

**DURBAN UNIVERSITY OF TECHNOLOGY**

**THE INFLUENCE OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT  
POLICIES ON ORGANISATIONAL EFFECTIVENESS: A CASE OF SOUTH  
AFRICAN COMPANIES.**

**DZIVHULUWANI MUDAU**

**APRIL 2022**



**THE INFLUENCE OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT  
POLICIES ON ORGANISATIONAL EFFECTIVENESS: A CASE OF SOUTH  
AFRICAN COMPANIES.**

Submitted in fulfilment of the requirements of the degree of Doctor of  
Philosophy in Management Sciences

Specialising in

Business Administration

in the

Faculty of Management Sciences

at the Durban University of Technology

**DZIVHULUWANI MUDAU**

**APRIL 2022**

**DR L. N. GOVENDER (B Com (Hons), M Com, PhD)**

## Declaration

I the undersigned **Dzivhuluwani Mudau** declare that “The influence of Broad-Based Black Economic Empowerment Policies on Organisational Effectiveness: A Case of South African Companies” contained herein, is my own work and where there was work borrowed from other authors it was indicated as such and acknowledged.

\_\_\_\_\_  
**Dzivhuluwani Mudau**

\_\_\_\_\_  
28/03/2022  
**Date**

**Approved for final submission by supervisor:**

Supervisor: Dr. L. N. Govend

(Signature) \_\_\_\_\_ (Date) 06 April 2022

**Dedication**

This thesis is dedicated to my wife Vhutshilo, my daughter Apfaho and my parents Mr T. W. and Mrs N. M. Mudau.

## **Abstract**

B-BBEE is an integral part of the South African business landscape so long as there are real or perceived inequalities in the economy and society in general. Legislation came into effect to redress the economic imbalances caused by the apartheid system where black people were purposefully restricted from meaningful participation in the economy (B-BBEE Strategy, 2003). Since its inception B-BBEE legislation has been subjected to several amendments. Such amendments to the legislation required companies to adjust their resources both human and capital and strategies to comply with the legislation. The research was aimed at exploring the influence of Broad-Based Black Economic Empowerment Policies on organisational effectiveness. B-BBEE is part of the South African business environment and knowing and understanding how it influences organisational effectiveness may assist in the understanding of the constraints of the transformation in the South African economy. B-BBEE is a very controversial subject that affects different companies in different ways, hence a subject of political debates, at government and organisational levels. B-BBEE affects different stakeholders of South African sectors of society such as employees, unemployed people, businesses, owners, and the State. These stakeholders have varied interests related to B-BBEE that gave rise to the current study. The research study provided a different angle to what is currently available in terms of B-BBEE research.

The study employed a mixed method approach to research. The primary data collection method was questionnaires with a 5-point Likert scale where respondents were required to complete multiple choice questions. The qualitative study used interviews with selected respondents.

The study findings confirmed that B-BBEE had a positive impact on organisational effectiveness with specific reference to managerial effectiveness, organisational sustainability, organisational strategy and organisational culture.

**Keywords:** B-BBEE; organisational effectiveness; managerial effectiveness; organisational strategy; organizational culture; organisational strategy.

## **Acknowledgements**

First and foremost, I thank GOD for having granted me the divine power and fortitude of having survived this milestone achievement.

I feel a deep sense of gratitude to the following persons who have provided guidance, advice and support during very trying circumstances. I therefore record my heartfelt appreciation to the following persons who have contributed in different ways in the realization of the success of this research study.

My supervisor, Dr L.N. Govender for his suggestions, active encouragement, motivation and expert supervision and guidance received during the study. His consistent prodding and timely interventions served as beacons of hope and road maps to reach my ultimate destination.

The management and the participants from the various participating organisations for affording me the opportunity to conduct surveys and interviews with them, many of whom not only offered needed information, but also touched my heart with their enthusiastic participation, despite their hectic work schedules.

Mr Abiwu Lawrence for his assistance in statistical and data analyses.

Busy Bee Editing for their assistance with the editing, language corrections and proofreading.

A special tribute to my wife, Vhutshilo Mudau who remained a constant inspiration in providing extraordinary support, whilst sustaining a loving and caring environment, throughout this study.

A big thank you to my daughter Apfaho who I neglected during the study. I hope to be her role model for her to emulate when she strives towards achieving her chosen goals, in the years to come.

I thank my siblings and extended family members for their encouragement, forbearance and good wishes.

My parents, Mr T.W. and Mrs N.M. Mudau who were my first teachers ... for having given me the gift of life and their unstinting perseverance and challenges in raising me.

I take this opportunity to thank the Durban University of Technology via the Research Committee, for the financial support towards the completion of this study and for creating a conducive environment to study and achieve this milestone qualification.

## Table of Contents

Declaration.....	ii
Dedication .....	iii
Abstract.....	iv
Acknowledgements .....	v
List of Tables.....	xvi
Table of Figures .....	xvii
List of Acronyms.....	xx
CHAPTER 1 .....	1
INTRODUCTION.....	1
1.1.    Introduction .....	1
1.2.    Background to the Problem .....	2
1.3.    Research Problem.....	5
1.4.    Aim of the Study.....	7
1.5.    Objectives of the Study .....	7
1.6.    Research Questions.....	8
1.7.    Significance of the Study .....	8
1.8.    Delimitation and Scope of the Study .....	9
1.9.    Limitations of the Study .....	10
1.10.   Theoretical Framework of the Study.....	10
1.10.1. Inductive reasoning .....	12
1.10.2. Abductive reasoning.....	12
1.10.3. Deductive reasoning.....	13
1.11.   Chapter Layout.....	13
1.12.   Conclusion .....	14
CHAPTER 2 .....	16
LITERATURE REVIEW: BROAD-BASED BLACK ECONOMIC EMPOWERMENT .....	16
2.1.    Introduction .....	16
2.2.    B-BBEE Background.....	17
2.3.    The Economic Imperative of B-BBEE.....	28
2.3.1. Economic growth.....	29
2.3.2. Alleviation of poverty .....	34
2.4.    Socio-Economic Policies Implemented in South Africa after 1994 ...	36

2.4.1.	Reconstruction and Development Programme (RDP).....	38
2.4.2.	The Growth Employment and Redistribution policy (GEAR) .....	40
2.4.3.	Accelerated and Shared Growth Initiative for South Africa (ASGISA) 41	
2.4.4.	New Growth Path (NGP).....	42
2.4.5.	The National Development Plan (NDP).....	43
2.5.	Lessons of Socio-economic Empowerment from Other Countries ...	44
2.6.	Partnerships and Charters .....	48
2.7.	Implementation Levers for the Application of the B-BBEE Codes ....	49
2.7.1.	Legislation .....	50
2.7.2.	Regulations .....	52
2.7.3.	Institutional support .....	54
2.7.4.	Policy instruments .....	55
2.7.5.	The B-BBEE Recognition Levels .....	56
2.7.5.1.	Start-ups, Exempted Micro Enterprises and Qualifying Small Enterprises 57	
2.7.5.2.	The Generic Scorecard .....	59
2.7.5.2.1.	Ownership .....	61
2.7.5.2.1.1.	Different types of ownership structures .....	63
2.7.5.2.1.2.	Ownership patterns in the South African economy .....	64
2.7.5.2.2.	Management control .....	65
2.7.5.2.2.1.	Employment Equity and Affirmative Action in South Africa .....	66
2.7.5.2.2.2.	Workforce profile at top management level by race .....	71
2.7.5.2.2.3.	Benefits of a diversified workforce.....	73
2.7.5.2.2.4.	Internal and external factors that influence recruitment.....	76
2.7.5.2.3.	Skills development .....	76
2.7.5.2.3.1.	Contemporary training model .....	80
2.7.5.2.3.2.	On the job training (Informal training) .....	82
2.7.5.2.3.3.	Off the job training (Formal training).....	83
2.7.5.2.4.	Enterprise and supplier development.....	84
2.7.5.2.4.1.	Preferential procurement.....	85
2.7.5.2.4.2.	Enterprise development .....	85
2.7.5.2.4.3.	Supplier development.....	86
2.7.5.2.4.4.	Challenges facing SMMES in South Africa .....	87
2.7.5.2.4.4.1.	Business skills .....	88
2.7.5.2.4.4.2.	Access to markets .....	89

2.7.5.2.4.4.3. Access to finance.....	90
2.7.5.2.4.5. Building blocks of competitive advantage.....	92
2.7.5.2.5. Socio-Economic Development .....	94
2.7.5.2.5.1. Benefits of socio-economic development.....	97
2.8. Challenges Associated with B-BBEE .....	99
2.8.1. Corruption .....	101
2.8.2. Fronting .....	102
2.9. Conclusion .....	104
CHAPTER 3.....	106
LITERATURE REVIEW: ORGANISATIONAL EFFECTIVENESS.....	106
3.1. Introduction .....	106
3.2. Organisational Effectiveness.....	107
3.2.1. Three perspectives on effectiveness.....	110
3.2.1.1. Individual effectiveness .....	111
3.2.1.2. Group effectiveness .....	112
3.2.1.3. Organisational effectiveness .....	114
3.2.2. Approaches to organisational effectiveness .....	115
3.2.2.1. Goal approach.....	116
3.2.2.2. Systems resources approach.....	117
3.2.2.3. Strategic constituencies approach.....	118
3.2.2.4. Internal process approach.....	118
3.2.3. Features of organisational effectiveness .....	119
3.2.3.1. Planning and coordination.....	119
3.2.3.2. Resource utilisation .....	120
3.2.3.3. Thrive in challenges .....	120
3.2.3.4. Seize opportunities.....	120
3.2.4. Key pillars of organisational effectiveness.....	121
3.2.4.1. Communication .....	121
3.2.4.2. Innovation.....	122
3.2.4.3. Leadership .....	123
3.2.5. Constraints to organisational effectiveness .....	124
3.2.6. Factors that influence organisational effectiveness.....	127
3.3. Organisational Strategy.....	127
3.3.1. Describing organisational strategy .....	127
3.3.2. How to identify an organisation's strategy .....	129

3.3.3.	Elements of successful strategy .....	131
3.3.4.	The functions of strategy in an organisation .....	133
3.3.5.	Strategy formulation .....	135
3.3.5.1.	Strategy as a link for the firm and its environment .....	136
3.3.5.1.1.	An organisation's external environment .....	137
3.3.5.1.2.	The organisation's internal environment.....	139
3.3.5.2.	Three levels of organisational strategy .....	140
3.3.5.2.1.	Functional level strategy.....	141
3.3.5.2.2.	Business level strategy.....	142
3.3.5.2.3.	Corporate level strategy .....	143
3.3.6.	Factors that influence the way organisations formulate their organisational strategy .....	144
3.4.	Managerial Effectiveness .....	145
3.4.1.	Describing managerial effectiveness.....	145
3.4.2.	Managerial Functions .....	146
3.4.2.1.	Planning .....	147
3.4.2.2.	Organising.....	148
3.4.2.3.	Leading .....	149
3.4.2.4.	Controlling.....	150
3.4.3.	Determinants of managerial effectiveness .....	151
3.4.3.1.	Personal attributes of a manager .....	151
3.4.3.2.	The managerial process.....	152
3.4.3.3.	Creativity .....	152
3.4.3.4.	Managing change.....	153
3.4.3.5.	Motivation.....	155
3.4.3.6.	Employee Engagement .....	157
3.4.4.	How to improve managerial effectiveness.....	159
3.4.4.1.	Training .....	159
3.4.4.2.	Communication .....	160
3.4.4.3.	Decision-making style .....	162
3.5.	Organisational Culture.....	165
3.5.1.	What is organisational culture .....	165
3.5.2.	Different levels of organisational culture.....	167
3.5.3.	Types of organisational culture .....	170
3.5.3.1.	Clan Culture .....	170

3.5.3.2. Bureaucratic culture .....	171
3.5.3.3. Entrepreneurial (Adhocracy) culture.....	172
3.5.3.4. Market culture .....	172
3.5.4. Factors influencing organisational culture .....	173
3.5.4.1. Leadership .....	173
3.5.4.2. Diversity .....	174
3.5.4.3. Globalisation .....	174
3.5.4.4. Government regulations .....	175
3.5.4.5. Market or industry.....	175
3.5.5. Characteristics of organisational culture.....	176
3.5.5.1. People orientation .....	176
3.5.5.2. Aggressiveness oriented.....	176
3.5.5.3. Innovation oriented.....	176
3.5.5.4. Communication orientation.....	176
3.5.5.5. Team orientation .....	177
3.5.5.6. Diversity oriented.....	177
3.5.5.7. Results oriented .....	177
3.5.5.8. Ethics oriented .....	177
3.5.6. Strong and weak cultures.....	178
3.5.7. Functions of organisational culture.....	180
3.5.8. The importance of organisational culture .....	181
3.6. Organisational Sustainability .....	183
3.6.1. Describing organisational sustainability.....	183
3.6.2. The triple bottom line.....	186
3.6.2.1. Environment (Planet).....	189
3.6.2.2. People .....	191
3.6.2.3. Profits .....	192
3.6.3. Key drivers of organisational sustainability.....	194
3.6.3.1. Government policy .....	194
3.6.3.2. Ethics .....	195
3.6.3.3. New markets .....	197
3.6.3.4. Leadership .....	197
3.6.3.5. Innovation.....	198
3.6.3.6. Cost.....	198
3.6.4. Alignment of sustainability and business processes.....	199

3.6.5.	Importance of organisational sustainability.....	200
3.7.	Conclusion .....	202
CHAPTER 4 .....		203
RESEARCH METHODOLOGY .....		203
4.1.	Introduction .....	203
4.2.	Research Philosophy .....	204
4.2.1.	Ontology .....	206
4.2.2.	Epistemology.....	208
4.3.	Methodology.....	212
4.4.	Research Design.....	212
4.5.	Population .....	215
4.6.	Sample .....	217
4.7.	Sampling Method .....	218
4.8.	Measuring Instrument.....	219
4.9.	Data Collection Procedure .....	219
4.10.	Pretesting .....	220
4.11.	Administration of Questionnaires .....	220
4.12.	Collection of Questionnaires .....	221
4.13.	Limitations .....	221
4.14.	Validity and Reliability .....	221
4.15.	Anonymity and Confidentiality .....	222
4.16.	Ethical Considerations.....	223
4.17.	Data Analysis .....	224
4.17.1.	Correlation.....	224
4.17.2.	Regression analysis .....	225
4.18.	Conclusion .....	225
CHAPTER 5.....		226
DATA PRESENTATION AND ANALYSIS OF QUANTITATIVE RESULTS ....		226
5.1.	Introduction .....	226
5.2.	Demographic Characteristics .....	227
5.3.	Descriptive Statistics .....	231
5.3.1.	Organisational strategy .....	233
5.3.2.	Managerial effectiveness.....	236
5.3.3.	Organisational sustainability.....	239
5.3.4.	Organisational culture .....	241

5.4.	Inferential Statistics .....	245
5.4.1.	Spearman's correlations.....	245
5.4.1.1.	Spearman's correlations: B-BBEE and organisational strategy .....	245
5.4.1.2.	Spearman's correlations: B-BBEE and managerial effectiveness ..	246
5.4.1.3.	Spearman's correlations: B-BBEE and organisational sustainability .....	246
5.4.1.4.	Spearman's correlations: B-BBEE and organisational culture.....	247
5.4.2.	Analysis of variance .....	247
5.4.2.1.	Anova: Demographical variables and organisational strategy .....	247
5.4.2.2.	Anova: Demographical variables and managerial effectiveness ....	248
5.4.2.3.	Anova: Demographical variables and managerial effectiveness ....	249
5.4.2.4.	Anova: Demographical variables and organisational culture .....	250
5.4.2.5.	Anova: Demographical variables and B-BBEE.....	252
5.4.3.	One sample T-Test: All dimensions and Gender.....	253
5.5.	The Reliability of the Research Instrument: Cronbach's Alpha Coefficient	255
5.6.	Validity of the Research Instrument: Factor Analysis .....	256
5.7.	Conclusion .....	258
CHAPTER 6.....		259
QUALITATIVE RESULTS .....		259
6.1.	Introduction .....	259
6.2.	Inferential Statistics .....	259
6.3.	Demographic Data of the Research Participants .....	260
6.3.1.	Gender of the research participants .....	260
6.3.2.	Participants work experience .....	261
6.3.3.	Participants age.....	261
6.3.4.	Participants positions .....	262
6.3.5.	Company type .....	263
6.3.6.	Company size .....	264
6.4.	B-BBEE Influence on Organisational Strategy .....	265
6.4.1.	Whether B-BBEE is part of companies' strategy .....	266
6.4.2.	Whether B-BBEE influence the way resources are allocated in the company	267
6.4.3.	Whether every employee is aware of B-BBEE initiatives in the company	268
6.4.4.	Whether time is dedicated to B-BBEE training .....	268

6.4.5.	Whether the company has policies that promote B-BBEE .....	269
6.5.	Influence of B-BBEE on Managerial Effectiveness.....	269
6.5.1.	Influence of B-BBEE on the way the company is managed .....	270
6.5.2.	Whether there is a need to hire new managers to align the company to B-BBEE	271
6.5.3.	Whether there were structural changes in the organisation because of B-BBEE	271
6.5.4.	Whether the managers need to be trained in order to cope with B-BBEE	272
6.5.5.	Whether managers in South Africa face challenges due to B-BBEE	272
6.6.	Influences of B-BBEE on organisational sustainability .....	273
6.6.1.	Whether there is a need for business sustainability to be aligned to B-BBEE	273
6.6.2.	Whether B-BBEE change the way things are done in the organisation	274
6.6.3.	Whether there is a need for planning and restructuring.....	274
6.6.4.	Whether B-BBEE increase unnecessary activities that affect sustainability .....	275
6.6.5.	Whether activities defined and assigned to relevant employees or teams	275
6.7.	Influence of B-BBEE on Organisational Culture .....	276
6.7.1.	Whether organisational culture affected by hiring new recruits .....	277
6.7.2.	Whether B-BBEE change the way employees relate in the organisation	278
6.7.3.	Whether there is a need to formulate a new culture due to B-BBEE	278
6.7.4.	Whether employees were identified with the organisation after B-BBEE implementation .....	279
6.7.5.	Whether B-BBEE affects employees' motivation.....	279
6.8.	Conclusion .....	279
CHAPTER 7 .....		280
CONCLUSIONS AND RECOMMENDATIONS .....		280
7.1.	Introduction .....	280
7.2.	Achievement or Failure of Research Objectives .....	281
7.2.1.	Objective 1: To determine whether B-BBEE influences the way organisations formulate their organisational strategy.....	281

7.2.2. Objective 2: To examine if there is an influence of B-BBEE on managerial effectiveness when it is implemented.....	281
7.2.3. Objective 3: To ascertain whether B-BBEE influences organisational sustainability in organisations that implement B-BBEE.....	282
7.2.4. Objective 4: To ascertain whether B-BBEE has an influence on a company’s organisational culture.....	282
7.3. Theoretical Perspectives: How BBEE influences organisational effectiveness.....	283
7.3.1. To determine whether B-BBEE influences the way organisations formulate their organisational strategy.....	283
7.3.2. To examine if there is an influence of B-BBEE on managerial effectiveness when it is implemented.....	284
7.3.3. To ascertain whether B-BBEE influences organisational sustainability in organisations that implement B-BBEE.....	284
7.3.4. To ascertain whether B-BBEE has an influence on a company’s organisational culture.....	285
7.4. Recommendations .....	285
7.4.1. Recommendation 1 .....	286
7.4.2. Recommendation 2 .....	286
7.4.3. Recommendation 3 .....	286
7.4.4. Recommendation 4 .....	286
7.5. Contribution of the Study.....	287
7.6. Direction for Future Research .....	288
7.7. Limitations.....	289
REFERENCES.....	290
Annexure A1: Quantitative Research Questionnaire.....	343
Annexure A2: Qualitative Research Questionnaire .....	347
Annexure B: Proposal Approval .....	354
Annexure C: Ethics Letter .....	357
Annexure D: Gatekeepers Letter 1.....	358
Annexure E: Gatekeeper’s Letter 2.....	359
Annexure F: Consent Form.....	360
Annexure G: Editor’s Letter.....	363

## List of Tables

Table 2.1. The B-BBEE Recognition Levels.....	56
Table 2.2: The Generic Scorecard.....	59
Table 5.1: Demographic composition of sample.....	229
Table 5.2: Descriptive statistics: Key Dimentions of the study.....	231
Table 5.3: Spearman's correlations: B-BBEE and organisational strategy.....	236
Table 5.4: Spearman's correlations: B-BBEE and managerial effectiveness.....	236
Table 5.5: Spearman's correlations: B-BBEE and organisational sustainability.....	237
Table 5.6: Spearman's correlations: B-BBEE and organisational culture.....	237
Table 5.7: Demographical variables and organisational strategy.....	238
Table 5.8: Anova: Demographical variables and managerial effectiveness.....	239
Table 5.9: Anova: Demographical variables and organisational sustainability.....	239
Table 5.10: Post Hoc Scheffe's Test: Organisational strategy and work experience.....	240
Table 5.11: Anova: Demographical variables and organisational culture.....	241
Table 5.12: Post Hoc Scheffe's Test: Organisational culture and management level.....	242
Table 5.13: Anova: Demographical variables and B-BBEE.....	242
Table 5.14: Post Hoc Scheffe's Test: B-BBEE and company type.....	243
Table 5.15: T-Test: All dimensions determining competitive advantage and Gender.....	244
Table 5.16: Post Hoc Scheffe's Test: All dimensions and gender.....	244
Table 5.17: Reliability of the research instrument: Cronbach's Alpha Coefficient.....	245
Table 5.18: Validity of the research instrument: Factor Analysis.....	246
Table 5.19: KMO and Bartlett's Test.....	248

## Table of Figures

Figure 2.1: Mandela Released from Prison .....	18
Figure 2.2: A shanty town in the outskirts of Johannesburg .....	31
Figure 2.3: Economic growth in South Africa: 20-year review .....	33
Figure 2.4: Socio-Economic Policies Implemented in South Africa After 1994	38
Figure 2.5: Implementation Levers for the Application of the Codes .....	49
Figure 2.6: B-BBEE Legislation Overview .....	52
Figure 2.7: Technical Infrastructure Institutes .....	55
Figure 2.8: Workforce Profile at Top Management Level by Race .....	71
Figure 2.9: Contemporary Training model.....	811
Figure 2.10: Building blocks of competitive advantage .....	93
Figure 2.11: Four Approaches to social responsibility .....	96
Figure 2.12: Value by beneficiary type .....	97
Figure 2.13: Community scheme segments .....	98
Figure 3.1: Three perspectives on effectiveness.....	110
Figure 3.2: Groups and team's contributions to organisational effectiveness	113
Figure 3.3: Approaches to organisational effectiveness .....	115
Figure 3.4: Common elements in successful Strategy .....	131
Figure 3.5: Strategy as a link for the firm and its environment .....	136
Figure 3.6: Levels of strategies .....	140
Figure 3.7: Types of business-level strategies .....	142
Figure 3.8: Managerial functions .....	147
Figure 3.9: Defining Motivation.....	156
Figure 3.10: Decision making styles.....	164
Figure 3.11: Different levels of organisational culture .....	1676
Figure 3.12: The Triple Bottom Line .....	188
Figure 4.1: Research Paradigm .....	2066
Figure 4.2: Research planning process.....	2077
Figure 4.3: Convergent Parallel Design Method.....	2155
Figure 4.4: Population, sample and Individual cases .....	2166
Figure 5.1: Gender .....	228
Figure 5.2: Work Experience.....	22829
Figure 5.3: Age.....	2299

Figure 5.4: Management Level.....	229
Figure 5.5: Company Size.....	2300
Figure 5.6: Company Type.....	2300
Figure 5.7: Key dimensions of the study .....	2322
Figure 5.8: B-BBEE is part of the company's strategy .....	2333
Figure 5.9: B-BBEE influences the way resources are allocated in the company .....	2333
Figure 5.10: every employee was aware of the B-BBEE initiatives in the company .....	2344
Figure 5.11: There is time dedicated to B-BBEE training .....	2355
Figure 5.12: The company has policies that promote B-BBEE .....	2355
Figure 5.13: B-BBEE influences the way the company is managed.....	2366
Figure 5.14: There is a need to hire new managers to align the company to B- BBEE .....	2377
Figure 5.15: There are structural changes in the organisation as a result of B- BBEE .....	2377
Figure 5.16: Managers need to be trained in order to cope with B-BBEE .....	238
Figure 5.17: There is a need for sustainability to be aligned to B-BBEE.....	239
Figure 5.18: B-BBEE changes the way things are done in the organisation .....	23939
Figure 5.19: There is a need for planning and restructuring.....	2400
Figure 5.20: Activities are defined and assigned to relevant employees or teams .....	2411
Figure 5.21: Organizational culture is affected by hiring new recruits .....	2411
Figure 5.22: B-BBEE changes the way employees relate in the organisation .....	2422
Figure 5.23: There is a need to formulate a new culture due to B-BBEE .....	2433
Figure5. 24: Employees do not identify with the organisation after B-BBEE implementation .....	2433
Figure 5.25: B-BBEE affects employee's motivation .....	2444
Figure 6.1: Gender of the research participants .....	2600
Figure 6.2: Participants work experience .....	2611
Figure 6.3: Participants age .....	2621
Figure 6.4: Participants' positions .....	2623

Figure 6.5: Company type .....	2633
Figure 6.6: Company size .....	2644
Figure 6.7: Whether B-BBEE is part of the company's strategy .....	2655
Figure 6.8: Influence of B-BBEE on Managerial Effectiveness.....	2700
Figure 6.9: Influences of B-BBEE on organisational sustainability .....	2733
Figure 6.10: Influence of B-BBEE on organisational culture .....	2766

## List of Acronyms

AA	Affirmative Action
ANC	African National Congress
ASGISA	Accelerated and Shared Growth Initiative for South Africa
AZAPO	Azanian People's Organisation
B-BBEE Act	Broad-Based Black Economic Empowerment Act
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
CEE	Citizen Economic Empowerment
COGP	Codes of Good Practice
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
EAP	Economically Active Population
EE Act	Employment Equity Act
EE	Employment Equity
EME	Exempted Micro Enterprise
GEAR	Growth Employment and Redistribution policy
HDSA	Historically Disadvantaged South Africans
ICT	Information Communication Technology
IEEA	Indigenisation and Economic Empowerment Act
ILO	International Labour Organisation
IFP	Inkatha Freedom Party
JSE	Johannesburg Securities Exchange
MPDRA	Minerals and Petroleum Resources Development Act
NDP	National Development Plan
NDR	National Democratic Revolution
NEP	National Empowerment Policy
NGO	Non-Governmental Organisation
NGP	National Growth Path
NPO	Non-Profit Organisation
OECD	Organisation for Economic Cooperation and Development
PAC	Pan Africanist Congress
QSE	Qualifying Small Enterprise

RCOGP	Revised Codes of Good Practice
RDP	Reconstruction and Development Programme
SACP	South African Communist Party
SED	Socio Economic Development
SEDA	The Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SME	Small and Medium-Sized Enterprises
SMME	Small, Medium and Micro Enterprise
The DTI	The Department of Trade and Industry
UDF	United Democratic Front
WSP	Workplace Skills Plan

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1. Introduction**

This chapter outlines the process that was followed in conducting the research study. The background to the problem was discussed then followed by stating the research problem. The aim of the study and the objectives were outlined. Research questions were also stated and the theoretical framework is described.

Racial integration, diversity and economic inclusion of the Black majority into the South African economy is a journey that has taken many years (Noyoo, 2020). Since the obliteration of the repressive apartheid regime, it has not been a smooth ride to transition from a government that excluded the majority from participating in the important sectors of the economy to one that would allow all citizens to share in the growth of the economy of the country. This led to the government introducing different pieces of the legislation that would fast-track the transformation process and reduce the poverty that was brought about by economic deprivation (Noyoo, 2020). This came as a result of the bill of rights which in chapter two of the constitution of the republic, indicates that all the citizens have rights when it comes to choosing their trade, profession and occupation, which can be regulated by law (The Constitution, 1996:10). This led to the government introducing different socio-economic policies, finally leading to B-BBEE. It was required that companies competing in the South African economic landscape need to comply with the Broad-Based Black Economic Empowerment (B-BBEE) legislation, if they are to conduct business with the state, state owned enterprises and other companies that prefer B-BBEE compliant suppliers. This generally means companies that intend to successfully compete in South Africa would contend with internal forces and external economic conditions and still have to be B-BBEE compliant.

B-BBEE has been part of the South African business landscape officially since its inception in 2003, which emanated from the (Black Economic Empowerment) BEE that started in the 1990s. The narrow-based BEE was not legislated and only benefited a few Black individuals. The legislation was introduced to address the economic imbalances created by the apartheid regime, and thus to promote the realisation of equality, entrenched in the constitution and thereby increasing the broad-based participation of Black people in the economy and promoting a higher growth rate, increased employment and more equitable income distribution (Government Gazette, 2004). B-BBEE has not been received without criticism and praise from different factions of the South African business landscape. This research was brought about by such criticism and praise. Different organisations contend with internal and external economic factors, coupled with B-BBEE which makes competing in the South African landscape interesting. South Africa, being a developing country and being a country that went through colonialism has had to introduce a transformation policy to redress the past imbalances. The research will explore the influence of B-BBEE legislation on the organisational effectiveness in companies plying their trade in South Africa. This is to ascertain whether the effectiveness of companies has been affected negatively or positively by the B-BBEE legislation, since the legislation has been enacted for more than fifteen years.

## **1.2. Background to the Problem**

South Africa is still recovering from the atrocities of a divided past that saw the oppression of one race by the other, under the apartheid rule (Scheepers, 2019). Although there seems to be peace and stability in the country, it can safely be said that all is not well, since there are high levels of unemployment among South Africans, especially the youth and Black Africans, in particular. The government has a task of redressing the imbalances of the oppressive past and to reduce the inequalities that might alienate the marginalised.

Since the dawn of democracy, transformation and the inclusion of the Black majority, that was excluded from participating significantly in the economy has been widely discussed in different spectrums of the South African society (Vilakazi & Bosiu, 2021). The first democratically elected government of the African National Congress (ANC), which brought about the first Black president has its hands full with addressing the economic imbalances that came about, as the result of the exclusionary apartheid regime. They then resorted to the implementation of Black Economic Empowerment (BEE), which later became Broad Based Black Economic Empowerment (B-BBEE) to address the challenge of inclusivity.

Although B-BBEE sounds like a noble idea, considering the history that modern South Africa emanated from, there are still challenges associated with the implementation of or the compliance with, the legislation, because some companies comply while others still have reservations about the policy. This research came about to investigate the influence of B-BBEE on organisational effectiveness in companies that operate in South Africa. This was to discover whether there are any strategic implications that are brought about by the companies, with regard to being compliant to the B-BBEE legislation, while competing in the South African business landscape. This is because for companies to comply or not to comply, there must be some level of responsibility on the part of the organisation and there are also consequences associated with being either compliant or non-compliant.

B-BBEE has become a competitive tool, in that it has become a measurement criterion for tenders in government and government entities (Chauke, 2020). It has thus, become imperative for companies that would like to be involved in tendering processes, to ensure that they are B-BBEE compliant, so that they would then be able to participate effectively. It has also become important because there are also companies whose customers want to trade with B-BBEE compliant suppliers; and thus, suppliers are faced with the challenge of meeting the needs of the customer. Otherwise, if the service or the product has a substitute then they might lose their customers for non-compliance to

suppliers who are compliant. B-BBEE has become a competitive weapon for most companies because the higher the B-BBEE score is, the more attractive the company is to other companies that are considering B-BBEE compliant suppliers, as that increases their procurement points and in turn, increases their B-BBEE score (Chauke, 2020).

Organisational effectiveness is a very important concept in the advancement or in the productivity of companies, because without companies progressing and meeting their goals, there would be no need for them to exist. This is because organisational effectiveness is regarded to be a measure of the appropriateness of the goals that managers have selected, for the company to pursue, and of the degree to which the organisation achieves those goals (Jones & George, 2016: 6). Khan, Khan, Ahmed and Ali (2012: 28) established that organisational effectiveness is defined as the extent to which an organisation has achieved its stated goals and objectives, and how well it has implemented those goals and objectives. Kazmi (2008: 321) defined organisational effectiveness as the degree to which an organisation or a company can achieve its set goals or objectives. This means that organisations do not have a choice, but they need to be effective to reach the goals that have been set. All the definitions above had a common thread, which was the achievement of goals that have been set by leaders or by the management of the organisation. B-BBEE could have an effect on an organisation's internal processes and thus, could influence organisational effectiveness and a company's competitiveness. That would mean that it could have an impact on the organisation meeting its required goals. Organisations tend to have specific internal structures that would enable those organisations to meet the required organisational goals. The organisation would then also need to be able to develop and manage the internal structures, to achieve the required results.

It was also acknowledged by Gerace (2011: 98) that the way an organisation's internal structure is developed or managed was discovered to be important to members of organisations; in ensuring that the organisation delivers results successfully. Companies globally are finding it increasingly essential to change

their business or their competitive strategies, to meet emerging discontinuities in their competitive environment (Harvey & Brown, 2001: 431). This is because every company is faced with internal and external environmental forces, and thus the company needs to be able to navigate through both. Since organisations are affected by their external environment, as well as their internal environment, it could be argued that B-BBEE also poses some challenges that companies might need to deal with to be able to reach organisational effectiveness, since B-BBEE affects the internal and the external environment of the organisation.

This research will deal with four elements of Organisational Effectiveness that may have an impact on the effectiveness of an organisation: namely Managerial Effectiveness, Organisational Strategy, Organisational Culture and Organisational Sustainability. These will be discussed fully in the literature, in order to give full context of how B-BBEE influences organisational effectiveness in organisations that are operating within the South African economy, as South Africa is part of the international economy. Therefore, organisations operating in South Africa should also understand that they are also competing with organisations that are in other markets, since competition has become global, due to the advent of globalisation. The decisions that those companies make in the country may also have implications on other operations they may have globally.

### **1.3. Research Problem**

A research problem can be defined as a difficulty that a researcher experiences in a theoretical or in practical context, and sets out to obtain a solution (Kothari, 2004: 24). It was further pointed out by Creswell (2014), Zikmund, Babin, Carr and Griffin (2009), and Singh (2006) that a research problem is a concern or a matter that needs to be addressed, emanating from a vacuum in literature and topics that have not been thoroughly covered or a gap that exist in literature, that the researcher wants to address. It can be simply suggested as a problem

that exists in society, that leads to a researcher positioning herself or himself to find a solution to that problem or challenge.

B-BBEE is still an integral part of the South African business landscape, that will continue, as long as there are real or perceived inequalities in the economy and in society in general. The legislation came into effect to redress the economic imbalances caused by the apartheid system, where Blacks were purposefully restricted from meaningful participation in the economy (B-BBEE Strategy, 2003). Since its inception, that legislation continues to be amended, the latest amendment being 2019. This required companies to adjust their human and their capital resources and strategies to comply with the legislation.

The research aims to explore the influence of Broad-Based Black Economic Empowerment Policies on organisational effectiveness. This is because B-BBEE is part of the South African business environment and knowing and understanding how it influences organisational effectiveness may assist in the understanding of the constraints of the transformation in the South African economy. B-BBEE and how it influences different business processes in companies that operate in the South African business landscape, such as productivity, profitability and the like have been studied by various scholars in the past such as a study by Kruger (2011) that explored the Influence of Black Economic Empowerment on South African businesses, with the research specifically focused on ten (10) dimensions of business performance; and the main finding was that most of the respondents disagreed with the notion that the adoption of BEE would improve the performance of their companies.

A study by Andrews (2007) deliberated whether BEE could be South Africa's growth catalyst, and the basic finding was that although companies are actively responding to BEE requirements, they are also doing so within a moderately universal context. Kruger (2013) reported that people who responded to his study who were in senior management in their organisations were positive about BEE and AA but were not prepared to offer an opinion concerning the potential influence of those policies on the influence that they potentially have

on the company's ability to compete and to meet targets. B-BBEE is a very controversial subject that affects different companies in different ways, and thus, since it is also a subject of political debates, it needs to be addressed at different organisational levels.

B-BBEE affects various stakeholders of the South African sectors of society, such as employees, unemployed people, businesses, owners, and all other stakeholders who have vested interest in transformation. These stakeholders have different interests and as such, this gave rise to the current study that will provide a different angle on what is currently available in terms of B-BBEE research. There has not been a study encountered that, at doctoral level or any other level, strictly focused on the influence of B-BBEE on organisational effectiveness.

#### **1.4. Aim of the Study**

The aim of the study is to explore the influence of B-BBEE policies on organisational effectiveness in the South African economy. Apart from the external and the internal business environment, companies competing in the South African business landscape need to contend with the B-BBEE legislation.

#### **1.5. Objectives of the Study**

- To determine whether B-BBEE influences the way organisations formulate their organisational strategy.
- To examine if there is an influence of B-BBEE on managerial effectiveness when it is implemented.
- To ascertain whether B-BBEE influences organisational sustainability in organisations that implement B-BBEE.
- To ascertain whether B-BBEE has an influence on a company's organisational culture.

## **1.6. Research Questions**

- To what extent does B-BBEE influence the way organisations formulate their organisational strategy?
- To what extent does B-BBEE influence managerial effectiveness when implemented?
- To what extent does B-BBEE influence organisational sustainability in organisations that implement B-BEE?
- To what extent does B-BBEE have an influence on a company's organisational culture?

## **1.7. Significance of the Study**

It was suggested by Creswell (2014), that the significance of the study conveys to the reader the importance of the problem and outlines how the reader may benefit from reading that particular study. There has been an ever-increasing interest in the study of B-BBEE and its connection to different aspects of business activities in South African businesses and in the economy. Other studies focused on B-BBEE as a concept and others focused on the various Sector Charters elaborating performance in the economy. However, there has not been any study conducted that focused on the influence of B-BBEE on organisational effectiveness; particularly looking at organisational culture, organisational strategy, managerial effectiveness, and organisational sustainability. The major contribution of this research is that this is the first research to empirically test the influence of B-BBEE and organisational effectiveness in the South African economy and will give understanding on the subject.

Secondly, this study intends to provide valuable insights that previous studies have not yet provided, concerning how B-BBEE influences companies that operate in the South African economic landscape. This study will contribute to the expansion of the existing research on B-BBEE that has already been carried out by other scholars and on its contribution, if any, to organisational effectiveness.

The research will determine whether B-BBEE strategically influences companies on organisational effectiveness. This will result in a publication that may assist organisations in effectively managing their B-BBEE processes and assessing their effect on organisational effectiveness. This will determine if companies have strategies in place to deal with B-BBEE policies or whether companies just stagger on with the process, without having put any measures in place. This is a matter of national importance, since the B-BBEE legislation is still very much part of the business landscape in South Africa and may somehow affect the competitiveness of companies that compete in South Africa and may affect whether companies transform the economy or not. The importance of further studies in organisational effectiveness cannot be over emphasised because every organisation undertakes to compete in business, to meet their set goals and thus the more effective, they become, the more competitive they become. This study focused on building the body of knowledge, in order to augment the understanding of organisational effectiveness in relation to B-BBEE, in the South African context.

### **1.8. Delimitation and Scope of the Study**

The delimitation of the study defines the parameters or the scope of this study, which includes but is not limited to, the data collection, geographic location and types of organisations (Creswell, 2014: 139). Singh (2006: 33) indicated that a study is delimited to its variables, sample, method, tools, and statistical techniques of that study, which should be clearly stated in the outline of the study. This gives an indication of what the study will cover. The companies that were included in the research span the South African business landscape, although they are based in the province of Gauteng. The population that is part of the sample will include Chief Executive Officers, Human Resources Directors, Human Resources Managers, Company Secretaries, Finance Directors, Transformation Managers, Transformation Officers and anyone else who might have been tasked with handling transformation in these companies. The companies that were included in the study were small, medium and large companies that are not listed and some who are listed in the Johannesburg

Stock Exchange. These companies are from diverse industries such as retail, mining, manufacturing, services, logistics, non-profit organisations, state owned enterprises, government departments and any other company that was selected when the random selection was conducted.

### **1.9. Limitations of the Study**

Although the respondents for the quantitative questionnaire are national, the respondents who were selected for interviews in the study were from companies that are based in Gauteng, where the researcher was based at the time of the study, to reduce logistical costs connected with qualitative interviews. This might have skewed the results in a certain way, since conditions that exist in Gauteng might be different in other provinces. This was however countered by forwarding the quantitative questionnaires to randomly selected companies who are in all provinces and some companies who have footprints in different provinces.

### **1.10. Theoretical Framework of the Study**

Research studies are characterised by theoretical frameworks that are used to answer research questions or test a hypothesis. A theoretical framework in research can be characterised as a conceptual model that determines the structure, forming a guide in research that provides the background to support the research investigations and offers the reader justification for the study or a solution to a specific problem (Statistics Solutions, 2018: 1). Sekaran (2003) indicated a theoretical framework to be a logically conceptualised, described, and justified arrangement between variables that are important to the researcher, as part of a study that is being conducted. It can also be accepted that theoretical frameworks are blueprints that can be followed when conceptualising the structure that needs to be followed when conducting a research study. Theories can be used in all research studies; namely in quantitative, qualitative approaches and in mixed research methods.

The term theory has been a subject of debate in different quarters and scenarios and at different settings as a reference to different phenomena, either by students or in general terms. A theory is defined as a formal logical description of events that includes predictions or experimentations of how things relate to one another and are testable (Zikmund et al., 2009). Another author defines theory by suggesting that, theory organises research ideas and guides research and becomes stronger as supporting evidence is gathered, and provides a context for predictions (Sunday, 2015). Howitt and Cramer (2011) described it as a set of statements that are used in the description and explanation of some group of phenomena or a particular phenomenon. This indicates that a theory is required to give direction to a research study and to indicate how different variables in the study relate to each other. Theories are constructed as means to explain, predict, and measure phenomena, and in many situations, these are models that depict reality making generalisations about observations and consist of interconnected coherent sets of models and ideas (Mehta, 2013).

Theory thus creates a connection between the non-concrete phenomena and those phenomena that are tangible in nature. In simple terms, theories are used to simplify and to explain phenomena, using models and ideas. It was indicated that theories are formulated to predict, explain and to understand phenomena so as to challenge and expand knowledge of critical boundary assumptions, where the theoretical framework forms the structure that supports or holds a theory of a research study (USC Libraries, 2020). Theories are important in research because as indicated above, they assist in simplifying phenomena to assist in the expansion of knowledge. Thus, it can be simply put that theory is an important aspect of research because, it simplifies the phenomena that the researcher is trying to elucidate with the study that he or she is carrying out. It was established that theory in research is a tool that helps in the interpretation of reality (Kawulich, 2009). Theories can guide a research study on the direction that it takes such as from broad to specific or from specific to broad, or both simultaneously in terms of literature

review and data collection. There are three types of theory in research that research scholars normally use in research studies, namely deductive, abductive or inductive theories. These approaches can be distinguished from each other by the sequence of steps that are taken when the research study is undertaken.

#### **1.10.1. Inductive reasoning**

An inductive approach to theory is a process whereby researchers begin with a procedure of collecting data for exploring a phenomenon to generate and build a theory (Saunders, Lewis & Thornhill, 2016). In this process, the researcher might begin with the distribution of a questionnaire to a selected sample, to gather required information about the phenomena that he or she is studying. The researcher then analyses the data and uses it to build a theory to explain the phenomenon that is being evaluated. Kothari (2004) described induction as a process of reasoning or logic that emanates from part to whole. This means that the researcher begins with data and then works his/her way towards formulating a theory.

#### **1.10.2. Abductive reasoning**

Abductive theory is a research approach to theory that alternates between inductive and deductive theories. This is a process where researchers collect data for the exploration of phenomena, identifying of themes to explain patterns where they generate or modify a theory that can be tested, through additional collection of data which is called abduction (Saunders et al., 2016). This process is sometimes a combination of induction and deduction, where the researcher will use induction then deduction or vice versa, for exploring a phenomenon so as to create and/or build a theory. This is where a researcher will begin the process with data collection and then use the data to develop a theory and use the theory to prove or disprove a hypothesis. This means that the researcher may not have full information or a complete set of observations to develop a theory and then they will also use the available literature.

### **1.10.3. Deductive reasoning**

Although this research study used quantitative methodology as a primary methodology and qualitative methodology as the secondary methodology, it followed a deductive theory model as the chosen theory. This approach to the development of theory begins with the process of reviewing literature to explain a phenomenon. It is defined as a process of logically deriving a conclusion of a specific occurrence, based on a premise that is generally known to be true (Zikmund, et al, 2009) and (Saunders et al., 2016). Deductive approach is thus a process whereby there are research studies that begin with the development of a theory that often developed from a review and collection of academic literature, to design a research strategy to test the theory (Saunders et al., 2016). This means that the researcher generally gathers literature in the respective field of study to explore a phenomenon for the generation and building of a theory. It was indicated by Neuman (2014) that a deductive approach is an approach that is used to develop or confirm a theory that arises from abstract concepts and theoretical relationships, and then moves towards more concrete pragmatic evidence.

It was also indicated that in a deductive theory, researchers make use of theory to guide the design of a study and the interpretation of the results (Sunday, 2015). Bordens and Abbott (2018) simply put it as a type of theory that goes from the general to the specific, also known as top to bottom theory. This means that researchers who follow this type of theory in the studies that they carry out, begin with a general understanding of a phenomena that in the end leads to a specific understanding. This is where there is a known general premise that is true, which leads to a true premise.

## **1.11. Chapter Layout**

### **CHAPTER 1 - Introduction and Overview**

This chapter will give the introduction and overview to the research. This is where the research problem and its significance will be discussed and how it

will add to the body of knowledge. This chapter gives rise to the research problem and then outlines the research objectives and research questions.

## **CHAPTER 2 - Literature Review: Broad-Based Black Economic Empowerment**

This chapter will give rise to a literature review considering Broad-Based Black Economic Empowerment in the South African economy. This will explain why B-BBEE was promulgated and how it affects organisations that operate in South Africa.

## **CHAPTER 3 - Literature Review: Organisational Effectiveness**

This chapter will give rise to literature review considering Organisational Effectiveness. It will discuss the nature of organisational effectiveness and its importance in organisations.

## **CHAPTER 4 - Research Methodology**

This chapter will outline the research methodology and objectives of the study. This is where the research design, methodology and sampling will be discussed.

## **CHAPTER 5 - Data Presentation and Analysis of Quantitative Results**

This chapter discusses the interpretation and analysis of the quantitative data that was collected. This is where different modes of data analysis are used to understand the meaning of the data that was collected.

## **CHAPTER 6 - Recommendations and Conclusions**

This chapter will highlight the recommendations and conclusions of the research.

### **1.12. Conclusion**

The purpose of the chapter was to provide an introduction into the research problem and to discuss the importance of the research topic. This chapter introduced B-BBEE and organisational effectiveness as these concepts are

the basis for the study. It showed the importance of the study in contributing to the body of knowledge and the value that will be added by delving into the study. The research aims, and the objectives were discussed to give the context to the research problem.

The chapter also introduced the theory and theoretical framework that was followed when the study was conducted. The scope or the delimitation of what the study will cover was also discussed and the point of reference was determined. The chapter also gave an outline of what each chapter would contain, and also indicated the most important aspects of those chapters.

## **CHAPTER 2**

### **LITERATURE REVIEW: BROAD-BASED BLACK ECONOMIC EMPOWERMENT**

#### **2.1. Introduction**

It is imperative to note that to understand the influence of B-BBEE Policies on Organisational Effectiveness, B-BBEE needs to be put into context for the reader. B-BBEE has been referred to by many scholars and other commentators in different circles (business and academia) as BEE and B-BBEE in some studies. It must be noted that the concept of BEE was defined in South Africa's Economic Transformation Strategy for Broad-Based Black Economic Empowerment, which was released by the government (B-BBEE Strategy, 2003).

Throughout the text of the strategy, the BEE acronym was used to refer to Broad-Based Black Economic Empowerment instead of B-BBEE; which indicates that Black Economic Empowerment is used interchangeably with Broad-Based Black Economic Empowerment. When the codes of good practice were drafted after the release of the Broad-Based-Black Economic Empowerment Act No. 53 of 2003, many scholars then started to use the acronym B-BBEE instead of BEE. For the purpose of this study, B-BBEE will be used but it might be interchanged with BEE, depending on the studies or articles that were referred to.

This chapter focuses on the discussion of the literature, with an emphasis on B-BBEE policy in the Republic of South African economic landscape. This chapter begins with the definition of what a literature review is. A Literature review is a directed search of various published works which includes books, periodicals or journals that deliberate theory based on empirical results that are relevant to the topic being studied (Babin & Zikmund, 2016: 64). (Howitt & Cramer, 2011) defined it as an account of what the search of literature has exposed, which includes the main arguments and findings of that study. It was

also described as locating and summarising different studies about a topic, which often describes research studies but may also include articles and opinion pieces that provide the outline for disseminating research topics (Creswell, 2014). Many studies were referred to in this chapter pertaining to B-BBEE and other relevant topics, in order to give a clear and concise understanding of the importance of the topic and to explain to the reader the relevance in the South African business and social environment.

This chapter examines B-BBEE and contextualises it within the South African economy. It also describes empowerment initiatives and policies that were introduced locally and in other countries as a form of redress of the economic imbalances and challenges affecting indigenous population groupings. That will give the reader an understanding and perspective to the research problem described in Chapter 1. In this chapter B-BBEE was defined and the beneficiaries that qualify under the various legislations are defined to give perspective to the reader. It describes how B-BBEE was legislated in South Africa, also indicating the history and the context against the background of the South African economy and how this influences companies. It considers its importance and what it has achieved up to now. There were many policies that were promulgated by the government that were intended to influence socio-economic development and to redress the previous imbalances such as economic, racial and other policies. They are outlined in the chapter to give readers a clear view of the importance of the research problem. Please also note that some scholars and writers use B-BBEE and BEE interchangeably.

## **2.2. B-BBEE Background**

Since the beginning of democracy, the ruling party has been engaged in a process of redressing the inequalities that were brought about by the Apartheid government, while also making sure that the economy caters for all the citizens (Law, 2010). At the beginning of 1990, the then president of South Africa achieved something remarkable when he announced the unbanning of liberation movements such as the African National Congress (ANC), the Pan

Africanist Congress (PAC), the Inkatha Freedom Party (IFP), the Azanian People's Organisation (AZAPO), the South African Communist Party (SACP), and the military wings, namely; Umkhonto we Sizwe and the Azanian People's Liberation Army (APLA); coupled with the release of Nelson Mandela and other political prisoners (SA News, 2021). That was a first step in ushering in democratic rule and in the process, abandoning minority apartheid rule that was characterised by the suppression of the Black majority. Since there were disparities in the distribution of economic resources, the government needed to implement socio-economic policies that would aid in addressing the disparities, while also empowering the disempowered majority and aiding their inclusion into the economy, to empower them socio-economically (Deloitte, 2021). Figure 2.1 below shows Nelson Mandela after he was released from prison on 11 February 1990. He was one of the political prisoners who were released in the last days of apartheid rule and became the first democratically elected president of the Republic of South Africa (SA News, 2012).

**Figure 2.1: Mandela Released from Prison**



**Source:** Associated Press (2013:1)

This led to the birth of B-BBEE which was used as one of the tools that would aid in bringing about transformation in the South African economy. The introduction of the policy in the South African economy has caused a shift in the competitive nature of the external and internal environment of companies that are trading in South Africa. External and internal interventions were then needed to keep those organisations competitive; notwithstanding the requirement for them to comply with the required legislation. Companies in South Africa, as in any other economy that had experienced years of colonialism and oppression of one group by another, have the challenge of ensuring that all economically active people in the economy participate fully in the economy, through ownership and job creation, for social stability and peace. However, the redress of the economic imbalance is not the government's responsibility only. It is the responsibility of all stakeholders in the South African republic, including businesses and the population in general.

The apartheid project which was orchestrated by the apartheid government led by its architect Hendrick Verwoerd, strategically relegated Black people to non-strategic sectors of the economy, while ensuring that their minority White counterparts were encouraged and empowered to own and control the productive sectors of the economy, namely land and capital; and the Black majority mainly comprised unskilled labour (Larson, 2019). Black people were dispossessed of the means of production, mainly land, and were relegated to the economic periphery (25 Year Review, 2019). They mostly earned a living by providing cheap labour to their White counterparts. Black people were also sub-divided into their various tribal groupings and were sent into so called homelands which were also known as "Bantustans" that were states inside South Africa and were controlled by South Africa, although they had their own designated Black leaders (Worden, 2012). The states were categorically subdivided under tribal lines comprising the Xhosa, Zulu, Venda, Tswana, Ndebele, Sotho, and the Tsonga (South African History Online, 2019).

Those states were under-resourced, and services were mostly directed to areas that were inhabited by Whites, which led to the Black communities

ending up living in squalor. They were relegated to the poorest areas without basic services, with their movements controlled and they were only allowed to trade in designated places (Worden, 2012).

This also led to Black people being dispossessed of the arable fertile land, which was allocated to their White counterparts. It was indicated by the Twenty-Year Review (2014) that the apartheid government had dispossessed Black people of their land and barred them from free movement around the country and they were controlled as to their movements, which also restricted where they could work or trade. Thus, Black people were only allowed to trade in certain areas and at certain times, which was not necessarily profitable, since their movements were controlled and because of this, they could not address the socio-economic issues effectively, that affected their communities. Those who had lived around the main cities were moved to the outskirts of the cities. Others were relocated to Bantustans or TBVC states, as they were commonly known, which were subdivided along tribal lines (Madi, 2016). The relocation of Black people to those states led to the people becoming migrant labourers in other parts of South Africa, since they had to travel to mines, farms and cities to find employment. Jobs were also reserved, according to race with Blacks relegated to menial labour since funding for economic activity was dependent on the apartheid government, which ensured racial segregation, which was dictated by the Job Reservation policy (Kenny, 2020). With the introduction of the constitutional democracy to govern the country in 1994, there were also talks of reconciliation between the different races and ethnic groups and the introduction of social cohesion, in order to build a united country (Larson, 2019). This led to the introduction of a piece of legislation to redress the economic imbalances and avert problems that might come from such imbalances.

There have been several studies that were carried out at masters' level and some at doctoral level as well as articles addressing the issue of B-BBEE such as Kruger (2011), Andrews (2007), Gardee (2014), Anthony (2017), Empowerdex (2011), Emuze and Adlam (2013 and others. Some of those

studies were also referred to in the literature to address the issues related to B-BBEE. Transformation has been discussed in different quarters for more than twenty years; since the beginning of democracy and it seems that this will continue to be discussed until there is some satisfaction with the progress in the redressing of economic imbalances. B-BBEE was introduced as an inclusion mechanism that would rope in Black people, since they previously been excluded from participating in the economy through legislative means (Thomas, 2020). The process of introducing B-BBEE was not a way of excluding White people, who had been actively participating in the country's economic activities since colonial times, but rather, it was to address the prevailing inequalities to create racial harmony and prosperity for the country (Ratuva, 2013). It can also be understood that since there were groups that were economically marginalised because of their race, disability and gender statuses, the country was not optimally using its human resources for the benefit of all the country's citizens (Madi, 2016). It was thus imperative for the democratic government to legislate a policy that would aid in the inclusion of the previously marginalised communities, so that there could be racial harmony and economic stability and sustainability. That was imperative because for the economy to grow, there needed to be more people involved in economic activities instead of a few individuals. Thus, the more people were involved in economic activities as per the economically active population, the more it would lead to the growth of the economy and improvement in the standard of living across the different groups, especially the previously marginalised group.

B-BBEE is a legislation that was enacted in the Republic of South Africa in 2003, in order to promote the attainment of equality as entrenched in the constitution; thereby increasing broad-based participation of Black people in the economy to promote a higher economic growth rate, increased employment and more equitable income distribution (Government Gazette, 2004). That was named the Broad-Based Black Economic Act 53 of 2003 which was accompanied by the Codes of Good Practice.

When the new government that was democratically elected came into power in 1994, they were faced with the task of addressing the racial tensions that were simmering in the country and the task of addressing socio-economic issues since there still high levels of poverty in the country. There were rising levels of inequalities in the distribution of the economy, which was still divided along racial lines, because the apartheid government had pushed for the empowerment of White people to the detriment of the Black majority (25 Year Review, 2019). This led to the formulation of the economic empowerment policy for the marginalised majority; in order to address the socio-economic issues that the country was still grappling with. The policy was named Black Economic Empowerment (BEE) which was called Broad-Based Black Economic Empowerment (B-BBEE) when the legislation was passed in 2004, through the B-BBEE Act 53 of 2003.

Although it is common knowledge that B-BBEE is a socio-economic empowerment policy, it was of the utmost importance to define it fully, to give perspective to the research problem. B-BBEE can be described as a viable economic empowerment policy for all Black people (Africans, Indians, and Coloureds) and in particular women, youth, people with disabilities and people who live in rural areas, through different but integrated socio-economic strategies, which include but are not limited to, the following:

- Increasing the number of Black people that manage their own 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 from enterprises that are owned or managed by Black people; and

- Investment in enterprises that are owned or managed by Black people (B-BBEE Commission, 2016:12).

This was a response to the apartheid legislation that had excluded Black people from participating in the economy meaningfully by not giving them the opportunity to be able to own and manage companies than just being perennial consumers (Hazlet, 2019). Black people had been excluded from any significant participation and thus, B-BBEE was intended to increase human resource and skills development among the Black majority, for them to achieve equitable representation at different levels in organisations that operate in the South African market. The policy also introduced an opportunity for Black people who had the means to invest in organisations that are owned and managed by Black people and for companies to procure goods and services from Black owned businesses, which would redress the economic imbalances; and that would increase the number of people participating in the economy, through ownership of companies and through the creation and capacitation of the much-needed skills that would ensure that the companies would thrive.

The enactment of that piece of legislation used 'Black people' as a generic term that meant Africans, Coloureds and Indians:

- Who are citizens of the Republic of South Africa by birth or descent, or
- Who became citizens of the Republic of South Africa by naturalisation:
  - Before 27 April 1994; or
  - On or after 27 April 1994 who would have been entitled to acquire citizenship by naturalisation prior to that date (B-BBEE Commission, 2016:12).

It should also be noted that although they are not part of the definition, there is a section of the Chinese population who also qualify to be called Black, by virtue of having lived under apartheid and having experienced the atrocities that were experienced by the Africans, the Coloureds and the Indians. The

legislation also incorporates a section of the Chinese population that were also discriminated against by the apartheid government, leading to their exclusion in the same way as the African, Coloured and Indian (Harris, 2017).

It is not every “Black person” by skin colour in South Africa who qualifies as a beneficiary of B-BBEE but only those who fall within the definition, as indicated above. The people that fall within the definition of Black experienced the severe treatment since they lived under Apartheid and/ or they are descendants of such people who had experienced the exclusion from economic participation and participation in any other initiatives that they were entitled to participate in, because of the colour of their skin (B-BBEE Commission, 2016).

This shows that Black people were the only people or descendants of people, who experienced the harsh atrocities of the apartheid regime. That definition also includes people that were in the country who qualified to be citizens of the country, and would have qualified for permanent residence status, but were denied it because of the apartheid laws in place at the time. B-BBEE was enacted through the BEE Act 53 of 2003: “To establish a legislative framework for the promotion of Black Economic Empowerment; to empower the Minister to issue codes of good practice and to establish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith” (Government Gazette, 2004: 2).

After the dawn of the new democratic dispensation, there were Black businesspeople and institutions that had the opportunity to acquire shares from large White owned companies, as a form of economic empowerment (McKinley, 2011). This was not a legislated initiative, but a form of transformation, that was aimed at empowering Black people through the implementation of economic empowerment deals that were initiated by mainly large White owned companies. This gave rise to the initial narrow based form of BEE. The initial narrow based approach to BEE that was started in the 1990s, was not legislated and focused largely on ownership of shares in companies that had been in operation for some time, some of which were also

listed on the Johannesburg Securities Exchange (McKinley, 2011). This was where Black individuals or Black owned companies, or Black owned entities would buy shareholding stakes in non-Black owned companies and thus gain a certain percentage of ownership in those organisations (Madi, 2016:16).

It was argued that narrow-based BEE was achieved through the buying of shares from big companies by somehow politically connected members of the “elite” society who were Black and Black owned entities, as a form of empowering Black people (Madi, 2016: 41).

Strydom (2006: 1) also expressed the same sentiment that BEE initiatives in the 90's were characterised by Black owned companies acquiring portions of large companies. This process also had unintended consequences, which led to many companies engaging in fronting and other sorts of window dressing. This process led to B-BBEE being formulated to address those issues (Tucker, 2005: 8).

In the narrow-based BEE, only the companies and the individuals who had the means or the connections to acquire shareholding in White owned companies would have been those people who were advantaged enough to be empowered through BEE, whereas the broader majority who did not have the means to do so would therefore still have been left to face the conditions that they were prevalent in the apartheid regime. Narrow-based BEE was criticised for its bias towards ownership, lack of sustainability of Black shareholding, and fronting (where Black people would be used as though they owned entities to acquire tenders and government contracts) (O'Malley, 2006).

Narrow based BEE only led to the empowerment of people who had the means to purchase shares and would therefore be able to manage and control entities but it still neglected the ordinary citizens and consequently, would not have been able to reach the youth, women, persons with disabilities and rural communities.

The narrow-based type of empowerment could not have brought the required transformation results in the economy; either economically or socially, since it only catered for company ownership, and thus it led to the introduction of a formal policy that was legislated and led to the birth of the more broad-based policy, namely B-BBEE. Transformation is also a tool that the new government used to address racial disparities and to forge nation building, because the country was divided. There needed to be a unifying factor that would bring the divided country together and B-BBEE was the one policy that would bring about nation building: apart from addressing socio-economic issues (Holmes, 2020: 104).

B-BBEE as a framework, had the potential of growing the economy and increasing the inclusivity of all the economically active population groups, so all spheres of the economy would participate in economic activities. It was introduced to ensure that the economy would be structured to enable the inclusive participation of the majority of citizens, and to further capacitate and broaden the economic landscape at all levels; through skills development, employment equity and enterprise and supplier development; thus, promoting the entry of Black entrepreneurs into the mainstream of economic activity and the advancement of cooperatives (Economic Development, 2016: 1).

This would be in line with the country's developmental goals, by ensuring that the majority of the population was lifted out of the poverty abyss, by enabling them to participate in the economy, either through creating employment or through starting businesses; and thereby maximising economic participation and economic growth. The South African economy would not have been able to cater for the social welfare of the whole population, for the majority that was excluded from actively taking part in the productive sectors of the economy because of only engaging in consumption but without stimulating economic growth.

The economy was not growing at a rate that would have been able to support the inhabitants of the country, without inclusive growth and there was still a lot

of poverty amongst most of the population. Poverty and unemployment were extremely high amongst the Black majority, and the democratically elected government needed a plan to address the socio-economic problems that were being faced in the country (Ratuva, 2013).

It was indicated by the OECD report (2015) that South Africa had made great strides in the reduction of absolute poverty, through the rollout of social grants to pensioners, the disabled and children, that had led to a substantial increase in wellbeing. Although that may be the case, poverty is still a challenge in the country and there are many people who depend on social grants for their sustenance. Without a socio-economic programme that targeted an economically active population, it would be difficult for the government to address inequality and eradicate poverty (Davie, 2015). This research seeks to explore the influence of B-BBEE on organisational effectiveness in South African organisations. Its intention is to find out whether there are any strategic implications for organisations competing in the South African business landscape. For companies to either to comply with, or not to follow B-BBEE legislation, there must be some level of responsibility on the part of the organisation and there are also consequences associated with being compliant or not.

Organisations that would like to participate in government tenders or that envisage being able to trade with state owned enterprises and those whose customers demand B-BBEE compliance suppliers, are faced with the challenge of meeting the needs of the customer, while at the same time being required to meet the required compliance levels. Alternatively, if the service or product has a substitute, then the organisation might lose the customer due to non-compliance (Empowerdex, 2007: 3). This means that B-BBEE is a competitive weapon as much as it is a compliance issue, because the higher the B-BBEE score, the more attractive the company is to other companies that are considering contracting with B-BBEE compliant suppliers; as that increases their procurement points and in turn, increases their B-BBEE score.

### **2.3. The Economic Imperative of B-BBEE**

South African history has been riddled with segregation that started from the days of colonialism and then was entrenched during apartheid, that was meant to enforce divisions among the races and tribes in South Africa. This led to the Black race being excluded from actively participating in the economy and being left on the fringes. The exclusion led to skewed economic inequality when it came to distribution of resources, which were largely in the hands of the White minority and consequently, the Blacks were largely living in poor conditions (Davie, 2015).

This inequality was and still needs to be addressed by means of the inclusion of the Black majority that has been excluded from the economy since Apartheid was passed as a law, to exclude Black people from meaningful participation in the economy, through ownership, management, control and employment in South Africa's economy (B-BBEE Strategy, 2003). For the first time in 1994, South African people of all races were afforded the opportunity to take part in the first democratic elections that led to the election of the first Black president and signalled the end of apartheid rule which segregated people along racial lines. This led to the birth of the constitution which came into being in 1996 after extensive consultation among people from different races, political parties and civic organisations. The ANC has been on a mission to transform the South African economy and make it inclusive for everyone who lives in South Africa, especially Black people collectively, as well as communities and individuals, to eliminate poverty and extreme inequality as prescribed by the 50th National Conference Resolutions (African National Congress, 2011: 1). This led to the government legislating a policy to redress the ills in the country, which was named Broad-Based Black Economic Empowerment.

This policy was legislated to facilitate the transformation of the economy. B-BBEE legislation was an imperative piece of legislation that was promulgated to bring about nation building, because apartheid had separated people according to race and ethnicity. There needed to be a government intervention

that would bring the country together for the benefit of all and to bring prosperity in the country. De Klerk (2008: 93) in his study, reported that the majority of institutions and individuals support B-BBEE because they see it as the most important device to bring about transformation, although there are still some elements of resistance that seem to undermine the successful implementation of B-BBEE. It was also argued by Andrews (2008: 99), that BEE can be a catalyst for growth in South Africa. Another study that was carried out to find out the effect of Black economic empowerment on profit and the competitiveness of firms in South Africa found that the effect has been positive thus far, and so it was suggested that BEE measures need to be applied in the future (Kleynhans & Kruger, 2014). With South Africa emerging from its segregated past, the tax base had been narrowing and it was shrinking towards being unable to meet the future needs of the country and its citizens (OECD, 2015). That required the government to create inclusive policies that would enable broad participation by all economically active members of the society, so that they could contribute to the rebuilding of the country. This would economically benefit the country and reduce its reliance on the government's social spending for poverty reduction.

### **2.3.1. Economic growth**

B-BBEE is important to the economy of South Africa because without it, the previously marginalised and economically excluded majority would have had no hope of being able to participate significantly in the productive sectors of the economy and make a significant impact. The policy was created to create an all-inclusive economy where Black people could also participate in the economy meaningfully, since they had previously been excluded from any significant participation, due to the racial segregation caused by the apartheid regime. According to the Freedom Charter, it is indicated that the wealth of the country should be restored to the people in a system whereby all people should have equal rights to trade wherever they choose to trade, manufacture and to enter trades, crafts and professions (Freedom Charter, 1955: 1). The Bill of Rights also expressed the same sentiments that every citizen has the right to

choose their trade, occupation and profession freely and that the practice of trade, occupation and trade would be regulated by law (Bill of Rights, 1996). The South African government promulgated various pieces of legislation to deal with inequality and economic redress in the South African society, on various fronts after the country attained democracy in 1994 (Thomas, 2020).

It was indicated that South Africa is one of the most unequal countries in the world as revealed by consumption expenditure and that the inequality has been on the rise since the culmination of apartheid rule in 1994 (World Bank, 2018). Apart from the adoption of the constitution, the government introduced various pieces of legislation or Acts that dealt with labour, employment, skills development, preferential procurement which finally led to B-BBEE legislation being drafted. It was indicated that economic growth is a skills intensive initiative which would thus require the robust and sustained growth that is needed to reach the low skilled and marginalised sections of the economy (Faulkner & Loewald, 2008). Thus, the country needed a policy that would not only create growth but would also assist in the upskilling of the previously marginalised members of the South African economy.

**Figure 2.2: A shanty town in the outskirts of Johannesburg**



**Source:** Greenwood (2018)

As indicated in Figure 2.2 above, most of South Africa's cities and towns are characterised by squatter camps on the outskirts of the towns, including Johannesburg, which indicates the inequality and the poverty that surrounds those towns. Most of those squatter camps surround factories and other places where there are labour intensive initiatives that require the lowest level of skills.

The implementation of B-BBEE legislation was not only for the redress of the previous imbalances, which included the reduction of poverty, unemployment and inequality but also for the stimulation of the South African economy and for increasing the participation of the previously marginalised in economic activities.

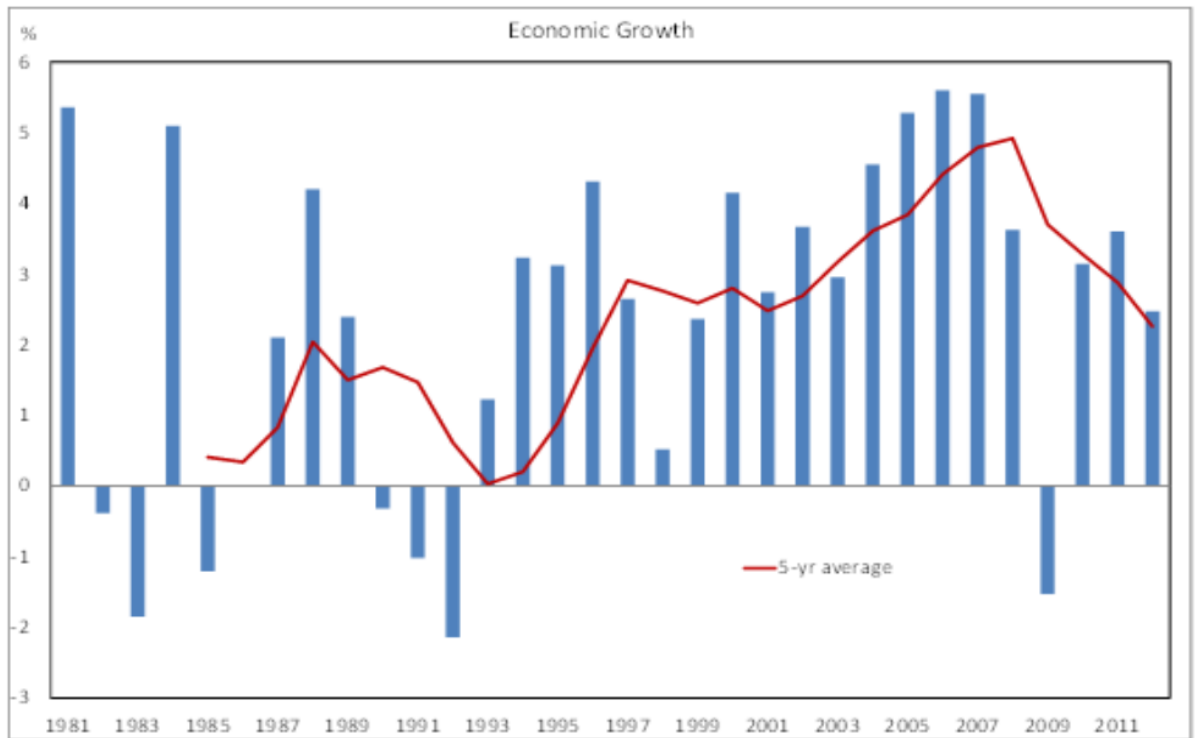
The government sought to achieve the redistribution of wealth, land, coupled with other factors of production and the increased participation of all citizens in the economy.

It was acknowledged that there was a strong relationship between growth and investment, predominantly in human capital, political stability, well-defined political rights, low trade barriers, and low government expenditure (Gould & Ruffin, 1993). Therefore, the B-BBEE policy could have been used as a mechanism to assist in achieving the required growth that would lead to the creation of jobs and a reduction of inequality.

It should also be noted that between 1995 and 1998 the government had to rewrite many of the labour laws, to correct the previous segregation orientation of the laws; although the sectoral conditions and job conditions have remained relatively unchanged throughout the different races, gender and regions across the country (OECD/AfDB, 2002). It was argued that the segregation that was engineered in South Africa in the years preceding democracy imposed static efficiency costs on the economy, which undermined growth (Fedderke & Simkins, 2009).

The Freedom Charter document that was initiated by the Congress of the People movement, although is not an Act of law that was enacted by the government, forms the basis of the B-BBEE legislation, because it indicates that the wealth of the country should be shared amongst the people (Freedom Charter, 1955). In addition to the Freedom Charter, the constitution of the Republic indicated that every person has a right to choose their trade, occupation, and profession freely (Bill of Rights, 1996).

**Figure 2.3: Economic growth in South Africa: 20-year review**



**Source:** Laubscher (2013: 1)

As indicated in Figure 2.3 above, economic growth had been decreasing steadily in the period 1988 to 1993. This reveals that the years leading up to the demise of the apartheid regime were characterised by a decline in economic growth. Then after 1994, the South African economy started experiencing steady growth after the interventions by the new democratic government, the removal of economic sanctions and tariff reforms that were imposed on the previous regime.

South Africa was then readmitted into global trade whereby the country could trade with any countries it pleased by means of imports and exports. The decline the country experienced between 2007 and 2011 it can be attributed to the global economic crises that was experienced, especially in 2008 which caused a collapse in various economies. It was acknowledged that the rise in economic growth was due to RDP, GEAR then ASGISA between 1994 and 2008, which achieved macroeconomic stabilisation and wiped out the budget deficit (Lundahl & Peterson, 2009).

### **2.3.2. Alleviation of poverty**

In the latter years of apartheid, South Africa experienced low economic growth and high rates of poverty. It was reported that the economic growth in the decade preceding South Africa's political transformation averaged 0.8 percent (Du Plessis & Smit, 2006). The government needed policies that would assist in transitioning into a country under democratic government, while also assisting with the alleviation of poverty among its people (Holmes, 2020). The B-BBEE policy is important for poverty alleviation, especially in the Black community, since Black people had been deprived of fruitful economic participation in the previous regime. The new policy was supposed to act as a catalyst that would uplift the previously marginalised out of their economic doldrums. According to The National Broad-Based Black Economic Empowerment Summit (2013), it was emphasised by the president of the republic that there had been an achievement attributed to B-BBEE since 1995, particularly a 4- percent per capita income increased from R27 500 per annum in 1993 to R38 500 per annum in 2012. A 43 percent increase in disposable per capita income and total employment was achieved after 1994. This indicated that although not all poverty had been eradicated since the inception of B-BBEE, great strides had been made to address the scourge of poverty that had crippled most of the population. It was further illustrated that for the government to reduce poverty by 2030, that will be dependent on GDP growth and on an ability to reduce the inequalities that had previously affected mostly the poorest groups, due to lack of access to economic opportunities and fiscal redistribution (World Bank, 2018).

B-BBEE is a policy that was expected to bring inclusive growth, to increase the tax base and to reduce the prevailing inequality. However, the OECD Report (2015) revealed that there had not been any inclusive growth in the economy and that the key factor behind the income inequality was the high unemployment rate, especially among Black South Africans.

It was also reported by Borat and van der Westhuizen (2012) that South Africa is one of the most unequal societies in the world, and that to all intents and purposes, it exists between Blacks and Whites and has been steadily increasing since 1995, although there was positive growth in that time. However, only people at the top-end of the population gained from the post-apartheid growth. Subsequently, it was also reported that the dominance of race, gender and location had been indicated as the deep markers of inequality and poverty, which were entrenched by the past policies of segregation and discrimination (Leibbradt, Woodlard, Finn and Argent, 2010).

The Reconstruction and Development Programme (RDP), Growth, the Employment and Redistribution Policy (GEAR), the Accelerated and Shared Growth Initiative for South Africa (ASGISA), the New Growth Path (NGP) and the New Development Plan (NDP) policies had and still have the same intention as the B-BBEE legislation; because the primary objective was to eradicate poverty, especially within the Black population that had been intentionally left out of economic participation during apartheid; and also to reduce the income inequality, while ensuring that there would be steady economic redistribution and economic growth in the country.

Under the prevailing circumstances, the tax base was shrinking due to the increase in the social grants' spectrum (Davie, 2015). The country needed to find a way to increase the size of the shrinking tax base, because it might be difficult to meet service delivery needs in the future should the prevailing conditions not be rectified.

OECD (2015) reported that the tax base and the revenues were too small to meet the future needs of the country, so there is a need for a well-balanced and administered tax system to underpin a sound fiscal position and finances, in order to meet the needs of social and economic infrastructure. To achieve this, there needs to be an increase in revenues, which are equitable and not punitive.

B-BBEE has become a strategic imperative for companies operating in South Africa because, over the years since the enactment of the legislation, many companies have enlisted the services of consultants to assist them at a strategic level, in order for them to comply with the legislation, while at the same time remaining competitive and sustainable.

Mzilikazi (2015) acknowledged that there is a positive relationship between BEE compliance and operating financial performance of companies that are listed in the JSE, with listed firms achieving an excess return of 2.31 percent over the ten-year period of the study, although the benefit was found in Oil and Gas, Consumer Services and Basic Material and Financials. This indicated that it is beneficial for organisations to be compliant with the legislation since it gives the compliant organisation some form of competitive advantage in the economy.

Kleynhans & Kruger (2014) also observed that BEE has a positive impact on profitability and turnover and investment for businesses in South Africa. In addition, Akinsomi, Kola, Ndlovu and Motloung (2016) revealed that there was a relationship between compliance and non-compliance, by establishing that companies that are compliant with the BEE legislation had higher returns when compared with companies that were non-compliant.

#### **2.4. Socio-Economic Policies Implemented in South Africa after 1994**

There have been several policies that have been implemented in the Republic of South Africa since the dawn of democracy to achieve economic growth while redressing the issues that were brought about by apartheid, such as poverty and unemployment. That resulted from the consequences of apartheid, where Black people who are the majority were intentionally left out of participation in the critical sectors of the South African economy, by the apartheid regime. This led to the economy being skewed and having an exceptionally large gap between the rich and the poor.

The inequality gap was a result of the exclusion of the Black majority, who were unable to contribute fully to the fiscus, due to their exclusion from productive involvement in the economy (National Development Plan, 2012). The apartheid regime also ensured that there was a job reservation policy and that the allocation of funds for skills development was mainly allocated to the White minority, to the detriment of the Black majority; which resulted in the Black people not occupying executive positions in government institutions and in the corporate arena; and thus the new policy would ensure the upskilling of the Black people and that they would also occupy positions that would allow them to control those institutions (Ndaba, 2018).

The government has not yet achieved the required results after more than twenty-five years into democracy and the RCOGP continues to be revised, including the sector charters. Mosala, Venter and Bain (2017) reported that the ANC's economic policies diverted from the National Democratic Revolution (NDR) and the Freedom Charter, notwithstanding the fact that the ANC indicated that its economic vision is based on the Freedom Charter and thus diverted to neo-liberal orthodoxy.

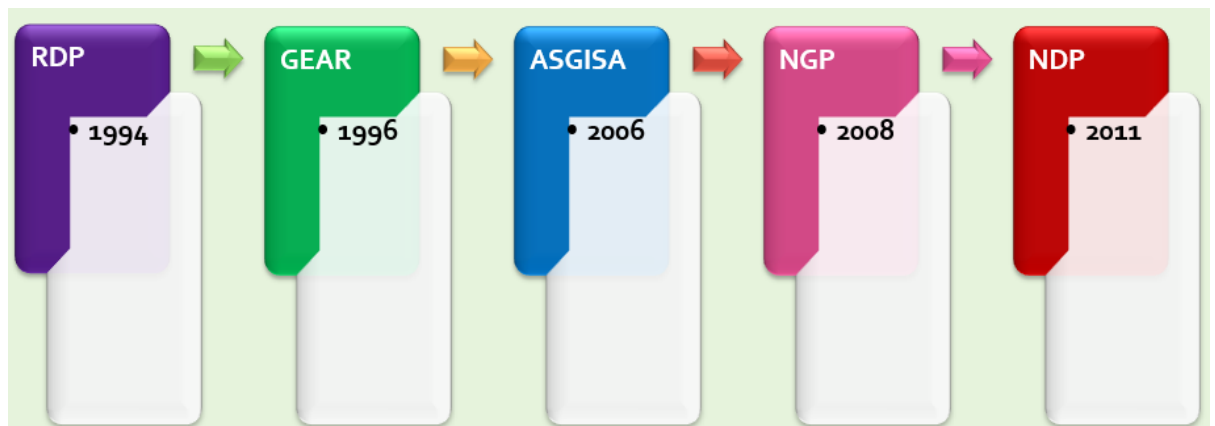
There have been various policies and papers released by the government to address the inequalities and the living conditions of South Africans such as the RDP, GEAR, ASGISA, NGP and NDP (South African History Online, 2014). Although the policies might sound different, they have certain commonalities in them, such as the reduction of poverty and the creation of employment. Although the policies had noble intentions, the results have not been forthcoming.

It was indicated that since the implementation of different socio-economic policies beginning in 1994, there has been a decline in employment growth for the past two decades as well as a shift in the economy towards capital over labour, among different industries (Ferreira & Rossouw, 2016). Although these socio-economic policies might be unique, they have a common theme of the

alleviation of poverty, and the creation of employment and economic growth, which has somehow been elusive.

The government also devised a plan to assist the poor with decent housing, as it is enshrined in the constitution of the Republic. The shortage of housing is a challenge that is still escalating. Mohlapamaswi and Rachidi (2014) emphasised that there is a challenge for the government to provide the poor people of the country with shelter, considering that South Africa is a constitutional democracy and that major financial institutions have no interest in uplifting the plight of the poor. The policies are outlined below in Figure 2.4 which includes RDP, GEAR, ASGISA, NGP and NDP and the respective years when they were set in motion.

**Figure 2.4: Socio-Economic Policies Implemented in South Africa After 1994**



**Source:** Author's depiction (2019)

#### **2.4.1. Reconstruction and Development Programme (RDP)**

The ANC government campaigned on the RDP in one of its election manifestos in the hope of reviving the economy and addressing the poverty which was deepening. Then when they came into power, they devised a policy or plan that was to be used to reduce the high levels of unemployment and poverty (Worden, 2012). This was also a response to the negative growth that was being experienced in the economy at the time. The RDP can be referred to as a socio-economic policy that is integrated and coherent; that seeks to mobilise

South Africans and the country's resources towards the ultimate abolition of apartheid and building of a democratic, non-racial, non-sexist South Africa in the future (South African History, 1994). This was a people-focused and people-driven policy that required input from all South Africans in different spheres or sectors of the economy. There were high levels of poverty amongst the Black majority and unemployment was on the rise, so the government had to devise a plan to deal with the challenges that were being faced by the citizens that would address the different challenges.

The government then introduced the Reconstruction and Development Programme (RDP), as a policy mechanism to achieve the objective of creating employment and entrepreneurship within the country, primarily for the Black people. It was indicated that the government of national unity implemented RDP because South Africa had a bitter history characterised by atrocities brought about by colonialism, racism, sexism, apartheid and repressive labour policies, that resulted in poverty amongst the Black majority (South African History, 1994). This was an initiative aimed at redressing the past imbalances but also fostering social cohesion and economic growth.

Due to the circumstances that prevailed among many Black people immediately after the abolition of the apartheid regime, the RDP was known for its housing initiative because the housing challenge was enormous. Apartheid can also be blamed for the causes of the shortages of decent housing, as it contributed to the dispossession of land from Black People. The policy aimed to address the shortage as well as the inadequacy of housing for Black people. It was shown that the RDP resulted in the building of three million houses in the previous twenty-three years from the inception of democracy, which benefited a total of about fourteen million people (Bailey, 2017). The policy also focused on the improvement of the infrastructure in the country that would serve as a benefit for all citizens, by ensuring that basic services reached the masses.

The development of infrastructure would further serve as an economic boost, through the creation of jobs and stimulating economic activity in the country, which would generate growth. Although the RDP could not meet all the objectives that were set - out when it was introduced. That was probably one of the reasons why the programme ended up being replaced by the GEAR programme that came into being in 1996, while the RDP was still in its infancy. Manomano and Kang'ethe (2015: 269) pointed out that the RDP was a noble plan built upon good intentions, but the dissatisfaction and complaints surrounding administrative and managerial flaws indicated that more work needed to be done to strengthen the level of governance among officials.

#### **2.4.2. The Growth Employment and Redistribution policy (GEAR)**

Before the triumphs of the RDP could be fully realised in the South African economy, the government introduced another socio-economic policy to stimulate growth in the economy and to create jobs. The government introduced the Growth Employment and Redistribution policy (GEAR) in 1996; that was initiated to stimulate a fast-growing economy which would be able to create sufficient jobs, redistribute income and opportunities which would favour the poor, to create a society in which sound health, education and other services would be available to all citizens; and finally to create an environment wherein homes were secure and places of work were productive (GEAR, 1996). It was indicated that around the beginning of 1998, the government claimed to have successfully reduced the fiscal deficit and had brought inflation down to single digits through GEAR, although this had been associated with a low growth rate since 1993 (Weeks, 1999). This policy was able to bring down inflation; however it was not accompanied by growth, and thus, it did not meet its primary objective of stimulating economic growth. Streak (2004) also agreed with the above sentiment, acknowledging that the legacy of GEAR has been dismal and that it had not led to a reduction of poverty or inequality and had an over reliance on the private sector, to generate the required growth, which would have created employment.

GEAR did not fully reach the required results that it was expected to accomplish. Heintz (2003) reported that the economic growth during the GEAR policy years never came close to the forecast target and was only able to reach an annualised level of 3 percent, which was half the of the forecast 6 percent growth. It was thus evident that the policy failed to reach its required goal of economic growth and job creation that would have alleviated the scourge of poverty that was gripping the country at the time. Weeks (1999) argued that the GEAR policy was responsible for the collapse of growth in South Africa, because it focused on deficit reduction and that many economists had predicted that it would fail, as early as 1995. In addition, Adelzadeh (1996) indicated that the framework was flawed when it was proposed and would not work, since it was historically unsuitable for South Africa and should it be implemented, it would lead to the failures and disappointments of the RDP objectives of transforming the patterns of inequality that the country had inherited.

#### **2.4.3. Accelerated and Shared Growth Initiative for South Africa (ASGISA)**

In 2006, GEAR was replaced by the introduction of the Accelerated and Shared Growth Initiative for South Africa (ASGISA), which was approved by the cabinet. This strategy envisioned a reduction of poverty by 2014, and slashing of unemployment by half, by the year 2014, from 28 percent in 2004 to 14 percent by 2014; and that recognising that the policies implemented these issues needed to be at the vanguard of economic policy decision making (South African History Online, 2014).

This policy was set in motion about two years after the B-BBEE Act was legislated, and there were some components that could be utilised for the implementation of the B-BBEE legislation.

It was indicated that there were several components in the ASGISA policy that B-BBEE could leverage on, which were skills development commitments, B-BBEE charters, social responsibility commitment funding for housing and small

businesses, and the provision of access to finance for youth and women (Mlambo-Ngcuka, 2006). The ASGISA would also assist in the improvement of skills development in the country; since it was noted that there was no adequate skills development to enable shared growth.

Thus, it was indicated that the Department of Education had identified the FET colleges sector to expand educational opportunities for young people, preparing them for the working world, in response to intermediate and high-level skills that were required by the economy (ASGISA, 2007). It was also indicated that one of the constraints of the implementation of ASGISA was the shortage of suitably qualified graduates, technicians and artisans.

Thus, capacitating the FET colleges and increasing the number of skilled personnel would be one of the factors that would assist in the implementation of the projects that would grow the economy.

