According to Mthunzi (2008:5-7) the Black Management Forum is inundated with workplace racism complaints. He questions: where is the Black voice in the board rooms when Black employees become victims of racism in the workplace? Where is the Black voice when recruitment and promotion processes overlook competent Black candidates? Where is the voice when a Black talent is under-utilised while corporate South Africa insists that there is a skills shortage?

The Black voice could refer to a dual meaning which could indicate that there are no Black management positions in the boardrooms, or that Black employees are not standing up for themselves against discrimination. Mthunzi (2008:5-7) clearly elaborates that racist complaints are still existent thus causing an inundation of calls to the BMF.

Manyi (2008:7), the President of the Black Management forum (BMF) claims that institutional racism continues to reign supreme. The actual data received from companies indicates that the people who are benefiting from recruitment and promotions are, in the majority of cases, White.

Levinson (2007) adds that one of the biggest challenges facing people trying to implement BEE in their organisations or for their clients, is the lack of information available. He admits in agreement that the codes are out, but there is still a lot of confusion about how to interpret them.

3.6 Training and education within an organisation

It is pivotal to ensure that corporates accommodate for education and training as well as improvement of communication skills. This comes as a concern especially since BEE has introduced different race groups into the workplace and Black employees have been previously disadvantaged and denied the right to proper education.

Motloung (2007:2) claims that many countries place too much emphasis on academic learning and not enough on learning in the workplace. Workplace learning is an equal partner with academic learning. The more South Africa invests in its people's education,

the greater it will prosper in the future. Lifelong learning has never been more important than it is today. Education is significant in determining how effective a company is and whether it is effective in adapting to new workplace technologies. Economic growth depends on quality education for children and continuing education for adults. Thus, in view of the statement above, the educational tactics, employed within the organisation for its employees will be investigated.

This leaves one to query whether there is a lack of skills due to insufficient education, as this would lead to the lack of fair employment opportunities. These conclusions reaffirm the significance of education and communication.

Vuyo (2006) explains that 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. An interesting example related by Vuyo (2008) is that of an overheard conversation from an employee of the Edcon group. One employee had reprimanded another employee for leaving certain merchandise in an unappealing manner for the customers. The employees comment was due to the fact that this poor customer service would affect the share price of Edcon and the employee did not want to lose out on the shares. This illustrates the effective filtering of information to employees. The bottom line is that employees are important stakeholders especially if they are considered BEE partners and they deserve to know what they are in for in the BEE ownership structures.

3.7 Communication as a management function- A Public Relations Perspective

Manyi (2008) questions how long affirmative action is going to last in South Africa because ~~we~~ we are clearly not making a dent in terms of where South Africans should be going.+ He adds that all of those companies who had submitted reports had done so without consulting with their employees, conducting an analysis of their workplace or preparing and implementing an employment equity plan. Communication has evolved into many different facets. PR practitioners, communications managers and HR managers are all responsible for internal communication within an organisation.

Public Relations techniques are commonly acknowledged as tools that can be used to overcome hostility to new concepts. Thus Public Relations contributes to a critical element of communication.

People commonly suffer from prejudices derived from their upbringing and the environment. It is difficult to overcome prejudices because they are deeply instilled in attitudes to life and to other people, as well as fear of change. PR can help destroy fear by familiarising people with new ideas. The same applies to communication within an organisation between employees and employers. PR serves as the informative and educational role in this respect. People and even organisations can also be apathetic to change. They are content with things the way they are and often want to maintain the status quo. This apathy is understandable but is the biggest obstacle to effective communication (Goodrich:2009).

Knight (2009) explains that most companies underestimate the importance of internal communication as business structures and hierarchies get more complex, so too does effective internal communication. Staff members are often uninformed or receive a limited form of internal communication from employers and he questions how messages are delivered to staff. He further elaborates that there is no on-going, structured internal plan as there would be for external communications and messages that are sent in a very ad-hoc manner. Messages are often received as being patronising or lacking in honesty and staff can recognise this easily. This is largely as a result of business leaders seeing internal communications as a 'soft' issue that in some cases can be left to the HR department.

Winter (2008:49-51) explains that an organisational structure is the result of a specific strategy. Structure always follows strategy and as such, an inflexible corporate structure is the result of inefficient strategy. Top management should consult and involve employees in cases where they will be mostly affected by decisions taken. By communicating company goals, strategies and results more effectively to employees they will create an environment of transparency, which will allow employees to trust top

management. By involving them, employees will feel that they are part of the organisation and not just a number.

Aikins (2007:8) in agreement, highlights that focus on diversity management as a key executive competency has created a global awareness and appreciation for the qualities of senior management. The ability to manage diversity goes far beyond the obvious aspects of different racial and cultural groupings and reflects on an ability to provide effective leadership in the context of extreme uncertainty. The South African political and economic landscape over the past 15 years bears testament to this. One realises that what has transpired is a cadre of management competence that has provided effective leadership throughout a period of unprecedented challenges in many areas.

Manyi (2008:28) explains that it is necessary to have an orderly pattern of communication through which information can be swiftly and accurately conveyed and the instructions for action issued. He explains that different languages and cultures represent a national barrier which is particularly important for organisations.

Canavan (2007:31) adds that too often the BEE problem is dumped in the lap of Human Resource Managers or someone else lower down the chain, someone who has the ability to formulate strategy but not execute the change needed to make that strategy work. Canavan (2007:31) reiterates that communication of strategies to customers, suppliers, and most importantly, one's own staff, is key. He strongly believes that transformation is everyone's problem and staff have to believe in the process, as it all starts with keeping them informed about the business strategy going forward.

Manyi (2008:28) emphasises that poorly explained or misunderstood messages can also result in confusion. He adds that the presentation of information is also important to aid understanding. The above concerns and barriers relating to communication have been elaborated on and thoroughly analysed *via* the questionnaire to be presented to corporate employers. These barriers have clearly surfaced and training and educating employees needs to be implemented to alleviate these barriers.

According to Berglmair (2008) Public Relations is sometimes either confused with or included with other communication concepts. It is also important to consider the relationships between Public Relations and other forms of business communication such as organisational communication, advertising and marketing. These are principal differences but also important supportive interconnections. Crises and conflict are still blamed on a failure to communicate. More than ever before the world needs not merely more information but also sensitive communicators and facilitators who can explain the goals and methods of organisations, individuals, groups and government in a socially responsible manner.

Given the complexity of cultures and levels of development in South Africa, questions concerning intercultural communication will increasingly occupy the minds of PR Practitioners in South Africa. Wherever change occurs or appears about to occur and when deviation from long-accepted cultural norms looms, two results are possible. Change occurs at both individual and social levels. All analyses of social change must be directed at the communication process and how people obtain new ideas through communicating with others. The aim of Public Relations is primarily to achieve understanding through knowledge. Understanding is difficult to achieve. Everything can fail through lack of understanding and understanding can be a necessary part of many aspects of communication strategies (Mersham *et al.* 1995:9-15).

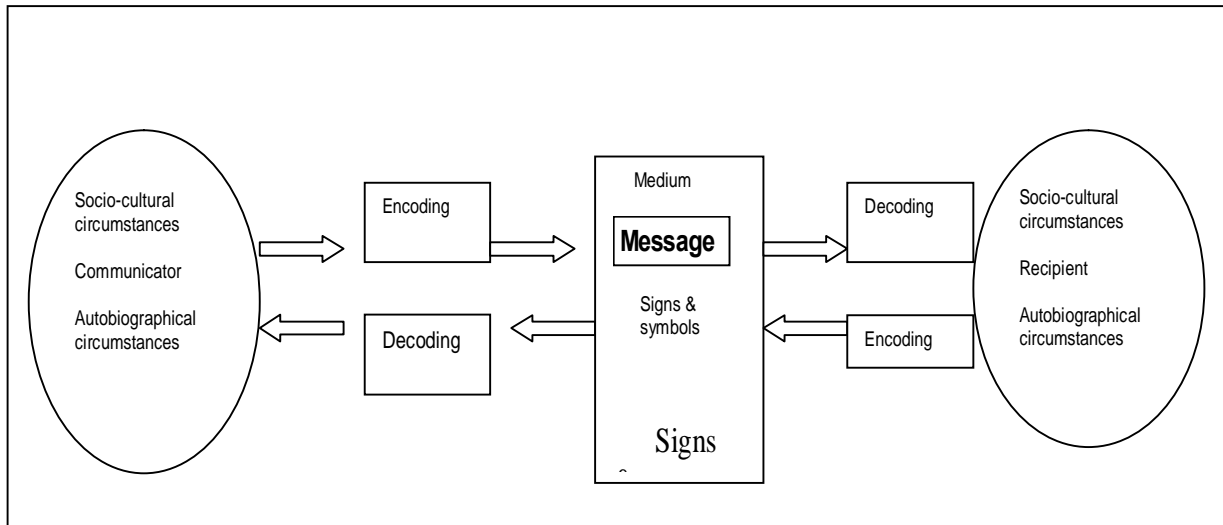
A common practise within the corporate sector is that there is much focus on PR managers being responsible for internal communication. This comes to the surface more especially since the implementation of BEE involves staff, staff problems, communication barriers, staff grievances and more. In light of this protocol within line management, PR managers will be considered as contact persons for interviews representing the sample on behalf of their organisation.

