

**The relation between equity policies, employee perceptions and
organisational culture**

by

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Important changes that have taken place within South African politics mean that most companies today are under pressure to implement affirmative action (AA) policies within their organisations (equity policies). These AA policies include employment equity (EE) policies and Black economic empowerment (BEE) policies. Company agendas now include aspects such as *equality* and *social justice* and organisations will continue to be evaluated in terms of how well they meet *employment equity targets*. Many employees and citizens in general view the process and implementation of these policies with great scepticism and even reluctance. It is important to understand and examine these perceptions because employee perceptions influence employee attitudes and behaviour and therefore have an effect on the success (or failure) of an organisation. The effective implementation of EE and BEE policies will to a large extent depend on whether or not these policies fit into the overall culture of an organisation or whether the organisational culture is adapted to accommodate these policies.

Previously, corporate cultures largely ignored principles of diversity and difference. It is important that the question of whether this has changed or changed to a large enough degree be answered, especially with regard to the implementation of EE and BEE policies. Some EE and BEE programmes may fail because previous structures, cultural systems and management styles are adhered to without adapting these to suit the needs of these policies.

Ultimately, employees' perceptions of AA in their organisation, namely the EE and BEE policies that are implemented, influence the attitudes and behaviour of employees and ultimately the success of the organisation. These perceptions are related to the culture of the organisation.

This study explores employee perceptions of equity policies, specifically EE and BEE, in terms of differences in demographic characteristics, including race, gender, age, years' service and occupational level; as well as relative to the main factors of these equity policies, as confirmed by a factor analysis performed on the data, namely the *importance*, *impact* and *clarity* of these policies. The sample company's organisational culture is also explored in terms of these equity policies and perceptions thereof. The ultimate goal of this research is to examine if any relationships exist between the implementation of organisational cultural practices in an organisation relative to equity policies and employee perceptions of these, and if any relationships do exist, to determine the nature of such relationships. The sample size in this study is 476 employees.



Key Terms

Organisational/Corporate culture
Affirmative action (AA)
Employment equity (EE)
Black Economic Empowerment (BEE)
Transformation
Equity policies
Apartheid
Discrimination
Previously disadvantaged
Quotas
Tokenism
“Window dressing”
Perceptions
Race
Diversity

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1. INTRODUCTION

1.1 RESEARCH PROBLEM

Important changes that have taken place within South African politics mean that most companies today are under pressure to implement affirmative action (AA) policies within their organisations (Dombai & Verwey, 1999; Vermeulen & Coetzee, 2006). These AA policies include employment equity (EE) policies and Black economic empowerment (BEE) policies. Definitions of these terms and distinctions thereof are outlined in the next section. Company agendas now include aspects such as *equality* and *social justice* and organisations will continue to be evaluated in terms of how well they meet employment equity targets (Louw, 2006; Vermeulen & Coetzee, 2006). Many employees and citizens in general view the process and implementation of these policies with great scepticism and even reluctance (Coetzee & Vermeulen, 2003; Dombai & Verwey, 1999; IOL, 2007; Quintal, 2007; Vermeulen & Coetzee, 2006). It is important to understand and examine these perceptions because employee perceptions influence employee attitudes and behaviour and therefore have an effect on the success (or failure) of an organisation (Vermeulen & Coetzee, 2006). Therefore employee perceptions of the organisation by which they are employed and the performance of that organisation exert a reciprocal influence on each other.

In terms of the culture within an organisation and how it relates to EE and BEE policies, Dombai and Verwey (1999) note that, “individuals’ experiences of the organisational culture as a context for the construction of meaning are more important to diversity management than individual differences as a result of diversity” (p.104). The effective implementation of EE and BEE policies will to a large extent depend on whether or not these policies fit into the overall culture of an organisation or whether the organisational culture is adapted to accommodate these policies (Motileng, Wagner & Cassimjee, 2006). The organisation may therefore be viewed as a complex system consisting of different parts, such as the culture of the organisation and the practices within the organisation (such as EE and BEE policies and the implementation of these).

Previously, corporate cultures largely ignored principles of diversity and difference (Dombai & Verwey, 1999). It is important that the question of whether this has changed or changed to a large enough degree be answered, especially with regard to the implementation of EE and BEE policies. Some EE and BEE programmes may fail because previous structures, cultural systems and management styles are adhered to without adapting these to suit the needs of these policies (Motileng et al., 2006).

Authors such as Dombai and Verwey (1999) have recognised the economic imperative of examining the implementation of EE and BEE policies and their relation to the culture of a corporation. They note that “it would seem from an overview of available literature that organisations can only manage their diverse workforces successfully when their corporate

cultures are receptive to and supportive of diversity (Dombai & Verwey, 1999, p.105). Furthermore, selection techniques represent a vital aspect of business considerations and decisions because it is important that the most suitable candidate be found for the job. If candidates perceive these selection techniques as unfair they may not apply for the job, and the company may effectively be losing out on the most suitable employee for the job (De Jong & Visser, 2000). In accordance with this, "selection can function as a powerful mechanism to take positive steps to promote equal representation of previously disadvantaged groups at all occupational categories and levels" (De Jong & Visser, 2000, p.17). Ultimately, employees' perceptions of AA in their organisation, namely the EE and BEE policies that are implemented, influence the attitudes and behaviour of employees and ultimately the success of the organisation (Vermeulen & Coetzee, 2006). These perceptions are related to the culture of the organisation.

1.2 DEFINITION AND OVERVIEW OF KEY CONCEPTS

1.2.1 AFFIRMATIVE ACTION (AA)

Before the first democratic and multi-racial election in South Africa in 1994, certain groups were disadvantaged through discrimination, prejudice and the apartheid system (Coetzee & Vermeulen, 2003; McGregor, 2006). This was not only through social processes but also legal processes and procedures (Jackson III, Alessandri & Black, 2005). This was furthermore prominent in the labour market and economy, including discrimination through unfair employment practices (Horwitz & Jain, 2002). Inequality was prevalent in access to education, skills, and managerial and professional work (Horwitz & Jain, 2002). This discrimination was on the basis of race and ethnicity (Horwitz & Jain, 2002). Two of the acts that were created to correct the injustices of the past in this regard are the Employment Equity Act (No. 55 of 1998) and the Promotion of Equality and the Prevention of Unfair Discrimination Act (No. 4 of 2000) (Coetzee & Vermeulen, 2003). The preamble of the Employment Equity Act (No. 55 of 1998) recognises:

that as a result of apartheid and other discriminatory laws and practices, there are disparities in employment, occupation and income within the national labour market; and that those disparities create such pronounced disadvantages for certain categories of people that they cannot be redressed simply by repealing discriminatory laws. (p.1)

The Act states that no unfair discrimination should take place against any employee in any organisation (Alexander, 2006; De Jong & Visser, 2000; Louw, 2006; Motileng et al., 2006; Thomas & Robertshaw, 1999). Specifically, Section 2 of the Act states that the purpose of affirmative action is to

achieve equity in the workplace by –

- (a) promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- (b) implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce (Employment Equity Act, 1998, p.12).

AA may then be defined as “a collection of specific measures employers should implement to achieve employment equity” (Leonard, 2004, p.16). The Employment Equity Act (1998) states that “every designated employer must, in order to achieve employment equity, implement affirmative action measures for people from designated groups in terms of this Act” (p.21).

AA is furthermore the implementation of the “planned placement and development of persons that were denied equal opportunities in the past” (Coetzee & Vermeulen, 2003, p.18) and it is “the vehicle for democracy in the workplace” (Coetzee & Vermeulen, 2003, p.18). Through AA, a workforce that is representative of the population should be achieved (Coetzee & Vermeulen, 2003). The EEA (Employment Equity Act) currently provides for AA for black people (Indians, Coloured people and Africans) (Employment Equity Act, 1998), women, and those with disabilities – these are termed “designated groups” (Alexander, 2006; De Jong & Visser, 2000; Dupper, 2004; Quintal, 2007; Thomas & Robertshaw, 1999; Tinarelli, 2000). White women may, however, in time be excluded from benefiting from AA (Quintal, 2007).

The Act considers “affirmative action measures” to be those that are “designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer” (Employment Equity Act, 1998, p.21) (also documented in Alexander, 2006; Dupper, 2004; Leonard, 2004; Louw, 2006; The FW de Klerk Foundation, 2006; Thomas, & Robertshaw, 1999; Tinarelli, 2000). These measures include “the elimination of barriers created by ‘unfair discrimination’; measures aimed at increasing diversity in workforces; ‘preferential treatment’, including skills training, numerical goals promoting equitable representation, but not including quotas” (The FW de Klerk Foundation, 2006, p.14). Furthermore, according to the Act, “a designated employer must prepare and implement an employment plan which will achieve reasonable progress towards employment equity in that employer’s workforce” (Employment Equity, 1998, p.26).

The Black Leader defines AA as “a broad policy of making a concerted effort to employ black people in business and to advance blacks into senior positions with real powers to make decisions” (as documented in Motileng et al., 2006, p.11). This definition excludes the other designated groups of women and the disabled.

South Africa's ruling party, the ANC (African National Congress) has stated that AA

should be implemented in a manner that is

- fair and equitable;
- inclusive, to ensure that those most directly affected, whether positively or negatively, have the greatest say in implementation decisions;
- consistent with the constitution and legislation, and should not be dependent on the subjective whims or the fluctuating zeal of particular officials;
- proportionate to the ends to be achieved; and
- transparent, non-corrupt and accountable. (The FW de Klerk Foundation, 2006, p.12)

Employment equity (EE) and Black economic empowerment (BEE) are two of the main programmes that the government has implemented as part of the AA process to bring about positive “transformation” and employment equity in South Africa.

1.2.1 EMPLOYMENT EQUITY (EE)

As stated before, one of the acts that was created to correct racial injustices of the past in regard to EE is the Employment Equity Act (No. 55 of 1998). This act recognises that as a result of apartheid in South Africa and other legal injustices, certain groups were discriminated against in terms of employment opportunities and that these injustices need to be redressed (Employment Equity Act, 1998). In order to fulfil this, the Act states that AA measures should be put in place in companies that ensure the equal representation of designated groups at all occupational levels and in all occupational categories (Employment Equity Act, 1998). These designated groups include the following:

- a) All women
- b) Black men
- c) All people with disabilities.

The Employment Equity Act (EEA) has five main goals. These are as follows:

- a) To eliminate unfair employment discrimination;
- b) To implement Employment Equity to redress the negative effects of discrimination;
- c) To achieve a diverse workforce, representative of the South African population;
- d) To promote economic development and efficiency in the South African workforce; and
- e) To comply with International Labour Organisation regulations. (Leonard, 2005).

Section 9 (2) of the Constitution outlines that the state “has a right to discriminate *in favour* of certain persons to promote the achievement of equality” (The FW de Klerk Foundation, 2006, p.14). Equality is defined as including “full and equal enjoyment of all rights and freedoms”

(The FW de Klerk Foundation, 2006, p.14). The Constitution states further that in order to achieve this equality, measures may be taken that unfairly discriminate against certain people (Promotion of Equality and Prevention of Unfair Discrimination Act, 2000; The FW de Klerk Foundation, 2006). These measures include the following:

- a) Recruitment procedures, advertising and selection criteria;
- b) Appointments and the appointment process;
- c) Job classification and grading;
- d) Remuneration, employment benefits and terms and conditions of employment;
- e) Job assignments;
- f) The working environment and facilities;
- g) Training and development;
- h) Performance evaluation systems;
- i) Promotion;
- j) Transfer;
- k) Demotion;
- l) Disciplinary measures other than dismissal; and
- m) Dismissal. (Employment Equity Act, 1998, p.5)

Therefore discrimination is not deemed to be unfair in the case of AA measures, including EE (Thomas & Robertshaw, 1999).

Measures that have been put in place to promote company compliance with the EE Act include reports that need to be submitted annually (Employment Equity Act, 1998; Leonard, 2005; Thomas, 2003) and penalties in the form of hefty fines that may be levied upon companies that do not comply with EE regulations (Employment Equity Act, 1998). The maximum fine for a first offence is R500 000. Before a company puts an EE plan into place, a thorough analysis needs to be conducted to determine “employment barriers which adversely affect people from designated groups” (Employment Equity Act, 1998, p.11). EE is not only legislated, but there are also a number of guideline documents that support the process, such as the Code for Good Practice (Leonard, 2005).

1.2.3 BLACK ECONOMIC EMPOWERMENT (BEE)

BEE was drawn up by the ANC government soon after it won the general election in 1994 in a bid to correct the economic imbalance brought about by apartheid by which certain groups were excluded from economic achievement and advancement (Cargill, 1999; IOL, 2007).

Black people were in fact legally excluded from managing South African companies (Jackson III et al., 2005).

Balshaw and Goldberg (2005) define BEE as “a government initiative to promote economic transformation in order to enable meaningful participation in the economy by black people” (p.16). The Broad-Based BEE Act (No. 53 of 2003) includes all black people in the definition, including black women, workers, youth, and people with disabilities (The FW de Klerk Foundation, 2006).

BEE regulations encourage companies to employ black partners to take up more than 25 percent of equity stakes (Balshaw & Goldberg, 2005; IOL, 2007). These stakes are usually sold to black individuals or consortia (many of which constitute large groups of investors or labour unions) at a highly discounted price (which is well below the market price of the shares) (Jackson III et al., 2005). Companies’ progress in this regard is monitored through score cards and codes of conduct, although compliance is voluntary (Balshaw & Goldberg, 2005; IOL, 2007; Leonard, 2004; The FW de Klerk Foundation, 2006). However, BEE is not just about owning shares (Klein, 2009), but also includes the management and other professional involvement with companies (Finance Week, 2008; IOL, 2007). Purchasing from small and medium enterprises is also part of BEE (IOL, 2007); as well as human resource and skills development (The FW de Klerk Foundation, 2006). These processes refer to the newer Broad-Based Black Economic Empowerment Strategy (Broad-based BEE), which government initiated in March 2003 and was informed with help from the Black Economic Empowerment Commission (The FW de Klerk Foundation, 2006). The BEE Commission’s (BEECom) 2001 report is clearly “reflected in the guiding principles and general approach to BEE adopted by the DTI (Department of Trade and Industry), and the targets which have been set in the BEE Strategy” (The FW de Klerk Foundation, 2006, p.3). This Commission was established by the Black Management Forum (BMF) in Stellenbosch in 1997 (Londt, 2005; The FW de Klerk Foundation, 2006). At that stage, empowerment deals were governed mainly by organisations, including government, and the needs of the poor and marginalised black people were largely ignored; BEE needed a new direction and focus (The FW de Klerk Foundation, 2006). The BEECom conducted research and set out to create a new “accelerated National BEE Strategy” (The FW de Klerk Foundation, 2006, p.4). One of the main aims of this new Strategy was to “ensure broader and meaningful participation in the economy by black people to achieve sustainable development and prosperity” (The FW de Klerk Foundation, 2006, p.4).

The South African DTI defines BEE as:

an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the

number of black people that manage, own and control the country's economy, as well as significant decreases in income inequalities. (The FW de Klerk Foundation, 2006, p.5)

The practical working of BEE requires a business to ensure that it obtains a valid Verification Certificate issued by a recognised and accredited BEE Verification Agency, which serves to confirm the BEE status of the company (The FW de Klerk Foundation, 2006). This certificate records the BEE status of the company, which is based on a Contribution Level of between 1 and 8 (The FW de Klerk Foundation, 2006).

BEE is now governed by the BEE Strategy launched in 2003, the Broad-Based Black Economic Empowerment Act 53 of 2003 and the BEE Codes of Good Practice published by the DTI (Balshaw & Goldberg, 2005; The FW de Klerk Foundation, 2006). The BEE Strategy explains the use of a BEE Scorecard: this is "used to measure progress with BEE on an enterprise and sectoral level" (The FW de Klerk Foundation, 2006, p.8) (also documented in Fauconnier & Mather-Helm, 2008). This scorecard measures three distinct elements of BEE: ownership and control of companies and assets (*direct empowerment*); skills development and employment equity; and "preferential procurement and enterprise development" (*indirect empowerment*) (The FW de Klerk Foundation, 2006, p.8). Specifically, the Scorecard measures seven distinct elements of BEE (as documented in Fauconnier & Mather-Helm, 2008; Ponte, Robers & van Sittert, 2007; Van der Nest, 2004), namely:

- a) Ownership;
- b) Management;
- c) Employment equity;
- d) Skills development;
- e) Procurement;
- f) Enterprise development; and
- g) Socio-economic development.

The Scorecard is used by government when licences are granted for specific economic activities, for a private company to operate a company on behalf of government, when a state-owned enterprise is sold, when public-private partnerships are entered into, and when the government takes part in any economic activity (The FW de Klerk Foundation, 2006).

The initial BEE strategy did not include much detail on how to calculate BEE scores; these measurements were expanded on in the BEE Codes of Good Practice, the latest drafts of which were released in November and December 2005 (The FW de Klerk Foundation, 2006). The public participated in this process and contributed to the new additions that were made to the Codes (The FW de Klerk Foundation, 2006). Companies who are awarded higher BEE scores are given preference in all of the previously listed areas (Jackson III et al., 2005; The FW de Klerk Foundation, 2006). An example of the BEE Scorecard is included as Appendix B.

The DTI's BEE Codes of Good Practice were devised to guide companies in the implementation of BEE policies and procedures (The FW de Klerk Foundation, 2006). These detail the measurement and weighting of different components of BEE in different sectors and targets thereof as well as what the structure of BEE charters and the processes thereof should look like (The FW de Klerk Foundation, 2006).

The BEECom has set clear and ambitious numerical targets for Broad-Based BEE, which, they state, will be reviewed at the end of the ten-year period ending in 2011 (The FW de Klerk Foundation, 2006); however, the official targets for the programme are defined and monitored by the official legislatures already mentioned. Some of these targets of the BEECom are listed and discussed in the Literature Review section.

1.2.4 ORGANISATIONAL/CORPORATE CULTURE (OC)

Dombai and Verwey (1999) define organisational culture as “social constructions, symbolically constituted and reproduced through interaction” (p.106). Brown (1995) is more specific in his definition when he defines corporate culture as:

a general constellation of beliefs, mores, customs, value systems, behavioural norms, and ways of doing business that are unique to each corporation, that set a pattern for corporate activities and actions, and that describe the implicit and emergent patterns of behavior and emotions characterising life in the organization. (p.6)

It has been found that organisations can only effectively manage their diverse workforces when their corporate cultures are receptive to and supportive of such diversity (Cox, 1993; Dombai & Verwey, 1999). Language and communication are important aspects of organisational culture (Cox, 1993; Esterhuizen & Martins, 2008), as are the policies and rules (procedures) that are put into place within the organisation, and interpersonal relationships that occur within the company (Brown, 1995; Dombai & Verwey, 1999; Gudykunst, Stewart & Ting Toomey, 1985). The organisation's traditions, behaviour patterns, values, norms and even visible artefacts such as dress codes and office layout are further salient features of its culture (Bantz, 1993; Czarniawska-Joerges, 1992; Human, Bluen & Davies, 1999; Parker, 2000; Petkoon & Roodt, 2004; Schultz, 1994; Terlaga & O'Connor, 1994).

Furthermore, according to Dombai and Verwey (1999), organisational culture influences socialisation, power relationships, policies and procedures, reward systems, discourse systems, and ideology in the company, which all have an effect on employees' experiences – including that of EE and BEE policies.

A related concept, “organisational climate” includes three behavioural levels: the individual, interpersonal and organisational levels (Cilliers & Kossuth, 2002). Organisational dimensions

include structure, policy, objectives, management practices, task specialisation, decision making processes and reward systems and furthermore employee needs, responsibilities, interactive communication, information sharing, and the support and handling of conflict (Cilliers & Kossuth, 2002). Many of these aspects of organisational climate/culture are addressed in the questionnaire of the research study under the “Organisational Culture” section.

1.3 JUSTIFICATION, AIM AND OBJECTIVES

Research of this kind, examining employee perceptions of EE and BEE and how these relate to the culture of an organisation, is important because research studying AA in the South African context and especially how perceptions of AA relate to the culture of an organisation (a systemic approach) is lacking. It is important to determine the relationship between these variables because, as shown in the literature review, employee perceptions influence employees’ attitudes and behaviour and may have either positive or negative influences on the company’s success. From a systems theory perspective, all these variables influence one another and may create change (either negative or positive) in the system as a whole. In this case, the system is the *organisation*. As Edgar (2003) states, “the evaluations of employees are not necessarily a good guide to what actually occurs in an organisation, but they are nonetheless a powerful factor in influencing individual behaviour” (p.108). This behaviour of individual employees will necessarily exert an influence on their performance and in turn the performance of the organisation as a whole.

Research of this kind therefore represents an *economic imperative* to the South African context. Furthermore, it is important to assess the effectiveness of EE and BEE policies not only in terms of legal implementation but also in terms of employee perceptions, behaviours and reactions to these policies and the implications that these factors may have for the organisation. This is important to consider as a review of these policies has been suggested by many in government positions and it seems highly likely that such an evaluative review will take place in the future (e.g. IOL, 2007; Tangri & Southall, 2008). It is important that these policies be reviewed in terms of their effectiveness and efficiency and it needs to be assessed whether these policies need to be adapted to new and/or developing needs. Therefore, such research is beneficial in advancing the field of research of EE and BEE policies in South Africa and could inform government policy and affect/influence employee performance.