#### **2.4.4. New Growth Path (NGP)**

After the resignation of the then president of the country, President Thabo Mbeki in 2008, the then incoming president Jacob Zuma replaced the ASGISA programme with the introduction of the New Growth Path which was announced in his 'State of the Nation' address in 2010 (South African History Online, 2014). The NGP was introduced in 2010 with the aim of enhancing economic growth and the creation of employment and equity and had the target of creating five million jobs in ten years from inception (South African Government, 2018). That would require some form of financing to generate spending towards the required development, that would lead to job creation. However, that plan did not clearly stipulate where those funds would be deployed from. In a study by Mazibuko (2013), he claimed that the NGP did not indicate the source of the required financing that would be required to finance the development, and thus it could easily allow South Africa to slide into a debt trap; considering that the country had the burden of managing the cost of the national debt which was not less than 40 percent of the gross domestic product at the time.

The framework identified five key areas in which investment would be rolled out, whereby jobs would be created through infrastructure development. The five critical areas that were identified by the framework were communication, energy, transport, water and housing (South African Government, 2018). The central focus of the NGP was job creation and the alleviation of poverty, which were on the rise, without any signs of coming to a halt. Although that was the central focus of the framework, some proponents of the business and labour point of view alluded to the fact that the plan lacked the concrete measures that were needed to fight the ever-rising unemployment rate, through the creation of decent sustainable jobs (International Labour Organisation, 2011).

#### **2.4.5. The National Development Plan (NDP)**

The National Planning Commission led by the then Minister in the Presidency Trevor Manuel came up with another policy that would map out a new path for the country, seeking to eliminate poverty and reduce unemployment in the country. The government introduced the National Development Plan (NDP) as a vision for 2030 which was a long term plan, with the aim of creating more jobs, the improvement of infrastructure, transition to a low carbon economy, an inclusive and integrated economy, the reversal of the spatial effects of apartheid, improving the quality of education, training and innovation, quality healthcare for all, building safer communities, social protection, reforming the public service, fighting corruption, transforming society and uniting the country (National Development Plan, 2012). The NDP was a plan that was hatched as a policy to facilitate economic growth, while also tackling the socio-economic issues that were gripping the South African economy. That would be achieved through the maximisation of the available resources and investment, for the economy to create the required jobs for the depletion of unemployment.

Although the NDP is not a panacea for all the socio-economic issues in South Africa, it also encountered challenges of its own. The NDP implementation, like the previous policies, is also faced with challenges such as weak economic growth, whereby the productive sectors of the economy are not growing fast

enough (Planning, Monitoring & Evaluation Department, 2017: 21). The NDP is still untested in the South African economy and is a work in progress since it is a vision that needs to be accomplished by 2030. Although that may be the case, South Africa still needs to transform different sectors of the economy, to break the stranglehold of exclusion that might still persist in different sectors since the inception of B-BBEE in 2004. It was acknowledged that the NDP would not transform the agrarian sector radically or create the much-needed millions of jobs in rural South Africa because it is a continuation of GEAR and it leaves the market-oriented focus of land and agricultural policy intact (Karriem & Hoskins, 2016).

## **2.5. Lessons of Socio-economic Empowerment from Other Countries**

The empowerment of indigenous people that were previously marginalised and excluded from significant economic participation is not a phenomenon that is unique only to the country of South Africa or to African countries. There are many countries that also had the misfortune of experiencing colonisation and then had the duty of lifting the oppressed communities out of the state of poverty, to create an equal society. It is an occurrence that has been found to be prevalent in various countries throughout the globe, to economically uplift their once marginalised communities and also to empower them economically, so they can become independent and participate fully in the economy, through running businesses and supplying skilled labour.

Although the B-BBEE legislation might appear to be unique to South Africa, that might not be exactly true, since there are pieces of that legislation that seem to have been “borrowed” from different parts of the world, where similar circumstances to those that prevail in South Africa could have occurred. There have been quite a few countries that have implemented economic empowerment policies for the groups that were previously marginalised socially and economically, and thus, those groups were not participating in the economy fully, due to the restrictions that were imposed by the powers that be in those countries.

There have been countries that implemented policies to empower previously marginalised populations successfully, and others are still in the same position that they were in before the implementation of those policies. The economic and socio-economic policies seem to be a prevalent trend in many African countries, although it is also prevalent in countries outside Africa. However, in this study only a few countries were considered for illustrative purposes and to indicate what had happened or what was currently happening in those economies, during the time of the study.

Below are a few examples of such cases; mainly from the African continent:

- There was legislation promulgated in Botswana that was promulgated to promote the participation of Botswana people in the economy of Botswana people. The Citizen Economic Empowerment (CEE) was promulgated, to promote the effective participation of Botswana in the economic growth and development of the country, which emanated from the need to develop capacity to enable full participation of the citizens at all levels of economic development (Citizen Economic Empowerment Policy, 2012). It was concluded in a study that CEE is a socio-economic process whereby the Botswana are motivated to increase their belief in self-efficacy; to improve their abilities in controlling their own resources and to unleash their creative energies, to achieve a sustainable improvement in their living standards, by improving their technical skills, knowledge and abilities so as to adopt modern business management techniques (Gergis, 1999: 15).
- The Indigenisation and Economic Empowerment Act (IEEA) of Zimbabwe is the involvement of indigenous Zimbabweans in the economic activities of Zimbabwe, for which, prior to 18 April 1980 they had no access; to ensure that there is equitable ownership of the nation's resources (Ministry of Youth, Indigenisation & Economic Empowerment, 2017: 1). The IEEA is an official affirmative action programme conducted by the Zimbabwean government, which is aimed at righting the historical inequalities between the races in Zimbabwe,

and also to economically empower and advantage the previously disadvantaged indigenous Zimbabweans (Chidede & Warikandwa, 2017). The IEEA is an empowerment project in Zimbabwe that is aimed at empowering the Black Zimbabweans; since there were inequalities in the country that were brought about through colonialism as occurred in most countries in Africa.

- In a study by Uppal (2014: 25), it was discovered that indigenisation cannot be conclusively said to be compatible or incompatible with economic growth; because in Zimbabwe with the prevalence of negative growth rates, the options for indigenisation become far more limited and are often oppressive. Another scholar acknowledges that the IEE policy was causing serious problems in the mining sector, with challenges such as lack of capacity to access equities within the mining sector, resistance to change, lack of stakeholder consultancy and non-compliance (Gochoero & Kadira, 2015). The indigenisation policy was meant to empower Zimbabweans and lift them out of poverty but has been met with harsh criticism for its inability to achieve the required results. It has also been criticised for creating economic instability, as it caused fears and reduced investor confidence. Magure (2012) criticised the Zimbabwean economic policy by suggesting that its implementation cast a cloud of uncertainty over Zimbabwe's economic outlook on investment, which would have a negative effect on economic growth and poverty alleviation. The Namibian government devised a plan to redress economic imbalances in the country which would also promote the participation of Namibian Black people who were excluded from the economy. Black Economic Empowerment (BEE) in Namibia is economic empowerment for people who were previously disadvantaged, and it is a vital and essential tool to encourage the process of wealth creation, through offering a balanced opportunity for all Namibians to be involved in broad-based economic transformation and development (Gaomab II, 2005: 1). This programme is aimed at

addressing the imbalances that were brought about by colonialism, since Namibia also went through colonial rule.

- Malaysia also faced the dilemma whereby there was poverty in the country particularly in the indigenous Malay people and the government devised a plan to eradicate poverty and to promote the economic inclusion (EPU, 2021). The policy was promulgated and was called the National Economic Policy (NEP). NEP in Malaysia was established to eradicate poverty and to redistribute wealth to the indigenous Malays, where significant focus was placed on education and science education and this transformed the economy into one of the largest exporters of semiconductor components and devices in the world (Gardee, 2014: 1). It was found in one study that the National Empowerment Policy can be said to have been successful in achieving certain parts of its objectives such as a significant eradication of poverty and improvement in the quality of life of the people of Malaysia (Azman, Sulaiman, Mohamad, Singh, Yahaya & Drani, 2014). Azman et al., (2014) continued to illustrate that that was achieved because the poverty eradication strategy focused on human resource development and quality of life improvement, which were income generating projects, rather than welfare handouts, except in exceptional cases where direct assistance was provided. The results of the NEP showed that the poverty rate declined from 49.3 percent in 1970, to 19.4 percent in 1987 and to 6.1 percent in 1997 and were reduced further to 3.6 percent in 2002 (New Economic Model, 2010). The experience portrayed by the Malaysian government in poverty eradication offers valuable insights into developing countries that are faced with the scourge of poverty by using policies, plans, programmes and agencies that have enabled the government to apply tremendous force to the poverty issue (Mohammed & Xavier, 2015).
- Tanzania also went through its own empowerment of the Tanzanian citizens (National Economic Empowerment Council, 2021). They also devised a plan that would be used to uplift most citizens from poverty

and enable them to participate in the economy. The government of Tanzania implemented the National Economic Empowerment Policy, with the aim of enabling the majority of Tanzanians to participate more effectively in economic activities, by raising their incomes and improving their living standards, which put in place a favourable business environment that would facilitate an increase in production and investment within the domestic African and global markets (National Economic Empowerment Policy, 2004). The National Economic Empowerment policy was brought about to uplift the Black people of Tanzania, since they had been excluded from the economy by their historical colonisers.

- Malawi also implemented the National Economic Empowerment Policy that was aimed at the citizens, to encourage them to participate in economic activities. The government of Malawi, through the Ministry of Trade and Tourism formulated the National Economic Empowerment Policy, which is one of the initiatives by the government aimed at encouraging the citizens to participate in mainstream economic activities that would enable them to improve their income levels and contribute to the transformation of the economy by focusing on accelerating economic growth, creating an enabling investment environment and also raising the skills and knowledge levels of the citizens (Ministry of Economic Planning and Development, 2004).

## **2.6. Partnerships and Charters**

There have been various sector charters that were established to assist in the implementation of B-BBEE in certain sectors. These charters aim to address the redress in different sectors emphasising each specific sector and considering rules and targets that only apply to that sector, since each sector has different dynamics and different levels of participation of Black individuals. The different sectors are aiming to address transformation, considering the dynamics of each sector, by looking at how B-BBEE has been accepted and implemented and at how deep the exclusion has been at that sector. Different

sectors tend to have different targets for the elements, considering the degree of transformation that needs to be achieved in that specific sector by a stipulated time. The different sectors are listed below (DTIC, 2022):

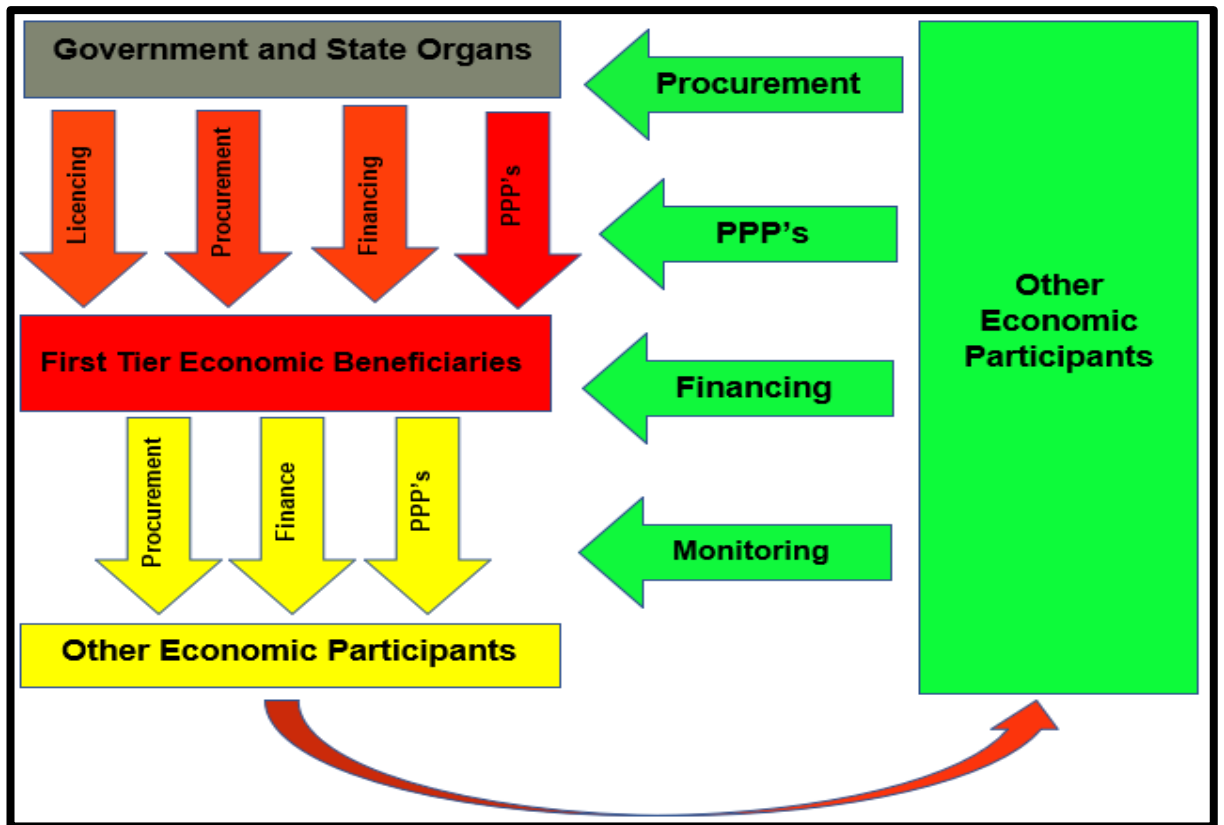
- Agri-BEE Charter.
- Financial Sector Charter.
- Information Communication Technology (ICT) Charter.
- Property Sector Charter.
- Integrated Transport Sector Codes.
- Forest Sector Code.
- Marketing, Advertising and Communication (MAC) Sector Code.
- Tourism Sector Code.
- Broad-Based Black Socio-Economic Empowerment Charter for The South African Mining and Minerals Industry.

## **2.7. Implementation Levers for the Application of the B-BBEE Codes**

The application of the B-BBEE codes is done in accordance with a Generic scorecard. Although there are other sector charters that have been gazetted into law, the generic codes remain the basis for all other charters, and sectors that do not have gazetted sector charter are measured according to their generic codes. It is public knowledge that for companies to conduct business with organs of state, or companies that are state owned, they need to comply with B-BBEE legislation (B-BBEE Commission, 2016).

Figure 2.5 below indicates government and state organs interacting with first tier economic beneficiaries, that in turn, interact with other economic participants, through procurement, private public partnerships, financing, licensing, and monitoring. Figure 2.5 also indicates private companies as economic participants, since they have to comply with the B-BBEE COGP, whenever they want to interact with state organs through procurement, through PPPs, financing and monitoring.

### **Figure 2.5: Implementation Levers for the Application of the Codes**



**Source:** Codes of Good Practice: Phase One (2005: 7)

There are also public private partnerships (PPPs), Financing and procurement that interact with other economic participants in the South African economy. This indicates that organisations that are required to be economically viable while also being competitive, are also required to be compliant with B-BBEE legislation. Based on Figure 2.5 above, the Codes of Good Practice are important in the decision making and reporting processes in organisations because the decision makers are the people who determine the compliance of companies with B-BBEE legislation.

### 2.7.1. Legislation

Legislation is said to consist of laws that are made by parliament, being people that are given power by the parliament to create such laws (Government of Western Australia, 2011: 2; Legal Dictionary, 2016). Legislation is a source of law that is especially important and is subject to the constitution of the Republic of South Africa (LegalWise, 2013). The government introduced the Broad-

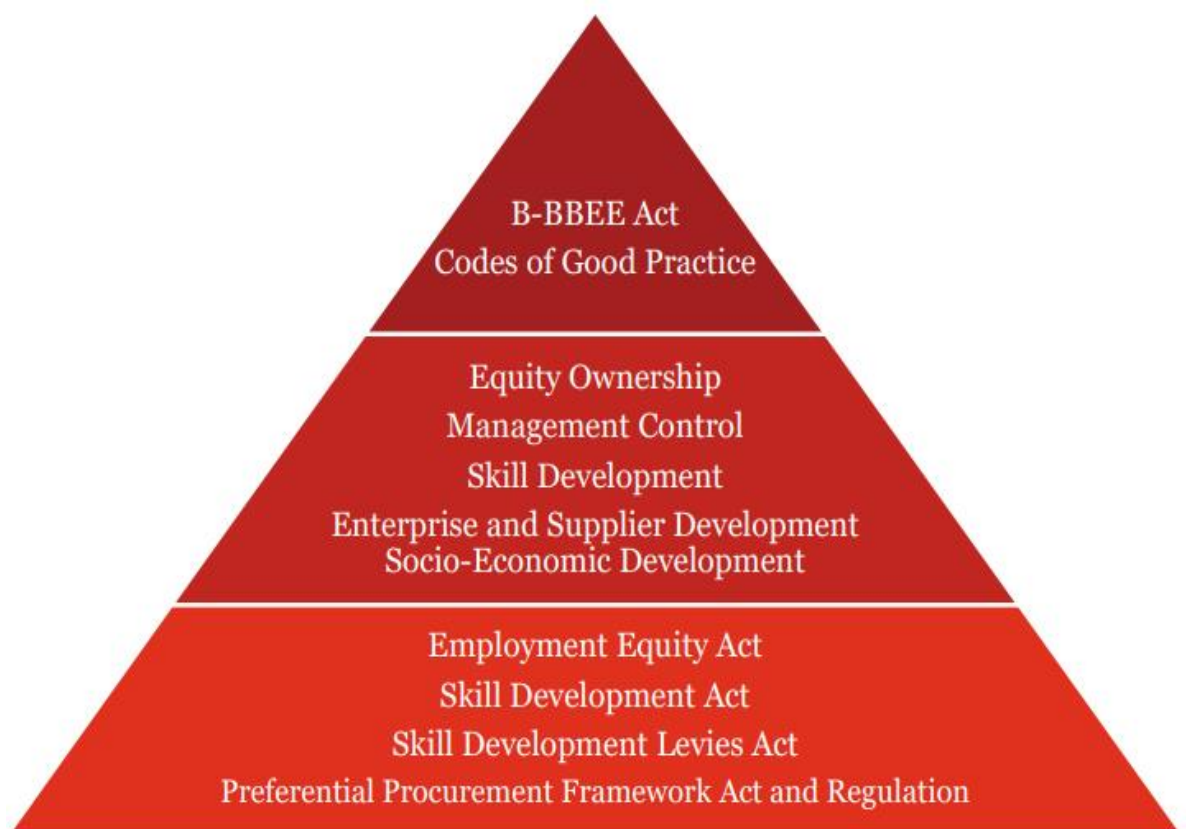
Based Black Economic Empowerment Bill, which was promulgated to enable a framework for the promotion of B-BBEE in the country. This was later promulgated into law and was known as the Broad-Based Black Economic Act 53, promulgated in 2003. This Act was later amended by Act 46 of 2013. The B-BBEE Act is applied in conjunction with the B-BBEE Revised Codes of Good Practice that uses a scorecard that has five elements or pillars; namely Ownership, Management Control, Skills Development, Enterprise and Supplier Development and Socio-Economic Development, which evolved from the Codes of Good Practice that had seven elements, namely Ownership, Management Control, Employment Equity, Skills Development, Preferential Procurement, Enterprise Development, Supplier Development and Socio-Economic Development.

The B-BBEE policy instrument directly influences organisational effectiveness because it contains pillars such as Ownership, Skills Development and Managerial Control, which require the integration of the previously marginalised population into the organisations that they would otherwise have been unable to access in the previous regime, although at this time, it is not yet known whether the influence is positive or negative. It also has an impact on the allocation of resources an organisation has. All elements require the organisations that participate in this initiative to redirect their funds to areas where under different circumstances, they would not have spent funds. It is thus important to understand that the allocation of organisational resources is affected or impacted by B-BEE legislation.

The B-BBEE legislation requires companies that operate in the South African economy to also comply with the laws of the land. This means that companies would need to comply with some of the following laws, although some will be indicated in the sections that follow. Companies that operate in the South African economy need to comply with the Constitution of the republic of South Africa, which in turn, governs the companies Act 71 of 2008 and the Competition Act 89 of 1998.

One of the purposes of the companies Act is the development of the South African economy, by encouraging entrepreneurship and enterprise efficiency, the creation of flexibility and simplicity in the formation and maintenance of companies and the encouragement of transparency and high standards of corporate governance as appropriate; while considering the social and economic life of the nation (Companies Act, 71 of 2008). Companies need to follow governments rules and regulations and ensure that there are proper governance structures to ensure compliance.

**Figure 2.6: B-BBEE Legislation Overview**



**Source:** PWC South Africa (2015: 4)

### **2.7.2. Regulations**

The South African government uses various regulations that organisations operating in the South African economy must comply with, in order to be considered as responsible corporate citizens. Regulations are regarded as rules that are made by a particular government or other authority, to control

the way people behave and or the way things are done (Collins Dictionary, 2018). A regulation is also regarded as a law, or all the laws considered together, that are enacted to control the way businesses operate. (Cambridge Dictionary, 2018). The government uses a balanced scorecard in order to measure B-BBEE and it primarily measures the three core elements which 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 (B-BBEE Strategy, 2003: 14).

In order to achieve the primary measurements of B-BBEE, the government also set up and utilised various regulatory means such as RDP, GEAR, ASGISA, NGP and NDP, which were clearly illustrated in the Socio-Economic Policies implemented in the section dealing with South Africa after 1994. The B-BBEE strategy is guided by various legislation and policies such as the ones that are listed in Figure 2.6 above. Figure 2.6. also shows the pyramid that indicates B-BBEE and the RCOGP being anchored by the five elements and below them being the Skills Development Act, Employment Equity Act, Skills Development Levies Act and the Preferential, Procurement Framework Act. The following pieces of legislation are considered and referred to when an entity undergoes verification or a B-BBEE audit.

- The Labour Relations Act 66 of 1995.
- Basic Conditions of Employment Act of 1997 Act of 1997.
- Skills Development Act 97 of 1998.
- Employment Equity Act 55 of 1998.
- Preferential Procurement Framework Act 5 of 2000.
- Broad-Based Black Economic Empowerment Act 53 of 2003.
- Broad-Based Black Economic Empowerment Act 53 of 2003, as amended in 2013.

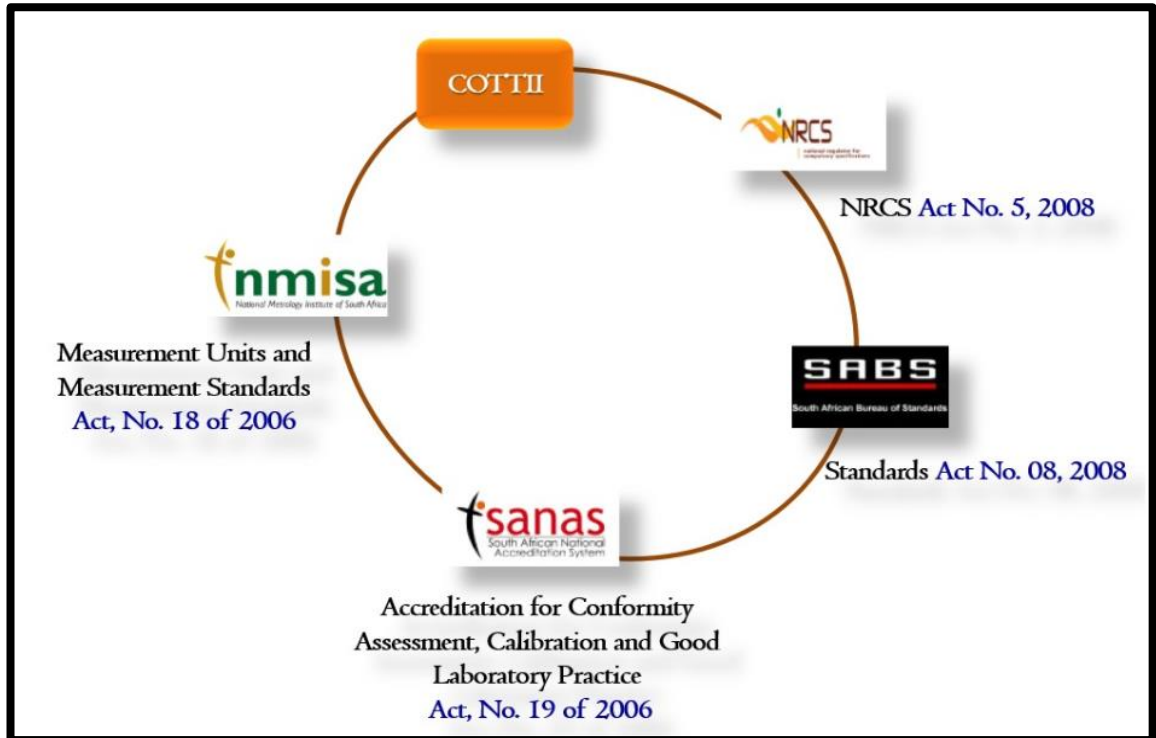
### **2.7.3. Institutional support**

The government was assigned with the establishment of the BEE Advisory Council, which will advise on the implementation of the BEE strategy (B-BBEE Strategy, 2003: 15). The Advisory council was established with the provision of the B-BBEE empowerment Act 53 of 2003, in order to fulfil the legal mandate that is outlined in the Act, with its functions being to advise the government on Black economic empowerment, reviewing the progress in achieving Black economic empowerment, giving advice on the draft transformation charters and also facilitating the partnerships between organs of state and the private sector, which would push the advancement of the objectives of the Act (Broad-Based Black Economic Empowerment Advisory Council, 2015: 1). The government, through the DTI, established the Broad-Based Black Economic Empowerment Commission (B-BBEE Commission). The B-BBEE Commission is an organisation that was set up by the B-BBEE Act 53 of 2003, as amended by Act 46 of 2013, in order to play an overseeing role in the implementation of the Act, including the provision of explanatory notices, non-binding advisory opinions and clarification services, to improve the understanding of the Act (B-BBEE Commission, 2016). This organisation also assists the government in investigating cases of fronting and other instances, where organisations misrepresent their B-BBEE credentials. To balance B-BBEE verification practices and to ensure that there is consistent technical competence, it was then required that B-BBEE verification agencies undergo accreditation through the South African National Accreditation System (SANAS), which is one of the DTI's technical infrastructure institutes that is responsible for quality assurance, accreditation, standards, and metrology services, as indicated in the figure below.

SANAS is an organisation that is responsible for the accreditation of companies that verifies and audits other organisations for B-BBEE status, that are known as verification agencies. In other words, SANAS is the accreditation body that accredits verification companies. It should also be noted that its

function is not solely limited to the regulation of B-BBEE verification agencies and thus, it functions in other industries as well. As indicated in Figure 2.7 below, SANAS is one of the DTI's technical infrastructure institutes that are responsible for quality assurance, metrology, accreditation and standards.

**Figure 2.7: Technical Infrastructure Institutes**



**Source:** SANAS (2019: 1)

#### **2.7.4. Policy instruments**

Governments all over the world devise plans and policies that they use to intervene when there is a desired outcome that they require in their economies. These plans are policy instruments. Policy instruments are interventions or tools that are created by governments, to pursue outcomes that conform to public policy (Cairney, 2015).

These instruments govern public policy and how policy is created in government. The South African government introduced several policy instruments in order to meet its B-BBEE objectives.

The policy instruments that were introduced include preferential procurement through the Preferential Procurement Policy Framework Act (this is where the government also introduced Supplier Development programmes, in order to enable the creation of Black owned entities), institutional support (the development and integration of strong business organisations, as well as capacity building among civil and community structures), financial and other incentive schemes and legislation B-BBEE and regulation (B-BBEE Strategy, 2003: 18).

### 2.7.5. The B-BBEE Recognition Levels

**Table 2.1: The B-BBEE Recognition Levels**

B-BBEE Status	Qualification	B-BBEE Recognition Level
Level One Contributor	≥100 Points	135 percent
Level Two Contributor	≥95 but < 100 Points	125 percent
Level Three Contributor	≥ 90 but <95 Points	110 percent
Level Four Contributor	≥80 but <90 Points	100 percent
Level Five Contributor	≥75 but <80 Points	80 percent
Level Six Contributor	≥70 but <75 Points	60 percent
Level Seven Contributor	≥55 but <70 Points	50 percent
Level Eight Contributor	≥40 but <55 Points	10 percent
Non-Compliant Contributor	<40 Points	0 percent

**Source:** Government Gazette (2013)

For organisations to acquire a B-BBEE scorecard, companies will be measured according to the above recognition levels, which also applies to how favourable their scorecard is to prospective and current suppliers. This gives the measure of the number of points a company is allocated, the level where it will be and the procurement recognition that is related to the level of that organisation. This is the scorecard that the government uses to measure the

level of compliance by entities that are operating in the South African economy. The ultimate level is level 1, which is acquired by companies that can accumulate more than 100 points on the scorecard and they then receive 135 percent procurement recognition. Level 2 which is acquired by companies that can accumulate greater or equal to 95 points but are less than 100 points on the scorecard receive 125 percent procurement recognition. Level 3 is acquired by companies that can accumulate greater or equal to 90 points but are less than 95 points on the scorecard and they then receive 110 percent procurement recognition.

Level 4 which is acquired by companies that can accumulate greater or equal to 80 points but are less than 90 points on the scorecard and they then receive 100 percent procurement recognition. Level 5 which is acquired by companies that can accumulate greater or equal to 75 points but are less than 80 points on the scorecard and they then receive 80 percent procurement recognition. Level 6 which is acquired by companies that can accumulate greater or equal to 70 points but are less than 75 points on the scorecard and they then receive 60 percent procurement recognition. Level 7 is acquired by companies that can accumulate greater or equal to 55 points but less than 70 points on the scorecard receive 50 percent procurement recognition. Level 8 which is acquired by companies that can accumulate greater or equal to 40 points but show less than 55 points on the scorecard receive 10 percent procurement recognition. Non-compliance is acquired by companies that accumulate less than 40 points on the scorecard and therefore receive 0 percent procurement recognition on the scorecard.

#### **2.7.5.1. Start-ups, Exempted Micro Enterprises and Qualifying Small Enterprises**

Micro Exempted Enterprises or EMEs as they are commonly known, are companies that have a turnover of less than R10 million at the time of their B-BBEE measurement. In that category also are start-up companies and medium enterprises since their turnover is less than R10 million. Start-ups and EMEs

are not required to go through the B-BBEE verification audit, to determine B-BBEE compliance. They are therefore, required to prove their Black Ownership which will be used as a determining factor for their B-BBEE recognition. That is done by means of an affidavit signed by a commissioner of oaths. Therefore, an EME that has 100 percent Black Ownership will be at level 1 with 135 percent procurement recognition. An EME that has more than 51 percent Black Ownership, but less than 100 percent Black Ownership will be regarded as a level 2 with 125 percent procurement recognition. Any EME that has less than 51 percent Black Ownership will be a level 4 contributor with 100 percent procurement recognition. Therefore, a QSE that has 100 percent Black Ownership will be at level 1 with 135 percent procurement recognition and a QSE that has more than 51 percent Black Ownership will be regarded as a level 2 with 125 percent procurement recognition. Any QSE that has less than 51 percent Black Ownership will need to go through a B-BBEE verification audit, to determine the B-BBEE level contribution and the procurement recognition. Before the revision of the codes which were gazetted in 2013, EMEs and QSEs were required to undergo verification to determine their B-BBEE status (Government Gazette, 2013).

Start-ups, Exempted Micro Enterprises and Qualifying Small Enterprises fall in the category which many people term as Small, Medium or Micro Enterprises or SMMEs as they are commonly known globally. SMMEs are very important in the economy, since it was indicated that they contribute 14 to 15 percent of employment or jobs in the South African economy, which amounts to about 2.44 million people (SEDA, 2018). In addition to their contribution to the South African economy, SMMEs account for about 70 percent of jobs created in OECD countries on average, and in emerging economies they are said to account for about 45 percent of jobs created and 33 percent of GDP (OECD, 2017: 6).

This indicates how important small businesses are in respect of their contribution to the development of countries. South Africa is a developing country and has a transformation agenda that it needs to accomplish through

applying the B-BBEE policy. This agenda can be accomplished through the empowerment of Black owned SMMEs since they are thereby able to create jobs and grow the economy.

The government showed that small business is important by the inserting the Enterprise Development element into the COGP and the Enterprise and Supplier development into the RCOGP both of which were aimed at assisting Black owned SMMEs to become sustainable.

The government further showed its intention of prioritising small and medium enterprises through the creation of the Ministry of Small Business Development (DSBD), which was launched in 2014. The DSBD was established with the aim of demonstrating the commitment by the government to SMMEs and co-operatives by virtue of their focus on economic jobs and economic growth (DSBD, 2019).

This was a giant leap in ensuring that SMMEs would be empowered and that they would contribute meaningfully to the economy. To further strengthen the contribution of SMMEs in the economy, the then president of the Republic of South Africa Jacob Zuma, announced that the government would set aside 30 percent of certain state procurements for small enterprises; a step which is not unique to South Africa, since other countries have already set aside a certain percentage of state procurement; including India, Brazil, South Korea and the United States of America (Timm, 2015: 4).

#### **2.7.5.2. The Generic Scorecard**

**Table 2.2: The Generic Scorecard**

<b>Element</b>	<b>Weighing</b>	<b>Code Series Reference</b>
Ownership	25 Points	100
Management Control	19 Points	200

Skills Development	20 Points (Plus 4 bonus Points)	300
Enterprise and Supplier Development	40 Points (Plus 4 bonus Points)	400
Socio-Economic Development	5 Points	500
<b>Total</b>	<b>109 (118) Points</b>	

**Source:** Government Gazette (2013)

The generic scorecard covers companies that have a turnover of R50 million and above. In this category are companies that are well established with some sort of reputation and multinational companies. The Generic scorecard has been divided into five elements, namely: ownership, management control, skills development, enterprise and supplier development, and socio-economic development, as indicated in the diagram above. Furthermore, there are priority elements; ownership, skills development, and enterprise and supplier development, whereby companies need to reach the required subminimum of 40 percent on each element, or otherwise the assessed company would be reduced by one level taken from their final score for not meeting the subminimum. This principle allows for the company to be discounted only once.

It must be noted however, that Management control is indicated to account for fifteen points on the generic scorecard, in the table above. However, in the measurement of the Management Control scorecard, the points are nineteen. The generic scorecard measures generic companies or companies that have a turnover that equals or exceeds R50 million. These companies are required to comply with all the elements of the B-BBEE scorecard, to be measured and given a procurement level which would then be published as a B-BBEE certificate.

### **2.7.5.2.1. Ownership**

Ownership of entities is an especially important topic in transformation related matters in South Africa (Rumney, 2013). There have been several articles and reports that have been written, focusing on the ownership of enterprises in the republic of South Africa, since the inception of democracy. This is one element that was most prominent when B-BBEE was introduced into the economy in the late nineties, before it was officially gazetted. It is also one of the three elements that collectively carry more than eighty points on the B-BBEE scorecard. Ownership is one of the priority elements on the B-BBEE scorecard. It measures effective ownership of organisations by Black individuals or Black owned institutions (Government Gazette, 2013). This essentially measures direct ownership that is held in the hands of Black people, that indicates the percentage of the voting rights and economic interest that they hold.

The ownership element focuses on ensuring that Black people get the opportunity to own businesses or the opportunity to acquire a shareholding in organisations that were already in existence; thus leading to the transformation of the ownership patterns in the economy (Thomas, 2017). This would then lead to participation by previously marginalised communities in the economy.

This element is the one that was the focal point of transformation in the 1990s when BEE was first initiated in the narrow-based form. That was when Black individuals and Black owned entities bought shares from predominantly White owned and foreign owned companies. This element has in previous years been the most visible, partly because when BEE was first initiated, most people thought BEE meant transferring ownership from White owners to Black people and that has also been one of the reasons why progress has been sluggish. Tucker (2005: 18) concurred with this notion by going on to add that companies used to perform the task of transforming ownership for tender purposes and effectively robbed Black shareholders of effective ownership.

In these companies since then, those shareholders were sometimes token shareholders without being given any opportunities for decision making. This

may have been caused by factors such as: the individuals or entities that acquired those shares were not directly involved in the running of the companies; sometimes the shareholders were unaware of the rights they held when they came to own those shares. The B-BBEE RCOGP scorecard indicates the importance of this element by discounting organisations that do not meet the required subminimum points on the scorecard, by one level from the level they reached after verification. This element is important, since it creates wealth in the hands of Black people.

As indicated earlier, this is a priority element where companies need to meet the required subminimum of 40 percent on the net value of the shares they hold, to show that there are benefits that are filtering through to the Black shareholders in the assessed organisation. The net value indicator indicates that the benefits that the shareholders are entitled to reach the intended recipients.

This indicator will show whether the individuals or institutions that are owners or beneficiaries that bought shares using loans receive the benefits they are entitled to. Black Ownership is when Black people or Black entities hold at least 51 percent of the economic interest in a measured entity and when they also hold at least 51 percent of the exercisable voting rights in that measured entity and when the entity has earned all the available points for Net Value (Government Gazette, 2013).

Otherwise, if a measured entity fails to reach the 51 percent Black shareholding then it is not considered a Black owned company but instead it is considered as a Black empowered company. B-BBEE also allows for the ownership of enterprises by Black Women and has an indicator on the scorecard to that effect.

Black Women Ownership is when Black women hold at least 30 percent of the economic interest in a measured entity. They also need to hold at least 30 percent of the exercisable voting rights in that measured entity and the entity

needs to have earned all the available points for Net Value (Government Gazette, 2013).

#### **2.7.5.2.1.1. Different types of ownership structures**

The RCOGP have indicated the different types of structures that companies use to indicate their Black ownership.

- **Direct ownership**

Direct ownership comprises Black individuals and Black owned entities that directly own shares in the measured entities. This is where Black individuals personally own shares in measured entities.

- **Indirect ownership**

This is where shares that are owned by Black people are set up in a structure that will be used as a vehicle for transferring benefits to the shareholders. Those vehicles can be set up in a juristic form, under the companies Act, such as a trust, a company, a co-operative, or a close cooperation, an Employee Share Ownership Programme (ESOP), private equity funds, Broad-Based Ownership Schemes (BBOS) and partnership (B-BBEE Commission, 2016).

- **Equity equivalent**

Multinational organisations that operate in South Africa that could not sell their ownership stakes to Black South Africans approached the DTI with a plan to contribute in another way, other than ownership. This led to the establishment of an equity equivalent programme that led to companies contributing to the South African economy via investments that equal ownership, which relate to benefits accrued to Black people in South Africa (Government Gazette, 2013).

These contributions are instituted by interested and qualifying suppliers sending proposals to the DTI for approval. This initiative is then used by multinational companies so that they can then comply with the rules of ownership, without giving their ownership away, since some of the

multinationals do not give ownership away in all the parts of the world where they operate.

An equity equivalent programme is a very costly and onerous exercise that is exceedingly rare in the economy, since there are not many companies that implement the scheme.

#### **2.7.5.2.1.2. Ownership patterns in the South African economy**

South Africa's ownership patterns were set up in the apartheid era when the government pursued the empowerment of White people and ensured the deprivation of Blacks. Although political freedom has been instituted, the bulk of the economy is still held in the hands of an exceedingly small White minority. Ownership of companies is still a very controversial issue in South Africa because when considering B-BBEE most people believe that there has not been much change since the introduction of the B-BBEE Act, and some believe that only a few politically connected companies or individuals have really benefited. Various studies have been conducted that focused on Johannesburg Securities Exchange (JSE) listed companies that concentrated on ownership patterns that already existed. Thomas (2017) reported that Black ownership held through institutional funds on the 100 top JSE listed companies amounted to only 13 percent. In addition, Thomas (2017) reported that using the retail ownership rules, B-BBEE ownership that involves sale of assets and B-BBEE ownership that involves share schemes such as strategic owners, BBOS, community ownership schemes ESOPs and sale of assets transactions, together amounted to only 10 percent. That was also based on the value of top 100 JSE listed companies in 2013. Wilkinson (2017) reported that direct Black investment comprised only 10 percent and indirect Black investment comprised 13 percent; of the top 100 JSE listed companies.

#### **2.7.5.2.1.3. The impact of ownership structures on the measured entity**

Ownership structures can have advantages for the assessed entity if they are used well. Ownership structures such as ESOPs can provide a benefit to an

organisation and the country at large and have the capacity to broadly transfer wealth and to assist with poverty alleviation. It was reported that ESOPs can be used as a catalyst to reduce wage and wealth inequality (Bernstein, 2016). Nomafu (2012) reported that companies need to support ESOP initiatives, because they create broader shareholding to employees thus, they tend to perform better, knowing that they are part of the ownership of the company. Kruse (2016) also acknowledges that employee ownership in organisations is related to better performance and broader sharing of economic benefits that may assist in the reduction of economic inequality. Those organisations also perform well during economic downturns. Such companies and Organisations that have employee ownership schemes survive longer, are more stable and have high productivity levels (Park, Kruse & Sesil, 2004). They have the propensity to use more resources on upskilling employees and ensuring that they perform better. Lampel, Bhalla, Jha (2012) claimed that employee owned businesses invested more in human capital than companies that were not employee owned.

Organisations that have employee ownership tend to outperform their peers that do not have employee ownership. Employees in companies that have employee ownership tend to be less wasteful and more productive, due to having employees who have a sense of ownership in the business by having a vested interest (Lasker, Crawford, Orczyk, Wyman, 2019). Carmelli, (2011) also acknowledged that employee ownership positively influences organisational performance by enhancing work attitudes and behaviour. There are also tax benefits, financial and stock market benefits for such organisations. Organisations can benefit economically by complying with B-BBEE legislation and also gain through the empowerment of their beneficiaries.

#### **2.7.5.2.2. Management control**

The management control element measures the effective control of the organisation by Black people; by consideration of board participation, other

executive management, senior management, middle management, junior management and people with disabilities (Government Gazette, 2013). This element aims to address the racial inequalities in the workplace, at different managerial levels of the organisation to address the level of representation of Black people. This element measures board representation by Black people and Black women, at board level, executive, senior, middle junior management and Black people that have disabilities (Government Gazette, 2003).

Management can be defined as the process whereby there is planning, leading, controlling and organising of resources, so that organisations are better able to achieve set goals, effectively and efficiently (Jones & George, 2016). Therefore, managers have the responsibility of leading, organising, controlling and planning of organisational resources.

This element was reported as an element that is quite problematic, considering the skills shortage in the country, which might come to pose a real threat to organisations meeting their management criteria (Kunene, 2017). The scorecard is based on the demographic representation of Black people that is based on the Commission of Employment Equity report and the Employment Equity Act, as amended (Government Gazette, 2003).

#### **2.7.5.2.2.1. Employment Equity and Affirmative Action in South Africa**

South African organisations have not resembled the demographic representation, especially in the middle to top management levels. Before the new dispensation (democratic dispensation) came into being, the South African workforce was not representative of the South African population demographics, because in the apartheid era, there was a policy that allowed for certain jobs to be reserved for the White population, leaving the other races out of the job market for not meeting the required racial criteria.

It was indicated by the Job Reservations Act (Act No. 12 of 1911 as amended in 1926), that people who were not White were prohibited from obtaining certification for their skills, which led to the Coloured and Black people being

seen as cheap labour, where they were only able to undertake unskilled tasks. This is one of the reasons that led to Black people languishing in poverty whereas the Whites were economically empowered, and the effects of such laws are still prevalent in the economy. It was also acknowledged by South African History Online (2011), that White workers' interests were protected by the government and Black employees that performed skilled jobs outside those that were allocated by the Act were guilty of an offence, unless they were granted special permission to perform those jobs. That meant that Black people were not allowed to progress proactively in professions of their choice, without the consent of the higher authority. Therefore, Management Control aims to redress such disparities and afford Black people opportunities to occupy positions that would be made available to White candidates only if there was no legislative redress mechanism.

Human capital is vital for economic growth, since this is the piece of the puzzle that makes the economy work by people selling their labour. It was a norm and expected for companies to discriminate against Black people, due to the prevailing conditions at the time (Hazlet, 2019).

To curb the prevailing discrimination in the workplace and to ensure that all racial groups and demographic groupings were equitably represented in organisations, the government needed to devise a plan. The government found a way to implement a policy for redress in the labour force, by introducing Affirmative Action (AA) and Employment Equity (EE). AA is not clearly formulated although it is currently in use in many employment advertisements by organisations when they recruit employees in South Africa. AA historically started in the United States of America, initially initiated by the then President Kennedy in 1961, and later formally legislated by the then President L.B. Johnson in 1965 (Wingrove, 1995).

AA can be defined as a "Commitment to achieving the intent of equal opportunity legislation, through a detailed set of objectives and plans designed to achieve prompt and full utilization of minorities, such as women,

handicapped persons and Vietnam era veterans, at all levels and in all areas of the workforce” (Conrad & Maddux, 1988). Wingrove (1995) goes on to indicate that AA can be perceived as a tool that can be used to produce an action that equalised reparation activities and practical steps that would obliterate the differences that exist between people caused by factors such as racism, lower standards of education, government policies and other factors, that bring about unequal development and opportunities.

Affirmative Action is defined as a group of methods that are used in an effort to achieve employment equity in the workplace, as a form of redress for the imbalances that were caused by apartheid and colonialism (MASA, 2019). AA has been in existence in South Africa since the dawn of democracy and might be in existence for years to come, as long as there are disparities in the South African workforce.

Crosby, Iyer and Sincharoen (2006) acknowledged that the persistence of prejudice and discrimination is imperative for the AA policy to continue to be implemented, and that the debate would continue in its role to promote fairness and effectiveness in various diverse settings. The intention of AA was to redress but unfortunately, it is evident that the progress has been slow and onerous.

There have been several studies which revealed that the impact of AA has been minimal at best. Fredericks and Yu (2015) reported that AA can be characterised as a slow process of redress, because stereotypes still existed in the workplace that led to African males being less likely to be employed in highly skilled occupations than their White, Coloured and Indian compatriots.

That indicates that discrimination based on race is still reigning supreme and thus undermines AA. Archibong and Adejume (2013) reported that affirmative action may still have not achieved the required results because some of the respondents of the study were of the view that it has only benefited the middle class and the politically connected, which resulted in the gap between the rich and the poor widening.

Burger and Jafta (2010) also observed that although race and gender determined outcomes in labour markets, it is still evident that the successes of AA have been marginal. It was also reported that in the employment, race and gender-based spheres. AA was favourable on aggregate, in the 1990s and the beneficiaries of the policy tended to be the better educated and skilled members within the designated groups (Roberts, Weir-Smith & Reddy, 2019). This means that AA is a process that takes time to achieve the required redress in the country. It should also be noted that the apartheid project continued for more than forty years to entrench segregation in the economy and in the workforce in particular, where only the minority were prioritised for better service delivery (Worden, 2012).

Tinarelli (2000) suggested that organisations need to undertake AA measures that will warrant that employees who are suitably qualified from designated groups would receive equal employment opportunities, which would lead to equitable representation in all categories of occupations and levels of the workforce.

It was also indicated that AA is a method that can be used to overcome the barriers to equal employment opportunities, instead of reverse discrimination and it should be noted that it is not merely a numbers game but is an all-encompassing group of organisational processes, policies and procedures that are utilised to manage human capital in organisations (Human, 1993).

The Management Control element is primarily based on and works hand in hand with the Employment Equity Act (EE Act) 55 of 1998 and Affirmative Action (AA). The rationale behind EE was among others, the need to grow the economy, to satisfy the requirements of the constitution, to curb the legacy of discrimination that led to extensive inequalities in the South African society and the labour market, and to meet the standards of the International Labour Organisation (ILO) that was ratified by the South African government (Tinarelli, 2000).

It was also reported by SAICA (2019: 1), that the purpose of the Employment Equity Act 55 of 1998 was the achievement of equity in the workplace, through the promotion of equal opportunities and fair treatment, through the elimination of unfair discrimination and the implementation of affirmative action measures, to redress the disadvantages in employment experienced by designated groups, thus ensuring equitable representation in all occupational categories and levels of the workforce. EE is a piece of legislation that is used to address instances of unfair discrimination in the South African workplace. Nel, Werner, Haasbroek, Poisant, Sono and Schultz (2010) indicated that the EEA prohibits direct and indirect discrimination on different grounds such as race, gender, disability, and religion.

This is based on the Economically Active Population (EAP) targets in the South African population that may be applied on a national or provincial basis, depending on where the organisation operates. The EAP statistics are released by Stats SA on a regular basis and show an economically active population, divided into different demographic groups. EAP comprise of people from 15 years to 64 years of age who are either unemployed, employed or are seeking employment (Commission for Employment Equity, 2019).

The implementation of the EEA in organisations required designated employers to implement an employment equity plan which will indicate and direct the representation of different groups such as Black people, women, and people living with disabilities.

The plan thus outlines the current organisational profile and how the organisation will address disparities going forward, if there are any. They need to ensure that they formulate employment equity committees which will participate in the drawing up of employment equity plans.

The committee also needs to comprise employees from designated groups and they need to be trained in employment equity in order to give valuable input into the employment equity plan.

The organisation needs to ensure that those employees submit their employment equity reports to the department of labour for approval. Although the EEA prohibits discrimination in the workplace, there are instances where it allows discrimination to occur, especially in cases where the rights of employees are violated.

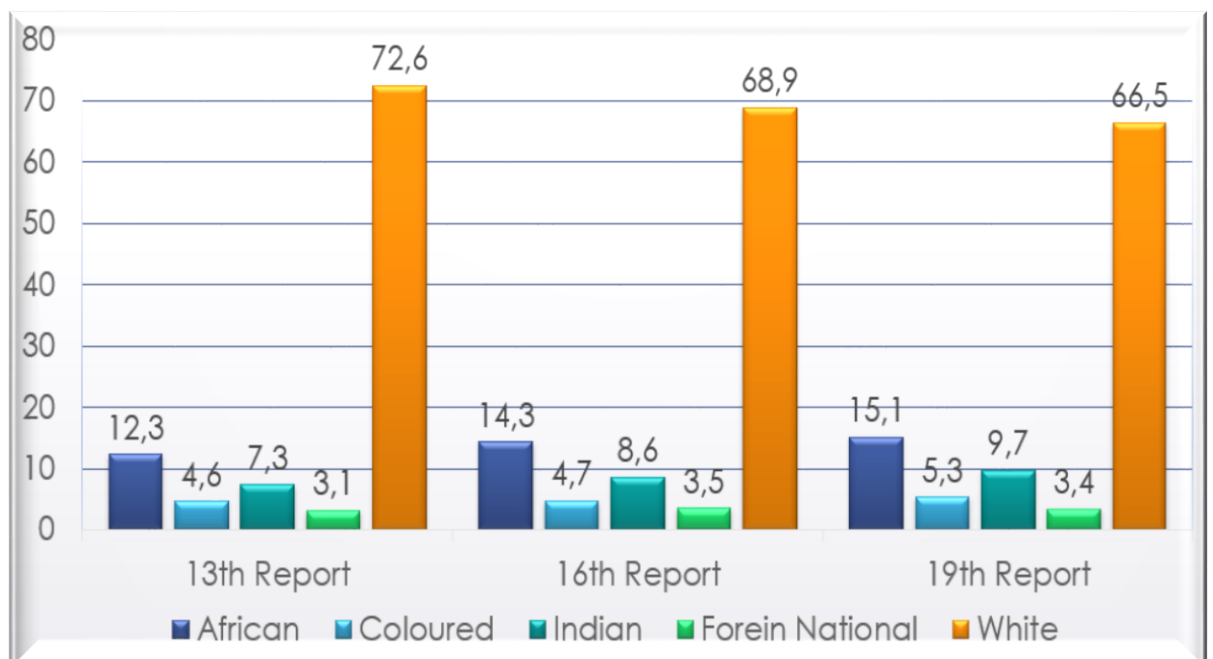
**2.7.5.2.2.2. Workforce profile at top management level by race**

Although some strides have been made through the implementation of the B-BBEE policy, a lot still needs to happen to level the playing field, because there are a lot of disparities when it comes to the appointment of staff for top-level positions; where racial discrimination occurs.

Although B-BBEE was first legislated in 2003, the gains that have been made in Management Control still don't match the EAP targets that the government revises regularly.

The profile of the workforce at top management has been the subject of debate in various circles because there have not been many changes since AA and EE were implemented, as a form of redress.

**Figure 2.8: Workforce Profile at Top Management Level by Race**



**Source:** Author's depiction (2019)

As indicated above in Figure 2.8 above a schematic representation of the Commission for Employment Equity 13<sup>th</sup> Report (2013), the Commission for Employment Equity, the 16<sup>th</sup> Report (2016) and the Commission for Employment Equity 19<sup>th</sup> Report (2019) shows top management representation in designated employment in South Africa. It can clearly be seen that redress is still needed in the South African workplace. The employment equity commission releases the report every year shows the numbers of people at management level in organisations around South Africa in terms of race and gender, to ascertain the changes and the redress that has happened so far.

There has been an outcry every year because the report only indicates negligible changes which are neither representative of the demographics nor the EAP statistics. As indicated in Figure 2.8 above, the Commission for Employment Equity (2013, 2016 and 2019) indicated that there was a 72.6 percent, 68.9 percent and 66.5 percent representation of the White population at top management level in South African companies, respectively, which is more than six times their representation in the EAP. This just goes to show that B-BBEE still has a long way to go, in trying to address the racial inequalities in senior positions, where people are tasked with the control and management of organisations. Although there has been some implementation of the EE Act and affirmative action, the evidence suggest that things have not really changed since the dawn of democracy.

It was indicated by the Jack Hammer Report (2015) that there was a 5.2 percent decrease in the numbers of Black CEOs from 15 percent in 2012 to 9.8 percent in 2015, in the JSE top forty companies listed. This somehow negates the transformational gains that had been brought about by B-BBEE, since it aimed to address racial inequalities in the employment arena by making sure that companies reflect the demographics of the country.

Representation in senior management is not only important for redress which is a compliance issue but is also important in the sense that if it were run

properly, it would give organisations the required diverse workforce which should be advantageous to organisations. Organisations also need to consider employee representation at board level, to increase their performance level. Lampel et al., (2012) acknowledged that organisations that had employee representation at board level showed improved performance.

#### **2.7.5.2.2.3. Benefits of a diversified workforce**

Since organisations operate in a global marketplace, it is imperative for their staff to be diverse (Kinicki & Fugate, 2018). Apart from organisations diversifying their workforce due to race, there are other factors such as age, socio-economic status, disability, language, education, culture, years of experience, sexual orientation, political affiliation, and ethnicity. South Africa emerged from apartheid with a racially divided workforce, due to the repressive laws that were implemented by the Apartheid regime.

Diversity is defined as a situation whereby an organisation comprises a variety of individuals differing in terms of race, gender, age, beliefs and other related aspects (Moerdyk, Dodd, Donald, Kelly, van Hoek & van Hoek, 2015). Jones and George (2009) described diversity as the variance that exists in organisations among people, due to age, sexual orientation, background, race, socio-economic background and disabilities. With the advent of transformation and the spirit of reconciliation. Robbins and Judge (2017) defined diversity as the degree to which stakeholders in a company or a group have similarities or differences from one another. Coupled with globalisation comes the requirement of diversity in a society and in organisations. Organisations reveal opportunities and threats that are brought about by the diversification of the workforce. Organisations need to manage diversity to enable them to access opportunities.

The importance of diversity is not a uniquely South African phenomenon. Diversity is a global phenomenon that needs to be understood if organisations are to flourish during turbulent times. Although diversity is important for the success of corporations, integration has been slow in South African

organisations, especially in top management positions which is contrary to companies elsewhere in the world. It was alluded to in the Jack Hammer Report (2015) that publicly listed companies across a range of industries, in countries such as Canada, the United Kingdom, Latin America and the United States, focusing on their financial results and on how top management and boards are composed, showed that companies that are diverse are winning the war for attracting talent. They strengthen customer orientation, they increase employee satisfaction. Diversification enhances a company's image and outperforms competitors. Therefore, South African organisations need to reflect the diversity of the people that inhabit the country, in order to realise the benefits of diversity. There have been many studies conducted that show the benefits derived from a diverse workforce.

Organisations can use the diversity of their workforce as a tool to achieve a competitive advantage that they can use to as leverage in the marketplace. Since South Africa has approximately 80 percent of the population made up of Black people, organisations can leverage employees who understand cultural and socioeconomic issues when they produce and market goods and services. Green, Lopez, Wysocki, Kepner, Farnsworth and Clark (2002) reported that a diverse workforce reflects the changing world and marketplace and that diverse teams bring great value to organisations which leads to the creation of a competitive edge. Patrick and Kumar (2012) also agree that organisations that have diverse workforces are better suited to serve and respond to diverse customers because they have a better understanding of the legal, political, social, cultural and economic environments that prevail in society.

South African organisations can also benefit from being diverse since they will be better able to respond to customer's needs. Jones and George (2009) insisted that managing diversity effectively makes business sense and managers have realised that organisations that are attentive to diversity have also realised that their suppliers also care about diversity. Those organisations need to have strategies in place that ensure that employees who are recruited into organisations can be acclimatised to the environment and the culture of

the organisation, so they can perform at their best and ensure that the organisation gains a competitive advantage.

However, some organisations want to reap rewards without putting changed management plans and strategies in place, which might prove counterproductive, since they would be venturing into unknown territory. Grobler, van Wyke and Magau (2019) claimed that some organisations do not implement a formal management change approach, despite the onerous requirements of the B-BBEE legislation. This may prove to be counterproductive to the required competitive advantage that would be brought about by a diversified workforce. Moerdyk et al., (2015) argued that organisations in South Africa needed to diversify their workforce, especially at the executive level, regarding gender and race which must be accompanied by a cultural change that allows all staff members to feel that they are a part of their organisation and creates a conducive environment for them to succeed.

The advent of globalisation has created an extremely competitive marketplace where organisations compete across different markets that require organisations to continually innovate for them to remain competitive. Diversity has become important in organisations for the development of innovation (Hudson Jr., 2014). In addition to that, Sniderman (2019) insists that the key driver of innovation, which is a critical component of success in organisations, is diversity. Organisations need to recognise the importance of diversity so they can benefit from the diverse views and inputs of their diverse workforce to innovation. It was corroborated that diversity in organisations promotes factors such as critical thinking, problem solving skills, corporate attractiveness and innovative ideas (Cletus, Mahmood, Umar & Ibrahim, 2018: 50).

Therefore, those organisations need to come up with strategies that will enable them to acquire the required human capital and change strategies that would incorporate those people into the workforce, for them to be able to succeed and thus lead the organisation towards gaining a competitive edge. Diversity is not a South African manufactured phenomenon, but it is a global requirement

that is imperative for organisations to adopt that aim, to remain relevant, effective and in existence for years to come.

#### **2.7.5.2.2.4. Internal and external factors that influence recruitment**

Organisations need to consider external and internal factors when considering recruiting prospective candidates that would be able to address the prevailing organisational and market challenges. For organisations to stay relevant and to keep competitive advantage, they require strategies that would assist in the recruitment of the best talent.

- Organisations need to consider factors such as government regulations that regulate competition in countries and the extent to which organisations will be impacted. Government regulations such as the Labour Relations Act No. 66 of 1995 and the Employment Equity Act No. 55 of 1998 continue to play an increasing role in the way organisations recruit staff (Nel et al., 2010). Labour is also governed by the Labour Relations Act No. 66 of 1995, which was enacted for the advancement of economic development, social justice, labour peace, and the creation of a democratic workplace (Labour Relations Act No. 66 of 1995).
- Organisations also need to understand the conditions that prevail in the economy and the availability of scarce skills. Some organisations tend to have policies that determine recruitment and how they can keep the required skills, since organisations need to compete for scarce human capital. Nel et al., (2010) indicated that the terms in the organisational policy would determine the recruitment process.

#### **2.7.5.2.3. Skills development**

Skills development is one of the priority elements that measure the extent to which employers carry out initiatives planned and executed; in order to train and equip Black employees, to increase their capabilities and productivity (Government Gazette, 2013). In any successful economy, skills development

has always been at the forefront of priorities and it is no surprise for this element to be included as one of the priority elements in the implementation of B-BBEE. Skills development increases productivity and the employability of the trained employees in the economy. Bhatia (2017) acknowledged that training and development of employees plays an important role in the development of employees and enhances performance and organisational effectiveness.

When codes of good practice were first issued, the skills development element focused on employees of organisations who were being measured. However, skills development now focuses on Black people as a whole; meaning that an entity being assessed can spend money on a Black person even if that person is not employed by the organisation. That will assist in alleviating the skills shortage in the country because organisations would then benefit by spending money on upskilling any Black South African citizen.

Since South Africa came from a racially oppressive and discriminative past, it is still grappling with the after effects of the injustices of the past that were legislated into law and those cases supported the legislation of the Bantu Education Act. The Bantu Education Act 47 of 1953 was a pillar of the apartheid project, enacted in the Union of South Africa which was used to separate Black South Africans from the main comparatively well-resourced education system that was created exclusively for the Whites (Scheepers, 2019). The system was intended to prevent Africans from aspiring to positions that they were not allowed to hold in society and to prepare them for manual labour employment under White control (South African History, 2017: 1). Black people were also put in their own “Black” universities separated from the “White” universities and these Black universities were not as well-resourced as the White universities which fitted well into the notion of the Bantu Education Act which meant that Black people would not be properly educated, only being educated up to a certain level. Black students were not allowed to study at White universities and were only allowed to enter White universities if they were studying courses that were not available in the Black universities which were referred to what they called ‘exceptional circumstances.

South Africa is still reeling from the historic results of the Bantu Education Act that was introduced by the apartheid regime. There was an outcry from different quarters of South Africa, indicating that the South African Basic education system is not on par with the rest of the developing countries because the literacy and numeracy levels were very low, which meant that people who were educated in the system were unemployable in the economy. To counter the consequences of the Bantu Education, Act, the South African government passed the Skills Development Act in 1998 once the foundation of the education and training had been laid with the purpose of:

- Developing the skills of the South African workforce.
- Increasing levels of investment in education and training in the labour market.
- Improving the return on investment.
- Encouraging employers to use the workplace as an active learning environment.
- Providing employees with opportunities to acquire new skills (Skills Development Act, 1998).

The Skills Development Act forms the basis for the Skills Development element of the B-BBEE scorecard and aims to improve skills development in the South African Economy. For that reason, it is required that measured entities are able to produce the Workplace Skills Plan (WSP), an Annual Training Report and a Pivotal Report that has been approved by the relevant SETA and should have implemented the Priority Skills programme generally, and for Black people specifically (Government Gazette, 2013). There were 25 SETAs in 2003 which were classified according to the various economic sectors that prevailed in the economy of South Africa (MacFarlane, Mataboge & Motsuku, 2003). The WSP needs to be submitted to the SETA and approved in order to be recognised for B-BBEE purposes. The importance of Skills Development in the development of the state, and the creation of jobs due to innovation and changes in technology cannot be overstated. That is because skills development assists

in addressing the skills shortages that the economy faces and will address the current socio-economic issues that the country is grappling with. The importance of skills development in the development and well-being of the South African economy cannot be over emphasised, since skills development improves individual and organisational productivity, which might assist in poverty alleviation and creation of jobs. This also ties in with the requirements of the fourth industrial revolution, because organisations and governments need to have the right skilled people in order to take advantage of the technological and innovative changes that are happening globally.

Although skills development is very important for organisations and countries, the skills that are offered to the people concerned need to be relevant to the changes that are happening in the economy and should also address prevailing economic issues. The OECD Report (2013) articulated that education is a critical problem in the economy, because skills mismatches represent a negative aspect of the high unemployment rate, especially for the youth, as the education system is not producing the skills needed by the market and this is indicated by the high number of unemployed graduates.

There needs to be alignment between the skills development institutions and industry, so that the skills that are imparted are the skills that are needed by industry. For that reason, measured entities need to implement a Priority Skills Programme and also create a tracking tool that will track the progress of the learners. Many successful and effective organisations that value their workforce tend to focus on ensuring that their human capital is well trained or skilled with the current needed skills in order to ensure that they are well equipped to be competitive in their industries. Ju and Li (2019) acknowledged that turnover intention is directly associated with on the job and off the job training, distance training, job tenure, skills and education, related to the job.

The B-BBEE Revised Codes have thus indicated that skills development is one of the priority elements that require organisations to reach a subminimum of 40 percent in the points acquired. This requirement excludes bonus points or

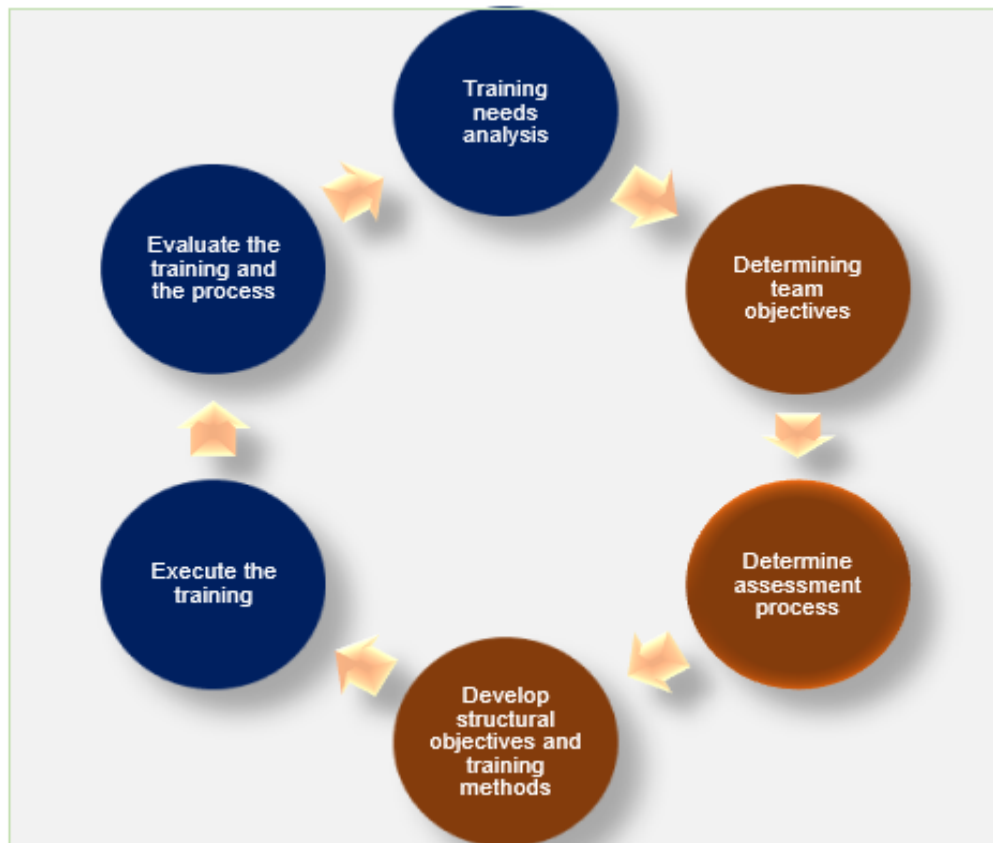
risk being discounted by one level, should that subminimum not be met. Skills development is especially important for the growth of the economy of South Africa. Economic growth is mostly impacted by skills development that is available in the economy that would subsequently be used by the organisations that operate within the economy. Prakash and Sandeep (2013) claimed that a country that invest in education, technology, research and development and efficient transfer of human capital from one region to another would acquire economic growth, mainly because education assists in research and development activities and the innovation of new products and services. Hanushek (2017) also argued that economic growth depends on the enhancement of skills in a country's population.

Skills development is important for employees to progress within an organisation and to grow in their careers. Employees that receive training, either on the job or through various learning programmes thus acquire skills that would be important for them to advance further than if they had never received any skills training. It was alluded to in the Jack Hammer Report (2015) that all CEOs in the top 40 companies listed in the JSE, with a single exception, had a tertiary qualification, 45 percent had a master's degree and 90 percent had a solid technical qualification, be it in business, engineering, finance or science. This shows that education or skills development is important for employees, as it increases their ability and their chances of progressing in their careers and being effective in their career. This also indicates that skills development increases the employability of individuals and thus their chances to contribute meaningfully in the economy and thus to run successful organisations.

#### **2.7.5.2.3.1. Contemporary training model**

As indicated in Figure 2.9 below, organisations need to have a training model when they administer skills development, in order to achieve the required objectives.

**Figure 2.9: Contemporary Training model**



**Source:** Nel et al., (2010: 459)

- As indicated in Figure 2.9 above, organisations need to assess the skills development requirement in their organisations and in the country, to determine the types of skills that are required for the organisations to be effective and to achieve their objectives. That also leads to the question of whether formal or informal types of training should be considered. According to Jones and George (2009), there are jobs that require a wide range of skills, abilities and knowledge for the employee to be effective. Thus, organisations need to assess the prevailing skills in the employees of the organisation and then gauge the skills required skills so they can address the shortages.
- The organisation then has to go on to determine the learning objectives. Since South Africa is a country that is faced with an acute skills shortage, organisations need to determine what skills they would like learners to derive from their training and how that training would assist

an organisation primarily, and the country secondly in achieving the required skills results.

- Then the organisation needs to determine the most conducive method that would be most suited to assess the competence of the learners in the company's learning programme. There are various assessment processes that an organisation could consider such as summative, formative, or diagnostic processes which the organisation can choose from, depending on the required objective.
- The organisation then needs to develop instructional objectives and the required training methods. Organisations need to determine how they will construct the training, depending on the most effective method which would be determined by the organisation. This would then give the organisation an indication of what actions need to be undertaken.
- Then the organisations would administer the required training for the employees. Planned training is then instituted and the employees are trained.
- Finally, although this is a cyclical process, the organisation would need to evaluate the training and the training process that has been adopted after the training has been administered. That would determine whether the training and the training process has been effective in reaching the required outcome. Organisations need to understand that they cannot just put employees through training and assume that it will achieve the required outcome. Thus, evaluation determines whether the organisation needs to continue administering the training or if changes are required.

#### **2.7.5.2.3.2. On the job training (Informal training)**

Organisations use on the job training as one of the methods to equip employees with skills that are then used to perform their tasks. Nel et al., (2010) agreed that that on the job training is training that is performed by employees whilst on the job and which involves a structured work focus on the

methods of delivery whereby employees are assessed for competence. It assists employees of an organisation with keeping current with the skills required to perform their tasks and with ensuring that they are effective in the organisation.

On the job training involves different approaches, such as learnerships, apprenticeships, internships, work integrated learning and informal training, which assists in the upskilling of employees. The concept of learnerships was derived from the South African National Skills Development Strategy. This combines training which might be provided by a service provider which is complemented by tasks that are performed by the employee, on the job. The different SETAs approve learnership related to the particular industry that the SETA serves. Those learnerships are then used as a pathway to employment for the learners, since they cater for employed and unemployed Black people.

Learnerships were reported as being able to contribute significantly to rural entrepreneurship through transformation and were found to be able to empower women particularly, and youth, to gain access to skills (Koyana & Mason, 2017).

The NDP also emphasises the importance of skills development in the country, through the provision of training of unemployed school leavers, by incentivising the private sector through tax breaks and the promotion of skills development for new sectors; with an emphasis on high-technology development (National Development Plan, 2012).

Skills development is important for people at the beginning of their careers, as well as those that need to advance in their careers. On the job training can be used as a pathway for developing employees and creating a succession plan for the organisation.

#### **2.7.5.2.3.3. Off the job training (Formal training)**

This is the type of training that is undertaken by employees, whereby employees are assessed and acquire a formal qualification. Organisations can

offer formal training by offering their employees bursaries or study assistance, so they can enrol at an institution of higher learning that will give them theoretical training, leading to a formal qualification such as a certificate, a degree or a diploma. This type of training can occur in different modes such as through fulltime enrolment, distance learning, part-time learning or through a service provider which would require the service provider having to go to the registered employees' workplace, to offer the training. This type of training is not necessarily based on a particular job that an employee performs at the assessed workplace, since the employee would receive a formal qualification, which could be used when they the employee is no longer with the organisation. Vasanthi and Basariya (2019) revealed that off the job training has significance which enhances the motivation and attitudes of employees and also provides them with theoretical knowledge.

#### **2.7.5.2.4. Enterprise and supplier development**

The Enterprise and Supplier Development element or ESD as it is commonly referred to, is one of the priority elements in the B-BBEE RCOGP. The element measures preferential procurement, enterprise development and supplier development contributions to the scorecard, made by the measured entity. It measures the percentage of spend that the measured entity makes with B-BBEE compliant companies and the enterprise development and supplier development contributions.

This element, by its very nature, is aimed at also addressing the development of Black owned businesses and the failure rate of small enterprises that occurs in South Africa. Black owned businesses were not allowed to participate freely in the economy in the Apartheid years, since there were demarcations in place and there were also group areas Act regulations that limited the movement of Black people.

#### **2.7.5.2.4.1. Preferential procurement**

Preferential procurement is a sub-element of the ESD element and measures the extent to which a measured entity procures goods and services from B-BBEE compliant suppliers. This element is based on the Preferential Procurement Policy Framework Act No. 5 of 2000. It measures the percentage of spend that the measured entity is spending on B-BBEE compliant, EMEs, QSEs, Black Owned and Black Woman Owned companies, in relation to the total measured procurement spend. This element gives an indication of whether measured entities are buying from B-BBEE compliant suppliers, and at what percentage.

It was suggested by the B-BBEE Strategy (2003) that preferential procurement was an effective instrument that could be utilised, in order to promote BEE in the economy, and that the government planned to expand its supplier development programmes, in order to fuel an increase in the creation of Black owned and Black empowered companies. Preferential procurement resulted from the Preferential Procurement Framework Act No. 5 of 2000, which provides for the implementation of a system and policy where tenders are not awarded solely on specification and having the lowest price, but on a points system that also considers where South African citizens who are historically disadvantaged individuals are given preference (Western Cape Government, 2018). In February 2015, during the state of the nation address the then president of the Republic of South Africa, Jacob Zuma announced that the government would set aside 30 percent of certain state procurements, for small businesses (Timm, 2015). Those amounts were set aside and were meant to assist SMMEs in accessing markets that would otherwise be closed to them, since they were sometimes required to provide track records for them, to access those opportunities.

#### **2.7.5.2.4.2. Enterprise development**

Enterprise development is a process whereby companies assist EMEs, QSEs or Generic companies that are more than 51 percent Black Owned or Black

Woman Owned, so that they can become self-sustaining organisations. The amendments of the GCOP make provision for generic entities to qualify to be enterprise development beneficiaries, provided that the entity was identified to be an EME or QSE, at the first instance of receiving the assistance, and would be allowed to receive that assistance for five years from the date of receiving the assistance for the first time (Government Gazette, 2019). The same applies for supplier development.

The assistance comes in different forms and organisations are at liberty to assist those enterprises with initiatives that will make those organisations more sustainable. The RCOGP has a matrix that gives an indication of the initiatives and the percentage of compliance points that measured entities can benefit from, for compliance purposes. This element is important since South Africa has a high rate of failures of start-up businesses and supplier development is one area that can be used a catalyst to reduce start-up failures.

#### **2.7.5.2.4.3. Supplier development**

Supplier development is a process whereby assessed companies assist EMEs, QSEs or Generic companies that are more than 51 percent Black Owned or Black Woman Owned, that are in their supply chain, so that they can become sustainable organisations. The measured entity needs to spend 2 percent of their turnover in developing their suppliers that are Black owned. Supplier development requires measured entities to assist their suppliers, so that they become sustainable and can operate independently of the measured entity. The beneficiary entity should not be more than 20 percent owned by the measured entity. SMMEs are important to the South African economy and other global economies since they can create employment and can be used as a way to reduce unemployment and poverty in the country. It was indicated that SMMEs play a beneficial role in the economy since they contribute to the socio-economic development of the country, through job creation, poverty alleviation, maintaining a healthy economy and the nurturing of entrepreneurship (Makwara, 2019: 6).

#### **2.7.5.2.4.4. Challenges facing SMMEs in South Africa**

The South African SMMEs sector is riddled with challenges that are specific to the South African economy and global since they compete in an open global economy. The factors that cause business failure are sometimes internal and external in the environment. There was a study that revealed that there are internal and external factors that cause the high failure rate of small businesses in South Africa, which negatively impacts job creation and economic growth, where those factors are a lack of management experience, the high cost of distribution, competition, lack of finance, the rising costs of doing business, poor staff training and lack of functional skills (Fatoki, 2014: 926). Bushe (2019) attributed the failure of enterprises to the incapacity and incompetence of the entrepreneur, and the unfavourable business environment.

The Enterprise and Supplier Development element of the RCOGP focuses on enabling the small Black owned enterprises to access markets, finance and training from larger enterprises to improve their sustainability. The RCOGP rewards larger enterprises for bringing small companies into their supply chain and for creating jobs, by awarding them bonus points in their scorecard for each company they bring in.

To fast-track the growth of SMMEs and to reduce red tape and bureaucracy in the process, the government initiated the Ministry of Small Business Development. It is stated that the Ministry of Small Business Development could potentially improve the business environment for South Africa's small and Medium Enterprises, if the department understands the complexity and diversity of the sector and the need for carefully targeted policies, because different companies have different needs and tend to respond to different incentives (Business Environment Specialists, 2014: 4). However, the small business ministry was not the expected panacea that would solve all the problems that SMMEs were encountering in the country.

Some SMMEs do not have access to technology, finance and the required skills to formally run a business. In addition, it was acknowledged that the

failure and lack of sustainability of SMEs is due to among other things, a lack of technology, a lack of finances and a general lack of preparedness for business (Seeletse, 2012). However, it is acknowledged that SMMEs are important for the economy. It was also indicated that although the SME sector plays a critical role in the economy by contributing to the growth of the economy, it was reported that companies in the CBD and Township areas in Gauteng experience hindering factors such as increased competition, crime, regulatory and technological change, among others (Brink, Cant & Lighelm, 2003). Those challenges, although the study indicated them as regional, may also prevail in other areas of the country, since most of the conditions are similar in nature, no matter what areas you go to.

#### **2.7.5.2.4.4.1. Business skills**

Entrepreneurs who run SMMEs need to have skills that are needed to operate their businesses, so that the business will be successful. In South Africa, some entrepreneurs lack these skills.

Business skills are the skills and competencies that are required by the owners of SMMEs for them to be able to achieve the goals of their businesses (Robbins, Odendaal & Roodt, 2004). Those skills were described as technical, conceptual, and human skills.

- **Conceptual skills**

Conceptual skills are defined as the abilities of the SMME owners to diagnose and analyse complex situations such as decision making and to be able to differentiate between cause and effect (Jones & George, 2016). Those conceptual skills are important for SMMEs to thrive since organisations encounter different ever-changing situations. Abdul (2019) indicated that entrepreneurs needed creative thinking, communication skills and problem-solving skills to be able to achieve growth in their businesses.

- **Human skills**

Human skills are defined as the ability of a person to understand, lead alter and control the behaviour of his or her employees (Jones & George, 2016). It has been shown that management training has a positive impact on the performance of small businesses; meaning that respondents who had completed some type of formal training reported profitability, productivity, enhanced satisfaction and motivation (Panagiotakopoulos, 2020: 245). Managers need to learn management skills for them to be effective in managing and leading their companies.

- **Technical skills**

SMME owners need specific skills that are required to perform the job at a high level (Jones & George, 2016). Those skills could have been acquired in formal training or on the job. It is suggested that the expertise of a small business owner has a significant impact on the performance of the small business (Chinomona, 2013: 9).

#### **2.7.5.2.4.4.2. Access to markets**

There are many SMMEs in South Africa that are struggling, due to their inability to access the markets who would like to see their products and services being consumed and their businesses growing. There is a myriad of reason for a lack of access to markets for smaller enterprises, which vary from business to business and create a sustainability concern for those enterprises.

Some of those enterprises end up having to close or fail due to not having markets that they could channel their products into. Some of the products or services that are produced by SMMEs could have different specifications, or quality from the ones that are in the markets, which leads to SMMEs having difficulty penetrating their markets.

It can be said that there are “unintended monopolies” that exist in the South African economy that hinder the entrance of new players in various markets.

#### **2.7.5.2.4.4.3. Access to finance**

There are many funding institutions including development finance institutions in South Africa. However, many SMMEs struggle to access funding to either grow their businesses or to sustain their operations. SMMEs have different operational requirements that require access to funding such as to buy machinery, input requirements, operational requirements and any other initiative that might assist in the running and financial sustainability of these smaller businesses. For the government to proceed with the rollout of B-BBEE policy, they needed to have ensured the availability of funds that would be used in certain transactions, since the apartheid government deprived Black entrepreneurs of access to capital. The heritage of Apartheid has not yet been eradicated and thus, Black owned suppliers still grapple with the problems of accessibility. It was indicated that the financing of the B-BBEE process is strategically important to the economy and thus there must be a credible financing component in order to proceed; because without financing, B-BBEE would be limited and thus not be broad-based and a danger of a flow of funds out of the country from the sellers of assets (B-BBEE Strategy, 2003: 14).

Incentives were introduced by the government to ensure the seamless introduction of B-BBEE and to assist in meeting the primary objectives of the legislation and to assist in financing B-BBEE deals. It would otherwise have been almost impossible for Black individuals or institution to acquire shares from White owned entities, without assistance, because they would have been excluded from participation in business before democracy. Thus, it was imperative for the government to put measures in place that would enable the introduction of B-BBEE. There were institutions such as the Industrial Development Corporation (IDC), Small Enterprise Finance Agency (SEFA), Small Enterprise Development Agency (SEDA), and the National Empowerment Fund (NEF) that were roped in to assist with the funding of Black owned businesses and business deals at the time, although traditional banks also participated. The NEF was established by the National Empowerment Fund Act No. 105 of 1998 (NEF Act) as a driver and thought

leader, to promote and facilitate Black economic participation through the provision of financial and non-financial support to companies that are Black empowered, to promote savings and investment culture among Black people (National Empowerment Fund, 2018). Goga, Bosiu and Bell (2019: 833) alluded to the IDC having a mandate of ensuring inclusive economic growth and the nurturing of structural transformation, through the use of concession finance that was aimed at SMEs, but it has not been effective, due to the funding still being largely directed at larger established companies.

Although there are development finance institution and private financial institutions that are available to fund small business, funding is still a very pertinent problem for SMMEs in the economy. Either some suppliers do not meet the requirements that are set by those institution for them to qualify or they are not even aware of the existence of some institutions and how they function. It was demonstrated that most SMMEs are not aware of the government financial incentive schemes that are available and thus are jeopardising the governments' goal of reducing unemployment and thus the government needs to ensure that it reaches as many SMEs as possible (Thusi & Zondo, 2016: 216).

Some suppliers do not have a credit history and a financial history. These histories are used when funding institutions conduct checks for eligibility and security purposes. This leads to SMMEs being rejected by funding institutions and thus missing out on the much-needed funds. It was reported that most SMMEs have a challenge in terms of accessing funding because they have weak credit scores or do not have a financial history (The Banking Association South Africa, 2018). SMMEs that are in poorer rural provinces might be experiencing more severe challenges when it comes to accessing credit than the ones that have a higher GDP. There might be various reasons such as availability of resources and other unknown reasons.

Makina, Fanta, Mutsonziwa, Khumalo and Maposa (2015) claimed that companies in provinces that have higher GDPs such as Gauteng, Western

Cape and KwaZulu Natal are characterised by a large proportion of SMMEs that have access to credit, whereas those in poorer provinces such as the Eastern Cape, Limpopo and the Northern Cape are largely dependent on informal credit. Accessing finance for SMMEs is one of the critical challenges that threaten the mere existence of such businesses. Having financial support is crucial for SMMEs and could determine whether the business continues operating or shuts down. Rungani and Potgieter (2018) reported that the success of SMMEs is significantly and positively correlated with the financial support that it receives from the public and private sectors.

There were also suppliers that struggled because the government which is the custodian of the B-BBEE policy, could not pay them in the stipulated time for either their claims or their invoices. These challenge affects the organisation's cash flow which affects the organisation's operational requirements. Timm (2013) demonstrated that there were more than 50 000 invoices valued at R2.5 billion that remained unpaid by government departments, before it declined about 24 000 valued at R1.2 billion in December 2012. Late payment or non-payment of invoices is also one of the reasons that are destroying SMMEs in South Africa. National Treasury (2018) also acknowledged that late payment or non-payment of invoices that are valid or valid claims has calamitous consequences for the private and public sector and such challenges have been reported by SMMEs to have had a negative impact on their businesses.

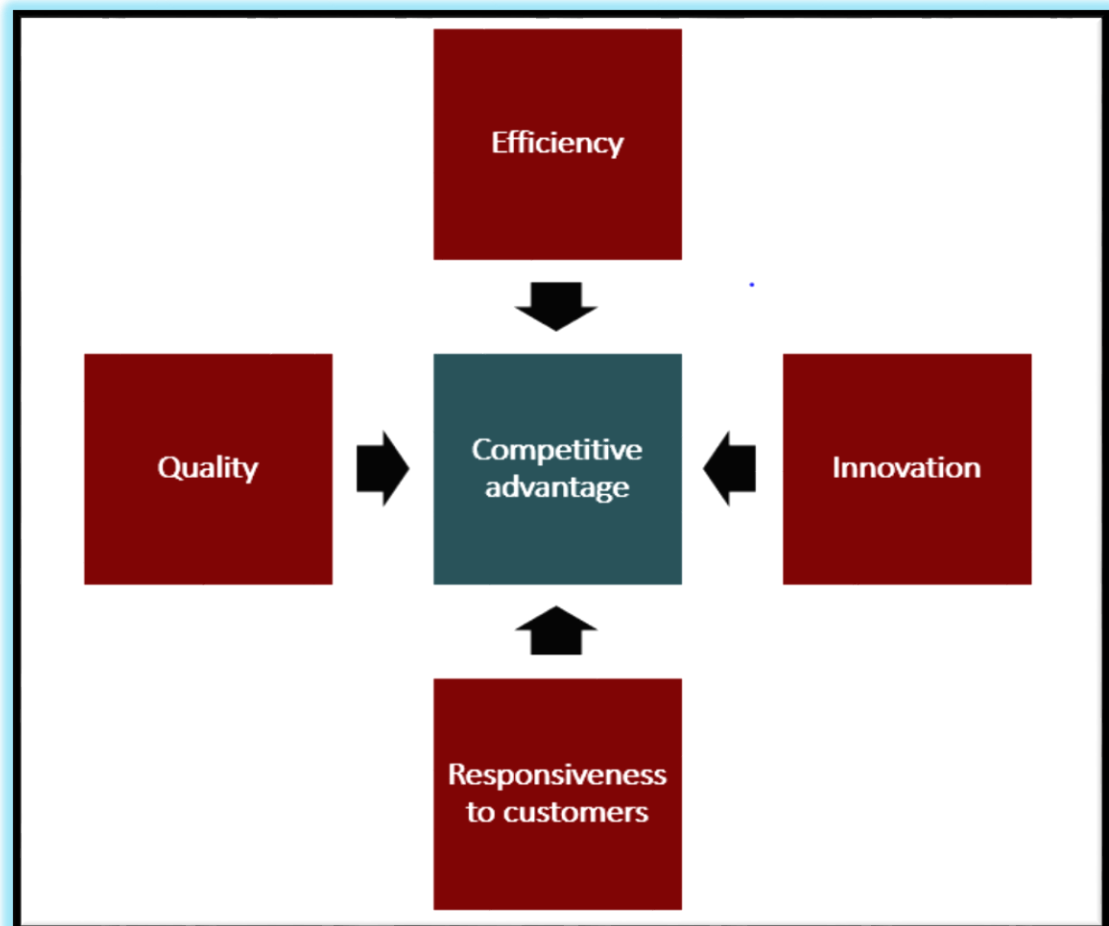
Smaller companies have also had to face challenges when it came to them being awarded bigger contracts or tenders from the government and government entities, especially since they were required to perform completion of the job that had been awarded to them before receiving any payments. That led to companies either not taking the job or taking the job and then not seeing it through to completion because of the lack of the required funds.