The communication model used to compare communication strategies from the corporate sector will be elaborated on further.

3.8 The communication of BEE to employees

Figure 1: A graphic communication model for development

The broader cultural, societal and international context



Source: Mersham *et al.* (1995:52-56)

In customising BEE communication within an organisation, Mersham's graphic communication model provides a basis for the evaluation of communication challenges, (Mersham *et al.* 1995:52-56). To conceptualise this study, this theoretical approach will employ the communication model for development proposed by Mersham *et al.* (1995:52-56). Figure 1 above expresses for communication equality, between communicator and recipient, considering that BEE is recognised as a form of growth and development in South Africa. The model allows for the evaluation of the different components of the communication process within the workplace since the implementation of BEE and includes:

- **Analysis of communicator**

This would involve the employers and stakeholders within the organisation who are generally responsible for sending communication to employees.

- **Analysis of recipients**

This pertains to the employees as well as other stakeholders who receive messages from their employers.

- **Analysis of the message(s) and the signs and symbols of the coding**

This relates to the communication between employer and employee.

- **Process**

The process refers to the method in which this communication travels.

- **Interaction between participants**

When messages are transmitted, there is a necessity for effective two-way communication, especially feedback to ensure that there was proper interaction between participants in the communication process, i.e. employees and employers.

- **Medium used in the process**

The medium is the vehicle that carries messages between the participants in the communication process, i.e. the employer and employee.

- **Interpretation and expression of messages**

The socio-cultural circumstances of communicators and recipients in the broader context of the South African society.

Mersham *et al.* (1995:52-56) argue that signs and symbols are devoid of meaning in themselves. They can mean something to somebody only if the source gives them a specific meaning and if the recipient sees a specific meaning in them. The meaning of a sign depends not only on personal interpretation but also on collective agreement that may vary across space, time and culture.

In responding to the message content, Berglmair (2008) believes that the recipients interpretation can never be wholly objective however impartial his or her attitude to the message may be. The interpretation of sign and symbol systems (codes) can only be one of many avenues of interpretations possible for a given message. Communication does not terminate once the message is expressed and encoded in a medium. To complete the process of communication that message must be received and interpreted. The recipients active participation in the communication process must be encouraged and recognised.

Mersham *et al.* (1995:52-56) explain that it is important for the communicator to take active steps to encourage the recipient to manifest his or her interpretation through a medium that all participants are comfortable with so that the understanding or meaning attached to the original message can be evaluated.

Figure 1 also points to the importance of taking into account the broader societal circumstances in which the communication interaction takes place. In the same way the perceived corporate image of an organisation and the perceived characteristics of the stakeholders that are communicated with, have an impact on the communication process.

Mersham *et al.* (1995:52-56) conclude with the view that individual circumstances must also be recognised. He states that in spite of the commonalities that link us into the social structure, no two lives are ever the same in terms of individual experience. Within the circles surrounding communicator and recipient, he points out ~~the~~ autobiographical circumstances. It is these personal circumstances that caution the communicator to remain constantly aware of the differences in life experiences of the various players in the communication process.

3.9 Conclusion

This chapter has considered the basis for the factors which influence communication and communication barriers between employees and employers. It is believed that employers must prioritise their communication channels and BEE related information to their employees. They must further ensure that staff are adequately informed and that open channels of communication exist, this yields a more efficient and productive organisation. Companies need to realise this important factor by including staff as a key audience in their communication and BEE strategies as it is a continuous process for change that needs to be understood by everyone.

The subsequent chapter outlines the research methodology for the study.

CHAPTER FOUR: RESEARCH METHODOLOGY

4.1 Introduction

This chapter outlines the methodology that was employed in this study. It discusses the steps that were used, the data collection techniques, the instrument used to gather data, and the procedures followed in the administration and co-ordination of the research.

4.2 Research Design

Communication covers a very broad set of topics and no single research method is embraced by the field of communication. This study was conducted within the qualitative paradigm; however, an integration of quantitative methods was also employed.

According to Welman and Kruger (2007:78) the purpose of quantitative research is to evaluate objective data consisting of numbers while qualitative research deals with subjective data that are produced by the minds of respondents or interviewees. They further add that qualitative data is presented in language instead of numbers as qualitative research is often undertaken to explain the findings obtained from quantitative research. It is a sound principle of research to view qualitative and quantitative research as complementary rather than in competition with each other.

With consideration to the authors cited above, the researcher employed qualitative research which described and interpreted communication exchanges.

In order to satisfy the objectives of this study and make meaningful conclusions, a qualitative approach led to providing adequate insight of the study. The questionnaire comprised of a total of 25 questions. The first four of which were biographical in an

effort to find out a basic overview of the organisations. Eight questions were of a quantitative nature, while thirteen questions were of a qualitative nature.

4.3 Target population

Wiid and Diggins (2009: 195-196) explain that the aggregate of units of the analysis forms the population.

The target population of this research was restricted to the BEE compliant business sector in KZN. There were seven companies which included sectors such as retail, property, financial, industrial and agricultural. Top management and communication managers were selected as respondents, as this research requires correspondence from experts within the companies who have the authority and knowledge to add value to this research.

The top two hundred companies from the Empowerdex Listing were considered as the target population as these companies have outstanding ratings and have an understanding of the implementation of BEE better than a company listed with a low rating.

A comparison of the respondents locations largely influenced the selection of companies analysed by the researcher.

4.3.1 The sample

Burns and Bush (2008: 364-372) define a sample as a subset of the population that suitably represents the entire group. They further explain that the sample size refers to determining how many elements of the population should be included in the sample. As a rule, the larger the sample the better. However, too large a sample can waste money and time, as the results may become outdated at the end of collection.

Wiid and Diggins (2009: 210-212) further add that determining the sample size is often a case of judgement rather than calculation. They explain that one should ensure a relatively precise estimate of the population yet at the same time be executed in an economical and practical manner.

Since the study was largely qualitative in nature, a sample seven companies were selected. The study engaged more with the existence of a practice than the volume of companies that have BEE practices within their organisations. The conclusions of this study cannot be extended to the entire industry, and the final recommendations are only applicable within the selected organisations with which the study was conducted.

4.3.2 Methodology for choosing sample

According to Welman and Kruger (2007:52-75) sampling can be classified into either probability or non-probability sampling. This research has employed the non-probability sampling technique.

Non-probability sampling refers to the case where the probability of including each element of the population in a sample is unknown, i.e. it is not possible to determine the likelihood of the inclusion of all representative elements of the population into the sample. It is thus difficult to estimate how well the sample represents a population and this makes generalisation highly questionable (Wellman and Kruger, 2007:52-75).

According to Zikmund (2007:412-455) judgmental (purposive) sampling is a non-probability sampling technique in which an experienced individual selects the sample based on his or her judgement about some appropriate characteristics required of the sample member. Just as sample units may be selected to suit the convenience or judgement of the researcher, sample size may also be determined on the basis of managerial judgement. This form of sampling is subjective and its value depends entirely on the researcher's judgement, expertise and creativity.

A further justification for the researcher's choice of the sampling method is that judgemental sampling (purposive sampling) is low in cost, convenient and quick.

Elements such as the size of the business, the level of BEE rating and the location of the business were of utmost importance in the choice of the selected sample for this study.

The researcher utilised judgement to select the sample based on the location of respondents, the availability of respondents to respond to questionnaire, their availability for the administration of the questionnaire, the BEE rating of the respective companies from the Empowerdex listing, the companies position on the Empowerdex listing and the representation of different sectors of industry.

To reduce, if not avoid, any errors on the researcher's part, sampling errors and problems that are common in research were reviewed prior to administration of the questionnaires.