The aims and objectives of this research are as follows:

- a) To examine employee perceptions of EE and BEE policies – both within their own company and of South African organisations in general.
- b) To examine differences in these perceptions relative to race, occupational level, age, gender, and years’ service for the company.

- c) To inquire about the organisation's culture in terms of practices related to EE and BEE policies implemented in the company.

- d) To determine if any relationships exist between the existence and implementation of organisational cultural practices in the organisation relative to EE and BEE implementation and transformation, and employee perceptions of EE and BEE.

1.4 THEORETICAL OR PARADIGMATIC POINT OF DEPARTURE

The main theoretical point of departure for this research is *structural functionalism* or *systems theory*. According to systems theory, the organisation is not independent and isolated from its environment (Dombai & Verwey, 1999; Furnham, 2005). The organisation is seen as a complex, multifaceted component of the greater system (Buckley, 1967). A system is “any two or more parts that are related, such that change in any one part changes all parts” (Hanson, 1995, p.27). Therefore all aspects of the system are interconnected and exert influence on one another (Hanson, 1995). The organisation and its environment have reciprocal influences on each other (Dombai & Verwey, 1999; Hart, 2005). Dombai and Verwey (1999) state the following:

The technological, legal-political, economical and socio-cultural environments shape the marketplace in which the organisation competes, and also directly influence the communities out of which the organisation competes, and also directly influence the communities out of which the organisation draws its workforce. (p.110)

Therefore, EE and BEE policies (at the governmental level) influence organisations and also influence the country's workers and their perceptions of these policies and the organisation's implementation of the policies – and how these fit into the overall culture of the organisation.

Hanson (1995) notes that, “simple ... intervention is in fact complex when entered into a system of interrelated parts” (p.27). Equity policies such as EE and BEE may be viewed as interventions that management implements in the organisation (as viewed as a system) and as such cause complex changes within the organisation that effect different parts of the company in different ways. These variables may also either cause positive or negative change/s within the system (the organisation). Reciprocally, the organisation – the type of organisation and the type of culture that is part of the organisation – influences the way EE and BEE policies are implemented in the company and the ways that they are exercised over employees. This relationship can be represented visually and conceptually as follows in Figure 1. The double sided arrow between “organisation” and “environment” represents the reciprocal influence that they exert on each other. “Organisational culture” and “employee

perceptions” are related to the “organisation – and these all influence one another. These systemic relationships are indicated in Figure 1 below.

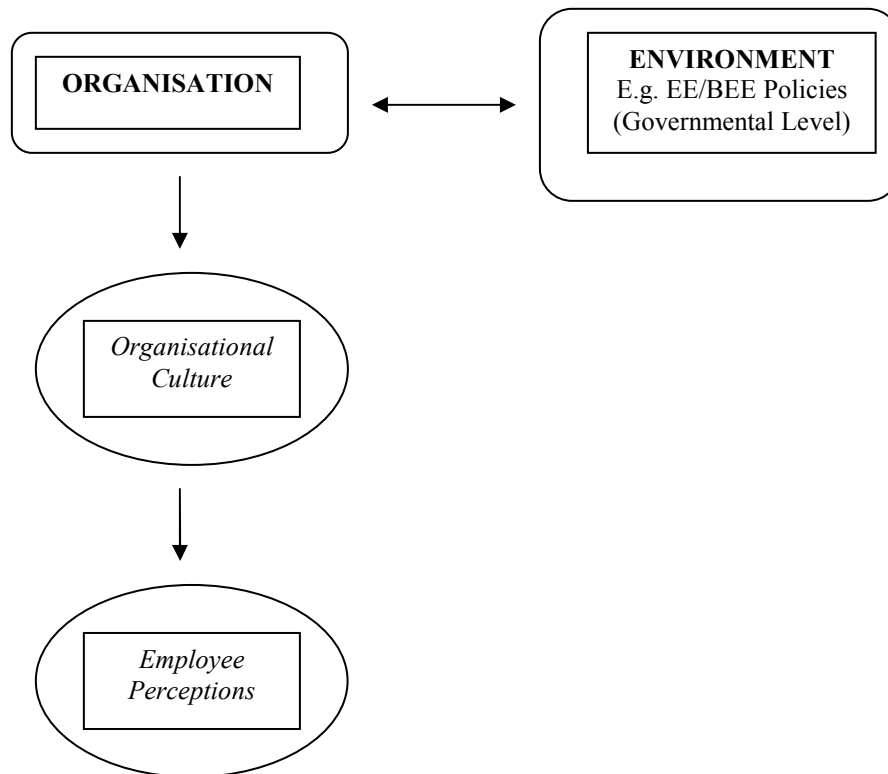


Figure 1. *The inter-relationships between the environment and the organisation*

Both cooperation and conflict can occur within the organisation – and these factors will have influences on the other systems involved (Buckley, 1967; Furnham, 2005; Gudykunst et al., 1985). Any change (whether action or inaction) that occurs within the system may have unpredictable effects on other aspects of the system and on the system as a whole (Hanson, 1995).

Feedback is a process that systems experience whereby “causality ... is interactive and continuous” (Hanson, 1995, p.58). Through the process of feedback an action occurs, to which a reaction responds; this cycle continues indefinitely (Hanson, 1995). According to Hanson (1995), feedback “steers the system” (p.58) – it is therefore at the core of the effective operation of a system. Feedback may be positive or negative (Hanson, 1995). *Positive feedback* occurs when there is a change in the system and *negative feedback* is when there is no change (Hanson, 1995). Furthermore, according to structural functionalism, a social entity, such as an organisation, can be viewed as an organism, which is made up of different parts, each of which contributes to the functioning of the whole system (Babbie, 2005).

By making use of a questionnaire with certain specific questions, the researcher wishes to discover the relations that exist, both explicitly and implicitly, in and between the systems related to EE and BEE policies within the organisation in question.



1.5 RESEARCH METHODOLOGY

1.5.1 HYPOTHESIS

The research hypotheses are related to the variables of employee perceptions, equity policies (EE and BEE) (the implementation of and transformation caused by), and organisational culture (OC).

The independent variables (IV) are the culture within the organisation (OC) and the implementation of equity policies within the organisation. The dependent variable (DV) is employee perceptions related to the implementation of equity policies within the organisation.

The hypotheses related to statistical testing using multiple correlation are as follows.

H0 (Null Hypothesis): No statistically significant relationships exist between the variables of EE and BEE policies, employee perceptions, and OC. $H_0: R = 0$.

H1 (Alternative Hypothesis): A statistically significant relationship/relationships exists/exist between the variables of EE and BEE policies, employee perceptions, and OC. Both positive and negative correlations are anticipated to occur between the different variables included in the study. $H_1: R \neq 0$.

1.5.2 RESEARCH DESIGN

This study is exploratory and a quantitative-descriptive research design is used, specifically the survey approach with the use of a questionnaire.

A relevant questionnaire will be designed based on research conducted to ascertain which questions are important for such a questionnaire, examining employee perceptions of equity policies such as EE and BEE. Two such questionnaires consulted in the process were the Semantic Differential Scale that was used by Dombai and Verwey (1999), containing questions such as if employees consider AA and BEE to be fair, necessary and successful; and Vermeulen and Coetzee's (2006) AA Fairness Questionnaire (AAFQ). Questions about the organisation's culture will be included in the questionnaire, with the focus on the culture within the organisation relative to EE and BEE policies. These questions will be developed by adapting existing corporate climate/culture surveys available.

This questionnaire will be given to a large organisation in the Pretoria area, which will be representative of large companies in general in South Africa (i.e. a macro company with a large workforce, comprising different occupational levels), which employ EE and BEE practices. Approval from the company will be gained and the research process will be clearly explained to the company. Ethical concerns will be complied with, including obtaining informed consent from all research participants. The number of research participants will



depend on the number of employees in the company (not including employees who decline from participating in the research and participants dropping out of the research).

1.5.3 SAMPLING/PARTICIPANTS

A non-probability sampling method will be used; specifically, a purposive sample will be chosen in sampling the company used in the research. The company chosen for the research will be a large organisation – a medium to macro enterprise, with a minimum of 50 employees, that has equity policies in place (i.e. EE and BEE policies in place) and procedures that implement these. This company may be in the private or public sector.

The participants will be sampled by using a convenience sampling method and they will consist of the employees of a large sample company in the Pretoria area who are willing to participate in the research. Participation will be voluntary. Therefore the total number of participants will be the total number of employees in the sample company (minus employees who decline to participate in the research and participants who drop out of the study, etc.). The sample company will be a medium to macro enterprise in terms of size and number of employees. Participants will include different races and both genders (both males and females).

1.5.4 MEASUREMENT INSTRUMENT

A questionnaire will be used to examine participants' perceptions of EE and BEE policies, both within their own company and of South Africa in general, and to determine what type of organisational culture their company has in relation to these equity policies, if EE and BEE policies are part of this internal culture, and if the type of organisational culture influences employee perceptions of EE and BEE. Variables that will be explored and included in the questionnaire include:

- Demographics (age, gender, race, occupational level and years' service);
- Perceptions of EE and BEE, including perceptions of fairness, necessity, and whether transformation has occurred within their company as a result of the practices;
- Perceptions of (and meanings attached to) the organisational culture, including communication within the organisation and socialisation within the organisation relative to EE and BEE; and
- The actual implementation of EE and BEE, including the methods used

These variables will be compared with one another and the different levels of the variables will be compared within the variables. For example, different occupational levels will be compared with one another (operational, supervisory and management) in terms of perceptions of EE and BEE, and other variables. It will be determined whether statistically significant correlations exist between the variables.

A five-point Likert scale will be used to indicate answers on the questionnaire (a score of 1 indicating a strong negative response – “*strongly disagree*”, and a score of 5 indicating a strong positive response – “*strongly agree*”). The proposed name for the questionnaire is “the Employment Equity and Black Economic Empowerment in Relation to Organisational Culture Questionnaire” (the EEBEE OCQ).

1.5.5 DATA COLLECTION PROCEDURES

The variables in the study are as follows. The *dependent variable* is employee perceptions of EE and BEE policies (and the accompanying variables listed previously). The *independent variables* are EE and BEE policies within the organisation and the implementation of these (including whether transformation has taken place within the organisation as a result of the implementation of these policies), and the organisational culture.

When approval from the sample company is granted, arrangements will be made for the data collection procedures. The questionnaires will be sent to all employees via an e-mail request, with the questionnaire available on the company’s internal computer network, after informed consent has been gained. Records will be kept of the organisation and of the participating employees. Anonymity and confidentiality will be maintained at all times throughout the research process and research participants will be assured of this. A reasonable amount of time will be provided to participants to complete the questionnaire, after which the questionnaires will be analysed.

1.5.6 DATA PREPARATION

The data will be adequately prepared for data analysis before data analysis commences by cleaning data where necessary and coding responses where this is required. This will be done in the computer programme Microsoft Excel and in the statistical computer software package SPSS for Windows version 16.

1.5.7 DATA ANALYSIS

Descriptive and comparative statistics will be used to analyse the data for statistically significant results and to obtain means and standard deviations on the data. SPSS for Windows will be used for all statistical procedures. Analyses of variance (ANOVAs) will be used to measure statistically significant differences between variables and one-way multivariate analyses of variance (MANOVAs) will be used to explore the relationships between variables. A factor analysis will also be performed on the data to investigate which main factors (if there are any) are responsible for the results obtained, and for this enough variables need to be included in the research design. This research design takes a large number of different variables into consideration, including demographic variables, dependent variables and independent variables.

Furthermore, correlation analyses will be conducted on the data. Correlation analyses will show if any significant relationships exist in the system of the organisation, consisting of different parts (the different variables included in the study). Regression analysis will also be conducted on the data to investigate any statistically significant relationships between variables.

Qualitative responses will be analysed by coding the data in Microsoft Excel and performing a basic thematic analysis on the coded data. This involves generating themes for similar categories of data, thereby ascribing meaning to the data (Neuman, 2000). Each theme describes a common attitude or opinion of different participants.

1.6 ETHICAL CONSIDERATIONS

Numerous biases may be caused by participant characteristics and the characteristics of the sample company, such as the number of males and females included in the survey, the type of organisation, the size of the organisation, fair representation of races, length of employment, etc. All of these variables may be confounding variables and may produce skewed and biased results. The large sample size in terms of the number of participants will reduce this problem to a certain extent; however confounding variables may still skew the results of the research. Results from the study will not be generalisable to other populations, because only one sample company will be used for the study. However, the company will be representative to a certain extent of large companies in general in South Africa that implement EE and BEE policies. Generalisability is however not the aim of this study, but rather comparison between variables of the study and finding correlations and statistically significant relationships between these variables.

A further confounding effect may be caused by dishonesty in answering the questionnaire, because of personal or social reasons. Participant effects may occur, including good participant and bad participant factors. For example, the participants may fear that their answers may have a negative influence on their employment and answer questions only in a positive light, or they may answer the questions according to how they think the researcher wishes them to answer them. To limit this, the participants will be informed that no one from the organisation will see or know about their responses and their anonymity and confidentiality will be assured.

A letter from the University of Pretoria verifying that the research is for educational purposes only and in support of the completion of a Masters degree will be obtained and this letter will be shown to the company (and to research participants). Approval from the sample company will be gained before the data collection begins. Informed consent will be obtained from the participants and it will be made clear to the participants that the data gathered is for research purposes only. In compliance with ethical procedures and rules, records of the participants

and their questionnaires will be safely kept for ten years so that no other party may be able to gain access to these records.

1.7 DISSEMINATION OF RESEARCH RESULTS

The research may be beneficial to employers and in informing governmental policy and may reveal interesting results in terms of perceptions and organisational culture, as related to EE and BEE policies and may therefore be of significant importance. The specific sample company used may benefit particularly from the results in terms of increased knowledge of employee perceptions of EE and BEE and this knowledge may influence future implementation of these policies or may be used to help change the culture within the organisation (if the company perceives this to be necessary). The sample company will be offered to be given a report of the main findings of the research after the research has been concluded and submitted. Therefore, possible audiences include employers from the sample company, key stakeholders in EE and BEE policies, government, and interested parties. However, all private participant information (e.g. names) will be kept by and accessible to the researcher only.

Limitations of the research will be discussed to further this field of research and suggestions for future research in the field will be made. The research may present itself as a starting point for further research of a similar kind in this field.

2. LITERATURE REVIEW

2.1 INTRODUCTION

Since South Africa's first democratic and multi-racial election in 1994, increasing attempts to turn South Africa into a fairer and more equal-opportunity society have been made (Esterhuizen & Martins, 2008; Herholdt & Marx, 1999; Leonard, 2004; McGregor, 2006; Petkoon & Roodt, 2004; Thomas, 1996; Van der Walt & Kituri, 2006; Vermeulen & Coetzee, 2006). These attempts have translated into changing policies within the economic sphere of the country as well. The reasoning behind this is clear. As Saki Macozoma, former ANC MP (Member of Parliament) and National Executive Committee member succinctly says, "one could not hope to extirpate the legacy of racial superiority without removing the economic superstructure that gave it credence" (Macozoma, 1999, p.9). Companies are focusing more and more on topics previously limited to the social arena, such as equality (equal opportunity) and correcting the injustices of the past (Herholdt & Marx, 1999; Tinarelli, 2000; Vermeulen & Coetzee, 2006). This process of change to bring about equality for all South Africans in the political, social and economic arenas has popularly become known as "transformation" (Herholdt & Marx, 1999; Leonard, 2004; The FW de Klerk Foundation, 2006). New legislation acts as a guideline and motivation for companies in regard specifically to *economic* transformation (Vermeulen & Coetzee, 2006). Three Acts regarding affirmative action (AA) were put in place (Vermeulen & Coetzee, 2006). These are: the "Employment Equity Act 55 of 1998", the "Promotion of Equality and the Prevention of Unfair Discrimination Act 4 of 2000", and the "Preferential Procurement Policy Framework Act 5 of 2000" (Vermeulen & Coetzee, 2006, p.53). The goal of these acts is to ensure equal opportunity for South Africa's workforce by correcting past inequalities and discrimination (Leonard, 2004; Thomas, 1996).

2.2 OVERVIEW OF THE STATUS OF EQUITY POLICIES IN SOUTH AFRICA

Despite the fact that AA is still such a controversial and hotly debated topic today as it was when it was first implemented (Innes, Kentridge & Perold, 1993; Leonard, 2004; Motileng, Wagner & Cassimjee, 2006), South African literature and research on the topic is lacking, especially *recent* research that examines the effectiveness or lack of effectiveness of AA, specifically employment equity (EE) and Black economic empowerment (BEE) policies, and possible reasons accounting for this. Many researchers and critics alike have proposed a review of EE and BEE policies to determine their effectiveness (e.g. IOL, 2007; Klein, 2009; Mtshali, 2008; Tangri & Southall, 2008), as well as possible amendments to the legislation and/or implementation of these policies (e.g. FinWeek, 2007). Reasons for this range from accusations that the legislation has been abused in that those benefiting from the policies are mainly from elite groups with strong ties to political parties (Alexander, 2006; Country Monitor, 2009; Fauconnier & Mather-Helm, 2008; IOL, 2007; Jackson III et al., 2005; Sartorius & Botha, 2008; Spies, 2009; Tangri & Southall, 2008; The FW de Klerk Foundation, 2006); criticisms that the true spirit of these policies are not being followed but mere "token gestures"

(IOL, 2007, p.1) are being made by filling quotas and the like; to statements that only a small group is benefiting from the policies (IOL, 2007; Jackson III et al., 2005), that deep-grained inequalities still contribute towards the economy underperforming (IOL, 2007), and that these policies are failing to create jobs and reach the masses (Jackson III et al., 2005; Mtshali, 2008; Ponte et al., 2007; Tangri & Southall, 2008). The progress of EE and BEE has also been widely criticised for moving too slowly (Alexander, 2006; Booysen, 2007; SABC, 2009). One of the main critics of BEE is Dr. Blade Nzimande, general-secretary of the SACP (South African Communist Party), who has stated that our economy is still a “colonial economy” mainly influenced by Whites (SABC, 2009). He has also criticised BEE for still having huge deficits in its skills development area and has said that there are problems with current SETA’s (sector education and training authorities) that have been established (SABC, 2009). In 2007 the Commission for Employment Equity suggested that the Employment Equity Act be reviewed, with possible amendments focusing particularly on “enforcement and compliance mechanisms” (IOL, 2007, p.1), including guidelines contained in the BEE Codes of Good Practice (FinWeek, 2007). At that stage the Commission said that fines for companies who do not comply with the Act should be increased to encourage active participation and compliance. Trevor Manuel himself, South Africa’s finance minister from 1996 to 2008 and present Minister in The Presidency of the National Planning Commission (24.Com, 2009), stated that the BEE legislation has been abused and that “there will have to be a review” (IOL, 2007, p.1).

The delay in processing Codes of Good Practice for BEE (which started in April 2004, and was only concluded with the latest drafts being delivered in two phases in November and December 2005) caused much uncertainty about BEE and had negative financial and practical implications for companies who were voluntarily attempting to be BEE-compliant (The FW de Klerk Foundation, 2006). Further delays in the accreditation of BEE verification agencies have caused similar problems (The FW de Klerk Foundation, 2006) and contribute to the negative haze surrounding BEE. BEE Audits and the use of accredited agencies to confirm a company’s BEE status cause great financial burdens for the company (The FW de Klerk Foundation, 2006).

Furthermore, a number of businessmen that have recently acquired shares (or companies) through empowerment deals are now not able to comply with payment, ownership or management requirements due to the current economic climate they find themselves in (Bain, 2009; Klein, 2009; SABC, 2009). Tokyo Sexwale recently commented in a television programme about BEE, Africa Inc., that government needs to consider, in collaboration with financial institutions, whether “bail out” plans need to put into place to deal with these recent developments (SABC, 2009) (also documented in Hasenfuss & Lund, 2009). The company Batho Bonke, which is led by Mr. Sexwale, was recently provided bridge financing and possibly back-up funding for a BEE deal by Absa (Thomas, 2009). Some, however, are against bail out procedures, including Cyril Ramaphosa (Klein, 2009; Ross, 2008), previous Member of Parliament, secretary general of the ANC and advisor for Cosatu (Congress of

South African Trade Unions), and current member of the BEE Commission (BEECom) (24.Com, 2009). The restructuring of BEE deals has also been suggested (FinWeek, 2007; Klein, 2009). A number of companies have recently refinanced their BEE deals and some deals have been delayed (Bain, 2009; Klein, 2009). One such company which experienced a delay in its BEE deal of selling 5% - 6% of its shares to black investors was MTN in March 2009, due to “severe constraints in financial markets” (Thomas, 2009, p.2). Some have suggested altering some of the current quotas required by businesses and related time frames (Ross, 2008). The value of BEE deals dropped to R60.9 billion in 2008 from R96 billion in 2007 and Ernst & Young warned that the pace for 2009 would also be slow (Klein, 2009). Some directors suggest that government should help refinance BEE deals through organisations such as the National Empowerment Fund (NEF) and Industrial Development Corporation (IDC), but warn that this should be implemented on a case-by-case basis (Klein, 2009). Accordingly, in light of the recent recession and crashing stock markets with the result of companies flailing under financial pressures, the question that needs to be asked is, “are these policies really improving the progress of EE and BEE in South Africa and are they still viable in the current financial climate?” Some are of the opinion that the current economic recession has served to highlight the pitfalls and weaknesses of the present EE and BEE models (e.g. Ross, 2008). Others go so far as to say that “the current economic climate of rising inflation and interest rates could threaten the future of BEE” (Sartorius, 2008, p.449).