#### **2.7.5.2.4.5. Building blocks of competitive advantage**

SMMEs need to operate at a level of competitive advantage in order to gain market share, to be competitive and to be a self-sustaining company.

Competitive advantage is defined as the ability of a company or organisation to perform in ways that their competitors are unable to match (Kotler & Keller, 2009). To achieve competitive advantage those companies, need to be able to produce goods or services that meet the right quality, be innovative, be responsive to customers and operate with efficiency.

**Figure 2.10: Building blocks of competitive advantage**



**Source:** Jones and George (2017: 21)

- **Innovation**

Figure 2.10 above indicates that SMMEs need to continually improve or create new products if they are to acquire a competitive advantage in entrepreneurship over their peers. Originations operate in a global marketplace, due to the advancement of technology, which requires

organisations to continually innovate for them to remain relevant. The SMMEs must be able to create environments where innovation becomes the norm.

- **Efficiency**

Figure 2.10 above suggests that organisations need to have sufficiency to compete effectively in the global marketplace. That is because SMMEs need to be agile and are quick to respond to the needs of the customer in order to be competitive.

- **Responsiveness to customers**

Figure 2.10 above suggests that SMMEs need to be responsive to customers for them to acquire a competitive advantage in their markets. They need to understand their customer's needs and be able to alter their processes quickly enough, since the improvement of technology has brought with it access to information for customers. Thus, customers have choices and can easily switch product and services, so organisations need to be attentive to their customers' requirements.

- **Quality**

Figure 2.10 above suggests that SMMEs need to be quality oriented and produce services and products that meet the required quality standards for them to acquire a competitive advantage in their markets. It was revealed that there are companies that conduct customer satisfaction tests to determine the customer focus (Fourie, 2015: 187). These then provided them with feedback of customer satisfaction, which indicates whether the company is producing a quality service or product.

#### **2.7.5.2.5. Socio-Economic Development**

The Socio-Economic Development or SED as it is commonly referred to, is an element that measures the extent to which organisations convey initiatives that contribute towards the SED element or Sector-Specific initiatives that can promote the access to the economy for Black people (Government Gazette,

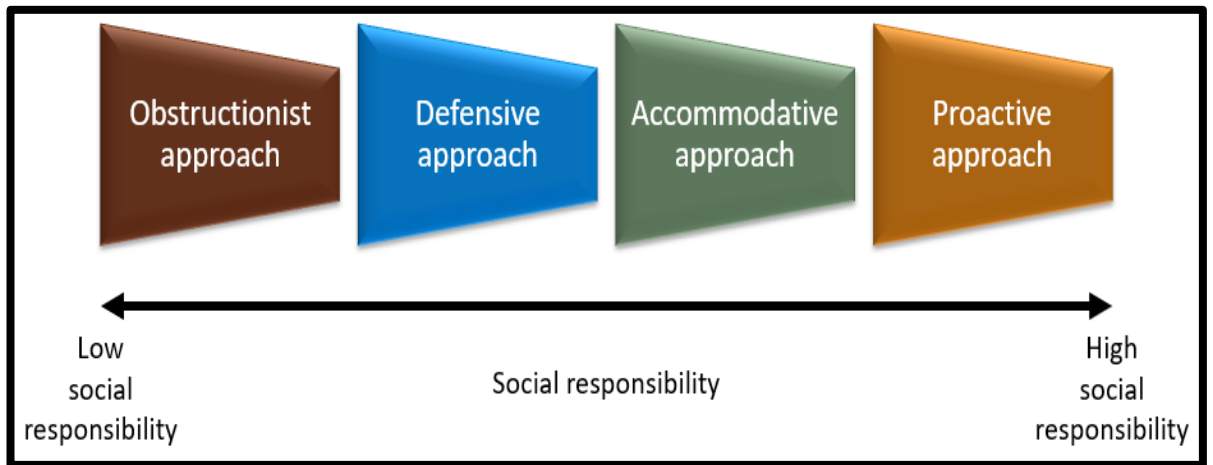
2013). This is where organisations donate to charitable causes such as individuals, schools, charity organisations and the like, in order to improve socio-economic conditions in areas where they operate. The aim of the contributions of Socio-Economic Development is to promote sustainable access to the economy for beneficiaries (B-BBEE Commission, 2016). Organisations make monetary contributions or contributions in kind or in any other form to beneficiaries to give them sustainable access to the economy. To receive the full value of the contribution, the beneficiaries that directly benefit from an initiative need to be more than 75 percent Black, otherwise the benefit will be prorated, according to the percentage of Black beneficiaries who benefited. The organisations are required to contribute 1 percent of their Net Profit After Tax (NPAT) to those charitable causes for them to obtain full points.

This element primarily focuses on what most companies term Corporate Social Responsibility (CSR) or Corporate Social Investment (CSI), although it focuses on Black beneficiaries because most companies had been conducting CSR but are now required to re-direct it to Black beneficiaries for the benefit to count towards B-BBEE rating. Although many companies have been donating to charity using their CSI funds for the benefit of the communities, it has become beneficial to the companies also because if they donate to entities that have Black beneficiaries, then they are eligible to receive Socio-Economic Development points that form part of their B-BBEE scorecard. It was indicated that B-BBEE is a critical legal instrument for the promotion of corporate social responsibility in the republic (Sibanda, 2015).

It also benefits organisations because it also shows stakeholders that organisations care about them. It was acknowledged that CSR positions origination and thereby helps organisations to build a strong brand image when making a positive contribution to the environment and to society (Yee & Yazdanifard, 2012). The researchers also revealed that the regulatory stance with regards to BEE and transformation that was taken by the government has led to companies reconsidering their CSR agenda, because of the set targets

which relate to expenditure requirements relating to BEE (Mersham & Skinner, 2016).

**Figure 2.11: Four Approaches to social responsibility**



**Source:** Jones and George (2009: 136)

Figure 2.11 above illustrates four approaches to social responsibility, namely, obstructionist, a defensive approach, an accommodative approach and a proactive approach that are characterised by different levels of responsibility. The levels of responsibility are rated as either low or high.

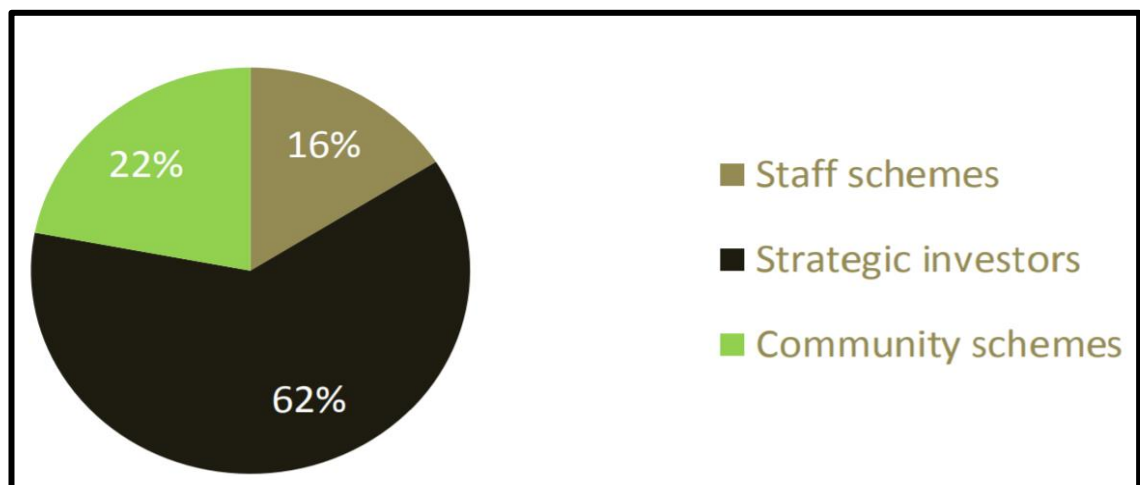
- An obstructionist approach is a social responsibility approach, whereby organisations avoid ethical behaviour towards their social responsibilities. This is the lowest approach to social responsibility. Jones and George (2009) defined the obstructionist approach as a way in which an organisation's managers and employees choose unethical and illegal behaviour when conducting their business over ethical behaviour.
- A Defensive approach to social responsibility is the approach where organisations and their managers only behave ethically by abiding to set legal requirements, without doing anything over and above the required standards (Jones & George, 2016). This is where organisations only abide with social responsibility for the sake of compliance and not to make a difference.

- An Accommodative approach to social responsibility is an approach where organisations behave ethically and ensure that the interests of the different stakeholders are balanced (Jones & George, 2016).
- A Proactive approach is the type of approach whereby managers and employees of organisations behave in an ethical manner and actively embrace socially responsible behaviour (Jones & George, 2016). Such organisations proactively ensure that their stakeholders are abreast of social issues that they are involved in and utilise organisational resources to promote ethical or socially responsible behaviour.

#### 2.7.5.2.5.1. Benefits of socio-economic development

Socio-economic development could lift people above poverty through targeted initiatives. There are formal and informal Non-Governmental Organisations (NGOs) and Non-Profit Organisations (NPOs) that assist people to gain access to the economy, through socio economic development initiatives.

**Figure 2.12: Value by beneficiary type**

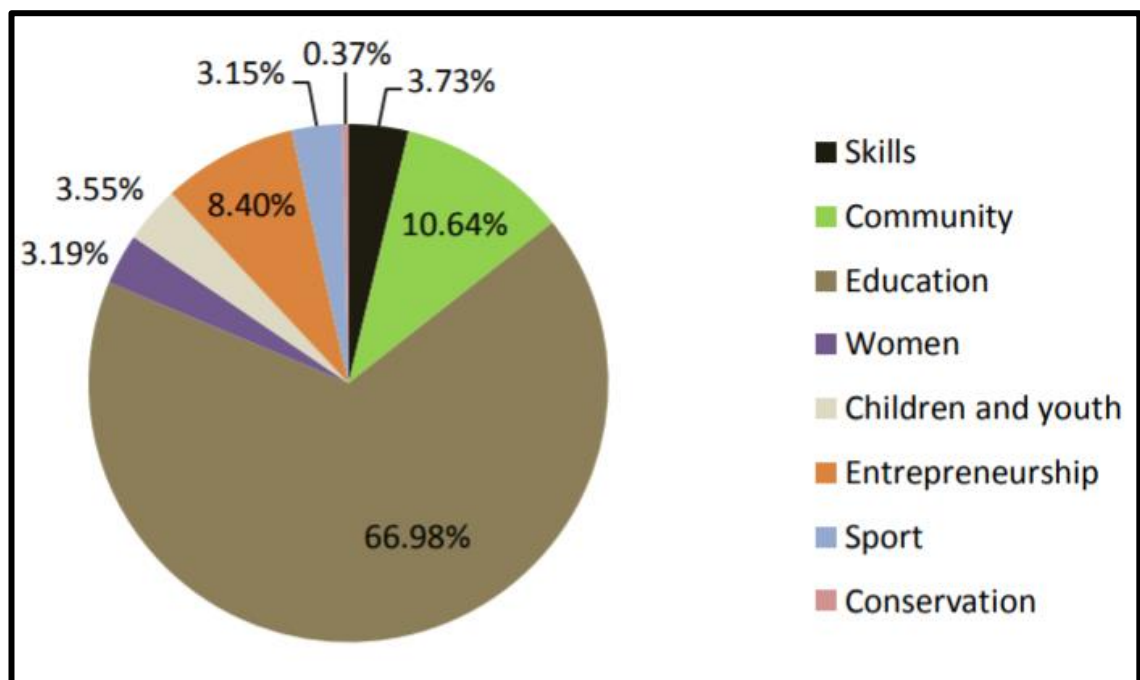


**Source:** Theobald, Tambo, Makuwerere and Anthony (2015: 8)

Theobald et al., (2015) demonstrated in Figure 2.12 above that although B-BBEE has been criticised for not being broad-based enough, community schemes have constituted 22 percent of the beneficiary type, with the rest of the strategic investors and staff schemes being focused on the value of BEE

deals. The value that was estimated from the R317 billion total net value of the funding obligation that went to charitable beneficiaries constituted 22 percent, which equated to R69 billion. The contributions thus indicated that staff schemes and community initiatives constituted 38 percent collectively indicating the broad-based inclusion of B-BBEE. Theobald, Tambo and Makuwerere (2017) reported that although the schemes were aware of the goals of the socio-economic schemes, they were faced with challenges such as lack of skills and infrastructure, which got in the way of their efficiency.

**Figure 2.13: Community scheme segments**



**Source:** Theobald et al., (2017: 17)

Theobald et al., (2017) illustrated in Figure 2.13 that of the beneficiaries that benefited from socio-economic development, the main beneficiaries fell within the education or skills development sector, which constituted 66.98 percent, followed by community development initiatives and entrepreneurship which constituted 10.64 percent and 8.40 percent respectively. Those three initiatives took up more than 80 percent of the community scheme segment and assisted previously disadvantaged individuals to get access to the economy.

From Figure 2.13 above, it is clear that of the beneficiaries that benefited from socio-economic development, the main beneficiaries fell within the education sector, followed by community development initiatives and entrepreneurship. Those three initiatives took up more than 80 percent of the community scheme segment.

## **2.8. Challenges Associated with B-BBEE**

There are certain sections of the South African population that are either opposed to the B-BBEE legislation or are against it for one reason or another. There are those who believe that the benefits of the B-BBEE policy have not benefited the general public, while others believe there is more that still needs to be done. There is no policy that can be implemented, where all members of society are in one accord without any objections, since it could be argued that people have differing perspectives on all issues. It is the same with B-BBEE which was implemented and resulted in some sections of society that agreed with it while others disagreed with it. This may be attributed to the argument that the country is still reeling from the aftereffects of apartheid and inequality is still very high and increasing with the majority of the Black population largely at the bottom.

There are commentators and scholars who argue that B-BBEE is not reaping the fruits that it was intended to reap, while others indicate that B-BBEE is another form of segregation by the democratically elected government and that it is only benefiting the connected elite few, leaving the majority languishing in dire poverty (Harrison, 2009) and Jeffrey (2015).

Jeffrey (2016) argued that B-BBEE does not work and highlighted that 85 percent of the population have gained nothing substantial from the B-BBEE policy, since its inception. In addition, Southall (2007) agreed that BEE only managed to create a few Black capitalists through their connections to the governing party, and not through their entrepreneurial flair. This might be one of the reasons for the negative sentiment towards B-BBEE. The main criticism of the B-BBEE legislation has been the perceived or real empowering of the

rich Black elite, while neglecting the poor and the marginalised. That is one of the unintended consequences of B-BBEE policies that led to inequality, deepening the poverty amongst the Black majority. Schreuder, van Heerden and Khanya (2007) conceded that companies that are operating in South Africa perceived that there are constraints that hinder the progress of B-BBEE, which were regarded as benefiting only a minority group of elites, and a shortage of skilled Black people that are qualified for the work they do, and a high turnover of staff in organisations.

It was reported that although the South African economy grew significantly around the year 2006 and informal trading grew notably among Black people, only a few of the country's population enjoyed the economic benefits; including a few Blacks who occupied senior positions in big companies (Mpehle, 2011: 150). This would have perpetuated the exclusion of the majority of the Black population, who had been marginalised during the time of apartheid; resulting in the fact that they would still be experiencing similar conditions to those they experienced under the previous regime and thus it was only rational to introduce B-BBEE which would incorporate them and bring them up to par with their White counterparts; by broadening the empowerment. It was also reported by the National Summit on Broad-Based Black Economic Empowerment (2013), that the majority of Black owned South African assets was at a paltry 6.8 percent in 2010. Some people might be forgiven for even suggesting that B-BBEE has not yet reached its intended purpose of addressing inequality and unemployment, since inequality is still a pertinent factor in the economy and the "face" of poverty is still Black. Before the revision of the Codes of Good Practice, there were companies that only focused on the elements that they liked or that did not require a lot of resources and effort and ignored other elements which led to the defeat of the spirit of the implementation of B-BBEE. These companies if they were QSE's would still be able to reach the top level 1, by choosing any four elements that they desire to pursue for their scorecard. This is also echoed in a report by Empowerdex (2011: 9) which indicated that companies tended to select easily achievable

elements or those that would benefit them more, compared with others. This led to some companies acquiring higher B-BBEE levels whereas those others remained untransformed.

### **2.8.1. Corruption**

Corruption has been the one of the major forces that has led to some quarters perceiving that B-BBEE has been an ineffective policy, in its endeavour to redress the imbalances of the past. Corruption has infiltrated many institutions (public and private) that were supposed to assist with the carrying out of the transformation agenda of South African society; that, in turn, led to pessimism when it came to the effectiveness of the B-BBEE legislation. It was indicated by Shava (2016) that B-BBEE is being hindered by corruption, by fraud, by poor accountability, and by gross incompetence in municipalities and it has led to the emergence of powerful Black individuals who are able to manipulate procurement systems at local government; thereby granting tenders to friends and relatives leading to the increase in the poverty gap in marginalised groups in South African communities. In addition to that, Shava (2016) reported that B-BBEE has contributed insignificantly to assist Black South Africans because the tendering system appears to be able to benefit a few minority organisations that have enough financial and human resources to be able to exploit big contracts, coupled with corruption which remains undetected and causes a rise in unemployment and poverty among the economically active population groups in the country, especially the Black population. Pike, Puchert and Chinyamurindi (2018) also acknowledged that B-BBEE encouraged tender corruption and caused a strain on the economy; and thus, it was emphasised that the government needs to devise a new B-BBEEB-BBEE model.

In addition to corruption, there are schools of thought that aver that B-BBEE has put a strain on SMMEs and has not led to new opportunities, aimed specifically at Black owned companies. B-BBEE compliance is an expensive legislation to comply with, considering that all the five elements require the measured entity to spend money in order to reach the required compliance

level. Van der Merwe and Ferreira (2014) claimed that there was a negative relationship between ownership and share return, which suggests that B-BBEE related costs of compliance far exceed the benefits of compliance. Moyo (2009: 64), indicated that the implementation of B-BBEE by small enterprises has not led to new opportunities, increase in turnover or acquiring new customers. He continued to say that those companies could not comply fully because adhering to the B-BBEE codes could lead to an administrative burden on businesses, meaning that when smaller enterprises implement B-BBEE, it does not necessarily mean that those companies will automatically gain new opportunities. However, that does not negate the importance of the B-BBEE legislation, since there is a drive amongst public and private sector institutions to promote Black owned companies and assist them with enterprise and supplier development initiatives.

It should also be note that SMMES that are required to comply with legislation are companies that are less than 51 percent Black or Black women owned and show less than R50 million in turnover. The Black owned SMMES with less than R50 million in turnover are EMEs or QSEs that are exempted from going through a costly B-BBEEB-BBEE audit (B-BBEE Commission, 2016). South Africa has long been touted as the gateway to Africa, whereby organisations that want to penetrate the African market first establish their base in their own country before proceeding to the rest of the continent. Veloso (2008) argued that B-BBEE might be preventing South Africa from continuing to be the preferential point of entry for multinational organisations wanting to invest in Africa's future.

### **2.8.2. Fronting**

Although the objectives of B-BBEE were noble and aimed at redressing previous economic imbalances and at addressing economic growth, economic inclusion and/or decrease in poverty in the country, the legislation has not been without unintended challenges. Fronting has been one of the challenges that the legislation has faced since inception, which has undermined the intended

accomplishment of the legislation. Fronting can be defined as the process whereby an entity is involved in a transaction or arrangement of any act or conduct that would indirectly or directly frustrate or undermine the achievement of the objectives of the B-BBEE Act which includes practices that concern a B-BBEE initiative (Juta's Pocket Statutes, 2016). The fronting practice is an act that is conducted to undermine the spirit of the B-BBEE legislation through acts such as misrepresentation of facts when there is a measurement of a B-BBEE scorecard. These acts that are aimed at undermining or frustrating the aims of the B-BBEE legislation. With the implementation of B-BBEE there also emerged a practice by other individuals and companies that was deliberately aimed at rendering the intentions of B-BBEE ineffective by misrepresenting the information they reported. It was reported that some companies go to great lengths to avoid implementing transformation measures by setting-up structures to earn B-BBEE points, while ensuring that the status quo remains the same (Anthony, 2017).

Those organisations or individuals engaged in practices that were aimed at undermining the legislation by misrepresenting the facts that were reported when the measured entity was audited, which led to a process of fronting. Emuze and Adlam (2013) claimed that B-BBEE is open to various manipulations and fronting. The practice of fronting has been criminalised in the RCOGP, and offenders are liable to a fine or imprisonment, as a requirement of the RCOGP (B-BBEE Commission, 2016). There have been various contributing factors to the resistance against this policy, although its intentions sound noble and are for the benefit of all South Africans. Fronting remains one of the impediments to the success or the realisation of the required results by the B-BBEE policy; since companies that are involved in it misrepresent the real state of transformation in the organisation and in the country. Phakathi (2019) reported that fronting was still a major factor that contributed to the sluggish pace with which economic transformation has been happening in South Africa. Makgoba (2019: 20) alluded to the government being complicit in creating discursive ground, that allows measured entities to

reframe and undermine transformation and AA through the introduction of terms such as 'historically disadvantaged South Africans (HDSA)' and all people which then undermine the original intention of BEE, especially in the Mining Charter and the Minerals and Petroleum Resources Development Act (MPDRA).

The RCOGP also gives Black owned QSEs and EMEs the option of using affidavits to report their B-BBEE status, instead of going through an audit. That also opens a system through whereby organisations can misrepresent their B-BBEE credentials, since affidavits are not audited but only verified through a stamp from a commissioner of oaths. Since the affidavit does not rely on a "competent" person's insight of the organisation's B-BBEE status, it is possible that there might be some companies that are not giving a true reflection of their B-BBEE status. B-BBEE affidavits and B-BBEE certificates are used by organisations when they apply for contracts and tenders. Thus, there is a window of opportunity for organisations to pursue fronting, to allow them to stand out against their peers, since they might not be following ethical guidelines. Ratsoma (2017) acknowledged that B-BBEE implementation lacks the fundamental element of ethics, a matter which is steeped in ignorance and confusion at the highest level.

## **2.9. Conclusion**

B-BBEE legislation has been on the South African business landscape for several years since the dawn of democracy which was introduced to redress the economic imbalances that were brought about by the apartheid system; that excluded Black people significantly from participating in the economy. This chapter discussed why the legislation was promulgated and how it would assist to bring about the desired transformation in the South African economy. There was a discussion on who the Black people are that are covered by the legislation and how the policy influences those people. The author is of the view that it would be especially important and enlightening to discuss B-BBEE in detail, so the reader can understand the importance of the topic in the South

African economy. The policy instruments and the legislation that was promulgated to facilitate the implementation of B-BBEE were discussed. There was also a discussion of the importance of the B-B-BBEE and the economic imperative of the legislation and how it affected the people on the ground. The case for B-BBEE was discussed in order to ascertain how the legislation is impacting on the people of South Africa and a case against the success of BBEE was also discussed.

## **CHAPTER 3**

### **LITERATURE REVIEW: ORGANISATIONAL EFFECTIVENESS**

#### **3.1. Introduction**

This chapter is the second part of the literature review and it primarily focuses on the discussion of organisational effectiveness in South Africa. For the reader to understand how B-BBEE policies influence organisational effectiveness, it is better to analyse what organisational effectiveness entails and put it into perspective. This chapter focuses solely on the discussion of organisational effectiveness from the definition to the importance of organisational effectiveness and its components; namely those that were selected for this study: Managerial Effectiveness, Organisational Strategy, Organisational Sustainability and Organisational Culture. Organisations, irrespective of industries and offerings, comprise various parts that make up the totality of the organisation which need to be effective. The literature that was used in the study concerned companies from all over the world due to the widespread availability of the research studies.

Organisational effectiveness is a phenomenon that has been researched extensively in different parts of the world by academic scholars, for profit organisations, non-profit organisations and civic organisations. This research will only consider the definition of organisational effectiveness, its importance and the four different elements that form part of it. These components were considered as important aspects for discussion for the purpose of the study because they might enable an organisation to achieve effectiveness so they are able to compete successfully. Each component is important and will be discussed further in the coming sections to give full understanding of the concept to the reader and how this links up with the research problem. Although these elements do not form the totality of organisation effectiveness, they will be married together and discussed.

### **3.2. Organisational Effectiveness**

In most instances, an organisation is an establishment where people come together and/ or work together to accomplish the set objectives of that institution. It might be an already established organisation or an organisation that is established to fulfil a need. A combination of skillset and ideas is put together to produce a desired outcome. Jones and George (2017: 5) defined an organisation to be a process that mixes diverse types of activities to and collections of people who work together to achieve objectives and related outcomes. It was also shown that an organisation is a consciously coordinated system of activities or efforts of several people (Mukherjee, 2017).

Kreitner (2009) suggested that an organisation is regarded as a coordinated and cooperative social system that comprises two or more individuals that combine with a common purpose, whereby the entity derives its strength from the collaboration of the member's efforts.

Organisations combine individuals who have various skills and attributes that contribute to the success of that organisation by meeting set objectives that are set in and by that organisation. Schermerhorn, Hunt and Osborn (2002), defined an organisation as a collection of individuals working together in a division of tasks to achieve a common goal. It was also suggested that an organisation is a tool that people utilise to coordinate their actions to achieve the desired goals (Jones, 2013). There was an extraordinarily strong consensus from the above authors that for an organisation to exist, there are objectives and a combination of efforts from the individuals that are part of that organisation.

So, it can be safely deduced that organisations exist in order to meet certain objectives that have been set by the people concerned and those people combine their efforts to make that venture a success and meet set objectives. When individuals combine their efforts in an organisation, it increases the effectiveness of the team because the combination of ideas is better than if

individuals were working separately, since they would be able to support each other, and their efforts and results would be multiplied.

Effectiveness measures if the organisations are able to reach their objectives efficiently. And thus, effectiveness It the measure of the correctness of the objectives or goals that an organisation is pursuing and of the level to which the organisation meets those goals (Jones & George, 2019). It is therefore appropriate to deduce that effectiveness has to do with a measurement of the appropriateness when it comes to goals that are set. That also means that organisations need to have capable people and there needs to be an enabling environment for its goals to be achieved. Organisational effectiveness is an important aspect in business development and growth. The accomplishment of organisational goals is one of the most important reasons companies get involved in business in the first place, so it is imperative that organisational goals are met so that the organisation can continue to flourish otherwise they would have no motive to exist (Sanghooe,2014) and (David & David, 2017). The knowledge and understanding of the organisations and how those organisations function, is particularly important in organisational effectiveness.

Every employee needs to know and understand what is required from them for the organisation to reach its desired results in an efficient and effective manner. It was indicated by Kafashpoor, Shakoori and Sadeghian (2013:168) that different factors such as organisational structure, culture, strategy and leadership have the tendency to affect organisational effectiveness through variable knowledge of management in the organisation.

Management needs to understand how the organisation works and the factors that affect their organisations' competitiveness, be it internal or external to understand a company's organisational effectiveness.

Organisational effectiveness has to do with the resources that are allocated to the functioning of the organisation and how those resources are effectively utilised for the attainment of required goals (Jordan, 2020). The elements that

will be discussed below are Organisational Sustainability, Managerial Effectiveness, Organisational Culture and Organisational Strategy.

Different definitions of organisational effectiveness have been outlined by various scholars, writers as well as organisations (Sharma & Singh, 2019). This may be attributed to differences in organisational dynamics, although those definitions all revolve around organisations meeting their set goals or objectives. Organisational effectiveness can simply be defined as the most effective way whereby organisations achieve their goals and/or objectives.

This can be shown as the degree of similarity between the laid out organisational goals and an observed actual outcome, which can also be referred to as appropriateness of goals (Jones & George, 2019). Another author defined organisational effectiveness as the extent to which a company as a system, uses the resources at its disposal to fulfil its objectives without incapacitating its resources and without putting strain on its human resources (Georgopoulos & Tannenbaum, 1957: 540). Organisations operate in a world where there are finite resources and thus, they need to make use of such resources to achieve the desired outcome. Organisational effectiveness is the way an organisation meets its organisational objectives and the expectations that prevail in society currently and its being able to adapt and develop in the intermediate future while thriving (Kreitner, 2009).

Daft (2010) described organisational effectiveness as the capability of an organisation which can be in absolute or relative terms, to acquire scarce and valuable resources and to successfully integrate and manage them to accomplish its set goals.

From the above definitions, it can be clearly deduced that organisational effectiveness has to do with the organisation meeting its set goals in an efficient manner, meaning that the organisation needs to meet its goals using the available resources efficiently. This also indicates that the organisations need to acquire resources that are scarce from its business environment and use them efficiently to accomplish its set goals.

When organisations efficiently meet their goals, they tend to be sustainable and thus competitive. Although there are instances where accomplishment of goals or failures to accomplish those goals can sometimes be difficult to measure, that is where organisational effectiveness comes in handy because it is able to determine the efficiency in utilising the available resources to meet the required objectives (Robbins & Judge, 2017).

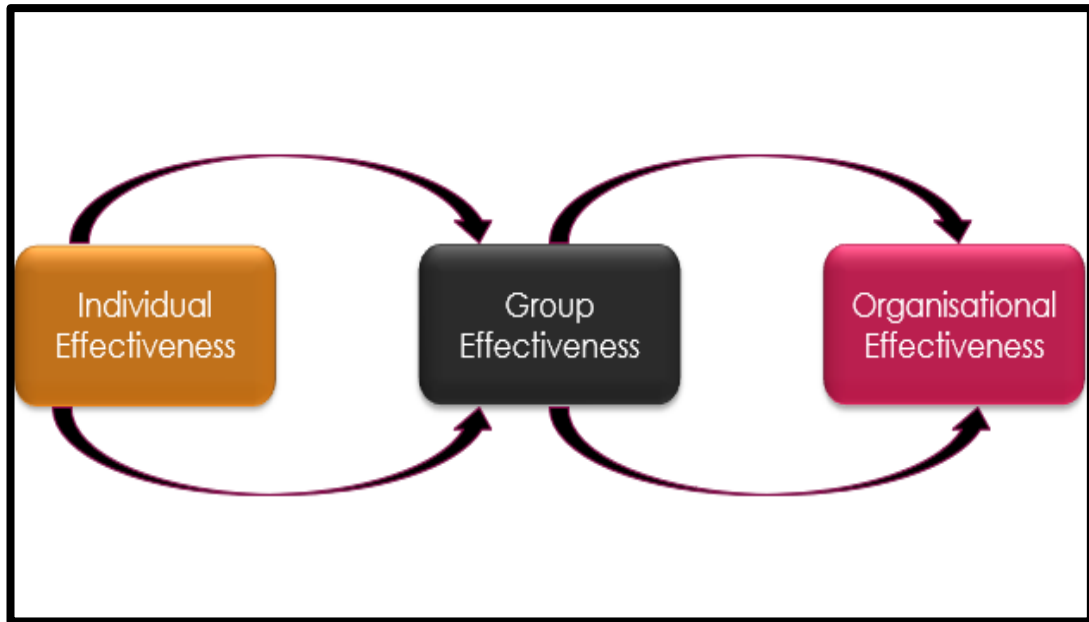
This is an important aspect of business management because every organisation should set goals and use them efficiently to achieve positive results requires some form of organisational intervention at different levels of the organisation from strategic to operational levels. In any economy, there are competitive forces in place that govern how organisations operate in that economy.

For example, in South Africa there is the Company Act and a Competition Act and other regulations that which any organisation that operates in the country needs to abide by if it is to be considered lawful (Davids & Kitkat, 2021) and (Competition Commission, 2018).

This is but one of examples that leaders of organisations need to contend with, and they need to comply with the legislation and still meet their desired goals and thus meet their organisational effectiveness goals.

### **3.2.1. Three perspectives on effectiveness**

#### **Figure 3.1: Three perspectives on effectiveness**



**Source:** Gibson, Ivancevich, Donnelly, Jr. and Konopaske (2012: 15)

#### **3.2.1.1. Individual effectiveness**

According to Figure 3.1 above, based on three perspectives of effectiveness, organisational effectiveness depends on individual effectiveness, which in turn, depends on group or team effectiveness. For an organisation to meet its objectives, it needs to meet both individual effectiveness and group effectiveness goals. The organisation comprises individuals in the organisation who work as individuals or in teams or groups and when the teams are effective, that leads to group effectiveness, which in turn, brings organisational effectiveness. Individual effectiveness can be attributed to the skills and experience that an individual may have acquired in the organisation or from other organisations; combined with acquired education and if that happens the individual can use those skills to perform certain tasks within the organisation.

Majeed and Shakeel (2017) claimed that training and development is positively related to organisational effectiveness and has a positive impact on employees' efficiency. When the individual achieves individual effectiveness, and works within the functional teams, that can be translated into group effectiveness.

### **3.2.1.2. Group effectiveness**

Group effectiveness occurs when the teams that are functional within an organisation become effective through the accomplishment of goals. As indicated in Figure 3.1 above, individuals within groups in the organisation combine to bring different skills and knowledge which, when combined, causes cohesiveness and fosters collective success.

Group effectiveness can be attributed to the teams having individuals that are able to combine their knowledge and skills and understand their roles in those teams, which leads to team effectiveness. A group can be defined as an amalgamation that occurs in an organisation between two or more people, who interact with each other with the purpose of achieving a specific or common organisational goal (Jones & George, 2019).

Groups are formed in organisations to accomplish tasks that would not be accomplished by one individual. Groups give rise to teams that are given specific tasks and work together within the organisation, with the aim of enhancing effectiveness. A work team can be defined as a group whose combined individual efforts would result in greater performance than each individual input (Robbins & Judge, 2017).

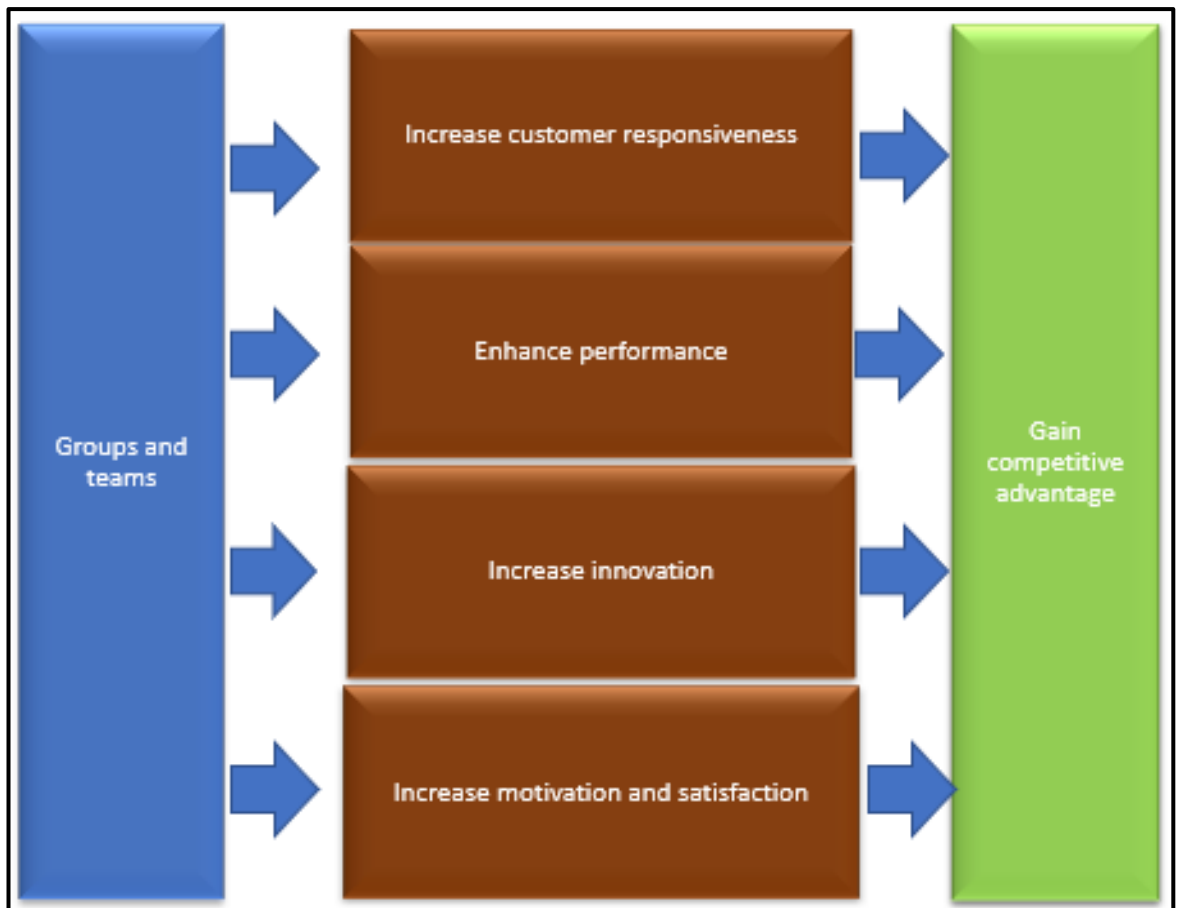
Teams can be put together for different reasons in the organisation, with the main objective to ensure that organisational objectives are met. Leaders in organisations need to create a conducive environment that assists in ensuring that the teams achieve the required objectives.

It was also acknowledged that considerable organisational change needs to occur to implement and support teams in an organisation (Harvey, Millett & Smith, 1998).

Teams can be formed at different levels of an organisation comprising members from the same department or from different departments, depending on the needs that have to be met (Robbins & Judge, 2017).

It was reported that to achieve team performance and effectiveness, team members come together in a work team where key team processes enable team members to combine their skills, their knowledge and their efforts. This then leads to team effectiveness and performance (Kozlowski & Ilgen, 2019).

**Figure 3.2: Groups and team's contributions to organisational effectiveness**



**Source:** Jones and Judge (2017: 371)

In order to achieve organisational effectiveness, leaders take advantage of the cohesiveness of groups and teams. As indicated in the diagram above, groups and teams can work together to gain a competitive advantage. This is achieved by teams and groups enhancing performance, increasing customer responsiveness, increasing innovation and increasing motivation and satisfaction. It was indicated that teamwork, leadership and structure, team trust and performance appraisal and rewards have a significant impact on the

performance of teams which leads to better performance (Sanyal & Hisam, 2018). For organisations to reach the required competitive advantage there needs to be decisive leadership that is equipped and can empower a team to reach the required organisational goals. Leaders need to be equipped to be able to lead work teams in organisations since they improve teams' effectiveness (Ethem & Nurcan, 2008). When leaders have been equipped to lead work teams, they are then able to build an environment that fosters trust among the members of teams, which leads to team or group effectiveness. It was acknowledged that there is a connection between trust and high performing teams (Hakanen, Hakkinen & Soudumari, 2015).

### **3.2.1.3. Organisational effectiveness**

As schematically shown in Figure 3.2 above, organisational effectiveness emanates from individual and group or team's effectiveness, since an organisation should be better than individuals or groups, using synergies. Organisational effectiveness is brought about when different units of an organisation function in a manner that leads to the organisation meeting its goals (Kinicki & Fugate, 2018). That means that individuals and teams collectively work for the success of the organisation. Organisational effectiveness is a result of choices that managers make with regards to strategies and processes that organisations follow. This is also impacted by organisational culture.

Organisational effectiveness occurs when a combination of individual and team effectiveness takes place. In other words, it is dependent on a system. Organisational effectiveness is dependent on a social system (Love, 1996). Organisational effectiveness would thus depend on various organisational issues such as the organisational structure, the influence that leadership has on employees and other factors that allow employees to perform at their utmost best. Organisational effectiveness depends on the various groups or teams in the company cooperating with each other and encouraging and motivating

each other, to achieve common organisational goals, although it may sometimes be at the expense of group goals (Jones & George, 2019).

### 3.2.2. Approaches to organisational effectiveness

There are different approaches that organisations consider when they evaluate organisational effectiveness. These are approaches that are used in organisations to ascertain whether the organisation is accomplishing the goals that have been set, in an efficient manner. The approaches that determine organisational effectiveness are chosen, depending on the variables that are available to each organisation and considering the resources that the organisations have. The four approaches to organisational effectiveness are: The Goal Approach, the System Approach, the Internal Process Approach and the Strategic Constituencies Approach, as indicated in Figure 3.3 below. These approaches have been studied by different scholars and have given different results when implemented in different industries.

**Figure 3.3: Approaches to organisational effectiveness**



**Source:** Universal Teacher (2018: 1)

### **3.2.2.1. Goal approach**

It can be safely argued that organisations in all spheres of the economy exist due to the existence of a goal that needs to be accomplished by a particular organisation. The goal approach to organisational effectiveness is based on the premise that organisations have predetermined goals and thus, it can only be brought about by the attainment of those goals. The goal approach to achieving organisational effectiveness entails identifying the organisation's output objectives and then measuring how efficiently the organisation accomplished its goals (Slack & Parent, 2006). This approach focuses on the output side of an organisation, which implies that the organisation is accomplishing its key objectives, namely gaining market share and profits (Schermerhorn, 2011). It was also described as a viewpoint that focuses on the achievement of goals as the central role of assessing effectiveness (Ivancevich, Konopaske & Matteson, 2014: 551).

Organisations have various stakeholders that are connected to them, with different vested interests in the organisation. Some are connected to the organisation because they are employees, some are investors, some are owners, some are community members, and some are regulatory bodies and have an interest in seeing goals that are set being achieved. It was indicated by Cameron and Whetten (1983) that the goal approach to organisational effectiveness regards an organisation as an entity that is created to serve the objectives of the stakeholders such as owners, managers, customers and others. Although the goal attainment approach to organisational effectiveness is one way to examine organisational effectiveness, it also has limitations. The organisation's focus on goals might frustrate employees if the set goals are not attainable. This approach might also be problematic if an organisation has multiple goals or unrelated goals since there will not be alignment and members will be working towards different goals or directions. This might confuse the managers and the employees and lead to a decrease in morale.

The goal attainment approach is mostly used by organisations that value the setting of goals as part of their strategy. Those organisations are intentional on what they are about and what they want to achieve. D'souza & D'souza (2017), suggested that this approach is used by most firms in the manufacturing industry, since goals are clear, time bound and can easily be measured. This approach is important since it directs the organisation and its employees in a certain direction that the organisation wants to pursue. Teo and Low (2016) claim that goal setting is important since it has an impact on employees' effectiveness, that ultimately improves organisational effectiveness.

#### **3.2.2.2. Systems resources approach**

Nowadays, many organisations are constantly monitoring their business environment to observe events or changes that might present opportunities or threaten the existence of their enterprises (Kinicki & Fugate, 2018). This assists the organisations to keep abreast of any changes that might occur and to prepare for unseen circumstances and to acclimatise to the changing environment. The current systematic approach to organisational effectiveness indicates that organisations are open systems that interact with their environments for their existence. This approach to organisational effectiveness is of the view that an effective organisation is one that is able to acquire all the resources it needs, given the prevailing scarcity of resources (Griffin, 2013). The resources that are available for the use and existence of organisations, are provided by the environment in which the organisations exist and operate. Thus, the resources such as customers, employees and other relevant stakeholders are provided by the organisation's environment.

Although the goal attainment approach to organisational effectiveness has a specific focus on the goals set by the organisation, this approach tends to focus on how to achieve those goals using the available resources (Kinicki & Fugate, 2018). The systems resource approach to organisational effectiveness is of the view that organisations are effective when they thrive in their environments, by effectively using the resources provided in their environment (Lee, 2008). It

was also revealed that organisational effectiveness was positively and significantly influenced by organisational resources (Mwai, Namada & Katuse, 2018: 1651).

#### **3.2.2.3. Strategic constituencies approach**

The strategic constituencies approach to organisational effectiveness is of the view that an organisation has strategic constituencies that exist that have an influence on the success of the organisation. Those constituencies can be internal or external to the organisation. This means for the organisation to realise organisational effectiveness, it needs to be able to satisfy the needs and expectations of its strategic constituencies (Rahim, 2017). Strategic constituencies are investors, suppliers, customers, owners, and other bodies that have an interest in the organisation. Strategic constituencies are those elements that have the power to support or threaten the organisation's goals (Ledingham & Bruning, 2000). Employees and managers work towards the realisation of the organisational goals within the organisation. Customers buy the goods and services that are produced by the organisation and thus they can support or threaten the organisation externally, as another constituency. The same goes for other stakeholders that have a vested interest in the organisation, such as competitors and other external bodies.

There are industries that are regulated by government regulations and such as the mining industry in South Africa where organisations must be aware of the regulations and various constituencies with vested interests, to achieve the required effectiveness (Davies, Berman and Pillay, 2022). It is imperative that organisations that use this approach to organisational effectiveness know and understand their stakeholders and the impact that they have on the organisation.

#### **3.2.2.4. Internal process approach**

The final approach to organisational effectiveness is the internal process approach. The internal process approach to organisational effectiveness is an

approach that focuses on internal organisational processes. Each organisation has processes that are internally understood and used in the production of the organisation's goods and services. That means organisations focus on internal organisational processes such as commitment and relationships, to allow the organisation to attain organisational effectiveness (Rahim, 2017).

The internal process in the organisation requires the members or employees in an organisation to work in a way that is particular to an organisation, that might also require some sort of discipline and the following of organisational rules and policies. It was reported that the discipline of employees in an organisation promotes organisational effectiveness and attributed those organisations cannot be effective towards achieving laid out objectives without employees complying with company's policies and rules (Nduka, Okorie & Ikoru, 2019).

### **3.2.3. Features of organisational effectiveness**

#### **3.2.3.1. Planning and coordination**

Organisations that acquire organisational effectiveness are characterised by their ability for planning and coordination. Coordination and planning entail the leadership or managers being able to plan the required tasks that needs to be performed and being able to coordinate the available resources to be able to accomplish those tasks (Jones & George, 2016). Coordination is important in an organisation and it is believed to bring about organisational effectiveness. This can be attributed to different organisational settings where employees are empowered to make autonomous decisions that are related to their operations. It was revealed that organisations that divide work and adjust that to specific indicators that relate it to performance make it easy for employees to understand their priorities, making it easier for managers to plan and coordinate actions related to their departments (Vanagas & Stankevic, 2014). Thus, organisations will be able to achieve the required effectiveness because all employees understand their responsibilities.

### **3.2.3.2. Resource utilisation**

Organisations that acquire organisational effectiveness are characterised by their ability to utilise the available scarce resources to achieve organisational goals. It is common knowledge that resources that are available to organisations are finite and that organisations need to compete for those finite resources and, in the process, need to accomplish the desired objectives with those resources (Jones & George, 2016). Organisations need to effectively acquire and manage their available resources to meet their objectives. Successful organisations would then be characterised by their ability to manage their available resources and utilise them efficiently to acquire and maintain a competitive advantage.

### **3.2.3.3. Thrive in challenges**

The competitive nature that organisations face and the challenges that come with it cannot be overemphasised. Globalisation has brought with it challenges that organisations need to overcome to thrive and to reach their objectives. It can also be noted that globalisation has made competition for companies global in nature, which means that organisations compete across different geographies and economies, even if they do not have offices in those nations (Ritzer & Dean, 2015). Therefore, organisations that acquire organisational effectiveness are characterised by their ability to be able to face the prevailing challenges that might exist in their market, and still are able to thrive under those challenges. It was indicated that organisations that anticipate movements in the market, re-emerge from system shocks to take advantage of opportunities that are left by competitors that are unable to withstand the turbulence (Glenn, 2009).

### **3.2.3.4. Seize opportunities**

Effective organisations are characterised by their ability to seize opportunities that are available in their business environments. Such organisations tend to grow in their markets and tend to outperform their peers, because they can see

the opportunities that present themselves and are then able to grasp those opportunities. Organisations are always facing competition in their market environments, whether it is for the available resources or for market share. To succeed and to reach organisational effectiveness, there needs to be a way that organisations are alert to occurrences in their market and are then able to seize the available opportunities. In the world where the digital divide no longer exists, competition is tighter and organisations that can seize the available opportunities tend to realise organisational effectiveness.

### **3.2.4. Key pillars of organisational effectiveness**

Organisational effectiveness, no matter how important it is to organisations, is not automatic and requires the organisation to intentionally plan and execute for it to occur. There are processes and conditions that are needed for the organisation to achieve effectiveness. Failure to practise this results in the organisation remaining stagnant or not achieving the desired results. Successful organisations have mastered the art of being able to ensure that certain principles that warrant success are understood and followed, throughout the organisation.

#### **3.2.4.1. Communication**

Organisations exist because there is communication between the stakeholders within the organisation in either written or spoken form which makes that group understand each other and the reason for existence (Kinicki & Fugate, 2018). Communication is one of the key pillars of organisational effectiveness because communications allow the organisation to articulate its vision and goals and the direction that the organisation needs to take. Communication is defined as the sharing of information that occurs between two or more people or groups of people, to reach common understanding (Jones & George, 2016). For organisations to exist, compete and trade successfully, there need to be messages that are communicated between relevant stakeholders within and outside the organisations. Without communication it would be impossible to attain organisational effectiveness, because for effectiveness to occur the

members of an organisation need to understand each other and the direction of the organisation, which leads to understanding what needs to be done and how it will be done.

It was shown that effective communication is a foundation upon which companies must be built, irrespective of size and structure (Kelvin-Hoafu, 2016). This means that organisations cannot exist effectively without proper communication taking place within the organisation. Organisations depend on the relationships that are formed within the organisations, such as work teams or project teams, departments and other useful teams that are formed in organisations, depending on the objectives that need to be attained.

It was shown that communication is important because communication assists in optimisation of working relationships and encourages creativity, which leads to commitment in the organisation (Hargie, 2016). Since organisations operate in an ever-changing environment, communication is also important for the organisations to achieve effectiveness. Communication enables stability in organisations by articulating direction and all the events and changes that might affect the organisation, either positively or negatively. Communication is also essential for change management in organisations and this then decreases job insecurity amongst employees (Husain, 2013). Thus, the more the organisational stakeholders understand what is happening in the organisation, the more attachment they gain with the organisation, since they understand and trust those running the organisation, through the available communication channels.

#### **3.2.4.2. Innovation**

There has been a lot of development since the first industrial revolution, in the way organisations function and how goods and services are produced. Innovation has played a big role in the development of products and services and how organisations offer those goods and services. Innovation can be defined as a process whereby new and improved goods and services are created, and this also includes new ways of producing those goods and

services (Jones & George, 2016). This is where companies produce new or improved on known products and services that customers need. Innovation would assist organisations to become more effective since they would have better or improved products and services than their competitors have. Robbins, Judge and Beward (2018: 336) further illustrated that innovation pertains to the process whereby a new idea is applied to improve or to commence a new product, service or process which might be either small incremental changes or radical developments. Innovation is especially important for organisations to achieve organisational effectiveness, because it has been acknowledged that innovation is the key for success for organisations (Tohidi & Jabbari, 2012). Thus, organisations need to be innovative in order to ensure that they are always ahead of their competitors and thus they are not left behind.

Innovation has become especially important in organisations in the twenty first century (Jones & George, 2016). When organisations start innovating, that triggers innovation of different types in other areas of the company. It was indicated that there is a complementary relationship between various forms of innovation in an organisation, where an organisation innovates in one form of good or service which then results in innovation in other parts of the organisation (Fazhloglu, Dalgic & Yerehi, 2016). That implies that organisations that innovate tend to have more innovative processes as the innovative philosophy is spread throughout the organisation. Thus, it is advisable to incorporate innovation into organisations to enable organisational effectiveness.

#### **3.2.4.3. Leadership**

Organisations have people that are placed in the top hierarchy who make decisions on behalf on the organisation and chart a path for the organisation. Such people have the responsibility to ensure that the organisation effectively reaches its set objectives. Leadership can be defined as the ability of the leader to influence a group or team to achieve predetermined goals (Robbins et al., 2004). Leadership is tasked with leading organisations and articulating

organisations' direction. Leaders are individuals who are charged with implementing strategies that have been set and resource allocation. Leadership is regarded as the ability of an individual to influence a team or group towards the accomplishment of set objectives or the vision of that group (Robbins & Judge, 2017). Gibson et al., (2012) described leadership as an attempt by an individual to influence and motivate other individuals towards a common objective. Mullins and Christy (2016:620) elaborated leadership to be an association in the organisation whereby one person exerts influence on the actions or the behaviour of other members of the organisation. Leadership is responsible for the motivation of subordinates so that they can work towards the accomplishment of organisational goals, which, in turn leads to organisational effectiveness. Leaders in organisations have the responsibility to define and articulate the vision and the goals that the organisation aspires to reach. Consequently, the organisation needs to have the right calibre of leaders who will be able to articulate the vision and goals of the organisation well enough to bring about organisational effectiveness.

### **3.2.5. Constraints to organisational effectiveness**

Although organisational effectiveness has to do with an organisation meeting its organisational goals and objectives, it is generally known that organisations sometimes have constraints to achieving their set objectives. These constraints hinder organisational effectiveness and thus cause the organisations to end up in a position that was not desired by the stakeholders. These constraints are not cast in stone and as such, different organisations encounter different condition even though they might be competing in the same industry and in the same geographical area (Robbins & Judge, 2018). The constraints indicated below are not the sum-total of all the challenges that companies face, but they are limited to those that are relevant to the study. The constraints indicated below are the examples that were available to the researcher at the time of the study.

- In every business environment that organisations compete in, whether in the home country or at a global level, there are regulations and government policies and, in some instances, regional and global policies, that organisations need to abide by, which may constrain organisational effectiveness (David & David, 2017). There are instances where organisations compete in an environment where they are policy uncertainties, thus leading to organisational effectiveness, which may lead to organisations being unable to commit to major decisions because of uncertainties in the environment.
- Human capital or employees in organisations are the piece of an important puzzle that brings organisational effectiveness together; without which it would be impossible for the organisation to function. For organisations to ensure effectiveness they need to recruit employees that fit the culture of the organisations, otherwise these employees will constrain organisational effectiveness, instead of increasing it (Jones and George, 2016). There are instances where employees do not fit the organisational culture, therefore leading to them not being able to function fully for the benefit of the organisation.
- Organisations also needs to be able to acquire suitable human capital in an efficient manner, where skills are utilised efficiently. There are industries where the required skills base is lacking, and organisations might have to accomplish organisational goals with or without the scarce skills needed by making use of what is available in the market (Lorber, 2021). There are instances where the required skills are unavailable or there is a shortage of the required skills in the economy, which may hinder organisational effectiveness.
- Uncertainty in the organisation's environment could also be a factor that constrains organisational effectiveness. That is because in some environments, change is drastic, and the environment is unpredictable and intricate, leading it to being too dynamic and thus not stable (Robbins & Judge, 2018). That kind of an environment might prove to

be difficult to navigate since changes occur without the exercise of caution in respect of competing with other organisations which might prove to be disastrous for ill-equipped organisations since they might be caught unawares by a change in the environment.

- There are various laws that might influence the organisational effectiveness of organisations. Some legislations are labour laws that might not be favourable to the success of companies (Robbins & Judge, 2018). There are also instances where the government interferes in the economic activities of an economy, leading to organisations not reaching organisational effectiveness.
- Some organisations are slow to adopt technology or putting innovation in place. The company's slow implementation of technology could prove detrimental to the organisational wellbeing of the company, apart from not being able to acquire organisational effectiveness; because competitors may adopt new technology that leads to them being more competitive and thus acquiring greater market share, which, in turn may render them unreachable (Jones & George, 2016).
- Unfair discrimination in organisations is another factor that acts as a constraint to organisational effectiveness. Managers need to understand the prevailing conditions in their organisations, because there are conditions that may prevail subtly without explicitly showing themselves. Discrimination can be described as a situation where individuals or groups of people start noticing the differences between themselves, which then leads to judgements based on stereotypical views that reflect demographic groups (Robbins & Judge, 2017). Discrimination can lead to teams alienating certain staff members from important projects or programmes, which would then lead to some knowledgeable and skilled people being excluded or left out of performing important tasks in the organisation, which then leads to the organisation failing to acquire organisational effectiveness.

### **3.2.6. Factors that influence organisational effectiveness**

- Organisational strategy.
- Organisational culture.
- Managerial effectiveness.
- Organisational sustainability.

The factors listed above are discussed in detail in subsequent sections to provide context for the reader.

### **3.3. Organisational Strategy**

#### **3.3.1. Describing organisational strategy**

Strategy has been in existence for as long as there has been competition amongst organisms for available resources. It is one of the most commonly used terms in business and management literature. Competition exists in humans and in other species as well, whenever there is a scarcity of available resources. In the twenty first century where organisations operate globally, whether they are multinational or local start-ups, they need to have competitive strategies that are used to outperform their competitors (Ritzer & Dean, 2015). Each organisation needs a specific strategy to reach the desired results (Durmaz & Dusun, 2016). Apart from increasing the shareholders wealth, they need specific strategies to stay in business and to be effective. It might prove reckless in any business environment for a company to envisage competing successfully without having a defined strategy since every industry has companies competing with each other which is volatile, and competition is often on a global scale (Durmaz & Dusun, 2016).

Organisations usually compete in an unpredictable and volatile marketplace that requires them to innovate and to embark on strategic thinking, to create and sustain a competitive advantage because adequately developed strategic thinking can reveal new and creative visions of the future (Haycock, Cheadle & Bluestone, 2012: 13). Without strategic thinking and organisations being able

to commit to competitive strategies, it may be exceedingly difficult for those companies to compete effectively.

Strategy is one of the most well-known and used business terms that are mostly mentioned in business, sports, politics and academia. The word is articulated in various conversations that involve many forms of competitiveness in sports, business, politics and academics. Strategy is synonymous with goal setting and the long-term performance of organisations (Athapaththu, 2016). In other words, organisational strategy provides an organisation with a blueprint or roadmap that gives it its direction and includes setting up thresholds for resource allocation in the organisation, for the attainment of goals (Hill, Jones and Schilling, 2015).

Organisational strategy has a lot to do with the combination of organisational resources and activities in an organisation, that are brought together in harmony, for the organisation to achieve its organisational goals. Strategy is a coordinated series of activities involving the distribution of resources for the achievement of a given purpose or goals and combines the articulation of human goals and the organisation of human activity to achieve those goals (White, 2004: 5).

Strategy as the art and science of formulation, implementation and evaluation of cross-functional decisions that enables companies to attain their goals (David & David, 2017: 33).

Johnson, Whittington, Scholes, Angwin and Regner (2017) described strategy as the course and scope of a company over a long period of time, which is aimed at achieving a competitive advantage in an ever-changing environment; through the employment of resources and capabilities of the organisation, to fulfil the expectations of the organisations' stakeholders. The concept of strategy assumes that the organisation is a system that has coordinated resources which are used to reach predestined goals. That is the reason why strategy is regarded as a cohesive and coordinated set of obligations and actions that are designed to utilise core competencies, to achieve a

competitive advantage (Hitt, Ireland & Hoskisson, 2009: 4); that is substantiated by Thompson, Petraf, Gamble and Strickland (2018: 4) who suggested that strategy is a collection of activities that are taken by an organisation's stakeholders engage in to enable a company to achieve high profitability and outperform its competitors. Bakir (2001: 10) suggested that strategy is a purposeful psychological and social process, whereby thoughts are translated into action.

Different authors have a common reference to strategy as being a process whereby resources, be they human or capital, are gathered by an organisation and coordinated to purposely attain the set objectives and goals in an organisation (David & David, 2017). This shows that strategy is the way in which an organisation charts a path, which it then uses to compete efficiently and effectively, in a marketplace.

Every successful organisation needs to have a competitive edge over its competitors in the industry that they are competing in or otherwise the shareholders cannot derive the value that led them to invest in the company and therefore, they would go out of business. That's where a competitive strategy becomes imperative for an organisation to thrive and survive.

### **3.3.2. How to identify an organisation's strategy**

There are different ways in which organisations communicate their strategies to their stakeholders. Organisational strategy can be conveyed to the company's stakeholders through various means, including documents in organisations, although some documents might not be available to the public, due to the confidential nature of the business the organisation is involved in. Such kinds of documents may be publicised or may be accessible to stakeholders through various means such as internal communication, publications or direct communication.

Many successful companies have tended to have a predisposition to articulate their strategies to their employees and other relevant stakeholders through the

mission and vision statements that govern the organisation (Johnson et al., 2017). That information gives a glimpse into what the organisation is about and the direction it is taking, which offers some understanding of the organisation. Strategy can be conveyed through the organisation's mission and vision. Some organisations also publish company reports in newspapers and business magazines that investors may use to understand an organisation's strategy.

Organisations articulate their mission statement to communicate their organisation's mission or the objective the organisation is trying to reach. A mission statement is regarded as a comprehensive declaration of what the purpose of the organisation is and identifies the organisations' services, products, and customers and differentiates the organisation from its competitors (Jones & George, 2016).

Dess, Lumpkin, Eisner and McNamara (2014) define the mission statement of an organisation as a set of goals that the organisation has that comprises both the purpose of the organisation and the motive for its striving for a competitive advantage. White (2004) defined an organisation's mission as a statement of how it perceives itself at a particular time and how it expects to proceed in the future.

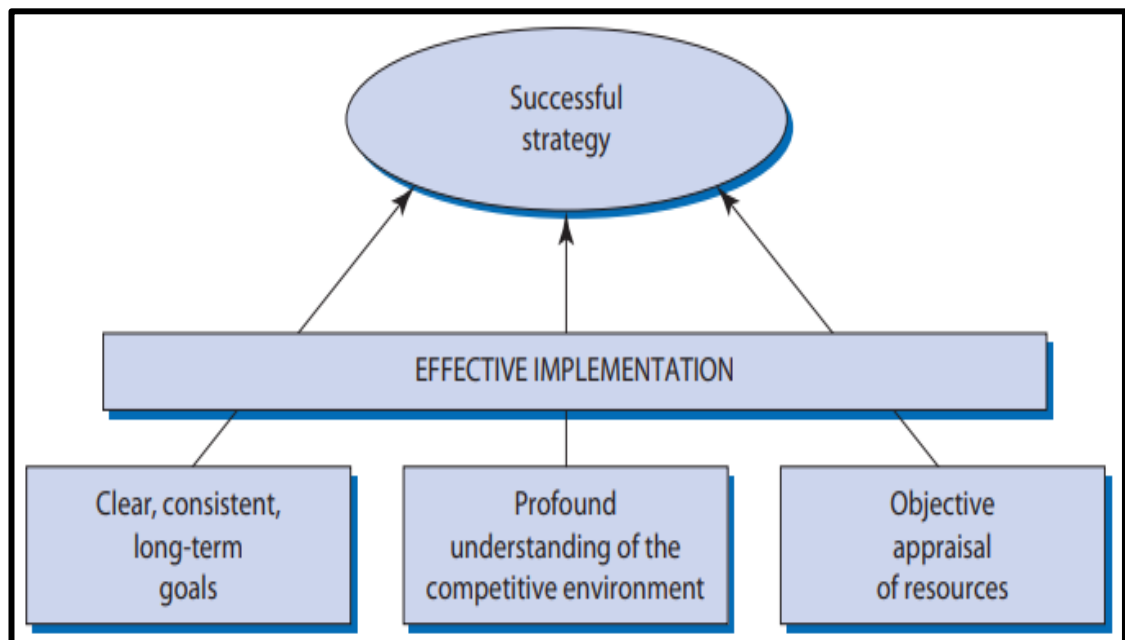
The missions statement also tells stakeholders what the organisation is about and gives an indication of where the organisation is headed (Lynch, 2015). This gives the stakeholders some knowledge of the purpose of the organisation. Organisations tend to have a separate mission and vision since the two concepts deal with different scenarios. A mission deals with the state where the organisation is, and vision deals with the state the organisation desires to reach (Johnson et al., 2015).

This can also be regarded as the building block for the organisation organisation's strategy and it sets a tone for the organisation's direction. An organisation's vision is defined as the core of the organisation's strategic intent, which predicts the organisations' remaking of both internal and external environments as its ultimate aim (White, 2004).

An organisation's vision indicates to the stakeholders what the organisation intends to turn itself into. Since organisational strategy recognises where the organisation is at its current stage, the company's vision sets the tone of where the organisation needs to be in the future (Madu, 2019). Vision is regarded as a goal that inspires, is long term and is overarching (Dess et al., 2014).

### 3.3.3. Elements of successful strategy

Figure 3.4: Common elements in successful Strategy



Source: Grant (2016: 8)

Organisational strategy would not be important in the functioning of the organisations if it never succeeded in making those organisations perform better than they would otherwise perform without it. Organisations should always try to get as many benefits as they can from as few resources as possible. This is where strategy becomes imperative, since it simplifies and clearly articulates the desired path of the organisation, and its effective implementation then should lead to the desired result.

- **Simple consistent, long-term goals**

According to Figure 3.4 above, a successful strategy should be composed of simple consistent, long-term goals. As described in the previous section, organisational strategy is a blueprint that organisations use, to plan, implement and evaluate organisational goals. That means that organisational goals should be well defined and understood by the members of the organisation who are responsible for ensuring that those objectives are met. The members are then able to plan toward achieving those goals. They also need to evaluate whether the organisation is on the right track, and they can then take measures to ensure that the organisation does not deviate from its main objectives. Although those goals are usually long term, there must be a time frame that is linked with those goals, so that the organisation is able to work towards them. Time is a very important factor in performance aimed at required organisational goals because it gives an understanding of when the organisation would aim to achieve a set objective, which should then relate to the allocation of resources and organisation of performing tasks. Ziekye (2016) claimed that time management is vital for organisational performance and effectiveness. He also went on to suggest that there is a link between organisational effectiveness and time management.

- **Profound understanding of the competitive environment**

According to Figure 3.4 above, another common element of strategy is profound understanding of the competitive environment. An organisation needs to understand its competitive environment so that it is able to plan for the future. Assessment of the external environment gives insight into direction that the market or industry is going and what the competitors are doing.

This then gives the organisation an understanding of what they need to do for the organisation to gain and keep their organisational competitive edge.

- **Objective appraisal of resources**

Finally, a common element of strategy is objective appraisal of resources. For an organisation to be able to effectively implement a selected strategy

effectively, there needs to be an objective appraisal of the resources that are available to that organisation. That is a process where the organisation continually evaluates company resources and measures the performance that the resources can produce. Resources can come in the form of human, financial, technology or other forms of resources that are at the disposal of the organisation.

#### **3.3.4. The functions of strategy in an organisation**

Strategy has different functions in an organisation that leads to efficiency and effectiveness. Strategy can be used as glue that brings together or coordinates different departments and functions in an organisation. It can also improve the effectiveness and efficiency of that organisation; because strategy brings together employees from different levels and departments through the coordination of the actions that are being planned (David & David, 2017). That allows the organisation to accomplish its desired organisational goals.

- **Strategy guides the direction of the organisation**

Strategy serves as a guide for origination since it gives the origination a common objective for the organisation to focus on. The strategy directs the actions of the members of the organisation, since it gives them a common goal that they need to chase. Members might be involved in different organisational tasks, but they are guided by a single object that the organisation needs to accomplish. It was acknowledged that strategic management is important in an organisation because it assists in determining the organisation's mission and objectives, through creating and sustaining a competitive advantage (Athapaththu, 2016). It was also indicated that for any business to be successful, it needs to have a clear vision and a mission to meticulously apply strategic management principles, to improve the organisation's performance and to gain organisational competitiveness over competitors (Agwu, 2018).

Strategic thinking and strategic management in organisations in different industries, is especially important because it provides guidance to the entire

management hierarchy and gives a clear picture of what the company is trying to do and achieve. This also helps companies to recognise and respond to changes in market environments, new opportunities or threatening developments, and helps management to evaluate competing requests for investments in capital or new staff and makes the organisation proactive instead of reactive (Nedelea & Paun, 2009: 104). Thus, strategy is important for organisations to be able to respond timeously to a changing market environment and new opportunities, which makes the organisation responsive and adaptable to change, thus leading to competitiveness.

- **Strategy as a tool for competitive advantage**

Organisational strategy is employed in an organisation to assist the organisation to acquire a much-needed competitive advantage over its competitors. Since strategy emanates from decisions that need to be made, in order to meet required organisational goals, this can lead an organisation towards acquiring a competitive advantage, should the set goals lead the organisation to outperform its rivals. The crafting of organisational strategy, implementation, monitoring, evaluating performance and maintaining or developing corrective measures where needed, is very important for the creation or running of sustainable and successful businesses and leads to the company gaining or possessing a competitive advantage (Tapera, 2014: 130).

Most global thinking organisations are always looking to grow their businesses and increase market share, to increase their market base. Strategy assists organisations with growing their market share and their assessment of the competitive environment. Strategy is essential for the growth of organisations because it assists the organisation in assessing its external environment for the organisation to get an equitable market share (Choubey & Mishra, 2016). This shows that organisations need to grow either into new markets or grow in their industries, and to achieve this, they need to pay careful attention to strategy.

- **Prepares the organisation for the future**

Strategy can assist an organisation in preparing for the future. Organisations usually operate in an environment where there has been a lot of technological advancement and innovation, over time; which can be defined as the effect of the fourth industrial revolution, where organisations are now planning for changed workplaces for workers of the future. That means that in future, conditions are going to be vastly different from the current state of industry; and strategic planning will assist organisations to perform effectively in future. The competitive nature of the business environment makes it imperative for organisations to formulate a strategy.

Business managers need to formulate a clear strategy that will push the performance of the company forward and assist it to achieve the required goals, since companies usually operate in environments that are highly competitive and driven by technology and knowledge (Ajagbe, Peter, Udo, Uduimoh and Akpan, 2016: 14)

### **3.3.5. Strategy formulation**

Strategy formulation refers to the process whereby an organisation crafts a strategy that will be used for the organisation to move in a pre-determined direction. It was defined as the development of a set of different levels of strategy within organisations, which are business level strategy, corporate level strategy and functional level strategies that allow the organisation to reach the set objectives (Jones & George, 2016).

Hill and Jones (2013) defined it as the process where the organisation analyses the organisation's external and internal environment before selecting appropriate strategies that the organisation can implement to attain a competitive advantage.

The formulation of any organisational strategy should be able to answer the challenges that the organisation is facing at that point, according to the diagnosis which should be implementable, considering the available scarce resources such as time, human and other available resources.

Strategy formulation is part of a strategic management process which includes, formulation, implementation and evaluation. It should also be noted that organisations that perform strategic planning tend to perform better in both financial and non-financial indicators (Arasa & K'Obonyo, 2012).

Haythem (2015) also acknowledged that there is a positive relationship between strategic planning and successful management, although sometimes it proved to be a weak relationship.

### 3.3.5.1. Strategy as a link for the firm and its environment

**Figure 3.5: Strategy as a link for the firm and its environment**



**Source:** Grant (2016: 10)

Figure 3.5 above indicates strategy as the link between the organisation's internal environment and its external environment. In a company's internal environment, there are goals, resources, capabilities, structures and systems that it can use to compete effectively. This is where an organisation needs to perform a SWOT analysis; an acronym that stands for strengths, weaknesses, opportunities and threats.

Goals and values, resources and capabilities structure and systems are internal components that are used in the formulation of business strategy since they indicate the capabilities of the organisation. The formulation of organisational goals occurs in the internal environment, but the competition occurs in the external environment. An organisation evaluates its internal environment through the identification of its strengths and weaknesses. In the same vein, it identifies its opportunities and threats by analysing the external environment. Blackwell and Eppler (2014) indicated that organisations should

use models as analytical tools for thorough analysis of the complexities of constantly changing internal and external environments and creation of their strategies.

#### **3.3.5.1.1. An organisation's external environment**

Organisations must contend with the demands of customers that may not be controllable since they are external to the organisations. There may also be factors that vary, depending on the country where the customers are located and their expectations. In the external environment there are competitors, customers, and suppliers that the organisation interacts with, for the success of the company.

Organisational strategy, even though it is an internal organisational environment, should be formulated to make the organisation effective and efficient in its external environment. An organisation's environment has been defined as the forces of institutions that exist outside of an organisation which could potentially affect its performance (Robbins & Judge, 2017). The use of strategic analysis methods to assess an organisation's external environment allows it to extract information about the environment and to develop programs that can assist it in charting the way forward (Kuznetsova, Rahimova, Gafurova, Simakov, Zinovyeva & Ivanova, 2017).

Organisations operate in an open system where organisations and the environment influence one another, either positively or negatively. Therefore, an organisations' external environment is an important factor to consider when setting the long-term objectives of the organisation, since it plays a role in the success and the failure of the organisation, due to the openness of the system. This can be attributed to the circumstance that suggests that organisations take resources from the environment and then sell the products and or services into the same environment that it obtains the resource from. A company's external environment is not controlled from inside the organisation. It comprises stakeholders such as customers, competitors and suppliers, as indicated in the figure above. Njoroge, Ongeti, Kinu and Kasomi (2016)

claimed that the external environment influences the performance of organisations. Machuki and Aosa (2011) also acknowledge that an organisation's external environment is one of the factors that affect corporate performance and thus, it should be noted that the environment brings opportunities and threats to the organisation.

When the strategy is formulated, an organisation needs to consider the external environment, namely, consider competitors, customers, and suppliers. Thus, there must be a fit between the company's internal environment and its external environment in relation to the strategy for it to attain success. Competitors, customers, and suppliers are external to the organisation but should be considered during the formulation of the organisational strategy. Strategy determines how the organisation is going to compete and how it is going to react to competitor's actions in the market. Strategy also determines the type of customer that the organisation must target, depending on the product or service on offer. Strategy also determines the type of supplier that the organisation can use in the production of the service or product, considering factors such as cost, proximity, quality and other factors that would be beneficial to it.

It was deduced that organisations that conduct environmental scanning have increased organisational performance because scanning the environment helps them to seize opportunities and avoid threats, which then leads to profitability (Babatunde & Adebisi, 2012). Organisations are continually finding that the economic environment is becoming more and more turbulent, mainly because of technological changes and innovation. Organisations need to be able to respond readily and always anticipate change, in order to thrive. Mason (2007) acknowledged that organisations that compete in turbulent environments and are successful tend to use radical, fast, and disruptive strategies. Voiculet, Belu, Parpandel, and Rizea (2010) asserted that organisations need to be assertive towards environmental stimuli that emanate from their economic environment and should instantly adapt to it.

### **3.3.5.1.2. The organisation's internal environment**

When organisations formulate and execute their business strategies, they should also consider their internal environment, as much as their external environment. Organisations should analyse their internal environment to understand their own strengths and weaknesses. Through this process they are able to gain the understanding of the available resources be they human assets or financial, IP and other resources that could be exploited as part of their strategy. An organisation also gets to understand the weaknesses posed by its own resources. Halmaghi, Iancu and Bacila, (2017) acknowledged that managers need to pay attention to their own organisation's internal environment, since that is becoming more and more important with the passing of time.

Organisations need to identify and assess the resources and capabilities so that they understand the requirements that will be thrust upon the organisation and how they can align their resources to their proposed strategy. An organisation consists of various resources and capabilities and understanding them will enable it to assess whether there is a need to add more to those resources or to reduce them. Organisations need to understand the capabilities that are brought about by its resources, because an organisation's capabilities can bring about a distinct competitive advantage.

Understanding an organisation's resources and capabilities is unbelievably valuable for the organisation to be able to achieve and maintain competitive the advantage that comes from its organisational strategy. Organisations also comprise human resources that can be utilised to bring about a competitive advantage. Organisations need to analyse their internal environment, in order to assess their capabilities of the organisation to identify its resources and capabilities in relation to its opportunities and threats (Caescu, Popescu & Ploesteanu, 2011). Although companies cannot directly own their human resources, they are extremely important since they present the organisation

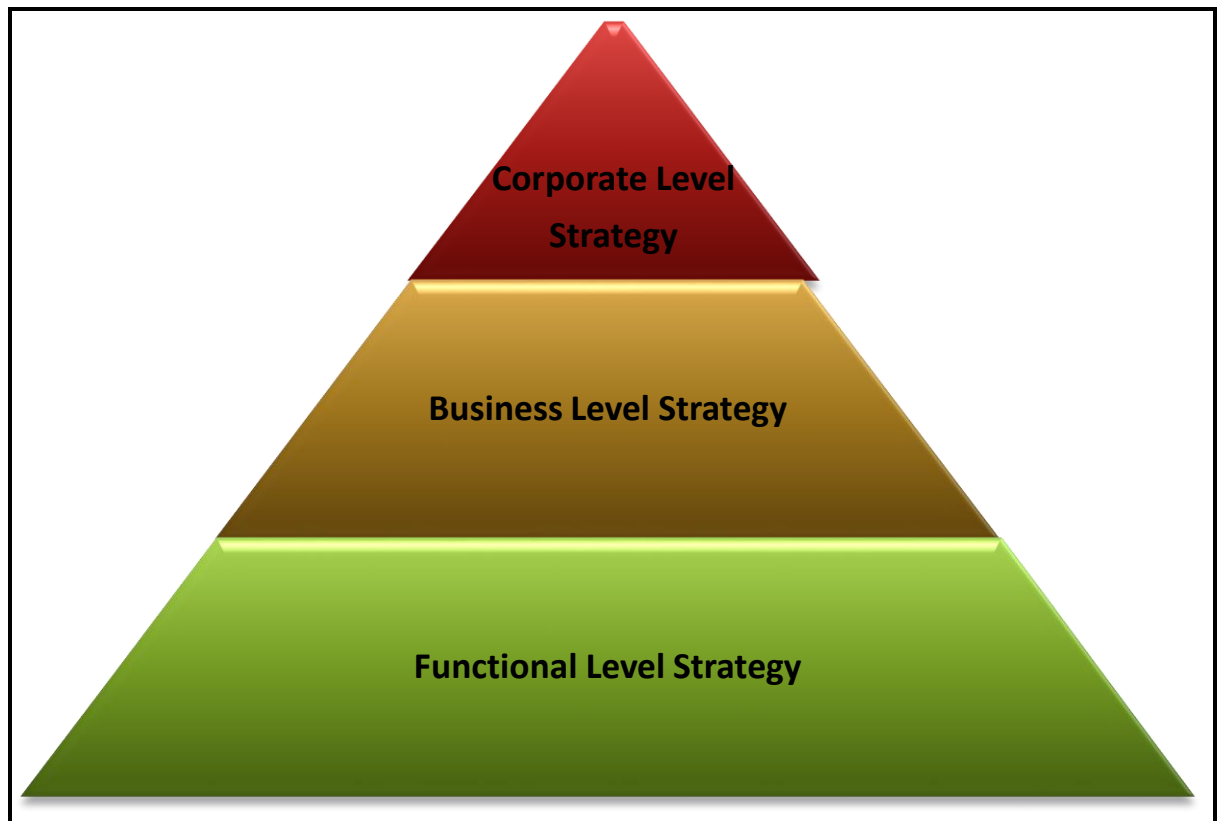
with the relevant skills and knowledge which could be utilised by the organisation to develop and execute the required strategy.

Strategic capabilities allow an organisation to exploit all its available resources, skills and its competitive edge (Catalogue, 2007). However, many organisations formulate strategies without considering the necessary capabilities that are needed and hence, they end up facing difficulties in articulating their requirements and measurable performance indicators (Akaegbu & Usuoro, 2017).

### **3.3.5.2. Three levels of organisational strategy**

Strategy formulation comprises three aspects which focus on different levels of the organisation, namely corporate level strategy, business level strategy and functional level strategy. The stakeholders who are responsible for the crafting and development of organisational strategy should ensure that the three aspects of strategy are cohesive and complement each other, since the organisation can then have consistent long-term goals. Developing organisational strategy is a process that ensures that the three levels of strategy are accomplished and assist the organisation with accomplishing its set goals. These levels of strategy do not work in silos. They are supposed to function as pieces used to bring the final organisational strategy together. In other words, they need to be aligned to bring the desired results. Companies need to align the three organisational strategy levels in order to enhance organisational performance, since misalignment leads to poor performance (Saliman, Khalili, Nazemi & Alborzi, 2012). In addition to alignment of the three levels of strategy, it was suggested that the success of corporate level and business level strategies is supported by the development and implementation of an effective functional level strategy (Daniel, 2015). As illustrated in Figure 3.6 below, the three levels of organisational strategy to be discussed below are corporate level, business level and functional level strategies.

#### **Figure 3.6: Levels of strategies**



**Source:** Best (2017: 83)

### **3.3.5.2.1. Functional level strategy**

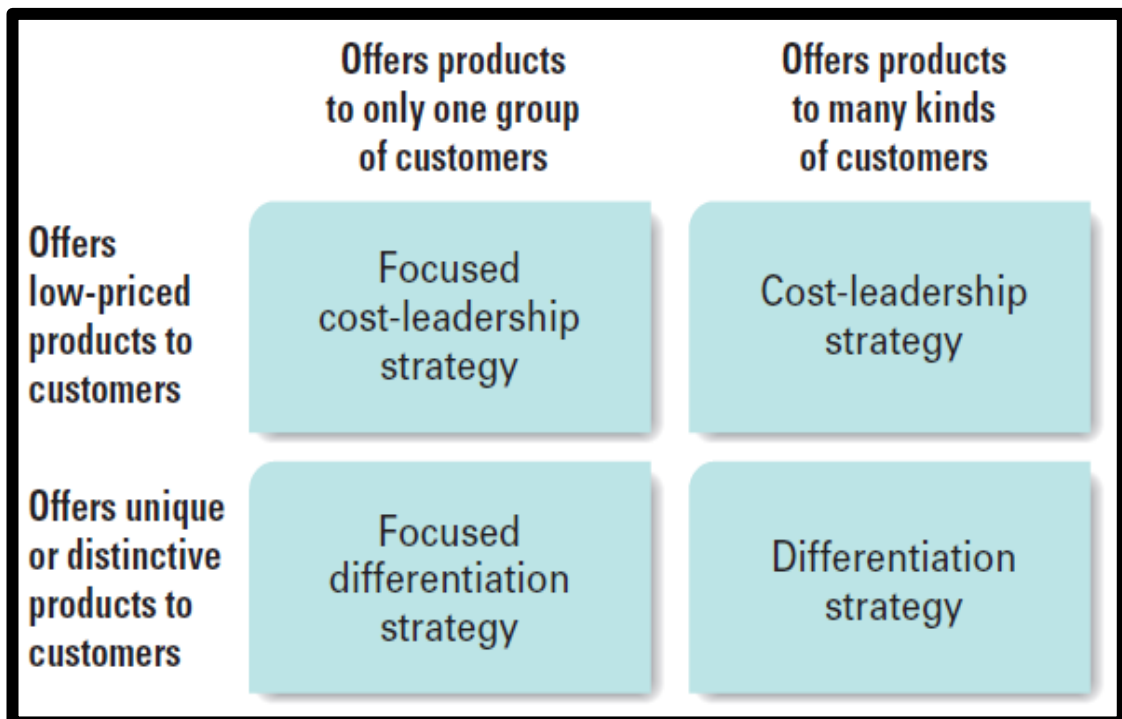
As illustrated in Figure 3.6 above, functional level strategies are at the bottom of the strategy pyramid, meaning that they are departmental in and functional in nature. Functional level strategies are formulated and executed at functional or departmental level in an organisation although they need to be aligned with the company's organisational strategy. This is how managers can plan organisational functions. This strategy allows an organisation to optimise its functions so that it can gain or keep a competitive advantage. Functional level strategy is a plan that is used to improve the ability of each function to assist in the performing of task specific activities, in a manner that adds value to a company's products and/or services, as suggested by Jones and George (2009) and Thompson et al., (2018: 34).

Functional level strategy is executed at departmental level, by leaders of departments such as finance, human resources, marketing, manufacturing, information systems, research and development and other departments.

### 3.3.5.2.2. Business level strategy

Business level strategy is a strategy that an organisation embarks on and that is where they determine the types of goods or services that they need to produce, how to produce those goods and services and how those goods and services should be distributed to customers. This business level strategy is carried out in the hope of making and keeping the business competitive. Business level strategy can be defined as a plan of action that organisation's managers devise and espouse to use organisational resources and competencies to gain a competitive advantage over its competitors (Hill & Jones, 2013). It is aimed at addressing an organisation's position in the market or industry that it operates in, by building a competitive edge while also improving its performance (Thompson et al., 2018: 34).

**Figure 3.7: Types of business-level strategies**



**Source:** Hill and Jones (2008: 126)

As indicated in Figure 3.7 above, there are four types of business-level strategies that organisations can employ which are described briefly below:

- As indicated in Figure 3.7 above, focused cost-leadership strategy is the type of business level strategy where an organisation offers products that are directed to a single group of customers and offers those customers products at a low price.
- Cost-leadership strategy is the type of business-level strategy where an organisation offers its products to different groups of customers, at a low price.
- Differentiation strategy is the type of business-level strategy that requires the organisation to offer products to many kinds of customers and also offer unique products to specific customers (David & David, 2017).
- Focused differentiation strategy is the type of business-level strategy that requires the organisation to offer unique products to a single group of customers.

### **3.3.5.2.3. Corporate level strategy**

There is a third phase in the formulation of organisational strategy, namely, the corporate level. Corporate level strategy levels strategy can be regarded as a blueprint used by organisations to manage growth and development so as to maximise its long-run ability to create value (Jones & George, 2016). This is where an organisation determines the markets and the industry that it intends to compete in. Corporate strategy is determined at the executive management level. It is executed by the chief executive office, the board of directors and other senior decision-makers. Corporate level strategy is where decisions regarding to loosely or tightly coupled value creating actions are located which involve the organisation's responsiveness and cost (Bowman & Ambrosini, 2007). Corporate level strategy is used for the building of an organisation's unique competencies and to intensify its competitive advantage. and it also

assists the organisation in linking corporate level and business level strategies (Hill & Jones, 2008).

### **3.3.6. Factors that influence the way organisations formulate their organisational strategy**

- Organisations should investigate and analyse their internal and external environment before they formulate their organisational strategies. They should also consider the resources that are available before the required strategies are formulated.
- Leadership of an organisation also plays a role in the formulation of organisational strategy. Leaders are tasked with the responsibility of ensuring that organisations have a strategy, formulate their strategy and ensure that there is successful implementation. Jabbar and Hussein (2017) acknowledged that leadership offers a thought-out plan for a strategy and should guide an organisation through implementing that its vision.
- Organisations should also consider the available resources before they formulate their strategy. Grant (2001) indicated that the resources and capabilities of an organisation are essential when formulating an organisation's strategy because they are the base on which the company establishes its identity and frames its strategy.
- Prevailing economic conditions also play a role on the way organisations formulate their strategy. Organisations operate in the economy and are subject to prevailing economic conditions so they need to consider those conditions when formulating strategy, since the resources that they consume in producing their product and/or services are found in that environment. Thus, whether prevailing economic conditions are favourable or unfavourable tends to play a role in strategy formulation.

### **3.4. Managerial Effectiveness**

#### **3.4.1. Describing managerial effectiveness**

To understand managerial effectiveness, it is important to understand what management is. It is a known fact that organisations need to stay competitive to be relevant in their industries and to the consumers, and to make sure that they realise their reason for existence. In organisations all over the world, there are people who decide on the allocation and the use of scarce resources that are available to the organisation. This task is bestowed on management. Management can thus, be defined as the notion of planning, organising, leading, and controlling of resources that include human and other resources, to achieve set organisational objectives effectively and efficiently (Jones & George, 2016). It can thus be understood that every company needs managerial effectiveness, regardless of whether they have enough resources or not and whether they have processes or not, because managerial effectiveness will assist in the realisation of their objectiveness. Managerial effectiveness deals with managers having the ability to understand their business environments so that they know the competition and how they can overcome it.