The reasons for utilising the Empowerdex listing are stated below:

- Empowerdex is one of the first and largest verification agencies to be accredited,
- Empowerdex compiles the annual Top Empowerment Company published by Financial Mail which studies and ranks the top 200 JSE companies in terms of BBBEE,
- Empowerdex adopts a policy that ensures impartiality in all of the company activities and relationships (Top 200 companies 2008, 2008).

4.3.3 Profile of respondents

The respondents were selected based on a judgemental sampling technique, from the Empowerdex listing 'Top 200 companies' as at 2008. Table 1 on page 52, indicates the Company's profile.

Table 1: Profile of respondents

Company	Position	BEE Rating
Tongaat Hullet	4 th	75.64%
MTN	29 th	62.85%
Sanlam	46 th	55.21%
Massmart	58 th	49.44%
SAB Miller	66 th	46.36%
Woolworths	73 rd	41.87%
Nampak	58 th	29.02%

Source: (Top 200 companies 2008, 2008)

The researcher has excluded personal details of the respondents to ensure confidentiality. The companies listed in Table 1 is an indication of the sample as they were most appropriate, offering a diverse findings in the different sectors of industry and in a position to answer questions about BEE and communication challenges in the workplace. The details of the companies will be confidentially analysed in chapter four as they will be renamed as company A, B, C, D, E, F and G.

The sample above was selected based on the availability of respondents and convenience of the researcher to personally administer the questionnaires. The sample was further elected by their combined BEE ratings and position on the Empowerdex listing as they would be in a position to add value and accurate data to the research.

4.4 Data collection method and procedure

Questionnaires were administered to the relevant communications, Human Resource and Public Relations departments of the seven companies highlighting the nature of the study and requesting permission for their organisation to participate in this study. A covering letter was utilised to ensure that respondents were well informed of the intentions and purpose of the research. Each letter was accompanied by a letter from the researcher's supervisors. As soon as correspondence from the companies was received, each company was e-mailed a questionnaire and appointments were arranged to administer the questionnaire face-to-face.

This research has utilised a cross-sectional methodology as all data will be collected at the same time. Oppenheim (2005:24-25) explains that when data is collected at the same time, the research design is cross-sectional. He further explains that the inherent difficulty with cross-section designs is that they do not allow for change over time, nevertheless the immediate nature of cross-sectional designs as well as the relative ease of data collection makes these designs the most common choice for social scientists. The researcher utilises a questionnaire as the instrument to conduct this study which is further elaborated below.

4.4.1 Questionnaire

The tools necessary for the collection of data are discussed in this section. The researcher draws attention to the method in which the data will be collected. According to Wiid and Diggins (2009: 171-172) a questionnaire is designed to generate the data necessary to accomplish a research project's objective. They further elaborate that every questionnaire has three specific objectives crucial for an effective questionnaire;

- firstly, it must translate the information needed into a set of specific questions that the respondents can and will answer;

- secondly, a questionnaire must uplift, motivate and encourage the respondent to become involved in the interview, to cooperate, and to complete the questionnaire and
- thirdly, a questionnaire should minimise response error. This is the error that arises when respondents give inaccurate answers or their answers are miss-recorded or miss-analysed, (Wiid and Diggines, 2009: 171-172).

With this in mind the researcher ensured that all questions listed on the questionnaire were not too sensitive or personal. The personal, sensitive and cautionary approach of the researcher allowed for respondents to feel at ease, and encouraged to participate in the research collection process comfortably. Due to the personal administration of questionnaires by the researcher, the respondents were assured that all information shared will be treated as confidential. They were assured that data will only be used for the stated purpose of the research. Feeling assured of these conditions, respondents were free to give honest and detailed information. Probing is of critical importance in obtaining meaningful responses and uncovering hidden issues (Wiid and Diggines, 2009: 92-93).

Walliman (2005:15-85) further adds that the advantage of the researcher administering the questionnaire is that the questionnaire can be conducted in a variety of situations, for example, work outdoors or while travelling. The researcher is in a position to judge if the quality of the responses are inferior or perhaps not understood correctly by the respondent. Visual signs such as nods and smiles are valuable tools in promoting complete responses.

This face-to-face method of administering the questionnaire ensured the person selected to respond to the questionnaire was the correct person and one with sufficient experience in the field, that would enable him/her to answer challenging questions. The personal nature of the researcher being involved in data collection secured completeness as it further ensured that the questionnaire was completed accurately.

This research ensured confidentiality to all respondents. Ethically the researcher must protect the confidentiality of the participant. Thus the ethical imperative of confidentiality will be practiced throughout the research project. According to Oppenheim (2005:104-105) confidentiality means that only the researcher knows who gave the responses.

4.4.1.1 Questionnaire design

This segment of the chapter includes the questionnaire design process, the type of questions used in the questionnaire as well as the intentions and objectives as set out by the researcher.

Both open-ended and closed questions were used in designing the questionnaire. According to Oppenheim (2005:112-114) open questions are defined as questions which offer choice as it offers the respondent freedom to speak openly. This is rather crucial and highly applicable to this research project as BEE involves many sensitive issues for discussion during interviews. Here provision is made for greater depth of response.

Closed questions were also part of the questionnaire design as the researcher ensured that specific answers were obtained. This guided the respondent to answer in a manner that was most applicable to their company. This further prevented respondents from omitting any useful information.

Various types of questions, including multiple choice questions and the importance ranking; were also included into the design of the questionnaire. The researcher designed the questionnaire specifically to elicit information regarding BEE and communication challenges in the workplace.

The intention of each question is discussed below:

- Questions One to Three are general questions providing an overview of the company being interviewed,

- Questions Four to Fourteen bring BEE compliancy and communication under scrutiny,
- Questions Fifteen and Sixteen evaluate communication efficiency in general within the organisation,
- Questions Seventeen and Eighteen determine the organisation's communication efficiency in conjunction with BEE communication,
- Questions Nineteen to Twenty Two question communication in general,
- Questions Twenty Three to Twenty Six bring BEE into focus.

The reason for initially posing general questions and then BEE specific questions is that such a method assessed the general communication procedures and was then followed by questions after the introduction of BEE. It also allowed the respondent to feel less intimidated.

According to Zikmund (2007: 269) debriefing subjects by communicating the purpose of the research is expected to counteract negative effects of deception and relieve stress. The researcher therefore ensured that the appropriate debriefing procedure was carried out with all respondents.

4.5 Data Analysis

This research uses selected themes as the method of analysis of information from respondents. According to Welman and Kruger (2007:211-212) theme identification is one of the most fundamental tasks in qualitative research and can be described as umbrella constructs which are usually identified by the researcher before, after and during the data collection. They further add that themes can also be identified by reviewing the original field notes or word analysis, that is, common word repetitions or key words.

Closed questions were analysed in the form of themes. The researcher designed and analysed ten themes that relate to both BEE and communication in the workplace. The

objective of these themes were to determine common perspectives from respondents and to measure similarities or differences in responses.

This study's overall research objectives were the key focus in constructing the themes for the analysis of responses.

4.5.1 Research Objectives:

- to examine how companies communicate their BEE policy and rights to their employees,
- to determine the moral and legal obligations that the employer should uphold when communicating the rights from the BEE Act to their employees,
- to determine what communication barriers, if any prevail in the workplace as a consequence of BEE implementation and
- to apply the Mersham *et al.* (1995) model for development to ascertain the extent to which effective communication of the BEE policy takes place.

The themes below will assist in improving and developing industries that are BEE compliant and experience communication challenges.

4.5.2 Research Themes:

- Theme one: Discrimination in the workplace;
- Theme two: Companies' perceptions on BEE;
- Theme three: Interpretation and understanding of black diamonds;
- 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.

These themes further allow for alternative communication solutions to any problems that may be encountered or will suggest methods to improve their current communication strategies since their BEE implementation. The analysis included descriptive statistics in the form of frequency distribution tables for the categorical variables.

4.6 Problems encountered

There were no major problems encountered with this study, however the few that did arise are listed below:

- respondents were not based in KZN although the companies have branches based in KZN,
- some respondents were not willing to answer some questions as the questions were sensitive and the information was not appropriate for disclosure. They felt a risk of being embarrassed or felt that their responses may threaten the organisations image although they were assured of confidentiality,
- unfortunately most of the initially contacted persons were not available for administration of the questionnaire. Thus the communication persons/BEE representatives who were available on site were approached. This did not pose a major problem as the respondents who assisted in the study were informative and efficient in responding to the questionnaire.

The validity of the study was ensured by having the Questionnaire vetted by qualified academics.