Winner of a Nobel peace award, Desmond Tutu, has said that BEE “seemed to be benefiting a small recycled elite” (IOL, 2007, p.1) (also documented in Country Monitor, 2009; Fauconnier & Mather-Helm, 2008; Sartorius & Botha, 2008; Tangri & Southall, 2008). Willie Spies, spokesman for the Freedom Front Plus on labour and trade and industry, states that through BEE “wealth is passed from a white elite to a black elite” (Spies, 2009, p.9). Some have stated that too much focus is placed on ownership with regard to BEE (e.g. Finance Week, 2008; Klein, 2009). A chairman of a company that has been awarded a high empowerment rating by Empowerdex states that “BEE, as we know it today, has not really created the much-needed jobs and entrepreneurs, as black business is only focused on buying minority stakes in white companies, without hands-on involvement” (Mtshali, 2008, p.12) (also documented in Ponte et al., 2007; Tangri & Southall, 2008). That change is thought to be needed within these policies by many is evident in the newer Broad-Based BEE programme. Under pressure, the government needed to “broaden the benefits of its racially based economic empowerment agenda” (Habib, 2007, p.2). Examples of this include the sale of MTN shares to black citizens, where the maximum amount of shares could not exceed R50 000 by any one individual; and the Sasol black empowerment deal, where Sasol employees as well as trusts for black women, disabled people and community groups, were favoured (Habib, 2007; Tangri & Southall, 2008). SAB concluded a similar deal at the beginning of 2010, allocating 40% of the deal to its employees (Country Monitor, 2009). These cases show that attempts are being made to increase economic empowerment benefits to lower-middle and working-class groups (Habib, 2007), instead of focusing on a rich elite. A female consortium recently benefitted from a BEE deal through Cyril Ramaphosa’s Shanduka Group

granting them 10.5% of its shares (Klein, 2009). Raymond Ndlovu, head of BEE stockbrokers Noah says, “it is very difficult to see long-term transformation until a significant amount of assets moves to black-owned managers” (FM Fund Management, 2008, p.3).

The current implementation of AA programmes such as EE and BEE has even been criticised by the ruling party itself and Cosatu, as well as one of its partners, the SACP (South African Communist Party) (Habib, 2007). According to Habib (2007), these programmes are seen to have three main limitations. Firstly, these strategies have assumed that an equal playing field exists within the black community itself, whereas this is not the case (Habib, 2007). As Habib (2007) states, “inequality among blacks has been rising for nearly two decades” (p.1). Evident of this is the growing black middle class (e.g. Alexander, 2006; Sartorius & Botha, 2008; The FW de Klerk Foundation, 2006). A recent study by the University of Cape Town’s Unilever Institute reveals that the number of black upper middle class South Africans has grown to 2.6 million out of a total population of approximately 48 million – that is an increase of 30% in just over a year (as documented in Spies, 2009). Because of these inequalities Habib (2007) says that the richer sections of the black demographic group mostly benefit from AA. Secondly, the implementation of these programmes has in some cases marginalised the poor even further by decreasing the efficiency of service delivery to these people and this group is growing larger due to increasing unemployment rates (Habib, 2007; Ponte et al., 2007; Tangri & Southall, 2008; The FW de Klerk Foundation, 2006). This is done by keeping posts open in this sector when qualified, disadvantaged candidates cannot be found to fill these posts, instead of appointing appropriate employees from other groups, as stated should be done by the legislation (Habib, 2007). According to Ponte et al. (2007), the unemployment rate in 2004 was highest for black women, at 56%, while that of white men was just 7%. The unemployment rate for Africans under thirty years old was 60% in 2004 (Ponte et al., 2007). In 2004, 74% of African workers earned less than R2500 per month, compared to 12% of white workers (Ponte et al., 2007). Furthermore, much-needed positions in the public service sector are not being filled, because only competent white applicants can be found for these posts (Habib, 2007). “Managers in the public service are conditioned not to fill positions rather than compromise diversity proportions” (Habib, 2007, p.1). This results in further compromising imperative service delivery, with the poorest communities being hardest hit (Habib, 2007). Lastly, Habib (2007) says that the implementation of AA programmes such as EE and BEE has had “the unintended effect of heightening racial consciousness and alienating a section of the population” (p.2). This serves to increase racial prejudice instead of creating a South African identity while empowering previously disadvantaged individuals (Habib, 2007). Many of those who feel threatened by EE and BEE and/or view these policies critically question their morality and political and social efficiency, while those who stand to benefit from the processes often view the associated labelling and exclusion with disregard (Leonard, 2004; Leonard, 2005).

The founding group of Broad-Based BEE, the BEE Commission (BEECom), set ambitious numerical targets for the ten-year period of this programme, ending in 2011, while the DTI has

stated that the BEE Strategy will be reviewed in 2013. Some of the targets of the Commission include the following (The FW de Klerk Foundation, 2006):

- Black women should account for 35% and disabled people for 5% of all targets;
- The transfer of 30% of productive land to black individuals and group companies;
- Black equity participation in each sector of the economy should be increased to at least 25% including individuals and group companies;
- Black individuals, businesses and collective enterprises should hold at least 25% of the shares of companies listed on the JSE (Johannesburg Securities Exchange); at least 40% of non-executive and executive directors of companies listed on the JSE should be black;
- At least 30% of private sector procurement should be to black-owned companies, including SMEs and collective enterprises;
- At least 40% of senior and executive management in private sector companies (with more than 50 employees) should be black; and
- At least 40% of government incentives to the private sector should go to black companies. (p.4-5)

Although targets for BEE have not been quantified by the BEE Act, they include the following (The FW de Klerk Foundation, 2006):

- A substantial increase in the number of black people who have ownership and control of existing and new enterprises;
- A substantial increase in the number of black people who have ownership and control of existing and new enterprises in the priority sectors of the economy that government has identified in its microeconomic reform strategy;
- A significant increase in the number of new black enterprises, black-empowered enterprises and black-engendered enterprises;
- A significant increase in the number of black people in executive and senior management of enterprises;
- An increasing proportion of the ownership and management of economic activities vested in community and broad-based enterprises (such as trade unions) and co-operatives;

- Increased ownership of land and other productive assets, improved access to infrastructure, increased acquisition of skills, and increased participation in productive economic activities in under-developed areas;
- Accelerated and shared economic growth;
- Increased income levels of black persons and a reduction of income inequalities between and within race groups. (p.6)

If the proposed ten-year review does indeed take place in 2011 or a review takes place in 2013 for that matter, it will have to be ascertained to what extent these targets have been achieved and what changes need to be made to BEE structures (Klein, 2009), policies and procedures to ensure more effective achievement of these targets.

From both the available literature and the practical implementation of equity policies in South Africa, it is clear that studies related to the effectiveness and success of EE and BEE policies and variables that influence these represent an economic imperative in the South African context (Dombai & Verwey, 1999).

South Africans are hopeful with regard to diminishing inequalities in the country, as evidenced by a 2001 survey by Gibson that found that 16% of South Africans believed that race relations had improved a “great deal” since the end of apartheid and a further 45% thought that race relations had improved “somewhat” (as documented in Seekings, 2008). A similar study conducted in 2003 concluded that as many as 68% of South Africans thought that race relations had improved since apartheid and thought that race relations would continue to improve over the next five years (as documented in Seekings, 2008). However, for opinions surrounding equity policies to become more favourable, stock will need to be taken of the effectiveness of such policies and more efficient implementation mechanisms of these policies will need to be put into place. If companies can have increased awareness of factors that could improve successful implementation of EE and BEE policies, based on sound research, this would improve the status and effectiveness of such equity policies in the country.

2.3 AFFIRMATIVE ACTION IN OTHER COUNTRIES

When studying AA, it is important to look at what the condition in other countries has been. Two situations will be examined: that of the USA, as well as Malaysia.

2.3.1 THE UNITED STATES OF AMERICA (USA)

In the USA, after at least 20 years of numerous and diverse attempts to successfully implement AA policies, the government has acknowledged the failures of AA and largely admitted defeat (e.g. Human, Bluen & Davies, 1999; Sartorius & Botha, 2008; Van Jaarsveld

in Vermeulen & Coetzee, 2006; Veilleux & Tougas, 1989). AA policies were used in America as a method to eradicate racism and sexism since the 1960's (The FW de Klerk Foundation, 2006). Originally, AA only benefitted African Americans; however other minority groups including American Indians, Hispanics and Asians were later included (Herholdt & Marx, 1999). In the mid-1960s women were also regarded as a disadvantaged group and disabled people became a further focus of AA, particularly after 1975 (Herholdt & Marx, 1999). Although legally the policy of "equal opportunities for all" was created through the Civil Rights Act of 1964 and the Voting Rights Act of 1965, real change was slow (The FW de Klerk Foundation, 2006). In 1971, the Department of Labor issued an order that required all federal contractors to develop "an acceptable affirmative action program" (as cited in The FW de Klerk Foundation, 2006, p.34). Even though the US has had a long history of AA (approximately 45 years), the issue still divides most people in the country (The FW de Klerk Foundation, 2006). In a landmark case in 1996, voters in California ended AA policies within the state with Proposition 209 and labelled AA as "unconstitutional" (Herholdt & Marx, 1999; The FW de Klerk Foundation, 2006). However, in 2003, the Supreme Court ruled in favour of AA policies with regard to admission to the University of Michigan (The FW de Klerk Foundation, 2006). Therefore, in the USA at least, legal decisions about AA seem to be made on a case-by-case basis and opinions regarding AA seem to be quite varied.

It is argued that AA policies were not implemented fairly in the USA and that employee perceptions of the fairness of AA were not deemed an important factor with regard to the policy, nor were these perceptions managed correctly (Vermeulen & Coetzee, 2006). It has been shown that a great number of Americans (including African-Americans) oppose AA and that these negative opinions have caused a vast amount of controversy to surround the practice in the USA (Puddington, 1995; The FW de Klerk Foundation, 2006).

Positive Outcomes

Despite the difficulty in assessing targets achieved by AA programmes in America, the following statistics may be presented in support of positive outcomes of the policy in the country. The percentage of female managers and professionals rose from 40.5% in 1982 to 48% in 1995; Blacks from 5.5% to 7.5%; and Hispanics from 5.2% to 7.6% (The FW de Klerk Foundation, 2006). Between 1964 and 1994, the percentage of women coming into the labour force increased from 36% to 55% (The FW de Klerk Foundation, 2006). Lastly, enrolment of black college students grew from 7.8% in 1970 to 11.3% in 1990 (The FW de Klerk Foundation, 2006).

Negative Outcomes

Many American citizens believe that AA is not morally valid and that the costs thereof outweigh the benefits (The FW de Klerk Foundation, 2006). Those that accuse AA policies of robbing them of jobs and promotions are said to suffer from "angry white men syndrome" (The FW de Klerk Foundation, 2006, p.34). Those benefiting from AA are viewed negatively by their peers as well as outside parties and experience an "extreme social stigma" (The FW de

Klerk Foundation, 2006, p.35). Some AA beneficiaries feel insulted to be given a “free ride” or “handout” (The FW de Klerk Foundation, 2006). Due to these tensions, further divisions are created between different ethnic, racial and gender groups (The FW de Klerk Foundation, 2006).

2.3.2 MALAYSIA

AA was put into place in Malaysia in the 1970s “to eliminate the economic imbalances between Malays (Bumiputera) and non-Malays (non-Bumiputera), as brought about by colonialism” (The FW de Klerk Foundation, 2006, p.32) (also documented in Ponte et al., 2007; Sartorius & Botha, 2008). The racial riots on 13 May 1969 brought about the government’s decision to implement AA policies to create a fairer society (Abdullah, 1997; Global Rights, 2005). They put into place the New Economic Policy (NEP) in 1970 which gave the Malays preferential treatment (Londt, 2005; Ponte et al., 2007; Sartorius & Botha, 2008; Swart, 2006; The FW de Klerk Foundation, 2006). The target that was set was for Malays to own and manage at least 30% of all commercial and industrial activities of the economy in a 20-year period (from 1970 to 1990) (Abdullah, 1997; Global Rights, 2005; The FW de Klerk Foundation, 2006). The AA policy was implemented through the Industrial Coordination Act (ICA) of 1975 (The FW de Klerk Foundation, 2006). The programme had a two-factor approach. The first factor was aimed at reducing and later eradicating poverty by raising income levels and creating more job opportunities for all Malaysians (Abdullah, 1997; Emsley, 1996; Londt, 2005; The FW de Klerk Foundation, 2006). The second factor focused on “accelerating the process of restructuring Malaysian society to correct economic imbalances” (The FW de Klerk Foundation, 2006, p.33) (also documented in Abdullah, 1997). From 1991 the state placed greater emphasis on “growth- and income raising policies” (The FW de Klerk Foundation, 2006, p.33). At the core of AA in Malaysia, “successful structural change and sustained economic growth were preconditions for the transformation of the position of the Bumiputera” (Emsley, 1996, p.85).

Positive Outcomes

Positive outcomes of Malaysia’s AA policies include the improvement of “the socio-economic positions of the long neglected and economically backward Bumiputera groups” (The FW de Klerk Foundation, 2006, p.33) by reducing long-held inequalities (also documented in Abdullah, 1997). By the late 1980s Malaysia was one of the most successful economies in Southeast Asia (The FW de Klerk Foundation, 2006). To a much larger degree, Malays were placed in high-level political and bureaucratic positions and the country enjoyed greater political and economic stability (Emsley, 1996; The FW de Klerk Foundation, 2006). In fact, Malaysia had an average annual growth rate of 6.7% while the NEP operated (Emsley, 1996), Malays’ ownership of corporate wealth expanded from 2.4% in 1970 to 27.2% in 1988, the poverty level declined from 49.3% in 1970 to 22.4% in 1987, and the number of Bumiputera professionals grew from 4.9% in 1970 to 25.1% in 1988 (Sartorius & Botha, 2008; The FW de Klerk Foundation, 2006). The wealth of the Bumiputeras grew from 4% in 1970 to approximately 20% in 1997 (Londt, 2005). The numbers of the population in poverty

decreased substantially: from 4.0m in 1973 to 2.5m in 1987 (Emsley, 1996). This achievement is even more inspiring, given the fact that the same population grew from 11.3m to 16.5m in the same time period (Emsley, 1996).

Negative Outcomes

Although Malaysia achieved significant inter-ethnic inequality reduction in socio-economic areas, intra-ethnic inequality has increased since 1990 (PRS Group, 2009; Sartorius & Botha, 2008; The FW de Klerk Foundation, 2006). This means that within the Malay demographic group, there is a growing income level gap. This reflects the situation that South Africa faces today with inequality growing deeper within the black population – the rich seem to be getting richer and the poor poorer (Human et al., 1999). This is evident by a growing black middle class (e.g. Alexander, 2006; Sartorius & Botha, 2008; Spies, 2009) and rising unemployment rates that create a larger group of marginalised and poverty-ridden people (Habib, 2007; Ponte et al., 2007; Tangri & Southall, 2008). According to the Gini-coefficient, the inequality rate within the Malay population increased from 0.4 in 1968 to 0.4495 in 1997 (Sartorius & Botha, 2008; The FW de Klerk Foundation, 2006). According to the FW de Klerk Foundation (2006), the AA policies in Malaysia “alienated the Chinese population in general, as they felt that it discriminated against them” (p.33). Non-Malay people were also left out of any dialogue with government in creating the constitutional amendments to the policies that took place, which served to increase any feelings of alienation (The FW de Klerk Foundation, 2006).

Steenkamp (2008) argues that the government and politics of Malaysia misused AA, with many of the people in Malaysia recently protesting against the way in which the ruling party (which does not have any strong opposition) implemented AA since 1971, and warns that without a responsible government South Africa may walk the same path. According to her, Malaysia learnt an important lesson from AA: that politics first advances itself and those within its ranks through the implementation of such policies and that the poor are left to their own devices (Steenkamp, 2008). Professor Hong-Hai Lim of the University of Sains Malaysia in Penang warns that selective policies such as AA (including EE and BEE) will be corrupted by government if they are allowed to do what they wish and not held responsible by anyone (as documented in Steenkamp, 2008). The case of AA in Malaysia therefore serves as a prime example of how equity policies can be abused and corrupted by government and exactly what citizens are strongly opposed to happening in South Africa (Sartorius & Botha, 2008).

Many of the problems that the USA and Malaysia faced (and largely continue to face) with regard to equity policies reflect the South African condition. However, the South African situation is unique in a number of regards, including the relatively late inception of equity policies such as EE and BEE; the incomparable history of apartheid whereby the apartheid system continued to legally discriminate against the majority of the population for many years, unlike the largely social discrimination experienced in other countries; and the vast multi-cultural and cosmopolitan society of South Africa that comprises many different races, ethnicities, cultures, beliefs and religions (Human et al., 1999; Leonard, 2004; Petkoon &

Roodt, 2004). The cases of the USA and Malaysia do however serve to highlight the fact that AA (including EE and BEE policies) causes widespread negative perceptions of these policies and these are distributed across different population groups.

It seems though that for AA policies to be truly successful in their main goal of eliminating socio-economic inequalities between all members of its society (and not just between different demographic groups), government must not only focus on race issues but on reducing poverty levels and improving quality of life for the marginalised fray of its country (Klein, 2009). Saki Macozoma states that “emphasis on other policies, such as rural development and better land reform, should reinforce ... BEE” (Macozoma, 1999, p.9).

2.4 RELEVANT STUDIES

2.4.1 OPINIONS REGARDING BLACK ECONOMIC EMPOWERMENT (BEE)

Research Surveys (RS) conducted a survey at the end of October 2004 with 500 South African adults in metropolitan areas and found the following with regard to opinions surrounding BEE: 70% of the respondents thought that BEE had enriched only a select few (77% Whites and 65% Blacks); two thirds felt that BEE was necessary to address past injustices (75% Coloureds and Indians; 70% Blacks; and 64% Whites); 65% were of the opinion that BEE had a “positive impact” (75% Coloureds; 65% Blacks and Indians; 58% Whites); and only 44% felt that BEE was “stifling the country’s growth” (as cited in The FW de Klerk Foundation, 2006, p.31). It is clear from these results and other studies (some of which are detailed below) that there is a definite discrepancy between the opinions of different races as to how equity policies such as EE and BEE are viewed. In a Human Sciences Research Council (HSRC) study for Democracy SA in March 2000 it was revealed that 78% of Whites oppose the idea that “people from previously disadvantaged groups should be given preferential treatment in the allocation of employment opportunities”, while more than 60% of Blacks, 43% of Coloureds and 47% of Indians agreed with such treatment (as cited in The FW de Klerk Foundation, 2006, p.31). It is therefore clear that, in general, those who benefit from equity policies (i.e. Blacks, Coloureds and Indians in the case of BEE) have a much higher regard for them and deem them to be much fairer than those who are generally excluded from deriving gain from them (i.e. Whites). In a 2003 survey by Lombard, 47% of Blacks agreed that “it is fair that the people who discriminated against others during apartheid should feel what it is like to be discriminated against”; only 15% of Whites felt the same (as cited in the FW de Klerk Foundation, 2006, p.31).

There is evidence however that BEE has made some progress (albeit relatively slow and uneven progress) with regard to black ownership and management of corporate South Africa since its inception (e.g. Booysen, 2007; Sartorius & Botha, 2008; Thomas, 2003). In 1995 black people owned only 1% of the total market value of the JSE (Fauconnier & Mathur-Helm, 2008). By the end of 1997, BusinessMap, one of the leading sources of business information in South Africa, recorded an average of 20 empowerment deals per month (Jackson III et al.,

2005). 1998 saw an increase in the number of new empowerment consortia taking part in BEE deals (BusinessMap, 1998, as cited in Jackson III et al., 2005). BEE deals increased in fact from less than 25 deals in 1995 to approximately 111 deals per year by the end of 1998, totalling an estimated R21.2 billion (Jackson III et al., 2005). Black business owned 5.5% of capital assets on the JSE by 1999; in 1995 this figure only totalled 1% (Jackson III et al., 2005). However, the distribution of income seems to have slowed for Blacks from 1995 to 2000: between 1970 and 1995 the black share of income increased from 22.3% to 38.2% but then rose to only 38.3% in 2000 (The FW de Klerk Foundation, 2006). By 2001 only 13% of top management and 16% of senior management were black (Alexander, 2006). Black equity in public companies was only 9.4% in 2002, compared to 3.9% in 1997 (Alexander, 2006). However, PDI (Previously Disadvantaged Individual) directors of public companies grew to 438 (13%) in 2002 from only 14 (1.2%) in 1992 (Alexander, 2006). Furthermore, by 2003 black people accounted for only 19% of top management positions, 22% of senior management positions and 31% of professionally qualified positions (The FW de Klerk Foundation, 2006). By 2005, these numbers improved slightly to 21.1% of black people being represented in top management, 25.7% in senior management, and 51.2% in professionally qualified and middle management (The FW de Klerk Foundation, 2006). Female representation in top management increased by only 4.6% from 2001 to 2005 (from 11.9% to 16.5%); however, the increase of females in senior management is slightly better at 23.6% in 2005 from 17.7% in 2001 (an increase of 5.9%) (Booyesen, 2007). The proportion of JSE market controlled by “black-influenced” companies decreased from 9.6% in 1998 to 3.5% in 2002, increasing slightly to 5.1% in 2006 (Ponte et al., 2007, p.947). In 2005, only 31 out of the 416 companies listed on the JSE were black empowered or black owned (Londt, 2005). However, in 2008, seven of the eleven managers that make up the Large Manager Watch (LMW) had a black chief executive or chief investment officer (FM Fund Management, 2008). The fact that progress is very uneven and not widely spread is illustrated by the fact that in 2003, 60% of the empowerment deals totalling R25.3 billion were to companies of only two black businessmen (Fauconnier & Mather-Helm, 2008). Even more disheartening is the fact that many empowerment deals conducted in recent years will have to be “renegotiated” because of “unfavourable trading conditions over the past two years” (Hasenfuss & Lund, 2009, p.15).