Managerial effectiveness refers to the use of organisational resources by organisations, to accomplish specific long-term organisational goals and objectives (Harvey & Brown, 2001: 77). Joshi (1991: 78) describes managerial effectiveness as being the attainment of goals through setting a direction and motivating people to achieve set goals. Highland Consulting Group (2014) described managerial effectiveness as the degree to which a company can achieve or fail to achieve its mission, and the advancement of their vision; through utilising their core organisational strategies. Managerial effectiveness has everything to do with organisations attaining organisational goals from the use of available resources which can be referred to as the most important resources, which are the organisations' employees. It was also indicated that it involves the manager doing things right and is associated with the job's

outputs and the achievements of the manager that were intended to be achieved (Mullins & Christy, 2016: 620).

This means that the leadership of the organisation needs to assess the resources in the organisation and how they can utilise those resources efficiently for the successful realisation of the organisational goals. It is public knowledge that resources in any industry are finite whether those resources are land, labour or capital, and this is the reason why every organisation needs managerial effectiveness, so that those resources can be effectively utilised for the benefit of the organisation. Companies all over the world are competing in an era where every industry has been globalised (Ritzer & Dean, 2015). Managerial effectiveness becomes a tool that organisations can use to achieve organisational effectiveness, since the economic landscape is vast. This means that organisations need to ensure that their managers or people with responsibilities are equipped well enough for them to be able to perform effectively. Trivellas and Drimoussis (2013) indicated that managers who are equipped with high levels of leadership competency were found to produce enhanced levels of managerial effectiveness.

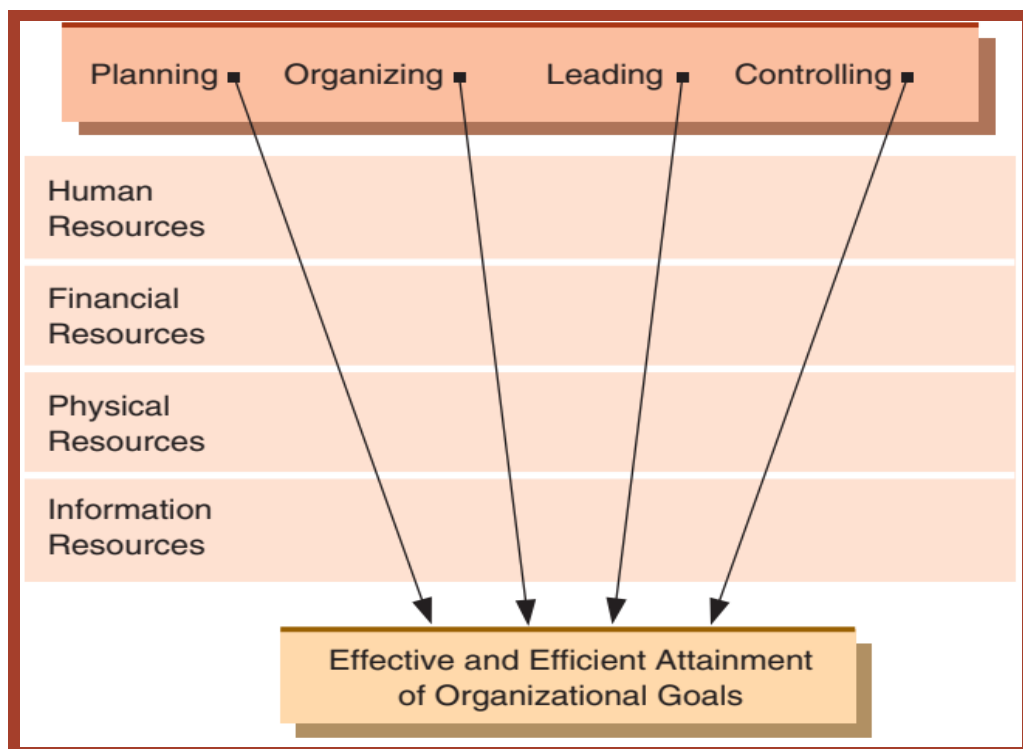
### **3.4.2. Managerial Functions**

Figure 3.8 below indicates that there are four managerial functions that managers or management perform in order to achieve set organisation goals. These functions which are performed by management at various levels of the organisation are planning, organising, leading and controlling. They are not stand-alone functions and occur in cyclical fashion, one after the other. Managers who manage teams or individuals in organisations perform managerial functions, which in turn determine the level of managerial effectiveness.

Managerial functions are used by managers to perform the tasks that assist the organisation on its path to achieving set goals. These functions assist the manager in assessing progress regarding the performance of functions in the organisation and those functions are applied across the organisation using

human, financial, physical and information resources for the attainment of organisational goals (Griffin & Moorhead, 2014: 8). This indicates to the managers whether the organisation is on track or whether measures should be taken to put the organisation back on track. Figure 3.8 below illustrates the fact that when managerial functions such as planning, organising, leading and controlling are effectively managed, then there will be effective attainment of organisational goals.

**Figure 3.8: Managerial functions**



**Source:** Griffin and Moorhead (2014: 8)

### 3.4.2.1. Planning

Planning entails the role of management defining organisational goals and then indicating the necessary strategy required to achieve them. Planning can be defined as a process that entails the definition of organisational goals, establishing strategies and developing a plan to coordinate activities (Robbins & Judge, 2017). Management determines the types of goals that an organisation needs to focus on. Management is responsible for the allocation

of organisational resources and tasks that are important for meeting set organisational goals. The planning and the decision-making process involves the organisation charting a path for action that the organisation needs to follow, in order to achieve the organisational goals, considering the available organisational resources. This begins with the organisation assessing its current state and then charting the way going forward, after determining the goals that they would like to achieve. That is the first step in the process which is cyclical in nature. This is where management determines the course of action that will be used for the organisation on its course to achieve the desired goals.

There is a planning process that allows management and the members of the organisation to assess the current prevailing market and the organisational conditions that will allow the organisation to understand the current conditions. This allows the organisation to be able to address the challenges that the organisation might be faced in its current state, before moving forward. It is important, because without understanding the current conditions, the organisation might be at risk of losing its competitive advantage. Planning is important because when the organisation understands its current state, it is easy to see how they can plan to achieve a competitive advantage.

#### **3.4.2.2. Organising**

Organising entails management creating a system where they create working relationships within which there is interaction and cooperation among members of the organisation; so as to reach predetermined organisational goals (Jones & Judge, 2017). Organisations are made up of members who are distributed in different departments and at different levels, depending on the chosen organisational structure. To be able to reach organisational goals, managers need to be able to coordinate different departments and members so that they can work towards a common goal. That means that managers need to be able to organise their available resources (human, capital, knowledge and other resources) for the task they would like to accomplish.

Jones and George (2017) defined organising to be a way towards structured working relationships that allow members of an organisation to work together (interact and cooperate), to achieve organisational goals. This also means creating structures within the organisation and indicating the reporting structures that show the preferred working relationships. This will then determine who the employees will report to within those working relationships, so that they may work together for the accomplishment of the organisation's goals.

Resources and activities are coordinated to achieve a common goal that is being pursued in the organisation. Organising has been described as a managerial process that solves the problem of organisational structure, division of management authority and responsibility, selection of team members and ways of performing business activities (Antic & Sekulic, 2005). This means that it is important for organisations to organise their resources for the achievement of organisational goals; so that they are able to allocate various resources and ensure that those resources are used optimally, to achieve the desired result. This also allows the organisation to determine the people that will perform certain tasks in the organisation.

#### **3.4.2.3. Leading**

Leading is a function where managers in an organisation define the vision for the organisation and communicate it clearly to the other members of the organisation, so that they understand what needs to be done to meet the objectives of the organisation. Leading can be defined as a managerial function that involves managers motivating, directing, selecting the most effective communication channels, and resolving conflicts amongst members (Robbins & Judge, 2017). This is where managers perform the task of motivating the employees so that they can carry the vision of the organisation and be able to execute organisational goals. This task requires managers to be able to motivate their employees that work individually or as part of work teams, so they can perform efficiently, to achieve organisational goals. This

requires managers to understand their teams with respect to their skills, experience and understanding of organisational goals, so they can motivate and energise them. Managers need to understand the needs and requirements of their teams so that they can motivate their employees to perform better and achieve organisational goals. Kljajic-Dervic and Dervic, (2017) reported that managers need to pay attention to the motivating factor that their teams have since employees at different levels and who perform different tasks respond differently to different motivation stimuli.

#### **3.4.2.4. Controlling**

This is where managers in a firm are tasked with the authority of evaluating the performance of the organisation in the process of meeting its objectives. After evaluation, there are decisions that needs to be made, depending on whether the organisation is going in the right direction to meet its objectives. Controlling is known as the monitoring of organisation's activities to ascertain whether the organisation is on track to accomplishing them as planned; and putting in corrective measures, should there be any deviations from the original plan (Robbins & Judge, 2017). During this process management should ensure that that there are proper procedures and guidelines for employees to use in order to perform their jobs in a way that leads to the organisation achieving the required goals.

Organisations operate in extremely competitive markets where there is rapid change and there are currently less barriers to change in most industries, due to changes in technology. Thus, there is a need for management to stay abreast of competition and market changes; because with so much change happening so quickly, an organisation can lose competitive advantage and market share without noticing it. Cambalikova and Misun (2017) acknowledged that the control function has a positive influence on the attitude of employees in some organisations and mostly, those organisations are profitable. Controlling, although they company may be using management control systems, is important for increasing performance and service quality in an

organisation (Ilias, Abdulatiff, Zakaria & Wahab, 2016). Muraleetharan (2013) also agreed that control has a significant impact on performance. If an organisation is going in the wrong direction that is where its managers can take remedial action so that the organisation can be redirected into the right direction. Using the control function, the organisation can correct, and redirect should there be anything that is not going according to predetermined plans. This is the final step in the management functions cycle and it also involves manager monitoring and evaluating the process, which then leads to decisions such as restarting the process of taking corrective measures, should there be any gaps in the process.

### **3.4.3. Determinants of managerial effectiveness**

#### **3.4.3.1. Personal attributes of a manager**

Each manager has different personal attributes that emanate from social orientation and personal circumstances. Managers tend to acquire their managerial styles from their business environment and their education. That shapes their managerial acumen in a certain way, which in turn, determines their managerial effectiveness. Managers then manage their teams in specific ways that determine whether they achieve managerial effectiveness. The personal attributes of the manager then determine whether the team is motivated and pushing towards the achievement of organisational goals or if the members are going in the opposite direction (Robbins & Judge 2017).

The importance of the personal attributes of the manager cannot be overemphasised since the personal attributes of the manager determine the attainment of organisational objectives through other people in the organisation (Abedi, Molazadeh-Mahali, Mirzaian, Nadi-Ghara & Haidari-Gorji, 2016). Managers are hired for the sole purpose of assisting the organisation to meet set objectives through directing subordinates gathering resources and thus, it is imperative for the organisations to attain organisational effectiveness

(Chron, 2020). That requires managers to set goals and to be able to motivate employees, so they can work towards the attainment of those set objectives.

#### **3.4.3.2. The managerial process**

One of the determinants of managerial effectiveness is the managerial process which entails the process of planning, organising, leading and controlling in the organisation. Organisations tend to have managerial process that managers use, in order to perform their managerial duties. Those processes can strengthen the way the manager performs his tasks or weakens them. Processes can be defined as the actions used by individuals, managers, teams and organisations, to produce certain outcomes, using certain inputs (Robbins & Judge 2017).

Managerial processes can be determined at different levels of the organisation, depending on the outcome that the manager wants to produce. The managers have the authority to design processes that will yield the desired results, because different processes tend to bring about certain results. Ostroff and Schmitt (1993) suggested that human resources and employee-oriented processes are important for explaining and promoting effectiveness.

#### **3.4.3.3. Creativity**

Managerial effectiveness can also be driven by the creativity of the manager. Managers who are creative tend to find new ways of solving challenges that might be faced by the organisation, both internally and externally. The managers can then be seen as increasing productivity in the organisation since less time is lost focusing on problems. Creativity can be defined as the skill or the ability of an individual to produce fresh, novel, innovative and useful ideas (Robbins & Judge, 2017). Jones and George (2017: 177) also concurred that creativity is the power that the decision maker has that enables him or her to come up with novel or original ideas, that lead to unorthodox ways of operating. Creative people are able to come up with new ways and processes that speed

up the way things are done in an organisation. Creative managers inspire their subordinates to be creative and innovative in their thinking.

#### **3.4.3.4. Managing change**

Organisations constantly operate in business and market environments that are always changing and thus, managers who achieve managerial effectiveness need to be able to navigate and thrive through utilising change. Such changes can be diverse in relation to ever-changing markets, diverse consumers, diverse employee bases, diverse technological changes and the like. Change can be internal and external to the organisation (Robbins & Judge, 2017). Managing an organisation and navigating it through a changing environment may not be easy but it is a sign that a manager can operate in turbulent times, which consequently assists in improving managerial effectiveness.

Managers are now required to be able to manage their organisations through different kinds of change, where the organisations plan to introduce or go through changes occurring in their environment, spontaneously (Cameron & Green, 2015). They need to be able to involve their subordinates as they are the ones who implement the changes. Since employees accept and adopt change, managers need to carry out change, implement effective communication and a harmonious working environment, as these issues play a very significant role in achieving better organisational performance (Chew, Cheng & Petrovic-Lazarevic, 2002).

Managers also need to know and understand their strengths and those of their employees. That is important because that then assists them when a company is going through a change process. They then need to assess and appreciate those who can be deployed as change agents and can assist in moving the organisation towards its desired position in the prevailing market (Cameron & Green, 2015).

During each organisational change, regardless of its size, an organisation needs to have organisational change agents who will guide an organisation with navigating through change processes (Lunenburg, 2010). Change is not always pleasant; and there may be instances where there is resistance from some employees to change, since it may create uncomfortable conditions for employees.

Change agents can assist the manager with integrating organisations and creating an even transition. Managers need to also note that they may need to utilise the support of the longest serving employees in organisations since these can be used as change agents as that would increase job satisfaction (Nielsen, Dawson, Hasson & Schwarz, 2020).

Longest serving employees understand the organisation and have been through various similar situations that have previously occurred in the organisation. It was reported that age and length of work have a positive and significant correlation with the employee commitment and thus, employees who have worked in organisations the longest have a greater commitment to change and organisational trust (Wustari & Budi, 2014).

Change is not all negative and is not all positive, with regard to an organisation. Change can also bring benefits that might assist the organisation to gain a competitive advantage. Managers need to be able to appreciate the benefits that might be brought about by successful change initiatives in an organisation since change is inevitable. A case study acknowledged that after a company has through change, there is usually an improvement in the working conditions in that company (Khan & Hashim, 2014).

Jalagat (2016) also reported that the ability to manage change effectively assists an organisation to gain and sustain a competitive advantage because being able to manage change assists the organisation in responding quickly to a changing environment. managers need to embrace change and find a way to manage it for the benefit of the organisation.

### **3.4.3.5. Motivation**

Motivation is one of the factors that affect or influence managerial effectiveness. Motivation is not an automatic occurrence in an organisation. It is an environment that managers need to work towards, and it creates an environment wherein employees feel motivated.

Motivation can be defined as the process that is responsible for a person's direction, intensity and persistent determination to achieve a predetermined goal or objective (Robbins & Judge 2017).

Jones and George (2009) defined motivation as a psychological force that has the capacity to determine an individual's behavioural direction in a company or organisation, his or her level of effort and his or her level of persistence when they are faced with impending problems.

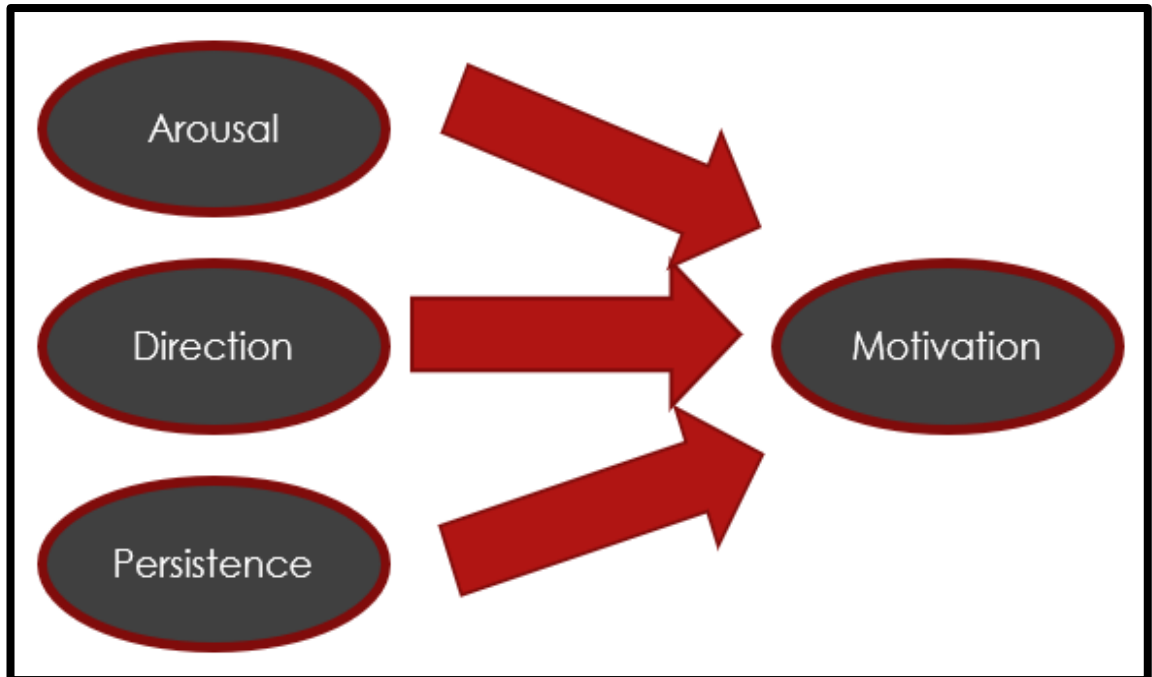
Since motivation is a psychological force, it directs the actions of an organisation's members, which then ensures that they either reach or fail to reach the organisation's objectives (Kinicki & Fugate, 2018).

Motivation can be directed intrinsically from within an individual or motivational behaviour can depend on the perceived consequences of the behaviour (Mullins & Christy, 2016). Motivation thus, is a concept that assumes that an employee possesses the required skills and abilities that enable that employee to perform a particular task successfully, but employees also require arousal, direction and persistence.

As indicated in Figure 3.9 below, the first step is arousal (this step determines the excitement that drives employee's behaviour and then comes direction (these are the choices that an employee makes, which, in turn, determine the behaviour that will drive him or her towards a desired goal) and finally, persistence (this step determines the lengths that the employee is willing to go to ensure success).

All of these combined define motivation. Motivation determines how employees perform their tasks in organisations and drives the intensity with which those tasks are performed.

**Figure 3.9: Defining Motivation**



**Source:** Schultz (2005)

Motivations can be intrinsic or extrinsic or both; and both influence a person to acquire managerial effectiveness. The intrinsic form of motivation relates to a person being motivated internally due to internal motivators and finding satisfaction from performing a certain task, whereas extrinsic motivation is influenced by either reward or punishment or both (external motivators).

The motivation of a company's employees plays one of the most pivotal roles in organisational effectiveness and contributes to the growth and prosperity of an organisation (Nguyen, 2017). It was also substantiated that employee motivation has a significant effect on organisational performance (Abioro, 2013). That means that organisations that have highly motivated employees perform better and thus gain a competitive advantage over their rivals.

Motivation is a process that is cultivated and developed in an organisation. Organisations that have motivated employees create an environment that is conducive for success to happen. Work environment and facilitation have a positive influence on organisational performance and this implies that employees like managers who motivate them (Dahie and Jim'ale, 2015). Employees tend to perform well when their efforts are recognised by their superiors in organisations, and this leads to organisations meeting their objectives. Empowerment and recognition in the workplace play an important part in the enhancement of employee motivation towards organisational tasks (Manzoor, 2019). Managers that who able to reward good efforts in an organisation will reinforce good performance which assists managerial effectiveness.

#### **3.4.3.6. Employee Engagement**

Managers have the task of ensuring employee engagement in an organisation to realise managerial effectiveness. This is the case because employee engagement involves employees being satisfied and having the enthusiasm to perform their organisational tasks which then assists the organisation with meeting its objectives. Employee engagement can be defined as an individual employee's involvement, satisfaction, and enthusiasm with the work that, that person performs (Robbins & Judge, 2017). Kruse (2012) defined employee engagement as the emotional commitment of the employee to the organisation. From the above definitions it can be deduced that employee engagement is concerned with employees being concerned and considerate about what they do in their work and the organisation they work for. Engaged employees are more willing to produce high quality work and are able to put in the time required, since they care about their work and organisation (Kanick & Fugate, 2018). It is especially important to produce managerial effectiveness. Managers should also ensure that the employees are engaged, since engaged employees will ensure productivity which, in turn will increase financial benefits for an organisation. Companies with higher levels of employee engagement also show a higher level of profits and companies that improved their employee

engagement also showed an increase in earnings per share (Kumar & Pansari, 2015). Organisations need to attract employees who are willing to be engaged since the resulting employee engagement promotes high profitability (Osborne & Hammoud, 2017). The study goes on to indicate that the implementation of successful employee engagement strategies is crucial for the success of any organisation and leaders who embark on employee engagement strategies need to develop good communication and understand employees' concerns. Baron and Agustina (2017) claimed that the practice of caring leadership by managers creates a strong culture of engagement and hence, managers need to understand that developing a culture of engagement fosters harmony, teamwork, and loyalty. Although employee engagement is important in organisations, that does not mean that organisations are always able to acquire it. An organisation needs to ensure managerial effectiveness in order to reach a higher level of engagement. It was indicated that only 35 percent of the workforce is highly engaged in organisations globally, and only 9 percent of the population of employees is engaged in South Africa (Martins & Nienaber, 2014).

Managers need to create environments that allow employees to perform at their peak. Such environments should be cultivated to ensure that employees are engaged and that then increases productivity. A research report on a study conducted among organisations showed that engaged employees are important to assist the organisation to achieve its mission, execute its strategy and produce required important results (Vance, 2006). That is important, because employees are employed for the sole purpose of assisting the organisations reach set goals. Managers need to sure that the environment of their business is conducive to motivation and that the employees are engaged, so they are then able to reach the required objectives. A satisfactory work environment, job enrichment and opportunities to grow appeared to be key factors that lead to employee engagement in organisations (Pandey & David, 2013). It was acknowledged that there is a positive and significant relationship between employee engagement and organisational effectiveness, where it

was argued that engaged employees are more enthusiastic about their jobs and put in energy and effort towards attaining organisational goals (Kataria, Garg & Rastogi, 2013).

### **3.4.4. How to improve managerial effectiveness**

#### **3.4.4.1. Training**

Managerial effectiveness can be enhanced through the training of employees since training can enhance the performance of employees in an organisation (Burns, 2017). It is not guaranteed that training will bring the required results, but if the right training that is aligned to the company's requirements is offered then the organisation should be able to reap the required results (Kinicki & Fugate, 2018). Training can be categorised in different ways, such as academic training and on the job training (Coppin, 2017). Although training is vital for managerial effectiveness, organisations need to be aware that they need to impart training into their employees that is relevant to their industry. That can be attributed to the fact that, some training may be irrelevant to the industry's market needs and thus, training might not yield the required managerial effectiveness. Elnaga and Imran (2013) reported that training is important in organisations for the building of competencies of new and current employees which then assists them with performing their tasks effectively. This also assists the organisation in accomplishing its predetermined goals, because the employees are then able to perform the required tasks to meet the set objectives (Burns, 2017). This also assists when there is a turnover of employees; either through moving out of the company or through growth within the company.

When organisations have fully trained employees, it is easier to replace employees that leave the organisation without disrupting important operations (Kumar & Siddika, 2017). It is difficult for managers and their subordinates to perform at their peak without them having the requisite skills required for them to perform their tasks. Organisations need to invest in employee development programmes that aim to develop employees' skills so they can perform

optimally and make organisations competitive, which then leads to an increase in managerial effectiveness.

Jehanzeb and Bashir (2013) also argued that developing employee development programs is beneficial for an organisation. Organisations use training to impart skills from one individual to another, which then protects the organisation from losing its institutional memory. Uma (2013) reported that every organisation needs to have well-trained employees and experienced people, in order to foster effective performance of tasks because jobs are becoming more complex, due to our rapidly changing society. He went on to report that organisations need to commit resources to training; because there are benefits that are brought about by trained employees, such as increases in productivity and organisations gaining a competitive advantage. This also leads to employees being more motivated in their organisation. Foncena, Raj and Anandan (2017), also acknowledged that managerial effectiveness in organisations improves fairness among managers which is reflected in their dealings and well-trained employees lead to better production and effectiveness.

The importance of training as a managerial effectiveness improvement tool cannot be overemphasised. Training not only assists the employees to perform better at their jobs in the organisation. It can also be used as a morale boosting tool and to increase satisfaction of the employees in the organisation. Nischithaa and Rao (2014), claimed that training improves the morale and satisfaction of employees, the productivity in the organisation and service quality. That means for organisations to achieve managerial effectiveness, they need to introduce targeted training programmes.

#### **3.4.4.2. Communication**

Organisations require managers who can communicate effectively since this skill assists in enhancing managerial effectiveness. Communication is an activity that occurs throughout the organisation and might be the difference between attainment of effectiveness and the company merely existing (Hargie,

2016). Communication is not only the flow of information from the sender to the receiver, but also the flow of correct information to the correct receiver. There have been several studies that have shown the importance of communication in an organisation. It was indicated that communication is important for organisational effectiveness and that successful organisations have capable managers that can communicate effectively at all levels (Hargie, 2016). Managers need to be able to communicate effectively, to be able to articulate clearly the objectives that need to be met by an organisation. Communication allows managers to articulate the direction that the organization is taking in a manner that stakeholders of the organization can understand. In order to improve managerial effectiveness, managers need to ensure that they remove impending barriers to effective communication or reduce such barriers to a bare minimum, so communication can flow without restrictions; to ensure that the correct message reaches the intended recipient, without any distortion or filtering of that message. It was indicated that effective leadership communication is brought about in an organisation by its leaders who introduce effective communication (Luthra & Dahiya, 2015). Managers that are managerial effectiveness oriented need to understand the importance of communication in their organisations and work towards ensuring effective communication among all the employees because communication is important and thus, employees at all levels should communicate properly, so that all functions go smoothly (Luthra & Singh, 2015). Communicating effectively will then ensure that employees perform their tasks using correct information.

Communication is important in organisation since it is used by employees in work teams (Coppin, 2017). Relationships between employees are created with the use of communication. Communication is critical in the establishment and maintaining of quality working relationships in organisations and administrators need to develop the awareness of senders' and receivers' responsibilities, as well as adhering to effective listening skills, to improve the effectiveness of communication (Adu-Oppong & Agyin-Birikorang, 2014). It was also discovered that effective communication in an organisation creates

mutual understanding amongst the employees and management, which assists in bringing about a genuine relationship between the two groups (Femi, 2014). This is important in organisations, since incorrect information would lead to different results being achieved other than the required goals. Bucata and Rizescu (2017) showed that the role of communication as a management tool is beneficial to the facilitation of relationships between members in an organisation, which leads to an environment that is beneficial to organisational development.

#### **3.4.4.3. Decision-making style**

The role of a manager is characterised by daily decision making. It should also be noted that managers at all levels of an organisations have the responsibility of making decisions which range from allocation of resources to the direction of the organisation, knowing which markets to enter, and which markets to leave alone, the changes that are happening in the industry and so forth (Kinicki & Fugate, 2018). The decision-making style that a manager uses will determine his managerial effectiveness. Decision-making can be defined as the process that managers use to respond to the opportunities and threats that the organisation is faced with, through analysing available options, making determinations about specific organisational goals and courses of action (Jones & George, 2016).

Managers need to understand different decision-making styles, so that they are able to respond to an ever-changing business environment. It was indicated that it is important to understand different decision-making styles and the factors shaping those styles, because a sound decision-making style is the key to success (Abdelsalam, Dawoud & Elkadi, 2013).

Managers need to be able to understand the problems they are faced with. They need to be able to access the complexity of the prevailing problem and the availability of resources that can be used in resolving that problem. When they understand the problem and they have assessed the resources at their disposal, then they are able to devise a course of action to be taken and the

resources that will be employed to address the issue. Without understanding the course of action to take, a decision taken by a manager may prove to be counter-productive to managerial effectiveness. Thus, it is imperative for managers to understand the pros and cons of using a specific decision-making style.

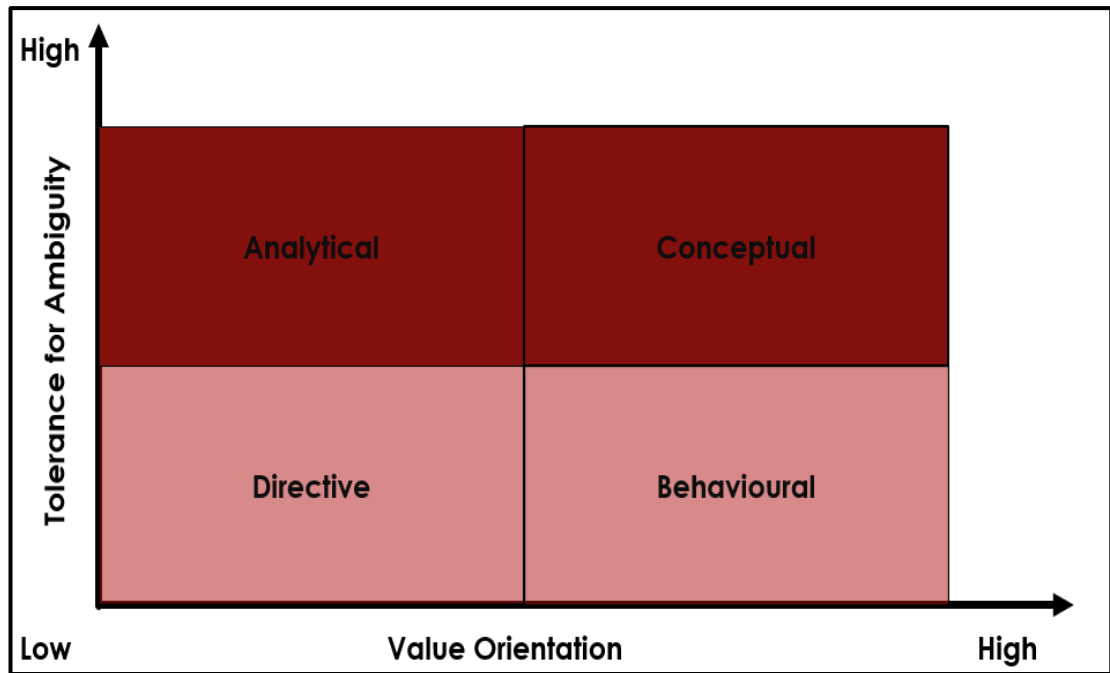
Managers need to understand that their decision-making style determines the direction the organisation takes (Kinicki & Fugate, 2018). This is because different styles yield different results for the organisation. This occurs in instances where there are options that are open for the manager to take.

Misra and Srivastava (2012) concluded that the decision-making styles of managers contribute immensely by generating solutions where there are no predetermined answers for their organisation, since they are involved in making decisions and setting targets for their subordinates.

Managers need to understand the different decision-making styles and the situations where they would work best. Ali (2014) concluded that a rational or collegial style of decision making has a positive influence on organisational effectiveness, whereas an autocratic or political style of decision making has a negative influence.

The former creates an environment where managers need to be aware which style their subordinates will respond to best to achieve the best results.

**Figure 3.10: Decision making styles**



**Source:** Schultz (2005: 166)

As indicated in Figure 3.10 above, the conceptual style of decision-making has a high tolerance for ambiguity, while it also has high value orientation. This means that this style of decision-making is mostly used by managers who can work well with others. The analytical style of decision-making has high tolerance for ambiguity while it is low on value orientation. Managers that normally use this style of decision-making can make use of more information when they are required to make decisions (Schultz, 2005). They look at the available information and then consider the available options to come to a conclusion.

The behavioural style of decision-making is high on value orientation and low on tolerance for ambiguity (Schultz, 2005). This means that managers who use that style of decision-making work well with other members of the organisation and tend to avoid conflict amongst the members.

The directive style of decision-making is a style that is low on tolerance for ambiguity and low on value orientation (Schultz, 2005). Managers who use this style of decision-making can make decisions with minimal information, although they have a low tolerance for ambiguity.

### **3.5. Organisational Culture**

#### **3.5.1. What is organisational culture**

Competition in business has become global and every business manager or leader needs to understand their organisations' culture to compete effectively, wherever it competes as every business and business environment has certain characteristics that make it different from others and which also give rise to opportunities and risks.

Every organisation is characterised by a certain way in which things are done, due to the way employees are taught and in turn, they teach new employees in the same way. Organisations adopt certain ways of conducting their businesses and interacting with their customers. This comes from their internal environment where they determine the company's organisational resources and capabilities (Schein & Schein, 2017).

The definition of culture is an elusive one and is sometimes defined by indicating culture as a way of doing things or the way in which people conduct business in their own environment; and various scholars have in the past defined it differently, although the definitions all mean the same thing. Organisational culture is about a perception of how an organisation is viewed by external stakeholders, and how it views itself. Its principles, traditions and ways of doing things influences the way organisation's members act and conduct business (Robbins & Coulter, 2012). This is further echoed by Ehlers and Lazenby (2010: 292) who say that organisational culture refers to the way the employees of a company do things, which is often the unstated assumptions, beliefs, norms and values that co-workers of an organisation share.

It is also regarded as a shared set of values, expectations, norms and beliefs that influence how members of companies relate to one another and cooperate, to achieve the goals of the company (Jones et al., 2009: 370). Schermerhorn et al., 2002) indicated the same sentiment that organisational

culture is the coordination of actions, beliefs, and values that occur within an organisation which tend to guide the behaviour of its members.

Some authors refer to it as the implicit patterns of behaviour acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment artefacts (Jain & Goel, 2004: 76).

LaGuardia (2010: 114) defines organisational culture as characteristics that define different organisations and separates them from one another; and which also influence the customers and the employees that work there. Robbins and Judge (2017) indicated that organisational culture is a system of shared denotations that are held by members of organisations that differentiates one company from another.

From the scholars indicated above, it can be deduced that organisational culture indicates the characteristics of an organisation and the way members behave or function. An organisation, over time, can sometimes consciously or unconsciously adopt certain ways of carrying out organisational tasks and that also flows into how the organisation treats its clients and thus how it will be perceived in society. Every organisation has its own culture that leads to it functioning in a certain way, and to how it is perceived by its customers and the outside world.

Organisational culture is an integral part of an organisation's operation, since it determines how employees are inducted into the organisation because the culture of an organisation is enduring and becomes a subtle way of how those employees, or the organisation operates. Employees sometimes learn and then teach each other ways to conduct business, although some of those behaviours may not have been written down, since people who associate with each other sometimes teach each other unwritten behaviours.

This then becomes the way in which an organisation is perceived in the economy it operates in because this will also permeate the way employees treat the company's customers and other stakeholders, even if it is not a written

rule. Organisational culture may also be responsible for how an organisation responds to environmental changes and how organisations respond to changes in competitiveness.

Tanase (2015: 851) indicated that organisational culture has been linked with attitudes that lead to change in organisations. This might prove supportive for organisations because being able to adapt to change can be a competitive tool for an organisation, since industries and environments are ever changing.

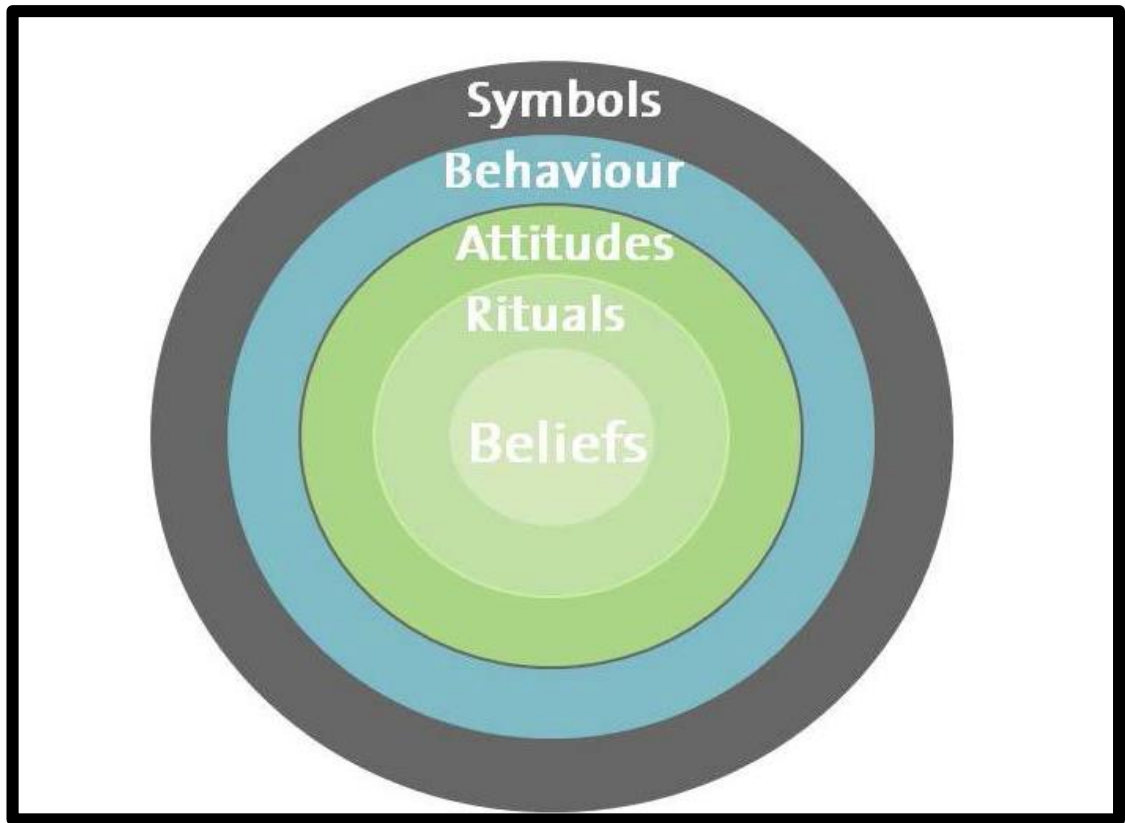
There are organisations that are “learning organisations” or organisations that have a high performing culture. Those are others that have a learning culture, and thus can adapt to the ever-changing economic environment. They can pay attention to everything that is happening in the economic environment and are able to adapt to the conditions and still emerge competitively (Mullins & Christy, 2016).

### **3.5.2. Different levels of organisational culture**

There are different levels of culture in organisations, as indicated in Figure 3.11 below. In the above diagram, it is indicated that at the deepest level, there are beliefs which are espoused by the members of some organisations. These levels are easily ignored by people since they are not easily visible to the naked eye.

Leadership is the source of beliefs and values that get an organisational or group moving in dealing with its external and internal problems. If what the leaders recommend works continuously, then what were once leaders’ assumptions increasingly become shared assumptions (Schein, 2004: 36). Beliefs are at the innermost core of corporate culture, as indicated in the diagram. That can also be attributed to the context that indicates that beliefs are internalised by people and cannot be seen, but actions that result from those beliefs are sometimes internalised and are not easily changed, since they are espoused and entrenched in the minds of the employees.

### **Figure 3.11: Different levels of organisational culture**



**Source:** Waisfisz (2016: 3)

Companies that focus on their values or beliefs consciously are said to be more resilient, more sustainable and more successful than other companies, because the leaders of these companies seem to recognise the importance of creating a continuously evolving organisational culture, that grows and serves the needs of all groups of stakeholders in those companies (Barret, 2019: 14).

It was suggested by Kondalkar (2007) that values are beliefs that are exploited to guide actions and judgements across an assortment of situations. These represent basic beliefs in the organisation, which then become the code of conduct in the organisation. Beliefs are held strongly in organisational cultures, and so these assist in bringing commitment to the organisations, led the stakeholders. Values and beliefs are important in breeding an environment that stimulates the organisation to compete successfully.

Companies that focus on their values consciously, are more resilient, more successful and are more sustainable than their competitors, according to

Barret (2019). Shared values and beliefs are important to an organisation in that it breeds cooperation and often leads to an organisation recruiting employees that share similar values and beliefs. Van den Steen (2010) stated that organisations have an intrinsic tendency to cultivate homogeneity in shared values and beliefs, which leads to cooperation amongst employees.

Figure 3.11 above illustrates that rituals and attitudes are characteristics of organisational culture that lie between the beliefs and behaviours and symbols, according to the diagram above. Attitudes and rituals are the learnt characteristics of culture that operate within certain organisations, and these may occur due to employees teaching each other and hence, if that is nurtured, it becomes the way the organisation works.

The rituals and attitudes may be due to historic events in the organisation's past that are considered important in the organisation. Rituals may be portrayed through proceedings or events that are conducted in the organisations, either by leaders or by employees, under the direction of the leadership. These rituals become entrenched in the activities of the organisations and these become the way of life of the organisation. Rituals were defined by Robbins and Judge (2013) as repetitive actions that prompt and support the key values of an organisation, indicating which goals are most important and which people are important or expendable. These rituals and attitudes may then bond the company together and may become part of the company culture.

Figure 3.11 above illustrates behaviours and symbols on the outer ring of the diagram because those behaviours and symbols can be changed more easily than the other levels. Symbols or artefacts include the visible products of the company including the architecture of its physical environment, its language, technology, style, emotional displays and stories told about the organisation and the symbols that include organisational processes for cultural analysis, whereby such behaviour is made routine (Schein, 2004: 26).

A health-conscious company may reflect health-conscious behaviour in its employees, which then may be reflected in its customers and that becomes how it is perceived in the community. These behaviours and symbols are able to convey important objectives of the organisations to the employees and to the other related stakeholders. Behaviours can be regarded as the way in which members of an organisation conduct themselves; either in the organisation or when dealing with their customers. This can also be conveyed through the way members of an organisation dress and present themselves and thus how they represent themselves and the organisation.

### **3.5.3. Types of organisational culture**

There are as many types of organisational culture as there are different national cultures, although national culture does not necessarily define organisational culture. Determinants of culture are responsible for determining the culture that characterises behaviour in the organisation. Each organisation tends to have a certain way in which members behave, act and conduct business that might be unique to that organisation; and thereafter, new employees are inducted consciously or subconsciously into that culture. The types of organisational culture are clan culture, bureaucratic culture, entrepreneurial culture, and market culture.

Although there are different cultures in different organisations, some cultures tend to overlap within organisations where there seem to be different types of culture, although there might only be one dominant culture.

#### **3.5.3.1. Clan Culture**

Clan culture is a form of culture that is characterised by a type of family atmosphere in an organisation or team and it is perceived as a friendly environment. In this type of culture, members of the organisation tend to socialise each other into the culture and they share the successes of the organisation. Gaal, Obermayer-Kovacs, Csepregi, Antonova and Jenei (2010: 10) indicated that organisations where clan culture is dominant, tend to realise

the sharing of knowledge in an effortless manner because they have a collaborative orientation and trust exists between the members. Although the clan culture creates a family style environment, that may result in either satisfaction and dissatisfaction amongst the employees, depending on the values or belief systems that have been foisted on the employees. The participants indicated the clan organisational culture leads to the organisation fostering employees' job satisfaction (Taskiran, Cetin, Ozdemirci, Aksu and Istoriti, 2017). Clan culture plays a role in ensuring that there is entrepreneurial development in organisations, which then leads to the growth of the organisations and the growth of new markets. Clan culture plays a crucial role in entrepreneurial activities when it comes to the development and assistance of the private sector (Zhang, 2017). It was claimed that another dimension that clan culture brings about in an organisation is the positive attitude of employees and the quality of products and services provided. Managers in this type of organisation need to select the right culture fit, depending on what they need to implement therein (Hartnell, Ou & Kinicki, 2011).

#### **3.5.3.2. Bureaucratic culture**

Bureaucratic type of organisational culture focuses on organisational structures where work is conducted in a formal way and things are done systematically and hierarchically. There are some types of organisations and sometimes industries whereby everything that happens is done strictly according to set rules and procedures which members need to adhere to. It was described as a setting characterised by tasks involving routine activities that are accomplished through specialisation with formal rules and regulations and centralised authority and decision making that tends to follow chains of command (Robbins et al., 2004). Mullins and Christy (2016: 617) described a bureaucratic organisation as an organisation where authority is based on insistence on the acceptance of formal rules and impersonal principles and procedures.

### **3.5.3.3. Entrepreneurial (Adhocracy) culture**

Entrepreneurial organisational culture is a form of culture where the employees or members are encouraged to take risks within the organisation and employees tend to be creative and entrepreneurial. These organisations tend to be innovative and to look for new markets or create new markets. Entrepreneurial culture is a form of culture that is not governed by structures and formalised rules and is flexible enough to allow employees to be innovative (Kinicki & Fugate, 2018). An entrepreneurial culture is a culture that encourages the employees of an organisation to practise the art of innovation, creativity and risk taking, while aggressively seeking new opportunities in the markets (Gibson et al., 2012: 38). Entrepreneurial culture allows the members of these organisations to be creative and to create new opportunities, which leads to the growth of the organisation. It was also attested that entrepreneurial characteristics and organisational culture have the ability to stimulate creativity, which in turn, affects the ability of the organisation to innovate (Omerzel, 2016: 106). It was also revealed that entrepreneurial culture plays an important role in sustaining quality and is a sustainable driver of regional economic growth (Prasetyo, 2019: 242).

### **3.5.3.4. Market culture**

There are organisations that have a market culture, meaning that the members or employees focus on the organisations' strategy to increase their market share and improve the results of the organisation. The employees in these organisations are inducted into the system and then it forms part of their personal belief system to always work towards the organisation acquiring a share of the market that buys the goods and services they sell. A study by Gallagher, Brown and Brown (2008) indicated that instilling a strong market culture makes sense because it is a driver of superior performance in the organisation. This indicates that this type of culture leads the organisation to become competitive and thus it drives productivity in the organisation. This

type of organisational culture focuses on increasing the organisation's market share over that of its competitors.

A strong market culture makes intuitive sense in an organisation because it is a driver of superior performance (Gallagher et al., 2008). Market culture often leads to the growth of the organisation, since the members of the organisation focus on increasing the performance of the organisation in the market or industry, they trade in. Hartnell et al., (2011), claimed that market cultures are strongly related with innovation in an organisation leading to financial effectiveness.

#### **3.5.4. Factors influencing organisational culture**

For organisations to exhibit certain organisational cultures, there must be a point from where that culture originates. There is a myriad of factors that determine and shape organisational culture. Organisational culture is not homogeneous in all organisations, and below a few that were found are shown. Organisations have unique features that distinguish them from their competitors and perform their tasks differently, which emanates from the organisational culture.

##### **3.5.4.1. Leadership**

The leadership of a team or an organisation and the way they run that organisation affects the way members relate to each other and how they relate to the company's clients (Jones & George, 2019). The leadership of an organisation has the responsibility of carrying out its vision Kinicki & Fugate. In the process of carrying out the organisation's vision they can create values and beliefs that form the foundation of the organisation's culture (Kinicki & Fugate, 2018). The way things are done in an organisation usually falls under the directives of the management team. There is usually a relationship between the leaders in the organisations and the cultural values that it holds. Thus, the actions of its leaders affect the culture of an organisation (Giberson, Resick, Dickson, Michelson, Randall and Clarke, 2009).

The way the leadership conducts a business affects the way policies and procedures are drafted within the organisation, which in turn, influences the culture that has been established. The leadership of organisations has the responsibility for creating or instilling a certain culture in those organisations, and for recruiting employees who will fit and thrive in that culture.

#### **3.5.4.2. Diversity**

Organisations are continually employing people from varying demographics, such as age, race, religion, and sexual orientation (Jones & George, 2016). With organisations operating in different countries, people are able to work in different parts of the world where they work as expatriates. This affects the organisational culture because different countries regard issues that affect diversity differently. Diversity is an ethical issue which also affects the way an organisation conducts its business because the experience of the diverse workforce may vary vastly (Mullins & Christy, 2016). This also determines the nature of the organisational culture and the way employees treat each other and their customers.

Diversity presents organisations with various challenges that impact its organisational culture. These challenges might be positive or negative, depending on how they are observed by the employees.

#### **3.5.4.3. Globalisation**

Occurrences concerned with the globalisation of the world economy are leading organisations to change their cultures to adapt to the changes that occur. Globalisation is a process whereby there is movement towards a more cohesive and interdependent world economy, which encompasses the globalisation of markets and production (Hill, 2011). Globalisation has led to organisations going around the world to source raw materials and, in some instances, erecting production facilities in foreign countries. This means that the organisational culture that the organisation is accustomed to from its home country is influenced by the culture of the new territory. Since organisations

operate globally, they can move manufacturing plants or other facilities to different markets. This involves working with people from different countries who have different orientation and value systems that then impact the organisational culture in the home country. Globalisation also enables people from multinational companies to be able to work for one company that has bases in different locations around the world that are able to report to managers in different parts of the world and thus there is a varying national and business culture (Robbins et al., 2018).

#### **3.5.4.4. Government regulations**

Every country is governed by regulations that determine what is allowed and not allowed in that economy. Government regulations can be defined as the laws that are put in place to control the way businesses operate (Cambridge Dictionary, 2019). These governments can have an influence on the organisational culture of organisations' operation in an economy, via the regulations that are instituted in those governments. There are also regulations that manage trade amongst groups of countries that operate as blocks and trade among nations worldwide. Ethical Organisations would have an ethically driven culture that is guided by specific regulations that govern the organisation.

#### **3.5.4.5. Market or industry**

With industries evolving and moving away from how they were, there is a need for organisations to evolve with their processes and thus change their cultures to adapt to prevailing changes in the industry (Buchanan & Huczynski, 2017). Different markets are governed by different regulations in different countries, due to conditions being different in those industries. The regulations that govern those industries lead to organisations developing organisational cultures that relate to those industries.

### **3.5.5. Characteristics of organisational culture**

#### **3.5.5.1. People orientation**

There are organisations that have a people-oriented culture where people are the most important building blocks or resources in that organisation. This is where the company puts the needs and wellbeing of the employees or members first and creates a space where employees do not have to choose between work and other important issues that affect their lives (Sheppard, 2019).

#### **3.5.5.2. Aggressiveness oriented**

Some organisations are characterised by an organisational culture that dictates whether employees are assertive towards other companies or competitors. Those organisations have tendencies towards teaching employees that the ability to be competitive and outperform the competition is something of great value (Sheppard, 2019). Those organisations reward and value competitiveness and it becomes the way the organisation functions and thrives in competing and outperforming their competitors.

#### **3.5.5.3. Innovation oriented**

There are organisations that have an innovation culture whereby innovation is highly encouraged amongst the members of the organisation. Those organisations allow employees to come up with new ideas and new ways of doing things, that improve the performance of the organisation (Sheppard, 2019). Innovative culture is characterised by members that are allowed to experiment in the organisations so that the organisation can bring out new initiatives.

#### **3.5.5.4. Communication orientation**

Organisations that are communication-oriented foster and encourage communication within the organisation, be it downward, upward or in another direction, as directed by the culture that the organisation ascribes to. These

types of organisations allow a free flow of information to occur throughout the organisation.

#### **3.5.5.5. Team orientation**

Organisations that are team oriented tend to focus on organising their work around teams rather than individuals. This culture is characterised by members who have a positive relationship among each other and tend to elaborate and share information around the organisation (Sheppard, 2019). This culture is characterised by members of the organisation working closely with each other.

#### **3.5.5.6. Diversity oriented**

Some organisations have corporate cultures that focus on embracing diversity. It has been a trend in the twenty first century for companies to have diverse workforces. Diversity can be in terms of age, race, gender, religion, sexual orientation, ethnicity, experience, education, or disability. A company that supports a culture of diversity is a company that focuses on the acceptance and tolerance of others, which nurtures teamwork and a general sense of cooperation amongst the members (Rozen, 2017: 1). Amaram (2007) also suggested that organisations need to create a climate that accepts and values the challenges and opportunities that are brought forth by a diverse workforce.

#### **3.5.5.7. Results oriented**

Results oriented cultures occur in organisations where the importance of members achieving the required results is stressed. Those are organisations that focus on meeting their goals or objectives through high performance. In a results oriented culture there is high recognition of performance and members that perform well are normally well compensated for their efforts and are also responsible for the progress that occurs within their organisations.

#### **3.5.5.8. Ethics oriented**

There are organisations that pride themselves on conducting their business ethically. In those organisations, there is a greater emphasis on employees in

acting and behaving ethically, when conducting business. Ethics are referred to and defined as the inner guiding moral principles and beliefs that members of a group use to evaluate a condition and then decide whether the decision is the appropriate way to behave (Jones & George, 2016). It was revealed that ethical culture in a company is a significant component, that assists in creating public value among employees (Sami, Jusoh, Mahfar, Qureshi & Khan, 2016: 259).

### **3.5.6. Strong and weak cultures**

It was acknowledged in the preceding sections that organisations have different cultures. Those cultures could be either strong or weak and could have a tendency to influence employees' behaviour in those organisations differently, depending on how deeply entrenched they are. It should also be noted that a strong organisational culture does not necessarily mean a good culture and a weak culture does not necessarily mean a bad culture. A strong culture is not necessarily a detriment to the organisation in chaotic environments (Chatman, Caldwell, O'Reilly, and Doerr, 2019). Thus, both cultures can be advantageous or disadvantageous in an organisation, depending on how they are used.

A strong culture refers to the way the culture is entrenched in an organisation such that members of the organisation are embedded into that culture and share its values and beliefs (Buchanana & Huczynski, 2017: 124). Organisations that have strong cultures are characterised by employees agreeing when it concerns the values that are predominant in the organisation. A strong company culture indirectly predicts organisational effectiveness brought about by organisational communication (Gochhayat, Giri & Suar, 2017:700), because a strong organisational culture tends to influence the way employees or members of an organisation's think and how they behave and perform tasks in the organisation. Halmaghi, et al., (2017) acknowledged that for companies to operate and achieve high performance for extended periods of time, they need to have a strong, adaptable and appropriate culture. Warrick

(2017: 403) also revealed that building strong company cultures can perform an important task in the progress of the company and conversely, a company that disregards culture may incur vast costs to the detriment of the company its employees, customers and other stakeholders. It is not necessarily a good or a bad thing because if the strong culture is positive then the organisation will reap the desired rewards but if the strong culture is negative then the organisation will suffer. Odor (2018) argued that organisations need strong and positive cultures which should be encouraged in organisations as that will bring about high productivity and increased organisational performance. Thus, although a strong organisational culture can bring desirable results, it can also bring undesirable results to the organisation if it is not positive (Robbins et al, 2018). It was reported that a strong culture can become an organisation's liability, especially when it comes to a merger because when joining two different organisations unlearning cultures may lead to a culture clash and a structural clash if both organisations have strong and unique cultures (University of Minnesota, 2018).

Although there are many good things that are brought about in organisations by organisational culture, there are also negative effects caused by the introduction of the wrong culture. An organisational culture can sometimes act against inclusion or diversity in the organisation, where people of a certain race, language, gender, age or with disabilities tend to preserve the status quo in the organisation and keep other people out, thus creating unwanted divisions within the organisation (Buchanana & Huczynski, 2017). A strong organisational culture can also act as a hindrance to change.

Since the organisational business environment is characterised by rapid changes that occur spontaneously, organisations that have strong cultures are resistant to change and might encounter challenges posed by advancements such as innovation or technological change. If an organisation has a strong culture that resists change then that organisation might be left behind and may lose market share or go out of business altogether, because the employees or the leaders in the organisation resist change. On the contrary, an organisation

with a strong corporate culture may perform very well, which is encouraged by an influential leader who establishes desirable values, a sincere and dedicated commitment and genuine concern for the company's stakeholders (Ng'ang'a & Nyongesa, 2012).

Organisations with weak cultures are characterised by employees who may not fully understand the organisational values or may not believe in the organisations' values fully (Buchanana & Huczynski, 2017: 124). Weak cultures are characterised by having core values that are not widely shared throughout the organisation. Weak cultures tend to be more flexible, and employees may not buy in completely or some organisations have employees who do not fully share the company's values.

Maseko (2017) indicated that weak organisational cultures tend to be less successful in achieving organisational goals than stronger cultures because organisations with strong cultures have more unity and hold common beliefs, unlike companies with weak cultures.

### **3.5.7. Functions of organisational culture**

Organisational culture has a role to play in the shaping of the behaviour within an organisation. It guides the behaviours of members within the organisation and allows it to be perceived in a certain manner by other stakeholders such as customers, government and other regulatory bodies. Culture in an organisation tends to influence the members of the organisation to work ethically, or to collaborate; to communicate effectively and to represent the organisation effectively. Organisational culture gives organisations their identity and influences how those organisations will be known in the industry. It affects how people within the organisation become part of the company culture, and how the organisation treats its customers which over time, distinguishes the organisation from other organisations.

Organisational culture can be used to change management processes in organisations. It is especially relevant since organisations are operating in

ever-changing business environments that are influenced by globalisation. Martin (2013) showed that organisational culture is important when a change needs to be implemented in an organisation; because although change brings uncertainty, resistance can be overcome using organisational culture if the change strengthens the underlying values of that culture (Martin, 2013).

Organisational culture can assist in shaping the way employees behave and interact in the organisation. That relates to how employees perform their tasks and how employees relate to each other in the organisation. Organisational culture creates a connection between the organisation and its employees. Habib, Aslam, Hussain, Yasmeen and Ibrahim (2014) also acknowledged that organisational culture has an extreme influence on commitment, job satisfaction and retention of employees in organisations.

Organisational culture can be used to distinguish one organisation from another. This relates to the point that organisational culture creates an environment where members of an organisation have shared values. Those values distinguish one organisation from another.

### **3.5.8. The importance of organisational culture**

The culture that occurs in organisations and is nurtured is especially important for several reasons. Every organisation has an organisational culture that is vital for the organisation, as indicated in the studies listed below. Organisational culture is a vital intervention ingredient for initiating and sustaining a new way of undertaking business (Divan, 2012: 62). O'Donnell and Boyle (2008) found that culture affects the performance of organisations and thus a change in culture was linked to performance in companies. This indicates that a culture that has been harnessed and nurtured in an organisation becomes the lifeblood of that organisation and something that determines how well it will perform. This may also be attributed to the way employees are trained to perform certain tasks within the organisation, leading to its differentiation from its competitors. A study that found that organisational culture has a positive impact on the employees' job performance and the

adaptation of organisational culture is helpful for employees to perform their work effectively and efficiently (Shahzad, Luqman, Khan and Shabbir, 2012: 982). Organisational culture impacts an organisation and the employees. Irrespective of how strong or weak the culture can lead to an organisation being able to keep employees engaged in the organisation. Organisational culture affects an organisation and employees directly and is helpful in determining employee turnover and job satisfaction (Kumar, 2016).

Some organisations cultivate a strong organisational culture for its positive results, because a strong culture can influence employees' commitment, increase the consistency of their behaviour and make them feel good about what they do, which leads to better performance and greater efficiency (Kafashpoor et al., 2013: 168). A strong organisational culture should be encouraged and embraced in organisations because a positive culture will give rise to positive results, which will be of benefit to the organisation. A strong culture should be encouraged in an organisation, as an asset that leads to productivity and increases in performance; otherwise there would only be dissatisfaction, low productivity and labour turnover (Owoyemi & Ekwoaba, 2014: 175). Culture in organisations has long been found to play a very important role in the achievement of organisational goals and in how employees strive for success. Organisational culture plays an especially important role in the achievement of organisational objectives and also improves to the overall competitiveness of the organisation (Ahmed & Shafiq, 2014: 28). Culture is important in organisations because each organisation has objectives and needs to set up those objectives in order to meet them. Culture then becomes a mechanism that assists an organisation to achieve set objectives. It is thus worth emphasising that the purpose of organisational culture is to ensure that there is an agreed similar way of performing tasks which minimises all possible conflicts, due to cultural differences, and therefore, planned interventions must also be in place to ensure there's is no deviation from agreed norms (Dartey-Baah, 2013: 43). Organisational innovation is especially important in organisations for them to be able to

reinvent themselves so they can then thrive in changing environments. An organisation that fosters a culture of innovation can be rendered advantageous because then innovation becomes ingrained in the company's DNA. Szczepanska-Woszczyzna (2014: 37) indicated that organisational culture may be an element that is favourable for the development of innovative activity in an organisation.

Leaders in organisations are the custodians of everything that occurs in the organisation and the direction in which it is going, so they need to be able to understand their organisation's culture, so they can mould it to the desired culture; according to the organisation's direction so culture is important for the success of an organisation (Schein & Schein, 2017). To achieve a successful culture, leaders need to take note of the organisational culture and its themes, because culture can be used to acquire a competitive advantage during the various stages of organisational development. A strong organisational culture can offer many advantages such as cooperation, communication or commitment (Sun, 2008: 140). Birbeck (2008: 9-3), showed that there is a relationship between organisational culture and the perceptions of enterprise system success; in particular those cultures that foster a culture change, support innovation and the development of colleagues. When coupled with strong leadership and effective project management, organisational culture is more likely to report success than failure in an organisation.

### **3.6. Organisational Sustainability**

#### **3.6.1. Describing organisational sustainability**

Organisational or business or corporate sustainability as it is commonly referred to in business and academic circles, is very important for organisations in the twenty first century. It has receiving growing acclaim amongst organisations and communities alike. Organisational sustainability is a generic term that will embrace organisational or business or corporate sustainability. It has become a very important topic globally in various industries since organisations have started realising that the resources that are used in the

production of goods and services have become scarce and therefore, they are trying to discover how to use those resources more efficiently and sustainably. There are different definitions of organisational sustainability depending on how organisations understand and perceive it. Organisational sustainability originated from the general notion of sustainability that is commonly found in environmental sustainability settings. It is often defined as a process whereby an organisation manages its financial, social, and environmental resources which are sometimes referred to as the economy, society and the environment (University of Alberta, 2020: 1). Another scholar defined organisational sustainability as the ability of a company to achieve its organisational goals and increase long term shareholder value, through the incorporation of economic, environmental and social opportunities into the organisation's strategies (Robbins & Coulter, 2012). Robbins and Judge (2017) defined sustainability as the practices within the organisation that can be sustained over extended periods, without damaging the tools or structures that support them. It can be safely indicated that sustainability is considered differently in different organisations, where some organisations focus solely on environmental impact, others focus on the numerous economic, societal and personal implications of organisational sustainability; with the common theme being the massive impact it has on how organisation think, manage, act and compete successfully.

Thus, competitive trends in today's business environment are compelling companies to become more efficient when it comes to the use of resources, how they impact people and how their actions impact the environment. Organisations cannot afford not to be sustainable if they are to flourish, since sustainability has become a contentious topic in the global media and business environment. A sustainable company needs to be responsible in its use of the available resources and it does not only focus on results or profit so its operations do not harm the environment and society since environmental, economic and social parts of the sustainability equation are referred to as the organisation's capital (Danciu, 2013: 24). This is because it has become

apparent that some resources are becoming depleted and if companies are not sustainable, it will be very difficult for some companies to operate in certain industries in the future, due to depletion of resources and thus the concept of sustainability becomes important. Sustainability resonates with the communities within which companies operate. That is because the existence of that organisation affects the prevailing economic conditions and thus the livelihood of the inhabitants. Sustainability is an especially important subject in organisations, since it also ensures that they are successful and ensures strong financial performance, as compared to their peers. It was acknowledged that there is a positive relationship between sustainability performance and an organisation's financial performance (Groenewald & Powell, 2016).

It was indicated by Wales (2013) that the sustainability of any company the world over depends on the social and economic conditions that are prevalent in the communities that it operates in, although most of the time, shareholders continue to make their investment decisions based on their short-term economic motives. Sometimes, dependence on the prevailing culture of the inhabitants of that community drives the sustainability regime. Tata and Prasad (2014) also revealed that a national culture tends to influence sustainability beliefs and perceptions, which would then also influence the extent and range of sustainability programmes. This might mean that in nations where there is a strong culture towards focusing on sustainability, then the organisations that operate in those economies will need to abide by those values or otherwise, they might have issues with the inhabitants because there will be a culture clash.

It has become a competitive tool for organisations to publish their sustainability reports on a yearly basis; mainly when they release their financial reports. They use these reports to report to the different stakeholders on the sustainability issues the organisation might be involved in. That information would then be visible to consumers that might be interested in sustainability issues or investors that make decisions based on the same issue. It was illustrated that in 2012, 48 percent of S&P companies publish their reports and of those

companies, more than 5500 publish their reports worldwide (International Finance Corporation, 2011). In addition to that, EY (2013) illustrated that sustainability reporting is critical for embedding sustainability strategy into an organization's operations and further suggested that leadership needs to show that it can provide value to the organisational and the community. It was also indicated that organisations need to understand that since they are extended to different stakeholders with different needs, they need to devise appropriate strategies, bearing in mind that those stakeholders and expectations have different needs; and thus, strategies should be stakeholder specific (Biggemann, 2019). In addition to the information above, companies that are listed on the Johannesburg Securities Exchange in South Africa are required to file integrated reports that disclose their traditional financial information, along with their performance on social and environmental data (Sherman, 2012).

### **3.6.2. The triple bottom line**

Organisational sustainability is of the view that organisations need to concern themselves with the triple bottom line framework; meaning they need to value people, profit, and the environment. Organisations were traditionally concerned with profits as the important measure of their bottom line. With the introduction of the triple bottom line, they are concerned with the three dimensions of performance for their sustainability. The triple bottom line concept indicates that organisations need to meet the needs of the current generation, using the available resources with the view that the coming generations will need to use the same resources. Therefore, there needs to be a way where resources can be circulated in the environment over generations, without one generation depleting the resources for the next. The triple bottom line is identified as an accounting framework that incorporates social, environmental and financial dimensions that is sometimes referred to as the 3P's: People, Planet (environment) and Profits (Slaper & Hall, 2011). This concept of the triple bottom line is especially important for organisations since it influences different aspects of the economy. That means that organisations

should measure performance in terms of their finances, their environment, and their social performance. The triple bottom line phrase was coined in 1994 by John Elkington, with the aim of moving away from just an accounting system to the transformation of capitalism (Elkington, 2018). That is a way of assessing the impact that organisations have on the economy, without a fixation on only considering the financial performance of the organisation.

As indicated in the Figure 3.12 below, the triple bottom line combines three factors into the bottom line of an organisation namely: people, profits and the planet. This is the combination that makes an organisation sustainable because it is a combination of all the factors that are involved in sustainability. Each of the factors is described briefly, to give the reader a better view of the triple bottom line concept. It was deduced that organisations that implement triple bottom line reporting would be able to identify costs relating to environmental or social issues that affect businesses (Onyali, 2014). It should be realised that there are certain organisational factors need to be considered by managers that affect how to implement the triple bottom line in the organisation's reporting. Demographic information such as the size of the business, industry and management style greatly influence how the triple bottom line is reported in the organisation (Matchaba-Hove, Antoni & Smith, 2018).

Although profits can be quantified a monetary measure such as (Rand) value, the other two cannot be easily quantified since they are not measurable in monetary terms. It would make sense to quantify the other two legs of the triple bottom line which are people and the planet, but it would be exceedingly difficult if not impossible to quantify people and the environment in monetary terms. Onyali (2014) deduced that organisations who implement the triple bottom line reporting would enable their managers to measure the social and environmental costs that affect their businesses. That means the organisation would measure these legs through different aspects such as perception, brand identity and quantity to get a monetary value. It was also deduced that for

organisations to measure sustainability, it is essential to measure the stakeholders' satisfaction level (Burhan, 2016).

**Figure 3.12: The Triple Bottom Line**



**Source:** University of Wisconsin (2019)

The triple bottom line has brought opportunities and threats to businesses that operate in various sectors and markets. This has come under much scrutiny from different stakeholders such as customers, government agencies, non-governmental agencies, and other interest groups. Atu (2013) suggested that organisations that adapt the concept of the triple bottom line understand that they are perceived at a certain principle level determined by external and internal forces, and thus, they need to understand how that impacts the organisation's operations. It was indicated that while business instability may be caused by a negative reaction in society, this could cause misrepresentation in terms of profits. Sustainability reports could assist in in

reducing pressure and negative reactions from concerned communities (Ekwueme, Egbunike & Onyali, 2013).

Although the triple bottom line concept is important in the sustainability of organisations, there are challenges associated with its measurement. It was argued that the three legs of the triple bottom line pose challenges to putting it into practice which includes measuring the three categories, finding relevant data and calculating which policies or project's contributing to the organisation's sustainability (Slaper & Hall, 2011). As companies adopt strategies that are related to sustainability and triple bottom line reporting, they need to understand that this also filters down to their corporate identity, which means that strategy needs to be communicated in such a way that the intended market will understand it without complicating or distorting the message. Organisations also need to understand that there is a perception that comes with them either complying with the triple bottom line or not complying. In addition, it was acknowledged that organisations that adopt triple bottom line reporting need to understand that they will be held to certain standards as developed by internal and external forces, so they need to focus on the impact of their operations on the communities that they operate in (Jackson, Boswell & Davis, 2011).

#### **3.6.2.1. Environment (Planet)**

It has become imperative for organisations to focus on the wellbeing and preservation of the environment in which they operate. It is also imperative for organisations to themselves and relate to the environment. Sustainability has become synonymous with companies being good to the environment and some texts refer to sustainability as environmental management or sustainable development and sometimes the effect of climate change. However, there is a lot that has to do with sustainability in business, because organisations need to ensure that adequate resources are available or otherwise, the business will not be sustainable.

Morelli (2011) defined environmental sustainability as the ability of an organisation to meet its needs, such as resources or services without compromising the capacity of the supporting ecosystem. It was argued that when societies do not place a high economic value on environmental functions to prevent them being traded off for other benefits, that might result in degradation or loss. In addition, unless there is sufficient political will that is able to resolve our impending environmental crises then the ecosystem might be eroded to such an extent that they can no longer perform the required environmental functions to protect the coming generations (Ekins, 2011).

This leg of sustainability was part of the evolution of the sustainability revolution. Sustainability was initially concerned with the sustainability of the environment before the concept of the triple bottom line was introduced, to measure the three different legs of sustainability. This originated from the first wave of sustainability which mainly comprised companies getting involved in environmental sustainability. When organisations are sustainable and friendly to the environment, then that tends to reduce or completely eradicate the risks that might arise should organisations not practise sustainability. Organisations need to implement environmentally friendly initiatives and include those in their operational model, to ensure sustainability in the environment. Sustainability is not only important for the conservation of the environment, but it also benefits organisations in the long run. It was acknowledged that organisations that implement environmentally friendly activities in their operations tend to have correspondingly better financial results, since environmental sustainability is a long-term initiative (Stojanovic, Milosevic, Arsic, Mihajlovic and Dordevic, 2018).

Organisations need to take care of the available resources that are available from the environment so they can continue using those resources because resources are finite in nature. Environmental resources may include human capital, investments, land and the like, that are used to manufacture products and services. These resources are finite and thus organisations need to protect and use its resources efficiently so as to remain sustainable. Human resources

organisations would be required to skill, re-skill and continuously ensure that the skills of the people in the organisations match the prevailing trends in the economy.

Organisations need to have the means of tracking sustainability initiatives in their environment. They need to employ current ICT resources, especially since the world economy is now in the fourth industrial revolution, so they can measure and track environmental sustainability since that makes it easier for them to understand prevailing environmental issues. With the requirement of innovation, it has become customary for organisations and governments to use technology to measure the sustainability and environmental conditions that prevail, globally. It was acknowledged that ICT is an enabler for economic, social and environmental growth, since it is cross cutting in nature and thus its optimal use aids in minimising the damage caused by humans (Oyinloye & Agbolade, 2019). Carrera and Kurnia (2015) also indicated that ICT systems can be invaluable tools that organisations can use to support the triple bottom line. That means organisations can use ICT to support sustainability initiatives, either as required infrastructure or as a way to measure useful data that can be used to understand environmental, social or financial impacts when it comes to the triple bottom line.

#### **3.6.2.2. People**

South Africa is a country that is still reeling from its history of colonialism and apartheid although it is now more than 25 years since the inception of democracy. The concept of people in the triple bottom line is another leg that is being used by organisations as one of the measurements of sustainability. This leg is mainly concerned with concepts such as the unemployment rate, the levels of education, crime and median household income (Edwards, 2018). This indicates that the people leg of the triple bottom line is concerned with the people that comprise labour, customers, owners, lobbyists and other parties that are affected by the organisation's operations. Griggs, Gaffney, Stafford-Smith and Rockstrom (2013) indicated that one of the sustainable goals for the

people is to end poverty and improve people's wellbeing by ensuring they have access to education, employment opportunities, housing, better health, living in an economy where there is reduced inequality and are moving towards sustainable production and consumption habits. For organisations to operate and thrive, people need to be available to consume the goods and services that are produced. With the reduction of poverty, the improvement of wellbeing and a reduction in inequality people need to be able to afford the products and services that are produced so the organisation can be sustainable.

Organisations need to understand that to become sustainable, people need to be available, willing and able to consume the products and services that are produced. Organisations need to understand the customers they are targeting and the various segments that the market affords them. Different markets have different dynamics such as wage gaps and the poverty rate. Those dynamics bring the challenge of sustaining competitiveness, which requires due diligence so an organisation can become sustainable. Organisations need to behave responsibly concerning the people, in order to ensure sustainability. If there are high levels of poverty in the area where organisations operate, it is difficult to acquire the right human resources and to acquire customers, since an organisation might encounter challenges of affordability. Development may be unsustainable if there are high levels of poverty and thus, human development activities are important for maintaining sustainability (Nooten, 2007). People comprise the human capital portion of the resources that are required for organisations to function. A company needs to invest in and recruit human resources to maintain its sustainability, and to eradicate poverty. Organisations need to invest in skilled human resources to ensure success and relevant skills are necessary for the organisation to compete successfully in its industry.

### **3.6.2.3. Profits**

Organisations all over the world are involved in business dealings for the sake of profits. This leg of the triple bottom line was traditionally the only measure

used to determine the performance of the organisation. This triple bottom line measures economic indicators that delve into factors such as income, employment distribution, the number of organisations in each sector and revenue by sector (Slaper & Hall, 2011). The management of profit-making organisations is tasked with ensuring the profitability of the organisation, which indicates its success.

Organisations need to understand that although they might value profit as the main determinant of organisational success, there are also other factors that play a role that not easily measurable. Other factors such as economic growth, the availability of skills and the employment rate can also be used as a measure of the impact of an organisation in the economy in which it operates. Lee (2007) suggested that although profit is an important measure of an organisation's success, it is no longer the sole measure of business success, such as damage to the environment and people. Thus, using the triple bottom line assists the organisation to obtain good results.

Organisations need to be involved in the sustainability agenda since that will determine that future of the organisation. In order for a company to reap economic benefits in the future, it needs to access people who will buy the organisation's services and product. It also needs competent people who have the required skills to be employed and there should also be enough economic growth to ensure the organisation's success.

Although the triple bottom line encourages organisations to pursue the three legs of sustainability, it is sometimes difficult for smaller companies to pursue sustainability initiatives. Okanga and Groenewald (2017) claimed that SMEs seem to pursue profit at the expense of people and the planet; especially during the growth phase because they need to attain financial sustainability, although some SME companies do pursue all three legs of the triple bottom line, because sometimes companies have investments that ensure that they pursue sustainability. Organisations need to be prepared to invest in a sustainability programme, rather than assuming that sustainability will just

happen in their organisations. Organisations need to come up with mechanisms that can assist them to measure the impact of investments in sustainability; since that shows whether an organisation is making a difference in the community. Organisations can have various measuring criteria in this regard, since there is no single method used to measure sustainability. For organisations to be able to measure sustainability, it is essential to measure stakeholders' satisfaction level (Burhan, 2016).

### **3.6.3. Key drivers of organisational sustainability**

There are key drivers of organisational sustainability in the business environment where an organisation operates. Sustainability is mainly concerned with profit, people and the planet, and therefore, those concepts will be discussed in detail in the coming sections. This also brings its own challenges since different markets might have different dynamics. There are key drivers of sustainability that depend on key components of their products or services and their key stakeholders' requirements. This may depend on the environment in which the organisation operates, the profits they are able to make, and the people who are connected to the organisation (stakeholders) and/or its products and services. The drivers of organisational sustainability can be found either inside an organisation or externally. Different stakeholders influence the sustainability of organisations.

#### **3.6.3.1. Government policy**

Each country has regulations and government policies that govern organisations that operate in that economy and determine how they should trade. Governments introduce regulations that are used to regulate industries and competition within an economy. These policies have an impact on the way organisations compete and thus they have an impact on organisation' sustainability. With the advent of global warming and the depletion of natural resources, governments have resorted to introducing regulations that drive sustainability in their respective economies which affect sustainability in organisations. Governments introduce sustainability policies that are specific

to particular countries and there are also combined regional and global policies that organisations need to adhere to. South Africa, in conjunction with other African countries defined policy for sustainability at a regional level by introducing the New Partnership for Africa's Development (NEPAD), the Southern African Development Community (SADC), the Regional Indicative Strategic Development Plan (RISDP) and the Commission for Africa. These initiatives were brought about to assist countries with alleviation of poverty and in order to place the countries on a path towards sustainable development, through the integration of natural resources, economic and sustainable growth and development (Department of Environmental Affairs and Tourism, 2008).

There needs to be a change in mindset from the way things were done to a new way of approaching sustainability in organisations. Organisations need to change their governance measure so as to achieve the required sustainability goals. Griggs et al., (2013) reported that there needs to be a transformation of governance and institutions at all levels, so developmental goals can be addressed. For that to happen, there needs to be enforcement on the government side, so organisations can implement the government policies. The government needs to break the silos that exists between different departments so that it can achieve an optimum, planned integrated policy and there needs to be enforcement on policies in all three levels of government; national, provincial and local (WWF Report, 2014).

#### **3.6.3.2. Ethics**

Ethics in business is a topic that has been discussed by many different scholars over the course of history. Organisations compete in an extremely competitive global environment where profits and meeting targets have become a matter of survival for the organisation and for job security for the employees. Ethics come into play because organisations operate under variable legislation systems that govern each country, and across different national and corporate cultures. Ethical business conduct is one of the drivers of organisational sustainability since it overlays the handling of customers and

stakeholders. Ethical leadership practices create a role model for organisational culture with moral values and ethical decisions working for the good of an organisation (Tushar, 2017). Some organisations ensure ethical conduct of their employees through by issuing ethical codes of conduct and corporate governance regulations throughout the organisation. Although that does not necessarily mean that businesses will operate ethically, it often directs the behaviour of employees and thus affects how the organisation is perceived in society and increases its ethical credibility. Having an ethical code of conduct in organisations is a sign that shows stakeholders that the organisation has intentions of acting ethically, when conducting business.

There is a danger that exists for companies that do not have a code of conduct, policies or legal documentation that directs the conduct of their employees with regard to ethical conduct, since each employee can conduct themselves any way they see fit. In an organisation where there is no developed business code of ethics, the managers tend to ignore ethics and that has negative consequences for the organisation and on productivity, loyalty and morale (Bulog & Grancic, 2017).

Organisations are compelled to act ethically if they intend to be sustainable and maintain their competitive advantage; especially since information can easily be leaked via the internet and social media. Customers are very well informed and thus it is easy for an organisation to lose its reputation if there is a perception of unethical behaviour. The existence of social media makes it easy for consumers or disgruntled stakeholders to mobilise for a particular cause, which can cause serious reputational damage to the organisation, on a global scale. It is therefore imperative for management to ensure ethical conduct in their organisations, for sustainability purposes. Behaving ethically can also mean being good corporate citizens by adhering to laws and regulations that are enforced in the country of operation or on a global level.

### **3.6.3.3. New markets**

Organisations are constantly scanning for new products and markets in the ever-changing world economy. They constantly search for new opportunities that are available in the global economy where there are markets that might not have been available over recent decades. The new markets bring challenges and opportunities for organisations and can drive sustainability in organisations. New markets can originate through the development of new services and/or products or through the improvement of products and services that are in existence. They can also operate in new uncharted territory where an organisation has not been before.

### **3.6.3.4. Leadership**

Leaders have an impact on the sustainability of organisations, since they represent the vision of an organisation; because they are tasked with shaping the direction of the organisation and how organisational goals should be pursued. Leaders are the custodians of the present and long-term vision and goals of the organisation, as well as the sustainability initiatives within the organisation. A leader is defined as a person who has the power to exert influence over subordinates with the aim of achieving team or organisational objectives (Jones & George, 2016). A leader has the responsibility of directing the actions of team members in the direction the organisation needs to go. Therefore, leaders have the task of directing the organisation in the direction of sustainability. Leaders of organisations are also trained to read and understand the prevailing conditions that face organisations, so they can react accordingly. They should be tasked with ensuring that organisations implement sustainability initiatives and they must ensure that the organisation behaves in a manner that shows that it cares for the community and is responsible for the company's customers as well as the environment. Burns, Vaught and Bauman (2015), indicated that educational institutions have an important role and are responsible for the empowerment of leaders so they can see themselves as being part of sustainable change.

### **3.6.3.5. Innovation**

Innovation is continuously changing the way business operate and how they consume available resources (Robbins et al, 2018). As companies continue to improve their products and services, they continually come up with products and services that make their organisations sustainable. Innovation can be propelled in an organisation by prevailing conditions in the organisation's environment, or due to a need that occurs inside the organisation (Hill et al 2015). If it is an internal need, the organisation will have choices and options that it can take. These can be determined by the resources that are available in the organisation and the capabilities that are brought to the organisation by the availability of those resources.

On the external front, innovation could occur due the organisation responding to changes in its economic competitiveness which could be brought about by changes in the market or improvements brought about by competitors. Changes are continually taking place in the global marketplace and organisations are continually required to innovate, in order to stay competitive and to be able to serve the needs of their customers (Hill et al, 2015). Organisations could also put a strategy in place that initiates innovation as a way of ensuring the organisation is always ahead of the competition and that it always anticipates changes that might occur in its environment. There were industries and organisations that existed in the 70s and 80s which have since disappeared, due to innovation and technological change. The same might also happen to some organisations and industries that currently exist. They might also disappear, since we have entered the fourth industrial revolution which includes the emergence of artificial intelligence.

### **3.6.3.6. Cost**

Organisations seek profit maximisation and reductions in the cost of production of their services and products. This is one of the purposes of the existence of organisations, which assists the maximisation of shareholders' wealth. Organisations now focus on ensuring that they maximise profits and reduce

the cost of production, without compromising quality and productivity. Apart from the factors of production, there are government policies and other regulations that might increase the cost of conducting business in a specific country, or globally. Organisations that are responding to sustainability challenges are also encountering costs that are attached to conducting business sustainably. Therefore, organisations need to employ cost control measures that will assist with sustainability. There is a link between cost control and business sustainability, meaning that organisations need to implement cost control measures as this leads the organisation towards being less wasteful with its resources, leading to increased sustainability (Nita & Stefea, 2013). There has also been an increase in the cost of scarce resources and thus organisations need to create ways of coping effectively, using available resources. For organisations to exist for the coming years, they need to learn to use recyclable resources to avoid depletion. Some organisations are resorting to the use of green buildings to protect scarce resources, such as water. Green building practices lead to financial benefits, such as lower energy consumption, lower water costs, lower environmental emission costs and savings resulting from increased productivity (Reddy, 2016).

#### **3.6.4. Alignment of sustainability and business processes**

Sustainability is not a concept that happen in organisations on its own or automatically, without the input of organisational stakeholders. It is a concerted effort that occurs due to resolutions that occur in the organisation between members of the organisation and other external stakeholders. This process has been seen to flourish in organisations that are environmentally aware and purposely ensure they make funds available for the organisation to pursue it. Organisations that implement business process models, lead to the elimination of wasteful factors in process as well as in the optimal business process environment (Young & Yoon, 2019). When sustainability is part of the process, that also gives that organisation reputational benefits that would otherwise not exist, had it not been for sustainability initiatives. Organisations understand the impact of their actions or operations on society, and thus it makes businesses

more reputable, respectable and it reduces the vulnerability that is brought about by risk (Ajmal, Khan, Hussain & Helo, 2017).

Organisations need to have streamlined process and not separate processes that deal with sustainability, because sustainability needs to be embedded in the business strategy and process. It was acknowledged that business process management tools and approaches can provide organisations with basic support for the organisation to transition into sustainability, when they are implemented and supported by senior management (Levina, 2015). Business processes can assist with improving sustainability and thus, will lead to better organisational performance (Betz, 2014).

### **3.6.5. Importance of organisational sustainability**

Sustainability has become an especially important business topic in organisations around the world. With resources slowly become scarce and other environmental concerns, it has become important for organisations to consider sustainability and, in some cases, that is also indicated in a company's annual reports. Some organisations are currently using sustainability as part of their competitive strategy, since sustainability is now giving companies a competitive advantage, due to perceptions held by some stakeholders. Studies have been conducted that indicated that there is a link between organisational sustainability and increased competitive advantage in organisations that embraced organisational sustainability. Ojo, Mbohwa & Akinlabi (2015) indicated that there is a link between an organisation's competitive advantage and sustainability; whereby sustainability brings about an organisation's competitive advantage, making it profitable for a firm to be sustainable. Better organisational performance is also brought about in organisations due to their involvement in sustainability issues. This was further accentuated by other scholars that there is correlation between organisational performance and sustainability reporting (Ekwueme et al., 2013).

This accentuates the heightened importance of organisational sustainability which in other organisations, also leads to innovation of goods and services.

Nidomulu, Prahalad and Rangaswami (2009) also indicated that sustainability is the mother of all technological innovations because when companies become environmentally friendly, that tends to lower costs because they end up requiring smaller input of resources into their processes and in addition, they generate additional revenues from better products or through being able to create new businesses.

People all over the world are generally becoming very conscious when it comes to sustainability and the procuring of products and services from such companies (White, Hardisty and Habib, 2019). Companies that focused on sustainability and had governance structures which directly involve their board in sustainability issues tend to outperform organisations that focus solely on the traditional model of profit maximisation. This principle also prevails in the business to consumer sectors and also in sectors where organisations compete on the basis of human capital, brands and where companies' products depend on extracting large amounts of natural resources (Eccles, Ioannou & Serafeim, 2016: 23). Sustainability over the past few years has become global in nature and it has somehow become fashionable for companies to become sustainable; although for some it is a matter of survival, as sustainability has become imperative for those organisations to survive and to compete effectively. The complexity of sustainability has increased, and the issues have become global in nature, and these issues are pivotal for success (Kiron, Kruschwitz, Haanaes, Reeves, Fuisz-Kehrbach & Kell, 2015).

Corporate sustainability initiatives aimed at improving environmental, social and governance performance and proving its value to society have a tendency to increase employee loyalty, efficiency and productivity and an increased demand for human resources statistics related to recruitment, retention and morale (Whelan & Fink, 2016: 1). This is important because if the morale of the employees is higher in organisations and there is employee' loyalty, then the organisation will benefit in the long-run by being sustainable. The business decision making process needs to foster relations that will maximise an

exchange of ideas and learning across different stakeholders, both inside and outside companies (Gitsham, Gribben & Hind, 2008: 5).

### **3.7. Conclusion**

This chapter was the second part of the literature review and it dealt with organisational effectiveness and thus, managerial effectiveness, organisational strategy, organisational culture and organisational sustainability. To understand how B-BBEE policies influence organisational effectiveness, it was necessary to understand what organisational effectiveness entails; and so, it was regarded as important to discuss the concept. Organisational effectiveness and what it entails was discussed, which gives better understanding to the reader as well as how it relates to the research question.