4.7 Conclusion

This chapter provided an overview of the research methodology. It indicated how the research was designed and provided a discussion on the sampling methods, the data collection methods and techniques that were utilised to analyse the data.

Chapter Five presents the findings, data analysis and discussion of the results.

CHAPTER FIVE- ANALYSIS AND DISCUSSIONS

5.1 Introduction

Chapter four outlined the methodology for this research. This chapter discusses the findings of this study. A detailed analysis of each section of the questionnaire is accompanied by numerical tabulations and themes. The chapter discusses the information gathered from the questionnaires.

The questionnaire was designed with consideration to the objectives of the study as highlighted in chapter three. The questions posed were aligned to specific themes which further related the findings of the study to the objectives set out. The themes of this study are listed below:

Theme One: Discrimination in the workplace; Theme Two: Companies' perceptions on BEE; Theme Three: Interpretation and understanding of black diamonds; 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.

For the purpose of this study, questionnaires were chosen as the instrument for data collection. The questionnaire was designed to obtain information from respondents, their perceptions, attitudes, beliefs on communication pertaining to BEE in their workplace. A total of seven questionnaires were administered to communications managers, Public Relations managers and senior management.

The analysis covered both a quantitative and qualitative study. Themes were used to analyse the qualitative data. The questionnaires completed by the relevant companies were analysed using themes and are presented in this chapter as follows:

5.2 Analysis and discussion of results:

5.2.1 Question One: Industry Sectors:

The respondents selected belong to the following sectors of industry:

- Retail,
- Financial Services,
- Resources,
- Basic Industries,
- Food and Beverage,
- Property and Manufacturing

5.2.2 Question Two: The number of employees within each organisation

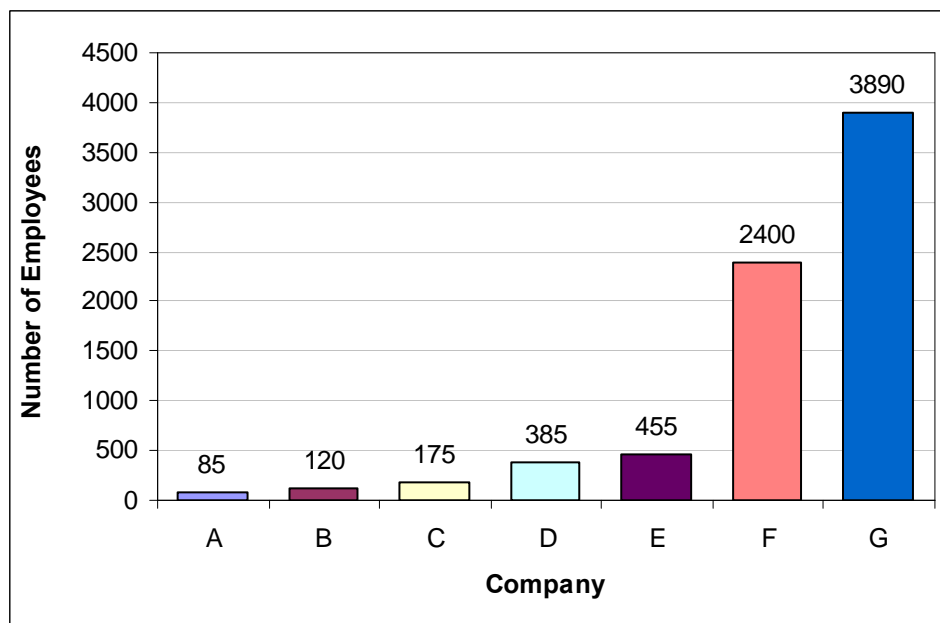


Figure 2: Number of employees within the organisations.

Figure 2 indicates the number of employees within the respondents organisations:

- One company employs between 50 and 100 employees;
- Two companies employ between 100 and 200 employees;
- Two companies employ between 200 and 500 employees;

- Two companies employ more than 2000 employees.

5.2.3 Question Three: Race profile of employees

The total race profile of employees within the organisations is shown below.

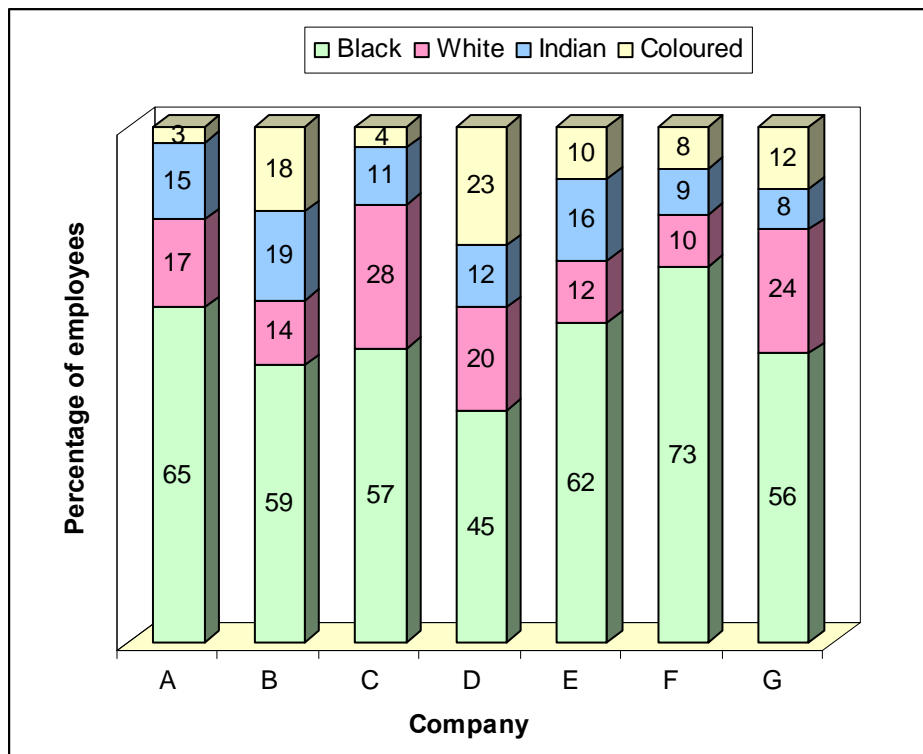


Figure 3: Race profile of employees within the organisations.

As indicated in Figure 3 above:

- Company\$ A, E and F have high volumes of black employees;
- Company\$ C, D and G have higher volumes of white employees as compared to the other organizations;
- The Indian Race group employs the third highest number of employees; and
- The Coloured race group belongs to the lowest volume of employees.

- The percentage of black employees ranged between 45 and 73% whereas the percentage of white employees were between 10 and 28%; Indian employees, 8-19% and coloured employees, 3-23%.

5.2.4 Theme One: Discrimination in the workplace

The first part of Question Four sought the respondents' views to determine whether discrimination was evident at the workplace. The second part of Question Four requested a further comment from respondents determining if South Africa as a whole has overcome the effects of the apartheid era at 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.

This is consistent with the views of Pattman (2008:4) and Moya (2007: 114-116) who are of the opinion that racial prejudice is a social ill, that still widely exists within the workplace. They add that nowadays racism comes with a cloth of sophistry as racism now camouflages itself. Racism is not black and white but rather that now people prefer not to talk about it.

5.2.5 Theme Two: Companies' perception on BEE

In Question Five, respondents were asked if they supported the view that Black Economic Empowerment (BEE) serves to benefit only a few.

- 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 for this information as they disclose selectively valuable information that generally remains behind close doors. These five companies agree that %government officials+are the prime culprits who have benefited. They further add that BEE was initiated to benefit the masses and may take longer than anticipated as policies are recalled and changed. They believe that it is a process of learning with the hope that BEE will reach the masses and not constrict itself to benefiting the elite.

- Two companies do not support this view. They were of the belief that BEE benefited all.

The findings above are consistent with the views of Ross (2008:6) who elaborate that the %elite+benefactors of BEE have often been raised via the various media houses as there are criticisms that the %elite few+ have only benefited from BEE and not Blacks lower down the ladder. He 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. He further adds that, while the progress of this was important, there was a need to improve those further down the ladder through a programme of skills development (Ross, 2008:6).

5.2.6 Question Six: Years of BEE compliancy within each organisation.

Question Six sought to determine the duration that each organisation has been BEE compliant.