The Public Service is one area where BEE has made great strides: black representation in this sector increased by 10% in six years (from 76% in 1995 to 86% in 2001); and the number of senior black managers grew from 37% to 55% and middle black managers from 41% to 64% in the same time period, and women managers from 17% in 1995 to 35% in 1999 (The FW de Klerk Foundation, 2006). However, the Financial Mail’s 2005 survey of the Top 185 Empowerment Companies revealed that only 38 companies listed on the JSE complied with the 25% BEE equity target (Sartorius & Botha, 2008). However, an Ernst & Young survey revealed that at least 1364 empowerment deals with a total value of R285 billion took place between 1995 and 2005 (as documented in Tangri & Southall, 2008). More recent research shows that an average of 51% was achieved on the ownership element of a 2009 KPMG

Broad-Based BEE Survey, compared to 42% in 2008 (as documented in The Institute of Bankers in South Africa, 2010). This represents a 9% change, but is below the 2007 average of 54% (The Institute of Bankers in South Africa, 2010). In terms of employment equity, 49% was achieved in 2009, compared to 34% in 2008, which is above the 2007 average of 52% (The Institute of Bankers in South Africa, 2010). Survey respondents rated skills development as 48% in 2009 and 38% in 2008; this, however, is below the 2007 average of 52% (The Institute of Bankers in South Africa, 2010). By 2008, black ownership of capital on the JSE had increased to 4% (Sartorius & Botha, 2008). However, in a 2008 study by Sartorius and Botha, respondent companies indicated that they had transferred less than 25% equity to BEE partners – data included BEE ownership deals from 1 January 1999 to 31 November 2005 (a total of 72 companies).

Therefore, whether positive change regarding equity policies such as EE and BEE has been to a great enough degree and occurring at a fast enough pace to satisfy interested parties and critics alike is questionable. According to FinWeek (2007), “there’s very little concrete evidence to assess (BEE’s) status with regard to JSE-listed companies” (p.12) and recent research reveals that there has been a significant decline in black entrepreneurship (SABC, 2009).

2.4.2 FAIRNESS, EVALUATION AND EXPERIENCES OF AFFIRMATIVE ACTION (AA)

Vermeulen and Coetzee (2006) conducted a study in which they attempted to pinpoint dimensions of the fairness of AA with the view of developing a valid and reliable questionnaire that would be used to assess employees’ perceptions of the fairness of AA decisions and practices. The relationship between this factor and the biographical characteristics of the participants was also explored. According to Vermeulen and Coetzee (2006), four key factors define AA fairness, namely interactional, procedural (input), procedural (criteria) and distributive justices. Vermeulen and Coetzee (2006) found that the perceived significance of justice factors in AA fairness differed significantly across ethnicity and staff categories. According to Furnham (2005), “the concept of justice and how justice is meted out in any organization must be fundamental to that organization’s corporate culture” (p.647).

Distributive Justice

Distributive justice is how fair someone regards the end result of a decision (Beugre, 2002; Coetzee & Vermeulen, 2003; Vermeulen & Coetzee, 2006). They evaluate their inputs according to the outcomes they get in return (Esterhuizen & Martins, 2008). According to Vermeulen and Coetzee (2006), distributive justice is determined by three key rules: the equity rule, the equality rule, and the need rule. The equity rule states that people decide whether outcomes are fair by comparing their contributions to the company with those made by relative others (McIntyre, Bartle, Landis & Dansby, 2002). The equality rule proposes that everyone has an equal chance at a particular outcome, regardless of the inputs they make to that outcome (Vermeulen & Coetzee, 2006). The need rule is based on the premise that rewards and outcomes are granted based on individual or group needs and/or management’s

organisational goals (Vermeulen & Coetzee, 2006). Gilliland and Paddock (2005) found that the equity rule is most salient in human resource decisions (as cited in Vermeulen & Coetzee, 2006). It would seem that the equity rule of distributive justice would therefore have important implications for EE and BEE policies and the implementation of these within companies (McIntyre et al., 2002); however this aspect is not tested by this specific research. Further research is needed regarding this factor.

Distributive justice is part of the wider term of *organisational justice*, which has developed to describe how people in organisations perceive fairness in that setting (Vermeulen & Coetzee, 2006). Organisational justice argues that people tend to make fairness judgements by assessing the actual decision or processes used to make a decision (Vermeulen & Coetzee, 2006). Organisational justice includes distributive justice, procedural justice and interactional justice (Vermeulen & Coetzee, 2006). Procedural justice includes policies, procedures and processes and interactional justice includes the variables of interpersonal treatment and information dissemination (Vermeulen & Coetzee, 2006). Beugre (2002) argues that “organizational justice is important because perceptions of fairness lead to positive attitudes and behaviours, whereas perceptions of unfairness lead to counterproductive behaviours” (p.1092).

Procedural Justice

McIntyre et al. (2002) define procedural justice as “whether the processes through which the organization allocates outcomes to its members conform to particular rules” (p.300). Researchers state that procedures are considered to be fair if decisions are made consistently, without self-interest and on the basis of correct information; if there are opportunities to correct the decisions if they are faulty; if the decisions represent the interests of all parties concerned; follow moral and ethical standards; and if they set criteria for evaluating and decision-making (Vermeulen & Coetzee, 2006). This is important to consider regarding the implementation of EE and BEE policies within organisations. If these policies are not considered to be beneficial to procedural justice, then negative feelings and behaviour towards those benefiting from the policies will be harboured and may be acted negatively upon, having a negative impact on the performance of the organisation (e.g. Esterhuizen & Martins, 2008).

Interactional Justice

As stated before, interactional justice consists of two key components: interpersonal and informational fairness (Vermeulen & Coetzee, 2006). *Interpersonal* fairness involves how people feel about the quality of others’ treatment of them and the extent to which the decision-maker shows respect for their rights (Brotherton, 1999; Vermeulen & Coetzee, 2006). *Informational* fairness refers to whether adequate information in explaining procedures is given in the implementation of policies (Beugre, 2002; Brotherton, 1999; Vermeulen & Coetzee, 2006). If an unfavourable decision is explained adequately it may serve to reduce negative consequences associated with the decision (Brotherton, 1999). Informational

fairness also holds great importance for the successful implementation of EE and BEE policies within organisations. If there is an inadequate amount or quality of information distribution of these policies and the implementation of these within the company, and about how these policies fit into the overall culture of the organisation, then it is highly unlikely that the policies will be considered to be fair and there will likely be resistance towards these policies from employees, which may in turn lead to decreased performance (Herholdt & Marx, 1999).

According to Vermeulen and Coetzee (2006), AA is supposed to bring about “macro justice” (p.55) (justice between groups), but defiance towards AA often occurs because of concerns related to “micro justice” (p.55) (justice for individuals). Vermeulen and Coetzee (2006) found that white respondents regarded interactional, procedural (input and criteria), and distributive justice as more important for AA fairness than black respondents. However, the results were only statistically significant for distributive justice (Vermeulen & Coetzee, 2006). Black respondents regarded the outcomes of AA decisions as less important in influencing employees’ perceptions (Vermeulen & Coetzee, 2006). Researchers argue however that when people determine how fair AA is, they consider how the AA act will affect them personally (e.g. Debow-Makino, 1993; Veilleux & Tougas, 1989; Vermeulen & Coetzee, 2006). A shortcoming of Vermeulen and Coetzee’s (2006) study is that it was limited to one organisation.

Studies have revealed that negative attitudes towards AA are related to people’s thoughts about how fair AA is (Coetzee & Vermeulen, 2003). This is important because employees are more likely to resist procedures that they regard as unfair than those they perceive to be fair (Beugre, 2002; Esterhuizen & Martins, 2008; Vermeulen & Coetzee, 2006). According to Brotherton (1999), “decisions should ... have the capacity to be modified if they are to be perceived as fair” (p.36). Researchers argue that if work practices and procedures are perceived to be unfair it could result in legal battles, negative attitudes towards the organisation, decreased job satisfaction, lowered work motivation, reduced job performance, and lower self esteem of employees (e.g. Beugre, 2002; Coetzee & Vermeulen, 2003; Furnham, 2005). However, the link between attitudes and behaviour has been shown to be ambiguous at best (Furnham, 2005). Therefore, a direct causal link between attitudes and behaviour has not yet been proven in the work context (Furnham, 2005). The theories of reasoned action and planned behaviour do however prove that a *relationship* between these two variables *does* exist (Cox, 1993) and is more salient in certain conditions (Furnham, 2005). Mediating factors that play a role with regard to this include consequences of actions, behaviour beliefs and evaluation, and normative beliefs and motivation to comply (Furnham, 2005). Vermeulen and Coetzee (2006) argue that if companies can understand how employees’ perceptions about the fairness of AA are created and which variables they are related to, then managers will be better equipped to control and guide and perhaps change these perceptions from negative to positive if required (also documented in Beugre, 2002). Vermeulen and Coetzee (2006) could find no South African studies researching the

importance of organisational justice principles (which they consider to be one of the key variables related to perceptions of AA fairness) in employees' perceptions of the fairness of AA. The AA Fairness Questionnaire (AAFQ) that Vermeulen and Coetzee (2006) developed includes questions to determine what behaviour, decisions and practices are thought to be important when determining how fair AA really is. It is important that the implementation of equity policies be based on what the majority of the population considers to be "fair" and "just", so that a firm "social solidarity" or "togetherness" between all members of different groups in the country may be established (Habib, 2007) – this relates to a certain extent to the psychological construct of a "shared consciousness".

De Jong and Visser (2000) conducted a study in which they investigated to what extent black and white respondents consider certain selection techniques as fair. They further tested whether knowledge of these selection techniques influenced the perceived fairness of them. The perceptions of the black and white uninformed groups were compared and thereafter that of the black informed and uninformed groups. It was found that the black and white uninformed groups did in fact differ with regard to their perceived fairness of different selection techniques; however the perceptions of the black informed and uninformed groups did not differ. The results revealed that the white uninformed group held more positive perceptions than the black uninformed group, although both population groups preferred objective selection techniques. If this study was replicated now, it may be the case that the black uninformed group hold more positive perceptions than the white uninformed group, due to the practice of employment equity favouring the appointment of black people. It is stressed that the perception of selection techniques as being fair or unfair is important to the successful operation of a company, as qualified applicants may exclude themselves from the selection process and even share with others a negative impression of the company if in fact they view the process as being "unfair, offensive or not job-related" (De Jong & Visser, 2000, p.17). A more recent study by Esterhuizen and Martins (2008) also revealed racial differences in employees' perceptions of the fairness of employment equity policies. This study emphasizes the need to focus on organisational culture when implementing such organisational changes by stating that "employment equity strategies should be adapted to suit an organisation's specific needs" (Esterhuizen & Martins, 2008, p.66).

Dombai and Verwey (1999) used the Semantic Differential Scale to measure respondents' evaluation of five organisational concepts. AA and/or the transformation process (a government-initiated change process) resulted in the most significant variance between groups of respondents (Dombai & Verwey, 1999). The greatest variance between respondents was found in terms of race – between black and white respondents. Black respondents were significantly more positive in their evaluation of AA. These findings correspond with Vermeulen and Coetzee's (2006) study. However, Dombai and Verwey (1999) found that no significant variance was found among the different race groups regarding the perceived success of AA and both groups held a neutral stance regarding that specific variable. Esterhuizen and Martins' (2008) study found that in terms of gender

differences relevant to perceptions of equity policies, females were slightly more positive about such policies than males. These results are to be expected in terms of personal benefit from the policies, i.e. groups that are included in deriving gain from equity policies view these policies with greater affinity.

Motileng et al. (2006) examined how five black middle managers experience AA at a media company. Questioning included how these managers define AA, if they feel that others doubt their abilities because of AA policy, and the extent to which AA affects their job satisfaction and commitment to the organisation. Results indicated that the participants experienced AA as a positive mechanism in providing equal employment opportunities, but that they encounter many challenges and obstacles. These challenges include stereotyping and stigmatisation, strong resistance, and overly enthusiastic expectations – having to continuously prove oneself (Motileng et al., 2006). Motileng et al. emphasize the need for a “shared culture in the workplace” (p.11) to help address these challenges and obstacles. They argue that many AA programmes fail because organisations maintain previous structures, management styles and cultural systems. It is furthermore important that organisations demonstrate a “top-down” approach when applying equity policies by management and those in higher-level positions demonstrating a commitment to, and acceptance and understanding of these policies (Capon, 2000; Debow-Makino, 1993; Human et al., 1999; Thomas & Robertshaw, 1999). This approach should then filter down to employees in lower-level positions by them learning from the secure and cohesive example of those in top positions in their company. Companies are encouraged to undertake culture and management systems audits (Brotherton, 1999; Cox, 1993; Tinarelli, 2000). According to Cox (1993), the purpose of these is twofold: “to uncover (any) bias in management practices and policies that may create barriers to performance...and to identify ways in which the organizational culture may be inconsistent with the needs of a diverse workforce” (p.237). Although scholars disagree on the best way to measure organisational culture, one effective way of doing this is to employ a survey-approach and for employees to answer a questionnaire consisting of organisational culture-related questions (Petkoon & Roodt, 2004). According to Petkoon and Roodt (2004), the survey approach is an “efficient and standardised means” (p.47) of measuring organisational culture.

2.5 CRITICISMS AGAINST AFFIRMATIVE ACTION (AA)

The most common criticisms levelled against AA include the following: AA is a type of “reverse discrimination” (where white people are now discriminated against instead of black people) (Beckwith & Jones, 1997; Esterhuizen & Martins, 2008; Furnham, 2005; Herholdt & Marx, 1999; Human et al., 1999; Motileng et al., 2006; Thomas & Robertshaw, 1999); AA employees are not as capable as other candidates and lack skills needed to perform the job that they have been appointed to do (Nongxa, 2009) and that they are employed simply to fill quotas or “window dress” (Amsden & Moser, 1975; Herholdt & Marx, 1999; Innes et al., 1993; IOL, 2007; Leonard, 2004; Motileng et al., 2006; Nelms, 1999); AA makes its beneficiaries

feel inferior and stigmatizes them (Leonard, 2004; The FW de Klerk Foundation, 2006); and decisions based on AA policies represent advantageous or special treatment rather than treatment based on performance (Coetzee & Vermeulen, 2003; Vermeulen & Coetzee, 2006). Another problem with AA is that there are only a limited number of previously disadvantaged people who are qualified to fill high-level positions due to lack of education and training (Herholdt & Marx, 1999; Horwitz & Jain, 2002; IOL, 2007; Vermeulen & Coetzee, 2006). The DTI identifies the following additional stumbling blocks that AA in the form of BEE faces: there is a lack of participation by black women; black equity falls back into the hands of its original white owners due to incorrect structuring and repayment terms; the economic benefits of BEE are greatly reduced by finance restrictions; and the poor and marginalised are not benefiting as they should (as documented in The FW de Klerk Foundation, 2006). There are those who have suggested that a number of BEE groups simply act as a front for white investors (e.g. Jackson III et al., 2005). This action has been termed “fronting” and is becoming more prominent (SABC, 2009). Most view this as simply another type of tokenism or window dressing with regard to BEE (SABC, 2009). Jimmy Manyi, president of the BMF (Black Managers Forum) explains that fronting is misrepresentation and fraud (SABC, 2009). He suggests creating a legal definition for the term (currently there is none); however he acknowledges that legal amendment will inevitably be a lengthy process and that current BEE practices should rather be altered (SABC, 2009). Recent research shows that out of 45 BEE deals, 15 were part of “fronting” and 19 of these companies refused to participate in the study (SABC, 2009). Some critics argue that fronting is yet another example of the problems that the gaps in BEE create and that after ten years of BEE, there needs to be a review and that these gaps need to be addressed by such a review (SABC, 2009; Tangri & Southall, 2008). The DTI has created “fronting indicators” in an attempt to deal with the problem (as documented in SABC, 2009).

Although they agree with many of the basic goals of BEE, according to the FW de Klerk Foundation (2006), many white-owned companies have the following problems with regard to the implementation thereof:

- It creates additional onerous and costly administrative burdens – particularly for small and medium size enterprises;
- It discourages entrepreneurship by increasing costs, diluting equity and management autonomy;
- BEE undermines efficient government by removing cost-effectiveness, proven quality and service and success in open communication as the main determinants for government tenders;
- It undermines property rights and accordingly discourages both foreign and local investment;

- BEE creates enormous demand for the small pool of suitably trained and experienced black South Africans who command astronomical salaries and who are soon head-hunted by competitors; and
- BEE leads to the loss of irreplaceable skills and experience as Whites are forced out of companies or emigrate because of affirmative action policies. (p.32)

Louw (2006) has stressed the importance of organisations recognising the limitations and shortcomings of AA. One of the dangers of AA is tokenism – which may take place as a way to simply fill quotas – sometimes perceived to be encouraged by EE and BEE policies (Adam, 2000; Booysen, 2007; Esterhuizen & Martins, 2008; Herholdt & Marx, 1999; Leonard, 1994; Louw, 2006). Louw (2006) views tokenism as being unreasonable, irrational and morally unjustifiable. Many people in general and employees in particular have similar views of tokenism, which many of them associate with EE and/or BEE (Adam, 2000; Booysen, 2007; Leonard, 1994). If those benefiting from equity policies are viewed as simply being “tokens” or “quota-fillers”, they may be excluded from the cultural practices within the organisation by other employees. Therefore, every effort should be made to include these new employees in the organisational culture and discuss any problems that may arise with regard to this with all employees concerned (Capon, 2000; Champion, 1975; Leonard, 1994). This may serve to reduce some of the negative stereotypes associated with previously disadvantaged individuals. Similar methods have proven to be effective when attempting to reduce prejudice and discrimination. Once the individuals in question have been “personalised” and are included in the same grouping as those who view them negatively, the latter have the chance to see “the other” as not quite so different as they previously thought, but actually as sharing many similarities with the “in-group” (Cox, 1993).

Therefore, authors argue that for AA programmes to be considered effective they not only need to fulfil legal requirements but also need to comply with standards of fairness (e.g. Coetzee & Vermeulen, 2003; Vermeulen & Coetzee, 2006). By understanding how perceptions of the fairness and social justice of EE and BEE policies affect employee attitudes and work performance and how these factors are related to the culture of an organisation (Terlaga & O’Connor, 1994), companies may be able to manage these perceptions and influence work performance (Capon, 2000; Coetzee & Vermeulen, 2003; Herholdt & Marx, 1999). According to Petkoon and Roodt (2004), it is important to study perceptions in organisational culture research as “behaviour and attitudes are determined not by objective reality but by actors’ perceptions of reality” (p.47). Organisations need to make a concerted effort to make AA practices as fair as possible (Coetzee & Vermeulen, 2003), in accordance with the Employment Equity Act, and incorporate these practices into the overall culture of an organisation through methods such as training, effective and transparent communication strategies (Esterhuizen & Martins, 2008; Herholdt & Marx, 1999; Horwitz & Jain, 2002; Human et al., 1999; Leonard, 2004; Thomas, 2003), and social activities (IOL, 2007). For example, Vermeulen and Coetzee (2006) provide the following suggestions for

improving the perceived interactional justice of AA programmes: guiding employees to have realistic career expectations, keeping employees informed about AA policies and the implementation of these, training supervisors to manage diversity, and being considerate of all diverse cultures. Employees also need to be included and participate as much as possible in helping to set work standards, negotiating working conditions, and structuring and implementing policies and procedures (including that of EE and BEE where possible) (Brotherton, 1999). By doing this employees are actively invested in the outcomes of such company decisions (Brotherton, 1999). Vermeulen and Coetzee (2006) suggest that management consider all employees' career advancements as equally important, make employees part of selection decisions, provide formal means to protect employees against discrimination, and change systems in place to integrate all AA employees within the organisation to increase the perceived procedural justice (input) component of AA (Vermeulen & Coetzee, 2006). To improve on the procedural justice (criteria/standards) aspect of a company, Vermeulen and Coetzee (2006) suggest that selection criteria be applied consistently, accurate performance data be used to evaluate employees, and the use of multiple persons to assess performance (this can be viewed as akin to the scientific method of "triangulation of results"). Vermeulen and Coetzee (2006) view the application of distributive justice in terms of AA policies as largely distorted. They furthermore argue that ingroup-outgroup differences and self-interest may play an important role in judging the fairness of AA programmes (Vermeulen & Coetzee, 2006). Also, the type of organisation, leadership styles exercised in the organisation, and so forth may influence employee perceptions of the fairness of AA implementation in organisations. These variables relate to the *organisational culture*. It is important that the implementation of equity policies in organisations be successful as "most businesses will have problems surviving economically – even socially – if they don't comply (with these policies)" (Finance Week, 2008, p.1). Having an understanding of the culture within an organisation can also help in the planning and management of a company and it may "sharpen management skills" (Terlaga & O'Connor, 1994, p.25). This research does not focus solely on perceptions of the fairness of equity policies however, but focuses more on overall employee perceptions of the policies and how these relate to different facets of the policies, as well as how these perceptions relate to the organisational culture. Therefore, a more critical approach to employee perceptions of equity policies is undertaken. Critical questions regarding employee perceptions and how these relate to the culture of an organisation is asked by this research.