The importance of organisational effectiveness was discussed in detail, in order to understand the influence of Broad-Based Black Economic Empowerment policies on organisational effectiveness. This chapter focused solely on the components of organisational effectiveness which are shown below as: Managerial Effectiveness, Organisational Strategy, Organisational Sustainability and Organisational Culture. These components were also discussed in detail, to give perspective to the reader. The researchers also showed the literature that indicates that B-BBEE has an influence on organisational effectiveness through the indication of B\_BBEE on the four organisational effectiveness elements.

## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

#### **4.1. Introduction**

Chapter 1 gave rise to the background to the research problem and why the research needed to be undertaken. This chapter discusses the research design and the methodology that was utilised in this research study. The chapter also focused on the approach that was utilised in the collection of the data. There will be a description and a discussion of the research philosophy that was utilised in the study, to provide an understanding of the methods employed. There will also be an emphasis on the description of quantitative and qualitative methods since the research uses both quantitative and qualitative research. Although the study focuses on both qualitative and quantitative research methods, the primary method used is quantitative; and the qualitative method was exercised to give another perspective on the subject. The research will provide an understanding of why it took an epistemological and pragmatic philosophical view of the research. In Chapter 2 and Chapter 3, a review of the literature was conducted, to bring perspective to the importance of the research problem and to show how the sections relate to one another. The literature review was able to bring the problem that was described in Chapter 1 into perspective, where the significance of the study was also explained.

South Africa was and is a developing country that emerged from a segregated past riddled with the triple challenges of poverty, unemployment and inequality. The government devised a policy of empowering the Black majority that had been historically excluded from participating in the economy. The previous literature review chapters detailed organisational effectiveness and Broad Based Black Economic Empowerment. This chapter discusses the blueprint that was used to answer the research questions and then the aim and objectives of the research study. That would ultimately lead to the researcher

determining whether B-BBEE has had an influence on organisational effectiveness in organisations that operate in the South African economy.

Research is defined as something that people undertake to find out things in a systematic way; thereby increasing their knowledge. It involves explaining the methods used to collect the required data and argues about whether why the obtained results are meaningful and how significant their limitations are (Saunders et al., 2016: 5). Research is conducted to investigate a certain phenomenon to find empirical explanations. Kothari (2004: 1) defined research as a scientific or systematic exploration for appropriate information on a specific topic, which could also be described as a careful investigation or inquiry. That means that research is carried out to find answers to questions that cannot be answered without looking at a problem empirically. The research was carried out to investigate a business problem in the South African economic landscape.

#### **4.2. Research Philosophy**

This study hangs on a philosophical view that was chosen which will be discussed briefly below. To reveal the philosophical position, the definition of philosophy is especially important for the reader. Research philosophy is concerned with the underlying assumptions and experiences that are considered when conducting research. Philosophy is a concept that shows the beliefs that are held by the researcher who conducts a study. Philosophy can be defined as a system of beliefs and assumptions about the development of knowledge (Saunders, et al., 2016: 124). That means that philosophy is critical for the development of knowledge. Singh, (2006) indicated philosophy to be the study of the universe which is conducted in a logical, orderly and disciplined process. That means that philosophy involves the views of the researcher about a structured study. Philosophy can primarily be referred to as the study of the problems that affect human beings, such as values, and knowledge about ethics and existence (Mikkonen, 2017).

Researchers also make assumptions based on the values, ethics and knowledge that were imparted to them in their formative years and in their education, which in turn, influences how they view the world. The research philosophy that is adopted by the researcher is influenced by practical considerations, where the main influence is likely to be a view of the relationship between knowledge and the process whereby it is developed (Saunders et al., 2016).

Researchers need to be aware of the philosophical views that must be considered when choosing a research method. Philosophical views assist the researcher to explain the reasoning behind the chosen methods; being qualitative, quantitative or mixed methods and that then determines the construction of the study (Creswell, 2009). A researcher chooses methods depending on the type of study that is being carried out and considering the assumptions that are considered.

The Research philosophy is important for conducting research because it assists with the unpacking of the assumptions that are held by the researcher (Trahar, 2013). Therefore, research philosophy may hang on the way the researcher has been educated or the way he/she was cultured since there will be inward biases.

A research study can follow one of the two branches of philosophy: namely Ontology and Epistemology. This is because the assumptions that are made by a researcher with regard to choosing to follow either an epistemological or an ontological view are important for research studies because they provide a justification of the choice of methodology and the methods of the research (Al-Saadi, 2014). As indicated in Figure 4.2 below, this study follows an Epistemological view of research, although Ontology is also defined to give the reader both perspectives.

### **4.2.1. Ontology**

Ontology is one of the philosophical views that are considered when conducting business research studies. This view of philosophy is based on the premise of the existence of humans and relationships in societies where humans try to understand reality. Ontology is concerned with understanding the view of reality. Saunders et al., (2016) indicated that ontology is a philosophical view that focusses on reality.

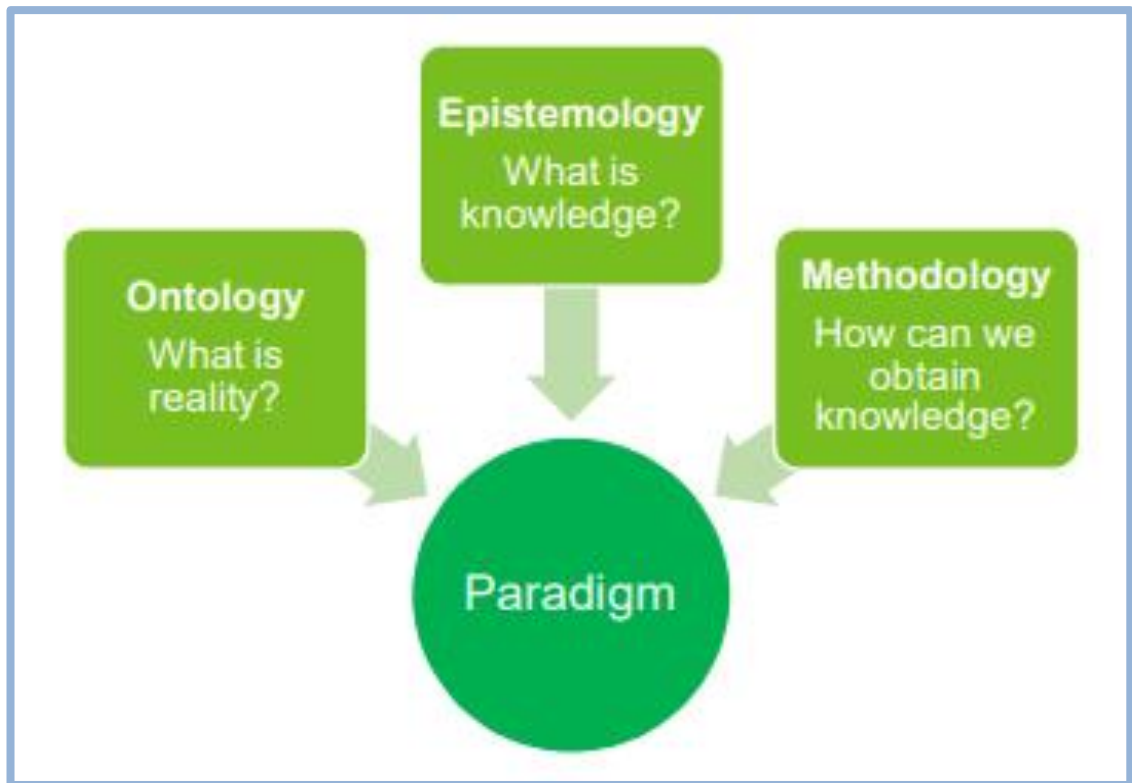
This gives an impression that reality exists and thus needs to be understood. Leavy (2017: 12) denoted ontology to be a philosophical belief system that deals with the nature of the social world. Other authors denoted ontology to be a philosophical view that refers to the study of quintessence of a certain phenomenon and it is concerned with reality (Della Porta & Keating, 2008).

Creswell (2014) describes ontology as the nature of reality. It can be indicated from Figure 4.2 below, that Ontology aims to answer the question that asks, "What is reality?" This then indicates that reality can be interpreted subjectively or objectively and might be differently understood if different spheres of human existence. That means ontology aims to find out the existence of reality. Figure 4.1 below also indicates that Epistemology and Methodology or Ontology and Methodology combine to give rise to the research paradigm.

Research paradigm is a technique that is utilised for the examination of social phenomena from which understanding of these phenomena can be gained and explanations attempted (Saunders et al., 2016).

It was also defined to be a broad technique that is utilised for the conception or a particular research sphere which is universally accepted by the research community (Howitt and Cramer, 2011: 431). Thus, the research paradigm can be regarded as the foundation of the research study.

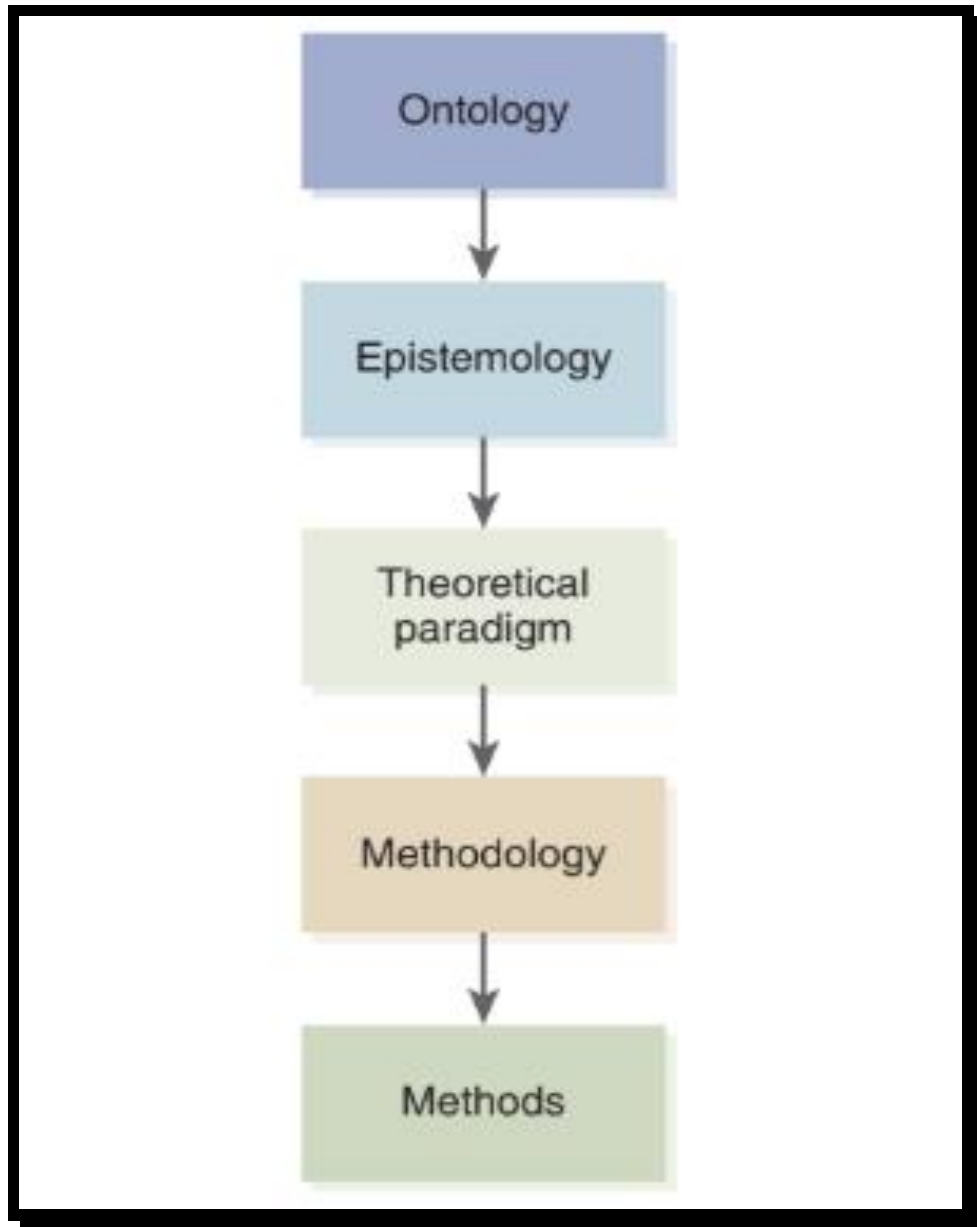
### **Figure 4.1: Research Paradigm**



**Source:** Mikkonen (2017: 5)

Figure 4.2 below also indicates that when either ontology or epistemology is combined with the research methodology, that gives rise to the research method. Methods that are used in research studies are underpinned by the philosophical arguments the researcher holds.

**Figure 4.2: Research planning process**



**Source:** Jacobsen (2014: 105)

#### **4.2.2. Epistemology**

Epistemology is a philosophical view that deals with knowledge or what we know, or what is considered as knowledge. It was defined as the study of the theory of knowledge, which is concerned with the methodology of knowledge and the validation of the knowledge (Howitt & Cramer, 2011: 298). Neuman (2014: 95), defined epistemology as the concept that deals with how we know the world around us and how we can make a claim about it being true; and it

includes what we need to do to produce knowledge and what scientific knowledge looks like once it has been developed. Leavy (2017: 12) defined epistemology as a philosophical belief system that deals with how research advances and what is considered as knowledge. This indicates that epistemology is concerned with what knowledge is, the way in which it is produced and how human beings know about it. It was also indicated as an area of philosophy that investigates the validity of knowledge and the consistency of the sources of that knowledge (Singh, 2006). Saunders et al., (2016) was also consistent by defining epistemology as an area of philosophy that investigates the validity of knowledge and the consistency of the sources of that knowledge.

From the above authors it can be collectively gathered that epistemology is concerned with knowledge and how that knowledge is developed. That means that epistemology is concerned with the validity of knowledge and how that knowledge is attained. In epistemology, the sources of knowledge are investigated and then what follows is the validation of the knowledge since there are various sources of knowledge. Epistemology is a branch of philosophy that researchers use, to classify the nature of knowledge and there are four sources of knowledge, namely intuitive knowledge, authoritarian knowledge, logical knowledge and empirical knowledge.

The epistemological position that is followed in this study is positivism, which follows quantitative and qualitative methodologies. A positivist paradigm of exploring social reality is based on the philosophical ideas that emphasise observation and reason as a means of understanding human behaviour (Cohen, Manion and Morrison, 2018: 10). Positivism argues that reality exists externally to the person conducting research and must be investigated through a rigorous process of scientific inquiry (Saunders et al., 2016: 119). Gray (2014) commented that positivism suggested that this philosophical assumption indicates that the truth can be differentiated from untruth and that the truth can be established by utilising empirical support or deduction. The positivists engaged in investigations in order to come to conclusions and make

generalisations, based on the analysed data. Positivists generally support philosophical positions that highlight empirical data and scientific methods where the researcher needs to be more concerned with general rules than with explaining the particular (Jacobsen, 2014: 1). This then determines the methodology that the researcher follows in conducting a research study.

There are two views that characterise the epistemological view, namely, rationalists and empiricists. They fall within the epistemological branch of philosophy that is concerned with the study of knowledge. Empiricists and rationalists share opposing views with regard to their epistemological views. Empiricists share the view that knowledge is not developed internally, but that it is developed through different senses. Empiricism is thus, defined as the philosophical view that regards all knowledge as being derived from sensory experience, although it is unable to specify the nature and relationship between experience and knowledge (Harvey, 2012). Rationalists on the other hand, are of the view that, knowledge developed innately and internally, free of external sources. Rationalism is defined as the philosophical view that recognises that the source of unique knowledge is reason and that innate knowledge exists (Harvey, 2012). Empiricists are of the view that inborn knowledge cannot be observed and thus cannot do anything meaningful; and that even if it exists, it might as well just sit there unused. They rely on the use of empirical evidence to confirm that knowledge exists.

#### **4.2.2.1. Positivism**

The positivist view of philosophy is a view that illustrates that authentic knowledge is scientific knowledge and that such knowledge is derived from theories that emanate from strict scientific methods (The Basics of Philosophy, 2019). This philosophical view emphasises that knowledge is acquired using scientific methods or observable and quantifiable methods. In this philosophical view, the researcher is external to the research process, meaning that the researcher is not involved in the phenomena that are under investigation. It can also be noted that in this philosophical view, the researcher

is independent of the investigation and thus, has no influence over the research results and is only involved in data collection. Positivism is a philosophical posture that is normally associated with natural science and involves working with observable reality to produce generalisations that can be extrapolated, published and promulgated as law. A positivist view focuses on facts that are supported by empirical evidence (Saunders et al., 2016). This can also be confirmed by the indication that the positivist approach is grounded in the belief that the universe that surrounds us is real and that since it is real, we can investigate these realities (Walliman, 2011).

#### **4.2.2.2. Realism**

Realism is an epistemological position which has similarities with positivism, since it also adopts scientific inquiry leading to knowledge development whereby there is data collection and understanding of that data (Saunders et al., 2016). Saunders et al., (2016) also indicated that realism or naïve empirical scientific realism is a philosophical position that involves scientific investigation and entails explaining what we see and experience with regard to the underlying structures of reality shaping observable events.

Realism is divided into two streams, namely direct realism and critical realism. Critical realism claims that the images and sensations that are experienced do not depict the real world and are thus deceptive, while direct realism claims that the real world is experienced through human senses. It is based on the premise that what we are shown by our senses as reality is true and that objects exist independently of the human mind (Walliman, 2011). Realism is a philosophical view that asserts that our reality is independent of thoughts, beliefs or understanding (Ritchie, Lewis, Nicholls & Ormston, 2013).

#### **4.2.2.3. Interpretivism**

Interpretivism is an epistemological position in philosophy whereby researchers interpret research with a human interest. Interpretivism is based on the premise that interpretivists are of the view that the world around us is

based on what we create in our minds (Walliman, 2011). This view is a contrasting view to the positivist approach. It is based on the premise that advocates the necessity of the researcher to understand that there are differences between humans, firstly in our role as social beings and secondly, it is concerned with the meaning that humans attach to the norms, rules and values that regulate their interactions (Saunders et al., 2016). This philosophical position prompts researchers to understand each individual case that is studied or investigated. That means there will be human interest in the study, since each case is observed or investigated individually. Interpretivists are not inclined to generalise results but tend to contextualise phenomena in each specific case (Collins, 2019).

### **4.3. Methodology**

When carrying out a research study there is a strategy or a blueprint that is needed to direct the researcher to answer the research problem, namely research methodology. It can be defined as a method used to systematically resolve a research problem which includes various steps used by researchers to logically examine a research problem (Kothari, 2004). Creswell and Creswell (2018) defined methodology as a collection of methods or procedures that are used to guide the utilisation of design. It was also described as a process that involves the systematic identification of a research problem, in order to pursue a research study in a scientific manner to solve a problem (Singh, 2006). A methodology directs the researcher so the research problem can be resolved and also to address the objectives of the study. Methodology is a research strategy that the author of a research study follows that translates epistemological and ontological principle into guidelines that indicate how a research study should be conducted (Nayak & Singh, 2015).

### **4.4. Research Design**

A research design is regarded as a strategy that specifies the methods and procedures for collecting and analysing the information needed for a research study (Zikmund, 2002: 65). It can also be described as a conceptual blueprint

or structure within which research is conducted, and it constitutes a plan for the collection, analysis and measurement of data and it includes an outline of what the researcher will do from beginning to end of the study (Kothari, 2004: 31). The plan gives direction to the researcher on how the study will be conducted, with reference to the collection of data and it also gives direction on how the data should be analysed, in order to conduct a valid study. Research design is a procedure that is used when collecting, analysing, and reporting research data in a quantitative or qualitative research study (Creswell, 2012). Krishnaswamy, Sivakumar and Mathirajan (2009: 21) also continued in the same vein, defining research design as a multidimensional concept that lays down a research plan to determine the type of research, a method of measurement, a sampling method, data collection methods and methods of analysis. For any research to be carried out successfully, there needs to be a strategy in place that will direct how the process will be carried out, to maximise efficiency and effectiveness. Singh (2006: 86) indicated that research design is a strategy that is used for mapping, and it is based on a sampling technique which includes, objectives, sampling, research strategy, tools and techniques, for the collection of the evidence and analysis and the reporting of the research findings.

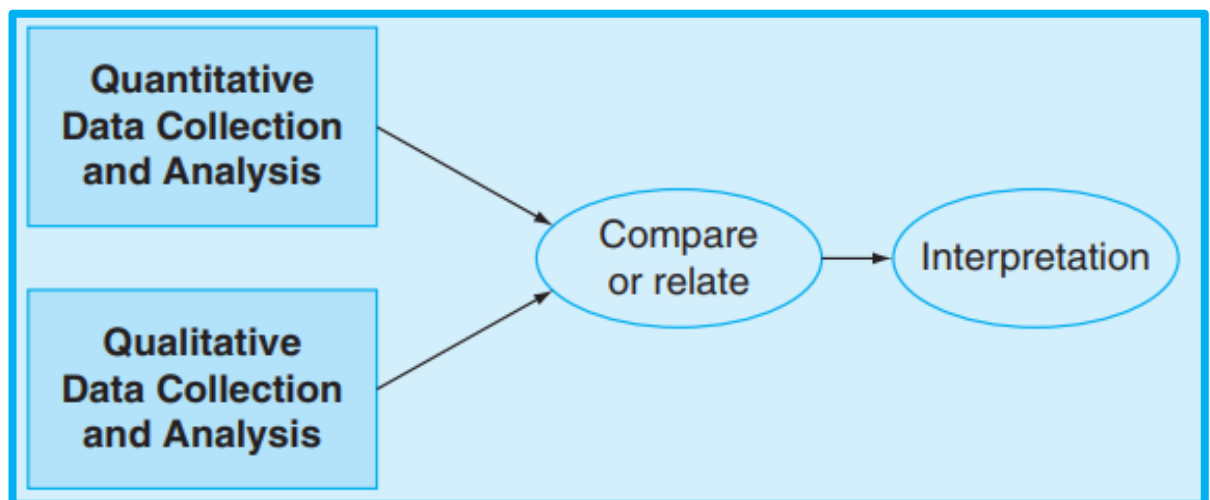
There are three types of research design that are normally used when researchers conduct research, namely: qualitative research, quantitative research and mixed methods of research. This research uses a mixed method of research, which uses both quantitative and qualitative methodology. Mixed methods of data analysis are analytic techniques that can be applied to both qualitative and quantitative data and in addition a researcher can combine both forms simultaneously in a single study (Creswell & Plano Clark, 2018).

The primary method in this study is quantitative, and the secondary method will be qualitative. Quantitative research is based on measurement of the quantity or amount applicable to phenomena, expressed in quantitative terms (Kothari, 2004: 3). Dawson (2002, 14) indicated that quantitative research generates statistics through the use of a large-scale survey, using methods

such as questionnaires, which are able to reach many more respondents than in qualitative research. The required number of questionnaires are gathered, compiled and then analysed statistically, to reach a result empirically.

In the qualitative research method, a small qualitative sample is taken, to test whether qualitative methodology would have given a different result or if the result would have been similar to that arrived at using quantitative research. Qualitative research methodology is a data collection technique that generates non-numerical data (Saunders et al., 2016: 148). Dawson (2002: 14) indicated that qualitative research explores the attitudes, behaviour and experiences through using interviews or focus groups, to get in-depth opinion from participants. Questionnaires that have completed by the sampled individuals will be analysed to produce a result. In quantitative research, there are interrelated sets of constructs or variables that are formed into propositions or a hypothesis which specifies a relationship between those variables (Creswell, 2014). Qualitative research aims at attaining a deep understanding of a specific organisation or event, rather than a superficial description of a large sample of the population; since it utilizes rich, context specific, subjective data provided by the participants (Cohen et al., 2018: 643). The researcher seeks to collect data using structured questionnaires, using the quantitative method wherein the respondents were able to answer in their own time, as well as qualitative interviews that the researcher administers in person. The quantitative methodology was able to save time and money and allowed the respondents to reply to the questionnaire at a time when it was convenient for them; so as to increase the response rate.

**Figure 4.3: Convergent Parallel Design Method**



**Source:** Creswell (2012: 541)

Figure 4.3 above shows how this study will employ the methods to collect and analyse quantitative data, and then the same procedure will also be performed for qualitative data. Then the results that are reached from the two methods will be compared, to evaluate whether there are any disparities between the results or if there are commonalities. As indicated in Figure 4.3 above, the data will be analysed separately and then the results will be compared. After the collected data has been compared, to establish whether there is a relationship, there will be an interpretation of the results. Interpretation of the results will then lead to the conclusion of the findings.

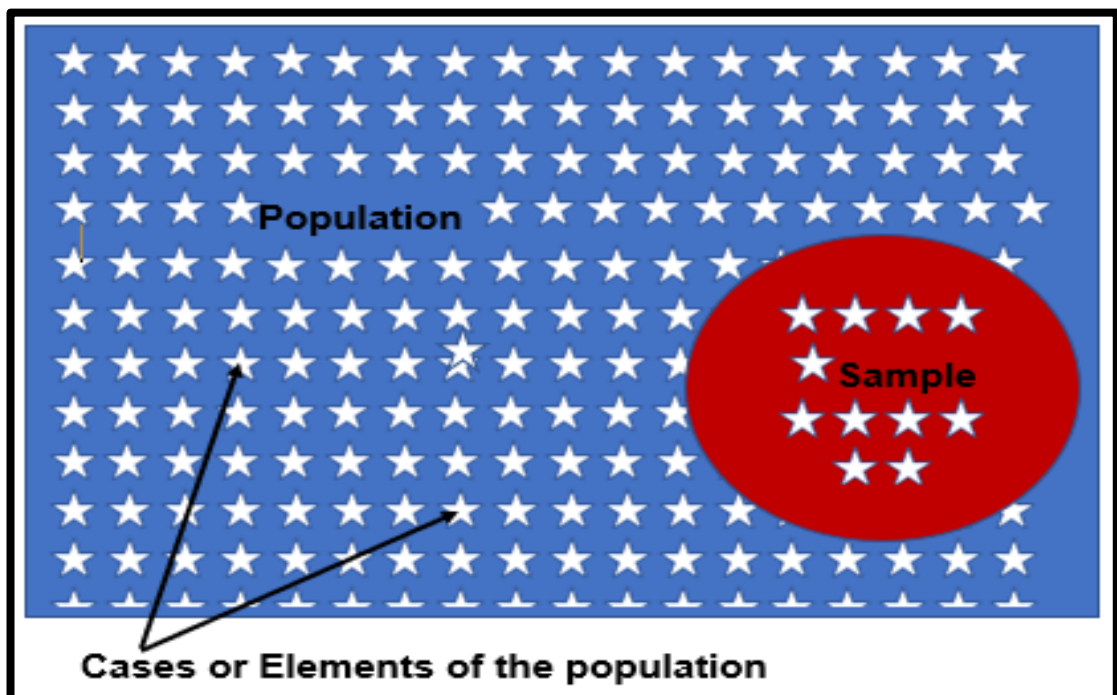
#### **4.5. Population**

Population is defined as a complete group of people, companies, hospitals, stores, universities or other entities that share the set of characteristics that one wishes to understand (Zikmund, 2003: 369). Creswell (2012) gave the same view that a population is a group of individuals that have the same characteristics; for example in all footballers would make up a population of footballers and all football teams would make up a population of football teams. Leavy (2017: 76) also indicated that a population is a collection of elements that are of interest to the researcher, and the researcher might then make claims about that group later. Saunders et al., (2016) indicated that a

population is complete group or a complete set of cases. A population is a complete set of objects in an environment who the same physiognomies so that should there be a selection of one object, it would display the same characteristics as the rest of the set. The population in the study comprises companies that are operating in and around Gauteng, from Small to Micro to medium Enterprises. These are entities listed in the South African Securities Exchange. The number of companies is 500 companies that were listed in the Impumelelo Top 500 of South Africa's best managed companies. The list has an array of companies from different sectors such as financial, education, state owned companies, education, information technology, resources and general industrials.

The companies that are available for the study were drawn from all over South Africa. The ones selected were all drawn for the qualitative study and they were all from Gauteng, because it was easier to collect data there for logistical reasons, although some companies that operate in and around Gauteng also operate nationally and some operate globally. The researcher had confidence that the sample was be representative of the population.

**Figure 4.4: Population, sample and Individual cases**



**Source:** Saunders et al., (2016: 275)

As depicted in Figure 4.4 above, a population is a complete set of objects that are available to be studied. The population is not sub-divided but consists of every object that has the same characteristics as the whole set. The population is where the sample that will be used in the study will be drawn from. They are individuals who are tasked with handling B-BBEE and transformation, at their respective companies.

#### **4.6. Sample**

A sample is defined as a part or a subset of a universe or of a larger population that is representative of the entire population (Saunders et al., 2016). It was indicated by Nayak and Singh (2015), that a sample is a group of objects or items that were taken or that come from a larger set or population for measurement purposes. In simple terms, a sample would be referred to as a segment of or a portion of the population that have the same characteristics or attributes. As indicated in Figure 4.4 above, a sample represents a subset of the population, because it represents elements that are selected from the population and have the same characteristics as the whole population. The sample is assumed to have the same characteristics as the whole population. The sample size was about 150 entities or individuals in different entities for the quantitative sample and about 40 for the qualitative sample. Of the 40 that were interviewed, Unions and NGOs would also be included in that sample to acquire different viewpoints. The justification for the sample size was that 150 would be a big enough sample to give conclusive evidence that is representative of the population that was used. Selected individuals had questionnaires sent to them via emails, while a small group was asked to undergo face-to-face interviews at the venues that were selected and conducive to the project.

#### **4.7. Sampling Method**

A Sampling method measures the number of subjects or the number of observations that should be made and which subjects need to be selected from a population (Saunders, Lewis & Thornhill, 2016: 272). The size of the sample is referred to as the number of items from a universe or population that are to be selected and should be neither excessively large nor small (Kothari, 2004: 56). Zikmund et al., (2009: 68) said that sampling comprises any procedure that draws conclusions based on a measurement of a share or a slice of a population, which can also be referred to as a subset of a population where the sample has the characteristics of the whole population. In simple terms, sampling is a process where the researcher selects possible respondents from the population that is considered for the study. Sampling assists researchers because they only need to select a few members of a population that is under study, so the study can be manageable because some populations are exceptionally large.

The sampling method that was used for the study was probability sampling; in order for all companies in the population to have the same chance of being selected as part of the population. Probability sampling is a sampling technique whereby every member of the population has a known non-zero probability or chance of being selected (Zikmund, 2003: 379). Kothari (2004: 15) also agrees with the above statement by also alluding to the fact that every element in the population has a known probability of being selected. This method was chosen, in order to ensure that every organisation had the chance of being selected for the purpose of the study. The sampling strategy emanated from the chosen research methods. Of the 150 respondents that were required for the quantitative study that were contacted, 97 (64.66%) responded to the questionnaires. Of the 40 respondents that were required for the qualitative study, 27 (67.5%) people were accepted the interview requests and were interviewed for the study.

#### **4.8. Measuring Instrument**

This research will use a quantitative and qualitative methodology. This is because two methods of data collection will be used in the study. The use of structured questionnaires and interviews will be used as a means of collecting data with structured questionnaires being the primary method. A questionnaire may be defined as a form that is prepared and distributed to capture responses where questions are designed to secure information about certain conditions or practices wherein the respondents are presumed to have the required knowledge (Singh, 2006: 191). Another definition of questionnaire defines it as a general term which includes all techniques of data collection including both structured interviews and telephonic questionnaires, as well as those in which the questions are answered without the interviewer being present (Saunders et al., 2016). Using questionnaires was the method that was believed to be the most appropriate method for data collection for the quantitative data in this study. There were also interviews that were carried out for the collection of qualitative data. The qualitative data collection method is a method whereby the data collected is not characterised by numbers, but instead, it is characterised by text (Zikmund et al., 2009).

#### **4.9. Data Collection Procedure**

The primary data collection method was questionnaires with a 5-point Likert scale where respondents would have to complete multiple choice questions. The Likert scale is a format of answering questions where there are three or more points used to indicate a lesser or greater quantity of response, such as the extent to which someone agrees or disagrees with a statement (Howitt & Cramer, 2011:284). Zikmund et al., (2009: 318) confirms the statement above by also indicating that the Likert scale allows for respondents to indicate their attitudes by checking how strongly they agree or disagree with carefully constructed statements ranging from very positive to very negative attitudes towards and object. The questionnaire was emailed to all the selected respondents, in order for them to complete and return the questionnaire to the

researcher. The other method was interviews where the researcher sat with randomly selected respondents and interviewed them.

#### **4.10. Pretesting**

Pretesting or pilot testing is defined as a small-scale study that is used in a study to test a questionnaire, or observation schedule, in order to minimise the likelihood of research respondents having challenges answering the questions (Saunders et al., 2016).

Zikmund et al., (2009: 65) describes pretesting as a small-scale study in which the results indicate whether the study is correctly designed and will work. Leavy (2017: 116) confirms what the other authors have described above; also indicating that a pilot study, or a pre-test is a dry-run or trial of a study. Pretesting is taking a small sample and then distributing the questionnaire as a test, to check if there are any challenges that might be experienced when collecting data.

The researcher distributed the questionnaire to a small sample of 5 managers, as a means to test the questionnaire before the real research was conducted to the selected. It was established that questions 16 and 20 were not correctly phrased and were therefore removed from the quantitative questionnaire. There were also 7 pre-tests that were conducted on the qualitative questionnaire to test the measuring instrument which were regarded as satisfactory.

#### **4.11. Administration of Questionnaires**

The quantitative questionnaires were emailed to the respondents in order to receive their responses. The respondents were also afforded the opportunity to be able to complete the questionnaire online, at their convenience. There were also some questionnaires for the qualitative data that were handed out personally by the researcher and interviews were conducted.

#### **4.12. Collection of Questionnaires**

The questionnaires were collected by means of emails for the quantitative method and others were administered personally as per the qualitative method. Emails and attached questionnaire were forwarded to sampled individuals and then they responded to the questionnaire and they returned the questionnaire. They also had the option of completing the questionnaire online. For the qualitative research, the researcher visited sampled individuals to collect the required data.

#### **4.13. Limitations**

The respondents to be selected for interviews will be in Gauteng where the researcher is based, in order to reduce costs. That might skew the results in a certain direction, since conditions might vary from province to province. The researcher is however considering that emails may be sent to all the respondents in all provinces for the quantitative questionnaire.

#### **4.14. Validity and Reliability**

According to Kothari (2004: 73), validity can be expressed as a measure of the extent to which differences in a measuring instrument reflect true differences among those being tested and reliability is the measure of consistency of a measuring instrument. Validity is important, because it helps in ensuring that the right method is being used for what is being measured; meaning that there is sufficient accuracy of the measurement tool and the extent to which there is truthful representation of a concept by examining the scores (Zikmund, et al., 2009: 307). There are internal and external factors that may influence the validity of the measuring instruments, which were considered for the purpose of this study that may render the experiment invalid. Internal invalidity is described as the possibility that conclusions might be drawn in a specific study where the results might not accurately reflect what has occurred in the experiment itself (Babbie & Mouton, 1998). Sources of internal validity include but are not limited to the maturity of the people who are part of the sampled

population and the historical events that could have occurred in the country, during the course of the experiment. External invalidity on the other hand, refers to the likelihood that the conclusions drawn from a particular study are not generalisable to the larger population (Babbie & Mouton, 1998). In order to ensure validity, the sample that will be drawn will be representative of the variables on the questionnaire. Possible sources that might cause the data to be invalid will also be addressed.

A measuring instrument is said to be reliable if it delivers consistent results (Kothari, 2004: 74). Another definition suggests that reliability denotes the extent to which data collection techniques or analysis, or analysis procedures will come up with consistent findings (Saunders et al., 2007: 149). Babbie and Mouton (1998) suggested that in order for a measuring instrument to be reliable, the quality of the measuring method needs to ensure that the same data would be collected should the experiment be repeated several times examining the same phenomenon. Reliability ensures that a measurement is consistent because it ensures that different attempts that measure something produce the same result (Zikmund et al., 2009: 305). To address reliability, all the questionnaires for the quantitative sample will be sent out via email and for the qualitative sample the interviews will be conducted under similar conditions.

#### **4.15. Anonymity and Confidentiality**

Anonymity is defined as the hiding or concealing of the identities of the research participants in all the research documents and confidentiality involves the right to access the data that was provided by the respondents and in particular, the need to keep the data private Saunders et al., (2016: 235). Babbie (2005) defined anonymity as an instance where the researcher and the people that read a research report are unable to identify the given responses and link them to a particular respondent in that particular study. Anonymity is important in research because it ensures that the participants of the research cannot be identified by anyone including the researcher and confidentiality is

important because it ensures that the identities of the respondents are protected although known to the researcher. Anonymity will be ensured although respondents will receive questionnaires via emails and others will be selected for interviews. The names of the respondents and their personal details will not be included when the data is analysed to ensure anonymity.

Confidentiality will be ensured by keeping the raw data away from third parties and should the respondents supply their names on the questionnaire, the names will not be revealed to the public, to safeguard the identity of the respondents. Confidentiality is the requirement to safeguard the anonymity of the data that was collected from the respondents of the study (Howitt & Cramer, 2011). Confidentiality was followed by the researcher to protect the identities of the respondents. Confidentiality means that although there may be names or identities attached to the information submitted by respondents to the study, the names are held back and held in confidence or kept secret from the general public (Neuman, 2014: 155). Babbie (2005) described confidentiality as an instance where the researcher is not able to identify the responses of a particular respondent in a research study and promises not to reveal the identity of the respondents.

#### **4.16. Ethical Considerations**

Ethics is the appropriateness of the researcher's behaviour in relation to the rights of those who take part in a research project or those who are affected by the research (Saunders et al., 2003: 488). It also refers to the code of conduct or the expected societal norm of behaviour that is expected, while conducting business research and it applies to members of an organisations, researchers and respondents (Sekaran, 2003: 17). Another author described ethics as the application of morals to behaviour; related to the research environment or the context. Highly ethical behaviour can be characterised as being fair, just and acceptable (Zikmund et al., 2009: 88). Ethical considerations were considered when the study was conducted, in order to prevent the respondents from being harmed after they had volunteered their

participation in the research project. Informed consent was required from all respondents in the study, because ethics was considered to be important during application of the research.

Informed consent indicates that the individuals who are respondents of the research understand what the researcher wants them to do and consent to taking part in the study (Zikmund et al., 2009: 90). Respondents decided to participate in the research of their own free will, and there was no coercion from the researcher's side.

#### **4.17. Data Analysis**

The study employed statistical data analysis for both quantitative and qualitative questionnaires to quantify all the responses. The data was analysed electronically. The data was then used to construct charts and graphs to produce statistical tables and to reflect the different responses that the respondents provided. Descriptive statistics and inferential statistics were also used to reach a decisive statistical result. Interviews were analysed daily, after the conclusion of each day's sessions.

Data analysis is defined as the deliberation that takes place, in order to understand the responses and then applying and extrapolating from the results. (Zikmund et al., 2009). Cooper and Schindler (2014) described it as the process whereby the accumulated data is edited and reduced into a manageable size that can then summarised and interpreted be developed to find patterns using statistical techniques.

##### **4.17.1. Correlation**

The research also made use of statistical data analysis for the qualitative data to investigate the relationship between the variables. Correlation data analysis is defined as the strength of a relationship between two variables, whereby a strong correlation means that those two or more variables have a strong relationship with each other while a weak correlation means that the variables are insignificantly related (Leavy, 2017). Creswell (2014) showed that

researchers use correlation to describe and to measure a degree of relationship or association between two or more variables. Zaid (2015: 3) defined it as a measurement that is used to show the extent to which two or more variables oscillate, whereby a positive correlation shows the extent to which the variables increase or decrease in parallel, and a negative correlation shows the extent to which one variable decreases as the other one increases. This analysis was conducted to show the relationship between B-BBEE and organisational effectiveness.

#### **4.17.2. Regression analysis**

Regression analysis refers to the identification and evaluation of the relationship between a dependent variable and one or more independent variables, which are also referred to as predictor or explanatory variables. This method is commonly used in statistical techniques in the social and physical sciences (Zaid, 2015). Multiple regression denotes a variety of methods that identify the best pattern of variables to differentiate between higher and lower scores of key variables of importance (Howitt & Cramer, 2011: 228).

#### **4.18. Conclusion**

The chapter of discussed the research design and the methodology that was utilised in conducting the research. There was also a description and the discussion of the research philosophy and the research design, in order to arrive at an understanding of the methods used. There was also a description of quantitative and qualitative methods, since the research used a quantitative method for the primary research method and a qualitative method for the secondary research. The research gave a brief description of epistemology and ontology, in order to indicate the philosophical view that was followed in this study.

## **CHAPTER 5**

### **DATA PRESENTATION AND ANALYSIS OF QUANTITATIVE RESULTS**

#### **5.1. Introduction**

This chapter deals with the presentation and analysis of the results of the study. As mentioned in Chapter 4, the sample size of a hundred and fifty was selected for the quantitative study.

The numbers of respondents selected for the quantitative phase of the study was a hundred.

The questionnaires were distributed to the respondents. Of the total one hundred only ninety-seven questionnaires were completed and returned, whereas three of them were not retrieved. The analysis was done on only the ninety-seven questionnaires that were collected.

The completed questionnaires were then coded on the Excel programme and exported into the SPSS, version 26.0, for analysis.

The analysis and interpretation was done by employing both descriptive (mean, minimum, maximum and standard deviation) and inferential statistics (Cronbach's alpha coefficient, factor analysis, correlations, analysis of variance-Anova, Post Hoc Scheffe's Test and the sample t-test).

The analysis and presentation of the results were done as per the research objectives, namely: to determine whether B-BBEE influences the way organisations formulate their organisational strategy and to examine if B-BBEE influences managerial effectiveness or organisational sustainability when it is implemented in organisations that implement B-BBEE; and to ascertain whether B-BBEE has an influence on a company's organisational culture.

The results are presented as follows:

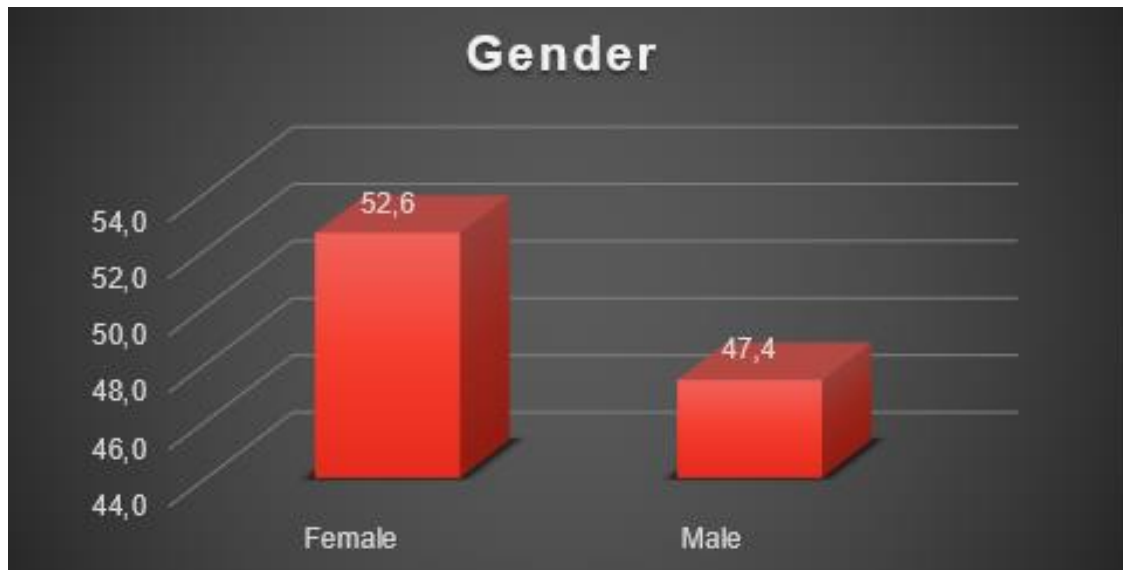
## 5.2. Demographic Characteristics

Table 5.1 below contains the results of the demographic characteristics of the research participants.

**Table 5.1: Demographic composition of sample**

<b>Biographical Variable</b>	<b>Category of Biographical Variable</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	Male	46	47.4
	Female	51	52.6
<b>Work experience</b>	> 1 year	5	5.2
	1-10 years	17	17.5
	11-20 years	33	34.0
	21-30 years	31	32.0
	31 + years	11	11.3
<b>Age</b>	< 25 years	4	4.1
	25 years	4	4.1
	26-35 years	21	21.6
	36-45 years	39	40.2
	41 +	29	29.9
<b>Management level</b>	Top Management	24	24.7
	Senior Management	31	32.0
	Middle Management	41	42.3
	Other	1	1.0
<b>Company type</b>	NPO/NGO	7	7.2
	Private Company	77	79.4
	Government Department	8	8.2
	State Owned Company	5	5.2
<b>Company size</b>	Exempt Micro Enterprise: Less Than 10 Million	22	22.7
	Qualifying Small Enterprise	21	21.6
	Generic	52	53.6
	Other	2	2.1

**Figure 5.1: Gender**



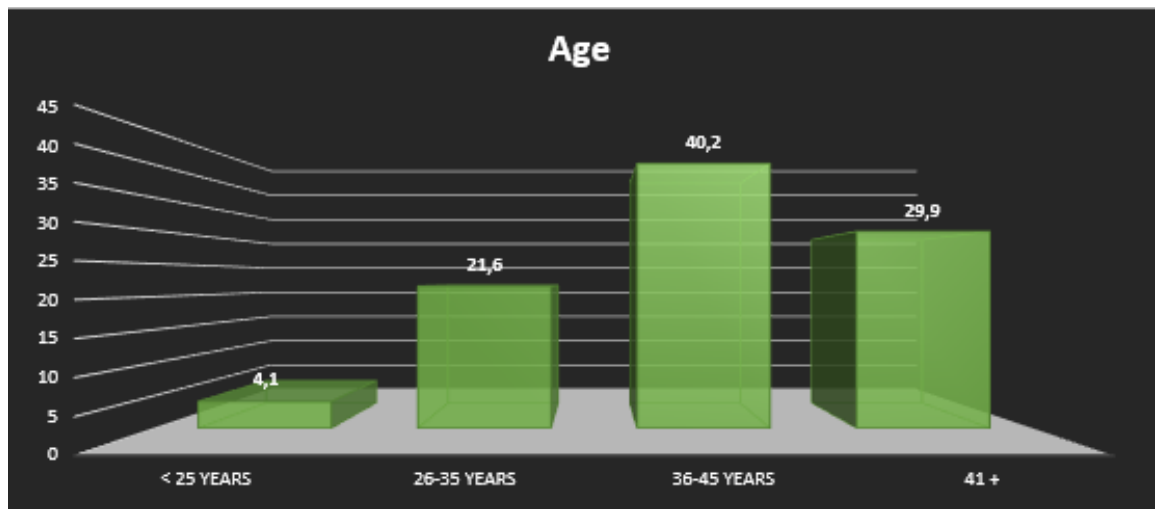
As shown in Table 5.1 and figure 5.1, it was indicated that the majority (52.6 percent) of the respondents were females, while the rest (47.4 percent) were males.

**Figure 5.2: Work Experience**



The results that are tabulated in table 5.1 and figure 5.2 further showed that 34 percent of the respondents had worked for their respective organisations for between 11-20 years, followed by 32 percent (21-30 years), 17.5 percent (1-10 years), 11.3 percent (31 + years) and 5.2 percent (< 2 years).

**Figure 5.3: Age**



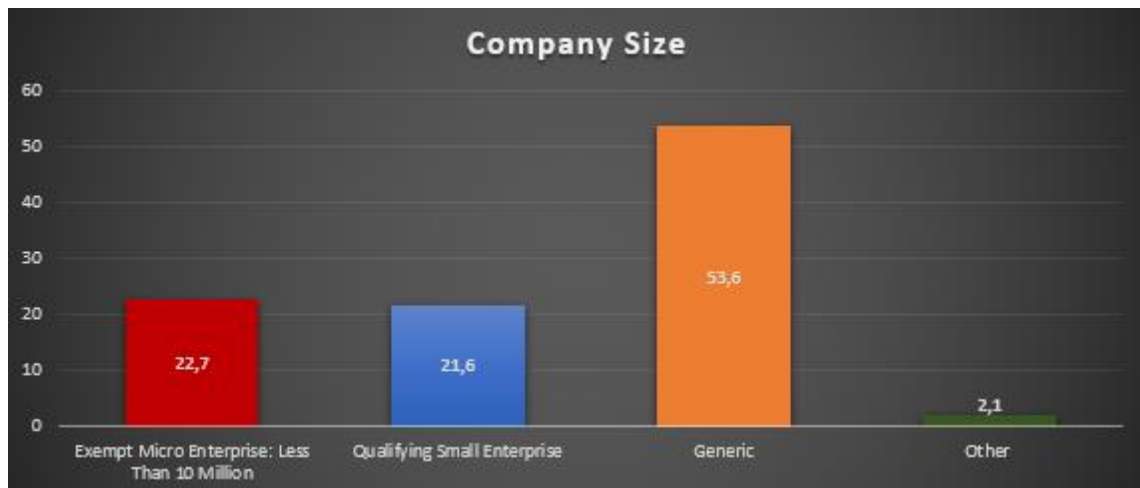
The findings tabulated in Table 5.1 and depicted in Figure 5.3 revealed that 40.2 percent were between the ages of 36-45 years, followed by 29.9 percent (41 +), 21.6 percent (26-35 years), 4.1 percent (25 years), 4.1 percent (< 25 years).

**Figure 5.4: Management Level**



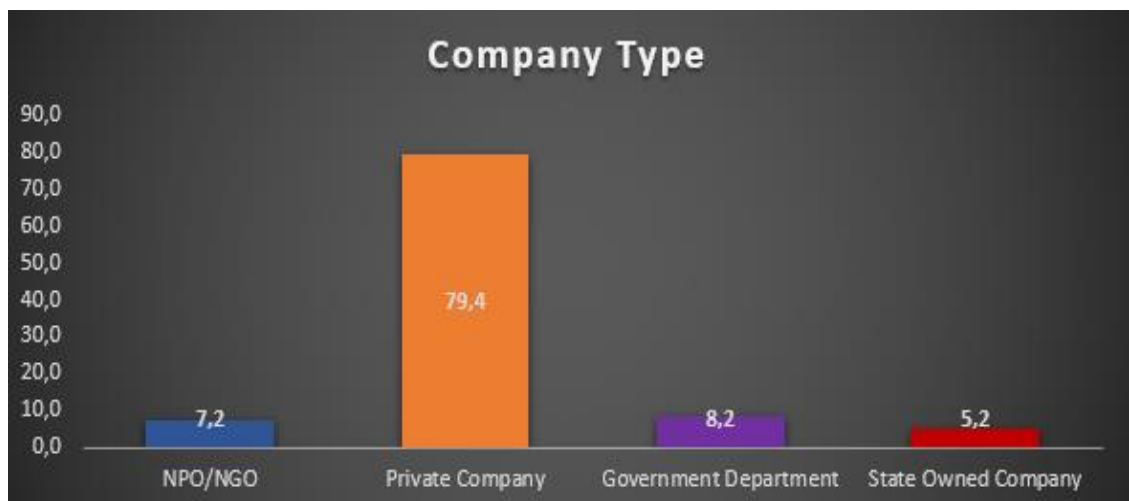
The results tabulated in Table 5.1 and also depicted in Figure 5.4 indicated that 42.3 percent of the respondents occupied Middle Management positions, followed by 32.0 percent (Senior Management positions), 24.7 percent (Top Management positions) and 1.0 percent (Other positions).

**Figure 5.5: Company Size**



The results tabulated in Table 5.1 and depicted in figure 5.5 further showed that 53.6 percent of the respondents belonged to Generic organisations, followed by 22.7 percent (Exempt Micro Enterprise: Less than 10 Million), and 21.6 percent (Qualifying Small Enterprises).

**Figure 5.6: Company Type**



It was found that 79.4 percent were from Private Companies, followed by 8.2 percent (Government Departments), 5.2 percent (State Owned Companies) and 2.1 percent (Other).

### 5.3. Descriptive Statistics

The perceptions of the respondents concerning the influence of B-BBEE on organisational strategy, managerial effectiveness, organisational sustainability and organisational culture were assessed by asking the participants to respond to various aspects of the items, using a 1 to 5-point Likert scale. The responses from the respondents are shown in Table 5.5 below.

Creswell (2012) described descriptive statistics as the information that is used for the description of responses to questions, and to determine the overall distribution and the trends related to the data collected. That summarises the responses that were collected through the method used in understandable format that is depicted using tables and graphs.

These can simply be indicated as a summary of the description of the collected data sets, to make a correct conclusion, as per the data set. Walliman (2011) also described descriptive statistics as a method used to quantify the characteristics of parametric numerical data, such as an indication of the centre, the mode, the median and the mean of the distribution (Walliman, 2011). It was also suggested that descriptive statistics are distinguished by the characteristics of the spread, location and shape of the data array (Cooper & Schindler, 2014).

**Table 5.2: Descriptive statistics: Key dimensions of the study**

Dimension	Mean	95 % Confidence Interval		Std. Dev.	Min.	Max.
		Lower Bound	Upper Bound			
Organisational strategy	3.52	3.33	3.71	0.92756	1.00	5.00

Managerial effectiveness	4.49	4.36	4.63	0.67551	1.00	5.00
Organisational sustainability	3.73	3.57	3.90	0.80914	1.00	5.00
Organisational culture	3.07	2.91	3.23	0.79725	1.00	5.00

The information from Table 5.2 above showed that managerial effectiveness had the highest value (Mean = 4.49), followed by organisational sustainability (Mean = 3.73), organisational strategy (Mean = 3.52) and organisational culture (Mean = 3.07). These results are graphically depicted in Figure 5.1 below.

**Figure 5.7: Key dimensions of the study**

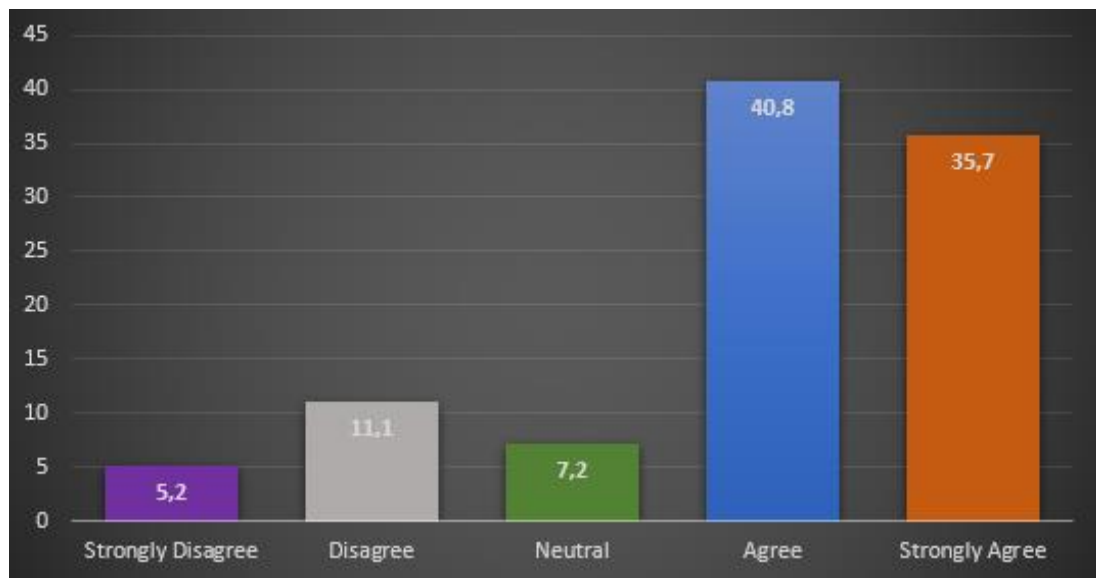


The implication of the results depicted in Table 5.2 and Figure 5.1 above suggested that the managerial effectiveness had the stronger influence on the implementation of B-BBEE, whereas organisational culture had less influence

on the implementation of B-BBEE. To attain a maximum score of 5 on a scale of 1 to 5, it is evident that the effect of these dimensions on the implementation of B-BBEE range from low to high is moderate, thereby reflecting room for improvement in all of the dimensions, although in varying degrees. In order to assess exactly where the improvement lies in each of the dimensions, frequency analyses were undertaken, in terms of all the variables that influence the implementation of B-BBEE.

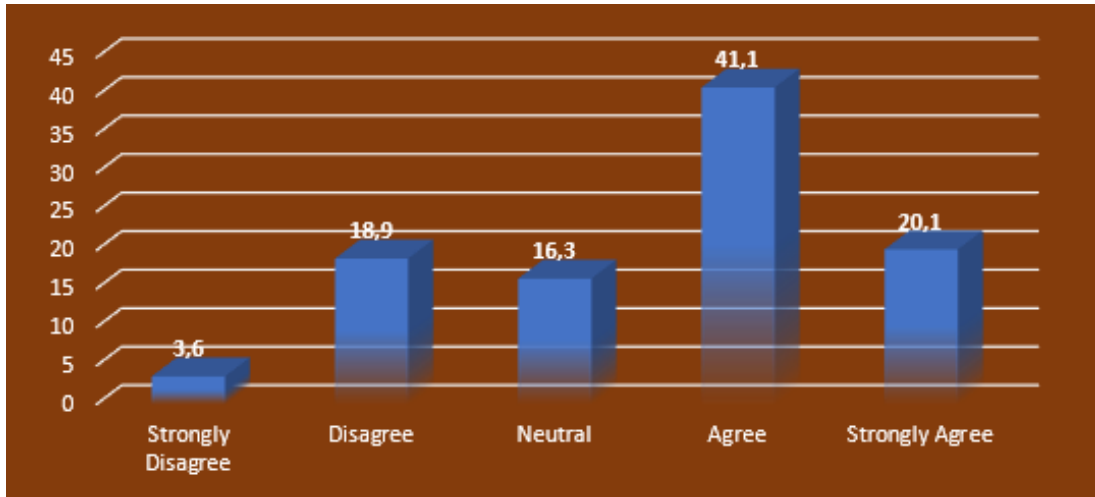
### 5.3.1. Organisational strategy

**Figure 5.8: B-BBEE is part of the company's strategy**



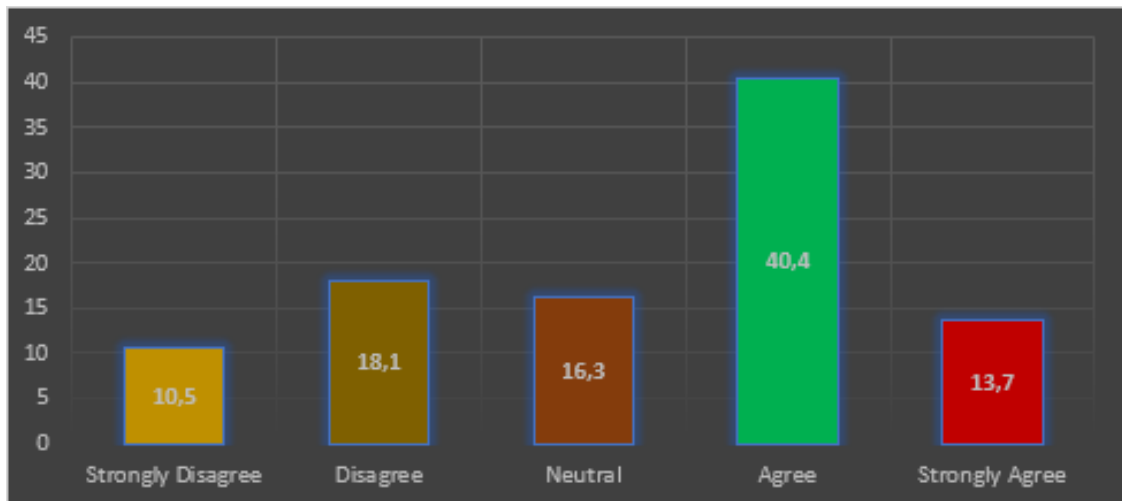
The results of the study as indicates in Figure 5.8 showed that 76.5 percent (40.8 percent + 35.7 percent) of the respondents agreed that B-BBEE is part of the company's strategy, 16.3 percent (5.2 percent + 11.1 percent) disagreed that B-BBEE is part of the company's strategy whereas 7.2 percent neither agreed nor disagreed that B-BBEE is part of the company's strategy.

**Figure 5.9: B-BBEE influences the way resources are allocated in the company**



In addition, the results depict in figure 5.9 indicated that 61.2 percent of the respondents agreed that B-BBEE influences the way resources are allocated in the company, 22.5 percent disagreed that B-BBEE influences the way resources are allocated in the company and the rest of the 16.3 percent neither agreed nor disagreed that B-BBEE influences the way resources are allocated in the company.

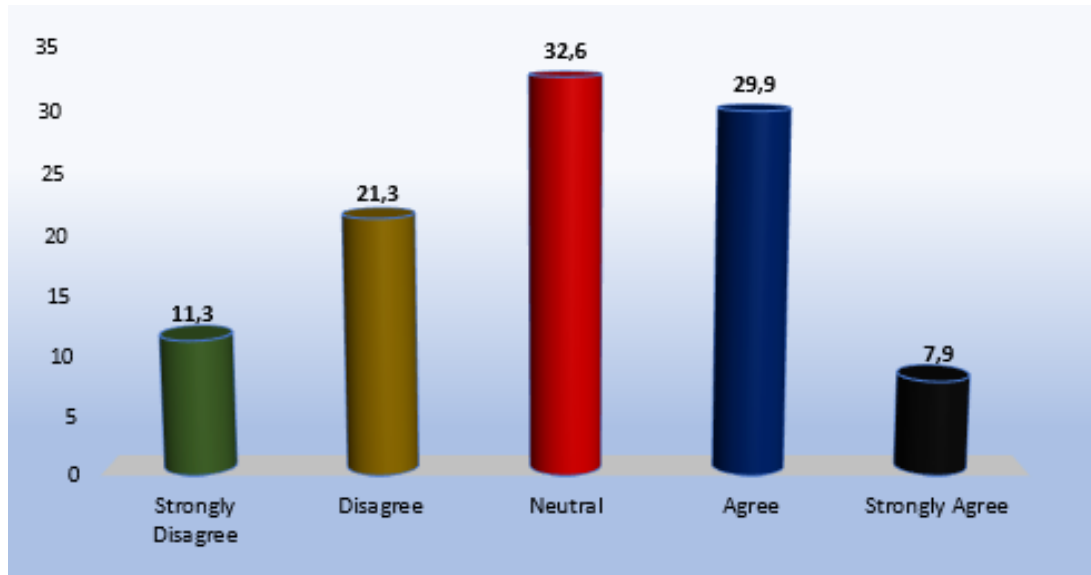
**Figure 5.10: every employee was aware of the B-BBEE initiatives in the company**



Also, the results depict in figure 5.10 indicated that 54.1 percent of the respondents agreed that every employee was aware of the B-BBEE initiatives in the company, 28.6 percent disagreed that every employee was aware of B-

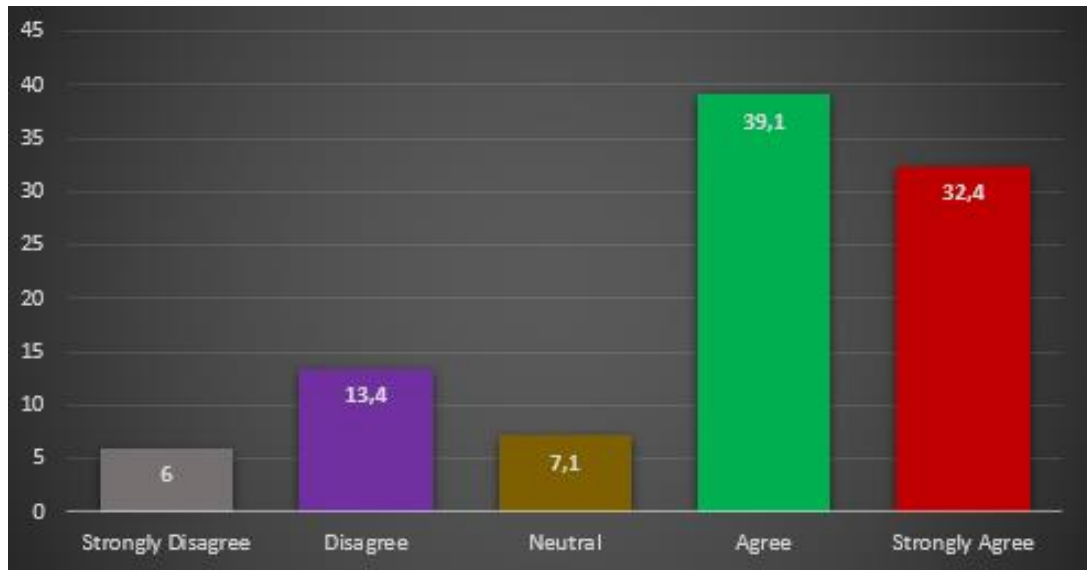
BBEE initiatives in the company, while 16.3 percent indicated that they neither agreed nor disagreed that every employee was aware of B-BBEE initiatives in the company.

**Figure 5.11: There is time dedicated to B-BBEE training**



Moreover, Figure 5.11 indicates that 37.8 percent agreed that there was time dedicated to B-BBEE, 29.6 percent of the respondents disagreed that there was time dedicated to B-BBEE training. Meanwhile 32.6 percent of the respondents indicated that they neither agreed nor disagreed that there was time dedicated to B-BBEE training.

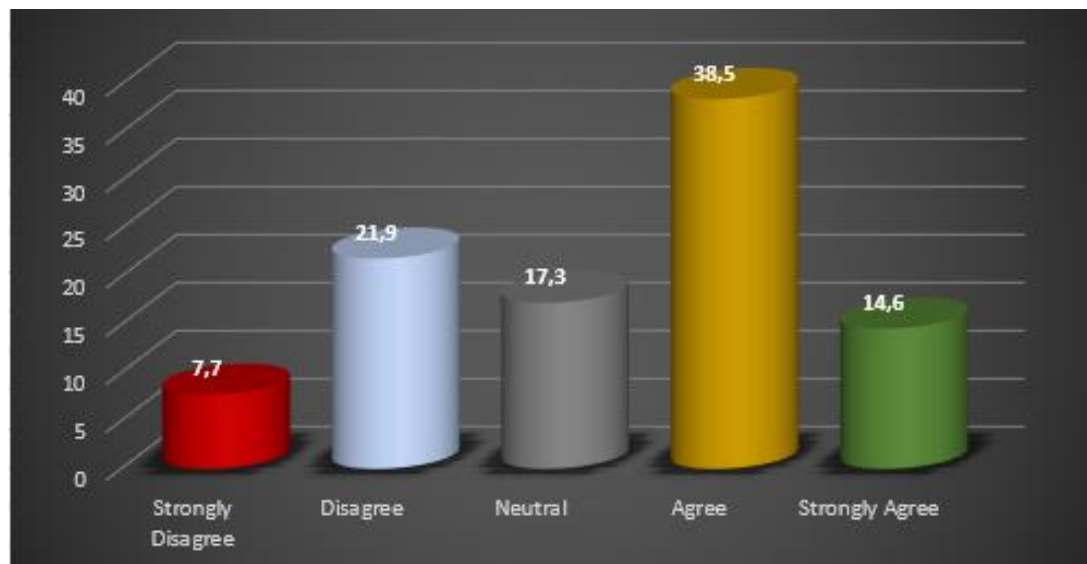
**Figure 5.12: The company has policies that promote B-BBEE**



Finally, Figure 5,12 shows that 71.5 percent of the respondents agreed that their respective companies had policies that promote B-BBEE, 19.4 percent of them disagreed that their companies had policies that promote B-BBEE, while 7.1 percent of them indicated that they neither agreed nor disagreed that their companies had policies that promote B-BBEE.

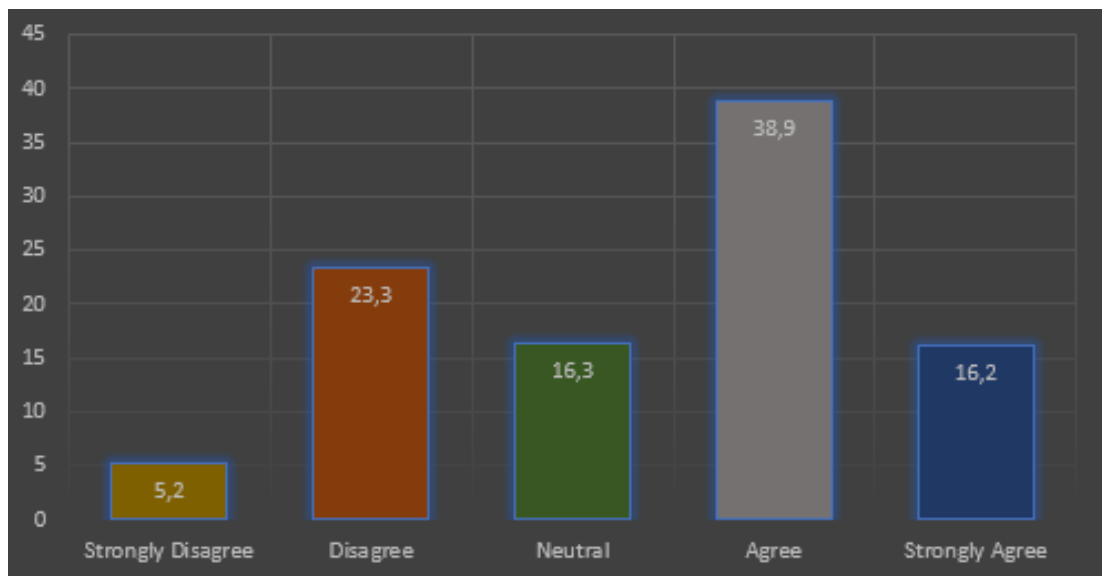
### 5.3.2. Managerial effectiveness

Figure 5.13: B-BBEE influences the way the company is managed



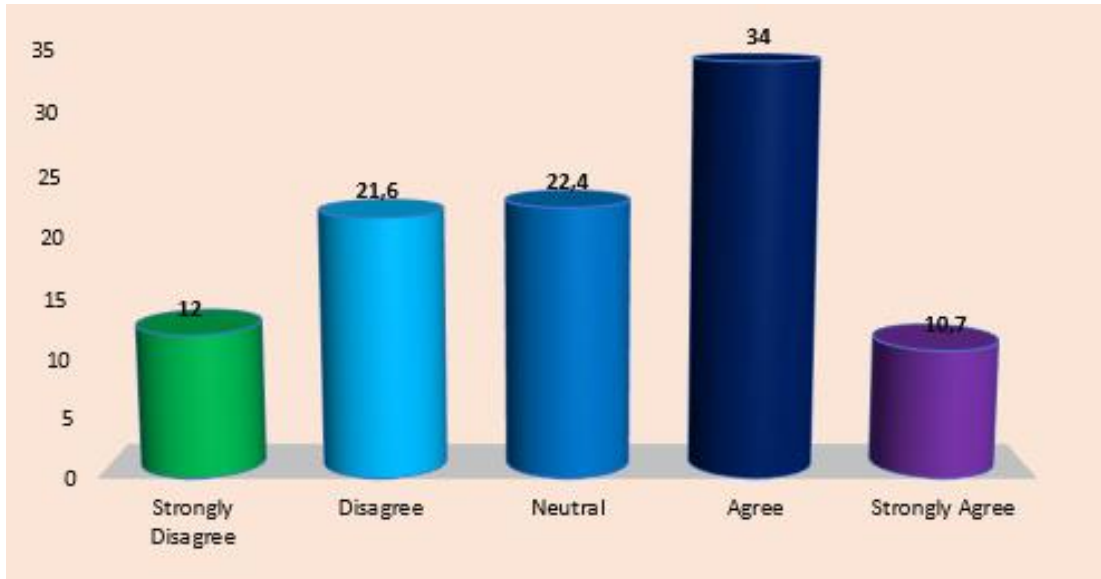
The results depicted in figure 5.13 shows that 53.1 percent agreed that B-BBEE influences the way the company is managed, 29.6 percent disagreed that B-BBEE influences the way the company is managed, while 17.3 percent of them indicated that they neither agreed nor disagreed that B-BBEE influences the way the company is managed.

**Figure 5.14: There is a need to hire new managers to align the company to B-BBEE**



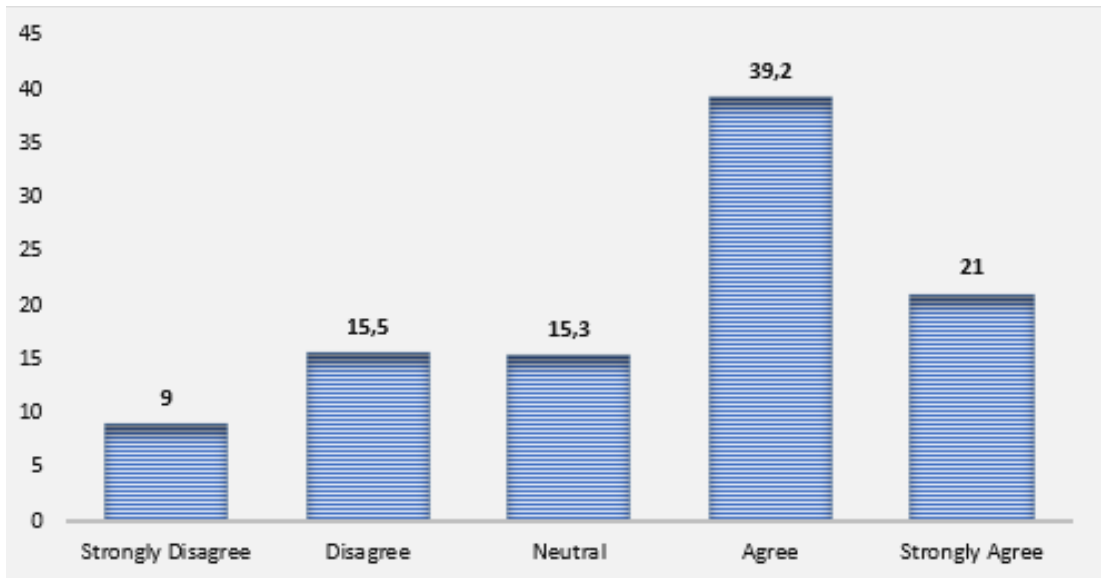
Of the respondents in Figure 5.14 reported that 55.1 percent agreed that there was a need to hire new managers to align the company to B-BBEE, 28.5 percent of them disagreed that there was a need to hire new managers to align the company to B-BBEE and the rest; 16.3 percent indicated that they neither agreed nor disagreed that there was a need to hire new managers to align the company to B-BBEE.

**Figure 5.15: There are structural changes in the organisation as a result of B-BBEE**



Moreover, Figure 5.15 indicates that 44.7 percent of the respondents agreed that there were structural changes in the organisation, as a result of B-BBEE, 33.6 percent of the respondents disagreed that there were structural changes in the organisation as a result of B-BBEE, while 22.4 percent expressed the view that they neither agreed nor disagreed that there were structural changes in the organisation, as a result of B-BBEE.

**Figure 5.16: Managers need to be trained in order to cope with B-BBEE**



Additionally, Figure 5.16 shows that 60.2 percent of the respondents agreed that their managers needed to be trained in order to cope with B-BBEE, 24.5 percent disagreed that their managers needed to be trained in order to cope with B-BBEE, whereas 15.3 percent neither agreed nor disagreed that their managers needed to be trained in order to cope with B-BBEE.

### 5.3.3. Organisational sustainability

**Figure 5.17: There is a need for sustainability to be aligned to B-BBEE**

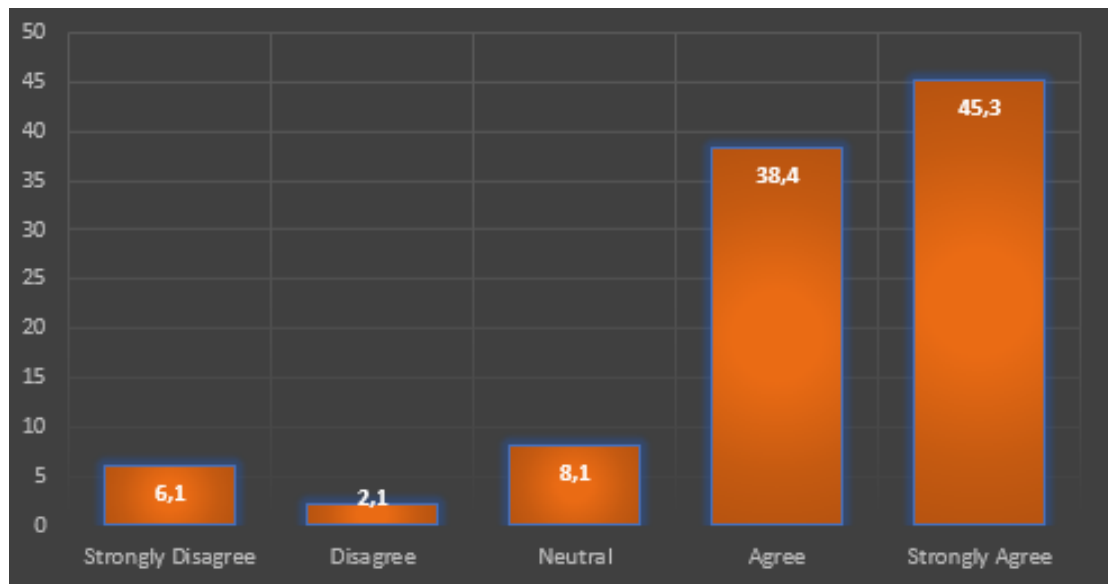
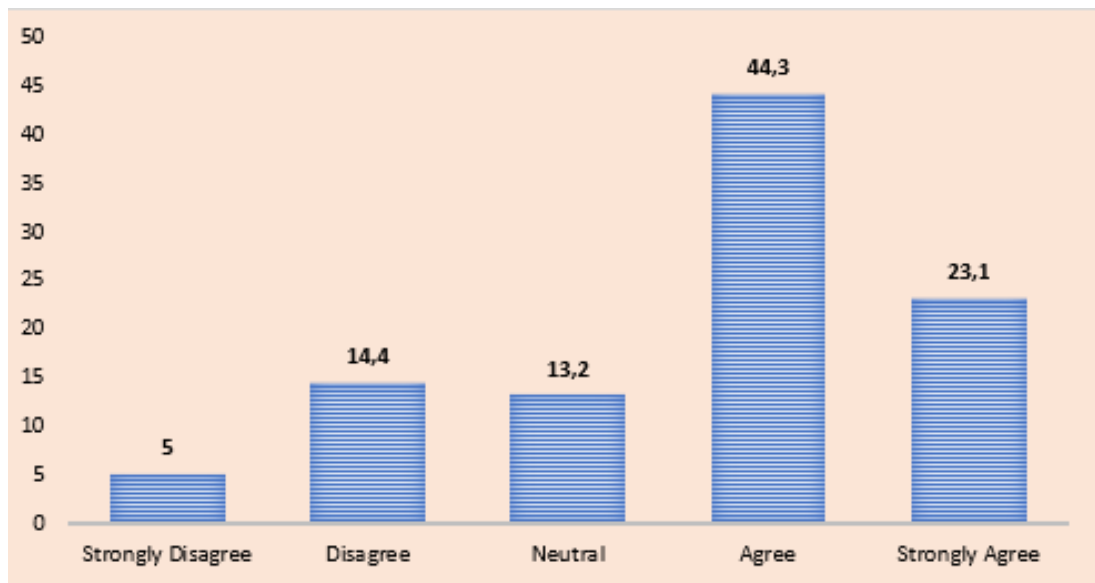


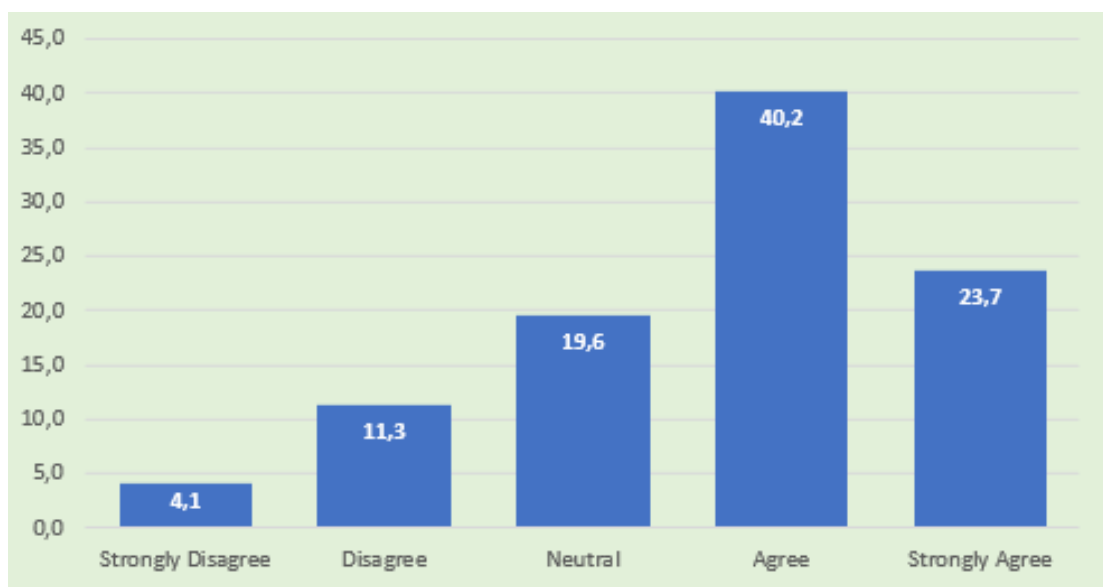
Figure 5.17 indicates that 83.7 percent of the respondents agreed that there was a need for sustainability to be aligned to B-BBEE, 8.2 percent of them disagreed there was a need for sustainability to be aligned to B-BBEE, while another 8.1 percent indicated that they neither agreed nor disagreed that there was a need for sustainability to be aligned to B-BBEE.

**Figure 5.18: B-BBEE changes the way things are done in the organisation**



Moreover, Figure 5.18 shows that 67.4 percent of the respondents agreed that B-BBEE changed the way things were done in the organisation, 19.4 percent of them disagreed that B-BBEE changed the way things were done in the organisation, while 13.2 percent remained neutral on whether that B-BBEE changed the way things are done in the organisation.

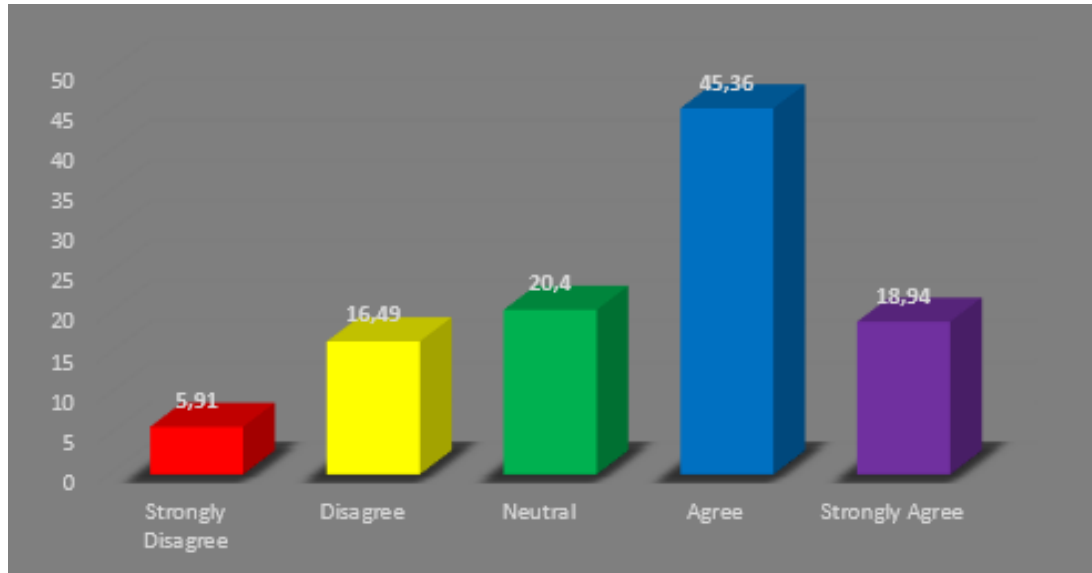
**Figure 5.19: There is a need for planning and restructuring**



In addition, Figure 5.19 indicates that 63.9 percent of the respondents agreed that there was a need for planning and restructuring, 15.4 percent of them

disagreed that there was a need for planning and restructuring, whereas 19.6 percent indicated that they neither agreed nor disagreed that there was a need for planning and restructuring.

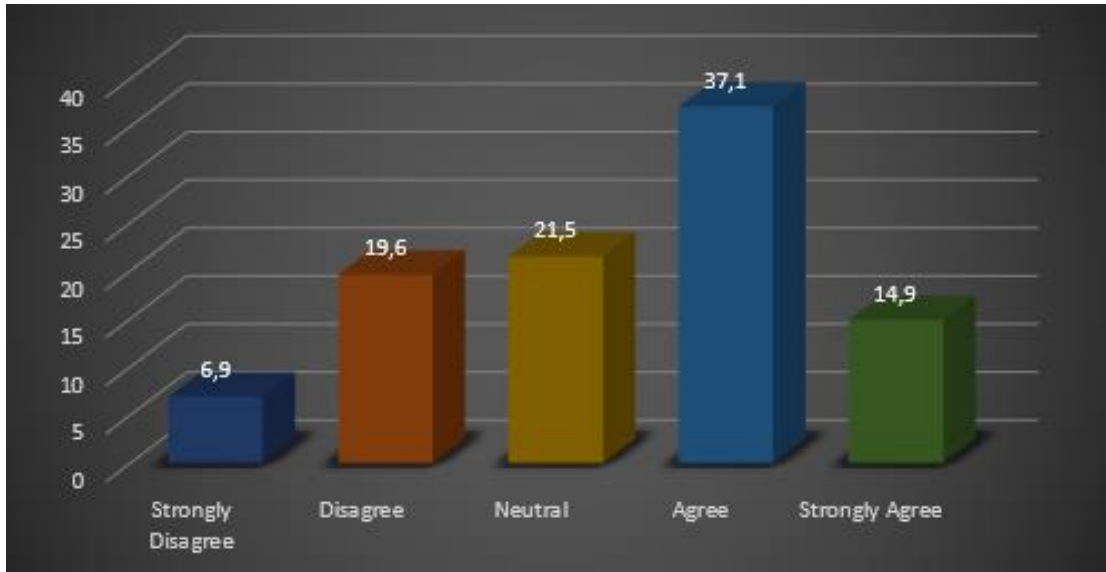
**Figure 5.20: Activities are defined and assigned to relevant employees or teams**



Lastly, Figure 5.20 shows that 64.3 percent of the respondents agreed that activities were defined and assigned to relevant employees or teams, 22.4 percent of the respondents disagreed that activities were defined and assigned to relevant employees or teams, while 20.4 percent of the respondents indicated that they neither agreed nor disagreed that activities were defined and assigned to relevant employees or teams.