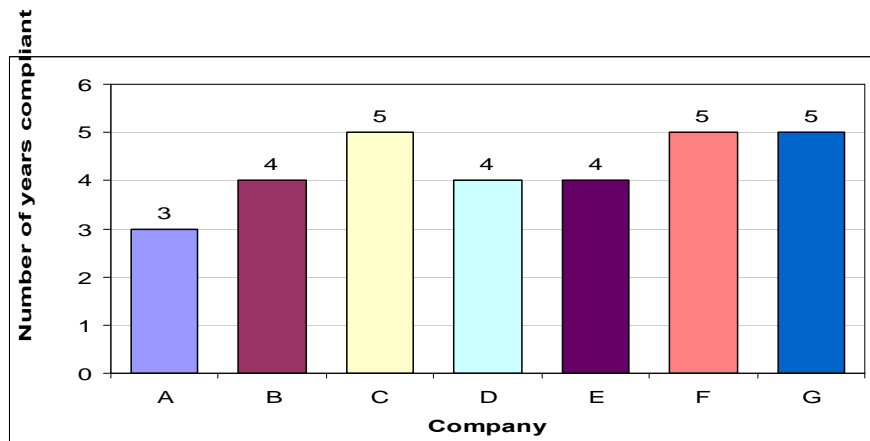


Figure 4: BEE Compliancy Time Frame

The responses indicated in Figure 4 were as follows:

- 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.

5.2.7 Theme Three: Interpretation and understanding of black diamonds

This theme included a combination of Questions Seven and Eight.

Question Seven assessed the interpretation of the term **Black diamonds**.

All companies agree that the term black diamonds 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**. These companies believe

that this market has now emerged and further added that the initial hype that surrounded the term is slowly phasing out of the industry but is well known and understood to all industries especially that of sales.

- 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.

The above findings relate to the views of Fredericks and Siko (2007:48-50) who are of the belief that %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.

In Question Eight respondents were asked if there were %black diamonds employed at their organisations and if so, what percentage of their employees belong to this category.

All companies agree that they have a percentage of black diamonds employed at their organisations.

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

5.2.8 Theme Four: Internal/employee reaction to BEE implementation

Question Nine sought to determine how staff had reacted to the changes in the workplace since the company's BEE implementation. The responses received were as follows:

- Two companies explained that their employees have reacted well to the changes since the implementation of BEE at the workplace. These companies explained that staff, have been supportive of BEE and the various race groups employed 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 explain that the majority of their employees have now accepted the BEE policy and changes, with an understanding of the benefits. These employees have been informed and adequately communicated about the BEE Act and its changes. These companies did not comment on the initial reaction from employees.

Employees now view BEE as a holistic approach in developing South Africa as a country. Some employees have refused to accept BEE to the extent that they have left the company and some have even left the country. The employee decisions to leave both the organisations and country, commonly stem from communication barriers that exist among the various race groups at both a professional and societal level. The respondents further indicated that there were attempts from these employees to communicate with the different employee race groups, however they had eventually failed.

This statement is in agreement with Sikoş view (2008:6) as he highlights that there are various communication barriers that surface within an organisation especially since the introduction of the BEE policy into the corporate environment. He adds that there are evidently challenges of communication among employees, employers, stakeholders and other representatives. Due to the introduction of diverse race groups, communication challenges are certain to arise.

Siko (2008:6) explains that changes within an organisation, communication challenges, the lack of proper communication via channels, and the lack of education and training amongst employees, can lead to communication barriers in the workplace.

5.2.9 Question Ten: Factors affecting organisations since the implementation of the BEE policy

Table 2: Factors affecting the organisations

Factors affecting the organisation	Company						
	A	B	C	D	E	F	G
Racism	Yes	Yes	Yes		Yes	Yes	
Language barriers	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Employee culture	Yes	Yes	Yes	Yes		Yes	
Organisational culture	Yes	Yes			Yes	Yes	Yes
Other (Communication skills of employees)							

Table 2 above indicates the factors that affect the organisations since the implementation of BEE:

- 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 findings above reiterate the statements of Kjeldsberg (2000) who explains that two way communication about workplace practices, helps achieve the desired outcomes for both the employee and the organisation in a variety of ways. With consideration to the

various values, cultures, languages, there is certainly bound to be communication challenges among staff or between employee and employer. Thus identifying the factors that affect organisations since BEE will assist organisations in selecting and tailoring their programs and policies to meet the specific needs of their employees. This would avoid the barriers listed in the findings above.

5.2.10 Theme Five: Communication about compliancy internally and externally

Theme Five included a combination of Questions Eleven and Thirteen. The first part of Question Eleven enquired whether respondents were frequently questioned about their company's BEE rating.

The second part of Question Five assessed how important BEE compliancy and rating is to their clients.

- 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.

The third part sought to understand how the respondents' clients have reacted to the changes since their BEE compliancy. Question Thirteen was aimed at determining how the respondent companies have communicated their compliancy to their employees and clients. Responses varied among the respondents regarding their internal and external communication.

- Four companies are strong supporters of effective communication. These companies are of the belief that communication is an utmost priority. All companies agreed 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 by the

researcher is that employees were informed by heads of department 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.

5.2.11 Question Twelve: Number of BEE suppliers that have been utilised within the past six months

The respondents were asked to indicate the number of BEE suppliers they had used in the previous 6 months.

Figure 5: Number of BEE suppliers utilised by organisations.

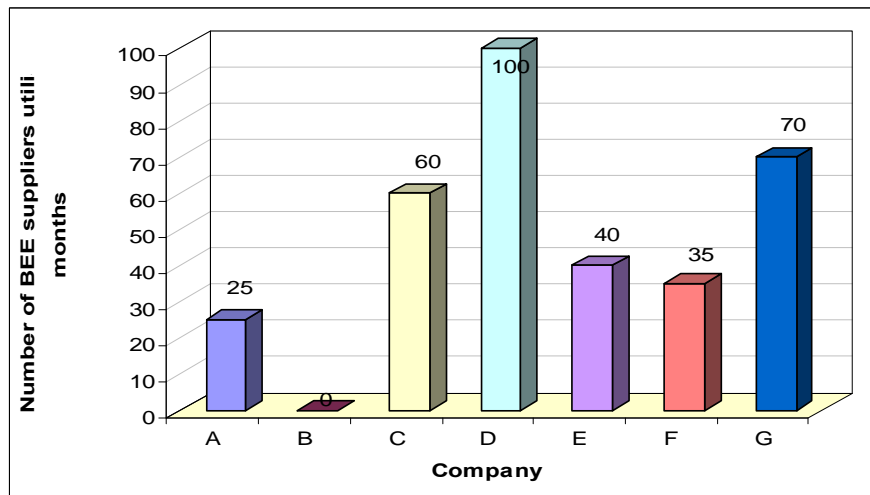


Figure 5 indicates that:

- Four companies have used between 25 and 45 BEE suppliers;

- Two companies have used between 60 and 70 BEE suppliers; and
- One company has used 100 BEE suppliers.

5.2.12 Question Fourteen: Employee shareholding offered by each company

The respondents were asked to indicate employee shareholding offered by each company. Figure 6 shows that:

- Three companies offer between 20-25% shareholding to employees;
- Three companies offer between 30-45% to employees; and
- One company offers 65% to employees.

The statistics above re-iterate the advantages of BEE to the employee:

Employees feel that they belong as part of the organisation, when they are allowed to share in the company's capital growth. Allowing employees such a share in the company is advantageous to the successful implementation of BEE. The advantages such as; employee job satisfaction, employee shareholding within the company and team spirit are all crucial elements within the workplace (Employee owned trusts, 2008).

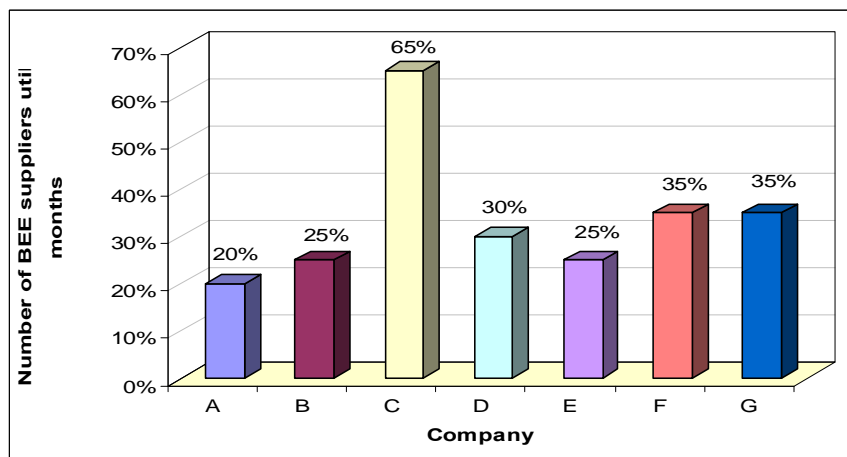


Figure 6: Percentage of company shares owned by employees.