2.6 ORGANISATIONAL CULTURE IN RELATION TO EQUITY POLICIES

Numerous researchers stress the importance of studying culture within organisations (e.g. Anstey, 1997; Booysen, 2007; Petkoon & Roodt, 2004; Zulu & Paramasur, 2009) given the definitive link between culture and the effectiveness of an organisation (e.g. La Grange & Geldenhuys, 2008). La Grange and Geldenhuys (2008) go so far as to state that "the culture of an organisation contributes to maintaining its strategic competitive advantage" (p.37). Alvesson (1993) argues that studying organisational culture adds value to the company as it

improves “managerial action” (as cited in La Grange & Geldenhuys, 2008, p.38), as well as enhancing the understanding of life and work within the organisation. Furthermore, even though organisational culture has largely been ignored as a variable to take into consideration when researching equity policies, it is in fact centrally important to the implementation of EE and BEE policies and employee perceptions of these (e.g. Shen, Chanda, D’Netto & Monga, 2009; Zulu & Parumasur, 2009). According to Dombai and Verwey (1999), “organisations can only manage their diverse workforces successfully when their corporate cultures are receptive to and supportive of diversity” (p.105) (also documented in Shen et al., 2009). A study by Pitts (2009) revealed that diversity management is “positively and strongly” (p.336) correlated with job satisfaction and work group performance perceptions (also documented in Vilakazi, 2007). Furthermore, as would be expected, diversity management matters most for “employees of colour” (Pitts, 2009, p.336). Effective diversity management (including the implementation of equity policies such as EE and BEE) would go a long way in increasing motivation and performance of these “employees of colour”, and in making them feel more valued by their company and part of the organisational culture.

The modern day changes and challenges that companies face and experience, including the implementation of equity policies (and therefore effective diversity management), require performance (and adaptation) changes of them (Herholdt & Marx, 1999; La Grange & Geldenhuys, 2008; Shen et al., 2009). This ability to adapt to and indeed excel in changing circumstances is critical to an organisation’s success and represents one of the key factors in an organisation retaining a global competitive advantage over others (Brotherton, 1999; Herholdt & Marx, 1999; La Grange & Geldenhuys, 2008; Petkoon & Roodt, 2004; Shen et al., 2009; Tinarelli, 2000). As Jones (1989) states, “a firm that uses the potential of all types of employees not only provides equal opportunity, but harnesses all of its ‘people power’ for competitive advantage” (as cited in Tinarelli, 2000, p.130). With regard to these factors and the organisational culture, La Grange and Geldenhuys (2008) state that “when organisations adapt to changing circumstances or implement changes in their strategies, it is important that they also implement corresponding changes in organisational culture, otherwise the strategy is likely to fail” (p.38) (also documented in Booyesen, 2007). Equity policies such as EE and BEE may be seen as examples of changes to organisational strategies that need corresponding and complementary changes to the organisational culture to ensure the effective implementation of these policies (Anstey, 1997). Leonard (2004) also stresses the significance of corresponding changes in organisational culture and the implementation of new policies such as EE and BEE by stating that “organisations’ cultures need to be altered to accommodate a radically different paradigm from what they had previously been used to” (p.2). Organisations are dynamic and usually adapt to changes in environmental conditions so that objectives may still be achieved (Champion, 1975). However, most organisations do not take into account their culture when implementing new strategies and policies such as EE and BEE (Anstey, 1997; Booyesen, 2007; La Grange & Geldenhuys, 2008; Zulu & Parumasur, 2009). As Cox (1993) states, “the challenge for organizations ... is to manage in such a way as to maximize the potential benefits of diversity while minimizing the potential

disadvantages” (p.39), including conflict (Thomas & Robertshaw, 1999). Due to diverse cultural and personal differences, each employee bases his/her decisions and perceptions on his/her own individual frame of reference (Cilliers & Kossuth, 2002; Leonard, 2004); however an employee’s affection or disaffection of someone is influenced by the accompanying organisational culture (La Grange & Geldenhuys, 2008).

Communication is an especially important part of organisational culture, especially when addressing the implementation of EE and BEE policies (Human et al., 1999; Leonard, 2004; Nzimande & Sikhosana, 1996). For these policies to receive positive appraisals from employees and to be implemented successfully in the company, it is imperative that adequate and high-quality information be conveyed to all employees regarding the procedural and implementation rules of these policies. Furthermore, companies have an obligation to undertake this communication as they have a “duty to inform and consult” with employees and report to government, as stipulated in Sections 16, 18, 21 and 25 of the EEA (Department of Labour, 1999b) (as cited in Leonard, 2004, p.3) (also documented in Thomas, 2003). This communication should furthermore be clear, continuous and updated regularly and open-ended communication needs to take place (Human et al., 1999; Innes et al., 1993; Leonard, 2004). The company’s motivation and vision for implementing changes such as the provision of equity policies, as well as the rules and procedures with regard to this, should be explained in detail to employees (Brotherton, 1999; Human et al., 1999). According to Brotherton (1999) this process enhances diversity management. This is because “the quality of the interpersonal ... relationships in the organisation will have a significant influence on the organisational culture” (p.106). This communication process may also serve to firstly identify and if necessary reduce potential conflict (Champion, 1975). According to Cox (1993), there are five different sources of intergroup conflict (between different groups). These are: “competing goals, competition for resources, cultural differences, power discrepancies, (and) assimilation versus preservation of microcultural identity” (Cox, 1993, p.138). Equity policies such as EE and BEE contribute to a number of these sources. Cultural differences are inherent in any organisation; however these are brought to the surface with the implementation of equity policies and serve to strengthen misunderstandings, misperceptions, cognitive differences, different opinions, and different beliefs of diverse cultural and ethnic groups. Differences in power are also made more obvious through EE and BEE policies, as a shift in power takes place due to these policies, namely from white hands to black hands – white people view black people as holding all the power regarding employment opportunities and promotions (Cox, 1993). Tensions between minority and majority members are thereby enhanced and an environment where there is competition for “resources” is created (Cox, 1993). Mediators or “conflict groups” may serve to effectively resolve or at least reduce such conflict situations between employees (Cox, 1993).

Cox (1993) outlines the key characteristics of effective and efficient multicultural organisations, which should be more positive in the accommodation of EE and BEE policies geared toward racial equality. Cox (1993) states that these

foster and value cultural (differences), (have) full structural integration, (all) informal networks (are integrated), (they possess) an absence of institutionalized cultural bias in human resource management systems and practices, (and there is) a minimum of intergroup conflict due to the proactive management of diversity. (p.229)

Effective equity policies should strive to achieve most, if not all, of these characteristics.

Furthermore, according to Dombai and Verwey (1999), organisational culture influences socialisation, power relationships, policies and procedures, reward systems, discourse systems, and ideology, which all have an effect on employees' experiences – including that of EE and BEE policies. Cox (1993) suggests that new employees go through *organisational socialisation*, which he defines as “the process of conveying the organization’s goals, norms, and preferred ways of doing things to members” (p.164). This organisational culture governs and guides employee behaviour within the organisation, including how problems that arise are dealt with (Capon, 2000; La Grange & Geldenhuys, 2008). Therefore, the type of organisational culture that an organisation has and whether or not EE and BEE policies fit into or are included in this culture will influence the perceptions that employees have of these policies and furthermore the success of the policies. Literature agrees that if there is a positive organisational culture it should result in more positive working conditions and improved employee performance (Cilliers & Kossuth, 2002; Herholdt & Marx, 1999; Horwitz & Jain, 2002; Terlaga & O’Connor, 1994). Accordingly, if employees are part of an organisational culture that is accommodating towards equity policies, then their perceptions of these policies should be more positive (than if they were in a non-accommodating organisational culture environment) and this should positively influence the successful implementation of these policies. This accommodating organisational culture may include more formal situations such as “structured interaction” (Cox, 1993, p.154) between different groups as well as more informal settings such as chats during lunch time between employees about equity policies and their perceptions of and feelings towards these. Cox (1993) has stressed the importance of these “social networks” (p.196) in enhancing communication and promoting more positive perceptions about different cultures in the workplace. Some authors suggest that employees learn about each others’ cultures to gain a better understanding thereof (e.g. Cox, 1993) as people tend to fear and act negatively towards that which they are ignorant of. Communication between management and employees regarding these changes should also be continuous and open (Cox, 1993). Dombai and Verwey (1999) state succinctly that “the processes according to which individuals communicate and share meaning in an organisation will have a significant impact on successful diversity management due to its influence on the culture as a context of diversity management” (p.106). This issue of communication as an integral part of organisational culture has been discussed in detail. A number of other researchers have also recognised the relationship between organisational culture and work performance (E.g. Furnham, 2005; Herholdt & Marx, 1999; Horwitz & Jain,

2002; Petkoon & Roodt, 2004; Terlaga & O'Connor, 1994). This culture of the organisation can only be changed through changing the attitudes and behaviours of individuals within the company (Capon, 2000; Herholdt & Marx, 1999; La Grange & Geldenhuys, 2008).

2.6.1 TYPES OF ORGANISATIONAL CULTURE

Cook and Lafferty (1989) define twelve types of organisational culture (as cited in Furnham, 2005). These are as follows.

1. A *humanistic-helpful culture* describes organisations managed in a participative and person-centred way. Employees are expected to be supportive and productive.
2. An *affiliative culture* describes a company that deems “constructive interpersonal relationships” (p.633) as important.
3. An *approval culture* takes place in an organisation that avoids conflicts and where interpersonal relationships are pleasant; however, this may only be superficially so.
4. A *conventional culture* takes place in companies that are “conservative, traditional and bureaucratically controlled. Members are expected to conform, follow the rules and make a good impression” (p.633).
5. A *dependent culture* is one in which organisations are “hierarchically controlled and non-participative” (p.633).
6. An *avoidance culture* describes organisations that do not reward success but punish shortcomings. This leads to employees shifting responsibilities out of fear of failure.
7. An *oppositional culture* takes place in organisations in which conflict is common and being negative is rewarded. “Members gain status and influence by being critical” (p.633).
8. A *power culture* takes place in non-participative companies built on how much authority employees hold in the organisation.
9. A *competitive culture* is one in which winning is valued and members are rewarded for outperforming one another.
10. A *competence/perfectionistic culture* takes place in organisations where perfectionism, persistence and hard work are valued.
11. An *achievement culture* is part of an organisation that performs well and places importance on employees setting their own goals and achieving them.
12. Lastly, a *self-actualisation culture* represents organisations that value creativity, quality above quantity, and “task accomplishment and individual growth” (p.634).

These specific categories of different organisational cultures are not studied in this research, but it would be interesting and beneficial for future research to practically study organisational culture in terms of these specific categories. The type of culture that an organisation displays will influence how EE and BEE policies are implemented in the company and will also influence employee perceptions of and reaction to these policies. Terlaga and O'Connor (1994) have a more simplified organisational structure hierarchy, with only four cultural types of companies, which are: traditional, consensus, profit-centre and futurist. The *traditional* organisation has many levels of reporting and groupings are usually large and built around

functional areas at the corporate level, with central staff being quite powerful (Terlaga & O'Connor, 1994). This type of organisation is highly reluctant to change and innovation is inherently discouraged. The second type of organisation is *consensus-driven*, which implies that top managers delegate authority to groupings of middle managers who make all the decisions, including regarding new ideas and change (Terlaga & O'Connor, 1994). In the *profit-centred* organisation senior managers objectively examine new ideas and make decisions regarding the effectiveness of these and this type of organisation is usually medium to large in size (Terlaga & O'Connor, 1994). Although these specific categories are not explicitly studied in this research, the sample company that is used in this research seems to most likely be a profit-centred organisation, due to its focus, objectives and size. Lastly, the *futurist* organisation is "relatively fluid and adapts itself to a changing task" (Terlaga & O'Connor, 1994, p.23); small groups are relatively autonomous and make most of the decisions in the company and innovation is reacted very positively and enthusiastically to.

Researchers such as Innes et al. (1993) and Madi (1997) call for a shift in organisational culture from the traditional authoritarian approach to a more participative and interactive culture to improve the implementation of AA programmes, such as EE and BEE. Many authors advocate that more flexible organisational environments need to be created (e.g. Brotherton, 1999; Cox, 1993; Leonard, 2004; Thomas, 1996; Thomas & Robertshaw, 1999). Thomas (1996) also suggests that clear standards of performance need to be established and that evaluative research needs to be instituted within companies to assess policies and procedures.

2.6.2 STUDYING ORGANISATIONAL CULTURE AND EQUITY POLICIES IN SOUTH AFRICA

Leonard (2004) conducted a study in order to answer the question of how South African organisations manage communication about AA. She found that research in this area is lacking. This implies that research on corporate culture in relation to AA is also lacking, as communication within the organisation is an integral part of organisational culture (Cox, 1993). She furthermore stressed the importance of such a study as communication problems constitute one of the ongoing themes in AA research (Leonard, 2004). This hints at the significance of studying corporate culture as a salient factor in AA research. She acknowledges that "new corporate strategies often fail since the corporate culture either cannot accommodate the desired change or if corporate culture itself is not addressed to reflect the desired transformed state" (p.31). She conducted a multiple case study research project. Leonard concluded that communication within organisations is mainly managed as a result of the strategic business and compliance objectives. A challenge in this regard is balancing the interests of internal and external stakeholders (Leonard, 2004). This has particular importance with regard to EE and BEE policies. She labelled "flexibility" as the key principle in her conceptual framework of successfully managing communication about AA within organisations. Champion (1975) defines organisational flexibility as "the degree to which an organization is adaptable to internal changes ... and external changes" (p.100).

According to him, internal changes include the authority levels in the organisation and interpersonal groups, while examples of external changes include competition with other companies and fluctuating market conditions (Champion, 1975). It is furthermore important that managers communicate openly with their employees (La Grange & Geldenhuys, 2008; Leonard, 2004; Thomas, 2003) and provide effective feedback on changes and progress made in the company with regard to policies such as EE and BEE, to employees as well as stakeholders, including trade union representatives where applicable (Thomas, 2003; Thomas & Robertshaw, 1999). In addition this feedback may serve to improve employee performance (Champion, 1975; La Grange & Geldenhuys, 2008). Champion (1975) notes that when employees are ignorant about changes that take place within the organisation, whether these changes are impending or have already been implemented, they will likely resist any such changes. Therefore, if employees are included in communication regarding the implementation of equity policies by management they may feel a greater need (and perhaps affinity) to accept and adapt to these policies. It is important that all employees understand exactly what these policies entail and how they will impact them (Thomas & Robertshaw, 1999). According to Thomas and Robertshaw (1999), employees need to “understand how (changes such as equity policies) will impact on their jobs, their career advancement and their future prospects in the company” (p.19). Most organisational culture surveys include questions about whether effective feedback is given to employees (Plus Delta Consulting, 2007). When employees feel valued and feel that their opinions and contributions count, they may be more receptive to change that they are hesitant about. Most organisational culture surveys also include questions related to whether employees feel that their work adds value to their organisation and that their input is valued (Plus Delta Consulting, 2007). Cox (1993) stresses the worth of employees feeling valued by their organisation by stating that this may foster innovation and job involvement and responsibility. De Beer (2003) suggests that companies should “aim to achieve tolerance, mutual respect and trust among all employees” (as cited in Leonard, 2004, p.7) when implementing equity policies. A positive and stable organisational culture promotes stronger group cohesiveness.

That change to organisational culture is imperative to the South African context in terms of equity policies such as EE and BEE is further evidenced by studies such as that of Esterhuizen and Martins (2008) that demonstrate that “Blacks may find it difficult to fit in with historically white corporate cultures and as a result they often feel alienated from the organisational culture” (p.69). Added to this is the negativity surrounding such policies by critics such as white employees, regarding such programmes as reverse discrimination, filling quotas, “fronting”, tokenism etc. Furthermore, Esterhuizen and Martins (2008) found that black employees perceive themselves as at times being excluded from the organisational culture (such as “informal networks”) and that “important information is even withheld from them” (p.70). Therefore, it should be high on business agendas to analyse and if necessary, change organisational cultures, relevant to equity policies. This is supported by a study by Gibson (2004) that found that only 16% of respondents said they have a “great deal” of contact at work with members of a different racial group while 6% said that they have a “great

deal” of such contact outside of work; a further 13% said that this type of contact is “limited” at work and outside of work respectively (a further 13%) (as documented in Seekings, 2008).

2.7 RELEVANT SOCIAL PSYCHOLOGICAL THEORIES AND CONCEPTS

Theories in social psychology play a pivotal role when analysing EE and BEE policies and the implementation of these in organisations. Firstly, according to *attribution theory*, we try to understand and make sense of behaviour by attributing behaviour to causes from the situational context and from people’s personalities (Baron & Byrne, 2004; Dombai & Verwey, 1999; Furnham, 2005). Therefore, when new behaviours are experienced (for example, the implementation of EE and BEE policies when these are foreign or new), and intercultural communication takes place, factors may be misconstrued based on the situational context and faulty preconceptions or misconceptions. People then refer to their pre-existing mental *schemas*, which are certain relatively fixed ways of thinking about the world, based on such factors as culture, socialisation, and so forth. *Schemas* are mental configurations that help us to organise social information and that guide the processing of this information (Baron & Byrne, 2004). This may cause *ethnocentrism* or *stereotyping* to occur (Cox, 1993; Dombai & Verwey, 1999). *Ethnocentrism* refers to the tendency of people to regard their own culture as superior to other cultures, and consequently consider themselves superior to members of other cultures (Cox, 1993; Dombai & Verwey, 1999). *Stereotyping* occurs when overgeneralisations are used to build assumptions about the behaviours of others, based on that of a reference group (Dombai & Verwey, 1999; Furnham, 2005). The actions of one member of a group are generalised to apply to all members of that group; on the other hand, the actions of the group as a whole are thought to reflect the behaviour of each individual member of the group (Cox, 1993; Dombai & Verwey, 1999). Therefore, *prejudice* may be an inherent part of stereotyping (Dombai & Verwey, 1999). *Prejudice* may be defined as negative feelings toward members of a group based solely on their group membership (Tesser, 1995); it is a prejudgement on the basis of a certain characteristic/s (Cox, 1993). Individuals may learn these negative behaviours through *socialisation*, which includes the learning processes that the person has been subjected to throughout his/her life (Dombai & Verwey, 1999). This prejudice may lead to *discrimination*, which is a “behavioral bias toward a person based on the person’s group identity” (Cox, 1993, p.64).

2.8 SYSTEMS THEORY

Systems theory is related to the above concepts of social psychology theory. Systems theory is also known as *structural functionalism* (Hart, 2005). According to systems theory, the organisation is not independent and isolated from its environment (Dombai & Verwey, 1999; Furnham, 2005). The organisation is seen as a complex, multifaceted component of the greater system (Buckley, 1967). The organisation and its environment exert reciprocal influences on each other (Dombai & Verwey, 1999; Hart, 2005). Dombai and Verwey (1999) state that:

The technological, legal-political, economical and socio-cultural environments shape the marketplace in which the organisation competes, and also directly influence the communities out of which the organisation competes, and also directly influence the communities out of which the organisation draws its workforce. (p.110)

Therefore, EE and BEE policies (at the governmental level) influence organisations and also influence workers and their perceptions of these policies and the organisation's implementation of the policies, and how these fit into the overall culture of the organisation. Reciprocally, the organisation – the type of organisation and the type of culture that it employs – influences the way EE and BEE policies are implemented in the company and the ways that they are exercised over employees, and in turn the perceptions that employees have of these policies. *Functionalism* views organisational culture in terms of the functions it carries out in the organisation (Schultz, 1994). It views organisational culture as a means of new members adapting to the organisation (Schultz, 1994). Functionalism assumes that culture develops through “organizational problem-solving” (Schultz, 1994, p.150).