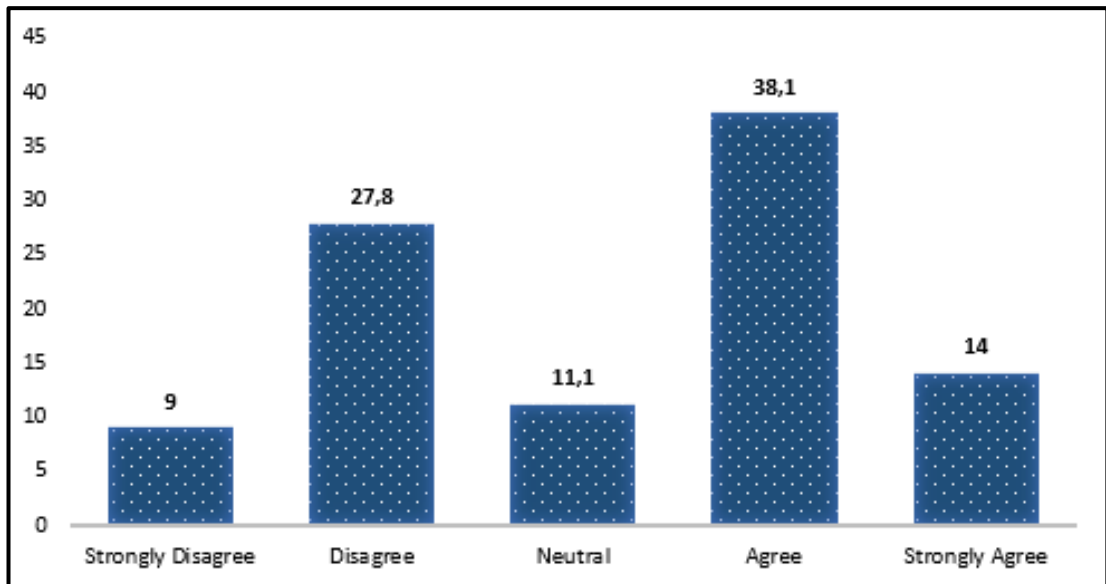
#### **5.3.4. Organisational culture**

**Figure 5.21: Organizational culture is affected by hiring new recruits**



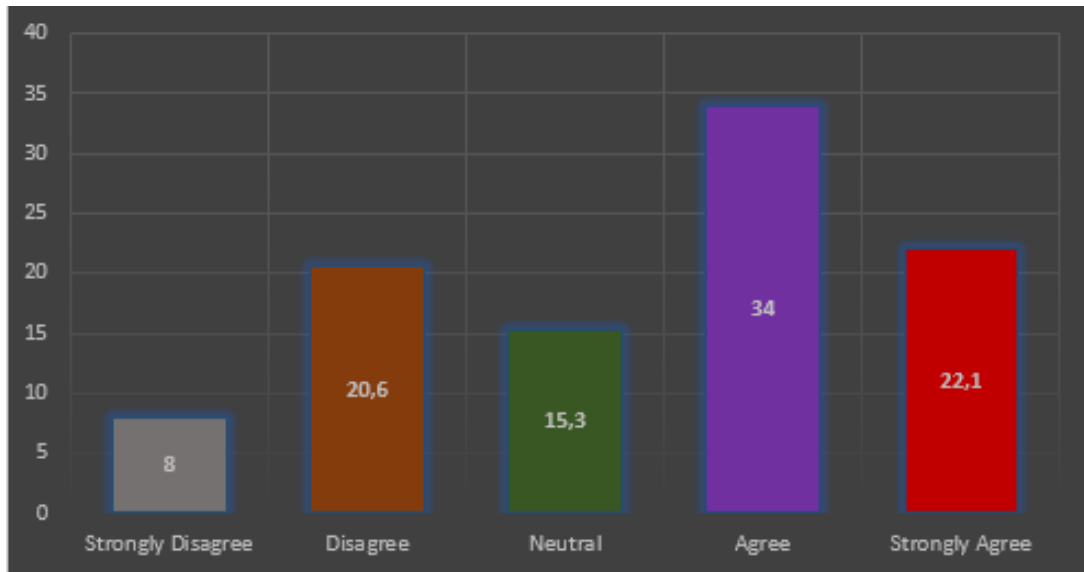
The results depicted in figure 5.21 of the study shows that 52 percent of the respondents agreed that the organizational culture was affected by hiring new recruits, 26.5 percent of them disagreed that organizational culture was affected by hiring new recruits, while 21.5 percent of them indicated that they neither agreed nor disagreed that organizational culture was affected by hiring new recruits.

**Figure 5.22: B-BBEE changes the way employees relate in the organisation**



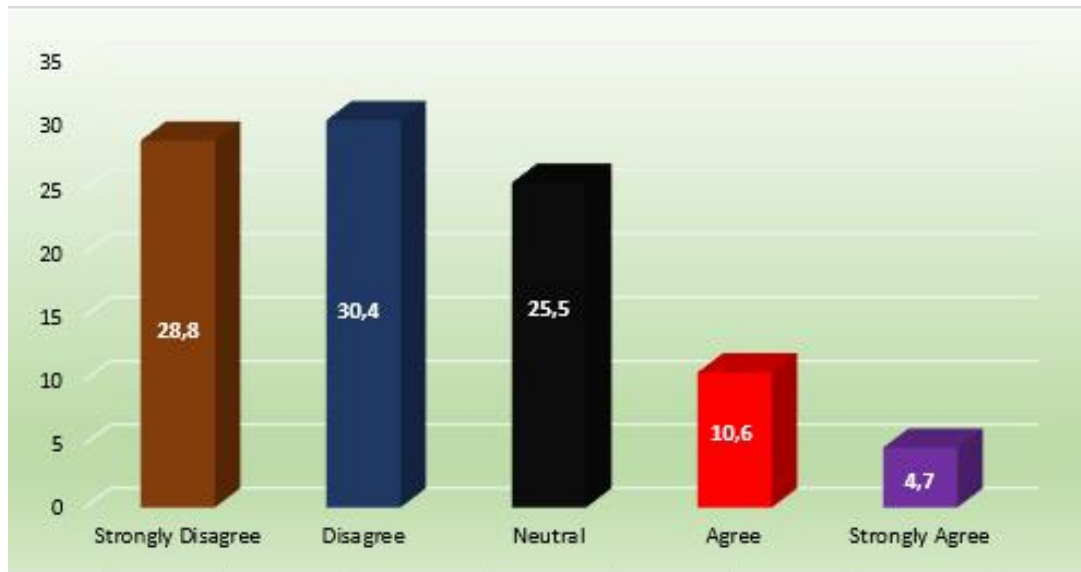
Moreover, Figure 5.22 shows that 52.1 percent of the respondents agreed that B-BBEE changed the way employees relate to the organisation, 36.8 percent of them disagreed that B-BBEE changed the way employees relate to the organisation, while 11.1 percent indicated that they neither agreed nor disagreed that B-BBEE changed the way employees relate to the organisation.

**Figure 5.23: There is a need to formulate a new culture due to B-BBEE**



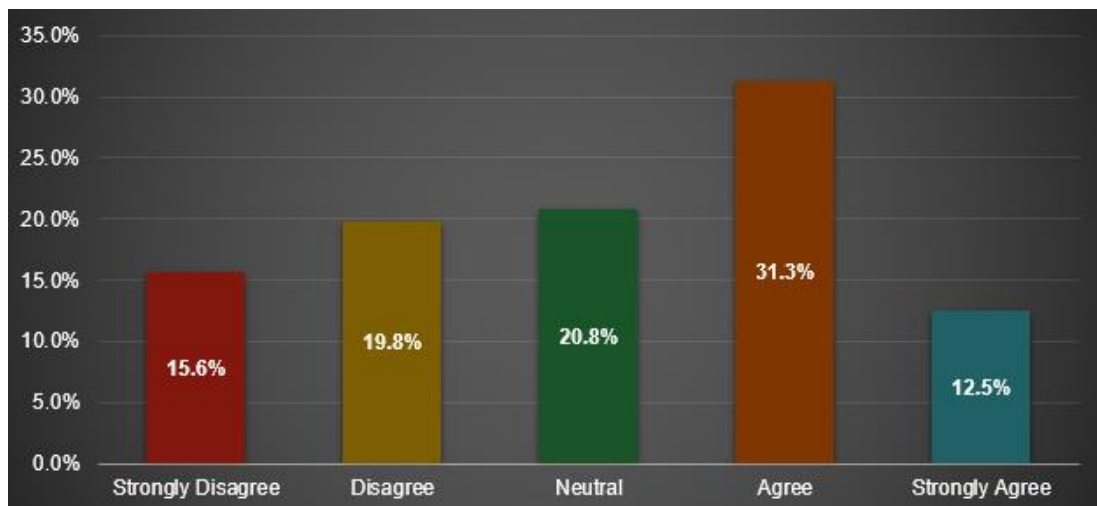
Additionally, Figure 5.23 indicates that 56.1 percent of the respondents agreed that there was a need to formulate a new culture due to B-BBEE, 28.6 percent of the respondents disagreed that there was a need to formulate a new culture due to B-BBEE, whereas 15.3 percent said that they neither agreed nor disagreed that there was a need to formulate a new culture due to B-BBEE.

**Figure5. 24: Employees do not identify with the organisation after B-BBEE implementation**



Furthermore, Figure 5.24 shows that 15.3 percent agreed that employees do not identify with the organisation after B-BBEE implementation, 59.2 percent of them disagreed that employees do not identify with the organisation after B-BBEE implementation, while 25.5 percent indicated that they neither agreed nor disagreed that employees do not identify with the organisation after B-BBEE implementation.

**Figure 5.25: B-BBEE affects employee's motivation**



Lastly, Figure 5.25 indicates that 43.8 percent of the respondents agreed that B-BBEE affected employee's motivation, 24.5 percent of the respondents said they neither agreed nor disagreed that B-BBEE affected employee's

motivation, whereas 34.7 percent of the respondents disagreed that B-BBEE affected employee's motivation.

#### 5.4. Inferential Statistics

To draw valid conclusions, inferential statistics were computed on all the dimensions (organisational strategy, managerial effectiveness, organisational sustainability and organisational culture). The type of inferential statistics used in this study included correlations, Anova, Post Hoc Scheffe's Test and the sample t-test. The results are discussed as follows.

##### 5.4.1. Spearman's correlations

To determine the relationship between the variables in this study, Spearman's correlations was computed. The results are as follows.

##### 5.4.1.1. Spearman's correlations: B-BBEE and organisational strategy

The kind of relationship which exists between B-BBEE and organisational strategy is shown in the Table 5.3 below.

**Table 5.3: Spearman's correlations: B-BBEE and organisational strategy**

<b>Strategy</b>	Correlation Coefficient	0.748**
	Sig. (2-tailed)	0.000
	N	97

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

The results of the study showed that there was a significant relationship between B-BBEE and organisational strategy.

#### 5.4.1.2. Spearman's correlations: B-BBEE and managerial effectiveness

The results regarding the relationship between B-BBEE and managerial effectiveness are shown in the Table 5.4 below.

**Table 5.4: Spearman's correlations: B-BBEE and managerial effectiveness**

<b>Managerial effectiveness</b>	Correlation Coefficient	0.827**
	Sig. (2-tailed)	0.000
	N	97

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

The results of the study revealed that a significant positive relationship exists between B-BBEE and managerial effectiveness. The relationship between B-BBEE and organisational sustainability is shown in Table 5.5 below.

#### 5.4.1.3. Spearman's correlations: B-BBEE and organisational sustainability

The results concerning the relationship between B-BBEE and organisational sustainability are shown in the Table 5.5.

**Table 5.5: Spearman's correlations: B-BBEE and organisational sustainability**

<b>Organisational sustainability</b>	Correlation Coefficient	.648**
	Sig. (2-tailed)	.000
	N	97

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

The information from Table 5.5 above showed that a significant positive relationship between B-BBEE and organisational sustainability existed. Table 5.9 below displays the results on the relationship between B-BBEE and organisational culture.

#### 5.4.1.4. Spearman's correlations: B-BBEE and organisational culture

The Table 5.6 shows the kind of relationship which exists between B-BBEE and organisational culture.

**Table 5.6: Spearman's correlations: B-BBEE and organisational culture**

<b>Organisational culture</b>	Correlation Coefficient	0.497**
	Sig. (2-tailed)	0.000
	N	97

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

The findings from the study suggested that a significant positive relationship existed between B-BBEE and organisational culture. The next section of the chapter contains the results from the Anova.

#### 5.4.2. Analysis of variance

The influence of the biographical variables (work experience, age, position, management level, company type and company size) on organisational strategy, managerial effectiveness, organisational sustainability and organisational culture was evaluated using tests of differences (Anova). The results are discussed as follows:

##### 5.4.2.1. Anova: Demographical variables and organisational strategy

Table 5.7 below contains the results on the influence of work experience, age, position, management level, company type and company size on organisational strategy

**Table 5.7: Demographical variables and organisational strategy**

<b>Organisational Strategy</b>		
<b>Biographical Variable</b>	<b>F</b>	<b>P</b>
Work experience	1.125	0.344
Age	0.952	0.524
Management level	0.957	0.518
Company type	0.698	0.809
Company size	0.723	0.652

**\* p < 0.01**

As reflected in Table 5.7 above, no significant difference exists in the perceptions of respondents varying in level of work experience, age, management level, company type and company size, regarding organisational strategy respectively, at a 1 percent level of significance. The next section of the chapter presents the results on the influence of demographical variables on managerial effectiveness.

#### **5.4.2.2. Anova: Demographical variables and managerial effectiveness**

Table 5.8 below displays the results on the influence of work experience, age, position, management level, company type and company size on managerial effectiveness

**Table 5.8: Anova: Demographical variables and managerial effectiveness**

<b>Managerial effectiveness</b>		
<b>Biographical Variable</b>	<b>F</b>	<b>P</b>
Work experience	0.624	0.856
Age	0.728	0.758
Management level	0.782	0.701
Company type	0.825	0.654
Company size	1.148	0.328

The results from Table 5.8 above showed that no significant difference exists in the perceptions of respondents varying in level of work experience, age, management level, company type and company size, regarding managerial effectiveness respectively, at the 1 percent level of significance. The next section of the chapter presents the results on the influence of demographical variables on organisational sustainability.

#### 5.4.2.3. Anova: Demographical variables and managerial effectiveness

Table 5.9 below shows the results of the influence of work experience, age, position, management level, company type and company size on organisational sustainability.

**Table 5.9: Anova: Demographical variables and organisational sustainability**

Organisational sustainability		
Biographical Variable	F	P
Work experience	1.684	0.051
Age	0.466	0.951
Management level	0.461	0.953
Company type	1.203	0.287
Company size	1.352	0.192

\*  $p < 0.01$

As reflected in Table 5.9, no significant difference exists in the perceptions of respondents varying in level of age, management level, company type and company size regarding organisational sustainability, respectively at 1 percent level of significance. However, a significant difference existed in the perceptions of the respondents varying in their level of work experience, concerning organisational sustainability, at the 1 percent level of significance.

To determine exactly where the difference lies in terms of work experience and organisational sustainability, the Post-Hoc Scheffe's test was conducted and the results are shown in Table 5.10.

**Table 5.10: Post Hoc Scheffe's Test: Organisational strategy and work experience**

Dimension	Categories of work experience	N	Mean
Organisational strategy	> 1 year	5	3.37
	1-10 years	17	3.49
	11-20 years	33	3.71
	21-30 years	31	3.33
	31 + years	11	3.16

It is evident from Table 5.10 above that the respondents who had worked for between 11-20 years were more convinced that work experience influenced organisational strategy, as compared to those who had worked between < 1 year, 1-10 years, 21-30 years and 31+, respectively. The next section presents the results on the influence of demographical variables on organisational culture.

#### **5.4.2.4. Anova: Demographical variables and organisational culture**

Table 5.11 below depicts the results of the influence of work experience, age, position, management level, company type and company size on organisational culture.

**Table 5.11: Anova: Demographical variables and organisational culture**

<b>Organisational culture</b>
-------------------------------

<b>Biographical Variable</b>	<b>F</b>	<b>P</b>
Work experience	0.914	0.721
Age	0.891	0.586
Management level	<b>1.992</b>	<b>0.022</b>
Company type	0.269	0.998
Company size	0.718	0.776

\*  $p < 0.01$

As observed in Table 5.11 above, no significant difference exists in the perceptions of respondents varying in levels of work experience, age, company type and company size, regarding organisational culture, respectively at the 1 percent level of significance.

However, a significant difference existed in the perceptions of the respondents varying in the level of management level, regarding organisational culture at the 1 percent level of significance.

To determine exactly where the difference lay in terms of work experience and organisational sustainability, the Post-Hoc Scheffe's test was conducted and the results are shown in Table 5.12 below.

**Table 5.12: Post Hoc Scheffe's Test: Organisational culture and management level**

<b>Dimension</b>	<b>Categories of management level</b>	<b>N</b>	<b>Mean</b>
Organisational culture	Top Management	24	<b>3.09</b>
	Senior Management	31	<b>3.08</b>
	Middle Management	41	3.02
	Other	1	3.02

As reflected in Table 5.12 above, the respondents who occupied top and senior management levels were convinced that management level/position influenced organisational culture within the organisations. Those who occupied middle and other management positions were less convinced that management level influenced organisational culture. The next section presents the results of the influence of demographical variables on B-BBEE.

#### 5.4.2.5. Anova: Demographical variables and B-BBEE

Table 5.13 below shows the results of the influence of work experience, age, position, management level, company type and company size on B-BBEE.

**Table 5.13: Anova: Demographical variables and B-BBEE**

B-BBEE		
Biographical Variable	F	P
Work experience	0.973	0.529
Age	0.749	0.827
Management level	0.890	0.644
Company type	2.106	0.005
Company size	0.820	0.740

\*  $p < 0.01$

As reflected in Table 5.13 above, no significant difference exists in the perceptions of respondents varying in work experience, age, management level and company size, regarding B-BBEE, respectively at the 1 percent level of significance. However, a significant difference showed in the perceptions of the respondents varying in level of company type, regarding B-BBEE at the 1 percent level of significance. To determine exactly where the difference lay in terms of work experience and organisational sustainability, the Post-Hoc Scheffe's test was conducted and the results are shown in Table 5.14 below.

**Table 5.14: Post Hoc Scheffe's Test: B-BBEE and company type**

Dimension	Categories of company type	N	Mean
B-BBEE	NPO/NGO	7	3.65
	Private Company	8	3.38
	Government Department	77	3.13
	State Owned Company	5	3.70

As shown in Table 5.14 above, the respondents from NPO/NGO and State-Owned Companies were more convinced that company type influenced B-BBEE, respectively. On the contrary, those from Private Companies and Government Departments were less convinced that company type influenced B-BBEE. The next section presents the findings on the influence of gender on all the dimensions (organisational strategy, management effectiveness, organisational sustainability and organisational culture).

#### 5.4.3. One sample T-Test: All dimensions and Gender

The sample t-test was computed to determine whether gender influences all the dimensions such as organisational strategy, managerial effectiveness, organisational sustainability and organisational culture.

**Table 5.15: T-Test: All dimensions determining competitive advantage and Gender**

All dimension	T	Df	p
Organisational strategy	26.797	96	0.000**
Managerial effectiveness	29.146	96	0.000**
Organisational sustainability	37.420	96	0.000**
Organisational culture	25.522	96	0.000**
B-BBEE	38.904	96	0.000**

\*  $p < 0.01$

Table 5.15 above indicates that there was significant difference in the perceptions of male and female employees, regarding organisational strategy, managerial effectiveness, organisational sustainability, organisational culture and B-BBEE, respectively at the 1 percent level of significance. To determine exactly where the difference lies in terms of work experience and organisational sustainability, the Post-Hoc Scheffe's test was conducted, and the results are shown in Table 5.16 below.

**Table 5.16: Post Hoc Scheffe's Test: All dimensions and gender**

Dimension	Categories of Age	N	Mean
Organisational strategy	Male	46	3.58
	Female	51	3.48
Managerial effectiveness	Male	46	3.42
	Female	51	3.35
Organisational sustainability	Male	46	3.47
	Female	51	3.63
Organisational culture	Male	46	2.94
	Female	51	3.18

Table 5.16 above shows, the males were more convinced that B-BBEE influenced organisational strategy and managerial effectiveness, respectively, whereas the females were less convinced that B-BBEE influenced organisational strategy and managerial effectiveness. On the other hand, females were more convinced that B-BBEE influenced organisational sustainability and organisational culture, respectively. However, the males were less convinced that B-BBEE influenced organisational sustainability and organisational culture.

## 5.5. The Reliability of the Research Instrument: Cronbach's Alpha Coefficient

The reliability of the research instrument was assessed using Cronbach's Coefficient Alpha as shown in the Table 5.17 below.

**Table 5.17: Reliability of the research instrument: Cronbach's Alpha Coefficient**

Dimension	Number of items	Cronbach's Alpha
Organisational strategy	5	0.839
Managerial effectiveness	4	0.700
Organisational sustainability	4	0.716
Organisational culture	5	0.759
<b>All dimensions</b>	<b>18</b>	<b>0.834</b>

Table 5.17 above shows that the questionnaire (18 items) used for the study was highly reliable and had a very high level of inter-item consistency ( $\alpha = 0.834$ ) evidently, the instrument measuring the influence of B-BBEE or organisational strategy, managerial effectiveness, organisational sustainability and organisational culture had a high degree of reliability. The reliability of the individual variables was also determined separately and the results showed that the items measuring organisational strategy ( $\alpha = 0.839$ ), managerial effectiveness ( $\alpha = 0.700$ ), organisational sustainability ( $\alpha = 0.716$ ) and organisational culture ( $\alpha = 0.759$ ) were highly reliable and had high level of inter-item consistency. The Cronbach's Alpha Coefficient scores suggest that the instrument used to collect the data was reliable, hence should be accepted. This means that the instrument can be adopted by scholars for similar studies. The proceeding section presenting the findings on the validity of the research instrument.

## 5.6. Validity of the Research Instrument: Factor Analysis

The validity of the self-developed research instrument was determined using Factor Analysis. In this study, two types of Factor Analysis are computed to determine the validity of the research instrument, namely: Rotated Component Matrix and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy. With regard to the Rotated Component Matrix, in extracting the factors, only items with loadings >0.5 were considered significant. Furthermore, if an item loaded significantly on more than 1 factor, only those with the highest loading were considered. On the other hand, the KMO and Bartlett's Test evaluated the adequacy of the sample size ranging from 0 to 1; reaching 1 when each variable was perfectly predicted without experiencing any error. The interpretations of the KMO scores are, namely:  $\geq 0.80$  (meritorious);  $\geq 0.70$  (middling);  $\geq 0.60$  (mediocre);  $\geq 0.50$  (poor);  $< 0.50$  (unacceptable). The results are shown in the Table 5.3 and Table 5.4 below, respectively.

**Table 5.18: Validity of the research instrument: Factor Analysis**

Items	Components			
	Factor 1	Factor 2	Factor 3	Factor 4
OS1	0.760	-0.196	-0.252	0.073
OS2	0.682	-0.225	0.087	-0.136
OS3	0.634	-0.450	0.202	0.146
OS4	0.594	-0.429	0.277	0.041
OS5	0.661	-0.420	0.262	-0.012
ME1	0.743	-0.076	0.319	-.020
ME2	0.550	0.136	0.070	-.571
ME3	0.628	0.117	0.216	-.0206
ME4	0.537	0.291	-0.132	-0.223
OS1	0.617	0.113	-0.481	0.195
OS2	0.594	0.399	-0.261	0.189
OS3	0.533	0.376	-0.425	0.069
OS4	0.548	-0.225	-0.008	0.514

OC1	0.249	0.534	-0.089	0.213
OC2	0.328	0.681	0.230	-0.142
OC3	0.284	0.586	-0.020	-0.055
OC4	-0.156	0.480	0.571	0.327
OC5	0.089	0.464	0.566	0.166
<b>Eigenvalue</b>	<b>5.374</b>	<b>2.676</b>	<b>1.616</b>	<b>1.012</b>
<b>% of Variance</b>	<b>29.85</b>	<b>14.87</b>	<b>8.98</b>	<b>5.62</b>

As reflected in the Table 5.18 above, 13 items loaded significantly on Factor 1 and accounted for 29.85 percent of the total variance. Out of the total, 5 items related to organisational strategy, another 4 items related to managerial effectiveness and the remaining 3 items related to organisational sustainability. From the analysis, it can be observed that 4 items were related to organisational strategy and managerial effectiveness, respectively. Since organisational strategy had the most loading items, Factor 1 may be named as the organisational strategy.

Furthermore, 3 items loaded significantly on Factor 2 and accounted for 14.87 percent of the total variance. All the items (3) related to organisational culture. Therefore, Factor 2 may be named as the organisational culture.

Lastly, 2 items loaded significantly on Factor 3 and accounted for 8.89 percent of the total variance. Both the 2 items related to organisational culture; therefore, Factor 3 may be termed the organisational culture.

**Table 5.19: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.771
Bartlett's Test of Sphericity: Approx. Chi-Square	687.632
df	153
sig	0.000

As shown in Table 5.19 above, the result of the KMO was 0.771. Statistically, the instrument used to collect the data was middling ( $\geq 0.70$ ). The questionnaire is considered valid, and hence can be accepted and adopted for similar studies. The proceeding section presents the findings of the study as per each research objective.

## **5.7. Conclusion**

The chapter analysed the quantitative results of the study. It was found that the research instruments used to collect the data were both reliable and valid. The results of the study showed that B-BBEE influenced managerial effectiveness (Mean = 4.49), organisational sustainability (Mean = 3.73), organisational strategy (Mean = 3.52) and organisational culture (Mean = 3.07). The findings further showed that a significant positive relationship existed between B-BBEE and all the dimensions such as organisational strategy, managerial effectiveness, organisational sustainability and organisational culture. The next chapter presents the qualitative results of the study.

## **CHAPTER 6**

### **QUALITATIVE RESULTS**

#### **6.1. Introduction**

The previous chapter presented the quantitative results of the study. This chapter continues with the analysis and presentation of the qualitative results that were obtained from the face-to-face interviews with the participants. The total number of participants interviewed in this study was 27. The interviews conducted with these participants were then transcribed for analysis. The NVivo software version 13.0 was used to organise, index, code, and query the transcribed data. The thematic analysis was adopted in this study, which involved three processes, namely: data reduction, data display and data drawing and conclusion. The chapter begins with the presentation of the demographic data. Thereafter, the presentation of the key findings follows. The results are presented in accordance with the stated research objectives, namely:

- To determine whether B-BBEE influences organisational strategy.
- To examine the Influence of B-BBEE on managerial effectiveness.
- To ascertain if B-BBEE influences organisational sustainability; and
- To ascertain whether B-BBEE affects organisational culture.

#### **6.2. Inferential Statistics**

Inferential statistics can be used when there is a need to acquire a sound understanding of the population and the sample characteristics. Inferential statistics is defined as the utilisation of statistics for the projection of characteristics derived from a sample to an entire population (Zikmund et al., 2010). Walliman (2011) described it as the statistical analysis that may be used to test a hypothesis. It can also be used to go beyond describing the characteristics of statistical data and examine the correlations of different variables to use inference data analysis to make predictions. Inferential statistics includes the testing of the hypothesis and estimating population

values (Cooper & Schindler, 2014). In this study inferential statistics were used to answer research questions and to understand whether B-BBEE influences organisational effectiveness.

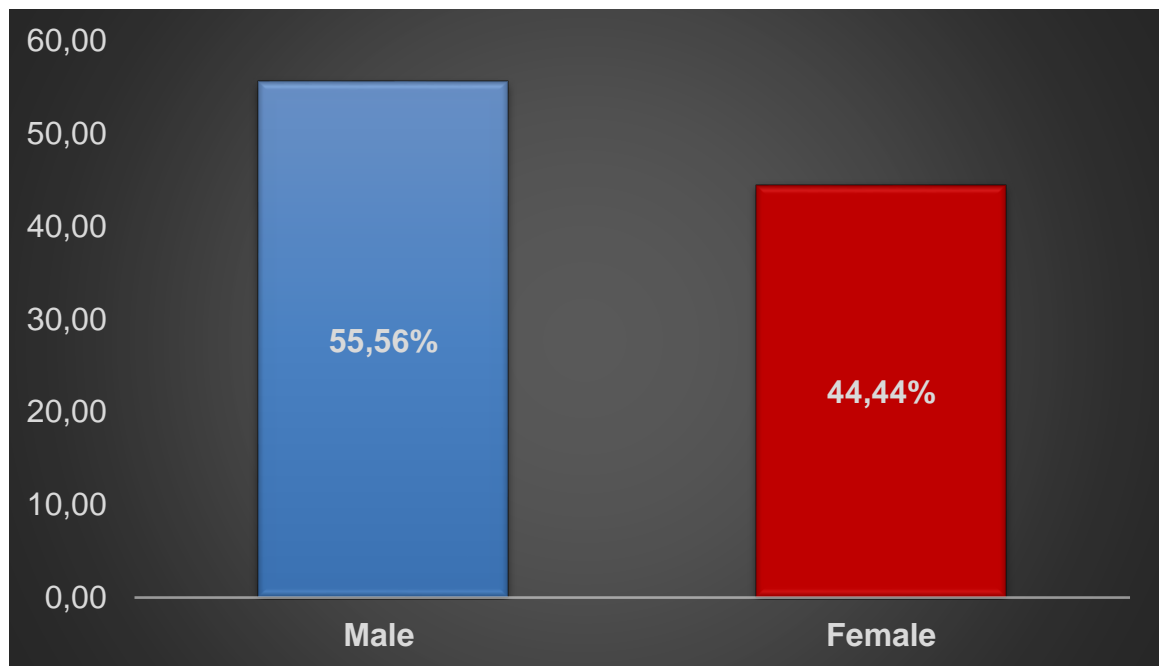
### 6.3. Demographic Data of the Research Participants

The demographic data of the research participants who were involved in this study are presented as follows.

#### 6.3.1. Gender of the research participants

Figure 6.1 below describes the gender of the research participants who took part in the interviews.

**Figure 6.1: Gender of the research participants**



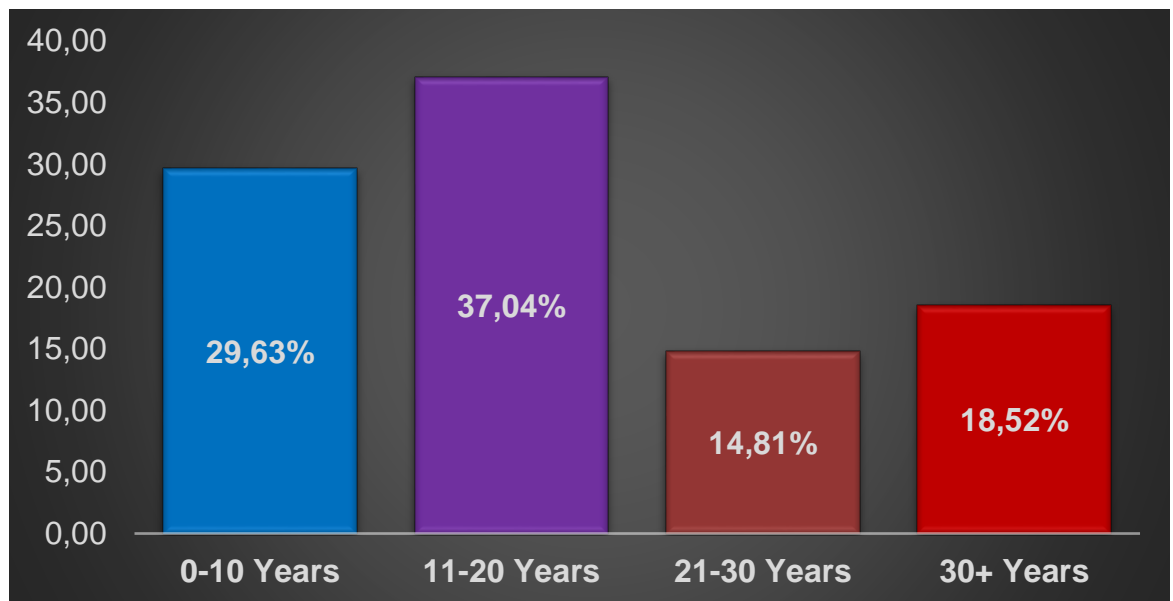
As reflected in Figure 6.1 above, males constituted 55.56 percent of the research participants, whereas females constituted only 44.44 percent. Based on the results, it could be argued that the participating institutions were still gender biased towards women, as more posts were filled by women. This was directly related to the statistical figures of the National Economically Active Population (EAP), released by Statistics South Africa where males constituted 54.8 percent and females were 45.2 percent of the economically active

population (Quarterly Labour Force Statistics 2018). It could also be assumed that more men were available at work as at the time the study was conducted. The next section presents the findings in terms of work experience.

### 6.3.2. Participants work experience

The participants' work experience with their respective organisations are presented in Figure 6.2 below.

**Figure 6.2: Participants work experience**



From Figure 6.2 above , 29.63 percent of the participants had 0-10 years' work experience, 37.04 percent had 11-20 years' work experience, 14.81 percent had 21-30 years of work experience and 18.52 percent had more than 30 years' work experience. From the analysis above, it can be observed that the participants had more years of work experience in their respective organisations. Based on statistics, it could be argued that the participants were committed to working with their organisations for a long period. The section below presents the findings on the participants' age.

### 6.3.3. Participants age

The information about the participants age are shown in Figure 6.3 below.

**Figure 6.3: Participants age**

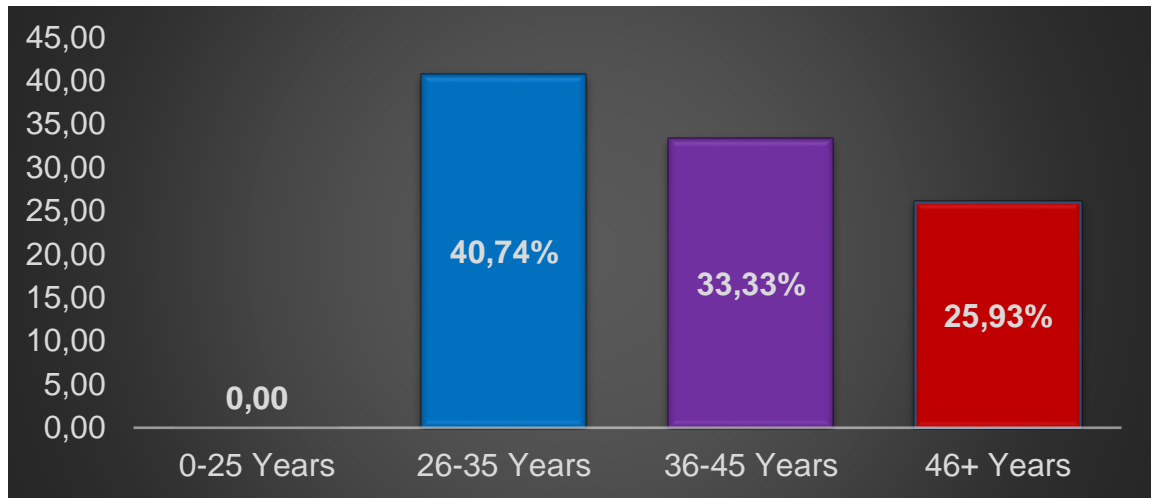


Figure 6.3 above shows that 40.74 percent of the participants were between the ages of 26-35, 33.33 percent were between the ages of 36-45, and 25.92 percent of the participants were 46 and above.

The statistics suggest that more of the participants within the various organisation were more than 35 years. This means that the organisations were having aging population. The proceeding chapter shows the findings of the participants positions.

#### **6.3.4. Participants positions**

The participants' positions or level in their respective organisations are shown in Figure 6.4 below.

**Figure 6.4: Participants' positions**

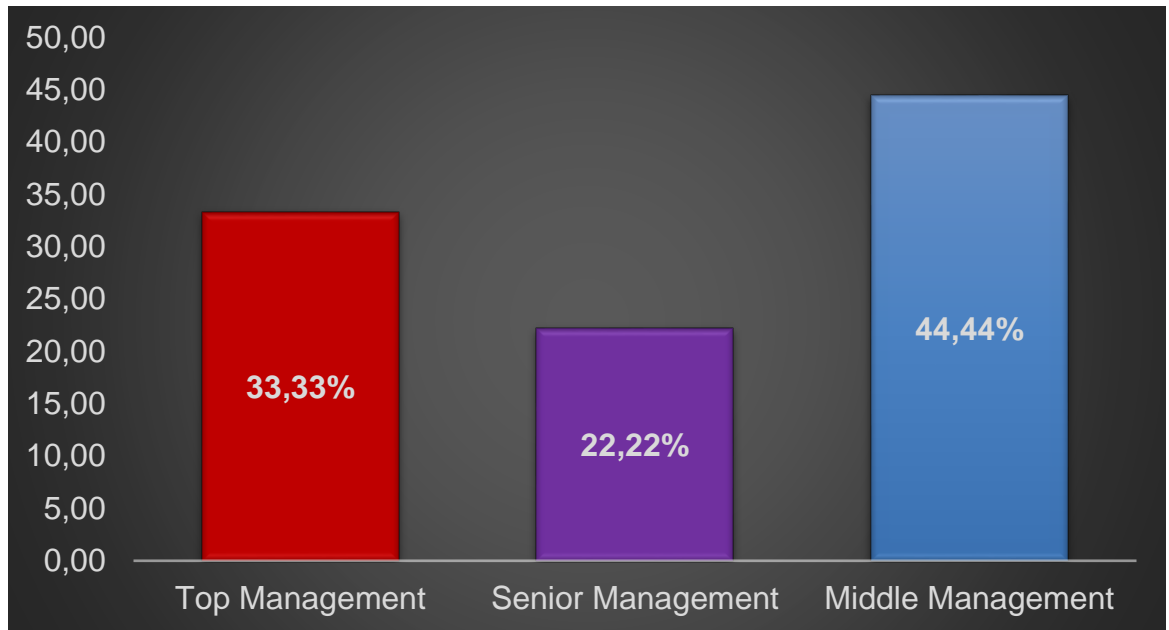
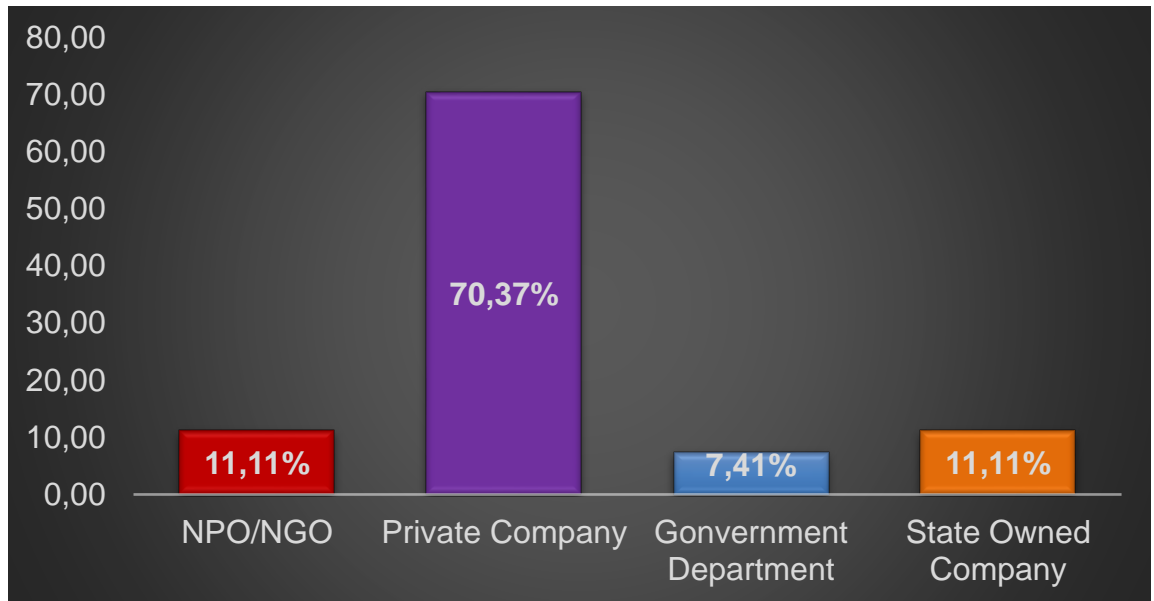


Figure 6.4 above, shows that 33.33 percent of the participants have top management positions, 22.22 percent have senior management positions, while 44.44 percent have middle management positions. The analysis suggest that the majority of the participants employed by the various organisations were placed in middle and top management positions. However, only a few of them have occupied senior management positions. The section below shows the company type the participants belong to.

### 6.3.5. Company type

Figure 6.5 below shows the company type the various participants belonged to.

**Figure 6.5: Company type**



As shown in Figure 6.5 above, 11.11 percent of the participants belong to NPO/NGO, 70.37 percent belong to a Private Company, 7.41 percent belong to a Government Department and 11.11 percent belong to a State Owned Company. The statistics showed that the majority of the participants belonged to Private Companies, as opposed to other company types. Figure 6.6 below provides information about the company size the participants belonged to.

### 6.3.6. Company size

Figure 6.6 below shows more information about the company size the participants belong to.

**Figure 6.6: Company size**

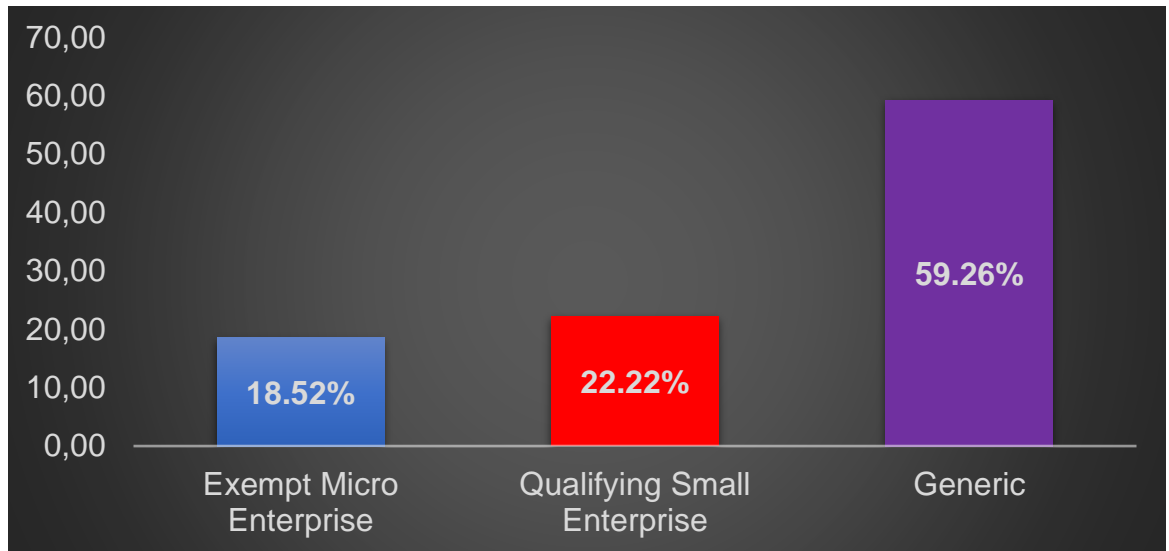
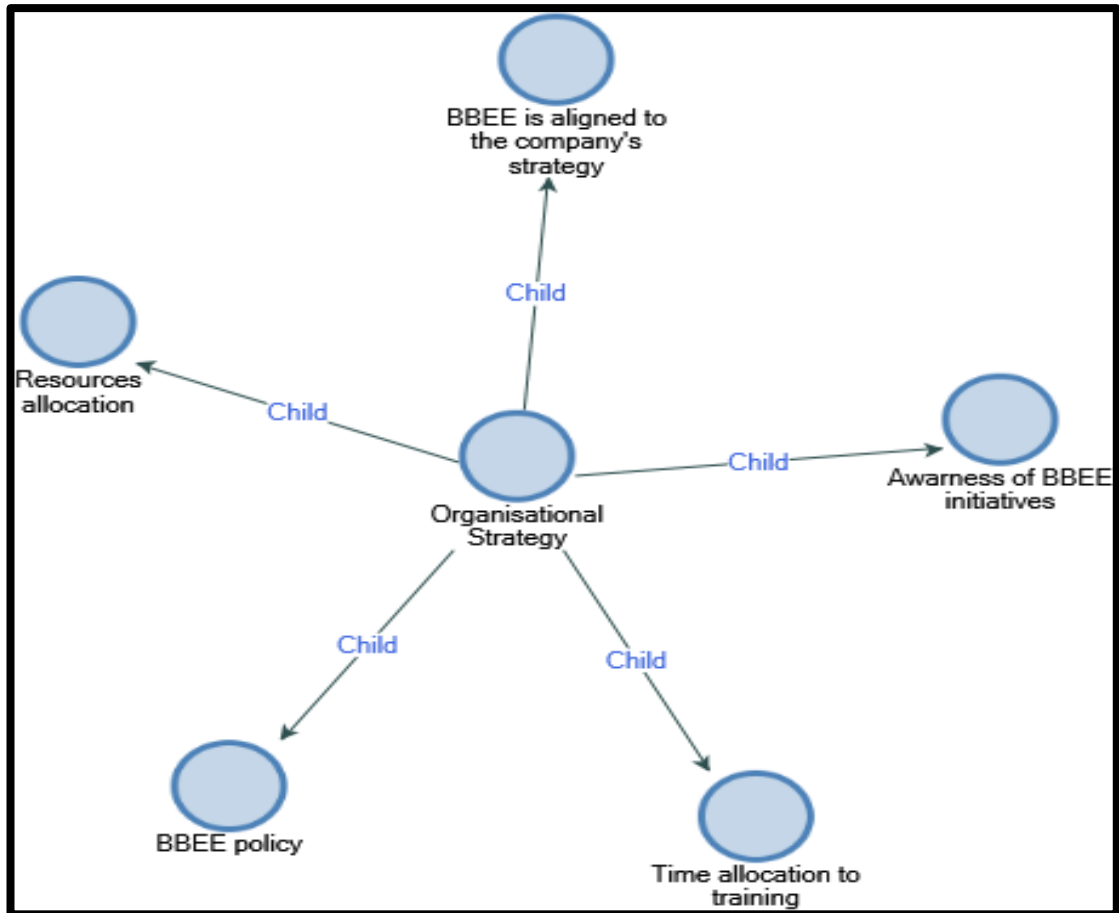


Figure 6.6 reveals that only 18.52 percent of the participants belong to Exempt Micro Enterprises, 22.22 percent were Small Enterprises, while 59.26 percent were Generic. The analysis of the data indicates that most of the participants were associated with Generic companies. The section below presents detail information about the participants' age. The next section presents the key findings of the study in relation to the stated research objectives.

#### **6.4. B-BBEE Influence on Organisational Strategy**

The study probed the participants on the influence of B-BBEE on organisational strategy. The interviews focused on several aspects, such as: whether B-BBEE is part of companies' strategy; whether B-BBEE influences the way resources are allocated in the company; whether every employee is aware of B-BBEE initiatives in the company; whether time is dedicated to B-BBEE training; and whether the company has policies that promote B-BBEE. The results are presented in Figure 6.7 below.

**Figure 6.7: Whether B-BBEE is part of the company's strategy**



#### 6.4.1. Whether B-BBEE is part of companies' strategy

The participants in this study were probed on whether B-BBEE is part of companies' strategy. The results showed that the majority (N = 26) of the respondents indicated that B-BBEE was part of their company's strategy.

This meant that most of the participating organisations have incorporated B-BBEE into their overall strategy. The following illustrates the voice of the participants who support the key findings.

*"Yes, the company has a strategy that is aligned to the overall strategy" (Participant 2). "The company has a BEE strategy that was initiated and is part of the overall business strategy and organisation direction (Participant 4). "Yes, the company has BBEE strategy that is aligned to the company overall strategy" (Participant 11).*

On the contrary, one of the participants expressed the view that his or her company does not have B-BBE, which is part of the company's strategy. The participant said the following, to support the claim.

*"No, as I am only one person and am except - I do however work with other companies for their B-BBEE" (Participant 21).*

#### **6.4.2. Whether B-BBEE influence the way resources are allocated in the company**

The research participants were probed on whether or not B-BBEE influences the way resources are allocated in their respective companies or organisations. It was found that the majority (N = 25) of the participants expressed similar opinions, saying that B-BBEE influenced the manner in which resources were allocated in their companies.

The following are some of the few voices of the participants, in support of the findings:

*"Yes, the company is conscious of what to procure and also from who. We procure from BEE compliant companies although that might be expensive, so the company set aside a budget for that" (Participant 5). "Yes, the strategy dictates that the company should hire people with the alignment to the EE plan and thus, the company spends money on recruiting the right candidates. The company also spent on giving employees shareholding as part of ESSOP" (Participant 6). "Yes, we have projects that are BEE related and thus the allocation of funds is influenced by BEE" (Participant 23).*

The few (N = 2) who disagreed that B-BBEE influences the manner in which resources in the company are allocated expressed the following views.

*"No, we do not set aside funds for BBBEE" (Participant 13). "The manner in which influences resources allocation is not applicable" (Participant 21).*

#### **6.4.3. Whether every employee is aware of B-BBEE initiatives in the company**

The study also probed the participants on whether they were aware of the B-BBEE initiative in their individual organisation. The results of the study confirmed that most (N = 21) of the participants were aware of the B-BBEE initiative in their companies. The following are some of the views expressed by the participants.

*“Yes, transformation is communicated companywide”* (Participant, 1).

*“Yes, employees are made aware of BBEE initiatives in the company”* (Participant 3). *“Yes, the company holds monthly meetings*

*where BBEE is also one of the items in the agenda”* (Participant 6).

On the contrary, some of the participants (N = 6) disagreed that there were aware of any B-BBEE initiatives in their respective company. They said the following to support their arguments.

*“No, there is no formal communication that is disseminated in the company that talks about BEE”* (Participant 7). *“No, we do not have*

*any mechanism to track such information”* (Participant 10).

#### **6.4.4. Whether time is dedicated to B-BBEE training**

Besides, the study also probed the participants on whether their organisation had dedicated time to B-BBEE training. The results of the study showed that the majority (N = 17) of the participants expressed the same opinion that time was dedicated to B-BBEE. A few quotes which support the findings are presented as follows:

*“Yes, managers in different departments and coordinators are taken through BEE training”,* (Participant 4). *“Yes. The company conducts*

*BEE training to ensure all employees understand it's importance and how it affects the company”* (Participant 6). *“Yes, the company*

*ensures the transformation manager attends all the training required to keep abreast of BBEE industry changes”* (Participant 18).

On the other hand, the participants (N = 10) who disagreed that time was dedicated to B-BBEE training said the following in support of their arguments.

*“No, it is not applicable since there are people that are dedicated to BEE and thus it would not be necessary to train the whole organisation” (Participant 5). “No, not much is allocated to BEE training” (Participant 9). “No, we do not have that in the company” (Participant 11).*

#### **6.4.5. Whether the company has policies that promote B-BBEE**

The participants in this study were questioned on whether their respective company had policies in place that promoted B-BBEE. The results of the study suggested that the participating organisations had policies in place that promote B-BBEE.

To support the findings, the majority (N = 25) of the participants indicated that their organisations had designed and implemented policies that promote B-BBEE. The following are some iterative voices of participants which give credence to the findings.

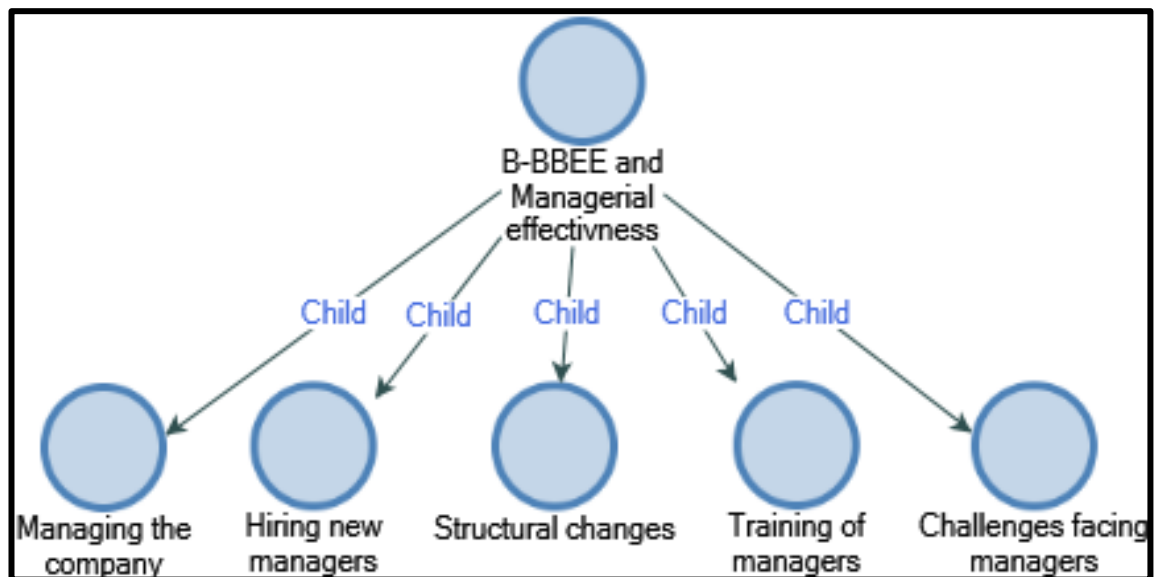
*“Yes, the company has put in place policies such as Employment Equity, Procurement policy, Skills development policy in line with BBEE requirements in order to stay compliant with the legislation” (Participant 6). “Yes. We have developed different policies such as procurement policies that compel the company to spend with BEE compliant companies, recruitment policy that is linked with the Employment Equity Plan” (Participant 23). “Yes, the notable ones are EE policy and procurement policy” (Participant 25).*

#### **6.5. Influence of B-BBEE on Managerial Effectiveness**

The study also examined the influence of B-BBEE on managerial effectiveness, among the participating organisations. The interviews focused on the following, namely: the influence of B-BBEE on the way the company is managed; whether there is a need to hire new managers to align the company

to B-BBEE; whether there were structural changes in the organisation as a result of B-BBEE; whether the managers need to be trained in order to cope with B-BBEE; and whether managers in South Africa face challenges due to B-BBEE. The results are shown in Figure 6.8 below.

**Figure 6.8: Influence of B-BBEE on Managerial Effectiveness**



### 6.5.1. Influence of B-BBEE on the way the company is managed

The study probed further into the influence of B-BBEE on the managerial effectiveness of the organisations that were selected for the study. The results showed that B-BBEE influenced the manner in which the participating organisations were managed. From the interviews, more (N = 20) participants expressed the same opinion; that B-BBEE influenced the manner in which their organisations were managed, given the fact that the managers were conscious of BEE and how it affected the company. The iterative voices of the participants which support the findings are as follows.

*“Yes, managers are required to be aware of developments in the company and in society at large with respect to B-BBEE” (Participant 4). “Yes. Managers are made aware of how BEE influences the company’s operations so that they understand the consequences of*

*their actions” (Participant 6). “Yes, management are aware of BEE and its implications on the company” (Participant 12).*

### **6.5.2. Whether there is a need to hire new managers to align the company to B-BBEE**

The study explored the view of the participants on whether there is a need to hire new managers to align the company to B-BBEE. Based on the data collected, it was found that there was no need to hire new managers to align the company with B-BBEE. The majority (N = 15) said that there was no need to hire new managers. The participants argued that the BEE strategy was managed by an external consultant. Others also indicated that the B-BBEE implementation required no new managers, given the fact that most key and influential positions were still held by members of non-designated groups. Here is a direct quote which reaffirms the results.

*“No. Not Really-It is just one of many areas of the company that are managed” (Participant 7). “No, not really. Most key and influential positions are still held by members of non-designated groups” (Participant 9).*

### **6.5.3. Whether there were structural changes in the organisation because of B-BBEE**

The study probed into whether the implementation of B-BBEE has resulted in structural changes in the participants’ organisations. It was found that the implementation of B-BBEE in the participants’ organisations does not result in structural change. The majority (N = 19) of the participants held the view that their organisations did not have plans for structural change. The following are some of the quotes from the interviews which supported the results of the study.

*“No, BBBEE is part of the company strategy and it has been like that for a while” (Participant 1). “No, the company was compliant since inception so there is no need for structural changes” (Participant 3). “No, there is no need for that in our company” (Participant 10).*

#### **6.5.4. Whether the managers need to be trained in order to cope with B-BBEE**

The participants in this study were probed on whether their managers need to be trained in order to cope with B-BBEE. The results of the study indicated that most managers in the various organisations required training to enable them to cope with B-BBEE. Most (N = 15) of the participants expressed similar views that training is necessary for managers, to assist them to cope with B-BBEE. The following are some of the quotes from the interviews, which affirm the findings.

*“Yes, only a bit. As mentioned earlier, just a general awareness is helpful for mostly customer facing staff. Diversity training is however undertaken from time to time to help all employees to embrace transformation”* (Participant 7). *“Yes, managers need to be trained to fulfil their broader transformational role”* (Participant 8). *“Yes, it requires understanding of certain targets that managers need to meet”* (Participant 11).

#### **6.5.5. Whether managers in South Africa face challenges due to B-BBEE**

The participants were probed on whether managers in South Africa face challenges, due to B-BBEE. The results of the study showed that most managers face some challenges in terms of B-BBEE implementation in their respective places. Of the total number (N = 27) of the participants who took part in this study, the majority (N = 19) were of the view that the managers in their organisations faced challenges in terms of B-BBEE initiatives. The participant said the following in relation to the findings.

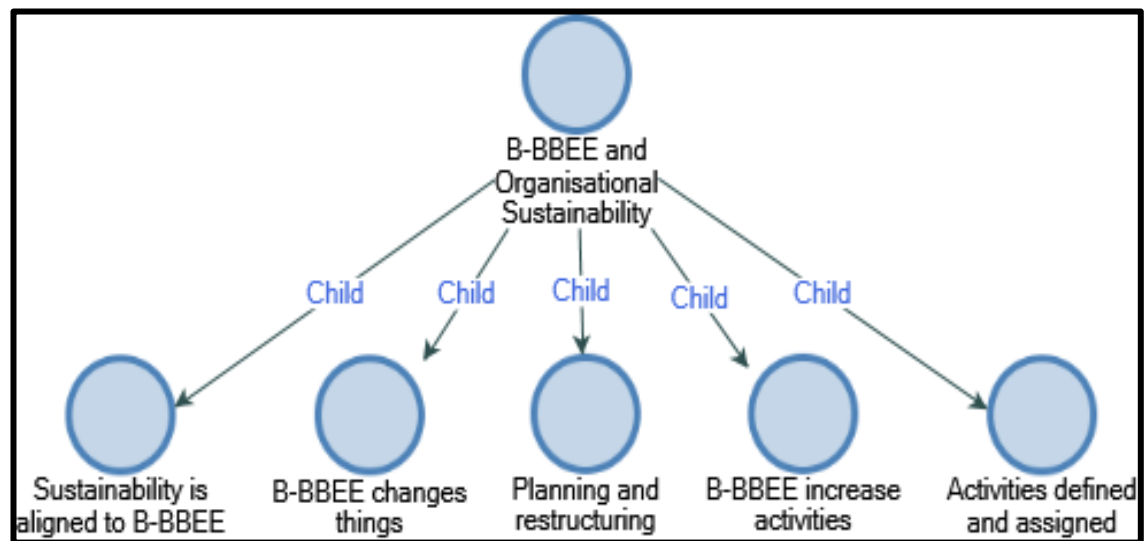
*“Yes, there are changes that are always taking place which affects the managers targets* (Participant 4). *“Yes, if they have people reporting to them from a different race group and manager is not sufficiently mature in terms of diversity or leadership in general* (Participant 7).

“Yes, they take on more work as a result of tasks that requires compliance” (Participant 18).

## 6.6. Influences of B-BBEE on organisational sustainability

The third objective of the study examined the influence of B-BBEE on organisational sustainability in selected organisations. The participants were probed on various aspects of organisational sustainability, namely: whether there is a need for business sustainability to be aligned to B-BBEE; whether B-BBEE change the way things are done in the organisation; whether there is a need for planning and restructuring; whether B-BBEE increase unnecessary activities that affect sustainability; and whether activities are defined and assigned to relevant employees or teams. The results are shown in the Figure 6.9 below.

Figure 6.9: Influences of B-BBEE on organisational sustainability



### 6.6.1. Whether there is a need for business sustainability to be aligned to B-BBEE

There was a question asking whether there was a need for business sustainability to be aligned to B-BBEE. From the interviews, the overwhelming majority (N = 26) of the participants agreed that there was a need for business sustainability to be aligned to B-BBEE. Some quotes from the interviews are presented as follows.

*"Yes, if your Customer dictates that you must maintain acceptable BEE credentials. Otherwise, most companies see little value in BEE, and those that do have good credentials are for other reasons, e.g. public perception. Other than Ownership, the principles of BEE are crucial for the success of our Country, but I am not sure that Corporates see themselves as having the primary responsibility to transform the country" (Participant 7). "Yes, the company needs to continue operating and thriving beyond BEE compliance" (Participant 19). "Yes, sustainability has become a very important competitive factor in companies so it would make enormous sense" (Participant 27).*

### **6.6.2. Whether B-BBEE change the way things are done in the organisation**

The research participants were asked whether B-BBEE changed the way things were done in the organisation. The analysis of the data revealed that the majority (N = 18) of the participants agreed that B-BBEE changed the way things were done in their organisation.

The following are some of the iterative voices of the participants in support of the findings.

*"Yes, the organisation is always aware of the impact that decisions that are made in the organisation might impact the organisation" (Participant 4). "Yes, BEE affects all areas of the company's operations and thus it changes the way things are done in our company" (Participant 6). "Yes, it leads to some managers having to take on other tasks that would lead to the organisation coping with BBBEE" (Participant 18).*

### **6.6.3. Whether there is a need for planning and restructuring**

The participants were asked whether there was a need for planning and restructuring in organisations. Based on the interviews, most (N = 18) of the

participants confirmed that there was a need for planning and restructuring in their respective workplaces. Here are some of the quotes:

*“Yes, planning is done at strategic level and communicated to the whole workforce”* (Participant 4). *“Yes, some key transformational roles need a new mindset”* (Participant 8). *“Yes, BEE requires planning, but we do not need restructuring”* (Participant 21).

#### **6.6.4. Whether B-BBEE increase unnecessary activities that affect sustainability**

The research participants were questioned on whether B-BBEE increases unnecessary activities that affect sustainability. The majority (N = 15) of the participants denied the fact that B-BBEE increased unnecessary activities that affect sustainability. The following are some of the iterative voices of the research participants, in support of the findings.

*“No, it actually assists in the sustainability of the organisation”* (Participant 1). *“No. People just need to understand the aspects of BEE in the company process”* (Participant 6). *“No, we have plans in place, so we understand what need to happen”* (Participant 13).

#### **6.6.5. Whether activities defined and assigned to relevant employees or teams**

The study investigated whether activities defined and assigned under B-BEE were relevant to employees or teams. From the interviews, most (N = 24) of the participants were in support of the view that activities were defined and assigned to relevant employees or teams. Some of the quotes which supported the findings are stated as follows:

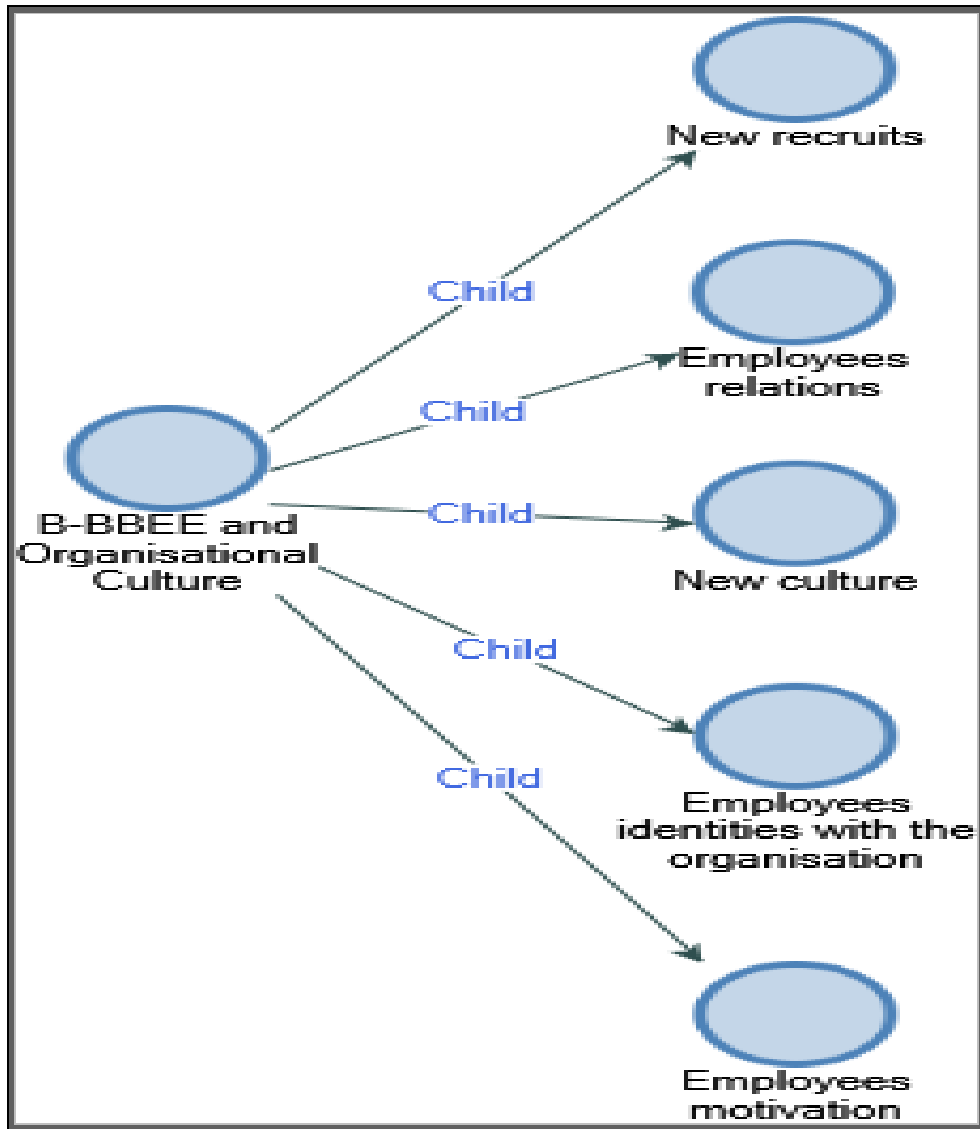
*“Yes, BBEE has tasked employees that deal with transformation in the company”* (Participant 1). *“Yes, the transformation manager has been assigned to handle BEE”* (Participant 3). *“Yes, a dedicated team of 1.5 people was established to drive the BEE. This team is supported by the various*

*existing functions/departments as needed, who are also responsible to help achieve the BEE objectives” (Participant 7).*

### **6.7. Influence of B-BBEE on Organisational Culture**

The study aimed to ascertain whether B-BBEE affects organisational culture. Interviews focused on aspects such as whether organisational culture is affected by hiring new recruits, whether B-BBEE changes the way employees relate in the organisation, whether there is a need to formulate a new culture due to B-BBEE, whether employees were identified with the organisation after B-BBEE implementation and whether B-BBEE affects employees’ motivation. The overall findings showed that B-BBEE had a positive impact on organisational culture. The findings are shown in Figure 6.10 below.

**Figure 6.10: Influence of B-BBEE on organisational culture**



### 6.7.1. Whether organisational culture affected by hiring new recruits

The research participants in this study were asked whether organisational culture was affected by hiring new recruits. From the interviews, most (N = 18) of the participants agreed that organisational culture was affected by hiring new recruits. The participants expressed the following opinions:

*“Yes, the organisation adopted a new culture which would accommodate new and old employees” (Participant 1). “Yes, due to increased diversity in terms of race, gender, people living with disabilities” (Participant 7). “Yes, the company culture cannot remain*

*the same since it requires to accommodate diverse array of employees” (Participant 13).*

### **6.7.2. Whether B-BBEE change the way employees relate in the organisation**

The study probed the participants on whether B-BBEE changed the way employees relate to each other in the organisation. The majority (N = 20) of the research participants were of the view that B-BBEE changed the way employees relate in their respective organisations. Some of the iterative voices from the interviews which support the findings are as follows:

*“Yes, employees subscribe to the ethos of the company which requires employees to respect and treat each other in a dignified manner” (Participant 4). “Yes, some feel they are not valued enough due to BEE and that has created so form of subtle conflict” (Participant 10). “Yes, some employees regard other employees as threat to their current roles” (Participant 13).*

### **6.7.3. Whether there is a need to formulate a new culture due to B-BBEE**

The research participants were interviewed on whether there was a need to formulate a new culture, due to B-BBEE. The results of the study showed that although some of the participant disagreed that there was no need to formulate a new culture due to B-BBEE, however, the majority (N = 16) of the said that there was a need to formulate a new culture. They argued by stating the following:

*“Yes, a diverse workforce needs a culture that allows acceptance” (Participant 2). “Yes, as mentioned earlier, if the culture and environment is not appropriate, the transformation typically does not happen – Black people don’t stay at the organisation. Diversity training has yielded good results” (Participant 7). “Yes, the company requires a culture that reflects a diverse workforce” (Participant 10).*

#### **6.7.4. Whether employees were identified with the organisation after B-BBEE implementation**

The participants were asked whether employees identified with the organisation after B-BBEE implementation. The results (N = 20) showed that employees identified with the organisation after B-BBEE implementation. The participants expressed the following:

*“Yes, they are made aware and are briefed on a monthly basis on the updates relating to BEE compliance targets” (Participant 4). “Yes, nothing changes structurally and process wise since the company has been compliant since the beginning” (Participant 5). “Yes. BBEE does not lead to fundamental structural changes so the organisation still remains the same after implementation” (Participant 9).*

#### **6.7.5. Whether B-BBEE affects employees’ motivation**

The participants were interviewed on whether B-BBEE affected their motivation. Most (N = 19) of the participants agreed that B-BBEE affected employees’ motivation in their organisations. The following are some of the iterative voices, in support of the research findings.

*“Yes, it has created insecurities in the Non-Black employees” (Participant 12). “Yes, people with skills are not considered for positions because they do not fit the required BEE profile” (Participant 15). “Yes. Some employees feel they are not valued by the company and end up leaving the company” (Participant 18).*

#### **6.8. Conclusion**

The chapter presented the qualitative findings of the study. The results of the study showed that B-BBEE has had a positive influence on organisational strategy, managerial effectiveness, organisational sustainability and organisational culture. The next chapter discusses the results and conclusions that were drawn from the study.

## **CHAPTER 7**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **7.1. Introduction**

This chapter highlights and summarises the conclusions derived from the research study; indicating whether the objectives of the study have been met and it also highlights the recommendations that emanated from the study. It includes a comparison of the findings that are available in existing literature with those of the study. The study employed quantitative and qualitative research methodologies to gather the required data.

The questionnaires were administered to the respondents for the quantitative study used a 5-point Likert scale. In addition, there were also semi-structured interviews which were administered to the sampled individuals. These were compiled and analysed using of excel spreadsheets and statistical software, in order to reach a conclusion. The research study outlined four objectives in Chapter 1, for which there will an answer as to whether they have been met.

#### **Research Aim:**

The aim of the study was to explore the influence of B-BBEE policies on organisational effectiveness in the South African economy.

Apart from the external and internal business environment, companies competing in the South African business landscape need to comply with the B-BBEE legislation.

#### **Research objectives:**

1. To determine whether B-BBEE influences the way organisations formulate their organisational strategy.
2. To examine if there is an influence of B-BBEE on managerial effectiveness when it is implemented.

3. To ascertain whether B-BBEE influences organisational sustainability in organisations that implement it.
4. To ascertain whether B-BBEE has an influence on a company's organisational culture.

## **7.2. Achievement or Failure of Research Objectives**

The study employed two types of methodologies, namely qualitative and quantitative methods and the research findings were examined to determine whether the objectives of the study were met, as indicated below:

### **7.2.1. Objective 1: To determine whether B-BBEE influences the way organisations formulate their organisational strategy.**

The study proved to be successful in determining that B-BBEE influences the way organisations formulate their organisational strategy. The findings have supported the belief that the majority of companies that operate in the South African economy have been influenced by B-BBEE. The qualitative and quantitative studies gave the same result, suggesting that B-BBEE influences the way organisations formulate their organisational strategy.

Boshoff (2009) observed that BEE can be used a strategic variable in organisations operating in South Africa, where there are instances where the policy is used as a driver for change and a preserver of competitive advantage. That relates to the study in Indonesia space technology by Pratistha (2016: 522) which demonstrated that an organisation's chosen strategy orientation and its strategic control is influenced by the business environment it operates in.

### **7.2.2. Objective 2: To examine if there is an influence of B-BBEE on managerial effectiveness when it is implemented.**

The study proved to be successful in determining that there is an influence of B-BBEE on managerial effectiveness when it is implemented. Companies that achieve managerial effectiveness are able to thrive in different economic conditions. The qualitative and quantitative studies gave the same result;

confirming that B-BBEE influences managerial effectiveness when implemented.

The results show that B-BBEE influences managerial effectiveness where B-BBEE is a prevailing economic condition. It should be noted that the external and the internal environmental changes have an impact on managerial effectiveness. Madan and Jain (2015) acknowledged that there was a significant connection between managerial culture and managerial climate regarding managerial effectiveness.

**7.2.3. Objective 3: To ascertain whether B-BBEE influences organisational sustainability in organisations that implement B-BBEE.**

The study proved to be successful in determining that B-BBEE influences organisational sustainability in organisations that implement B-BBEE. The qualitative and quantitative studies gave the same result, suggesting that B-BBEE influences organisational sustainability in such organisations. For companies to achieve organisational sustainability they need to align sustainability and B-BBEE. It was acknowledged that corporate sustainability can prove to be advantageous in an organisation because it improves employees' loyalty and organisational performance (Choi & Yu, 2014). Thus, pairing B-BBEE and organisational sustainability could be beneficial to the organisational, leading to employees' satisfaction and better organisational performance.

**7.2.4. Objective 4: To ascertain whether B-BBEE has an influence on a company's organisational culture.**

The study was successful in determining that B-BBEE has an influence on a company's organisational culture. Organisations are influenced by conditions that occur in their competitive environments, whether good or bad. They then have to respond to the stimuli that occur in the environment in which they compete and must still be able to adapt to prevailing conditions and have cultures that are adaptive. There have been new developments in the

workplace globally, that require organisations to be responsive and adaptive to changes or risk the chance of becoming obsolete. B-BBEE like any change that happens in the economic environment can have an influence on a company's culture and thus responsive companies are able to adapt and thrive. It was acknowledged that adaptive perspective, mercenary and communal company cultures influence organisation's performance positively (Ponnu and Hassan, 2015). The qualitative and quantitative studies gave the same result, which suggested that B-BBEE has an influence on a company's organisational culture.

### **7.3. Theoretical Perspectives: How BBEE influences organisational effectiveness**

#### **7.3.1. To determine whether B-BBEE influences the way organisations formulate their organisational strategy.**

It can be said that B-BBEE influences the way companies formulate their strategies since it affects how companies spend on skills development, recruitment, procurement, ownership and the spend on enterprise development and socio-economic development. That is corroborated by the five elements of B-BBEE codes which require companies to spend on recruiting and skilling Black people and institutions that have Black beneficiaries (B-BBEE Commission 2016). It should be noted that the formulation of organisational strategy is a process that concerns the selection of strategies based on the analysis of the company's internal and external environment (Hill et al., 2015). It was also indicated that although managers have different opinions regarding strategy formulation and implementation, they tend to prioritise analysing the competition and the environmental conditions above organisational characteristics like teamwork when formulating strategy (Koseoglu, Altin, Chan & Aladag, 2020).

### **7.3.2. To examine if there is an influence of B-BBEE on managerial effectiveness when it is implemented.**

It should be noted that the B-BBEE codes advocate for the hiring of Black managers in different levels of organisations depending on the targets that have been set (B-BBEE Commission). Those managers are responsible for the day to day running of the said organisations and thus, B-BBEE would have an impact on managerial effectiveness in the organisation. It should be noted that hiring Black managers would diversify the management in those organisations that implement B-BBEE. Diversity is important in organisations because it was indicated that it is a key driver of innovation and teams that are diverse produce 19% more revenue (Lyons, 2019). It was also found that understanding and managing diversity has played an essential role in organisation's performance and effectiveness (Mazibuko & Govender, 2017). It should be noted that B-BBEE brings diversity to organisations.

### **7.3.3. To ascertain whether B-BBEE influences organisational sustainability in organisations that implement B-BBEE.**

Sustainability is concerned with the extent to which a company's operations and its activities aim to protect, mend and preserve rather than damage the environment and also look after the society (Spiliakos, 2018). It could be said that B-BBEE influences organisational sustainability since it aims to ensure that organisations focus on socio-economic development which requires them to invest in Black communities which would thus create sustainable access to the economy (B-BBEE Commission, 2016). And since B-BBEE requires that companies spend on the skills development of Black people, that would assist those people either in progressing in their organisations or in accesses to employment (Kgalema, Carmel and Marock, 2021).

Zahid, Rahman, Ali, Khan, Alharthi, Qureshi and Jan (2020) also indicated that there was a significant role in gender diversity in improving organisational sustainability. Which was corroborated by Zaid, Wang, Adib, Sahyouni & Abuhijleh (2020) who indicated that corporate sustainability related activities

are positively affected and insignificantly affected by gender and national diversity. That's because B-BBEE encourages organisations to diversify through the inclusion of Black people, females and people with disabilities (B-BBEE Commission, 2016).

#### **7.3.4. To ascertain whether B-BBEE has an influence on a company's organisational culture.**

It could be understood that from literature B-BBEE would influence the culture of the company that adopts and implement it since it requires that a company needs to recruit employees based on set targets. B-BBEE also requires that organisations introduce different forms skills development to Black employees in the company (B-BBEE Commission, 2016). Thus, the skills development element would assist in upskilling the employees which will have an impact on the company's culture. It was indicated that skills development that are implemented with group foundational issues would directly affect the company's cultural foundation (HRD Online, 2019).

It was also indicated that founders and influential leaders frequently set new company cultures in motion along with the imprint of values which shape the culture over time (Groysberg, Lee, Price and Cheng, 2018). That is the case since B-BBEE has a Management Control element that requires the organisation to employ Black people in different managerial roles depending on the set targets (B-BBEE Commission, 2016). Thus, B-BBEE would influence a company's organisational culture because culture is mainly determined by management (Kinicki & Fugate, 2018).

#### **7.4. Recommendations**

B-BBEE remains an important instrument that will continue to be used by the South African government, as a way of redressing previous injustices and ensuring inclusion of the majority of the population that was previously marginalised. After conducting research in this important field, it is important to make the following recommendations:

#### **7.4.1. Recommendation 1**

The research findings have indicated that B-BBEE influences organisational strategy in companies that operate in the South African business landscape. Organisational strategy gives direction to organisations and directs organisational processes. Thus, it is advisable that organisations include B-BBEE when they are formulating their strategies. B-BBEE can be used as a competitive tool, since it is required when companies bid for procurement work in government departments, state owned organisations and private organisations.

#### **7.4.2. Recommendation 2**

Organisational success hangs on managerial effectiveness, since organisations depend on individuals leading other individuals to accomplish organisational goals. Organisations need to ensure that their employees who handle B-BBEE related activities are adequately trained so as to be able to handle the relevant activities and ensure that the organisation achieves the required organisational effectiveness.

#### **7.4.3. Recommendation 3**

To ascertain whether B-BBEE influences organisational sustainability in organisations that implement B-BBEE. Companies need to ensure that change management strategies are set in place when they implement B-BBEE policies, to ensure successful implementation because there might be resistance if there is a sudden implementation without proper consultation and sensitisation in the organisation. Change management will assist the organisation with being able to adapt to changes in the environment and internal changes.

#### **7.4.4. Recommendation 4**

B-BBEE continues to be an important tool that the South African government can use as a mechanism for redress. Organisations need to develop cultures

that are conducive to the development of diversity, since B-B-BBEE requires the organisations to be diverse in terms of race and gender through Employment Equity. Organisations that have a culture that promotes transformation would thus be able to reap the rewards of diversity, since diversity offers benefits to organisations. It is recommended that organisations ensure that they adopt and cultivate cultures that would allow diversity to flourish.

### **7.5. Contribution of the Study**

Understanding the influence of B-BBEE on organisational effectiveness is important as it helps organisations to compete effectively in South Africa, since B-BBEE legislation has been in effect for over a decade and a half. The major contribution of the research is that this was the first study to empirically test the influence of B-BBEE on organisational effectiveness. There has been an ever-increasing interest in the study of B-BBEE and its connection to different aspects of business activities such as profit, business processes, business performance and others.

There has not previously been any study that explored the influence of B-BBEE policies on organisational effectiveness, with particular emphasis on organisational strategy, organisational culture, managerial effectiveness and organisational sustainability. In addition, this study has added another dimension to the body of knowledge concerning B-BBEE and transformation in the South African economy, by concentrating on the subject of organisation.

The second contribution of this study was to determine whether B-BBEE influences organisational strategy. The study therefore provided an avenue to address the gap in the literature with regard to B-BBEE and organisational strategy. The findings of the study have supported the belief that the majority of companies that operate in the South African economy indicated that organisational strategy is influenced by B-BBEE.

The third contribution of this study was to determine whether B-BBEE influences managerial effectiveness. This was supported by the results from the study which suggested that B-BBEE influences managerial effectiveness in organisations that implement B-BBEE. Organisations need to be cognisant of the fact that managerial effectiveness is affected by implementing B-BBEE legislation into their organisations.

The fourth contribution of this study was to determine whether B-BBEE influences organisational sustainability. The study proved to be successful in determining that B-BBEE influences organisational sustainability in organisations that implement B-BBEE. Thus, organisations need to consider sustainability when they implement B-BBEE legislation.

The fifth contribution of this study was to determine whether B-BBEE influences organisational culture. The study was successful in determining that B-BBEE has an influence on a company's organisational culture. Organisations need to understand that implementing B-BBEE would require a cultural change in their organisations that would accommodate the adoption of B-BBEE policy. Organisations need to be prepared to create a culture that would be accommodating towards new employees who enter their organisations as well as employees that have been in those organisations for some time, so the organisation can have a stable culture.

#### **7.6. Direction for Future Research**

This study dealt with the influence of B-BBEE policies on organisational effectiveness in the South African business landscape. The aim was to understand whether B-BBEE plays a part in the effectiveness or non-effectiveness of organisations that focus their resources whether they be human or capital, on compliance. Future research could focus on whether organisational effectiveness plays a role in an organisation acquiring a better B-BBEE level or B-BBEE score, for companies that focus on compliance with legislation. The study could be conducted on a national or provincial or municipal level.

The study did not take into cognisance the influence of organisational effectiveness on the organisation's B-BBEE score. Future research might focus on the relationship between the organisational effectiveness and its overall B-BBEE score.

### **7.7. Limitations**

B-BBEE policy has been politicised and political organisations and unions have differing opinions with regard to the efficiency and effectiveness of B-BBEE. Some respondents were sceptical when they were contacted for their views with regard to the research study and thus the responses might have been influenced, either positively or negatively. There was limited access to information, due to its sensitivity. This study required the respondents to reveal sensitive information about their organisation's B-BBEE related matters. Some respondents were not forthcoming due to the sensitivity of the information and thus they needed reassurance that the information would be treated with the utmost confidentiality.

B-BBEE policy has been politicised and different political organisations and unions have differing opinions with regard to the efficiency and effectiveness of B-BBEE. Some respondents might lean towards a certain view due to their political affiliation or not wanting to deviate from a certain widely held view. Companies operating in different provinces might experience different conditions when it comes to B-BBEE, such as having to use different EAP targets. That would then give different results.

## REFERENCES

13th Commission for Employment Equity Annual Report. 2013. Department of labour. Available: [http://www.villageofleaders.co.za/wp-content/uploads/2013/04/13thCEE\\_report\\_2013.pdf](http://www.villageofleaders.co.za/wp-content/uploads/2013/04/13thCEE_report_2013.pdf) [Accessed 13 November 2019].

16th Commission for Employment Equity Annual Report. 2016. Department of labour. Available: [https://www.vut.ac.za/images/stories/units-and-support/transformation-and-equity-unit/16th%20cee%20report\\_2015.pdf](https://www.vut.ac.za/images/stories/units-and-support/transformation-and-equity-unit/16th%20cee%20report_2015.pdf) [Accessed 13 November 2019].

19th Commission for Employment Equity Annual Report. 2019. Department of labour. Available: [https://www.compliancehub.co.za/ch/sites/default/files/19thCEE-Annual%20Report\\_.pdf](https://www.compliancehub.co.za/ch/sites/default/files/19thCEE-Annual%20Report_.pdf) [Accessed 13 November 2019].

25 Year Review. 2019. Towards a 25 Year Review 1994-2019. Department of Planning, Monitoring and Evaluation. Available: <https://www.dpme.gov.za/news/SiteAssets/Pages/25-Year-Review-Launch/Towards%20A%2025%20Year%20Review.pdf> [Accessed 7 June 2021].

Abedi, G., Molazadeh-Mahali, Q. A., Mirzaian, B., Nadi-Ghara, A., and Haidari-Gorji, A. M. 2016. The Effect of Personality Traits of Managers/Supervisor on Job Satisfaction of Medical Sciences University Staffs. Available: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5405636/> [Accessed 30 August 2021].

Abdelsalam, H., Dawoud, R.H. and Elkadi, H. 2013. An Examination of the Decision-Making Styles of Egyptian Managers. ResearchGate. Available: [https://www.researchgate.net/publication/286287592\\_An\\_examination\\_of\\_the\\_decision\\_making\\_styles\\_of\\_Egyptian\\_managers](https://www.researchgate.net/publication/286287592_An_examination_of_the_decision_making_styles_of_Egyptian_managers) [Accessed 30 August 2019].

Abdul, O.E. 2019. Entrepreneurial Skills and Growth of Small and Medium Enterprise (SMEs): A Comparative Analysis of Nigerian Entrepreneurs and Minority Entrepreneurs in the UK. *International Journal of Academic Research in Business and Social Sciences*, vol. 8(5), p. 27-46. Available: [https://www.researchgate.net/publication/325202799\\_Entrepreneurial\\_skills\\_and\\_growth\\_of\\_Small\\_and\\_Medium\\_Enterprise\\_SMEs\\_A\\_comparative\\_analysis\\_of\\_Nigerian\\_entrepreneurs\\_and\\_Minority\\_entrepreneurs\\_in\\_the\\_UK](https://www.researchgate.net/publication/325202799_Entrepreneurial_skills_and_growth_of_Small_and_Medium_Enterprise_SMEs_A_comparative_analysis_of_Nigerian_entrepreneurs_and_Minority_entrepreneurs_in_the_UK) [Accessed 7 June 2020].

Abioro, M. 2013. Effect of Employee Motivation on Organizational Performance. Available: [https://www.researchgate.net/publication/315798290\\_Effect\\_of\\_employee\\_motivation\\_on\\_organizational\\_performance](https://www.researchgate.net/publication/315798290_Effect_of_employee_motivation_on_organizational_performance) [Accessed 17 July 2019].