5.2.13 Question Fifteen: Importance of communication to the organisation

The respondents were asked to indicate the importance of communication to the organisation.

Table 3: The importance of communication to the organisation.

Importance of communication	Company						
	A	B	C	D	E	F	G
Extremely important		Yes		Yes	Yes		Yes
Very important	Yes		Yes			Yes	
Average importance							
Not at all important							

Table 3 indicates that:

- Four companies rank communication as extremely important ; and
- Three companies rank communication as very important.

With the findings above indicating the importance of communication to employers, likewise Daily News reporter (2008:8) explains that 80% of %Today's Businesses+ cite communication as their employees' biggest skill problem. Information and services are created and delivered by communication, therefore, this skill has become essential in the everyday running of any business.

5.2.14 Theme Six: Organisational communication

Theme Six used a combination of Question Sixteen and Question Twenty One:

Question Sixteen identified the departments responsible for communication with the company's stakeholders.

- Three companies believe that the PR department is responsible;
- Two companies believe that the communications department is responsible; and
- Two companies believe that the HR department is responsible.

All seven companies agree that communication is the responsibility of the Public Relations and or communications department. The companies' human resources department also communicated with employees from time to time based on the relevance of their department and the information communicated to employees.

In Question Twenty-One respondents were asked if there was two-way, open communication between staff and management. The responses received were as follows:

- Four companies reported that their organisations employ the best communication mediums for their employees. They claimed that there is effective two way communication between management and employees.

The various mediums and channels available to staff allow for open, honest, confidential information to be delivered. Feedback is crucial in their communication process as every employee and complaint is considered valid. However, these companies have admitted that this is very time consuming and costly. They further added that electronic forums are quickly replacing the conventional methods of communication as this is faster and cheaper, for example, emails.

- Three companies also practice an open communication policy, however, only the most valid and crucial queries are responded to.

These responses confirm that only if the employer finds the complaints of employees valid, will they react to it. There was no indication from the respondents that

employers react and provide feedback to every employee complaint. All feedback noted from the seven companies was based on the employers discretion as to whether or not the employer should communicate/provide feedback with employees.

These findings are in agreement with the views expressed by Knight (2009), who explains that most companies underestimate the importance of internal communication. He adds that as business structures and hierarchies get more complex, so too does effective internal communication.

Knight (2009) further elaborates that employees feel neglected, by not receiving constant information. He questions how messages are delivered to staff, as generally there is no on-going, structured internal plan as messages appear to be sent in a very ad hoc manner. He concludes that messages are often received as being patronising or lacking in honesty that staff can sense.

5.2.15 Theme Seven: Communication strategies focused on BEE

Question Eighteen sought to determine what communication strategies were in place to communicate BEE related information to employees.

The respondents have the following strategies in place:

- 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 their main communication strategy. Such 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 since the implementation of BEE at the workplace 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);
- Both employees and employers are considered as senders and receivers in the communication strategy at their workplace. When there is a need for information to be disseminated from employer to employee, a specific communication strategy is used based on the levels of employees who will be communicated to. Different mediums are used to communicate the same messages to different employees, e.g. those with language differences; and
- One company indicated that it did not have a formal strategy, and utilised a basic communication strategy applicable and adjusted according to each scenario. A different strategy was implemented when updates about the BEE status, benefit to employees or shares, were communicated. Communication in this company is open at all times to all levels of employees.

Findings indicate that the current communication challenges in corporate South Africa prove to be more prevalent since BEE was implemented.

5.2.16 Question Nineteen: Frequency of communication with employees

This question sought to determine the frequency of communication in general between employees. This was not restricted to communication about BEE but communication in general.

Table 4: Frequency of communication with employees

	Company						
Frequency of communication	A	B	C	D	E	F	G
Never							
Once a week						Yes	
Twice a week	Yes		Yes		Yes		
Once a month							
Daily		Yes		Yes			
Three times a week							Yes

Table 4 indicates that:

- Three companies communicate twice a week;
- Two companies communicate daily;
- One company communicates three times a week; and
- One company communicates once a week.

Osborne (2000) recommends that one can easily improve their communication by assessing their frequency of communication and communication skills. The skills

supporting good communication include knowing what medium to use (small group meetings, one-to-one discussions, meetings of all employees, etc.), what information to communicate, how to assess the climate for communication, and what obstacles there are likely to be.

5.2.17 Question Twenty: Media utilised to ensure the flow of information

This question sought to analyse the various mediums used by employers to communicate in general with their employees.

Table 5: Media used to ensure the flow of information

Communication Mediums	Company						
	A	B	C	D	E	F	G
Internal newsletters	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Newspapers			Yes	Yes			Yes
Magazines	Yes	Yes				Yes	Yes
House Journals		Yes		Yes	Yes	Yes	Yes
Intranet		Yes	Yes	Yes			Yes
Website	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Electronic forums							
Email	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Annual reports	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Workshops	Yes	Yes		Yes			Yes
Meetings	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sms				Yes			
Other: One on One		Yes					

From Table 5, it is evident that three companies were strong believers of frequent employee communication and further implemented various mediums of employee communication. The following is evident from Table 5:

- 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.

Manyi (2008) explains that communication takes up a lot of time. It is therefore necessary to have an orderly pattern of communication/medium through which information can be swiftly and accurately conveyed and the instructions for action issued.

5.2.18 Theme Eight: BEE and training

Question Twenty-Two sought to determine what training opportunities were offered to new employees since their BEE implementation. The responses received from respondents were as follows:

- Communication skills, writing skills in general and business writing;
- Team work, english communication;
- Diversity management, customer care/relations, business communication;

- Communication in general, organisational culture;
- Computer skills development, communication and financial skills; and
- Business management, computer literacy, customer service.

In agreement with the findings above, Motloun (2007:2) claims that many countries place too much emphasis on academic learning and not enough on learning in the workplace. Workplace learning is an equal partner with academic learning. The more South Africa invests in its people's education, the greater it will prosper in the future. Lifelong learning has never been more important than it is today. Education is significant in determining how effective a company is and whether it is effective in adapting to new workplace technologies. Economic growth depends on quality education for children and continuing education for adults.

5.2.19 Theme Nine: Mediums and barriers of communication

This theme combined an analysis of Questions Seventeen, Twenty-Three, and Twenty-four:

Question Seventeen enquired from respondents if there were any misconceptions from staff about BEE. This question further allowed the respondents to elaborate if they did indicate that there were misconceptions occurring within their workplace.

Some of the respondents indicated that there were evident misconceptions from staff about BEE. The results analysed were as follows:

- Four companies currently have no misconceptions from staff,
- Two companies currently admit to some current minor misconceptions,
- All seven companies agree that at the initial BEE implementation stages there were numerous misconceptions by staff about BEE.

Question Twenty-Three was an open ended question that allowed respondents the opportunity to comment if BEE compliancy had caused any friction or communication barriers among staff within their workplace.

- Two companies claimed that friction and communication barriers are not evident in the workplace, although both %somewhat agree+ with the statement that BEE compliancy has caused some friction and communication barriers among staff.
- Five companies indicated that BEE compliancy has caused some friction and communication barriers among staff.

Mersham & Skinner, (2001:4) explain that wherever change occurs or is about to occur, and when deviation from long-accepted cultural norms looms, two results are possible; change occurs at both individual and social levels. They add that all analysis of social change must be directed at the communication process and how people have obtained and modified new ideas through communicating with others.

According to Mersham & Skinner (2001:4), the solution is that people must be exposed to new ways of thinking and should be encouraged to adopt new attitudes. They explain that change improves the living standard of people and enables them to act in a way which promotes self improvement and the improvement of their living conditions.

In the context of this research BEE can be considered as the %change+ within the organisation.