2.9 IMPROVING THE PRACTICE OF AFFIRMATIVE ACTION (AA)

Innes et al. (1993) offer some suggestions on how to improve the practice of AA. These include management ensuring that high standards are maintained in recruiting AA employees and providing periodic report-backs (feedback) to all employees and perhaps clients, detailing their targets, and evaluating the progress of their programmes and policies. Authors suggest that mentoring programmes within AA policy may also be beneficial (Herholdt & Marx, 1999; Innes et al., 1993; Shen et al., 2009; Thomas, 2003; Thomas & Robertshaw, 1999; Zulu & Parumasur, 2009). Organisational cultural concepts are imperative to the effective implementation of equity policies. Companies need to stick to a clear communication strategy regarding the implementation of equity policies with employees and stakeholders, which should be created well before said implementation (Human, 1999; Leonard, 2004). This strategy should include communication about the broad guidelines of the policy/policies, management's commitment towards the policy/policies, and procedures and plans involved, and this communication needs to be ongoing and open (Human et al., 1999; Leonard, 2004; Thomas & Robertshaw, 1999). Of course in order for this to take place organisations need to have strategies already in place that contain clear plans, policies, rules and guidelines for the implementation of equity policies in their company. Any review of equity policies will need to include a consideration of the following variables that contribute to the inefficiency of these programmes: lack of employee access to information, including advice, business plans and finance (IOL, 2007; Klein, 2009); inequalities that remain ingrained in South African society, such as gender and race inequalities; cultural differences, including different perceptions about business communication and regulations; areas such as skills and enterprise development and education (FM Fund Management, 2008; Nongxa, 2009; SABC, 2009;

Sartorius & Botha, 2008; Thomas & Robertshaw, 1999; Tinarelli, 2000), including entrepreneurship, training (literacy training, skills training, cultural awareness programmes, educational workshops and management development) (Booyesen, 2007; Esterhuizen & Martins, 2008; Herholdt & Marx, 1999; Horwitz & Jain, 2002; SABC, 2009; Sartorius & Botha, 2008; Thomas, 2003; Thomas & Robertshaw, 1999; Tinarelli, 2000) and employment need to paid more attention to (Ponte et al., 2007; Thomas & Robertshaw, 1999); and there needs to be more effective ongoing monitoring processes of the policies (Human et al., 1999; Klein, 2009). Regulations regarding equity policies, including the structure of deals (BEE) will need to be made clearer, with exact guidelines and terms (Klein, 2009). Cyril Ramaphosa, who was recently involved in a large lucrative BEE deal through his Ramaphosa Group suggests that government needs to take further steps in regulating BEE and should find ways of enforcing BEE more rigorously (Klein, 2009). The BEE Code of Conduct would need to be included in any review process to ascertain if the advice contained in this document is comprehensive enough. It would furthermore be advantageous if more groups are created such as the 27Four BEE incubator fund, which supports emerging black managers and provides a database of new BEE investments for investors (FM Fund Management, 2008), as well as employment equity committees put into place by companies (Thomas & Robertshaw, 1999). Certain groups, including the DA political party, have called for AA programmes to be class-based rather than based on race (Habib, 2007). However, this goes against the fact that individuals were historically disadvantaged and prejudiced based on their race, and not their class. Habib (2007) instead argues that no redress initiative based only on race or class divisions will succeed in creating change, empowerment and equality, but rather one that has *multi-faceted criteria*.

2.10 CONCLUSION

Equity policies based on AA principles, such as EE and BEE programmes, are here to stay in South African business. However, current implementation of such policies lacks clear structure, strategies, targets and guidelines. Due to ongoing criticisms levelled at equity policies for a wide range of reasons, a review of these policies has been advocated by many. Any such review needs to take into account the culture of organisations, which strongly influences employee perceptions, attitudes, behaviour and ultimately performance. Therefore, it is economically as well as socially imperative that further research needs to be undertaken that focuses on relationships between organisational culture and equity policies in the unique South African context.



3. RESEARCH METHODOLOGY

3.1 RESEARCH PROBLEM

Important changes that have taken place within South African politics mean that most companies today are under pressure to implement AA policies within their organisations (Dombai & Verwey, 1999; Vermeulen & Coetzee, 2006). These AA policies include EE policies and BEE policies. Company agendas now include aspects such as *equality* and *social justice* and organisations will continue to be evaluated in terms of how well they meet employment equity targets (Louw, 2006; Vermeulen & Coetzee, 2006). Many employees and citizens in general view the process and implementation of these policies with great scepticism and even reluctance (Coetzee & Vermeulen, 2003; Dombai & Verwey, 1999; IOL, 2007; Quintal, 2007; Vermeulen & Coetzee, 2006). It is important to understand and examine these perceptions because employee perceptions influence employee attitudes and behaviour and therefore have an effect on the success (or failure) of an organisation (Vermeulen & Coetzee, 2006). Therefore, employee perceptions of the organisation by which they are employed and the performance of that organisation exert a reciprocal influence on each other.

In terms of the culture within an organisation and how it relates to EE and BEE policies, Dombai and Verwey (1999) note that, “individuals’ experiences of the organisational culture as a context for the construction of meaning are more important to diversity management than individual differences as a result of diversity” (p.104). The effective implementation of EE and BEE policies will to a large extent depend on whether or not these policies fit into the overall culture of an organisation or whether the organisational culture is adapted to accommodate these policies (Motileng, Wagner & Cassimjee, 2006). The organisation may therefore be viewed as a complex system consisting of different parts, such as the culture of the organisation and the practices within the organisation (such as EE and BEE policies and the implementation of these).

Previously, corporate cultures largely ignored principles of diversity and difference (Dombai & Verwey, 1999). It is important that the question of whether this has changed or changed to a large enough degree be answered, especially with regard to the implementation of EE and BEE policies. Some EE and BEE programmes may fail because previous structures, cultural systems and management styles are adhered to without adapting these to suit the needs of these policies (Motileng et al., 2006).

Authors such as Dombai and Verwey (1999) have recognised the economic imperative of examining the implementation of EE and BEE policies and their relation to the culture of a corporation. They note that “it would seem from an overview of available literature that organisations can only manage their diverse workforces successfully when their corporate cultures are receptive to and supportive of diversity” (Dombai & Verwey, 1999, p.105).

Furthermore, selection techniques represent a vital aspect of business considerations and decisions because it is important that the most suitable candidate be found for the job. If candidates perceive these selection techniques as unfair they may not apply for the job, and the company may effectively be losing out on the most suitable employee for the job (De Jong & Visser, 2000). In accordance with this, “selection can function as a powerful mechanism to take positive steps to promote equal representation of previously disadvantaged groups at all occupational categories and levels” (De Jong & Visser, 2000, p.17). Ultimately, employees’ perceptions of AA in their organisation, namely the EE and BEE policies that are implemented influence the attitudes and behaviour of employees and ultimately the success of the organisation (Vermeulen & Coetzee, 2006). These perceptions are related to the culture of the organisation.

3.2 RESEARCH HYPOTHESIS

The research hypotheses are related to the variables of employee perceptions, equity policies (EE and BEE) (the implementation of and transformation caused by), and organisational culture (OC).

It is expected that a relationship between employee perceptions, the implementation of equity policies, and the organisational culture will be found. It is expected that employee perceptions about equity policies will be more positive in organisational cultures that foster implementation of these policies and more negative in organisational cultures that do not foster the implementation of these policies.

The independent variables (IV) are the culture within the organisation (OC) and the implementation of equity policies within the organisation. The dependent variable (DV) is employee perceptions related to the implementation of equity policies within the organisation.

The hypotheses related to statistical testing using multiple correlation are as follows.

H0 (Null Hypothesis): No statistically significant relationships exist between the variables of EE and BEE policies, employee perceptions, and OC. $H_0: R = 0$.

H1 (Alternative Hypothesis): A statistically significant relationship/relationships exists/exist between the variables of EE and BEE policies, employee perceptions, and OC. Both positive and negative correlations are anticipated to occur between the different variables included in the study. $H_1: R \neq 0$.

3.3 RESEARCH DESIGN

This study is exploratory and a quantitative-descriptive research design is used, specifically the survey approach with the use of a questionnaire. According to Hart (2005), *descriptive*

research designs explore the occurrence of a phenomenon without making any changes to behaviour and *descriptive non-experimental research* in particular identifies variables and the relationships between them. This research design correlates with the systemic approach/theory. The system is studied as a complex unit, consisting of inter-acting and inter-related parts. The use of a constructed questionnaire is the data collection method.

A relevant questionnaire will be designed based on research conducted to ascertain which questions are important for such a questionnaire, examining employee perceptions of equity policies such as EE and BEE. Two such questionnaires consulted in the process were the Semantic Differential Scale that was used by Dombai and Verwey (1999), containing questions such as if employees consider AA and BEE to be fair, necessary and successful; and Vermeulen and Coetzee's (2006) AA Fairness Questionnaire (AAFQ). Questions about the organisation's culture will be included in the questionnaire, with the focus on the culture within the organisation relative to EE and BEE policies. These questions will be developed by adapting existing corporate climate/culture surveys available.

This questionnaire will be given to a large organisation in the Pretoria area, which will be representative of large companies in general in South Africa (i.e. a macro company with a large workforce, comprising different occupational levels), which employ EE and BEE practices. Approval from the company will be gained and the research process will be clearly explained to the company. Ethical concerns will be complied with, including obtaining informed consent from all research participants. The number of research participants will depend on the number of employees in the company (not including employees who decline from participating in the research and participants dropping out of the research). This research should be beneficial to the sample company as the company's knowledge about employee perceptions regarding EE and BEE perceptions, and if/how this is related to the culture of the organisation will increase and the research may be used to inform company policy regarding these practices and/or organisational culture practices/activities. Corporate climate/culture surveys may be very costly to companies and therefore the benefits of such questions included in the questionnaire at no fee to the company will be outlined when requesting the participation of the company and a report detailing the main findings of the research will be offered to the company, to be given to the company after completion and submission of the research.

3.4 PARTICIPANTS

A non-probability sampling method will be used; specifically, a purposive sample will be chosen in sampling the company used in the research. According to De Vos, Strydom, Fouche and Delport (2002), a purposive sample "is composed of elements that contain the most characteristic, representative or typical attributes of the population" (p.207). Therefore the company chosen for the research will be a large organisation – a medium to macro enterprise, with a minimum of 50 employees, that has equity policies in place (i.e. EE and

BEE policies in place) and procedures that implement these. This company may be in the private or public sector.

The participants will be sampled by using a convenience sampling method and they will consist of the employees of the large sample company in the Pretoria area who are willing to participate in the research. Participation will be voluntary. Therefore the total number of participants will be the total number of employees in the sample company (minus employees who decline to participate in the research and participants who drop out of the study, etc.). Statistical and other calculations will be conducted to test for an adequate sample size and the statistical level of power will be taken into consideration. The sample company will be a medium to macro enterprise in terms of size and number of employees. Participants will include different races and both genders (both males and females).

Having only one company participate in the research limits generalisability. However, generalisability is not the aim of this particular research. The aim of this research is to compare variables of the measuring instrument (the questionnaire) with one another and explore relationships between these variables and perceptions of EE and BEE, and the culture within the organisation. These variables will include biographic variables such as age, gender and race and also variables such as occupational level and years' service for the company. Relationships between these variables and perceptions of EE and BEE practices and implementation within the company, the organisational culture, and the perceived transformation that has taken place within the organisation as a result of these practices, will be explored. The company will, however, be representative to a certain extent of large (medium to macro enterprises) companies in South Africa that implement EE and BEE practices. The study will, however, not be generalisable, and representativity is not the aim of the research.

3.5 MEASUREMENT INSTRUMENT

A questionnaire will be used to examine participants' perceptions of EE and BEE policies, both within their own company and of South Africa in general, and to determine what type of organisational culture their company has in relation to these equity policies, if EE and BEE policies are part of this internal culture, and if the type of organisational culture influences employee perceptions of EE and BEE. Variables that will be explored and included in the questionnaire include:

- Age;
- Gender;
- Race;
- Occupational level (operational, supervisory and management);
- Years' service for the company;
- Perceptions of EE and BEE, including perceptions of fairness, necessity, and whether transformation has occurred within their company as a result of the practices;

- Perceptions of (and meanings attached to) the organisational culture, including communication within the organisation and socialisation within the organisation relative to EE and BEE; and
- The actual implementation of EE and BEE, including the methods used.

These variables will be compared with one another and the different levels of the variables will be compared within the variables. For example, different occupational levels will be compared with one another (operational, supervisory and management) in terms of perceptions of EE and BEE, and other variables. It will be determined whether statistically significant correlations exist between the variables.

Section A of the questionnaire (demographic information) will be gained from employee records maintained on the organisation's computer mainframe system. Access to this will be granted by the company's interactive web solution specialist. Only the records of employees who take part in the research will be accessed.

Sections B and C will consist of questions related to perceptions of EE and BEE respectively (including the implementation of and transformation brought about by EE and BEE in the company). These variables will include the variables listed above. Definitions of EE and BEE will be given to the respondents, based on how the terms will be used in the questionnaire. Examples of questions that will be asked in these sections are the following (participants will be required to answer these questions on the basis of a five point Likert scale ranging from "strongly disagree" to "strongly agree" – in terms of agreement with the statements):

- a) "I think that EE (BEE) in general in South Africa is fair"
- b) "I think that EE (BEE) in my company is fair"
- c) "I think that EE (BEE) policies are necessary to help the South African business economy grow and advance"
- d) "My organisation has explained its EE (BEE) policies and the implementation thereof to me"
- e) "My organisation is committed to carrying out its EE (BEE) policies"
- f) "The employees at my organisation speak informally about EE (BEE)"

Section D is the last section and will consist of questions related to the organisational culture and the organisational culture relative to the EE and BEE policies in the company. Examples of such questions include the following:

- a) "I have good working relationships with most of my co-workers"
- b) "There are systems in place in my company that protect employees against discrimination"
- c) "Conflict is handled well in my organisation"

A few open-ended questions will also be included in the questionnaire where employees may indicate their perceptions of EE and BEE policies and organisational culture in their own

words. Questions on perceptions of the implementation of EE and BEE in South Africa in general will also be included in the questionnaire. Existing corporate climate/culture surveys will furthermore be adapted and included in the questionnaire for the organisational culture questions section (Section D).

A five-point Likert scale will be used to indicate answers on the questionnaire (a score of 1 indicating a strong negative response – “*strongly disagree*”, and a score of 5 indicating a strong positive response – “*strongly agree*”). A Likert scale was also used in De Jong and Visser’s (2000) study of perceptions of the fairness of personnel selection techniques, including that of AA and in Vermeulen and Coetzee’s (2006) study of the dimensions of the fairness of AA. The proposed name for the questionnaire is “the Employment Equity and Black Economic Empowerment in Relation to Organisational Culture Questionnaire” (the EEBEE OCQ).

3.6 DATA COLLECTION PROCEDURES

The variables in the study are as follows. The *dependent variable* is employee perceptions of EE and BEE policies (and the accompanying variables listed previously). The *independent variables* are EE and BEE policies within the organisation and the implementation of these (including whether transformation has taken place within the organisation as a result of the implementation of these policies), and the organisational culture.

The sample company will be contacted and a meeting will be arranged with the company to discuss the research and all details of the research. Approval will be sought from the company. When this approval is granted, arrangements will be made for the data collection procedures. The questionnaires will be sent to all employees via an e-mail request, with the questionnaire available on the company’s internal computer network, after informed consent has been gained. Records will be kept of the organisation and of the participating employees. This is to ensure correct and efficient delivery and collection of questionnaires only, and will be indicated as such to participants. Anonymity and confidentiality will be maintained at all times throughout the research and research participants will be assured of this. A reasonable amount of time will be provided to participants to complete the questionnaire, after which the questionnaires will be analysed.

The questionnaire will be put on the company’s internal network, with the assistance of the sample company’s interactive web solution specialist, for the employees to answer voluntarily. A request for them to participate in the research will be sent via e-mail to all employees. Participants will be informed that all information will remain confidential. It was placed on the network from 1 December 2008 until 9 December 2008. Most of the respondents (69%) completed the questionnaire on 2 December 2008.

3.7 DATA ANALYSIS

Descriptive and comparative statistics will be used to analyse the data for statistically significant results and to obtain means and standard deviations on the data. SPSS for Windows will be used for all statistical procedures. As in Vermeulen and Coetzee's (2006) study, analyses of variance (ANOVAs) will be used to measure statistically significant differences between variables and one-way multivariate analyses of variance (MANOVAs) will be used to explore the relationships between variables. A factor analysis will also be performed on the data to investigate which main factors (if there are any) are responsible for the results obtained, and for this enough variables need to be included in the research design. This research design takes a large number of different variables into consideration, including demographic variables, dependent variables and independent variables.

Furthermore, correlation analyses will be conducted on the data. Correlations between the different variables in the study will be sought and analysed. These correlations may be of a negative or a positive nature. Correlation analyses will show if any significant relationships exist in the system of the organisation, consisting of different parts (the different variables included in the study). Multiple regression analysis will also be conducted on the data to investigate any statistically significant relationships between variables.

Qualitative responses will be analysed by coding the data in Microsoft Excel and performing a basic thematic analysis on the coded data. This involves generating themes for similar categories of data, thereby ascribing meaning to the data (Neuman, 2000). Each theme describes a common attitude or opinion of different participants.



4. DATA RESULTS AND ANALYSIS

4.1 INTRODUCTION

The following chapter will be used to present the results of the study, acquired through the methods discussed in the methodology chapter. A total number of 476 employees (mean age = 41.46 years, $SD = 8.5$ years, range = 20 – 64 years) completed the questionnaire, which consisted of a total of 39 questions (11 quantitative and 3 qualitative questions on EE, 10 quantitative and 3 qualitative questions on BEE and 11 quantitative and 1 qualitative question/s on OC). Of the 476 participants, 171 are White (35.9%), 104 are Coloured (21.8%), 101 are Indian (21.2%), and 100 are African (21.0%). Races of participants are therefore relatively evenly distributed, with Whites being the largest group. On average, employees had 17.09 years' service for the company ($SD = 10.7$ years). Most employees are working at the operational level (362 or 76.1%). The other 16.6% and 7.4% work at the supervisory and management levels respectively.

4.2 STATISTICAL PROPERTIES AND RELIABILITY OF MEASUREMENT INSTRUMENT

4.2.1 DESCRIPTIVE STATISTICS OF MEASUREMENT INSTRUMENT

The 32 quantitative items of the measurement instrument are indicated below in Table 1, along with the mean and standard deviation for each question. There are 11 quantitative questions on EE, 10 quantitative questions on BEE and 11 quantitative questions on OC. For most of the questions, answers range from 1 (strongly disagree) to 5 (strongly agree). The only two questions where this is not the case is for questions 11 and 23, where answers are either 0 for "Negative" or 1 for "Positive". Participants were only prompted to answer these questions if their answers for questions 10 and 22 respectively were either "agree" or "strongly agree". A total of 476 respondents (all sample respondents) answered the quantitative questions for EE, 351 respondents answered the quantitative questions for BEE, and 303 respondents answered the quantitative questions for OC.

Table 1 *Descriptive statistics of measurement instrument items*

	N	Min	Max	Mean	Std. Dev
Q1 I think that EE in general in SA is fair	476	1	5	2.77	1.20
Q2 I think that EE in my company is fair	476	1	5	2.83	1.16
Q3 I think that EE policies are necessary to help the SA business economy grow and advance	476	1	5	3.31	1.18
Q4 I believe that the way in which EE policies are currently used in my company are successful for bringing about positive change in my organisation	476	1	5	2.78	1.14
Q5 My organisation has explained its EE policies and the implementation thereof to me	476	1	5	3.12	1.14



Q6 My organisation's goals and objectives concerning EE are clear to me	476	1	5	3.18	1.12
Q7 My organisation is committed to carrying out its EE policies	476	1	5	3.59	1.08
Q8 Previously disadvantaged individuals are well represented in management positions in my organisation	476	1	5	3.28	1.21
Q9 The employees at my organisation speak informally about EE	476	1	5	2.84	1.15
Q10 The culture within my organisation has changed because of EE policies	476	1	5	3.36	1.08
Q11 Please indicate if this change in organisation culture because of EE has been positive or negative	187	0	1	0.45	0.50
Q14 I think that BEE in general in SA is fair	351	1	5	2.62	1.18
Q15 I think that BEE in my company is fair	351	1	5	2.69	1.13
Q16 I think that BEE policies are necessary to help the SA business economy grow and advance	351	1	5	3.25	1.15
Q17 I believe that the way in which BEE policies are currently used in my company are successful for bringing about positive change in my organisation	351	1	5	2.68	1.11
Q18 My organisation has explained its BEE policies and the implementation thereof to me	351	1	5	3.01	1.14
Q19 My organisation's goals and objectives concerning BEE are clear to me	351	1	5	3.09	1.11
Q20 My organisation is committed to carrying out its BEE policies	351	1	5	3.59	1.04
Q21 The employees at my organisation speak informally about BEE	351	1	5	2.84	1.12
Q22 The culture within my organisation has changed because of BEE policies	351	1	5	3.31	1.07
Q23 Please indicate if this change in organisation culture because of BEE has been positive or negative	141	0	1	0.42	0.50
Q26 I feel that I am well rewarded for the work that I do in my organisation	303	1	5	2.64	1.18
Q27 My level of qualification affects my salary	303	1	5	2.93	1.15
Q28 My level of experience affects my salary	303	1	5	2.78	1.21
Q29 Each employee at my organisation knows his/her roles and responsibilities towards the company	303	1	5	3.46	1.05
Q30 I have good working relationships with most of my co-workers	303	1	5	4.25	0.74
Q31 The values of management for the company are similar to my own	303	1	5	3.26	1.11



Q32 There are systems in place in my company that protect employees against discrimination	303	1	5	3.55	1.08
Q33 Conflict is handled well in my organisation	303	1	5	3.18	1.12
Q34 I feel free to discuss problems with the management at my company	303	1	5	2.94	1.25
Q35 I believe that I am a valuable part of the successful working of my organisation	303	1	5	3.83	1.08
Q36 The authoritative level at my company is fair	303	1	5	3.16	1.10

4.2.2 RELIABILITY OF MEASUREMENT INSTRUMENT

According to researchers such as Bartlett II, Kotrlik and Higgins (2001), a sample size to variable size ratio may be used to determine appropriate and adequate sample sizes in survey research. They state that when multiple regression analysis is used in one's study, "the ratio of observations to independent variables should not fall below five" (Bartlett II et al., 2001, p.48); however, using a ratio of 10 observations for each independent variable is viewed to be optimal. When using this method, variables such as race, which need to be dummy coded, will result in multiple variables in the model. Therefore, each racial group is viewed as one variable. Therefore, in this study, race (White, African, Indian and Coloured = 4 variables), gender (male and female = 2 variables), and occupational levels (management, supervisory and operational = 3 variables) result in a total of 9 variables altogether. Years' service, age and OC are viewed as single variables each and therefore result in a total of 3 variables altogether. Adding these totals together, one gets a total of 12 variables. If you multiply this by the required ratio of 10, one gets 120. Therefore, the sample size for this number of independent variables in this study would need to be a minimum of 120. The sample size for this study is almost four times that amount at 476. Therefore it seems that the measurement instrument is reliable in terms of adequate sample size.