- Adelzadeh, A. 1996. From RDP to Gear: The Gradual Embracing of Neo-Liberalism in Economic Policy. Michigan University. Transformation Paper 31. Available: <http://pdfproc.lib.msu.edu/?file=/DMC/African%20Journals/pdfs/transformatio n/tran031/tran031006.pdf> [Accessed 29 January 2019].
- Adu-Oppong, A.A., and Agyin-Birikorang, E. 2014. Communication in the Workplace: Guidelines for Improving Effectiveness. *Global Journal of Commerce & Management Perspective*. Global Journal of Commerce & Management Perspective, vol. 3(5), p. 208-213. Available: <https://www.longdom.org/articles/communication-in-the-workplace-guidelines-for-improving-effectiveness.pdf> [Accessed 17 April 2018].
- African National Congress. 2011. 50th National Conference: Resolutions-Economic Transformation. ANC. Available: <http://www.anc.org.za/show.php?id=2435> [Accessed 13 March 2015].
- Agwu, M.E. 2018. Analysis of the Impact of Strategic Management on the Business Performance of SMEs in Nigeria. *Academy of Strategic Management Journal*, vol. 17(1), p. 1-20. Available: <https://www.abacademies.org/articles/Analysis-of-the-impact-of-strategic-management-on-the-business-performance-1939-6104-17-1-163.pdf> [Accessed 17 October 2019].
- Ahmed, M. and Shafiq, S. 2014. The Impact of Organizational Culture on Organizational Performance: A Case Study of Telecom Sector. *Global Journal of Management and Business Research: Administration and Management*, vol. 14(3), p. 20-30. Available: [https://globaljournals.org/GJM BR\\_Volume14/4-The-Impact-of-Organizational-Culture.pdf](https://globaljournals.org/GJM BR_Volume14/4-The-Impact-of-Organizational-Culture.pdf) [Accessed 13 March 2019].
- Ajagbe, M.A., Peter, O.F., Udo, E.E.U., Uduimoh, A.A. and Akpan, S.E. 2016. Business Strategy as a Contributor to Organisational Performance. *International Journal of Advanced Academic Research*, vol. 2(3), p. 1-18. Available: <https://www.ijaar.org/articles/volume2-number3/ijaar-mgmt-v2n3-m16-p6.pdf> [Accessed 13 August 2019].
- Ajmal, M.M., Khan, M., Hussain, M. and Helo, P.T. 2017. Conceptualizing Social Sustainability in the Business Operations. International Conference on Industrial Engineering and Operations Management. <http://ieomsociety.org/ieom2017/papers/475.pdf> [Accessed 23 August 2019].
- Akaegbu, J.B. and Usuoro, A.A. 2017. The Place of Organisational Capabilities in Strategy Formulation and Implementation: An Exploratory Analysis. *Global Journal of Social Sciences*, vol. 16, p. 39-48. Available: <https://www.ajol.info/index.php/gjss/article/viewFile/165593/155052> [Accessed 13 August 2019].

- Akinsomi, O., Kola, K., Ndlovu, T. and Motloun, M. 2016. Economic Empowerment compliant listed property firms in South Africa. *Journal of Property Investment & Finance*, vol. 34(1), p3-26. Available: <https://www.emerald.com/insight/content/doi/10.1108/JPIF-09-2014-0061/full/html?fullSc=1> [Accessed 23 June 2020].
- Ali, S.N.B.M. 2014. Leaders' Styles of Decision Making and Their Influence on Educational Organization Effectiveness. *Journal of Education and Practice*, vol. 5(23), p. 124-128. Available: <https://pdfs.semanticscholar.org/ce1b/bf3f68044bb87229e4e7444cd5d5db4a8cb2.pdf> [Accessed August 30, 2019].
- Ali, S.N.B.M. 2014. Leaders' Styles of Decision Making and Their Influence on Educational Effectiveness. *Journal of Education and Practice*, vol. 5(23), p. 124-128. Available: <https://pdfs.semanticscholar.org/ce1b/bf3f68044bb87229e4e7444cd5d5db4a8cb2.pdf> [Accessed 13 August 2019].
- Al-Saadi, H. 2014. Demystifying Ontology and Epistemology in Research Methods. ResearchGate. Available: [https://www.researchgate.net/publication/260244813\\_Demystifying\\_Ontology\\_and\\_Epistemology\\_in\\_Research\\_Methods](https://www.researchgate.net/publication/260244813_Demystifying_Ontology_and_Epistemology_in_Research_Methods) [Accessed 13 January 2019].
- Amaram, D.I. 2007. Cultural Diversity: Implications for Workplace Management. *Journal of Diversity Management: Fourth Quarter*, vol. 2(4). Virginia State University.
- Andrews, M. 2008. Is Black Economic Empowerment a South African Growth Catalyst? (Or Could It Be...). Harvard Kennedy School, John F. Kennedy School of Government. Faculty Research Working Papers. Available: <https://www.innovations.harvard.edu/sites/default/files/2606408.pdf> [Accessed 13 January 2019].
- Anthony, C. 2017. Troubled BEE Landscape Needs and Ethics Injection. Available: <https://www.Intellidex.co.za/wp-content/uploads/2018/3/MEC-2017-printed-version-editorial-only.pdf> [Accessed 23 September 2019].
- Antic, L. and Sekulic, V. 2005. Organizing as the Phase of Management Process. *Facta Universitatis*. Available: <http://facta.junis.ni.ac.rs/eao/eao2005/eao2005-06.pdf> [Accessed 13 September 2019].
- Arasa, R. and K'Obonyo, P. 2012. The Relationship Between Strategic Planning and Firm Performance. *International Journal of Humanities and Social Science*, vol. 2(22), p. 201-213. Available: [http://www.ijhssnet.com/journals/Vol\\_2\\_No\\_22\\_Special\\_Issue\\_November\\_2012/24.pdf](http://www.ijhssnet.com/journals/Vol_2_No_22_Special_Issue_November_2012/24.pdf) [Accessed 13 September 2019].

Archibong, U. and Adejume, O. 2013. Affirmative Action in South Africa Are We Creating New Casualties? *Journal of Psychological Issues in Organisational Culture*, vol. 3(1), p. 14-27. Available: <https://repository.uwc.ac.za/xmlui/bitstream/handle/10566/2014/ArchibongAffirmativeAction2013.pdf?sequence=8&isAllowed=y> [Accessed 11 November 2019].

Associated Press. 2013. Archives: Mandela Released from Prison. Politico. Available: <https://www.politico.com/story/2013/12/archives-mandela-released-from-prison-100795> [Accessed 16 January 2020].

Athapaththu, H.K.S.H. 2016. An Overview of Strategic Management: An Analysis of the Concepts and the Importance of Strategic Management. *International Journal of Scientific Research Publications*, vol. 6(2), p. 124-127. Available: <http://www.ijsrp.org/research-paper-0216/ijsrp-p5019.pdf> [Accessed 13 September 2019].

Atu, O.E.O.K. 2013. Triple Bottom Line Accounting: A Conceptual Expose. *Journal of Business and Management*, v. 13(4), p. 30-36. Available: <http://www.iosrjournals.org/iosr-jbm/papers/Vol13-issue4/E01343036.pdf> [Accessed 13 September 2019].

Azman, A., Sulaiman, J., Mohamad, M.T., Singh, P.S.J., Yahaya, M.H. and Drani, S. 2014. Addressing Poverty through Innovative Policies: A Review of the Malaysian Experience. *International Journal of Social Work and Human Services Practice*, vol. 2(4), p. 152-162. Available: [https://www.academia.edu/8930744/Addressing\\_Poverty\\_through\\_Innovative\\_Policies\\_A\\_Review\\_of\\_the\\_Malaysian\\_Experience](https://www.academia.edu/8930744/Addressing_Poverty_through_Innovative_Policies_A_Review_of_the_Malaysian_Experience) [Accessed 13 September 2019].

Babatunde, B.O. and Adebisi, A.O. 2012. Strategic Environmental Scanning and Organization Performance in a Competitive Business Environment. *Economic Insights – Trends and Challenges*. Available: [https://upg-bulletin-se.ro/archive/2012-1/3.%20Babatunde\\_Adebisi.pdf](https://upg-bulletin-se.ro/archive/2012-1/3.%20Babatunde_Adebisi.pdf) [Accessed 13 September 2019].

Babbie, E. 2005. *The Basics of Social Research*. 3rd Edition. California: Thomson Wadsworth.

Babbie, E. and Mouton, J. 1998. *The Practice of Social Research*. South African Edition. Cape Town: Oxford University Press.

Bailey, S. 2017. RDP Housing: Success or Failure? Southern African Catholic Bishops' Conference: Parliamentary Liaison Office. Briefing Paper 432. Available: <http://www.cplo.org.za/wp-content/uploads/2017/02/BP-432-RDP-Housing-May-2017.pdf> [Accessed 23 April 2019].

- Bakir, A. 2001. Understanding Organisational Strategy. CMS 2001 Strategy Stream. Available: <http://www.mngt.waikato.ac.nz/ejrot/cmsconference/2001/papers/strategy/bakir.pdf> [Accessed 12 May 2015].
- Baron, I.S. and Agustina, H. 2017. The effectiveness of Leadership Management Training. *Polish Journal of Management Studies*, vol. 16(2), p. 7-16. Available: [https://www.researchgate.net/publication/322449580\\_The\\_effectiveness\\_of\\_leadership\\_management\\_training](https://www.researchgate.net/publication/322449580_The_effectiveness_of_leadership_management_training) [Accessed 30 August 2019].
- Barret, R. 2019. The Importance of Values in Building a High-Performance Culture. Available: [https://www.valuescentre.com/wp-content/uploads/PDF\\_Resources/Additional\\_Articles/Article\\_Importance\\_of\\_Values.pdf](https://www.valuescentre.com/wp-content/uploads/PDF_Resources/Additional_Articles/Article_Importance_of_Values.pdf) [Accessed 15 June 2019].
- B-BBEE Commission. 2016. Broad Based Black Economic Empowerment Act 53 as Amended by Act 46 of 2013. Pretoria: B-BBEE Commission.
- B-BBEE Strategy. 2003. South Africa's Economic Transformation A Strategy for Broad-Based Black Economic Empowerment Available: <http://www.empowerdex.com/Portals/5/docs/dti%20BEE%20STRATEGY.pdf> [Accessed 7 October 2015].
- Bernstein, J. 2016. Employee Ownership, ESOPs, Wealth and Wages. Available: <https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/ESOP-Study-Final.pdf> [Accessed 7 October 2019].
- Best, K. 2017. The Fundamentals of Design Management. Lausanne: AVA Publishing SA. Available: [https://books.google.co.za/books?id=46w6DwAAQBAJ&printsec=frontcover&source=gbs\\_ge\\_summary\\_r&cad=0#v=onepage&q&f=false](https://books.google.co.za/books?id=46w6DwAAQBAJ&printsec=frontcover&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=false) [Accessed 6 June 2020].
- Betz, S. 2014. Sustainability Aware Process Management Using XML-Nets. 28th Enviro Info Conference, Oldenburg, Germany. Available: <http://enviroinfo.eu/sites/default/files/pdfs/vol8514/0691.pdf> [Accessed 17 April 2019].
- Bhatia, S. 2017. Advantages of the Training and Development of the Employees. *International Journal of attest Technology in Engineering, Management & Applied Sciences*, vol. 6(4), p. 134-137. Available: <https://www.ijltemas.in/DigitalLibrary/Vol.6Issue4/134-137.pdf> [Accessed 3 August 2019].
- Bhorat, H. and van der Westhuizen, C. 2012. Poverty, Inequality and The Nature of Economic Growth in South Africa. DPRU Working Paper 12/151.

Available:

[http://www.humanities.uct.ac.za/sites/default/files/image\\_tool/images/36/DPR\\_U%20WP12-151.pdf](http://www.humanities.uct.ac.za/sites/default/files/image_tool/images/36/DPR_U%20WP12-151.pdf) [Accessed 3 August 2019].

Biggemann, S. 2019. Achieving Business Sustainability: The Role of Integrity. Available: <https://www.impgroup.org/uploads/papers/7787.pdf> [Accessed 23 June 2016].

Bill of Rights. 1996. Constitution of the Republic of South Africa. Available: <http://www.gov.za/documents/constitution/chapter-2-bill-rights#9> [Accessed 23 June 2016].

Birbeck, P. 2008. Exploring the Relationship of Organisational Culture to Enterprise Systems Success. PHD Thesis. Queensland University of Technology. Available: [eprints.qut.edu.au/16997/1/Peter\\_Birbeck\\_Thesis.pdf](eprints.qut.edu.au/16997/1/Peter_Birbeck_Thesis.pdf) [Accessed 17 May 2015].

Blackwell, R. and Eppler, D. 2014. An Approach to Strategic Situation Analysis: Using Models as Analytical Tools. *The Journal of Global Business Management*, vol. 10(1), p 80-86. Available: [www.jgbm.org/page/9%20Dianne%20Eppler.pdf](http://www.jgbm.org/page/9%20Dianne%20Eppler.pdf) [Accessed 12 May 2019].

Bordens, K.S., and Abbott, B.B. 2018. Research Design and Methods: A Process Approach. 10th Edition. New York: McGraw-Hill.

Boshoff, W.H. 2009. The Strategic Implications of Black Empowerment Policy in South Africa: A Case Study of Boundary Choice and Client Preferences in a Small Services Firm. Available: <https://www.ekon.sun.ac.za/wboshoff/boshoff-bee-sajems.pdf> [Accessed 12 January 2019].

Bowman, C. and Ambrosini, V. 2007. Firm Value Creation and Levels of Strategy. Emerald Insight. Available: <http://hadjarian.com/company/1600804.pdf> [Accessed 17 September 2019].

Brink, A., Cant, M. and Lighelm, A. 2003. Problems Experienced by Small Businesses in South Africa. A paper for the Small Enterprise Association of Australia and New Zealand 16th Annual Conference, Ballarat, 29 Sept – 1 Oct 2003. Available: [https://www.researchgate.net/publication/228788503\\_Problems\\_experienced\\_by\\_small\\_businesses\\_in\\_South\\_Africa](https://www.researchgate.net/publication/228788503_Problems_experienced_by_small_businesses_in_South_Africa) [Accessed 17 November 2018].

Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003). Available: [http://www.acts.co.za/broad-based-black-economic-empowerment-act-2003/index.html?bee\\_1\\_definitions.php](http://www.acts.co.za/broad-based-black-economic-empowerment-act-2003/index.html?bee_1_definitions.php) [Accessed 17 March 2015].

Broad-Based Black Economic Empowerment Advisory Council. 2015. Broad-Based Black Economic Empowerment Advisory Council. Available:

<https://www.bbbeeecommission.co.za/b-bbee-advisory-council/> [Accessed 30 August 2019].

Bucata, G. and Rizescu, A.M. 2017. The Role of Communication in Enhancing Work Effectiveness of an Organization. *Land Forces Academy Review*. Available: <https://content.sciendo.com/view/journals/raft/22/1/article-p49.xml> [Accessed 17 July 2019].

Buchanana, D. A., and Huczynski, A. A. 2017. *Organizational Behaviour*. 9<sup>th</sup> Edition. Harlow: Pearson.

Bulog, I. and Grancic, I. 2017. The Benefits of Business Ethics - Ethical Behavior of Decision Makers: The Empirical Findings Croatia. *Mediterranean Journal of Social Sciences*, vol. 8(4), p.9-14. Available: <https://www.mcser.org/journal/index.php/mjss/article/viewFile/10007/9640> [Accessed 10 November 2018].

Burger, R. and Jafta, R. 2010. Affirmative Action in South Africa: An Empirical Assessment of the Impact on Labour Market Outcomes. *Crise Working Paper No. 76*. Available: [https://www.researchgate.net/publication/320222131\\_South\\_Africa's\\_Economic\\_Transformation\\_Since\\_1994\\_What\\_Influence\\_has\\_the\\_National\\_Democratic\\_Revolution\\_NDR\\_Had](https://www.researchgate.net/publication/320222131_South_Africa's_Economic_Transformation_Since_1994_What_Influence_has_the_National_Democratic_Revolution_NDR_Had) [Accessed 23 October 2019].

Burhan, A. 2016. Development of Triple Bottom Line Stakeholders Satisfaction Model. PHD Thesis, Bond University. Available: [https://pure.bond.edu.au/ws/portalfiles/portal/17512195/Development\\_of\\_a\\_triple\\_bottom\\_line\\_stakeholder\\_satisfaction\\_model.pdf](https://pure.bond.edu.au/ws/portalfiles/portal/17512195/Development_of_a_triple_bottom_line_stakeholder_satisfaction_model.pdf) [Accessed 10 October 2018].

Burns, B. 2017. *Managing Change*. 7<sup>th</sup> Edition. Harlow: Pearson Education Limited.

Burns, H., Vaught, H.D. and Bauman, C. 2015. Leadership for Sustainability: Theoretical Foundations and Pedagogical Practices that Foster Change. <https://www.regent.edu/acad/global/publications/ijls/new/vol9iss1/6-IJLS.pdf> [Accessed 10 August 2019].

Bushe, B. 2019. The Causes and Impact of Business Failure among Small to Micro and Medium Enterprises in South Africa. *Africa's Public Service Delivery & Performance Review*. Available: [https://apsdpr.org/index.php/apsdpr/article/view/210/365#FN0001\\_210](https://apsdpr.org/index.php/apsdpr/article/view/210/365#FN0001_210) [Accessed 10 June 2020].

Business Environment Specialists. 2014. Examining the challenges facing Small Businesses in South Africa. An SBP Occasional Paper Available: [http://www.sbp.org.za/uploads/media/SBP\\_Alert\\_-](http://www.sbp.org.za/uploads/media/SBP_Alert_-)

[\\_Examining\\_the\\_challenges\\_facing\\_small\\_businesses\\_in\\_SA\\_01.pdf](#)  
[Accessed 10 June 2020].

Caescu, S.C., Popescu, A., and Ploesteanu, M.G. 2011. Internal Environment Analysis Techniques. Available:  
[https://www.academia.edu/7444362/INTERNAL\\_ENVIRONMENT\\_ANALYSIS\\_TECHNIQUES](https://www.academia.edu/7444362/INTERNAL_ENVIRONMENT_ANALYSIS_TECHNIQUES) [Accessed 10 September 2019].

Cairney, P. 2015. Policy and Policy Making in the UK. Chapter2 Policymaking in the UK: What is Policy and How it Made? Available:  
<https://paulcairney.files.wordpress.com/2013/08/chapter-2-20-8-13-cairney-policy-policymaking-uk.pdf> [Accessed 10 November 2018].

Cambalikova, A. and Misun, J. 2017. The Importance of Control in Managerial Work. MPRA Paper No. 83776. Available: [https://mpra.ub.uni-muenchen.de/83776/1/MPRA\\_paper\\_83776.pdf](https://mpra.ub.uni-muenchen.de/83776/1/MPRA_paper_83776.pdf) [Accessed 10 September 2019].

Cambridge Dictionary. 2018. Available:  
<https://dictionary.cambridge.org/dictionary/english/government-regulation>  
[Accessed 10 January 2018].

Cambridge Dictionary. 2019. Government Regulation. Available:  
<https://dictionary.cambridge.org/dictionary/english/government-regulation>  
[Accessed 16 June 2018].

Cameron, E., and Green, M. 2015. Making Sense Of Change Management: A complete guide to the models, tools and techniques of organizational change. 4th edition. London: Kogan Page Limited.

Cameron, K.S. and Whetten, D. A. 1983. Organizational effectiveness: Old models and new constructs (EDS). Available:  
[https://books.google.co.za/books?hl=en&lr=&id=XNwxWD3rZhAC&oi=fnd&pg=PA135&dq=Kim+S.+Cameron,+and+David+A.+Whetten+\(eds.\):+Organizational+Effectiveness+%E2%80%94+A+Comparison+of+Multiple+Models+1983&ots=aM-G0BxlSn&sig=fQ4Bwe2YaYX8DpEgdGH33E\\_IYUE&redir\\_esc=y#v=onepage&q&f=false](https://books.google.co.za/books?hl=en&lr=&id=XNwxWD3rZhAC&oi=fnd&pg=PA135&dq=Kim+S.+Cameron,+and+David+A.+Whetten+(eds.):+Organizational+Effectiveness+%E2%80%94+A+Comparison+of+Multiple+Models+1983&ots=aM-G0BxlSn&sig=fQ4Bwe2YaYX8DpEgdGH33E_IYUE&redir_esc=y#v=onepage&q&f=false) [Accessed 29 September 2019].

Cameron, K.S. and Whetten, D.A. (eds). 1983. Organisational Effectiveness: A Comparison of Multiple Models. New York: Academic Press.

Cant, M. 2012. Challenges Faced by SME's in South Africa: Are Marketing Skills Needed? International Business and Economic Research Journal, vol. 11(10), p. 1107-1116. Available:  
[https://www.researchgate.net/publication/267243220\\_Challenges\\_Faced\\_By\\_SME's\\_In\\_South\\_Africa\\_Are\\_Marketing\\_Skills\\_Needed](https://www.researchgate.net/publication/267243220_Challenges_Faced_By_SME's_In_South_Africa_Are_Marketing_Skills_Needed) [Accessed 30 May 2018].

Carmelli, M. 2011. Employee Ownership and Corporate Performance: Towards Unlocking the Black Box. Available: [https://www.researchgate.net/publication/291821194\\_Employee\\_Ownership\\_and\\_Corporate\\_Performance\\_Towards\\_Unlocking\\_The\\_Black\\_Box](https://www.researchgate.net/publication/291821194_Employee_Ownership_and_Corporate_Performance_Towards_Unlocking_The_Black_Box) [Accessed 7 October 2019].

Carrera, A.R. and Kurnia, S. 2015. Exploring the Roles of ICT in Supporting Sustainability Practices. Australasian Conference on Information Systems. Available: <https://arxiv.org/ftp/arxiv/papers/1606/1606.00889.pdf> [Accessed 10 September 2019].

Chatman, J.A., Caldwell, D.F., O'Reilly, C.A. and Doerr, B. 2019. Organisational Culture and Performance in High- Technology Firms: The Effects of Culture Content and Strength. Available: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.378.9723&rep=rep1&type=pdf> [Accessed 10 June 2019].

Chauke, K. R. 2020. Broad-Based Black Economic Empowerment (B-BBEE) as a Competitive Advantage in Conducting Business in South Africa. The 5th Annual International Conference on Public Administration and Development Alternatives 07 - 09 October 2020, Virtual Conference. Available: [http://ulspace.ul.ac.za/bitstream/handle/10386/3258/chauke\\_broad\\_2020.pdf?sequence=1&isAllowed=y](http://ulspace.ul.ac.za/bitstream/handle/10386/3258/chauke_broad_2020.pdf?sequence=1&isAllowed=y) [Accessed 24 December 2021].

Chew, M.M.M., Cheng, J.S.L. and Petrovic-Lazarevic, S. 2002. Manager's Role in Implementing Organizational Change: Case of the Restaurant Industry in Melbourne. Available: <https://pdfs.semanticscholar.org/3319/bd95a03c139281302253f1b2b15d35423083.pdf> [Accessed 30 August 2019].

Chidede, T. and Warikandwa, T. 2017. Foreign Direct Investment and Zimbabwe's Indigenisation and Economic Empowerment Act: Friends or Foes? Midlands State University Law Review 2017. Available: <https://zimlii.org/zw/journals/Midlands%20State%20University%20Law%20Review%202017%20Vol%20III%20ARTICLE%20II.pdf> Accessed 30 August 2019].

Chinomona, R. 2013. Business Owner's Expertise, Employee Skills Training and Business Performance: A Small Business Perspective. *The Journal of Applied Business Research*, vol. 29(6), p. 1-14. Available: [https://www.researchgate.net/publication/257811868\\_Business\\_Owner's\\_Expertise\\_Employee\\_Skills\\_Training\\_And\\_Business\\_Performance\\_A\\_Small\\_Business\\_Perspective](https://www.researchgate.net/publication/257811868_Business_Owner's_Expertise_Employee_Skills_Training_And_Business_Performance_A_Small_Business_Perspective) [Accessed 10 June 2020].

Choi, Y. and Yu, Y. 2014 The Influence of Perceived Corporate Sustainability Practices on Employees and Organisational Performance. Sustainability Article. Available:

<https://pdfs.semanticscholar.org/828f/58c2012178233ebc5318891d3af021e7e49f.pdf> [Accessed 10 December 2018].

Choubey, G. and Mishra, A. 2016. Strategic Management is Essential for Organisational Growth: A Case Study of Havells. *International Journal of Science and Research*, v. 5(4), p. 374–377. Available: <https://www.ijsr.net/archive/v5i4/NOV162536.pdf> [Accessed 10 June 2020].

Chron. 2020. Why Do Organizations Hire Managers? Available: <https://work.chron.com/organizations-hire-managers-21778.html> [Accessed 10 January 2020].

Citizen Economic Empowerment Policy. 2012. Republic of Botswana. Government paper No. 1 of 2012 the Citizen Economic Empowerment Policy (CEE Policy). Available: [http://B-BBEE.typepad.com/files/microsoft-word---citizen-economic-empowerment-policy---revised-on-24052012-\\_final\\_.pdf](http://B-BBEE.typepad.com/files/microsoft-word---citizen-economic-empowerment-policy---revised-on-24052012-_final_.pdf) [Accessed 10 January 2017].

Cletus, H.E., Mahmood, N.A., Umar, A. and Ibrahim, A.D. 2018. Prospects and Challenges of Workplace Diversity in Modern Day Organizations: A Critical Review. *Holistica*, vol. 9(2), p. 35-52. Available: [https://www.researchgate.net/publication/327510297\\_Prospects\\_and\\_Challenges\\_of\\_Workplace\\_Diversity\\_in\\_Modern\\_Day\\_Organizations\\_A\\_Critical\\_Review](https://www.researchgate.net/publication/327510297_Prospects_and_Challenges_of_Workplace_Diversity_in_Modern_Day_Organizations_A_Critical_Review) [Accessed 10 June 2020].

Codes of Good Practice on Broad Based Black Economic Empowerment-Phase One. 2005. A Guide to Interpreting the First Phase of the Codes. Available: [https://www.gov.za/sites/default/files/gcis\\_document/201409/beecodes10.pdf](https://www.gov.za/sites/default/files/gcis_document/201409/beecodes10.pdf) [Accessed 1 June 2020].

Cohen, L., Manion, L. and Morrison, K. 2018. *Research Methods in Education*. 8th Edition. New York: Routledge.

Collins Dictionary. 2018. Definition of Regulation. Available: <https://www.collinsdictionary.com/dictionary/english/regulation> [Accessed 10 January 2018].

Collins, H. 2019. *Creative Research. The Theory and Practice of Research for the Creative Industries*. 2nd Edition. London: Bloomsbury Publishing Plc.

Competition Commission. 2019. Competition Act. 89 of 1998. Competition Commission of South Africa. Available: <https://www.compcom.co.za/wp-content/uploads/2021/03/Competition-Act-A6.pdf> [Accessed 26 June 2021]

Congress of the People. 1955. Freedom Charter. Kliptown. Available: <https://www.marxists.org/subject/africa/anc/1955/freedom-charter.htm> [Accessed 26 June 2015].

Conrad, P.J. and Maddux, R.B. 1998. Guide to Affirmative Action: A Primer for Supervisors and Managers. United States of America: Crisp Publications.

Cooper, D.R. and Schindler, P.S. 2014. Business Research Methods. 12th Edition. New York: McGraw-Hill Irwin. Available: [https://www.academia.edu/36184183/Business\\_Research\\_Methods\\_12th\\_Edition](https://www.academia.edu/36184183/Business_Research_Methods_12th_Edition) htm [Accessed 26 June 2018].

Coppin, A. 2017. The Human Capital Imperative: Valuing Your Talent. Buckinghamshire: Palgrave Macmillan.

Creswell, J.W. 2009. Research Design: Qualitative, Quantitative and Mixed Methods Approaches. 3rd Edition. Los Angeles: Sage Publications, Inc.

Creswell, J.W. 2012. Educational Research: Planning, Conducting and Evaluation Quantitative and Qualitative Research. 4th Edition. Boston: Pearson Education Inc.

Creswell, J.W. 2014. Qualitative, Quantitative and Mixed Methods Approaches. 4th Edition. California: Sage Publications Ltd.

Creswell, J.W. and Creswell, J.D. 2018. Research Design: Qualitative, Quantitative, and Mixed Methods Approaches. 5th Edition. Los Angeles: Sage Publishers.

Creswell, J.W. and Plano Clark, V.L. 2018. Designing and Conducting Mixed Methods Research. 3rd Edition. Los Angeles: SAGE Publications Inc.

Crosby, F.C., Iyer, A. and Sincharoen, S. 2006. Understanding Affirmative Action. Annual Reviews. Available: [Accessed 17 March 2019]. [https://diversity.berkeley.edu/sites/default/files/annurev.psych\\_.57.102904.pdf](https://diversity.berkeley.edu/sites/default/files/annurev.psych_.57.102904.pdf) [Accessed 11 November 2020].

D'souza, M.M. and D'souza, M. 2017. A Study of the Success value of the Four Approaches to Organizational Effectiveness in 18 Companies in the Indian Service and Manufacturing Industry Sectors. *Journal of Business and Management*, p77-89. Available: <http://iosrjournals.org/iosr-jbm/papers/Conf.17016-2017/Volume%201/11.%2077-89.pdf> [Accessed 9 September 2019].

Daft, R.L. 2010. Organisation Theory and Design. 10th Edition. Mason: South-Western Cengage Learning EMEA.

Dahie, A.M. and Jim'ale, M.M. 2015. Employee Motivation and Organizational Performance: Empirical Evidence Secondary Schools in Mogadishu-Somalia. Available: [https://www.researchgate.net/publication/284180412\\_Employee\\_Motivation\\_and\\_Organizational\\_Performance\\_Empirical\\_Evidence\\_from\\_Secondary\\_Schools\\_in\\_Mogadishu-Somalia](https://www.researchgate.net/publication/284180412_Employee_Motivation_and_Organizational_Performance_Empirical_Evidence_from_Secondary_Schools_in_Mogadishu-Somalia) [Accessed 17 July 2019].

- Danciu, V. 2013. Available: The Sustainable Company: New Challenges and Strategies for More Sustainability. Theoretical and Applied Economics. <http://store.ectap.ro/articole/898.pdf> [Accessed 17 July 2018].
- Daniel, R.M. 2015. Revisiting the Strategic Management Process through the Levels of Strategy Analysis. *Asian Journal of Management Research*, vol. 6(1), p. 29-34. Available: <http://www.ipublishing.co.in/ajmrvol1no1/volsix/EIJMRS6004.pdf> [Accessed 17 September 2019].
- Dartey-Baah, K. 2013. The Cultural Approach to the Management of the International Human Resource: An Analysis of Hofstede's Cultural Dimensions. *International Journal of Business Administration*, vol. 4(2), p. 39-45. Available: <http://www.sciedu.ca/journal/index.php/ijba/article/view/2581/1447> [Accessed 13 November 2019].
- David, F.R., and David, F. R. 2011. Strategic Management: A competitive Approach, Concepts and Cases. 7th Edition. Harlow: Pearson Education Limited.
- Davids, E., and Kitkat, R. 2021. The Corporate Governance Review: South Africa. Available: <https://thelawreviews.co.uk/title/the-corporate-governance-review/south-africa> [Accessed: 6 January 2022].
- Davie, G. 2015. Poverty Knowledge in South Africa: A Social History of Human Science, 1855–2005. New York: Cambridge University Press.
- Davies, C. F., Berman, E., and Pillay, D. 2022. Mining in South Africa: overview. Thomson Reuters Practical Law. Available: [https://uk.practicallaw.thomsonreuters.com/w-017-7378?transitionType=Default&contextData=\(sc.Default\)&firstPage=true](https://uk.practicallaw.thomsonreuters.com/w-017-7378?transitionType=Default&contextData=(sc.Default)&firstPage=true) [Accessed: 6 January 2022]
- Dawson, C. 2002. Practical Research Methods. A User-Friendly Guide to Mastering Research Techniques and Projects. Oxford: How to Books.
- De Klerk, S.S. 2008. A Critical Analysis on Broad-Based Black Economic Empowerment in the Mining Sector. Master of Commerce Thesis. University of Johannesburg.
- Della Porta, D. and Keating, M. 2008. Approaches and Methodologies in the Social Sciences: A Pluralist Perspective. Cambridge: Cambridge University Press.
- Deloitte. 2021. To BEE or not to BEE: Is that the question? Perspectives. Available: <https://www2.deloitte.com/za/en/pages/financial->

services/articles/to-bee-or-not-to-bee--is-that-the-question.html [Accessed: 6 January 2022].

Department of Environmental Affairs and Tourism. 2008. People – Planet – Prosperity: A National Framework for Sustainable Development in South Africa. Available: [https://www.gov.za/sites/default/files/gcis\\_document/201409/nationalframeworkforsustainabledevelopmenta0.pdf](https://www.gov.za/sites/default/files/gcis_document/201409/nationalframeworkforsustainabledevelopmenta0.pdf) [Accessed 9 October 2019].

Dess, G.G., Lumpkin, G.T., Eisner, A.B. and McNamara, G. 2014. Strategic Management: Text and Cases. 7th Edition. New York: McGraw-Hill Education.

Divan, S.M. 2012. Changing “the way we do things”: Presenting a Strategic Organisational Culture Framework. Thesis. California State University, Sacramento. Available: [www.csus.edu/ppa/thesis\\_project/bank/2012/divan.pdf](http://www.csus.edu/ppa/thesis_project/bank/2012/divan.pdf) [Accessed 17 May 2015].

DSBD. 2019. Small Business Development. Available: <http://www.dsbd.gov.za/> [Accessed 29 September 2019].

Du Plessis, S. and Smit, B. 2006. Economic Growth in South Africa Since 1994. Bureau for Economic Research. Stellenbosch Economic Working Papers: 1/2006. Available: [https://www.researchgate.net/publication/24134153\\_Economic\\_Growth\\_in\\_South\\_Africa\\_since\\_1994](https://www.researchgate.net/publication/24134153_Economic_Growth_in_South_Africa_since_1994) [Accessed 9 September 2019].

Durmaz, Y., and Dusun, Z. D. 2016. Importance of Strategic Management in Business. Expert Journal of Business Management, vol. 4(1), p. 38-45. Available: <https://business.expertjournals.com/23446781-405/> [Accessed: 5 January 2022].

Eccles, R.G., Ioannou, I. and Serafeim, G. 2016. The Impact of Corporate Sustainability on Organizational Processes and Performance. Available: [http://www.hbs.edu/faculty/Publication%20Files/SSRN-id1964011\\_6791edac-7daa-4603-a220-4a0c6c7a3f7a.pdf](http://www.hbs.edu/faculty/Publication%20Files/SSRN-id1964011_6791edac-7daa-4603-a220-4a0c6c7a3f7a.pdf) [Accessed 23 August 2016].

Edwards, C. 2018. What is the Triple Bottom Line? Available: <https://www.business.com/articles/triple-bottom-line-defined/> [Accessed 28 May 2019].

Ehlers, T. and Lazenby, K. 2010. Strategic Management: Southern African Concepts and Cases. 3rd Edition. South Africa: Van Schaik Publishers.

Ekins, P. 2011. Environmental Sustainability: Environmental Valuation to the Sustainability Gap. Available: <http://www.wou.edu/~vanstem/490.S12/EnvironmentalSustainability.pdf> [Accessed 29 September 2019].

Ekwueme, C.M., Egbunike, C.F. and Onyali, C. 2013. Benefits of Triple Bottom Line Disclosures on Corporate Performance: An Exploratory Study of Corporate Stakeholders. *Journal of Management and Sustainability*, vol. 3(2), p. 79-91. Available: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.897.3677&rep=rep1&type=pdf> [Accessed 29 September 2019].

Elkinson, J. 2018. 25 Years Ago, I Coined the Phrase “Triple Bottom Line.” Here’s Why It’s Time to Rethink It. *Harvard Business Review*. Available: <https://hbr.org/2018/06/25-years-ago-i-coined-the-phrase-triple-bottom-line-heres-why-im-giving-up-on-it> [accessed 28 May 2019].

Elnaga, A. and Imran, A. 2013. The Effect of Training on Employee Performance. *European Journal of Business and Management* vol. 5(4), p. 137-147. Available: <https://pdfs.semanticscholar.org/354c/2c8c60f37f5e25f63f557b3573ec366197ae.pdf> [Accessed 3 August 2019].

Empowerdex Guide. 2007. The Codes of Good Practice: Scorecard Essentials. Johannesburg. Available: [www.empowerdex.com/Portals/5/docs/EmpowerdexGuide/Framework.pdf](http://www.empowerdex.com/Portals/5/docs/EmpowerdexGuide/Framework.pdf) [Accessed 14 July 2016].

Empowerdex. 2011. Ownership Cannot Be the Only Aspect of Transformation. Available: <http://www.empowerdex.com/Portals/5/docs/Research/OwnershipEDIT.pdf> [Accessed 14 July 2016].

Emuze, F. and Adlam, R. 2013. Implementation of Broad-Based Black Economic Empowerment in Construction: A South African Metropolitan Area Study. *Acta Structilia*. Available: <https://www.wajol.info/article/download> [accessed 18 October 2018].

EPU. 2021. Enhancing Bumiputera Economic Community (BEC) Opportunities to Increase Wealth Ownership. Available: <https://www.epu.gov.my/sites/default/files/2021-05/Strategy%20Paper%2003.pdf> [Accessed 13 March 2022].

Ethem, D. and Nurcan, C. 2008. Team Effectiveness and Leadership Roles. *Munich Personal RePEc Archive*. Available: [https://mpra.ub.uni-muenchen.de/7245/1/Team\\_Effectiveness.pdf](https://mpra.ub.uni-muenchen.de/7245/1/Team_Effectiveness.pdf) [Accessed 13 August 2019].

EY. 2013. Sustainability Reporting- The Time is Now. *Global Reporting Initiative*. Available: [https://www.ey.com/Publication/vwLUAssets/EY-Sustainability-reporting-the-time-is-now/\\$FILE/EY-Sustainability-reporting-the-time-is-now.pdf](https://www.ey.com/Publication/vwLUAssets/EY-Sustainability-reporting-the-time-is-now/$FILE/EY-Sustainability-reporting-the-time-is-now.pdf) [Accessed 17 March 2019].

- Fatoki, O. 2014. The Causes of the Failure of New Small and Medium Enterprises in South Africa. *Mediterranean Journal of Social Sciences*, vol. 3(20), p. 922-927. Available: [https://www.researchgate.net/publication/272707965\\_The\\_Causes\\_of\\_the\\_Failure\\_of\\_New\\_Small\\_and\\_Medium\\_Enterprises\\_in\\_South\\_Africa](https://www.researchgate.net/publication/272707965_The_Causes_of_the_Failure_of_New_Small_and_Medium_Enterprises_in_South_Africa) [Accessed 10 October 2019].
- Faulkner, D. and Loewald, C. 2008. Policy Paper Number 14. Available: [https://www.econrsa.org/system/files/publications/policy\\_papers/pp14.pdf](https://www.econrsa.org/system/files/publications/policy_papers/pp14.pdf) [Accessed 13 March 2020].
- Fazhoglu, B., Dalgic, B. and Yerehi, A.B. 2016. The Effect of Innovation on Productivity: Evidence Turkish Manufacturing Firms. Available: [https://mpr.ub.uni-muenchen.de/75773/1/MPRA\\_paper\\_75773.pdf](https://mpr.ub.uni-muenchen.de/75773/1/MPRA_paper_75773.pdf) [Accessed 22 April 2019].
- Fedderke, J. and Simkins, C. 2009. Economic Growth in South Africa Since the Late Eighteenth Century. Working Paper Number 138. University of Cape Town. Available: [https://econrsa.org/papers/w\\_papers/wp138.pdf](https://econrsa.org/papers/w_papers/wp138.pdf) [Accessed 22 October 2019].
- Femi, A.F. 2014. The Impact of Communication on Workers' Performance in Selected Organisations in Lagos State, Nigeria. *Journal of Humanities and Social Science* vol. 19(8), p. 75-82. Available: <https://pdfs.semanticscholar.org/da0b/f54bf14beb03508ad87242401aa211e0bcb4.pdf> [Accessed 22 July 2019].
- Ferreira, L. and Rossouw, R. 2016. South Africa's Economic Policies on Unemployment: A Historical Analysis of Two Decades of Transition. Available: [https://repository.nwu.ac.za/bitstream/handle/10394/23732/2016South%20Africas\\_economic.pdf?sequence=1](https://repository.nwu.ac.za/bitstream/handle/10394/23732/2016South%20Africas_economic.pdf?sequence=1) [Accessed 23 April 2019].
- Foncenca, C.M., Raj, S.P. and Anandan, C.R.C. 2017. Managerial Effectiveness – A Critical Analysis. *Journal of Business and Management*, vol. 19(8), p. 47-52. Available: <http://www.iosrjournals.org/iosr-jbm/papers/Vol19-issue8/Version-2/E1908024752.pdf> [Accessed 22 July 2019].
- Fourie, L. 2015. Customer satisfaction: A key to survival for SMEs? Problems and Perspectives in Management, vol. 13(3), p. 181-188. Available: [https://www.researchgate.net/publication/325954534\\_Customer\\_satisfaction\\_A\\_key\\_to\\_survival\\_for\\_SMEs](https://www.researchgate.net/publication/325954534_Customer_satisfaction_A_key_to_survival_for_SMEs). [Accessed 9 June 2020].
- Fredericks, F. and Yu, D. 2015. The Effect of Affirmative Action on the Reduction of Employment Discrimination, 1997-2015. Available: [https://econrsa.org/system/files/publications/working\\_papers/working\\_paper\\_681.pdf](https://econrsa.org/system/files/publications/working_papers/working_paper_681.pdf) [Accessed 11 November 2019].

Freedom Charter. 1955. Congress of the People. Available: [http://www.historicalpapers.wits.ac.za/inventories/inv\\_pdfo/AD1137/AD1137-Ea6-1-001-jpeg.pdf](http://www.historicalpapers.wits.ac.za/inventories/inv_pdfo/AD1137/AD1137-Ea6-1-001-jpeg.pdf) [Accessed 23 July 2016].

Gaal, Z., Obermayer-Kovacs, N., Csepregi, A., Antonova, A. and Jenei, E. 2010. Clan, Adhocracy, Market or Hierarchy? Investigating organizational culture types and knowledge sharing in Bulgaria, Hungary and Serbia. 5th International Knowledge Management in Organizations Conference. Available: [https://www.researchgate.net/publication/258333507\\_Clan\\_Adhocracy\\_Market\\_Hierarchy\\_Investigating\\_Organizational\\_Culture\\_Types\\_and\\_Knowledge\\_Sharing\\_in\\_Bulgaria\\_Hungary\\_and\\_Serbia](https://www.researchgate.net/publication/258333507_Clan_Adhocracy_Market_Hierarchy_Investigating_Organizational_Culture_Types_and_Knowledge_Sharing_in_Bulgaria_Hungary_and_Serbia) [Accessed 10 January 2017].

Gallagher, S., Brown, C. and Brown, L. 2008. A Strong Market Culture Drives Organisational Performance and Success. Available: [https://www.researchgate.net/publication/227995656\\_A\\_strong\\_market\\_culture\\_drives\\_organizational\\_performance\\_and\\_success](https://www.researchgate.net/publication/227995656_A_strong_market_culture_drives_organizational_performance_and_success) [Accessed 10 June 2019].

Gaomab II, M. 2005, Black Economic Empowerment in Namibia and its relation to the National economy. Namibia Economic Society (NES). Available: <http://www.sarpn.org/documents/d0001616/> [Accessed 10 January 2017].

Gardee, R. 2014. BEE lessons Malaysia. The Citizen. Available: <http://citizen.co.za/uncategorized/152709/bee-lessons-malaysia/> [Accessed 10 January 2017].

Georgopoulos, B.S. and Tannenbaum, A.S. 1957. A Study of Organizational Effectiveness. *American Sociological Review*, vol. 22(5), p. 534-540. Available: <https://www.jstor.org/stable/pdf/2089477.pdf?refreqid=excelsior%3A4001879ad2c234c8959c2e3d6ed94c13> [Accessed 12 May 2019].

Gerace, S.J. 2011. Measuring Organisational Effectiveness of Public-Private Partnerships: A Case Study of the Department of Energy's Clean Cities Public-Private Program. Master of Science, Technology and Public Policy Thesis. Rochester Institute of Technology, New York. Available: <https://ritdml.rit.edu/bitstream/handle/1850/13653/SGeraceThesis3-28-011.pdf?sequence=1> [Accessed 28 February 2015].

Gergis, A. 1999. Citizen Economic Empowerment in Botswana: Concepts and Principles. BIDPA Working Paper No. 22. Available: [https://www.africaportal.org/documents/5032/BIDPA\\_Working\\_Paper\\_22.pdf](https://www.africaportal.org/documents/5032/BIDPA_Working_Paper_22.pdf) [accessed 20 June 2019].

Giberson, R., Resick, C.J., Dickson, M.W., Michelson, J.K., Randall, K.R. and Clarke, M.A. 2009. Leadership and Organizational Culture: Linking CEO

Characteristics to Cultural Values. Springer. Available: <http://w3.ekof.bg.ac.rs/nastava/organizaciono%20ponasanje/2010/DOPUNSKA%20LITERATURA/CEO%20and%20cultural%20values.pdf> [accessed 20 June 2019].

Gibson, J.L., Ivancevich, J., Donnelly, J.H. Jr, Konopaske, R. 2012. *Organisations: Behaviour, Structure, Processes*. 14th Edition. New York. McGraw-Hill Irwin.

Gitsham, M., Gribben, C. and Hind P. 2008. Leadership for Sustainable Organisations. 360. *The Ashridge Journal*. Spring 2008. Available: <https://www.ashridge.org.uk/Media-Library/Ashridge/PDFs/Publications/LeadershipForSustainableOrganisations.pdf> [accessed 12 July 2016].

Glenn, M. 2009. Organizational Agility: How Business can Survive and Thrive in Turbulent Times. A Report the Economist Intelligence Unit. The Economist. Available: <https://www.emc.com/collateral/leadership/organisational-agility-230309.pdf> [accessed 4 June 2019].

Gochero, P. and Kadira, G. 2015. Indigenisation and Economic Empowerment Policy Views and Concerns in the Zimbabwean Mining Sector (2008-2011). *Journal of Economics and Sustainable Development*, vol. 69200, p. 70-77. Available: [https://www.academia.edu/19796235/Indigenisation\\_and\\_Economic\\_Empowerment\\_Policy\\_Views\\_and\\_Concerns\\_in\\_the\\_Zimbabwean\\_Mining\\_Sector](https://www.academia.edu/19796235/Indigenisation_and_Economic_Empowerment_Policy_Views_and_Concerns_in_the_Zimbabwean_Mining_Sector) [accessed 12 June 2019].

Gochhayat, J., Giri, V.N. and Suar, D. 2017. Influence of Organizational Culture on Organizational Effectiveness: The Mediating Role of Organizational Communication. *Global Business Review*, vol. 18(3), p. 691-702. Available: <https://journals.sagepub.com/doi/pdf/10.1177/0972150917692185> [accessed 12 June 2020].

Goga, S., Bosiu, T. and Bell, J. 2019. Linking IDC finance to structural transformation and inclusivity in post-apartheid South Africa. *Development Southern Africa*, vol. 36, p. 821-838. Available: <https://www.tandfonline.com/doi/full/10.1080/0376835X.2019.1696181#aHR0cHM6Ly93d3cudGFuZGZvbmxpbmUuY29tL2RvaS9wZGYvMTAuMTA4MC8wMzc2ODM1WC4yMDE5LjE2OTYxODE/bmVIZEFjY2Vzcz10cnVlQEBAMA=> [Accessed 3 June 2020].

Gould, D.M. and Ruffin, R.J. 1993. What Determines Economics Growth? Available: <https://www.dallasfed.org/~media/documents/research/er/1993/er9302b.pdf> [Accessed 22 July 2019].

Government Gazette. 2004. Vol. 463, No. 25899. Republic of South Africa. Pretoria. Act 53 of 2003: Broad-Based Black Economic Empowerment Act.

Government Gazette. 2013. Vol. 580, No. 36928. Republic of South Africa. Pretoria Available:

[https://www.thedti.gov.za/news2013/code\\_gud\\_practice10102013.pdf](https://www.thedti.gov.za/news2013/code_gud_practice10102013.pdf)  
[Accessed 12 February 2015].

Government Gazette. 2019. Vol. 647, No. 42496. Republic of South Africa. Pretoria.

Government of Western Australia. 2011. How to read legislation, a beginner's guide. Parliamentary Counsel's Office. Western Australia Edition. Available: [http://www.department.dotag.wa.gov.au/\\_files/How\\_to\\_read\\_legislation.pdf](http://www.department.dotag.wa.gov.au/_files/How_to_read_legislation.pdf) [Accessed 12 June 2018].

Grant, R.M. 2001. The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation. Available: [https://www.researchgate.net/profile/Robert\\_Grant12/publication/276935590\\_A\\_Resource\\_Based\\_Theory\\_of\\_Competitive\\_Advantage/links/549178cc0cf222ada859ad7c/A-Resource-Based-Theory-of-Competitive-Advantage.pdf](https://www.researchgate.net/profile/Robert_Grant12/publication/276935590_A_Resource_Based_Theory_of_Competitive_Advantage/links/549178cc0cf222ada859ad7c/A-Resource-Based-Theory-of-Competitive-Advantage.pdf) [accessed 18 April 2018].

Grant, R.M. 2016. Contemporary Strategy Analysis: Text and Cases. 9th Edition. West Sussex: Wiley.

Gray, D.E. 2014. Doing Research in the Real World. London: Sage Publishers.

Green, K., Lopez, M., Wysocki, A., Kepner, K., Farnsworth, D. and Clark, J.L. 2002. Diversity in the Workplace: Benefits, Challenges, and the Required Managerial Tools. Available: <https://edis.ifas.ufl.edu/pdf/HR/HR02200.pdf> [accessed 12 June 2018].

Greenwood, X. 2018. South Africa is the most unequal country in the world and its poverty is the "enduring legacy of apartheid", says World Bank. Independent. Available: <https://www.independent.co.uk/news/world/africa/south-africa-unequal-country-poverty-legacy-apartheid-world-bank-a8288986.html> [Accessed 16 January 2020].

Griffin, R.W. 2013. Management. 11th Edition. Mason: South Western/Cengage.

Griffin, R.W. and Moorhead, G. 2014. Organizational Behavior Managing People and Organizations. 11th Edition. Mason: South Western Cengage Learning.

Griggs, D. Gaffney, O., Stafford-Smith, M. and Rockstrom, J. 2013. Sustainable Development Goals for People and Planet. Available:

[https://www.researchgate.net/publication/235968344\\_Sustainable\\_Development\\_Goals\\_for\\_People\\_and\\_Planet](https://www.researchgate.net/publication/235968344_Sustainable_Development_Goals_for_People_and_Planet) [Accessed 13 January 2019].

Grobler, C., van Wyk, R. and Magau, M.D. 2019. Transformational Change Leadership Framework for Implementing Broad-Based Black Economic Empowerment in South African Organisations. *Acta Commercii – Independent Research Journal in the Management Sciences*, vol. 19(1), p. 1-12.

Available:

[https://www.academia.edu/39171770/Grobler\\_Van\\_Wyk\\_Magau\\_B-BBEE](https://www.academia.edu/39171770/Grobler_Van_Wyk_Magau_B-BBEE) [Accessed 7 October 2019].

Groenewald, D. and Powell, J. 2016. Relationship Between Sustainable Development Initiatives and Improved Company Financial Performance: A South African Perspective. *Independent Research Journal in the Management Sciences.*, vol. 16(1), p. 1-14. Available:

<http://www.scielo.org.za/pdf/acom/v16n1/07.pdf> [Accessed 17 September 2019].

Groysberg, B., Lee, J., Price., and Cheng, Y. J. 2018. The Leader's Guide to Corporate Culture. *Harvard Business Review*. <https://hbr.org/2018/01/the-leaders-guide-to-corporate-culture> [Accessed: 8 January 2022]

Habib, S., Aslam, S., Hussain, A., Yasmeen, S. and Ibrahim, M. 2014. The Impact of Organisational Culture on Job Satisfaction, Employees Commitment and Turn Over Intention. *Advances in Economics and Business*. Available: <http://www.hrpub.org/download/20140801/AEB1-11802303.pdf> [Accessed 27 September 2019].

Hakanen, M., Hakkinen, M. and Soudumari, A. 2015. Trust in Building High-Performing Teams – Conceptual Approach. *Electronic Journal of Business Ethics and Organisation Studies*, Vol. 20(2), p. 43-53. Available: [http://ejbo.jyu.fi/pdf/ejbo\\_vol20\\_no2\\_pages\\_43-53.pdf](http://ejbo.jyu.fi/pdf/ejbo_vol20_no2_pages_43-53.pdf) [Accessed 13 August 2019].

Halmaghi, E.E., Iancu, D. and Bacila, M.D. 2017. The Organisation's Environment and Its Importance in the Organization's Development. *International Conference: Knowledge Based Organisation*. Available: [https://www.researchgate.net/publication/318732316\\_The\\_Organization's\\_Internal\\_Environment\\_and\\_Its\\_Importance\\_in\\_the\\_Organization's\\_Development](https://www.researchgate.net/publication/318732316_The_Organization's_Internal_Environment_and_Its_Importance_in_the_Organization's_Development) [Accessed 9 June 2019].

Hanushek, E.A. 2017. For Long-Term Economic Development, Only Skills Matter. *World of Labor*. Available: <http://hanushek.stanford.edu/sites/default/files/publications/Hanushek%202017%20IZA%20World%20of%20Labor.pdf> [Accessed 10 January 2019].

Hargie, O. 2016. (Eds). *The Importance of Communication for Organisational Effectiveness*. Available:

[https://www.researchgate.net/publication/304626602\\_The\\_Importance\\_of\\_Communication\\_for\\_Organisational\\_Effectiveness](https://www.researchgate.net/publication/304626602_The_Importance_of_Communication_for_Organisational_Effectiveness) [Accessed 9 June 2019].

Harris, K. L. 2017. BEE-ing Chinese in South Africa: a legal historic perspective. *Fundamina*, vol. 23(2). Available: [http://www.scielo.org.za/scielo.php?script=sci\\_arttext&pid=S1021-545X2017000200001](http://www.scielo.org.za/scielo.php?script=sci_arttext&pid=S1021-545X2017000200001) [Accessed 13 January 2022].

Harrison, R. 2009. Moeletsi Mbeki: Black empowerment has failed. *Mail & Guardian*. Available: <https://mg.co.za/article/2009-06-19-moeletsi-mbeki-black-empowerment-has-failed/> [Accessed 9 January 2021].

Hartnell, C.A., Ou, A.Y. and Kinicki, A. 2011. Organisational Culture and Organisational Effectiveness: A Met-Analytic Investigation of the Competing Values Framework's theoretical Suppositions. *Journal of Applied Psychology*, vol. 96, p. 677-694. Available: <https://pdfs.semanticscholar.org/0d6f/960dd2dd653aaaeab9ade231795832519587.pdf> [Accessed 9 September 2019].

Harvey, D. and Brown, D.R. 2001. *An Experiential Approach to Organisational Development*. 6th Edition. New Jersey: Prentice Hall.

Harvey, L. 2012. *Social Research Glossary*. Quality Research International. Available: <http://www.qualityresearchinternational.com/socialresearch/rationalism.htm> [Accessed 2 April 2019].

Harvey, S., Millett, B., and Smith, D. 1998. Developing Successful Teams in Organisations. *Australian Journal of Management & Organizational Behaviour*, 1(1), p. 1-8. Available: <https://core.ac.uk/download/pdf/18421565.pdf> [Accessed 13 October 2019].

Haycock, K., Cheadle, A. and Bluestone, K.S. 2012. Strategic Thinking. Lessons for Leadership the Literature. *Library leadership & Management*. 26(3/4), p. 1-23. Available: <https://journals.tdl.org/llm/index.php/llm/article/download/2635/6096> [Accessed 27 May 2015].

Haythem, A. 2015. The Role of Strategic Planning in Performance Management. Express, an *International Journal of Multi-Disciplinary Research*, vol. 2(3), p. 2348-2052. Available: [https://www.academia.edu/32925686/The\\_Role\\_of\\_Strategic\\_Planning\\_in\\_Performance\\_Management](https://www.academia.edu/32925686/The_Role_of_Strategic_Planning_in_Performance_Management) [Accessed 2 September 2019].

Hazlet, T. W. 2019. Apartheid. *The Library of Economics and Liberty*. <https://www.econlib.org/library/Enc/Apartheid.html> [Accessed 2 September 2021].

Heintz, J. 2003. Out of Gear? Economic Policy and Performance in Post-Apartheid South Africa. Political Economy Research Institute: University of Massachusetts Amherst. Available: [https://www.peri.umass.edu/fileadmin/pdf/research\\_brief/RB\\_2003-1.pdf](https://www.peri.umass.edu/fileadmin/pdf/research_brief/RB_2003-1.pdf) [Accessed 22 September 2017].

Highland Consulting Group (2014. Organizational Effectiveness = Getting it Done! Available: [https://www.highlandconsultinggroupinc.com/Organizational\\_Effectiveness.html](https://www.highlandconsultinggroupinc.com/Organizational_Effectiveness.html) [Accessed 16 April 2018].

Hill, C W.L. and Jones, G.R. 2008. Essentials of Strategic Management. 2nd Edition. Mason: South Western, Cengage Learning.

Hill, C.W.L. 2011. International Business: Competing in the Global Market Place. 8th Edition. New York: McGraw-Hill International Edition.

Hill, C.W.L. and Jones, G.R. 2013. Strategic Management: An Integrated Approach. 10th Edition. Mason: South Western Cengage Learning.

Hill, Jones and Schilling, 2015. Strategic Management: Theory. 11<sup>th</sup> Edition. Stamford: Cengage Learning.

Hitt, M.A., Ireland, R.D. and Hoskisson, R.E. 2009. Strategic Management: Concepts & Cases. 8th Edition. Canada: South-Western Cengage Learning.

Holmes, C. E. 2020. The Black and White Rainbow: Reconciliation, Opposition, and NationBuilding in Democratic South Africa. Ann Arbor: University of Michigan Press.

HRD Online. 2019. How training and development programmes affect company culture. Available: <https://www.thehrdirector.com/features/learning-development/training-development-programmes-affect-company-culture224/> [Accessed 8 January 2022].

Howitt, D. and Cramer, D. 2011. Introduction to Research Methods in Psychology. 3rd Edition. Harlow, England: Pearson Education Limited.

Hudson Jr., S.W. 2014. Diversity in the Workforce. *Journal of Education and Human Development*, vol. 3(4), p. 73-82. Available: [http://jehdnet.com/journals/jehd/Vol\\_3\\_No\\_4\\_December\\_2014/7.pdf](http://jehdnet.com/journals/jehd/Vol_3_No_4_December_2014/7.pdf) [Accessed 23 October 2019].

Human, D. 2006. Implementation of Affirmative Action and Black Economic Empowerment (BEE) in the Construction Industry. A Paper for the Quantity Surveying Industry. University of the Free State. Bloemfontein. Available: [http://www.icoste.org/ASAQS\\_Human.pdf](http://www.icoste.org/ASAQS_Human.pdf) [Accessed 12th March 2015].

Human, L. 1993. *Affirmative Action and the Development of People: A Practical Guide*. Kenwyn: Juta & Co.

Husain, Z. 2013. Effective Communication Brings Successful Organizational Change. *The Business & Management Review*, vol. 3(2), p. 43-50. Available: [http://www.abrmr.com/myfile/conference\\_proceedings/Con\\_Pro\\_12315/7-dubai13.pdf](http://www.abrmr.com/myfile/conference_proceedings/Con_Pro_12315/7-dubai13.pdf) [Accessed 4 June 2019].

Ilias, N., Abdulatiff, N.K., Zakaria, W.Z.W. and Wahab, N. 2016. The Effects of Management Control Systems on Service Quality Performance in Malaysian Local Authorities: Management Perspective. *International Review of Management and Marketing*, vol. 6(4), p. 915-920. Available: <https://dergipark.org.tr/en/download/article-file/367425> [Accessed 11 September 2019].

International Finance Corporation. 2011. What is Sustainability Reporting? Available: [https://www.povertyactionlab.org/sites/default/files/documents/Day2\\_Sustainability\\_Reporting.pdf](https://www.povertyactionlab.org/sites/default/files/documents/Day2_Sustainability_Reporting.pdf) [Accessed 10 October 2019].

International Labour Organisation. 2011. South African New Growth Path sets ambitious target to create 5 million jobs by 2020. Available: [http://www.ilo.org/jobspact/news/WCMS\\_151955/lang--en/index.htm](http://www.ilo.org/jobspact/news/WCMS_151955/lang--en/index.htm) [Accessed 18 April 2018].

Ivancevich, J.M., Konopaske, R. and Matteson, M.T. 2014. *Organizational Behavior and Management*. 10th Edition. New York: McGraw-Hill Irwin.

Jabbar, A.A. and Hussein, A.M. 2017. The Role of Leadership in Strategic Management. *International Journal of Research Granthaalayah*, vol. 5(5). [http://granthaalayah.com/Articles/Vol5Iss5/10\\_IJRG17\\_A05\\_279.pdf](http://granthaalayah.com/Articles/Vol5Iss5/10_IJRG17_A05_279.pdf) [Accessed 3 October 2019].

Jack Hammer Report. Executive Report. 2015. In search of the facts: SA's Top Executives. Jack Hammer Executive Headhunters.

Jackson, A., Boswell, K. and Davis, D. 2011. Sustainability and Triple Bottom Line – What is it all about? *International Journal of Business, Humanities and Technology*, vol. 1(3), p. 55-59. Available: [http://ijbhtnet.com/journals/Vol\\_1\\_No\\_3\\_November\\_2011/6.pdf](http://ijbhtnet.com/journals/Vol_1_No_3_November_2011/6.pdf) [Accessed 3 October 2019].

Jacobsen, K.H. 2014. *Introduction to Health Research Methods: A Practical Guide*. 3rd Edition. Burlington: Jones & Bartlett Publishers.

Jain, N.C. and Goel, D. 2004. *Dictionary of Management*. AITBS Publishing. Delhi.

- Jalagat, R. 2016. The Impact of Change and Change Management in Achieving Corporate Goals and Objectives: Organizational Perspective. Available:  
[https://www.researchgate.net/publication/310828676\\_The\\_Impact\\_of\\_Change\\_and\\_Change\\_Management\\_in\\_Achieving\\_Corporate\\_Goals\\_and\\_Objectives\\_Organizational\\_Perspective](https://www.researchgate.net/publication/310828676_The_Impact_of_Change_and_Change_Management_in_Achieving_Corporate_Goals_and_Objectives_Organizational_Perspective) [Accessed 10 August 2019].
- Jeffrey, A. Small business and the BEE burden. BizNews. Available:  
<https://www.biznews.com/thought-leaders/2015/03/04/anthea-jeffery-small-business-bee-burden> [Accessed 10 January 2022].
- Jeffrey, A. 2016. Escaping South Africa's Race Curse. Available:  
<https://www.politicsweb.co.za/news-and-analysis/escaping-south-africas-race-curse> [Accessed 10 January 2017].
- Jehanzeb, K. and Bashir, N.A. 2013. Training and Development Program and its Benefits to Employee and Organisation: A Conceptual Study. *European Journal of Business Management*, vol. 5(2), p 243-252. Available:  
<https://www.dcvmn.org/IMG/pdf/3947-5999-1-pb.pdf> [Accessed 15 June 2019].
- Johnson, G., Scholes, K., and Whittington, R., Scholes, K., Angwin, D., and Regner, P. 2008. Exploring Corporate Strategy. 8<sup>th</sup> Edition. Harlow: Prentice Hall Financial Times.
- Jones, G. R. 2013. Organizational Theory, Design, and Change. 7<sup>th</sup> Edition. Boston: Pearson/Prentice Hall Company.
- Jones, G. R. and George, J. M. 2016. Contemporary Management. 9<sup>th</sup> Edition. New York: McGraw Hill/ Irwin.
- Jones, G. R. and George, J. M. 2019. Essentials of Contemporary Management. 8<sup>th</sup> Edition. New York: McGraw Hill/ Irwin.
- Jordan, D. R. 2020. Available: Organizational Effectiveness. Available:  
<https://eds.s.ebscohost.com/eds/detail/detail?vid=2&sid=d89498d4-4ecd-4869-bde4-12dd521ef537%40redis&bdata=JkF1dGhUeXBIPXNzbyZzaXRIPWVkcY1saXZlJnNjb3BIPXNpdGU%3d#db=ers&AN=109057108> [Accessed 20 January 2022].
- Joshi, R.J. 1991. Managerial Effectiveness: As Perceived by Chief Executives. *Indian Journal of Industrial Relations*. Vol. 27(1), p. 69-82. Available:  
<http://www.jstor.org/discover/10.2307/27767180?sid=21105519217861&uid=389549631&uid=389549621&uid=2134&uid=70&uid=60&uid=2&uid=3> [Accessed 17 March 2015].

Juta's Pocket Statutes. 2016. Broad-Based Black Economic Empowerment Act 52 of 2003 and Related Material. Cape Town: Juta and Company.

Kafashpoor, A., Shakoori, N. and Sadeghian, S. 2013 Linking Organizational Culture, Structure, Leadership Style, Strategy, and Organizational Effectiveness: Mediating Role of Knowledge. *Advanced Research in Economic and Management Sciences*, vol. 10(1), p. 158-172. Available: <https://pdfs.semanticscholar.org/22aa/e332fbefd190b70e40094a1798c37212d247.pdf> [Accessed 12 October 2019].

Karriem, A. and Hoskins, M. 2016. The RDP to the NDP: A Critical Appraisal of the Developmental State, Land Reform, and Rural Development in South Africa. University of the Western Cape. Available: [http://repository.uwc.ac.za/xmlui/bitstream/handle/10566/3795/Karriem\\_From-the-RDP\\_2016.pdf?sequence=1&isAllowed=y](http://repository.uwc.ac.za/xmlui/bitstream/handle/10566/3795/Karriem_From-the-RDP_2016.pdf?sequence=1&isAllowed=y) [Accessed 23 April 2019].

Kataria, A., Garg, P. and Rastogi, R. 2013. Organisational Effectiveness as a Function of Employee Engagement. *South Asian Journal of Management*, vol. 20(4), p. 56-73. Available: [https://www.researchgate.net/publication/263967638\\_Organizational\\_Effectiveness\\_as\\_a\\_Function\\_of\\_Employee\\_Engagement](https://www.researchgate.net/publication/263967638_Organizational_Effectiveness_as_a_Function_of_Employee_Engagement) [Accessed 29 August 2019].

Kawulich, B. 2009. The Role of Theory in Research. Available: [https://www.researchgate.net/publication/201834276\\_The\\_Role\\_of\\_Theory\\_in\\_Research](https://www.researchgate.net/publication/201834276_The_Role_of_Theory_in_Research) [Accessed 29 August 2019].

Kazmi, A. 2008. Strategic Management and Business Policy. New Delhi: Tata McGraw-Hill Education Private Limited.

Kenny, B. 2020. To protect white men: job reservation in elevators in South Africa in the 1950s and 1960s *Social History*, vol. 45(4), p. 500-521. <https://www.tandfonline.com/doi/full/10.1080/03071022.2020.1812304> [Accessed 22 December 2021].

Kelvin-Hoafu, L.E. 2016. The Role of Effective Communication in Strategic Management of Organizations. *International Journal of Humanities and Social Science*. Vol. 6(12), p. 93-96. Available: [http://www.ijhssnet.com/journals/Vol\\_6\\_No\\_12\\_December\\_2016/10.pdf](http://www.ijhssnet.com/journals/Vol_6_No_12_December_2016/10.pdf) [Accessed 22 July 2019].

Kgalema, V., Marock, C., and Allais, S. 2021. The Alignment of Black Economic Empowerment and Skills Policies in South Africa. Black Economic Empowerment Project. SCIS Working Paper, Number 24. Available: <https://www.wits.ac.za/media/wits-university/faculties-and-schools/commerce-law-and-management/research-entities/scis/documents/BBBEE%20economic%20empowerment%20policies%20and%20skills%20policies.pdf> [Accessed 2 January 2022]

Khan, M.A. and Hashim, M. 2014. Organisational Change: Case Study of General Motors. ASEE 2014 Zone I Conference. University of Bridgeport, United State of America. Available: <https://www.asee.org/documents/zones/zone1/2014/Student/PDFs/159.pdf> [Accessed 12 August 2019].

Khan, M.T., Khan, N.A., Ahmed, S. and Ali, M. 2012. Connotations of Organisational Effectiveness and Factors Affecting It. *International Journal of Behavioural Sciences*. Vol. 2(9), p. 21-30. Available: [http://cprenet.com/uploads/archive/IJBBS\\_12-1171.pdf](http://cprenet.com/uploads/archive/IJBBS_12-1171.pdf) [Accessed 17 March 2015].

Kinicki, A., & Fugate, M. 2018. *Organizational Behaviour: A Practical, Problem-Solving Approach*. 2<sup>nd</sup> Edition. New York: McGraw-Hill Education.

Kiron, D., Kruschwitz, N., Haanaes, K., Reeves, M., Fuisz-Kehrbach, S.K., and Kell, G. 2015. *Joining Forces: Collaboration and Leadership for Sustainability*. MIT Sloan Management Review, The Boston Consulting Group and The United Nations Global Compact. Available: [https://www.comunicarseweb.com/sites/default/files/biblioteca/pdf//1421866897\\_56380-MITSMR-BGC-UNGC-Sustainability2015.pdf](https://www.comunicarseweb.com/sites/default/files/biblioteca/pdf//1421866897_56380-MITSMR-BGC-UNGC-Sustainability2015.pdf) [Accessed 25 November 2019].

Kleynhans, E.P.J. and Kruger, M.C. 2014. Effect of Black Economic Empowerment on Profit and Competitiveness of Firms in South Africa. *Acta Comercii*. Available: <http://dx.doi.org/10.4102/ac.v14i1.200> [Accessed 12 August 2016].

Kljajic-Dervic, M. and Dervic, S. 2017. Successful Leadership and Motivation Lead to Employee Satisfaction. *Management International Conference*. Monastier di Treviso (Venice), Italy. Available: <http://www.hippocampus.si/ISBN/978-961-7023-71-8/179.pdf> [Accessed 22 September 2019].

Kondalkar, V.G. 2007. *Organizational Behaviour*. New Delhi: New Age Publishers.

Koseoglu, M. A., Altin, M., Chan, E., and Aladag, O. F. 2020. What are the key success factors for strategy formulation and implementation? Perspectives of managers in the hotel industry. *International Journal of Hospitality Management*, vol. 89(102574). Available: <https://www.sciencedirect.com/science/article/pii/S0278431920301262?via%3Dihub> [Accessed 2 January 2022].

Kothari, C.R. 2004. *Research Methodology: Methods and Techniques*. 2<sup>nd</sup> Revised Edition. New Delhi: New Age International Publishers.

Kotler, P. and Keller, K.L. 2009. *Marketing Management*. 13<sup>th</sup> Edition. New Jersey: Pearson Prentice Hall.

Koyana, S. and Mason, R.B. 2017. Rural Entrepreneurship and Transformation: The role of Learnerships. *International Journal of Entrepreneurial Behavior & Research*, vol. 23(5), p. 734-751. Available: <https://www.emerald.com/insight/content/doi/10.1108/IJEER-07-2016-0207/full/html> [Accessed 2 June 2020].

Kozlowski, S.W.J. and Ilgen, D.R. 2019. Enhancing the Effectiveness of Work Groups and Teams. Association for Psychological Science. Available <https://pdfs.semanticscholar.org/c55c/7907b0ab68954460f087a3d8d76d1da17200.pdf> [Accessed 13 October 2019].

Kreitner, R. 2009. *Management*. 11<sup>th</sup> Edition. Boston: Houghton Mifflin Harcourt Publishing Company.

Krishnaswamy, K.N., Sivakumar, A.I. and Mathirajan, M. 2009. *Management Research Methodology: Integration of Principles, Methods and Techniques*. Delhi. Pearson Education India.

Kruger, L.P. 2011. The Impact of Black Economic Empowerment (BEE) on South African Businesses: Focusing on Ten Dimensions of Business Performance. Available: [https://journals.co.za/docserver/fulltext/sabr/15/3/sabr\\_v15\\_n3\\_a10.pdf?expires=1583700442&id=id&accname=guest&checksum=7257D04F65F1ED897900B3183EC2946D](https://journals.co.za/docserver/fulltext/sabr/15/3/sabr_v15_n3_a10.pdf?expires=1583700442&id=id&accname=guest&checksum=7257D04F65F1ED897900B3183EC2946D) [Accessed 7 October 2018].

Kruger, L.P. 2013. The influence of Transformational Policies on the Operational Competitiveness of South African Businesses. *South African Journal of Business Management*, vol 44(2), p. 19-33. <https://www.econstor.eu/bitstream/10419/218511/1/sajbm-v44i2-0153.pdf> [Accessed 7 October 2018].

Kruse, D. 2016. Does Employee Ownership Improve Performance? *World of Labor: Evidence-based Policy Making*. Available: <https://www.agpev.de/downloads/does-employee-ownership-improve-performance-d.pdf> [Accessed 7 October 2019].

Kruse, K. 2012. What is Employee Engagement. *Forbes*. Available: <https://www.forbes.com/sites/kevinkruse/2012/06/22/employee-engagement-what-and-why/#18afb10c7f37> [Accessed 17 July 2019].

Kumar, A. 2016. Redefined and Importance of Organizational Culture. *Global Journal of Management and Business Research*. Administration and Management. Vol. 16(4), p. 14-18. Available: [https://globaljournals.org/GJMBR\\_Volume16/3-Redefined-and-Importance.pdf](https://globaljournals.org/GJMBR_Volume16/3-Redefined-and-Importance.pdf) [Accessed 9 May 2019].

Kumar, D. and Siddika, H. 2017. Benefits of Training and Development Program on Employees' Performance: A Study with Special Reference to Banking Sector in Bangladesh. *International Journal of Research – Granthaalayah*, vol. 5(12). Available: [http://granthaalayah.com/Articles/Vol5Iss12/08\\_IJRG17\\_A12\\_871.pdf](http://granthaalayah.com/Articles/Vol5Iss12/08_IJRG17_A12_871.pdf) [Accessed 3 August 2019].

Kumar, V. and Pansari, A. 2015. Measuring the Benefits of Employee engagement. *MIT Sloan Management Review*, vol. 56(4), p 66-72. Available: <https://pdfs.semanticscholar.org/89ba/dcbe0968e383178540ef419f28085960650c.pdf> [Accessed 18 July 2019].

Kunene, N. 2017. The Road to Empowerment Success. Available: <https://www.Intellidex.co.za/wp-content/uploads/2018/3/MEC-2017-printed-version-editorial-only.pdf> [Accessed 23 September 2019].

Kurtulus, F.A. and Kruse, D.L. 2017. The Effect of Employee Ownership on Employment Stability and Firm Survival During the Past Two Recessions. W. E. Upjohn Institute of Research. *Employment Research Newsletter*. Available: [https://research.upjohn.org/cgi/viewcontent.cgi?article=1255&context=empl\\_research](https://research.upjohn.org/cgi/viewcontent.cgi?article=1255&context=empl_research) [Accessed 10 December 2018].

Kuznetsova, N.V., Rahimova, L.M., Gafurova, V.M., Simakov, D.B., Zinovyeva, G., and Ivanova, L.A. 2017. External Environment as a Factor of Ensuring the Competitiveness of Organizations in the Regional Market of Medical Services. *European Research Studies Journal*, vol. XX (4A), p. 308-322. Available: <https://www.ersj.eu/dmdocuments/2017-xx-4-a-22.pdf> [Accessed 17 September 2019].

Labour Relations Act No. 66 of 1995. 1995. Labour Relations Act No. 66 of 1995 as Amended. Available: <https://www.uj.ac.za/about/Documents/policies/Labour%20Relations%20Act%20no.%2066%20of%201995%20as%20amended%201L15.7.pdf> [Accessed 13 November 2019].

LaGuardia, D. (2010). *Organisational Culture & Change, Strategic Perspectives*. Volume 4. Available from: <http://gbr.pepperdine.edu/2010/08/recognizing-organizational-culture-in-managing-change/> [Accessed 19 July 2017].

Lampel, J., Bhalla, A. and Jha, P. 2012. The Employee Ownership Advantage: Benefits and Consequences. Available: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/31668/12-929-employee-ownership-advantage-benefits-and-consequences.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/31668/12-929-employee-ownership-advantage-benefits-and-consequences.pdf) [Accessed 7 October 2019].

Lasker, G.C., Crawford, W.G., Orczyk, J.J. and Wyman, D. 2019. Employee Attitudes Towards Ownership: ESOPs in the Construction Industry. Available: <http://www.irbnet.de/daten/iconda/CIB18850.pdf> [Accessed 17 July 2019].

Larson, Z. 2019. South Africa: Twenty-Five Years Since Apartheid. Available: [https://origins.osu.edu/article/south-africa-mandela-apartheid-ramaphosa-zuma-corruption?language\\_content\\_entity=en](https://origins.osu.edu/article/south-africa-mandela-apartheid-ramaphosa-zuma-corruption?language_content_entity=en) [Accessed 21 December 2021].

Laubscher, J. 2013. Economic Growth in South Africa: a 20 - Year Review. Available: <https://www.sanlam.co.za/mediacentre/media-category/economic-commentary/Economic%20Growth%20in%20South%20Africa%20-%20a%2020%20Year%20Review> [Accessed 21 December 2019].

Law, K. 2010. "The Wild West World of BEE": Black Economic Empowerment Reviewed. *The Journal of South African and American Studies*, vol. 11(3), p.313-323. Available: <https://www.tandfonline.com/doi/abs/10.1080/17533171003788154?journalCode=rsaf20> [Accessed 21 December 2019].

Leavy, P. 2017. *Research Design: Quantitative, Qualitative, Mixed Methods, Arts-Based, and Community-Based Participatory Research Approaches*. New York: The Guilford Press.

Ledingham, J.A. and Bruning, S.D. (eds) 2000. *Public Relations as Relationship Management: A Relational Approach*. New York: Routledge Taylor and Francis.

Lee, K. 2007. So, what is the 'Triple Bottom Line'? *International Journal of Diversity in Organisations*, vol. 6(6), p. 67-72. Available: [https://www.researchgate.net/publication/258629632\\_So\\_What\\_is\\_the\\_'Triple\\_Bottom\\_Line'](https://www.researchgate.net/publication/258629632_So_What_is_the_'Triple_Bottom_Line') [Accessed 17 September 2019].

Lee, M. (eds) 2008. *Government Public Relations: A Reader*. CRC Press-Taylor & Francis Group. (E-Book).

Legal Dictionary. 2016. Available: <http://paralegaladvice.org.za/wp-content/uploads/2016/05/17-PLM2015-Legal-Dictionary.pdf> [Accessed 9 May 2018].

LegalWise. 2013. QuickLaw Guides. Introduction to SA law. Available: <https://www.legalwise.co.za/help-yourself/quicklaw-guides/introduction-sa-law> [Accessed 9 May 2018].

Leibbradt, Woodlard, Finn and Argent, 2010. Trends in South African Income Distribution and Poverty since the Fall of Apartheid. *OECD Social, Employment and Migration Working Papers No. 101*. Available:

[https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/11861/Trends\\_in\\_South\\_African.pdf](https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/11861/Trends_in_South_African.pdf) [Accessed: 6 January 2022].

Levina, O. 2015. Exploring the Role of Business Process Management in Sustainability Initiatives. Mediterranean Conference on Information Systems. Available: <https://pdfs.semanticscholar.org/35cb/9108ab0d9a0a1fa25d1c263e584c7abff052.pdf> [Accessed 17 April 2018].

Lorber, M. 2021. These are the 2021 critical job skills SA most needs. IOL. Available: <https://www.iol.co.za/news/these-are-the-2021-critical-job-skills-sa-most-needs-3a11ced4-1a1f-4cb8-842f-f2854a113a73> [Accessed: 6 January 2021].

Love, P. 1996. Approaches to Organisational Effectiveness and their Applications to Construction Organisations. In: 12th Annual Conference and Annual General Meeting 1996. Sheffield Hallam University. Available: <https://eprints.qut.edu.au/4524/1/4524.pdf> [Accessed 23 August 2019].

Lundahl, M. and Peterson, L. 2009. Post-Apartheid South Africa An Economic Success Story? WIDER Research Paper No. 2009/56. Available: <https://www.econstor.eu/bitstream/10419/45144/1/61607588X.pdf> [Accessed 23 August 2019].

Lunenburg, F.C. 2010. Managing Change: The Role of the Change Agent. *International Journal of Management, Business and Administration*, vol. 13, p. 1-6. Available: [https://naaee.org/sites/default/files/lunenburg\\_fred\\_c.\\_managing\\_change\\_the\\_role\\_of\\_change\\_agent\\_ijmba\\_v13\\_n1\\_2010.pdf](https://naaee.org/sites/default/files/lunenburg_fred_c._managing_change_the_role_of_change_agent_ijmba_v13_n1_2010.pdf) [Accessed 30 August 2019].

Luthra, A. and Dahiya, R. 2015. Effective Leadership is all About Communicating Effectively: Connecting Leadership and Communication. Available: [https://www.mcgill.ca/engage/files/engage/effective\\_leadership\\_is\\_all\\_about\\_communicating\\_effectively\\_luthra\\_dahiya\\_2015.pdf](https://www.mcgill.ca/engage/files/engage/effective_leadership_is_all_about_communicating_effectively_luthra_dahiya_2015.pdf) [Accessed 17 July 2019].

Luthra, A. and Singh, K. 2015. Organizational Communication and Management Effectiveness: An analytical Study at Various Managerial Levels. Available: [https://www.researchgate.net/publication/307598683\\_Organizational\\_Communication\\_and\\_Management\\_Effectiveness\\_An\\_analytical\\_Study\\_at\\_Various\\_Managerial\\_Levels](https://www.researchgate.net/publication/307598683_Organizational_Communication_and_Management_Effectiveness_An_analytical_Study_at_Various_Managerial_Levels) [Accessed 23 July 2019].

Lyons, S. 2019. The Benefits of Creating a Diverse Workforce. Forbes. Available: <https://www.forbes.com/sites/forbescoachescouncil/2019/09/09/the-benefits-of-creating-a-diverse-workforce/?sh=444fb26d140b> [Accessed 23 July 2019].

Lynch, R. 2015. Strategic Management. 7<sup>th</sup> Edition. Harlow: Pearson Education Limited.

MacFarlane, D., Mataboge, M. and Motsuku, T. 2003. The Role of SETAs. Available: <https://mg.co.za/article/2003-10-23-the-role-of-setas> [Accessed 3 August 2019].

Machuki, V.N. and Aosa, E. 2011. The Influence of the External Environment on the Performance of Publicly Quoted Companies in Kenya. *Business Administration and Management*. Prime Journals, vol. 1(7), p. 205-218. Available: [https://profiles.uonbi.ac.ke/eaosa/files/the\\_influence\\_of\\_the\\_external\\_environment\\_on\\_the.pdf](https://profiles.uonbi.ac.ke/eaosa/files/the_influence_of_the_external_environment_on_the.pdf) [Accessed 23 July 2019].

Madan, M. and Jain, E. 2015. Impact of Organizational Culture & Climate on Managerial Effectiveness: An Empirical Study. Available: [http://www.delhibusinessreview.org/V16n2/dbr\\_v16n2e.pdf](http://www.delhibusinessreview.org/V16n2/dbr_v16n2e.pdf) [Accessed 23 April 2019].

Madi, P. M. 2016. Black Economic Empowerment 20 Years Later: The Baby and The Bathwater. Randburg: KR Publishing.

Madu, B.C. 2019. Vision: The Relationship Between a Firm's Strategy and Business Model. Available: <https://www.aabri.com/manuscripts/11791.pdf> [Accessed 23 April 2019].

Magure, B. 2012. Foreign Investment, Black Economic Empowerment and Militarised Patronage Politics in Zimbabwe. *Journal of African Studies*, vol. 30(1), p 67-82. Available: [https://www.academia.edu/8381161/Foreign\\_investment\\_black\\_economic\\_empowerment\\_and\\_militarised\\_patronage\\_politics\\_in\\_Zimbabwe](https://www.academia.edu/8381161/Foreign_investment_black_economic_empowerment_and_militarised_patronage_politics_in_Zimbabwe) [Accessed 23 April 2019].

Majeed, A. and Shakeel, S. 2017. Importance of Training and Development in the Workplace. *International Journal of Scientific & Engineering Research*, vol. 8(4), p. 498-504. Available: <https://www.ijser.org/researchpaper/IMPORTANCE-OF-TRAINING-AND-DEVELOPMENT-IN-THE-WORKPLACE.pdf> [Accessed 3 August 2019].

Makgoba, M, 2019. Constructing Black Economic Empowerment in South African Mining: Government V Corporate Discourse. *African Studies*. Available: [https://www.researchgate.net/publication/331209823\\_Constructing\\_black\\_economic\\_empowerment\\_in\\_South\\_African\\_mining\\_Government\\_v\\_corporate\\_discourse](https://www.researchgate.net/publication/331209823_Constructing_black_economic_empowerment_in_South_African_mining_Government_v_corporate_discourse) [Accessed 3 June 2020].

Makina, D., Fanta, A.B., Mutsonziwa, K., Khumalo, J. and Maposa, O. 2015. Financial Access and SME Size in South Africa. Finmark Trust. Occasional

Research Paper. Available: [http://www.finmark.org.za/wp-content/uploads/2016/01/Rep\\_Financial-Access-and-SME-Size-in-SA\\_Dec2015-1.pdf](http://www.finmark.org.za/wp-content/uploads/2016/01/Rep_Financial-Access-and-SME-Size-in-SA_Dec2015-1.pdf) [Accessed 28 September 2019].

Makwara, T. 2019. Taking on The Challenge: Small, Micro and Medium Enterprises (SMMEs) and Socioeconomic Development in South Africa. *African Journal of Hospitality, Tourism and Leisure*, vol. 8(Special Edition CUT), p. 1-14. Available: [https://www.ajhtl.com/uploads/7/1/6/3/7163688/article\\_14\\_special\\_edition\\_cut\\_2019\\_cut.pdf](https://www.ajhtl.com/uploads/7/1/6/3/7163688/article_14_special_edition_cut_2019_cut.pdf) [Accessed 3 June 2020].

Manomano, T. and Kang'ethe, S.M. 2015. Assessing the Extent to Which the South African RDP (Reconstruction and Development Programme) has Achieved its Objectives in the Implementation of RDP Housing Assignment: The Case of 2011-2013 Golf Course Study in Eastern Cape. Available: [http://www.krepublishers.com/02-Journals/JHE/JHE-49-0-000-15-Web/JHE-49-3-000-15-Abst-PDF/JHE-49-3-245-15-2612-Kangethe-S-M/JHE-49-3-245-15-2612-Kangethe-S-M-Tx \[8\].pdf](http://www.krepublishers.com/02-Journals/JHE/JHE-49-0-000-15-Web/JHE-49-3-000-15-Abst-PDF/JHE-49-3-245-15-2612-Kangethe-S-M/JHE-49-3-245-15-2612-Kangethe-S-M-Tx [8].pdf) [Accessed 23 July 2019].

Manzoor, Q.A. 2019. Impact of Employees Motivation on Organizational Effectiveness. *European Journal of Business Management*. vol. 3(3), p. 36-44. Available: <https://pdfs.semanticscholar.org/0298/2685b0bac41fab976f729a292db221134cdb.pdf> [Accessed 4 June 2019].

Martin, J. 2013. Organizational Culture and Organizational Change: How Shared Values, Rituals, and Sagas can Facilitate Change in an Academic Library. Available: [http://www.ala.org/acrl/sites/ala.org.acrl/files/content/conferences/confsandprereconf/2013/papers/Martin\\_Org%20Culture.pdf](http://www.ala.org/acrl/sites/ala.org.acrl/files/content/conferences/confsandprereconf/2013/papers/Martin_Org%20Culture.pdf) [Accessed 15 June 2019].