Question Twenty-Four required the respondents to set out the communication barriers that have surfaced since the implementation of the organisation's BEE policy considering that there are different cultures and languages that have now been introduced to the workplace. The barriers to communication indicated by respondents were as follows:

- One company indicated that employees cannot communicate as well as management would like them to. Language barriers pose a serious communication problem;
- One company highlighted that a lack of respect and understanding for colleagues, culture and the diversity in the workplace, was common among the various race groups of employees in their organisation;
- Another company indicated that they experienced hostility between old and new employees. Although they did not encounter any major problems, it was evident that older employees felt threatened and in-secure because of the newly appointed staff;
- One company responded with language and cultural barriers serving as the only communication barrier at the workplace since the implementation of BEE in their organisation;
- The response indicated by one company was that of the resistance to teamwork among races, especially between long-term employed white employees and newly appointed black staff. It is indicative that race groups tend to work better with their own race groups, however, diversity management courses, team work efforts from management have drastically reduced this racial segregation;
- One company experienced challenges from staff when spoken to in fluent English. These employees felt insecure and lacked self confidence with the inability to communicate in English. Customer service was not as excellent as the company's management would like it to be, however, offering English courses certainly assisted developing staff confidence and improving their customer service levels at the same time; and

- One company indicated that there is a minor struggle between the various race groups in attempting to work harmoniously with one another. There are the odd few who challenge employees of other race groups and struggle to form good working relationships with their fellow colleagues.

5.2.20 Theme Ten: Top Management's involvement in the process

Theme Ten combined Questions Twenty-Five and Twenty-Six.

In response to Question Twenty-Four above, the first part of Question Twenty-Five sought to enquire if top management was aware of the problems encountered.

- All seven companies indicated that top management is aware of the communication barriers that have surfaced since their BEE implementation.

The second part of Question Twenty-Five sought to analyse what was been done to overcome the barriers listed in response to Question Twenty-Four.

- The responses from all seven companies to this question, referred the researcher to Question Twenty Two . (as the remedies implemented to overcome the barriers listed and emphasised were the very same responses to the second part of question twenty five.)

Question Twenty-Six concluded the questionnaire study by enquiring if there was a legal or moral obligation for the company to ensure that employees are aware of their rights since the implementation of the BEE policy.

All seven companies indicated that it was both a moral and legal obligation by the company to ensure that employees are aware of their rights since the implementation of BEE in the workplace. The comments below are indicative of the responses received from the companies:

- One company indicated that management has undertaken and implemented the training workshops (stated above) necessary to assist in the efficiency of the business as well as on a moral level to uplift South Africans not just regarding internal policies;
- Another company emphasised the legal effects are certainly part of the BEE necessity, and the moral obligation relates to empowering employees, making them better employees to assist in productivity and, personal growth;
- One company added that since the implementation of BEE diversity management is a key priority. Due the various race groups at the workplace there is bound to be barriers. Thus the workshops listed above are solutions to eliminate, if not alleviate, these barriers. Employees and communication are both very important to the company and there is more a moral than legal obligation;
- One company expressed that, at first, when BEE was introduced by government to the corporate sector, they had a legal obligation. As the company grew to understand the overall benefits and long term picture for South Africa at large, their moral obligation is certainly super ceding their legal obligations;
- Two companies explained that there was a greater legal than moral obligation. They both added that as corporates they were in business to make profits. Skills training assists one in making higher profits long term. Staff become more efficient and valuable when they are viewed as assets to the company. It is the duty of the company, as a major corporate and as a BEE compliant organisation, to legally assist and commit to developing employees. A partial moral obligation certainly associates itself with this duty; and

- One company indicated that there was both a fifty-fifty balance between the two obligations.

5.3 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 have evolved from the effects of apartheid. 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.

The next chapter focuses on the conclusions, recommendations and objectives of the study.

CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

Chapter Five analysed and interpreted the data from the questionnaires. In this chapter the researcher presents a summary of the study, the conclusions that were drawn from the study, limitations of the study and recommendations for further studies.

6.2 Summary of the study

The purpose of this study was to determine the communication challenges since BEE was implemented within the corporate sector. A sample of seven companies representing different industries was identified to classify common patterns as well as different perspectives on the implementation of BEE.

Chapters Two and three reviewed theories and literature relevant to defining and understanding the barriers of communication since the implementation of BEE in the workplace. The literature review provided a broad overview of the historical development of BEE since apartheid. This chapter also focused on the communication challenges since BEE was introduced to the workplace.

The theoretical approach of Merham's development model was researched and applied in the context of the research topic. The literature review revealed that although BEE has faced many challenges since its introduction to industry, there were many positive associations and developments that have evolved from it. Evidently, communication needs to be given more focus in most organisations to ensure the successful implementation of BEE. The study also revealed that there is much optimism and hope for BEE to take South Africans to greater heights.

Chapter Four described the methodology employed in this study. The methodology adapted for this study was a partially quantitative and predominantly qualitative analysis. The various techniques that were employed in this study were highlighted. The

research design was discussed and insight was provided into the sampling method selected. The respondents were selected according to the researcher's choice based on varying factors.

Chapter Five categorised ten themes to present the findings of the questions that were posed to the sample.

- Theme One: Discrimination in the workplace; assisted in understanding that discrimination was still practiced or evident at the workplace.
- Theme Two: Companies' perceptions on BEE; guided the researcher in understanding the respondents' viewpoints in view of being BEE compliant.
- Theme Three: Interpretation and understanding of black diamonds; supported the research with background knowledge of Black employment within the industry, more especially the black diamond market.
- Theme Four: Internal employee reaction to BEE implementation; provided an understanding of the employees' feelings and reactions to BEE.
- Theme Five: Communication compliancy internally and externally; examined the efficiency and effectiveness of communication regarding BEE internally and externally.
- Theme Six: Organisational communication; supported theoretical understanding of communication in general. There is sufficient attention focused on this area.
- Theme Seven: Communication strategies focused on BEE; examined strategies for communication with special attention to BEE.

- Theme Eight: BEE and training; assisted in determining what efforts were made by employers to offer employees training in this area. All companies are to be commended for their efforts.

- Theme Nine: Mediums and barriers of communication; provided insight in understanding the methods and mediums used to communicate, as well as the barriers encountered within this process. This theme revealed that barriers were evident within the organisations communication process.

- Theme Ten: Top management's involvement in the process, assisted in determining the legal/moral obligation from employers to sustain the implementation of the BEE policy.

Questionnaires were administered to the selected respondents and the data was analysed in Chapter Four. The results of this study were then compared to the literature review as well as Mersham's model to determine whether communications barriers were evident since the implementation of BEE in the workplace. The analysis revealed that the majority of the sample supported the theoretical underpinning relating to the current practices. There is much room for improvement as most of the organisations are merely fulfilling the minimum requirements for effective communication within the workplace.

Due to the sensitivity of BEE, there is much more that can be executed by the employer to ensure effective implementation and understanding for employees. The findings highlights the fact that BEE has brought about many challenges to the corporate South African workplace and effective communication is the crucial factor in the successful implementation of BEE in organisations.

6.3 Conclusions and achievement of objectives

The aim of this study was to investigate the communication challenges in the workplace since the implementation of BEE. The following section presents the conclusions to the study based on the objectives set out in Chapter One.

Objective one sought to examine how companies communicate their BEE policy and rights to their employees.

The literature review provided an understanding of the BEE policy and its benefits to employees, employers and South Africans at large.

It was found that employees have been introduced to various rights, shares, and responsibilities stemming from the implementation of BEE in their companies. The seven companies indicated the use of various communication strategies.

The use of a top down strategy, and a cyclical effect strategy with open channels for feedback and easily accessible communication for employees, were used. All levels of employees were kept informed at all times in various languages via the most appropriate mediums applicable or accessible to them.

The second objective was to determine the moral and legal obligations that the employer should uphold when communicating the rights from the BEE Act to their employees.

All seven companies indicated that it was both a moral and legal obligation of the company to ensure that employees were made aware of their rights after the implementation BEE. Focus was positioned on training and workshops, to improve employee skills and assist in the communication process. The legal obligations were certainly part of the necessary BEE implementation and this was followed by the moral obligation relating to empowering their employees, inevitably making them valuable employees to assist in productivity and personal growth. Some companies tend to have guided themselves by greater moral than legal obligations, whereas the other

companies were guided by more legal than moral obligations when communicating the rights of the BEE Act to their employees.

The third objective was to determine what communication barriers, if any, prevail at the workplace as a consequence of BEE implementation.

All seven companies agree that the initial BEE implementation stages involved numerous misconceptions by staff, which placed a barrier on the effective implementation of BEE in the workplace. Racism, language, organisational culture and employee culture, are the most common barriers that prevail in the workplace. Racism followed by language barriers, were viewed as common barriers affecting the organisation. Although discrimination was not evident in the workplace, it is evident that BEE compliancy has caused some friction amongst staff. A lack of respect and understanding for other cultures and diversity in the workplace was also a common problem, along with hostility between old and new employees as the older employees felt threatened and in-secure with the introduction of newly appointed black staff.