The reliability for each scale (the EE questions, the BEE questions and the OC questions) of the measurement instrument was also measured statistically. An acceptable value for Cronbach's alpha is 0.7 and higher (Field, 2005). Values of 0.7 and higher show good reliability (Field, 2005). Cronbach's alpha for the EE questions is 0.82, for the BEE questions it is 0.8 and for the OC questions it is 0.81. Therefore, all three scales have good reliability at acceptable values of Cronbach's alpha. The EE questions have the highest reliability. The observed statistical power of the measurement instrument is 1.00 when alpha is set at a level of 0.05. This is good, considering that Field (2005) recommends that statistical power should be 0.08 or more.

4.3 DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE

The demographic characteristics of the participant sample are shown in Table 2. The participants' race, age, gender, occupational level and years' service were gained from their

online employee records. These were made available by the company's interactive web solution specialist, with the company's permission. For the sake of simplicity, responses were grouped into categories for age and years' service.

Table 2 *Basic demographic information of participants*

Category	Count	%
RACE		
White	171	35.9%
Coloured	104	21.8%
Indian	101	21.2%
African	100	21.0%
Total	476	100%
AGE		
20-29	53	11.1%
30-39	120	25.2%
40-49	213	44.7%
50-59	88	18.5%
60-65	2	0.4%
Total	476	100%
GENDER		
Male	221	46.4%
Female	255	53.6%
Total	476	100%
OCCUPATIONAL LEVEL		
Operational	362	76.1%
Supervisory	79	16.6%
Management	35	7.4%
Total	476	100%
YEARS' SERVICE		
0-9	115	24.2%
10-19	120	25.2%
20-29	190	39.9%
30-39	50	10.5%
40-45	1	0.2%
Total	476	100%

As shown in Table 2, the largest race group is Whites, comprising almost 36% of the participant sample; the largest age group is 40-49 years (almost 45% of the sample); there are slightly more females than males in the sample (approximately 54% in relation to 47%); most employees who took part in the research are at the operational level; and most have 20-29 years' service with the company (nearly 40%). As Figure 2 shows, the distribution of age categories is relatively normal. Figure 3 shows the distribution of years' service categories. Table 3 shows the means and standard deviations for the demographic variables of age and years' service.

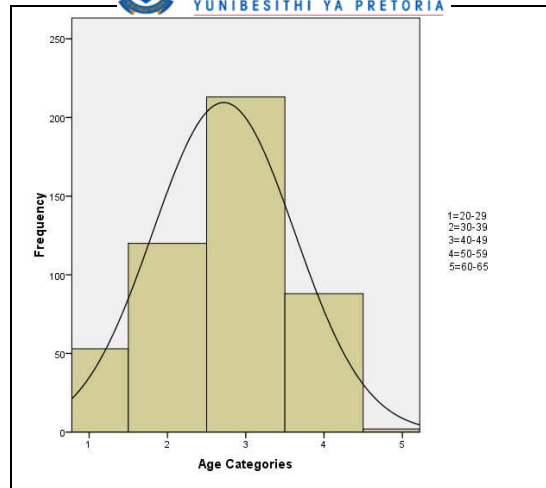


Figure 2. *Distribution of age categories*

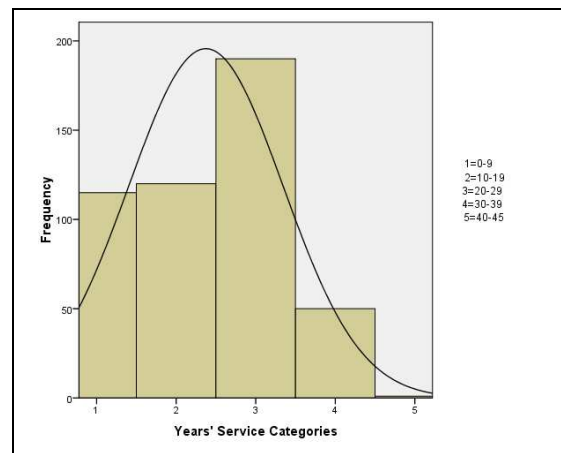


Figure 3. *Distribution of years' service categories*

Table 3 Means and standard deviations of demographic variables

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Race	476	1	4		
Gender	476	1	2		
Years' Service	476	0	41	17.09	10.74
Age	476	20	64	41.46	8.54
Occupational Level	476	1	3		
Valid N (listwise)	476				

4.4 PRESENTATION OF SUMMARY SCORES

Table 4 shows the means and standard deviations for the total scores of the main variables in the questionnaire, namely employment equity (EE), Black economic empowerment (BEE) and organisational culture (OC). Questions were asked on a 5-point Likert response scale, ranging from “Strongly Disagree” (1) to “Strongly Agree” (5). As seen in Table 4, the average mean for all three variables was 3, which is “Neither Agree nor Disagree” (neutral). Figures 4 to 6 show the distributions for the scores of the EE, BEE and OC questions respectively.



Table 4 Means and standard deviations for EE, BEE and OC

Variable	N	Minimum	Maximum	Mean	Std. Deviation
EE	476	1	5	3.10	0.70
BEE	351	1	5	3.01	0.69
OC	303	1	5	3.27	0.64

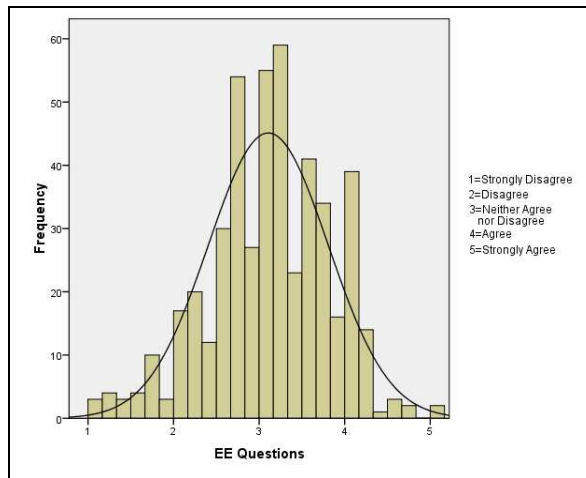


Figure 4. Distribution of EE questions' scores

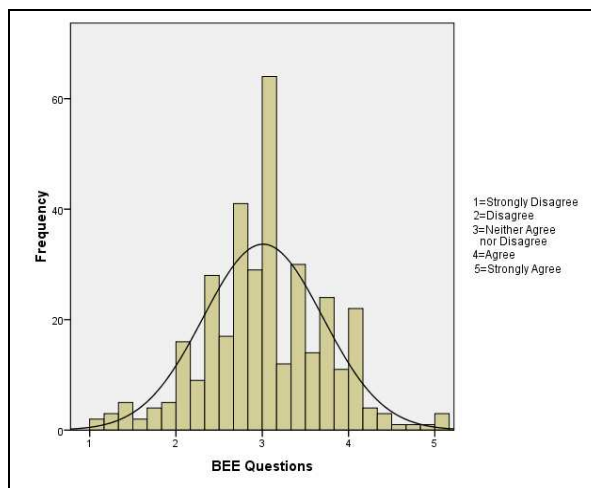


Figure 5. Distribution of BEE questions' scores

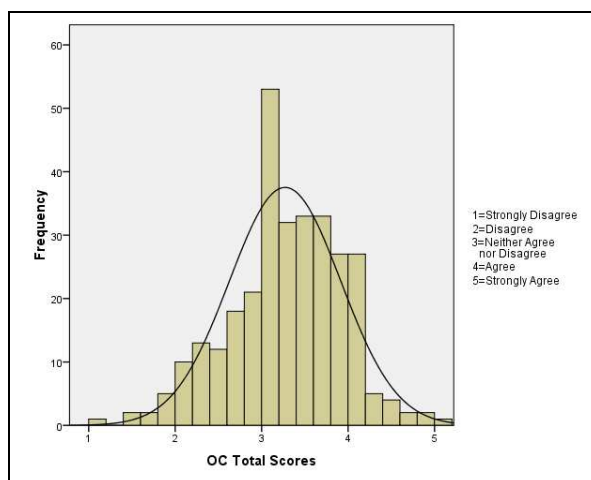


Figure 6. Distribution of OC total questions' scores



4.5. QUALITATIVE RESPONSES

Participants were also asked a number of qualitative questions with regard to the improvement of EE policies (in South Africa in general and in their company in particular), the improvement of BEE policies (in South Africa in general and in their company in particular), and the improvement of employee relations (the culture) in their organisation. Their responses are as follows.

4.5.1 THE IMPROVEMENT OF EE POLICIES

Participants were asked what they think can be done by organisations in general in South Africa to improve the practical implementation of EE policies. The main themes that emerged from the data, along with some codes and a few quotes are provided in Table 5 below.

Table 5. *Qualitative analysis of the improvement of EE policies in SA*

Main Themes	Codes	Quotes
EE policies must be <i>FAIR</i>	<ul style="list-style-type: none"> • Selection procedures • No “window dressing” 	<ul style="list-style-type: none"> • “<i>Selection method to be implemented very fairly</i>” • “<i>Equal treatment. Fair treatment in the workplace</i>” • “<i>To be fair</i>” • “<i>(Equal) to (everyone)</i>” • “<i>Have a fair system in regards to employment</i>” • “<i>People should be recruited on capability and potential</i>” • “<i>Employ the person by their qualification and experience, not by race and (gender)</i>” • “<i>The organisation should give all individuals equal opportunities</i>” • “<i>Employing the best people for the job, not just to window dress but to actually have someone with experience</i>”
<i>Training</i> must be given and work activities must take place that foster cohesiveness, such as team building	<ul style="list-style-type: none"> • Mentoring • Development • Probation periods for EE candidates • Education • Team building 	<ul style="list-style-type: none"> • “<i>(Develop) and mentor competent people</i>” • “<i>We must have team building</i>” • “<i>Consider implementing probation periods for promotional posts</i>” • “<i>Afford all equal opportunity for training</i>” • “<i>I think that organisations should educate employees more with regard to EE</i>” • “<i>By helping people with education before putting them into positions they cannot fulfil</i>” • “<i>Implement projects to assist previous (disadvantaged) people to have the necessary skills that are needed</i>”
<i>Legal</i>	<ul style="list-style-type: none"> • Involve unions 	<ul style="list-style-type: none"> • “<i>Ensure that practical field assessments are</i>



enforcement of EE policies	<ul style="list-style-type: none"> Policy amendments or review 	<ul style="list-style-type: none"> conducted by (competent assessors)” “(Organisations) should follow the policies in line with fair (labour) practice” “The involvement of unions to observe (the) EE policies” “I think (the) policies should be (reviewed)”
Communication	<ul style="list-style-type: none"> Employees must be made aware of the policy and diversity in their companies 	<ul style="list-style-type: none"> “Communication that translates (into) noticeable action” “They must create awareness amongst employees of all diversities”

Participants were asked what they think can be done by their organisation in particular to improve the practical implementation of EE policies. The main themes that emerged from the data, along with some codes and a few quotes are provided in Table 6 below.

Table 6. *Qualitative analysis of the improvement of EE policies in company*

Main Themes	Codes	Quotes
Training	<ul style="list-style-type: none"> Technical training 	<ul style="list-style-type: none"> “Train and develop the right people for the right positions” “Uplift skills, especially in management” “Provide more intensive practical training solutions” “All (women) (need) to get technical experience” “More skills learnerships” “Train people more” “Improvement of skills” “Book people to relevant courses” “Train the candidate that has been earmarked for a position before appointment” “Train possible (candidates) before appointing them”
Monitoring and evaluation	<ul style="list-style-type: none"> Committee to assess Skills assessments Audits 	<ul style="list-style-type: none"> “Implementation of EE policy to be monitored” “My organisation (needs) to form a recruiting committee that will conduct interviews” “Conduct a skills (assessment)” “Audits should be done ...at all levels and departments”
EE policies must be FAIR		<ul style="list-style-type: none"> “They must be fair, who (deserves) the job” “Employ (equally)” “All employee(s) should be treated equally” “Be fair to everyone” “Give everyone a fair chance” “Be fair to all employees (regardless) of race” “Must be fair when (selecting) candidates for positions in EE”
Work activities	<ul style="list-style-type: none"> Team building Brainstorming 	<ul style="list-style-type: none"> “Team (building)” “More brainstorming and input should be given by



	sessions <ul style="list-style-type: none"> • Motivation • Recreation rooms • Workshops 	<i>more people and decisions should not be made (by) just a few 'top' people"</i> <ul style="list-style-type: none"> • "Motivate employees" • "Introduce rec rooms... so staff can interact" • "Let the employees have workshops and hear what they have to say"
Communication		<ul style="list-style-type: none"> • "Improve the communication channels" • "Carry out the communication of policies by presenting the information face-to-face to employees by management" • "To keep us informed (about) what the company wants" • "Have open discussions with staff"

4.5.2 THE IMPROVEMENT OF BEE POLICIES

Participants were asked what they think can be done by organisations in general in South Africa to improve the practical implementation of BEE policies. The main themes that emerged from the data, along with some codes and a few quotes are provided in Table 7 below.

Table 7. Qualitative analysis of the improvement of BEE policies in SA

Main Themes	Codes	Quotes
Training	<ul style="list-style-type: none"> • Also to BEE companies/contractors • Mentoring 	<ul style="list-style-type: none"> • "Make sure they know what they are doing" • "More training for...higher position(s), that includes black business managers" • "We have to provide continuous skilled guidance and assistance to BEE companies" • "(Intense) training and identifying of skills" • "Empowerment and sharing skills (with the disadvantaged)" • "Individuals in senior management positions (need) to be trained better" • "Empower all people and not certain groups. Start business academies at schools" • "Mentor... (previously) disadvantaged groups and expose them to more training"
BEE policies must be FAIR		<ul style="list-style-type: none"> • "Should not consider BEE, should be (the) best person for the job" • "Give the (Whites) (opportunity) too, there is no window for improvement open to them" • "BEE implementation should be fair at all levels" • "Encourage fairness, give all a piece of the pie" • "People no matter what colour should be



		<p><i>positioned (effectively) based on knowledge, skills and attitude"</i></p> <ul style="list-style-type: none"> • <i>"Be fair always and award according to merit"</i> • <i>"Be more fair"</i> • <i>"Be fair in appointments"</i> • <i>"The organisation can give all employees equal opportunities. They must appoint the best candidate for the job"</i>
Communication	<ul style="list-style-type: none"> • Explain policies to employees • Get employee input/engagement from all employees • BEE policies must have clear objectives • Awareness of policies for employees 	<ul style="list-style-type: none"> • <i>"Explaining it for one"</i> • <i>"Our suggestions are not taken into consideration"</i> • <i>"Communication to clear (up) common misconceptions"</i> • <i>"Employee engagement is the only solution"</i> • <i>"Let there be clear objective(s) about BEE and the implementation"</i> • <i>"Awareness. It is like a forbidden topic. Times have changed, yet it feels as though management still has a tunnelled mindset"</i> • <i>"Organisations should clearly explain the reason (for the existence of) BEE, its objectives"</i> • <i>"By informing staff"</i> • <i>"The BEE policies should be fully explained so they (are) well understood by those assigned to implement them"</i> • <i>"Actively involve employees in awareness sessions"</i> • <i>"Involve all cultures to participate by giving (their) views on compiling the policy"</i>

Participants were asked what they think can be done by their organisation in particular to improve the practical implementation of BEE policies. The main themes that emerged from the data, along with some codes and a few quotes are provided in Table 8 below.

Table 8. Qualitative analysis of the improvement of BEE policies in company

Main Themes	Codes	Quotes
BEE policies must be FAIR		<ul style="list-style-type: none"> • <i>"Give everyone a fair (opportunity) regardless of colour. The best man for the job should get it"</i> • <i>"Encourage fairness, give all a piece of the pie"</i> • <i>"Be fair"</i> • <i>"My organisation can give equal opportunities to all employees. They must not only appoint black (people) to every position but choose the best candidate for the job"</i> • <i>"Give everybody equal opportunities"</i>



		<ul style="list-style-type: none"> • <i>"Apply fairness in selection of candidates"</i>
<i>Training</i>	<ul style="list-style-type: none"> • Support • Guidance • Better selection 	<ul style="list-style-type: none"> • <i>"Give more support and guidance"</i> • <i>"Continual training and development"</i> • <i>"After the PC courses the people will be more motivated"</i> • <i>"Knowledge is power. People need to be empowered so that they can empower themselves personally and (necessarily) enrich themselves"</i> • <i>"Empower people with relevant courses"</i> • <i>"Individuals in management positions (need) to be trained better (and) selected"</i> • <i>"Empower your people in your organisation and then also those in the lowest income group"</i> • <i>"Empowering employees with skills and training"</i> • <i>"Proper long term training and ensure that the person is able to do the job properly first"</i> • <i>"Train the appointee before putting him in that position"</i>
<i>Communication</i>	<ul style="list-style-type: none"> • Discussions • Awareness of policies for employees (including the BEE status of the company) • Transparency • Workshops • Education 	<ul style="list-style-type: none"> • <i>"Improved communication from (the) executive level and using the human approach"</i> • <i>"Have HR have discussions with staff regularly about the BEE implementations within the organisation"</i> • <i>"Let's talk about it. I am not aware of (my company's) involvement in any BEE activities"</i> • <i>"As most of the employees are unaware of the BEE status it should be communicated to them all. The advantages and disadvantages should be pointed (out) so that no one is in the dark"</i> • <i>"Be transparent"</i> • <i>"...Should have workshops conducted by independent consultants to change mindsets"</i> • <i>"To see that everybody understand(s) it"</i> • <i>"Educate management"</i> • <i>"Workshops"</i>

Therefore, it seems that employees mentioned similar themes for the improvement of both EE and BEE in South Africa in general and in their company specifically. The main themes that emerged from the data are as follows:

- a) The policies must be *fair*
- b) *Training* needs to take place
- c) *Communication* of the policies is important



4.5.3 THE IMPROVEMENT OF EMPLOYEE RELATIONS (THE CULTURE) IN THE COMPANY

Participants were asked what they think can be done by their organisation to improve employee relations (the culture) in their organisation. The main themes that emerged from the data, along with some codes and a few quotes are provided in Table 9 below.

Table 9. *Qualitative analysis of the improvement of employee relations (the culture) in company*

Main Themes	Codes	Quotes
<i>Training</i>	<ul style="list-style-type: none"> • Awareness • Workshops • Skills assessment • People skills are lacking • Education 	<ul style="list-style-type: none"> • <i>“Train line managers on people skills”</i> • <i>“Training and development - skills enhancement and skills analysis”</i> • <i>“Some of the junior management lack people skill(s) which (is) creating conflict”</i> • <i>“To educate”</i>
<i>Communication</i>	<ul style="list-style-type: none"> • Must be fair • Must be open • Feedback from employees (involve employees) • Especially from management to employees (improve employee-management relations) • Transparency • More personalised • Visibility of management 	<ul style="list-style-type: none"> • <i>“Management transparency”</i> • <i>“Management being more people orientated and (having) better leadership skills”</i> • <i>“Start with management and improve their relations so that it can cascade down”</i> • <i>“It is all about listening to the employee; find out what makes them tick”</i> • <i>“Have an open door policy, which we have”</i> • <i>“Management needs to listen to (the) operational staff as we have years of experience (of) what works and what (does) not”</i> • <i>“Transparency”</i> • <i>“To be honest”</i> • <i>“We are in the communication industry but do not communicate”</i> • <i>“Communication channels need to be made known to all employees and they need to be encouraged to use these mediums to get their voices heard”</i> • <i>“More personalised communication”</i> • <i>“Keep employees in the loop. We are always the last people to hear of drastic changes”</i> • <i>“Both way communication, i.e. not always from top to bottom or commands in (the) place of suggestions”</i> • <i>“Openness and transparency from management. Regular visits and making efforts to solve problems that are raised by</i>



		<p>employees. Management to stop making promises that can't be fulfilled"</p> <ul style="list-style-type: none"> • "I think that there is a huge gap between management and the worker" • Involve staff in decision taking" • "Management is never visible; need to get out of (their) offices more and visit workers on (the) floor" • "...Have regular feedback sessions" • "Employee opinions should be asked for and listened to" • "To improve communication between management and technical staff" • "People must be free to lay their problems with the manager or seniors"
<p>Personality characteristics</p>	<ul style="list-style-type: none"> • Respect • Be fair • Be friendly • Have compassion • Be understanding 	<ul style="list-style-type: none"> • "Management must be more accommodating and understanding towards the employee. Employees of different cultures should be encouraged to work together instead of the little groups" • "Respect one another's' views. Give them a chance to prove themselves" • "Respect each other" • "Being friendly, considerate to all - having compassion"
<p>Work activities</p>	<ul style="list-style-type: none"> • Meetings • Team building • Christmas party • "Cultural days" 	<ul style="list-style-type: none"> • "More face to face interaction between higher management and employees" • "Open discussions will help to improve employee relation(s)" • "If the employer can select specific dates a year as cultural days" • "Cross (cultural) social programmes" • "Team building, talks on team work, team related activities" • "Team building" • "Various groups to interact on (a) regular basis, like start meetings on (a) very casual level. Explain to each other how their different viewpoints are influenced by their culture. When they try to understand this difference, maybe they would have better relations" • "Meet more and share what is happening" • "More interaction and management visits" • "More 'spanbou' (teambuilding) days" • "More workshops" • "Social awareness programmes"



<p>Compensation/reward systems</p>	<ul style="list-style-type: none"> • Improved salaries 	<ul style="list-style-type: none"> • <i>“Salaries can be improved”</i> • <i>“Workers should be paid according to knowledge and skill”</i> • <i>“Increase people’s salaries. Some of us can’t afford houses”</i> • <i>“To increase or decrease salaries to the level of experience and the output of individuals”</i> • <i>“Better rewards for hard work and penalties for bad work”</i> • <i>“Salary increases should be more (than) the rate of inflation, not less”</i>
<p>Fairness</p>	<ul style="list-style-type: none"> • Everyone treated equally • No discrimination 	<ul style="list-style-type: none"> • <i>“Be open and fair”</i> • <i>“Treat all Equal(ly) in accordance with their capabilities”</i> • <i>“Practice fairness within the workplace”</i> • <i>“If we are all treated the same, I’m fine”</i> • <i>“Unfair treatment amongst different race(s) should be eliminated”</i> • <i>“Implement fairness”</i> • <i>“ Treat everyone equally”</i> • <i>“Give everyone a fair opportunity to speak (their) minds in an orderly way”</i> • <i>“To treat your staff the same”</i>
<p>Employees need to <i>feel valued</i></p>	<ul style="list-style-type: none"> • Employees need to feel part of the organisation • Employees need to feel free to speak to management 	<ul style="list-style-type: none"> • <i>“No one must (be) belittled if he speaks his mind”</i> • <i>“Employees must feel that they are part and parcel of our organisation and to be proud to be working (for) the organisation”</i> • <i>“Employees should feel free to speak their minds in a respectful manner. Their views should be considered and not just brushed aside”</i> • <i>“Work pride is needed”</i> • <i>“Staff should understand that they must value their job”</i>

4.6 FACTOR ANALYSIS

Different factor analyses were performed on the data for the EE, BEE and OC questions. The results of these are discussed below. An orthogonal rotation (varimax) was used in order to get a simple structure where factors do not correlate with each other. In practice though one would expect the factors (importance, impact and clarity for EE and BEE) for each of the three constructs (EE, BEE and OC) to correlate with each other but the varimax was performed to clarify the factors (this minimum overlap between variables on factors).