Martins, N. and Nienaber, H. 2014. Employee Engagement. SA Bard for People Practices Factsheet. University of South Africa. Number 2014/9. Available: [https://www.unisa.ac.za/static/corporate\\_web/Content/About/Service%20departments/community%20engagement%20and%20outreach/documents/sabpp-fact-sheet\\_oct-2014-ce.pdf](https://www.unisa.ac.za/static/corporate_web/Content/About/Service%20departments/community%20engagement%20and%20outreach/documents/sabpp-fact-sheet_oct-2014-ce.pdf) [Accessed 18 July 2019].

Maseko, T.S.B. 2017. Strong vs. Weak Organizational Culture: Assessing the Impact on Employee Motivation. *Arabian Journal of Business and Management Review*. vol. 7(1), p. 1-5. Available: <https://www.omicsonline.org/open-access/strong-vs-weak-organizational-culture-assessing-the-impact-on-employeemotivation-.pdf> [accessed 18 April 2018].

Mason, R. B. 2007. The External Environment's Effect on Management and Strategy A Complexity Theory Approach. *Management Decision*, vol. 45(1), p. 10-28. Available:

[https://www.researchgate.net/publication/32116512\\_The\\_external\\_environment's\\_effect\\_on\\_management\\_and\\_strategy\\_A\\_complexity\\_theory\\_approach](https://www.researchgate.net/publication/32116512_The_external_environment's_effect_on_management_and_strategy_A_complexity_theory_approach) [Accessed 13 July 2017].

Matchaba-Hove, T., Antoni, X. and Smith, E. 2018. The influence of Selected Demographic Variable on the Triple Bottom Line Reporting of Business in the Nelson Mandela Bay. *Journal of Business and Retail Management Research*, vol. 13(2). Available: [https://jbrmr.com/cdn/article\\_file/2018-12-07-15-31-02-PM.pdf](https://jbrmr.com/cdn/article_file/2018-12-07-15-31-02-PM.pdf) [Accessed 18 September 2019].

Mazibuko, S. 2013 South Africa's GEAR versus NGP Macroeconomic Policies: Theoretical Basis and Financing Strategies. *Journal of Business and Economics*, vol. 4(10), p. 1017-1032. Available: <http://www.academicstar.us/UploadFile/Picture/2014-6/201461483044535.pdf> [accessed 18 May 2019].

Mazibuko J. V., Govender, K. K. 2017. Exploring workplace diversity and organisational effectiveness: A South African exploratory case study. *SA Journal of Human Resource Management*, vol. 15(0), p. 1-10. Available: <https://eds.s.ebscohost.com/eds/pdfviewer/pdfviewer?vid=1&sid=d3a772fb-65dc-42d5-9079-4c26b5bd520d%40redis> [accessed 18 June 2021].

McKinley, D. T. 2011. South Africa: The history and character of 'black economic empowerment'. *Pambazuka News*. Available: <https://www.pambazuka.org/governance/south-africa-history-and-character-black-economic-empowerment> [accessed 18 January 2022].

Mehta, R.S. 2013. Theoretical & Conceptual Framework. SlideShare. Available: <https://www.slideshare.net/rsmehtha/conceptual-and-theoretical-framework> [accessed 18 April 2018].

Mersham, G. M. and Skinner, C. 2016. South Africa's Bold and Unique Experiment in CSR Practice. *Society and Business Review*, vol. 11(2), p. 110-129. Available: <https://www.emerald.com/insight/content/doi/10.1108/SBR-04-2016-0027/full/html> [accessed 18 June 2020].

Mikkonen, I. 2017. Qualitative Research Methods: Theoretical and Philosophical Foundations of Qualitative Research. Aalto University School of Business. Available: [https://mycourses.aalto.fi/pluginfile.php/541353/mod\\_resource/content/1/CS02%20Theoretical%20and%20philosophical%20foundations%20of%20qualitative%20research.pdf](https://mycourses.aalto.fi/pluginfile.php/541353/mod_resource/content/1/CS02%20Theoretical%20and%20philosophical%20foundations%20of%20qualitative%20research.pdf) [Accessed 17 April 2015].

Ministry of Economic Planning and Development. 2004. MALAWI NATIONAL Economic Empowerment Policy and Action Program: Part 1. National Economic Empowerment Policy Statements. Available:

[https://sarpn.org/documents/d0001262/P1496-policy-paper\\_malawi\\_May2004.pdf](https://sarpn.org/documents/d0001262/P1496-policy-paper_malawi_May2004.pdf) [Accessed 17 April 2015].

Ministry of Youth, Indigenisation & Economic Empowerment. 2017. Indigenisation and Economic Empowerment. What is indigenisation? Available: <http://www.myiee.gov.zw/index.php/our-departments/economic-empower/14-indigenous-economic-articles/7-indigenisation> [Accessed 10 January 2017].

Misra, S. and Srivastava, K.B.L. 2012. Decision-Making: Path to Effectiveness. *Human Resource Management Research*. Available: <https://pdfs.semanticscholar.org/476c/ae69858137c4127cbe3acf96bcb9f7ad2c57.pdf> [Accessed 30 August 2019].

Mlambo-Ngcuka, P. 2006. Accelerated and Shared Growth- South Africa (ASGISA): A summary. Media Briefing. Available: <https://www.sahistory.org.za/sites/default/files/asgibackground.pdf> [Accessed 17th April 2015].

Moerdyk, A., Dodd, N., Donald, F., Kiley, J., van Hoek, G. and van Hoek, L. 2015. *Organisational Behaviour*. Cape Town: Oxford University Press.

Mohammed, M.Z, and Xavier, J.A. 2015. Poverty Alleviation Strategies and New Economic Model in Malaysia. *International Academic Research Journal of Economics and Finance*, vol. 3(3), p. 17-31. Available: <https://pdfs.semanticscholar.org/ec61/b0dc289ffe9323f3dfbe7eabb2e904e196c8.pdf> [Accessed 17th April 2019].

Mohlapamaswi, M.L. and Rachidi, R.M. 2014. South Africa's Challenges of Realising her Socio-Economic Rights. *Mediterranean Journal of Social Sciences*, vol. 5(27), p. 900-907. Available: [https://www.researchgate.net/publication/295122095\\_South\\_Africa's\\_Challenges\\_of\\_Realising\\_Her\\_Socio-Economic\\_Rights](https://www.researchgate.net/publication/295122095_South_Africa's_Challenges_of_Realising_Her_Socio-Economic_Rights) [Accessed 17th April 2018].

Morelli, J. 2011. Environmental Sustainability: A definition for Environmental Professionals. *Journal for Environmental Sustainability*, vol. 1(1), p. 1-9. Article 2. Available: <https://scholarworks.rit.edu/cgi/viewcontent.cgi?article=1007&context=jes> [Accessed 30 August 2019].

Mosala, S.J., Venter, C.M. and Bain, E.G. 2017. South Africa's Economic Transformation Since 1994: What Influence has the National Democratic Revolution (NDR) Had? Available: [https://www.researchgate.net/publication/320222131\\_South\\_Africa's\\_Economic\\_Transformation\\_Since\\_1994\\_What\\_Influence\\_has\\_the\\_National\\_Democratic\\_Revolution\\_NDR\\_Had](https://www.researchgate.net/publication/320222131_South_Africa's_Economic_Transformation_Since_1994_What_Influence_has_the_National_Democratic_Revolution_NDR_Had) [Accessed 17 January 2019].

Moyo, S.H. 2009. The Influence of Broad-Based Black Economic Empowerment (B-BBEE) on Small Enterprises. Master of Business Administration Thesis. North West University, Potchefstroom.

Mpehle, Z. 2011. Black Economic Empowerment in South Africa: Reality or illusion? *Administratio Publica. Journal of the Association of Southern African Schools and Departments of Public Administration and Management*, vol. 19(3), p. 140-153. Available: [https://www.academia.edu/2265440/Black\\_Economic\\_Empowerment\\_in\\_South\\_Africa](https://www.academia.edu/2265440/Black_Economic_Empowerment_in_South_Africa) [Accessed 17 August 2019].

Mukherjee, S. 2017. What is an Organization. Available: <https://www.coursehero.com/file/7010294/WhatisanOrganization/> [Accessed 10 January 2019].

Mullins, L.J. and Christy, G. 2016. *Management and Organisational Behaviour*. 11th Edition. Harlow: Pearson Education Limited.

Muraleetharan, P. 2013. Control Activities and Performance of Organizations (Special Reference in Jaffna District). *International Journal of Marketing, Financial Services & Management Research*, vol. 2(4), p. 10-16. Available: <http://indianresearchjournals.com/pdf/IJMFSMR/2013/April/2.pdf> [Accessed 17 August 2019].

Mwai, G.M., Namada, J.M. and Katuse, P. 2018. Influence of Organizational Resources on Organizational Effectiveness. *American Journal of Industrial and Business Management*, vol. 8, p. 1634-1656. Available: <http://erepo.usiu.ac.ke/bitstream/handle/11732/4203/Influence%20of%20Organizational%20Resources%20on%20Organizational%20Effectiveness.pdf?sequence=1&isAllowed=y> [Accessed 17/6/2020].

Mzilikazi, K. 2015. The impact of Broad Based Black Economic Empowerment Compliance on Profitability of Companies Listed in The Johannesburg Stock Exchange: A Cross Industry Analysis. Thesis: Wits Business School. Available: <http://wiredspace.wits.ac.za/bitstream/handle/10539/20842/Final%20Report-15-10-2015.pdf?sequence=1&isAllowed=y> [Accessed 17 August 2019].

National Economic Empowerment Council. 2021. Prime Minister's Office: National Economic Empowerment Council. Available: <https://www.uwezeshaji.go.tz/pages/empowerment-coordination> [Accessed: 23 December 2021].

National Development Plan. 2012. National Planning Commission. Department: The presidency. Available: [http://www.dac.gov.za/sites/default/files/NDP%202030%20-%20Our%20future%20-%20make%20it%20work\\_0.pdf](http://www.dac.gov.za/sites/default/files/NDP%202030%20-%20Our%20future%20-%20make%20it%20work_0.pdf) [Accessed 17th April 2018].

National Empowerment Fund. 2018. About NEF: Strategic Role and Positioning. Available: <http://www.nefcorp.co.za/AboutbrtheNEF/StrategicPositioning.aspx> [Accessed 17th April 2018].

National Treasury. 2018. National Treasury Circular on the Timeous Payment of Invoices and Claims. Available: <http://www.treasury.gov.za/legislation/pfma/circulars/Circular%20-%20Timeous%20Payment%20of%20Invoices%20and%20Claims.pdf> [Accessed 30 September 2019].

Nayak, J.K. and Singh, P. 2015. Fundamentals of Research Methodology: Problems and Prospects. New Delhi: SSDN Publishers and Distributors. Available: [https://www.researchgate.net/profile/Jayanta\\_Nayak2/publication/309732183\\_Fundamentals\\_of\\_Research\\_Methodology\\_Problems\\_and\\_Prospects/links/582056a208aeccc08af641dc/Fundamentals-of-Research-Methodology-Problems-and-Prospects.pdf](https://www.researchgate.net/profile/Jayanta_Nayak2/publication/309732183_Fundamentals_of_Research_Methodology_Problems_and_Prospects/links/582056a208aeccc08af641dc/Fundamentals-of-Research-Methodology-Problems-and-Prospects.pdf) [Accessed 17th April 2018].

Ndaba, L. 2018. Occupational Segregation—The Enduring Legacy of Job Reservation in South Africa. Available: <https://medium.com/@MthiyaneShandu/occupational-segregation-the-enduring-legacy-of-job-reservation-in-south-africa-9948b31a599e> [Accessed: 6 January 2022].

Nduka, O.I., Okorie, R.I. and Ikoro, U.E. 2019. Workplace Discipline and Organisational Effectiveness: Evidence Abia State Polytechnic, Aba. *Strategic Journal of Business and Social Justice*, vol. 2(2), p. 1-26. Available: [https://www.academia.edu/38501943/WORKPLACE\\_DISCIPLINE\\_AND\\_ORGANISATIONAL\\_EFFECTIVENESS\\_sjbs.pdf](https://www.academia.edu/38501943/WORKPLACE_DISCIPLINE_AND_ORGANISATIONAL_EFFECTIVENESS_sjbs.pdf) [Accessed 17 August 2018].

Nedelea, S. and Paun, L.A. 2009. The Importance of the Strategic Management Process in the Knowledge-Based Economy. *Review of International Comparative Management*, vol. 10(1), p. 95-105. Available: [www.rmci.ase.ro.no10vil1/Vol10\\_No1\\_Article8.pdf](http://www.rmci.ase.ro.no10vil1/Vol10_No1_Article8.pdf) [Accessed 17th April 2015].

Nel, P.S., Werner, A., Haasbroek, G.D., Poisant, P., Sono, T., and Schultz, H.B. 2010. Human Resources Management. 7th Edition. Cape Town: Oxford University Press Southern Africa.

Neuman, W.L. 2014. Social Research Methods: Qualitative and Quantitative Approaches. 7th Edition. Harlow: Pearson Education Limited.

New Economic Model. 2010. Part 1: Strategic Policy Direction. Available: [https://www.jcci.or.jp/NEM%20for%20Malaysia%20-%20Part%20I\\_0.pdf](https://www.jcci.or.jp/NEM%20for%20Malaysia%20-%20Part%20I_0.pdf) [Accessed 17 August 2018].

Ng'ang'a, M.J., and Nyongesa, W.J. 2012. The Impact of Organizational Culture on Performance of Educational Institutions. *International Journal of Business and Social Science*, vol. 3(8), p. 211-217. Available: [https://ijbssnet.com/journal/vol\\_3\\_no\\_8\\_special\\_issue\\_April\\_2012/24.pdf](https://ijbssnet.com/journal/vol_3_no_8_special_issue_April_2012/24.pdf) [Accessed 17 August 2018].

Nguyen, M.L. 2017. The Impact of Employees Motivation on Organisational Effectiveness. *International Business*. University of Applied Sciences. Available: [https://www.theseus.fi/bitstream/handle/10024/138260/Linh\\_NguyenMy.pdf?sequence=1&isAllowed=y](https://www.theseus.fi/bitstream/handle/10024/138260/Linh_NguyenMy.pdf?sequence=1&isAllowed=y) [Accessed 17 July 2019].

Nidomulu, R., Prahalad, C.K. and Rangaswami, M.R. 2009. Why Sustainability is now the Key Driver of Innovation. *Harvard Business Review*. Available: <https://hbr.org/2009/09/why-sustainability-is-now-the-key-driver-of-innovation> [Accessed 23 July 2016].

Nielsen, K., Dawson, J., Hasson, H., and Schwarz, T. 2020. What about me? The impact of employee change agents' person-role fit on their job satisfaction during organisational change. *An International Journal of Work, Health & Organisations*, vol. 35(1), p. 57-73. Available: <https://www.tandfonline.com/doi/full/10.1080/02678373.2020.1730481> [Accessed 17 January 2022].

Nischithaa, P. and Rao, M.V.A.L.N. 2014. The Importance of Training and Development Programmes in the Hotel Industry. Research Paper. *International Journal of Business and Administration Research Review*, vol. 1(5), p. 50-56. Available: <http://www.ijbarr.com/downloads/310520147.pdf> [Accessed 3 August 2019].

Nita, C.G., and Stefea, P. 2013. Control for Business Sustainability. 12th International Symposium in Management. Available: [https://www.researchgate.net/publication/270846803\\_Cost\\_Control\\_for\\_Business\\_Sustainability](https://www.researchgate.net/publication/270846803_Cost_Control_for_Business_Sustainability) [Accessed 12 October 2019].

Njoroge, J.K., Ongeti, W.J., Kinnu, D and Kasomi, F.M. 2016. Does External Environment Influence Organisational Performance? The Case of Kenyan State Corporations. *Management and Organisational Studies*. Sciedu Press. Available: <https://pdfs.semanticscholar.org/89de/f7e46dd42fa695a727103efbdb99ea865017.pdf> [Accessed 3 August 2019].

Nomafu, Z. 2012. Why Companies Need to Support ESOP Initiatives. IDC Conference. Available: [https://www.idc.co.za/wp-content/uploads/2018/11/Zukile\\_Nomafu\\_IDC\\_EO\\_Conference.ppt](https://www.idc.co.za/wp-content/uploads/2018/11/Zukile_Nomafu_IDC_EO_Conference.ppt) [Accessed 7 October 2019].

- Nooten, G.A. 2007. Sustainable Development and Non-renewable Resources- A Multilateral Perspective. Available: <https://pubs.usgs.gov/circ/2007/1294/reports/paper6.pdf> [accessed 18 October 2019].
- Noyoo, N. 2020. Social Policy in Post-Apartheid South Africa: Social Re-engineering for Inclusive Development. New York: Routledge
- O'Donnell, O. and Boyle, R. 2008. Understanding and Managing Organisational Culture. CPMR Discussion Paper 40. Institute of Public Administration. Dublin. Available: <http://www.cpmr.gov.ie/Documents/Understanding%20and%20Managing%20Organisational%20Culture.pdf> [accessed 18 April 2015].
- O'Malley. 2006. BEE Moving Away from Favouring a Few Groups. Available: <https://omalley.nelsonmandela.org/omalley/index.php/site/q/03lv03445/04lv04206/05lv04220/06lv04221/07lv04222.htm> [accessed 18 April 2015].
- Odor, H.O. 2018. Organisational Culture and Dynamics. *International Journal of Scientific Research and Management*, vol. 6(1), p. 31-39. Available: <https://pdfs.semanticscholar.org/4cfe/1f40a7c877fd4b92a560eb629cfe0bd882a1.pdf> [Accessed 23 July 2016].
- OECD. 2013. Education at a Glance. Available: [http://www.oecd.org/education/eag2013%20\(eng\)--FINAL%2020%20June%202013.pdf](http://www.oecd.org/education/eag2013%20(eng)--FINAL%2020%20June%202013.pdf) [Accessed 13 November 2019].
- OECD. 2015. Economic Surveys: South Africa. Available: <http://www.oecd.org/economy/surveys/South-Africa-OECD-economic-survey-overview.pdf> [Accessed 13 November 2019].
- OECD/AfDB. 2002. South Africa. Available: <http://www.oecd.org/southafrica/1826412.pdf> [Accessed 13 November 2019].
- OECD. 2017. Enhancing the Contributions of SMEs in a Global and Digitalised Economy. Meeting of the OECD Council at Ministerial Level. Paris. Available: <https://www.oecd.org/industry/C-MIN-2017-8-EN.pdf> [Accessed 20 November 2019].
- Ojo, E.M., Mbohwa, C. and Akinlabi, E.T. 2015. Sustainability- Competitive Advantage? Available: <https://pdfs.semanticscholar.org/cacb/d9c967a509fe52fa188ea64cb47a546475d8.pdf> [Accessed 13 November 2019].
- Okanga, B. and Groenewald, D. 2017. Leveraging Effects of Triple Bottom Lines Business Model on the Building and Construction Small and Medium-Sized Enterprises' Market Performance. *Acta Commercii – Independent Research Journal in the Management Sciences*, vol. 17(1), p. 1-14.

Available: <http://www.scielo.org.za/pdf/acom/v17n1/18.pdf> [Accessed 17 July 2019].

Omerzel, D.G. 2016. The Impact of Entrepreneurial Characteristics and Organisational Culture on Innovativeness in Tourism Firms. *Managing Global Transitions International Research Journal*, vol. 14(1), p. 3-113. Available: [https://d1wqtxts1xzle7.cloudfront.net/59016893/14-1.pdf?1556117562=&response-content-disposition=inline%3B+filename%3DComparative\\_Analysis\\_of\\_Tourism-Led\\_Grow.pdf&Expires=1593022148&Signature=MWIASTsksy3JgEkp-l3FRD-7ycgv2m-jjd5vxPq8LdYfhEBEuRI2i-CRwt0zd0MZQ0pNiZWxvKszzfLoSWnnk7RajeEa~GKDsIxul68iXwP0fBMf02Xm~F1FKpNzxKfWn8QDRi7sZVLM7nZ3qblgjQqUklzQu8roR9e~B6koj-ZrYbXKBlu1oPZ2nTdqssD~kxfMI7Hxg6F2aXnKkGuQ~LBIMJWPmsdFrSvbWli4CHw1CqWX3x1ijWSUw-c5~cCl2VNeBRtYwK2JgvlgnJToyEc9hBPzPJJJaLfTDUmrc7oibzmaPb8r3a1B8LqGDoDjVaONdGmsFZye7VBmZMrB64Q\\_\\_&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA#page=95](https://d1wqtxts1xzle7.cloudfront.net/59016893/14-1.pdf?1556117562=&response-content-disposition=inline%3B+filename%3DComparative_Analysis_of_Tourism-Led_Grow.pdf&Expires=1593022148&Signature=MWIASTsksy3JgEkp-l3FRD-7ycgv2m-jjd5vxPq8LdYfhEBEuRI2i-CRwt0zd0MZQ0pNiZWxvKszzfLoSWnnk7RajeEa~GKDsIxul68iXwP0fBMf02Xm~F1FKpNzxKfWn8QDRi7sZVLM7nZ3qblgjQqUklzQu8roR9e~B6koj-ZrYbXKBlu1oPZ2nTdqssD~kxfMI7Hxg6F2aXnKkGuQ~LBIMJWPmsdFrSvbWli4CHw1CqWX3x1ijWSUw-c5~cCl2VNeBRtYwK2JgvlgnJToyEc9hBPzPJJJaLfTDUmrc7oibzmaPb8r3a1B8LqGDoDjVaONdGmsFZye7VBmZMrB64Q__&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA#page=95) [Accessed 10 June 2020].

Onyali, C.I. 2014. Triple Bottom Line Accounting and Sustainable Corporate Performance. *Research Journal of Finance and Accounting*, vol.5(8), p. 195-209. Available: <https://iiste.org/Journals/index.php/RJFA/article/download/12399/12745> [Accessed 10 October 2019].

Osborne, S. and Hammoud, M.S. 2017. Effective Employee Engagement in the Workplace. Walden University. *International Journal of Applied Management and Technology*, vol. 16(1), p 50-67. Available: <https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=1239&context=i-jamt> [Accessed 17 July 2019].

Ostroff C. and Schmitt, N. 1993. Configuration of Organisational Effectiveness and Efficiency. *Academy of Management Journal*, vol. 36(6), p1345-1361. Available: [https://www.researchgate.net/profile/Cheri\\_Ostroff/publication/276942673\\_'Configurations\\_of\\_Organizational\\_Effectiveness\\_and\\_Efficiency'/links/56e2a1f308ae03f02790a490.pdf](https://www.researchgate.net/profile/Cheri_Ostroff/publication/276942673_'Configurations_of_Organizational_Effectiveness_and_Efficiency'/links/56e2a1f308ae03f02790a490.pdf) [Accessed 18 August 2019].

Owoyemi, O.O. and Ekwoaba, J.O. 2014. Organisational Culture: A Tool for Management to Control, Motivate and Enhance Employees' Performance. *American Journal of Business and Management*, vol. 3(3), p. 168-177. Available: [https://www.researchgate.net/publication/273288161\\_Organisational\\_Culture\\_A\\_Tool\\_for\\_Management\\_for\\_Management\\_Control\\_Motivate\\_and\\_Performance\\_Enhancement](https://www.researchgate.net/publication/273288161_Organisational_Culture_A_Tool_for_Management_for_Management_Control_Motivate_and_Performance_Enhancement) [Accessed 9 January 2017].

Oyinloye, O.A., and Agbolade, O.O. 2019. The Role of Information and Communication Technology (ICT) in Environmental Sustainability. *Journal of*

*Environmental Science, Toxicology and Food Technology*, vol. 13(2), p. 13-18. Available: <http://www.iosrjournals.org/iosr-jestft/papers/Vol13-%20Issue%202/Series-2/B1302021318.pdf> [accessed 18 October 2019].

Panagiotakopoulos, A. 2020. Exploring the Link between Management Training and Organizational Performance in the Small Business Context. *Journal of Workplace Learning*, vol. 32(4), p. 245-257. Available: <https://www.emerald.com/insight/content/doi/10.1108/JWL-10-2019-0121/full/html> [accessed 8 June 2020].

Pandey, S. and David, S. 2013. A Study of Engagement at Work: What Drives Employee Engagement? *European Journal of Commerce and Management Research (EJCMR)*, vol. 2(7), p. 155-161. Available: [https://www.academia.edu/4362436/A\\_Study\\_of\\_Engagement\\_at\\_Work\\_What\\_drives\\_Employee\\_Engagement](https://www.academia.edu/4362436/A_Study_of_Engagement_at_Work_What_drives_Employee_Engagement) [Accessed 17 July 2019].

Park, R., Kruse, D. and Sesil, J. 2004. Does Employee Ownership Enhance Firm Survival? Available: [https://smlr.rutgers.edu/sites/default/files/documents/faculty\\_staff\\_docs/does%20employee%20ownership%20enhance%20firm%20survival.pdf](https://smlr.rutgers.edu/sites/default/files/documents/faculty_staff_docs/does%20employee%20ownership%20enhance%20firm%20survival.pdf) [Accessed 7 October 2019].

Patrick, H.A. and Kumar, V.R. 2012. Managing Workplace Diversity: Issues and Challenges. Available: <http://journals.sagepub.com/doi/pdf/10.1177/2158244012444615> [accessed 18 April 2018].

Phakathi, B. 2019. Fronting a Major Hurdle in Economic Transformation says B-BBEE Commission. *Business Day*. Available: <https://www.businesslive.co.za/bd/national/2019-06-26-fronting-a-major-hurdle-in-economic-transformation-says-b-bbee-commission/> [Accessed 13 August 2019].

Pike, A., Puchert, J. and Chinyamurindi, W.T. 2018. Analysing the Future of Broad-Based Black Economic Empowerment through the Lens of Small and Medium Enterprises. *Acta Commercii – Independent Research Journal in the management Sciences*, vol. 18(1), p. 1-10. Available: <http://www.scielo.org.za/pdf/acom/v18n1/13.pdf> [Accessed 28 September 2019].

Planning, Monitoring & Evaluation Department. 2017. Midterm Review of Progress with the Implementation of the National Development Plan 2030. Presentation to the Select Committee on Appropriations (SCOA). Available: <http://pmg-assets.s3-website-eu-west-1.amazonaws.com/170815DPME.pdf2017> [accessed 28 June 2018].

Ponnu, A.L.D. and Hassan, Z. 2015. The Influences of Organizational Culture on Performance Management. *International Journal of Accounting and*

*Business Management*, vol. 3(1), p. 128-137. Available: [https://www.researchgate.net/publication/316710123\\_The\\_Influences\\_of\\_Organizational\\_Culture\\_on\\_Performance\\_Management](https://www.researchgate.net/publication/316710123_The_Influences_of_Organizational_Culture_on_Performance_Management) [Accessed 10 January 2020].

Prakash, Y. and Sandeep, G. 2013. Knowledge and Skill Key to Economic Growth. *Indian Journal of Management Science*, vol. 3(2), p. 28-37. Available: [https://www.researchgate.net/publication/313503401\\_KNOWLEDGE\\_AND\\_SKILL\\_KEY\\_TO\\_ECONOMIC\\_GROWTH](https://www.researchgate.net/publication/313503401_KNOWLEDGE_AND_SKILL_KEY_TO_ECONOMIC_GROWTH) [Accessed 10 January 2017].

Prasetyo, P.E. 2019. Role of Entrepreneurial Culture as the Driver of Economic Growth. *International Journal of Economics and Financial Issues*, vol. 9(3), p. 237-243. [https://www.researchgate.net/profile/Eko\\_Prasetyo31/publication/333437871\\_Role\\_of\\_Entrepreneurial\\_Culture\\_as\\_the\\_Driver\\_of\\_Economic\\_Growth/links/5d24e749458515c11c21788d/Role-of-Entrepreneurial-Culture-as-the-Driver-of-Economic-Growth.pdf](https://www.researchgate.net/profile/Eko_Prasetyo31/publication/333437871_Role_of_Entrepreneurial_Culture_as_the_Driver_of_Economic_Growth/links/5d24e749458515c11c21788d/Role-of-Entrepreneurial-Culture-as-the-Driver-of-Economic-Growth.pdf) [Accessed 10 June 2020].

Pratistha, B. 2016 The Influence of Strategic Control, Strategy Orientation, and Business Environment on Competitive Strategy and Its Effect to Business Performance. *Electronic Business Journal*, vol. 15(12), p. 517-525. Available: <http://electronic-businessjournal.com/images/2016/12/4.pdf> [Accessed 23 June 2020].

PWC South Africa. 2015. Key Updates to the B-BBEE Codes. Available: <https://www.pwc.com/jp/en/japan-desk/south-africa/assets/bee-seminar-material-en.pdf> [Accessed 10 January 2018].

Quarterly Labour Force Statistics. 2018. Economically Active Population. Available: [http://webcache.googleusercontent.com/search?q=cache:x37waVQzgFgJ:www.statssa.gov.za/publications/P0211/Economically\\_Active\\_Population\\_Q2\\_2018.xlsx+&cd=4&hl=en&ct=clnk&gl=za](http://webcache.googleusercontent.com/search?q=cache:x37waVQzgFgJ:www.statssa.gov.za/publications/P0211/Economically_Active_Population_Q2_2018.xlsx+&cd=4&hl=en&ct=clnk&gl=za) [Accessed 16 December 2019].

Rahim, M.A. 2017. *Managing Conflict in Organisations*. 4th Edition. New York: Routledge.

Ratsoma, L. 2017. Time to Marry Ethics with BEE. Available: <https://www.Intellidex.co.za/wp-content/uploads/2018/3/MEC-2017-printed-version-editorial-only.pdf> [Accessed 23 September 2019].

Ratuva, S. 2013. *Politics of Preferential Development*. ANU Press. Available: [https://www.jstor.org/stable/j.ctt46n2xc.12?seq=1#metadata\\_info\\_tab\\_contents](https://www.jstor.org/stable/j.ctt46n2xc.12?seq=1#metadata_info_tab_contents) [Accessed 4 January 2022].

Reddy, V.S. 2016. Sustainable Construction: Analysis of its Costs and Financial Benefits. *International Journal of Innovative Research in*

*Engineering & Management*. vol. 3(6), p. 522-525. Available:  
[https://www.researchgate.net/publication/312249507\\_Sustainable\\_Construction\\_Analysis\\_of\\_Its\\_Costs\\_and\\_Financial\\_Benefits](https://www.researchgate.net/publication/312249507_Sustainable_Construction_Analysis_of_Its_Costs_and_Financial_Benefits) [Accessed 17 May 2019].

Ritchie, J., Lewis, J., Nicholls, C.M. and Ormston, R. 2013. *Qualitative Research Practice A Guide for Social Science Students and Researchers: A Guide for Social Science Students and Researchers*. Los Angeles: SAGE. Available:  
<http://jbposgrado.org/icuali/Qualitative%20Research%20practice.pdf> [Accessed 16 December 2018].

Ritzer, G., and Dean, P. 2015. *Globalization: A Basic Text*. 2<sup>nd</sup> Edition. West Sussex: Wiley Blackwell.

Robbins, S.P. and Coulter, M.A. 2012. *Management*. 11th Edition. Boston: Prentice Hall.

Robbins, S. P. and Judge, T A. 2018. *Essentials of Organisational Behaviour*. 14<sup>th</sup> Edition. Harlow: Pearson Education Limited.

Robbins, S. P. and Judge, T A. 2017. *Organisational Behaviour*. 17th Edition. Boston: Pearson.

Robbins, S.P., Judge, T.A. and Beward, K.E. 2018. *Essentials of Organizational Behaviour*. Canadian Edition. Ontario: Pearson Canada Inc.

Robbins, S.P., Odendaal, A. and Roodt, G. 2004. *Organisational Behaviour: Global and Southern African Perspectives*. Cape Town: Pearson Education South Africa.

Roberts, B., Weir-Smith, G. and Reddy, V. 2019. *Affirmative Action*. South African Social Attitudes Survey. Available:  
<http://www.hsrc.ac.za/uploads/pageContent/1607/Affirmative%20Action.pdf> [Accessed 11 November 2019].

Rozen, M. 2017. *The Seven Characteristics of Successful Company Cultures*. HUFFPOST. Available: [https://www.huffingtonpost.com/michelle-rozen/the-seven-characteristics\\_b\\_11339884.html](https://www.huffingtonpost.com/michelle-rozen/the-seven-characteristics_b_11339884.html) [Accessed 21 April 2018].

Rumney, R. 2013. *When Ownership Trumps Transformation*. *Ecquid Novi: African Journalism Studies*, vol. 34(2), p. 153-157. Available:  
<https://www.tandfonline.com/doi/pdf/10.1080/02560054.2013.816454?needAccess=true> [Accessed 30 December 2021].

Rungani, E.C. and Potgieter. M. 2018. *The Impact of Financial Support on the Success of Small, Medium and Micro Enterprises in the Eastern Cape Province*. *Acta Commercii – Independent Research Journal in the Management Sciences*, vol. 18(1), p. 1-18. Available:  
<http://www.scielo.org.za/pdf/acom/v18n1/22.pdf> [Accessed 10 October 2017].

SAICA. 2019. Employment Equity Act. Legislation. Available: <https://www.saica.co.za/Technical/LegalandGovernance/Legislation/EmploymentEquityActNo55of1998/tabid/3041/language/en-ZA/Default.aspx#:~:text=The%20purpose%20of%20the%20Employment,in%20employment%20experienced%20by%20designated> [Accessed 13 November 2019].

Saliman, H., Khalili, S., Nazemi, J. and Alborzi, M. 2012. Alignment in the Organization's Strategy Window (Concentration on Business Strategy and Operations Strategy). *African Journal of Business Management*, vol. 6(51), p. 12016-12022. Available: [http://www.academicjournals.org/app/webroot/article/article1380811309\\_Salimian%20et%20al.pdf](http://www.academicjournals.org/app/webroot/article/article1380811309_Salimian%20et%20al.pdf) [Accessed 21 September 2019].

Sami, A., Jusoh, A., Mahfar, M., Qureshi, M. I. and Khan, M.M. 2016. Role of Ethical Culture in Creating Public Value. *International Review of Management and Marketing*, vol. 6(S4), p255-261. Available: [https://d1wqtxts1xzle7.cloudfront.net/46930296/Sami\\_et\\_al.\\_2016\\_b.pdf?1467342184=&response-content-disposition=inline%3B+filename%3DRole\\_of\\_Ethical\\_Culture\\_in\\_Creating\\_Public\\_Value.pdf&Expires=1593289503&Signature=PX~wOOq4WP6Wvvk0jtXfmHIJNIRXastMjoer~nDYuUFB6esBdc1jmO2DPkoWKBy4qMXOvn4yt-SSUs6K2qyw-Viwo1sMx9A7LXbHYv9or-HSfEPz-hUTt5XR8UJF0Jh~59uf6ptfO7qvEVQJiqfXzA1SjRHXq6ELGjPFUypNDTrGFMad8mnosfHiyKXRdrdGDuu4O0KuSyNfbdNmqpomHLb4f1H4UoXML~n-4pN-s4FGf1svw9PIkczLx0xlG~3G8s2FRvIgrb0vVu4j1RDRAZtlr4hO00YCharqc0Pdz-heQREauEbKMv~cwdrnCYv2xVRjLsJNZFK7mjdb7Yx7xA\\_\\_&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA](https://d1wqtxts1xzle7.cloudfront.net/46930296/Sami_et_al._2016_b.pdf?1467342184=&response-content-disposition=inline%3B+filename%3DRole_of_Ethical_Culture_in_Creating_Public_Value.pdf&Expires=1593289503&Signature=PX~wOOq4WP6Wvvk0jtXfmHIJNIRXastMjoer~nDYuUFB6esBdc1jmO2DPkoWKBy4qMXOvn4yt-SSUs6K2qyw-Viwo1sMx9A7LXbHYv9or-HSfEPz-hUTt5XR8UJF0Jh~59uf6ptfO7qvEVQJiqfXzA1SjRHXq6ELGjPFUypNDTrGFMad8mnosfHiyKXRdrdGDuu4O0KuSyNfbdNmqpomHLb4f1H4UoXML~n-4pN-s4FGf1svw9PIkczLx0xlG~3G8s2FRvIgrb0vVu4j1RDRAZtlr4hO00YCharqc0Pdz-heQREauEbKMv~cwdrnCYv2xVRjLsJNZFK7mjdb7Yx7xA__&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA) [Accessed 17 June 2020].

SANAS. 2019. South Africa Accreditation System. Available: <https://www.sanas.co.za/Pages/index.aspx> [Accessed 17 July 2019].

Sanghoo, S. 2014. Why Shareholder Value Should Not Be the Only Goal of Public Companies. *Time*. Available: <https://time.com/4121/why-shareholder-value-should-not-be-the-only-goal-of-public-companies/> [Accessed 13 January 2022].

Sanyal, S. and Hisam, M.W. 2018. The Impact of Teamwork on Work Performance of Employees: A Study of Faculty Members on Dhofar University. *Journal of Business and Management*, vol. 20(3), p. 15-22. Available: <http://www.iosrjournals.org/iosr-jbm/papers/Vol20-issue3/Version-1/C2003011522.pdf> [Accessed 13 October 2019].

Saunders, M., Lewis, P. and Thornhill, A. 2003. *Research Methods for Business Students*. Essex: Pearson Education Limited England.

Saunders, M., Lewis, P. and Thornhill, A. 2016. *Research Methods for Business Students*. 7th Edition. Essex: Pearson Education Limited England.

Schein, E.H. 2004. *Organizational Culture and Leadership*. 3rd Edition. San Francisco: Jossey Bass.

Schein, E. H., and Schein, P, 2017. *Organizational Culture and Leadership*. 5<sup>th</sup> Edition. New Jersey: John Wiley & Sons Inc.

Scheepers, J. 2019. *The Laws and the Legacy of Apartheid*. Common Good. Available: <https://www.commongood.org.za/wp-content/uploads/The-Laws-and-the-Legacy-of-Apartheid.pdf> [Accessed 2 January 2022].

Schermerhorn, J.R. 2011. *Management*. 11th Edition. United States of America: John Wiley & Sons Inc.

Schermerhorn, J., Hunt, J.G. and Osborn, R.N. 2002. *Basic Organizational Behavior*. New Jersey: Wiley.

Schreuder, A., van Heerden, P., and Khanya, M. 2007. *The Progress of Broad-Based Black Economic Empowerment in South Africa- Executive Report. Baseline Study*. Available: [https://www.thedti.gov.za/economic\\_empowerment/executive\\_summary.jsp](https://www.thedti.gov.za/economic_empowerment/executive_summary.jsp) [Accessed 17 April 2018].

Schultz, H. (eds). 2005. *Organisational Behaviour: A Contemporary South African Perspective*. Pretoria: Van Schaik Publishers.

SEDA. 2018. *SMME Quarterly Update 1st Quarter 2018*. The Small Development Agency. Available: <http://www.seda.org.za/Publications/Publications/SMME%20Quarterly%202018-Q1.pdf> [Accessed 22 September 2019].

Seeletse, S.M. 2012. *Common Causes of Small Businesses Failure in the Townships of West Rand District Municipality in the Gauteng Province of South Africa*. *African Journal of Business*, vol. 6(44) p 10994-2012. Available: [http://www.academicjournals.org/app/webroot/article/article1380539522\\_Seeletse.pdf](http://www.academicjournals.org/app/webroot/article/article1380539522_Seeletse.pdf) [Accessed 9 November 2018].

Sekaran, U. 2003. *Research Methods for Business: A Skills Building Approach*. 4th Edition. John Wiley and Sons, Inc.

Shahzad, F., Luqman, R.A., Khan, A.R. and Shabbir, L. 2012. *Impact of Organizational Culture on Organizational Performance: An Overview*. *Interdisciplinary Journal of Contemporary Research in Business*, vol. 3(9), p. 975-985. Available: [https://www.researchgate.net/publication/328027871\\_Impact\\_of\\_Organizational\\_Culture\\_on\\_Organizational\\_Performance\\_An\\_Overview](https://www.researchgate.net/publication/328027871_Impact_of_Organizational_Culture_on_Organizational_Performance_An_Overview) [Accessed 13 January 2019].

- Sharma, N., and Singh, R. K. 2019. A unified model of organizational effectiveness. Available: <https://www.emerald.com/insight/content/doi/10.1108/JOEPP-10-2018-0084/full/html> [Accessed 23 January 2019].
- Shava, E. 2016. Black Economic Empowerment in South Africa: Challenges and Prospects. *Journal of Economics and Behavioural Studies*, vol. 8(6), p161-170. Available: [https://www.researchgate.net/publication/314365036\\_Black\\_Economic\\_Empowerment\\_in\\_South\\_Africa\\_Challenges\\_and\\_Prospects](https://www.researchgate.net/publication/314365036_Black_Economic_Empowerment_in_South_Africa_Challenges_and_Prospects) [Accessed 23 February 2019].
- Sherman, W.R. 2012. The Triple Bottom Line: The Reporting of “Doing Well” & “Doing Good”. Saint Joseph’s University. Arrupe Center Ethics White Paper. Available: <https://sites.sju.edu/wp-content/themes/sju-arrupe/photos/Sherman.pdf> [Accessed 9 October 2019].
- Sheppard, L. 2019. Characteristics of Organizational Culture. Pressbooks. Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License Available: <https://opentext.wsu.edu/organizational-behavior/chapter/15-3-characteristics-of-organizational-culture/> [Accessed 29 November 2019].
- Sibanda, A. 2015. Weighing the Cost of “BEE Fronting” on Best Practices of Corporate Governance in South Africa”. *Speculum Juris*, vol. 29(2) p23-40. Available: <http://specjuris.ufh.ac.za/sites/default/files/SibandaPdf%20%281%29.pdf> [Accessed 29 November 2018].
- Singh, Y.K. 2006. *Fundamentals of Research Methodology and Statistics*. New Delhi New Age International Publishers (Pty) Ltd.
- Skills Development Act. 1998. Government Gazette 19420: Republic of South Africa.
- Slack, T. and Parent, M. 2006. *Understanding Sport Organizations: The Application of Organization Theory*. 2nd Edition. Ottawa: Human Kinetics
- Slaper, T.F. and Hall, T.J. 2011. The Triple Bottom Line: What is it and How Does It Work? *Indiana Business Review*. Available: <https://www.ibrc.indiana.edu/ibr/2011/spring/article2.html> [accessed 18 April 2019].
- Sniderman, B. 2019. Fostering Innovation through a Diverse Workforce. *Global Diversity and Inclusion*. Forbes Insights. Available: [https://images.forbes.com/forbesinsights/StudyPDFs/Innovation\\_Through\\_Diversity.pdf](https://images.forbes.com/forbesinsights/StudyPDFs/Innovation_Through_Diversity.pdf) [Accessed 23 October 2019].

South African History. 1994. The Reconstruction and Development Programme (RDP). A Policy Framework. Available: [https://www.sahistory.org.za/sites/default/files/the\\_reconstruction\\_and\\_development\\_programm\\_1994.pdf](https://www.sahistory.org.za/sites/default/files/the_reconstruction_and_development_programm_1994.pdf) [Accessed 23 April 2019].

Spiliakos, A. 2018. What Does "Sustainability" Mean in Business? HBS Online. Available: <https://online.hbs.edu/blog/post/what-is-sustainability-in-business> [Accessed: 9 January 2022].

South African History Online, 2019. The Homelands. Available: <https://www.sahistory.org.za/article/homelands> [Accessed: 9 January 2022].

South African History Online. 2014. South Africa's Key economic policies changes (1994 – 2013). Available: <https://www.sahistory.org.za/article/south-africas-key-economic-policies-changes-1994-2013> [Accessed: 25 December 2021]

SA News. SA marks unbanning of liberation movements. Republic of South Africa. Available: <https://www.sanews.gov.za/south-africa/sa-marks-unbanning-liberation-movements>[Accessed 6 January 2022].

Southall, R. 2007. The Uneasy Logic of Black Empowerment. Mail & Guardian. Available: <https://mg.co.za/article/2007-02-27-the-uneasy-logic-of-black-empowerment> [Accessed 30 May 2019].

Statistics Solutions. 2018. Theoretical Framework. Available: <http://www.statisticssolutions.com/theoretical-framework/> [Accessed 16 April 2018].

Stojanovic, A., Milosevic, I., Arsic, S., Mihajlovic, I. and Dordevic, P. 2018. Importance of Environmental Sustainability for Business Sustainability. 8th International Conference on Environmental and Material Flow Management. Available: [https://www.researchgate.net/publication/329736753\\_IMPORTANCE\\_OF\\_ENVIRONMENTAL\\_SUSTAINABILITY\\_FOR\\_BUSINESS\\_SUSTAINABILITY](https://www.researchgate.net/publication/329736753_IMPORTANCE_OF_ENVIRONMENTAL_SUSTAINABILITY_FOR_BUSINESS_SUSTAINABILITY) [Accessed 16 October 2019].

Streak, J.C. 2004. The Gear Legacy: Did Gear Fail or Move South Africa Forward in Development? Development Southern Africa, vol. 21(2). Available: [https://www.researchgate.net/publication/227610912\\_The\\_Gear\\_legacy\\_Did\\_Gear\\_fail\\_or\\_move\\_South\\_Africa\\_forward\\_in\\_development](https://www.researchgate.net/publication/227610912_The_Gear_legacy_Did_Gear_fail_or_move_South_Africa_forward_in_development) [Accessed 16 October 2019].

Strydom, P.D.F. 2006. Black Economic Empowerment in South Africa. Small Business South Africa. Available: <http://www.sabusinesswarrior.com/article8.html> [accessed 18 April 2015].

Sun, S. 2008. Organizational Culture and Its Themes. *International Journal of Business Management*, vol. 3(12), p. 137-141. Available: <http://www.ccsenet.org/journal/index.php/ijbm/article/view/760/726> [accessed 18 April 2019]

Sunday, E.C. 2015. The role of theory in research. Division for Postgraduate Studies (DPGS): Postgraduate Enrolment and Throughput Programme. University of Western Cape. Available: <https://www.uwc.ac.za/Students/Postgraduate/Documents/The%20role%20of%20theory%20in%20research.pdf> [accessed 18 April 2015].

Szczepanska-Woszczyzna, K. 2014. The Importance of Organizational Culture for Innovation in the Company. *Forum Scientiae Oeconomia*, vol. 2(3), p. 27-39. Available: [https://pdfs.semanticscholar.org/7133/188abf1125a0a91f05b98204282b56c4ad95.pdf?\\_ga=2.189232616.2134630021.1595454775-1232615335.1582985657](https://pdfs.semanticscholar.org/7133/188abf1125a0a91f05b98204282b56c4ad95.pdf?_ga=2.189232616.2134630021.1595454775-1232615335.1582985657) [Accessed 17 July 2019].

Tanase, I.A. 2015. The Importance of Organizational Culture Based on Culture Transfer. International Management Conference. Available: <http://conference.management.ase.ro/archives/2015/pdf/89.pdf> [accessed 18 April 2019].

Tapera, J. 2014. The Importance of Strategic Management to Business Organizations. Available: [https://www.researchgate.net/publication/301801352\\_The\\_Importance\\_of\\_Strategic\\_Management\\_to\\_Business\\_Organizations](https://www.researchgate.net/publication/301801352_The_Importance_of_Strategic_Management_to_Business_Organizations) [accessed 18 April 2019].

Taskiran, E., Cetin, C., Ozdemirci, A., Aksu, B. and Istoriti, M. 2017. The Effect of the Harmony between Organisational Culture and Values on Job Satisfaction. 2019. Available: *International Business Research*. [www.ccsenet.org/journal/index.php/ibr/article/download/66982/36827](http://www.ccsenet.org/journal/index.php/ibr/article/download/66982/36827) [Accessed 12 June 2019].

Tata, J. and Prasad, S. 2014. National Cultural Values, Sustainability Beliefs, and Organizational Initiatives. *Cross Cultural Management*, vol 22(2), p. 278-296. Available: <https://www.emerald.com/insight/content/doi/10.1108/CCM-03-2014-0028/full/pdf?title=national-cultural-values-sustainability-beliefs-and-organizational-initiatives> [Accessed 12 June 2020].

Teo, T.C. and Low, K.C.P. 2016. The Impact of Goal Setting on Employee Effectiveness to Improve Organisation Effectiveness: Empirical study of a High-Tech Company in Singapore. *Journal of Business & Economic Policy*, vol. 3(1), p. 82-97. Available: [http://jbepnet.com/journals/Vol\\_3\\_No\\_1\\_March\\_2016/8.pdf](http://jbepnet.com/journals/Vol_3_No_1_March_2016/8.pdf) [Accessed 7 September 2019].

The Banking Association South Africa. 2018. Hurdles Faced by Financial Institutions in Financing Small and Medium Enterprises (SMME). Available: <http://www.banking.org.za/wp-content/uploads/2019/04/Hurdles-in-SME-Financing-Final-Report.pdf> [Accessed 17 September 2019].

The Basics of Philosophy. 2019. Available: [https://www.philosophybasics.com/branch\\_positivism.html](https://www.philosophybasics.com/branch_positivism.html) [Accessed 12 February 2019].

The Constitution. 1996. The constitution of the Republic of South Africa.

The Department of Trade and Industry. 2007. Broad Based Black Economic Development: Proclamation by The President of South Africa. Available: [https://www.thedti.gov.za/economic\\_empowerment/bee.jsp](https://www.thedti.gov.za/economic_empowerment/bee.jsp) [Accessed 12 August 2016].

The DTI. 2015. Presentation to the DOE workshop. Amended B-BBEE Act and Codes. Available: <http://www.energy.gov.za/files/WOESA/2015/northwest/Amended-B-BBEE-Act-and-Codes.pdf> [accessed 18 April 2018].

The DTIC. 2022. B-BBEE Charters. .Available: <http://www.thedtic.gov.za/financial-and-non-financial-support/b-bbee/b-bbee-charters/> [Accessed 12 August 2022].

The National Broad-Based Black Economic Empowerment Summit. 2013. A Decade of Economic Empowerment – (2003-2013). [online]. Available: [https://na.eventscloud.com/file\\_uploads/2e0bf368cf0080fb5c1007b5881a17e1\\_NATIONALSUMMITREPORT10122013Nov.pdf](https://na.eventscloud.com/file_uploads/2e0bf368cf0080fb5c1007b5881a17e1_NATIONALSUMMITREPORT10122013Nov.pdf) [Accessed 17th April 2018].

The National Economic Empowerment Policy. 2004. The United Republic of Tanzania. Available: [https://www.tanzania.go.tz/egov\\_uploads/documents/Enonomic\\_Empowerment\\_Policy \[1\]\\_sw.pdf](https://www.tanzania.go.tz/egov_uploads/documents/Enonomic_Empowerment_Policy [1]_sw.pdf) [Accessed 17 April 2015].

Theobald, S. 2018. Understanding Empowerment Endowments. Intellidex Research Report. Available: [http://tshikululu.org.za/wp-content/uploads/2018/08/Understanding\\_Empowerment\\_Endowments\\_Final\\_August\\_2018.pdf](http://tshikululu.org.za/wp-content/uploads/2018/08/Understanding_Empowerment_Endowments_Final_August_2018.pdf) [accessed 18 October 2019].

Theobald, S., Tambo, O. and Makuwerere P. 2017. The Empowerment Endowment. A Study of Trusts and Foundations Established South Africa's Black Economic Transactions. Intellidex Research Report. Available: <https://www.intellidex.co.za/OLDSITE/wp-content/uploads/2017/07/Intellidex-The-Empowerment-Endowment-report.pdf> [accessed 18 October 2019].

Theobald, S., Tambo, O., Makuwerere P. and Anthony, C. 2015. The Value of BEE Deals. A Study of the Total Value Created for Beneficiaries through BEE Deals Conducted by the 100 Largest Companies on the JSE. Intellidex Research Report. Available: <https://www.intellidex.co.za/wp-content/uploads/2015/06/Intellidex-report-The-Value-of-BEE-Deals.pdf> [accessed 18 October 2019].

Thomas, L. 2017. Ownership of JES Listed Companies. Research Report for National Treasury. Available: [http://www.treasury.gov.za/comm\\_media/press/2017/2017100301%20Ownership%20monitor%20-%20Sept%202017.pdf](http://www.treasury.gov.za/comm_media/press/2017/2017100301%20Ownership%20monitor%20-%20Sept%202017.pdf) [accessed 31 October 2019].

Thompson, A.A., Petrafi, M.A., Gamble, J.E. and Strickland, A.J. 2018. *Crafting and Executing Strategy. The Quest for Competitive Advantage: Concepts and Cases*. 21st Edition. New York: McGraw-Hill Education.

Thusi, S.C. and Zondo, R.W.D. 2016. The Influence of Government Financial Incentive Schemes (GFIS) on Small and Micro Enterprises' (SMEs') Operational Performance: Case Study. *International Journal of Innovative Research & Development*, vol. 5(12) p 211-217. Available: <http://www.ijird.com/index.php/ijird/article/view/105095/74737> [Accessed 23 May 2018].

Timm, S. 2013. Government Department Fail to Pay on Time. Mail & Guardian. Available: <https://mg.co.za/article/2013-09-27-00-government-departments-fail-to-pay-on-time> [Accessed 30 October 2019].

Timm, S. 2015. 30% Set-aside for Small Biz. Small Business Connect. Available: [https://www.thedti.gov.za/sme\\_development/docs/SBC201504.pdf](https://www.thedti.gov.za/sme_development/docs/SBC201504.pdf) [accessed 18 November 2018].

Tinarelli, S. 2000. *Employer's Guide to Employment Equity Act*. Pretoria: Van Schaik Publishers.

Thomas, D. 2020. Is South African transformation dead? African Business. Available: <https://african.business/2020/09/economy/black-economic-power-matters-is-south-african-transformation-dead/> [Accessed 4 January 2021].

Tohidi, H. and Jabbari, M.M. 2012. The Effects of Motivation in Education. *Procedia: Social Behavioral Sciences*. Available: [https://www.researchgate.net/publication/259828455\\_The\\_effects\\_of\\_motivation\\_in\\_education](https://www.researchgate.net/publication/259828455_The_effects_of_motivation_in_education) [accessed 18 November 2018].

Trahar, S. 2013. *Philosophical Approaches in Social Sciences: The importance of Philosophy in Understanding/Conducting Research*. PowerPoint Presentation. Available: [https://educ.utm.my/wp-content/uploads/2013/07/Dr-Sheila-Trahar\\_Philosophical-Underpinnings-of-Educ-Research.pdf](https://educ.utm.my/wp-content/uploads/2013/07/Dr-Sheila-Trahar_Philosophical-Underpinnings-of-Educ-Research.pdf) [Accessed 23 February 2019].

Trivellas, P. and Drimoussis, C. 2013. Investigating Leadership Styles, Behavioural and Managerial Competency Profiles of Successful Project Managers in Greece. *Procedia Social and Behavioral Sciences*. Available: [https://www.researchgate.net/publication/257718791\\_Investigating\\_Leadership\\_Styles\\_Behavioural\\_and\\_Managerial\\_Competency\\_Profiles\\_of\\_Successful\\_Project\\_Managers\\_in\\_Greece](https://www.researchgate.net/publication/257718791_Investigating_Leadership_Styles_Behavioural_and_Managerial_Competency_Profiles_of_Successful_Project_Managers_in_Greece) [Accessed 17 March 2018].

Tucker, C. 2005. Black Economic Empowerment Guide. Bowman Gilfillan Attorneys. P 18-20. Available: <http://services.bowman.co.za/Brochures/BEE/BEEBrochure-Ir.pdf> [Accessed 23 May 2015].

Tushar, H. 2017. The Role of Ethical Leadership in Developing Sustainable Organization. Available: [https://www.researchgate.net/publication/329584513\\_The\\_Role\\_of\\_Ethical\\_Leadership\\_in\\_Developing\\_Sustainable\\_Organization](https://www.researchgate.net/publication/329584513_The_Role_of_Ethical_Leadership_in_Developing_Sustainable_Organization) [Accessed 23 August 2019].

Twenty Year Review. 2014. South Africa. Available: <https://www.dpme.gov.za/news/Documents/20%20Year%20Review.pdf> [Accessed 9 October 2019].

Uma, S.N. 2013. A Study on Training Importance for Employees of their Successful Performance in The Organisation. *International journal of Science and Research*, vol. 2(11), p. 137-140. Available: <https://www.ijsr.net/archive/v2i11/MDIwMTMzNjE=.pdf> [Accessed 30 May 2019].

Universal Teacher. 2018. Available: Approaches to Organizational Effectiveness. Available: <https://universalteacher.com/1/approaches-to-organizational-effectiveness/> [Accessed 23 August 2019].

University of Alberta. 2020. What is sustainability? Available: <https://www.mcgill.ca/sustainability/files/sustainability/what-is-sustainability.pdf> [Accessed 23 May 2020].

University of Minnesota Libraries. 2018. Organisational Behaviour. Characteristics of Organisational Culture. M Libraries Publishing. Available: <http://open.lib.umn.edu/organizationalbehavior/chapter/15-3-characteristics-of-organizational-culture/> [Accessed 16 April 2018].

University of Wisconsin. 2019. The Triple Bottom Line. Sustainability Management: University of Wisconsin. Available: <https://sustain.wisconsin.edu/sustainability/triple-bottom-line/> [Accessed 30 May 2019].

Uppal, V. 2014. Global Experience of Black Economic Empowerment and Indigenisation Policies. Economic and Private Sector: Professional Evidence

and Applied Knowledge Services. Available:  
[https://assets.publishing.service.gov.uk/media/57a089dfe5274a31e00002e2/Helpdesk\\_Response-Global\\_Experience\\_of\\_Black\\_Economic\\_Empowerment\\_and\\_Indigenisation\\_Policies.pdf](https://assets.publishing.service.gov.uk/media/57a089dfe5274a31e00002e2/Helpdesk_Response-Global_Experience_of_Black_Economic_Empowerment_and_Indigenisation_Policies.pdf) [Accessed 30 May 2019].

USC Libraries. 2020. Research Guides. Organizing Your Social Sciences Research Paper. University of Southern California. Available:  
<https://libguides.usc.edu/writingguide/theoreticalframework> [Accessed 30 May 2019].

Van den Steen, E. 2010. On the Origin of Shared Beliefs (and Corporate Culture). Available:  
[http://www.people.hbs.edu/evandensteen/OnlineDocs/P10\\_Rand\\_EVdS\\_Origins%20Shared%20Beliefs.pdf](http://www.people.hbs.edu/evandensteen/OnlineDocs/P10_Rand_EVdS_Origins%20Shared%20Beliefs.pdf) [accessed 15 June 2019].

Van der Merwe, C.M. and Ferreira, P. 2014. The Association Between the Seven Elements of the Black Economic Empowerment Score and Market Performance. SAJEMS, vol. 17(5), p. 544-556. Available:  
<http://www.scielo.org.za/pdf/sajems/v17n5/02.pdf> [Accessed 28 September 2019].

Vanagas, R. and Stankevic, J. 2014. Impact of Coordination for Organization Process. Intellectual Economics. Vol. 8(2), p. 112-125. Available:  
[https://www.mruni.eu/upload/iblock/3eb/8%20IE\\_Vanagas\\_STR\\_EN.pdf](https://www.mruni.eu/upload/iblock/3eb/8%20IE_Vanagas_STR_EN.pdf) [accessed 31 May 2019].

Vance, R.J. 2006. (Employee Engagement and Commitment. A Guide to Understanding, Measuring and Increasing Engagement in your Organization. SHRM Foundation. Available:  
<https://www.shrm.org/foundation/ourwork/initiatives/resources-from-past-initiatives/Documents/Employee%20Engagement%20and%20Commitment.pdf> [Accessed 17 July 2019].

Vasanthi, S. and Basariya, S.R. 2019. Pros and Cons of On the Job training versus Off the Job Training. *International Journal of Scientific & Technology Research*, vol. 8(10), p. 671-674. Available: <http://www.ijstr.org/final-print/oct2019/Pros-And-Cons-Of-On-The-Job-Training-Versus-Off-The-Job-Training.pdf> [Accessed 7 June 2020].

Veloso, V.V. 2008. The Impact of Broad-Based Black Economic Empowerment on Foreign Direct Investment Inflows into South Africa. Master of Business Administration Thesis. Gordon Institute of Business Science, University of Pretoria.

Vilakazi, T and Bosiu, T. 2021. Black Economic Empowerment, Barriers to Entry, and Economic Transformation in South Africa

<https://oxford.universitypressscholarship.com/view/10.1093/oso/9780192894311.001.0001/oso-9780192894311-chapter-9> [Accessed 1 January 2022].

Voiculet, A., Belu, N., Parpandel, D.E. and Rizea, I.C. 2010. The Impact of External Environment on Organizational Development Strategy. MPRA Paper 26303. Available: [https://mpra.ub.uni-muenchen.de/26303/1/Impact\\_of\\_external\\_environment\\_in\\_develop](https://mpra.ub.uni-muenchen.de/26303/1/Impact_of_external_environment_in_develop) [Accessed 17 September 2019].

Waisfisz, B. 2016. An Organisational Cultural Perspective. Available: <https://slidex.tips/download/an-organisational-cultural-perspective#> [Accessed 17 September 2019].

Wales, T. 2013. Organizational Sustainability: What is it, and Why Does it Matter? Available: [https://www.uos.ac.uk/sites/default/files/basic\\_file/REAMS\\_1-\(1\)\\_Wales-v2.pdf](https://www.uos.ac.uk/sites/default/files/basic_file/REAMS_1-(1)_Wales-v2.pdf) [Accessed 17 September 2019].

Walliman, N. 2011. Research Methods: The Basics. New York: Routledge.

Worden, N. 2012. The Making of Modern South Africa: Conquest, Apartheid, Democracy. 5<sup>th</sup> Edition. West Sussex: John Wiley & Sons Ltd.

Warrick, D.D. 2017. What Leaders Need to Know About Organizational Culture. Business Horizons, vol. 60(3), p. 295-404. Available: <https://www.sciencedirect.com/science/article/pii/S0007681317300113> [Accessed 17 June 2020].

Weeks, J. 1999. Stuck in Low Gear? Macroeconomic policy in South Africa 1996-1998. SOAS Working Paper No. 85. Available: <https://pdfs.semanticscholar.org/5f44/e53fdc71fadbc95df5e83594503b3d2f0fb.pdf> [Accessed 26 June 2018].

Western Cape Government. 2018. Preferential Procurement and Broad-Based Black Economic Empowerment. Available: <https://www.westerncape.gov.za/general-publication/preferential-procurement-and-broad-based-black-economic-empowerment> [Accessed 30 May 2019].

Whelan, T. and Fink, C. 2016. The Comprehensive Business Case for Sustainability. Harvard Business Review. Available: <https://hbr.org/2016/10/the-comprehensive-business-case-for-sustainability> [Accessed 30 October 2016].

White, Hardisty and Habib, 2019. The Elusive Green Consumer. Available: <https://hbr.org/2019/07/the-elusive-green-consumer> [Accessed 30 January 2022].

- White, C. 2004. Strategic Management. New York: Palgrave Macmillan.
- Wilkinson, K. 2017. Black Ownership on Sa's Stock Exchange – What We Know. Available: <https://ewn.co.za/2017/08/29/guide-black-ownership-on-sa-s-stock-exchange-what-we-know> [Accessed 17 June 2020].
- Wilson, M. 2003. Corporate Sustainability: What is it and where does it come. Ivey Business Journal. Ivey Business School. Available: <https://iveybusinessjournal.com/publication/corporate-sustainability-what-is-it-and-where-does-it-come-from/> [Accessed 10 December 2018].
- Wingrove, T. 1995. Affirmative Action: A “How to” Guide for Managers. Randburg: Knowledge Resources.
- World Bank. 2018. Overcoming Poverty and Inequality in South Africa: An Assessment of Drivers, Constraints and Opportunities. Available: <http://documents.worldbank.org/curated/en/530481521735906534/pdf/124521-REV-OUO-South-Africa-Poverty-and-Inequality-Assessment-Report-2018-FINAL-WEB.pdf> [Accessed 10 December 2019].
- Wustari, M. and Budi, S. 2014. How External Environment and Internal Organisation Contribute in Commitment to Change? (Study at Organizational Change in State Owned Organizations in Indonesia). Available: [https://www.academia.edu/7150124/How\\_External\\_Environment\\_and\\_Internal\\_organization\\_contribute\\_in\\_commitment\\_to\\_change](https://www.academia.edu/7150124/How_External_Environment_and_Internal_organization_contribute_in_commitment_to_change) [Accessed 30 May 2019].
- WWF Report. 2014. The Food Energy Water Nexus: Understanding South Africa's Most Urgent Sustainability Challenge. Available: [http://dtnac4dflyw8.cloudfront.net/downloads/wwf\\_few\\_report\\_3.pdf](http://dtnac4dflyw8.cloudfront.net/downloads/wwf_few_report_3.pdf) [Accessed 26 June 2019].
- Yee, N.W. and Yazdanifard, R. 2012. Corporate Social Responsibility: Importance, Benefits, Consequences, Approaches to Managing Corporate Social Responsibility. Available: [https://www.researchgate.net/publication/234167105\\_CORPORATE\\_SOCIAL\\_RESPONSIBILITY\\_IMPORTANCE\\_BENEFITS\\_CONSEQUENCES\\_APPROACHES\\_TO\\_MANAGING\\_CORPORATE\\_SOCIAL\\_RESPONSIBILITY](https://www.researchgate.net/publication/234167105_CORPORATE_SOCIAL_RESPONSIBILITY_IMPORTANCE_BENEFITS_CONSEQUENCES_APPROACHES_TO_MANAGING_CORPORATE_SOCIAL_RESPONSIBILITY) [Accessed 23 September 2019].
- Young, W.S. and Yoon, K.C. 2019. Sustainable Business Process Management Model for Construction Companies. Available: <http://www.iaarc.org/publications/fulltext/S12-6.pdf> [Accessed 17 July 2019].
- Zaid, M.A. 2015. Correlation and Regression Analysis. The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRI) Available: <http://www.oicstatcom.org/file/TEXTBOOK->

CORRELATION-AND-REGRESSION-ANALYSIS-EGYPT-EN.pdf [Accessed 1 July 2019].

Zaid, M., Wang, M., Adib, M., Sahyouni, A., and Abuhijleh, S. T. F. 2020. Boardroom nationality and gender diversity: Implications for corporate sustainability performance. *Journal of Cleaner Production*, vol. 251(119652), p. 1-14. Available:  
<https://www.sciencedirect.com/science/article/pii/S0959652619345226> [Accessed 17 January 2022].

Zahid, M., Rahman, H. U., Ali, W., Khan, M., Alharthi, M., Qureshi M. I., and Jan, A. 2020. Boardroom gender diversity: Implications for corporate sustainability disclosures in Malaysia. *Journal of Cleaner*, vol. 244(118683), p. 1-14. Available:  
[Productionhttps://www.sciencedirect.com/science/article/pii/S095965261933553X](https://www.sciencedirect.com/science/article/pii/S095965261933553X) [Accessed 17 January 2022].

Zhang, C. 2017. *Culture and the Economy: Clan, Entrepreneurship, and Development of the Private Sector in China*. Available:  
[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2865105](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2865105) [Accessed 17 June 2019].

Ziekye, J. 2016. Impact of Time Management on Organizational Effectiveness. *South American Journal of Management*, vol. 2(1), p. 1-7. Available:  
[https://www.academia.edu/31406890/Impact\\_of\\_Time\\_Management\\_on\\_Organizational\\_Effectiveness](https://www.academia.edu/31406890/Impact_of_Time_Management_on_Organizational_Effectiveness) [Accessed 7 September 2019].

Zikmund, W.G. 2002. *Business Research Methods*. 7th Edition: India Edition. Mumbai: South-Western.

Zikmund, W.G. 2003. *Business Research Methods*. 7th Edition. Cincinnati: Thomson/ South-Western.

Zikmund, W.G., Babin, B.J., Carr, J.C. and Griffin, M. 2009. *Business Research Methods*. 8th Edition. Cincinnati: Thomson/ South-Western.

**Annexure A1: Quantitative Research Questionnaire**

**DURBAN UNIVERSITY OF TECHNOLOGY  
DATA COLLECTION QUESTIONNAIRE**

**Exploring the Impact of Broad Based Black Economic Policies on  
Organisational Effectiveness: A Case of South African Companies.**

**Study by Dzivhuluwani Mudau 20105774**

**Durban University of Technology**

---

July 3<sup>rd</sup> 2015

Dear Colleague:

You are invited to take part in a questionnaire that is aimed at Exploring the Impact of Broad Based Black Economic Policies on Organisational Effectiveness: A Case of South African Companies. Your anonymity is guaranteed, and you need not enter your name in the questionnaire.

Data collection forms for statistical reporting will be sent via email and others will be handed personally to you in the form of an interview that guarantees your anonymity to gather the required data.

Completed questionnaires are due **September 25<sup>th</sup>, 2015**. A full set of completed questionnaires is to be analysed and the results will be made available to the Durban University of Technology in the form of a thesis and also in the form of a publication in a journal.

Regards,  
Dzivhuluwani Mudau  
dzivhu4eva@gmail.com

**Demographic Questions:**

Please tick one box per item.

**Gender:**

Male	Female
------	--------

**Work Experience in Years:**

0-10	11-20	21-30	30+
------	-------	-------	-----

**Age:**

0-25	26-35	36-45	46+
------	-------	-------	-----

**Management Level:**

Top Management	Senior Management	Middle Management
----------------	-------------------	-------------------

**Company Type:**

NPO/NGO	Private Company	Government Department	State Owned Company
---------	--------------------	--------------------------	---------------------------

**Company Type:**

Exempt Micro Enterprise	Qualifying Small Enterprise	Generic
-------------------------	-----------------------------	---------

# Quantitative Research Questionnaire

For office  
use only:

--	--	--	--

<p>Please complete this form by <b><i>crossing the number that best reflects your choice</i></b>. When completing the questionnaire please consider your own awareness of the situation as it relates to the B-BBEE at your company.</p>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
--	--------------------------	-----------------	----------------	--------------	-----------------------

1      2      3      4      5

<b>A</b>	<b>To determine whether B-BBEE influences the way organisations formulate their organisational strategy:</b>					
1	B-BBEE is part of the company's strategy	1	2	3	4	5
2	B-BBEE influences the way resources are allocated in the company	1	2	3	4	5
3	Every employee is aware of B-BBEE initiatives in the company	1	2	3	4	5
4	There is time dedicated to B-BBEE training	1	2	3	4	5
5	The company has policies that promote B-BBEE	1	2	3	4	5
<b>B</b>	<b>To examine if there is an influence of B-BBEE on managerial effectiveness when it is implemented:</b>					
6	B-BBEE influences the way the company is managed	1	2	3	4	5
7	There is a need to hire new managers to align the company to B-BBEE	1	2	3	4	5
8	There are structural changes in the organisation as a result of B-BBEE	1	2	3	4	5
9	Managers need to be trained in order to cope with B-BBEE	1	2	3	4	5
10	Managers in South Africa face challenges due to B-BBEE	1	2	3	4	5
<b>C</b>	<b>To ascertain whether B-BBEE influences organisational sustainability in organisations that implement B-BBEE:</b>					

11	There is a need for sustainability to be aligned to B-BBEE	1	2	3	4	5
12	B-BBEE changes the way things are done in the organisation	1	2	3	4	5
13	There is a need for planning and restructuring	1	2	3	4	5
14	B-BBEE increases unnecessary activities in the process	1	2	3	4	5
15	Activities are defined and assigned to relevant employees or teams	1	2	3	4	5
<b>D</b>	<b>To ascertain whether B-BBEE has an influence on a company's organisational culture:</b>					
16	Organizational culture is affected by hiring new recruits	1	2	3	4	5
17	B-BBEE changes the way employees relate in the organisation	1	2	3	4	5
18	There is a need to formulate a new culture due to B-BBEE	1	2	3	4	5
19	Employees do not identify with the organisation after B-BBEE implementation	1	2	3	4	5
20	B-BBEE affects employee's motivation	1	2	3	4	5

Thank you very much for your participation in this research.

**Annexure A2: Qualitative Research Questionnaire**

**DURBAN UNIVERSITY OF TECHNOLOGY**

**DATA COLLECTION QUESTIONNAIRE**

**Exploring the Influence of Broad-Based Black Economic Empowerment Policies on Organisational Effectiveness: A case study of South African Companies**

**Study by Dzivhuluwani Mudau 20105774**

**PHD Management Sciences (Business Administration)**

**Durban University of Technology**

---

28 August 2019,

Dear Colleague:

You are invited to take part in a questionnaire that is aimed at Exploring the Influence of Broad Based Black Economic Policies on Organisational Effectiveness. Your anonymity is guaranteed, and you need not enter your name in the questionnaire.

Data collection forms for statistical reporting will be sent via email and others will be handed personally to you in the form of an interview that guarantees your anonymity to gather the required data.

Completed questionnaires are due **September 30<sup>th</sup>, 2019**. A full set of completed questionnaires is to be analysed and the results will be made available to the Durban University of Technology in the form of a thesis and also in the form of a publication in a journal.

Regards,

Dzivhuluwani Mudau  
dzivhu4eva@gmail.com

Supervisor: Dr N L Govender  
govenderln@ukzn.ac.za

**Demographic Questions:**

Please tick one box per item.

**Gender:**

Male	Female
------	--------

**Work Experience in Years:**

0-10	11-20	21-30	30+
------	-------	-------	-----

**Age:**

0-25	26-35	36-45	46+
------	-------	-------	-----

**Management Level:**

Top Management	Senior Management	Middle Management
----------------	-------------------	-------------------

**Company Type:**

NPO/NGO	Private Company	Government Department	State Owned Company
---------	-----------------	-----------------------	---------------------

**Company Type:**

Exempt Micro Enterprise	Qualifying Small Enterprise	Generic
-------------------------	-----------------------------	---------

## Quantitative Research Questionnaire:

To determine whether BBBEE influences organisational strategy:

- Is BBBEE part of the company's strategy?

**Explain:**

- Does BBBEE influence the way resources are allocated in the company?

**Explain:**

- Is every employee aware of BBBEE initiatives in the company?

**Explain:**

- Is there time dedicated to BBBEE training?

**Explain:**

- The company has policies that promote BBBEE?

**Explain:**

**To examine the impact of BBBEE on managerial effectiveness:**

- Does BBBEE influence the way the company is managed?

**Explain:**

- Is there a need to hire new managers to align the company to BBBEE?

**Explain:**

- Are there structural changes in the organisation as a result of BBBEE?

**Explain:**

- Do managers need to be trained in order to cope with BBBEE?

**Explain:**

- Do managers in South Africa face challenges due to BBBEE?

**Explain:**

**To ascertain if BBBEE influences organisational processes:**

- Is there a need for business processes to be aligned to BBBEE?

**Explain:**

- Does BBBEE change the way things are done in the organisation?

**Explain:**

- Is there a need for planning and restructuring?

**Explain:**

- Does BBBEE increase unnecessary activities in the process?

**Explain:**

- Are activities defined and assigned to relevant employees or teams?

**Explain:**

**To ascertain whether BBBEE affects organisational culture:**

- Is organizational culture affected by hiring new recruits?

**Explain:**

- Does BBBEE change the way employees relate in the organisation?

**Explain:**

- Is there a need to formulate a new culture due to BBBEE?

**Explain:**

- Do employees identify with the organisation after BBBEE implementation?

**Explain:**

- Does BBBEE affect employees' motivation?

**Explain:**

## Annexure B: Proposal Approval



Reference: Proposal Approval: Mr. M. Dzivhuluwani

Student number: 20105774

Dear Mr. M Dzivhuluwani

### PHD IN MANAGEMENT SCIENCES (BUSINESS ADMINISTRATION)

This serves to confirm the approval of your research proposal by the Faculty Research Committee, at its meeting on 8 March 2018, as follows:

1. Research proposal and provisional dissertation title:

**THE INFLUENCE OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT POLICIES ON ORGANISATIONAL EFFECTIVENESS: A CASE STUDY OF SOUTH AFRICAN COMPANIES.**

Supervisor: **Dr. NL Govender**

Co-supervisor: **N/A**

Please note that any proposed changes in the thesis/dissertation title require the approval of your supervisor/s, the Faculty Research Committee, as well as ratification thereof by the Higher Degrees Committee.

2. Research budget to the amount of **R15 000.00**

Please note that this funding is not a scholarship or bursary and is therefore not paid directly to you, but is controlled by the Faculty. Any proposed changes to the use of this funding allocation requires the approval of your supervisor and the Dean. Please note that funding will be reimbursed to you after the provision of receipts.

The Institutional Research Committee has stipulated that:

- (a) This University retains the ownership of any Intellectual Property (patent, design, etc.) registered in respect of the results of your Masters/Doctors Degree in Technology studies as a result of the award and the provisions of the above Act;
- (b) Should you find any of the terms above not acceptable then you are given the option to decline the Research budget award to your project in writing.

May we remind you that in terms of Rule G25(2)(b), if you fail to obtain the Masters/Doctors degree within the maximum time period allowed after first registering for the qualification, Senate may refuse to renew your registration or may impose any conditions it deems fit. You may apply to the Faculty Research Committee for an extension.

Please note that you are required to convert your registration from the informal to the formal course and re-register each year.

Please note that the following must be adhered to:

**Registration:**

1. Ensure formal registration has taken place
2. Ensure that application for conferment of status has been made in the event of your undergraduate qualification being different to this application
3. Ensure that your supervisor has submitted your proposal to the Faculty Research Officer (FRO) for IREC clearance (institutional research ethics committee). This is in the case of Ethics level 2 IREC and level 3 IREC (in the case of a study dealing with vulnerable populations). See guideline attached. It is the researcher's responsibility to check the Ethics requirements and submit to the relevant bodies irrespective of the reviewer's recommendation.

**Dissertation submission for examination:**

1. Ensure that you submit the intention to submit form **(PG 5)**, signed by the HOD and Supervisor
2. Ensure that the signed checklist is submitted with the **PG 5**
3. Once your dissertation is submitted to the supervisor for examination purposes, communication from here on will only be with you supervisor and not with the faculty.
4. Your supervisor **MUST** nominate the examiners three months prior to submission of the dissertation/thesis for examination.
5. On submission for examination, please note that three ring bound signed copies must be submitted to your supervisor along with the completed and signed **PG 7** form, **FMS Checklist** and **Turn it in report**.
6. Feedback will be provided to your supervisor regarding the examination result after the result is ratified by the Higher Degrees Committee (HDC).
7. In the event of a resubmission the reports will be submitted to the supervisor who will communicate with you for revision. Once revision has taken place your supervisor will submit to the FRO for resubmission to the examiners.
8. In the case where there is a discrepancy in examiners results, an Arbiter will be nominated via the HOD and supervisor and tabled at FRC and ratified at HDC. On completion of this process, the Arbiters report will be tabled at FRC and ratified at HDC.
9. Results of the Arbitration process will be communicated to your supervisor

**Graduation requirements:**

1. Ensure that you submit a completed signed PG10 form
2. one hard bound dissertation/thesis with a pdf version on CD
3. response to post graduate examination form
4. completion of study form (IREC form)

Should you experience any problems relating to your research, your supervisor must be informed of the matter as soon as possible. If the difficulties persist, you should then approach your Head of Department and thereafter the Faculty Research Coordinator.

Please refer to the 2017 General Rule Book and the Postgraduate Students' Guide 2017 concerning the rules relating to postgraduate studies, which include *inter alia* acceptable minimum and maximum timeframes, submission of thesis/dissertations, etc. Please do not hesitate to contact this office for any assistance. We wish you success in your studies.

Kind regards,

FRC Chairperson: Faculty of Management Sciences

Cc Supervisor: **Dr. N. L. Govender**

## Annexure C: Ethics Letter



### MANAGEMENT SCIENCES: FACULTY RESEARCH ETHICS COMMITTEE (FREC)

14 March 2018  
Student No: 20105774  
FREC REF: 7/18FREC

Dear Mr M Dzivhuluwani

PhD IN MANAGEMENT SCIENCES: BUSINESS ADMINISTRATION

**TITLE: THE INFLUENCE OF BROAD-BASED ECONOMIC EMPOWERMENT POLICIES ON ORGANISATIONAL EFFECTIVENESS: A CASE STUDY OF SOUTH AFRICAN COMPANIES.**

Please be advised that the FREC Committee has reviewed your proposal and the following decision was made: **Ethical Level 2**

**Date of FRC Approval: 8 March 2018**

Approval has been granted for a period of two years from the above FRC date, after which you are required to apply for safety monitoring and annual recertification. Please use the form located at the Faculty. This form must be submitted to the FREC at least 3 months before the ethics approval for the study expires.

Any adverse events [serious or minor] which occur in connection with this study and/or which may alter its ethical consideration must be reported to the FREC according to the FREC SOP's. Please note that ANY amendments in the approved proposal require the approval of the FREC as outlined in the FREC SOP's.

Yours Sincerely

---

Prof JP Govender  
Deputy Chairperson: FREC

## Annexure D: Gatekeepers Letter 1



**the dti**

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA

OFFICE OF THE DIRECTOR GENERAL

Private Bag X84, PRETORIA, 0001 • the dti Campus, 77 Meintjies Street, Sunnyside, 0002, Tel: (012) 394 0000, Fax: (012) 394 0323  
the dti Customer Contact Centre local: 0861 843 384 International: +27 12 394 9500, www.thedti.gov.za

5108 Mohlatswa Street  
Birch Acres Ext 33  
Kempton Park  
1619

Dear Mr. Dzivhuluwani Mudau

### RE: REQUEST FOR PERMISSION TO CONDUCT DOCTORAL RESEARCH STUDY

Your letter dated on 03 February 2017 refers.

On behalf the BEE Unit, under the ambit of the Department of Trade and Industry, we hereby grant you permission to conduct interviews and research on Broad-Based Black Economic Empowerment Policies developed by the BEE Unit.

The granting of permission is only limited to personnel within the BEE Unit, under the ambit of the Department of Trade and Industry.

We wish you all the best with research and studies.

LISO STETO

DIRECTOR: BEE UNIT

DEPARTMENT OF TRADE AND INDUSTRY

DATE: 9 / 02 / 2017

Lefapha la Dikgwebisano le Diintaseteri • Lefapha la Kgwebo le Indasteri • uMnyango wezoHwebo neZimboni • Muhasho wa zwa Mbambadzo na Indasiteri • Department van Handel en Nywerheid • Kgoro ya Kgwebo le Indasteri • Ndzawulo ya to Mabindzu na Tiindastrî • LI Tiko le Tekuhweba netiMboni • ISebe lezoRhwebo noShishino • UmNyango wezokuRhwebelana namaBubulo

**Batho Pele** - putting people first



## Annexure E: Gatekeeper's Letter 2

The screenshot displays a Gmail interface on a desktop browser. The browser's address bar shows a search for "nediac" on the Gmail website. The email header indicates it is from Kim Jurgensen (kim@nediac.org.za) to "me" on 08/11/2015. The email body contains the following text:

Hi Dzivhulwani  
Thanks for the information. Please feel free to use any Mediac information that is in the public domain. We would very much like to see a copy of your thesis once it is done. We wish you best of luck with your studies  
Regards  
Kim

The email also includes a Word document attachment titled "nediac.docx". The email footer provides the following details:

**From:** Mudau Dzivhu [mailto:dzivhudziva@gmail.com]  
**Sent:** Tuesday, November 03, 2015 1:00 PM  
**To:** Kim Jurgensen  
**Subject:** Fwd: Request for Permission to conduct Doctoral Research Study

The browser's taskbar at the bottom shows several open applications, including a PDF viewer displaying "teek\_analysis\_2009.pdf" with a "Network error" message, and various office and utility programs. The system tray shows the time as 16:51 on 2017-01-30.

## Annexure F: Consent Form



### LETTER OF INFORMATI ON

**Title of the Research Study:** The influence of Broad-Based Black Economic Empowerment Policies on Organisational Effectiveness: A Case of South African Companies.

**Principal Investigator/s/researcher:**  
Dzivhuluwani Mudau

**Supervisor/s:** Dr N. L Govender

**Brief Introduction and Purpose of the Study:** The aim of the study is to explore the influence of B-BBEE policies on organisational effectiveness in the South African economy. Apart from the external and internal business environment, companies competing in the South African business landscape need to contend with the B-BBEE legislation.

**Outline of the Procedures:** The respondents will be asked questions that relate to BBEE in organizations.

**Risks or Discomforts to the Participant:** None

**Benefits:** The data will be collated and result in a thesis and Journal publication

**Reason/s why the Participant May Be Withdrawn from the Study:** None

**Remuneration:** None

**Costs of the Study:** None

**Confidentiality:** Confidentiality will be ensured by keeping the raw data away from third parties and if ever the respondents could have supplied their names with the questionnaire then those names will not be revealed to the public to safeguard the identity of the respondents.

**Research-related Injury:** None

**Persons to Contact in the Event of Any Problems or Queries:**

Dzivhuluwani Mudau  
dzivhu4eva@gmail.com

Supervisor: Dr N L Govender  
[govenderln@ukzn.ac.za](mailto:govenderln@ukzn.ac.za) -

Institutional Research Ethics Administrator on 031 373 2375. Complaints can be reported to the DVC: Research, Innovation and Engagement Prof S Moyo on 031 373 2577 or [moyos@dut.ac.za](mailto:moyos@dut.ac.za).



**CONSENT**

**Statement of Agreement to Participate in the Research Study:**

- I hereby confirm that I have been informed by the researcher, (Dzivhuluwani Mudau researcher), about the nature, conduct, benefits and risks of this study - Research Ethics Clearance Number: 7/18FREC.
- I have also received, read and understood the above written information (Participant Letter of Information) regarding the study.
- I am aware that the results of the study, including personal details regarding, gender, age range, number of years of experience, type of company, size of company will be anonymously processed into a study report.
- In view of the requirements of research, I agree that the data collected during this study can be processed in a computerized system by the researcher.
- I may, at any stage, without prejudice, withdraw my consent and participation in the study.
- I have had sufficient opportunity to ask questions and (of my own free will) declare myself prepared to participate in the study.
- I understand that significant new findings developed during the course of this research which may relate to my participation will be made available to me on request.

<b>Full Name of Participant</b>	<b>Date Signature</b>	<b>Time /</b>	<b>Right</b>

I, Dzivhuluwani Mudau herewith confirm that the above participant has been full informed about the nature, conduct and risks of the above study.

<b>Full Name of Researcher</b>	<b>Date</b>	<b>Signature</b>

## Annexure G: Editor's Letter



104 Suid Ollers Street, Napier, Western Cape, South Africa

Cell: +27 72 244 4363 or 082 807 0134

Email: [safe@busybeediting.co.za](mailto:safe@busybeediting.co.za) / [brendavansensburg2@gmail.com](mailto:brendavansensburg2@gmail.com)

Website: [www.busybeediting.co.za](http://www.busybeediting.co.za)

# Proofreading and Editing Certificate

## TO WHOM IT MAY CONCERN

This is to certify that we Brenda van Rensburg and Hugo Chandler the owners of the above company are both professional freelance proof-readers and editors. For the past twelve years we have been providing proofreading, editing, layout, syntax, spelling and grammar checks as well as typing and graphic design services to university students and to graduates for their theses, reports and dissertations, as well as to authors for their manuscripts. We will gladly provide any references if needs be or these are available on our website at [www.busybeediting.co.za](http://www.busybeediting.co.za)

We have completed the proofreading, editing, layout, syntax, spelling and grammar check on a 90 603 word/315-page **PhD THESIS** titled: **THE INFLUENCE OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT POLICIES ON ORGANISATIONAL EFFECTIVENESS: A CASE OF SOUTH AFRICAN COMPANIES** for **DZIVHULUWANI MUDAU**, Student No.: 20105774 submitted in fulfilment of the requirements for the degree of **DOCTOR OF PHILOSOPHY: MANAGEMENT SCIENCES BUSINESS ADMINISTRATION** at the **DURBAN UNIVERSITY OF TECHNOLOGY**.

---

Brenda van Rensburg

---

Hugo Chandler

Date: 5 September 2020