Evidence suggests that companies are aware of the barriers and have implemented remedied actions into place.

The fourth objective was to apply the Mersham *et al.* (1995), model for development, to ascertain the extent to which effective communication of the BEE policy takes place.

The theoretical model for development was utilised in this study to relate to the process of communication. The model displayed the components of communication, *viz.* communicator, encoding, decoding, message, recipient, medium, feedback and context, which are relative to this study.

The conclusions on the application of this model indicates that the recipient and senders role is crucial in the development of encoding and decoding messages, however, some

of the respondents were guilty of not effectively implementing a solid communication strategy in this regard. The model revealed that all components were necessary for an effective communication process in the workplace.

All seven employers have made efforts to communicate BEE to their employees. Some with extreme dedication and others with less perseverance. Those companies that made unique attempts to communicate BEE to employees, found their staff to be more cooperative and appreciative. The study sought to determine what the communication challenges were within the selected companies. Those companies that did not make such efforts to communicate BEE, found racism, language, organisational culture and lack of employee culture to be common barriers that prevailed.

One of the most significant findings arising from the research confirms the application of Mersham's graphical communication model (1995) which analyses the message components in the triptych, drawing attention to the codes and symbols of content as a vital area in the process of understanding.

The form of messages has taken on a different format. Employees are now accepting messages of the most intricate form as opposed to the conventional messaging systems used in the past by employers. Approaches to communication have changed to modern technologically advanced methods such as emails, intranets etc. Employees want to be communicated to about BEE as it is a new concept to them.

Evidence suggests that Mersham's model (1995) can be seen to work in practice especially as far as the recipient is concerned. Employees are engaging with the concept of BEE and asking questions which may affect their employment lifestyle.

The central position in the communication triptych is the message. In order to transfer thoughts, information, feelings and attitudes, Mersham *et al.* (1995), argue that we need to consciously ensure that the form in which these ideas are manifested is decodable by the partners in the communication process.

Significant findings indicate that South African companies have well established communication media in different languages which include internal staff magazines, electronic communications, posters, newsletters, intranets as a method of constantly communicating about BEE.

Mershams model (1995) provides a basis for the evaluation of effective communication since the implementation of BEE within the workplace. Strong evidence suggests that the findings support the model for development. Mershams model (1995) reveals itself to be underpinning the campaigns, communication strategies implemented by the respondents. Although this is not done explicitly with the knowledge of the model itself, the study has shown that the basic principles are practiced and applied. What the model proposed is substantiated by the results of this study.

6.4 Recommendations:

Based on the findings of this study, the following recommendations can be made:

- Communicators from different cultures should ideally study the language of another culture for effective communication in the workplace, and a proper understanding and implementation of the language would avoid many unnecessary barriers, further assisting in building relationships between staff themselves or between employees and employer in the workplace.
- The study emphasised how cultural differences, language barriers, racism, and discrimination gave rise to challenges encountered by employers in the workplace. It is crucial for employers to have a full understanding of the various cultures and languages and to promote support for such programmes.
- BEE is certain to remain a government programme aimed at uplifting black employees in the workplace. Employers and employees alike need to understand that this will build a stronger nation and that problems are sure to be experienced

in the initial stages of implementation. Both employers and employees need to receive adequate communication on the benefits of the BEE Act.

- Organisations need to closely evaluate their communication strategies with employees, especially since the implementation of BEE that has brought about some challenges to the workplace. Effective, honest and open communication can certainly lead to the success of BEE.
- It is recommended that Organisations should constantly measure the success of their BEE status and implementation with all stakeholders. This will ensure that they are abreast of changes and can effectively implement timeous revised strategies.
- It would benefit the industry- If related organisations shared and compared communication strategies in an effort to address any factor relating to change. This would ultimately assist the organisation in improving communication with employees. Sharing problems and solutions with industry related organisations can alleviate many barriers and save valuable time as well as money invested into programs such as internal research or communication assessments.

6.5 Suggestions for further study

Several factors emerged during the course of this study, and the details were confined as they were beyond the scope of this study, however they stand out as critical aspects for further study.

Further research could explore the following:

- The government's role in communicating BEE and its guidelines to employers, before they can filter and channel this information to employees within their organisations.

- The media's role in informing and educating employers, employees and the public in general about the BEE policy and the benefits thereof.
- The role of verification agencies and government in monitoring the ongoing status of BEE compliant organisations. Another avenue that requires attention is the close monitoring of the 'elite beneficiaries' of BEE and 'window dressing' that is generally misused as a façade by many corporates who claim to be BEE compliant.
- A focus on the study from an employees' perspective.
- A wider geographical location can be considered when selecting the sample as this study was confined to Kwa-Zulu Natal. This would allow one to look at other provinces and the country at large.

6.6 Concluding remarks:

Cultural practices and barriers are common to the citizens of South Africa. Since the legacy of apartheid, South Africans have realised that intercultural communication is pivotal to each and every South African. It is crucial for people to understand how to communicate with one another, which thereby allows them to work together and form relationships. In this multifaceted society, the various cultures and languages necessary for effective communication, is paramount for the successful functioning of South Africans in their daily lives.

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Annexure 1: Letter from the researcher to the selected companies

To: The senior Manager/ Communications Manager

DEAR SIR/MADAM

I would appreciate your kind assistance in my study.

I am studying towards my Master of technology: PR Mgt at DUT. The aim of this research to identify and examine the communication challenges that may arise at the workplace since the implementation of the BEE policy.

Your assistance and expertise in the completion of this questionnaire will be highly appreciated, and will also continue to finish this study. This will take about ten minutes of your time and all answers will be confidential.

Please feel free to respond honestly. A summary of this study will be published and you can be assured that a copy will be forwarded to you for your perusal.

Thanking you for your cooperation

Kind Regards

Swastika Juggernath

Student number: 20354422

Annexure 2: Questionnaire

Questionnaire

1. Indicate which industry your organisation belongs to

Sector	Tick
Retail	
ICT	
Health	
Financial services	
Resources	
Basic industries	
Tourism	
Hotel and Leisure	
Transport	
Media	
Support services	
Food and beverage	
Property	
Manufacturing	

2. Indicate the number of employees in your organisation?

10-19

20-29

30-39

40-49

Other:

3. What percentage of employees belong to the following race groups?

Black

White

Indian

Coloured

Other Nationalities

4. Do you believe that discrimination is still evident in the workplace? (i.e among staff/suppliers/clients/superiors)

YES

NO

If yes, do you believe that S.A will overcome the apartheid era at the workplace+

5. BEE serves to benefit only a few . . .+Do you support this?

6. How long has your company been BEE compliant?

7. How have staff reacted to the changes?

8. How have your clients reacted to the changes? How important is your BEE compliancy to your clients? Are you questioned about your rating?

9. How has your compliancy been communicated to your employees and clients?

10. Are your employees part of the shareholding in the company? If so, what percentage belongs to employees?

11. How important is communication to your organisation?

Extremely important	
Very important	
Average importance	
Not at all important	
Don't know	

12. Which department is responsible for your communication with stakeholders?

13. Are there any misconceptions from staff about BEE?

No

Yes

If Yes, explain _____

14. What communication strategy do you have in place to communicate about BEE?

15. What training have you offered to new employees?

16. How often do you communicate with your employees?

Never

Once a week

Twice a week

Once a month

17. Indicate with a % What mediums are used to ensure this flow of information?

MEDIUMS	INDICATE
Internal newsletters	
Newspapers	
Magazines	
House Journals	
Intranet	
Website	
Electronic forums	
Email	
Annual reports	

Workshops	
Meetings	
Sms	
Other: Specify	

18. Do you agree with the following statement?

BEE compliancy has caused some friction and communication among staff

I Agree

I Somewhat agree

I do not agree

N/A

19. What communication barriers have surfaced since the BEE policy implementation?

Considering there are different cultures, languages etc that have now been introduced to the workplace?

20. Which key areas mostly affect your organisation since the policy implementation?

Racism

Language barriers

Employee culture

Organisational culture

Other, Specify _____

21. If yes to above, Is top management aware of the problems encountered? What has

been done to overcome them?

22. Is there two way, open communication between staff and management?

23. During the last six months, how many BEE suppliers have you utilized?

24. How important is your BEE compliancy to your employees? Is there a keen interest in the company's BEE policy and compliancy?

25. Is it a legal or moral obligation that rests upon the company to ensure that employees are aware of their rights since the implementation of the BEE policy?

Legal

Moral

Both of the above

None of the above

Other: (Specify)