4.6.1 EE FACTORS

A factor analysis was firstly performed on the data for the EE questions. From the correlation matrix, it is clear that there a number of significant correlations ($p < 0.05$) between the variables, for example between “I think that EE in general in SA is fair” and “I think that EE in my company is fair” ($r = 0.69$); and between “I think that EE policies are necessary to help the SA business economy grow and advance” and “My organisation has explained its EE policies and the implementation thereof to me” ($r = 0.24$).

There are no correlations with coefficients greater than 0.9 ($r > 0.9$) (except each variable with itself) and therefore multicollinearity is not a problem (Field, 2005). This is confirmed by the size of the determinant ($D = 0.01$), which is greater than the criterion value of 0.00001 (Field, 2005).

According to Field (2005), a KMO (Kaiser-Meyer-Olkin Measure of Sampling Adequacy) value needs to be a minimum of 0.5. The KMO value in this case is 0.801, which is very good (Field, 2005). Furthermore, all the diagonal KMO values in the anti-image correlation matrices are greater than 0.5; this indicates that the sample is adequate and that no variables need to be removed from the analysis (Field, 2005). The off-diagonal correlations are also small and close to 0, e.g. - 0.09 and - 0.41, which is required (Field, 2005). The Bartlett’s Test of Sphericity value for these data is highly significant ($p < 0.001$) and therefore factor analysis is appropriate (Field, 2005).

In this case, there is a large sample (which Field, 2005 describes as being larger than 250 participants); in fact, $N = 476$ for EE. The average of the communalities is 0.69, which is larger than the required value of 0.6 for Kaiser’s criterion to be valid (Field, 2005). Therefore, in this case, the default SPSS option of using Kaiser’s criterion, which indicates three factors, is correct.

Table 10 shows the rotated component matrix for the factor analysis for the EE questions. According to the Total Variance Explained table, factor 1 (importance of EE) explains 39.49% of the total variance before rotation and 28.53% after rotation; factor 2 (impact of EE) explains 20.68% of total variance before rotation and 21.81% after rotation; and factor 3 (clarity of EE) explains 8.91% of total variance before rotation and 18.74% after rotation. The Total Variance Explained tables for EE, BEE and OC are included in the appendices. From the communalities table, one sees that the question with the most shared variance (90.5%) is question 6: “My organisation’s goals and objectives concerning EE are clear to me.” The communalities table can be found in the appendices.



Table 10. *Rotated component matrix for EE questions*

	Component		
	1	2	3
Q1 I think that EE in general in SA is fair	0.84		
Q2 I think that EE in my company is fair	0.82		
Q4 I believe that the way in which EE policies are currently used in my company are successful for bringing about positive change in my organisation	0.81		
Q3 I think that EE policies are necessary to help the SA business economy grow and advance	0.79		
Q10 The culture within my organisation has changed because of EE policies		0.82	
Q8 Previously disadvantaged individuals are well represented in management positions in my organisation		0.77	
Q7 My organisation is committed to carrying out its EE policies		0.66	
Q9 The employees at my organisation speak informally about EE		0.56	
Q6 My organisation's goals and objectives concerning EE are clear to me			0.89
Q5 My organisation has explained its EE policies and the implementation thereof to me			0.87

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 5 iterations.

One should be aware that a scale with few items could be unreliable; however, due to the high internal consistency (reliability alpha = 0.82), the reliability of the scale is not a problem. From the Reproduced Correlations table, one sees that there is 35% of nonredundant residuals with absolute values greater than 0.05, which is good as there should be no more than 50% (Field, 2005).

4.6.1.1 ITEM STATISTICS FOR EACH FACTOR

Tables 11 to 13 show the item-total statistics for each of the three factors for EE respectively, namely Factor 1 (Importance of EE), Factor 2 (Impact of EE) and Factor 3 (Clarity of EE). After each table, certain important findings with regard to different aspects of these factors are discussed.

Table 11. *Item-total statistics for EE Factor 1 (Importance)*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q1 I think that EE in general in SA is fair	8.92	8.92	0.71	0.82
Q2 I think that EE in my company is fair	8.86	8.80	0.77	0.80



Q3 I think that EE policies are necessary to help the SA business economy grow and advance	8.38	9.67	0.60	0.87
Q4 I believe that the way in which EE policies are currently used in my company are successful for bringing about positive change in my organisation	8.91	9.00	0.76	0.80

Fairness of EE

One of the factors that constitute the importance of EE is the perceived fairness of EE. Many participants (approximately 48%) disagree (either disagree or strongly disagree) that EE in general in South Africa is fair and a slightly lower 42% disagree (either disagree or strongly disagree) that EE in their company is fair. This is therefore an important aspect of EE, and specifically the importance of EE, for companies to take into consideration.

Necessity of EE

Another factor that comprises the importance of EE is the necessity of EE policies. It is heartening to see that more than half of the participants (approximately 59%) agree (either agree or strongly agree) that “EE policies are necessary to help the South African business economy grow and advance.”

Table 12. *Item-total statistics for EE Factor 2 (Impact)*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q7 My organisation is committed to carrying out its EE policies	9.48	6.74	0.50	0.62
Q8 Previously disadvantaged individuals are well represented in management positions in my organisation	9.79	6.19	0.50	0.62
Q9 The employees at my organisation speak informally about EE	10.24	7.18	0.35	0.71
Q10 The culture within my organisation has changed because of EE policies	9.71	6.32	0.58	0.57

Company's Commitment to EE

It is a positive finding that over half (approximately 55%) of participants agree (either agree or strongly agree) with the statement “My organisation is committed to carrying out its EE policies” and a slightly lower 53% agree (either agree or strongly agree) with the statement “Previously disadvantaged individuals are well represented in management positions in my

organisation.” “Previously disadvantaged individuals” were defined in the questionnaire as “Blacks, including Coloured people and Indians; women; and the disabled.”

Company Culture and EE

It seems that participants do not speak informally about EE with their colleagues at work. Approximately 41% of participants disagree (either disagree or strongly disagree) with the statement. However, more than half of participants (approximately 52%) state that the culture within their organisation has changed because of EE policies. This item is discussed in more detail later on.

Table 13. *Item-total statistics for EE Factor 3 (Clarity)*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation
Q5 My organisation has explained its EE policies and the implementation thereof to me	3.18	1.24	0.82
Q6 My organisation's goals and objectives concerning EE are clear to me	3.12	1.31	0.82

Communication of EE Policies

Most participants believe that their company communicates effectively with them with regard to EE policies. This is evident by the fact that almost half of them (approximately 49%) agree (either agree or strongly agree) with the statement “My organisation has explained its EE policies and the implementation thereof to me” whilst only 30% disagree (either disagree or disagree strongly) with the statement; and half of the participants (approximately 50%) agree (either agree or strongly agree) with the statement “My organisation’s goals and objectives concerning EE are clear to me”, whilst only 27% either disagree or disagree strongly with the statement.

4.6.1.2 RELIABILITY FOR EACH SCALE

The reliability of each scale for the three factors of EE are summarised below in Table 14. Factor 3 (Clarity of EE) has the highest reliability with a Cronbach alpha value of 0.90, but consists of only two items (questions). Factor 1 (Importance) has a Cronbach’s alpha of 0.86 and consists of 4 items and Factor 2 (Impact) has a Cronbach’s alpha of 0.70 and consists of 4 items.



Table 14. *Reliability for each EE factor*

EE Factor	Cronbach's Alpha	N of Items
Factor 1: Importance	0.86	4
Factor 2: Impact	0.70	4
Factor 3: Clarity	0.90	2

4.6.1.3 SUMMARY OF DESCRIPTIVE STATISTICS

A summary of the descriptive statistics for the three EE Factors is shown below in Table 15.

Table 15. *Descriptive statistics for EE factors*

EE Factor	N	Mean	Std. Deviation
Factor 1 (Importance)	476	2.92	0.98
Factor 2 (Impact)	476	3.27	0.82
Factor 3 (Clarity)	476	3.15	1.08

4.6.2 BEE FACTORS

A factor analysis was then performed on the data for the BEE questions. From the correlation matrix, it is clear that there a number of significant correlations ($p < 0.05$) between the variables, for example between "I think that BEE in general in SA is fair" and "I think that BEE in my company is fair" ($r = 0.63$) and between "I think that BEE policies are necessary to help the SA business economy grow and advance" and "I believe that the way in which BEE policies are currently used in my company are successful for bringing about positive change in my organisation" ($r = 0.49$).

There are no correlations with coefficients greater than 0.9 ($r > 0.9$) (except each variable with itself) and therefore multicollinearity is not a problem (Field, 2005). This is confirmed by the size of the determinant ($D = 0.018$), which is greater than the criterion value of 0.00001 (Field, 2005).

According to Field (2005), a KMO (Kaiser-Meyer-Olkin Measure of Sampling Adequacy) value needs to be a minimum of 0.5. The KMO value in this case is 0.76, which is good (Field, 2005). Furthermore, all the diagonal KMO values in the anti-image correlation matrices are greater than 0.5; this indicates that the sample is adequate and that no variables need to be removed from the analysis (Field, 2005). The off-diagonal correlations are also small and close to 0, e.g. 0.03 and 0.01, which is required (Field, 2005). The Bartlett's Test of Sphericity value for these data is highly significant ($p < 0.001$) and therefore factor analysis is appropriate (Field, 2005).

In this case, there is a large sample (which Field, 2005 describes as being larger than 250 participants); in fact, $N = 351$ for BEE. The average of the communalities is 0.72, which is larger than the required value of 0.6 for Kaiser's criterion to be valid (Field, 2005). Therefore,

in this case, the default SPSS option of using Kaiser's criterion, which indicates three factors, is correct.

Table 16 below shows the rotated component matrix for the factor analysis for the BEE questions. According to the Total Variance Explained table, factor 1 (importance of BEE) explains 40.12% of the total variance before rotation and 29.15% after rotation; factor 2 (impact of BEE) explains 22.92% of total variance before rotation and 21.6% after rotation; and factor 3 (clarity of BEE) explains 9.16% of total variance before rotation and 21.45% after rotation. The Total Variance Explained tables for EE, BEE and OC are included in the appendices. From the communalities table, one sees that the question with the most shared variance (86.3%) is question 18: "My organisation has explained its BEE policies and the implementation thereof to me." The communalities table is included in the appendices.

Table 16. *Rotated component matrix for BEE questions*

	Component		
	1	2	3
Q14 I think that BEE in general in SA is fair	0.83		
Q16 I think that BEE policies are necessary to help the SA business economy grow and advance	0.78		
Q15 I think that BEE in my company is fair	0.77		
Q17 I believe that the way in which BEE policies are currently used in my company are successful for bringing about positive change in my organisation	0.756		
Q22 The culture within my organisation has changed because of BEE policies		0.80	
Q21 The employees at my organisation speak informally about BEE		0.76	
Q20 My organisation is committed to carrying out its BEE policies		0.75	
Q19 My organisation's goals and objectives concerning BEE are clear to me			0.88
Q18 My organisation has explained its BEE policies and the implementation thereof to me			0.86
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

One should be aware that a scale with few items could be unreliable; however, due to the high internal consistency (reliability alpha = 0.80), the reliability of the scale is not a problem.

4.6.2.1 ITEM STATISTICS FOR EACH FACTOR

Tables 17 to 19 show the item-total statistics for each of the three factors for BEE respectively, namely Factor 1 (Importance of BEE), Factor 2 (Impact of BEE) and Factor 3 (Clarity of BEE). After each table, certain important findings with regard to different aspects of these factors are discussed.

Table 17. *Item-total statistics for BEE Factor 1 (importance)*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q14 I think that BEE in general in SA is fair	8.62	7.94	0.66	0.78
Q15 I think that BEE in my company is fair	8.56	7.86	0.72	0.75
Q16 I think that BEE policies are necessary to help the SA business economy grow and advance	7.99	8.77	0.53	0.84
Q17 I believe that the way in which BEE policies are currently used in my company is successful for bringing about positive change in my organisation	8.57	8.06	0.71	0.76

Fairness of BEE

More than half of the participants (approximately 51%) either disagree or strongly disagree that BEE in general in South Africa is fair and approximately 46% either disagree or strongly disagree that BEE in their company is fair. It seems then that participants view the fairness of EE policies slightly more favourably than that of BEE policies, although they are more negative than positive with regard to both. It is important then that companies focus on the fairness of these policies and attempt to make them as fair as possible for employees' perceptions of these policies to become more positive. Literature supports the importance of the fairness of equity policies, as has been outlined in the Literature Review.

Necessity of BEE

Another facet of the importance of BEE is the perceived necessity of the policy. It is heartening to see that more than half (approximately 55%) of participants either agree or strongly agree with the statement "I think that BEE policies are necessary to help the South African business economy grow and advance." However, approximately 45% disagree (either disagree or strongly disagree) that the way in which BEE policies are currently implemented in their company is successful for bringing about positive change in their organisation. Therefore, managers will need to pay more attention to the implementation of these policies.

Table 18. *Item-total statistics for BEE Factor 2 (Impact)*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q20 My organisation is committed to carrying out its BEE policies	6.15	3.35	0.56	0.57
Q21 The employees at my organisation speak informally about BEE	6.89	3.46	0.45	0.71
Q22 The culture within my organisation has changed because of BEE policies	6.43	3.27	0.57	0.56

Company's Commitment to BEE

It is positive to see that a relatively large percentage (approximately 63%) of participants agree (either agree or strongly agree) with the statement "My organisation is committed to carrying out its BEE policies." Only 15% of participants either disagree or strongly disagree with the statement.

Company Culture and BEE

Approximately 42% of participants either disagree or strongly disagree that "the employees at my organisation speak informally about BEE." Approximately 42% of participants think that the culture within their organisation has changed because of BEE policies. This aspect is discussed more later on.

Table 19. *Item-total statistics for BEE Factor 3 (Clarity)*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation
Q18 My organisation has explained its BEE policies and the implementation thereof to me	3.09	1.24	0.80
Q19 My organisation's goals and objectives concerning BEE are clear to me	3.01	1.29	0.80

Communication of BEE Policies

Only slightly more participants agree (either agree or strongly agree) than disagree (either disagree or strongly disagree) (43% in comparison to 32%) that their organisation has explained its BEE policies and the implementation thereof to them. This is important for management to take under review. However, a slightly higher 44% agree (either agree or strongly agree) that "my organisation's goals and objectives concerning BEE are clear to me", compared to only 29% that either disagree or strongly disagree with the statement. It is very important that management communicates effectively with employees regarding the

implementation, policies and procedures regarding equity policies. This is supported by literature, as discussed in the Literature Review.

4.6.2.2 RELIABILITY FOR EACH SCALE

The reliability of each scale for the three factors of BEE are summarised below in Table 20. Factor 3 (Clarity of BEE) has the highest reliability with a Cronbach alpha value of 0.89, but consists of only two items (questions). Factor 1 (Importance) has a Cronbach's alpha of 0.83 and consists of 4 items and Factor 2 (Impact) has a Cronbach's alpha of 0.71 and consists of 3 items.

Table 20. *Reliability for each BEE factor*

BEE Factor	Cronbach's Alpha	N of Items
Factor 1: Importance	0.83	4
Factor 2: Impact	0.71	3
Factor 3: Clarity	0.89	2

4.6.2.3 SUMMARY OF DESCRIPTIVE STATISTICS

A summary of the descriptive statistics for the three BEE Factors is shown below in Table 21.

Table 21. *Descriptive statistics for BEE factors*

	N	Mean	Std. Deviation
BEE__f1	351	2.81	0.93
BEE__f2	351	3.25	0.86
BEE__f3	351	3.05	1.07

4.6.3 OC FACTORS

An exploratory factor analysis was performed on the data for the OC questions. From the correlation matrix, it is clear that there are a number of significant correlations ($p < 0.05$) between the variables, for example between "I feel that I am well rewarded for the work that I do in my organisation" and "My level of qualification affects my salary" ($r = 0.23$); and between "Each employee at my organisation knows his/her roles and responsibilities towards the company" and "I have good working relationships with most of my co-workers" ($r = 0.23$).

There are no correlations with coefficients greater than 0.9 ($r > 0.9$) (except each variable with itself and therefore multicollinearity is not a problem (Field, 2005). This is confirmed by the size of the determinant ($D = 0.049$), which is greater than the criterion value of 0.00001.

According to Field (2005), a KMO (Kaiser-Meyer-Olkin Measure of Sampling Adequacy) value needs to be a minimum of 0.5. The KMO value in this case is 0.827, which is good. Furthermore, all the diagonal KMO values in the anti-image correlation matrices are greater

than 0.5; this indicates that the sample is adequate and that no variables need to be removed from the analysis. The off-diagonal correlations are also small and close to 0, e.g. 0.002 and -0.11, which is required (Field, 2005). The Bartlett's Test of Sphericity value for these data is highly significant ($p < 0.001$) and therefore factor analysis may be appropriate (Field, 2005).

In this case, there is a large sample (which Field, 2005 describes as being larger than 250 participants); in fact, $N = 303$ for OC. For Kaiser's criterion to be valid (which is the default SPSS option), the average of the communalities needs to be larger than the required value of 0.6 (Field, 2005). The average of the communalities is 0.49 for 2 factors and 0.58 for three factors, both of which are lower than the required value of 0.6 (Field, 2005). Therefore, in this case, the default SPSS option of using Kaiser's criterion is not valid. Furthermore, from the reproduced correlations table one sees that there are 56% of nonredundant residuals with absolute values greater than 0.05. When one takes these factors into consideration, it is clear that it is not appropriate to conduct a factor analysis on the OC questions and break down this scale into different components. Therefore, a total OC score was used for data analysis (participants' total scores for all OC questions). The reliability for OC is a Cronbach's alpha value of 0.81. All relevant statistical tables and graphs with regard to this exploratory factor analysis are given in the appendices.

Company Reward System

Unfortunately, approximately 34% of participants disagree (either disagree or strongly disagree) that they are well rewarded for the work that they do in their organisation. Only 19% of participants either agree or strongly agree with the statement. If employees feel that they are not being adequately rewarded for the work that they do, this could cause unhappiness and unrest and could ultimately result in conflict and even strike action. Therefore, this is an important factor for management to take into consideration.

Employee Roles and Responsibilities

It is encouraging to see that 62% of employees agree (either agree or strongly agree) with the statement "each employee at my organisation knows his/her roles and responsibilities towards the company." This is important as it promotes understanding and cohesiveness between management and lower-level employees.

Approximately half of participants (50%) agree (either agree or strongly agree) with the statement "the values of management for the company (e.g. vision, mission, goals, etc.) are similar to my own." Only 27% either disagree or strongly disagree with the statement. This is a positive finding because when employees feel that their career goals are aligned with that of their working environment, they should feel happier and more secure in that environment and this should reflect positively in their work performance. Approximately 77% of participants believe that they are a valuable part of the successful operation of their organisation. It is important that employees feel that their contributions are valuable to the organisation as this

promotes employee loyalty and fosters a trusting give-and-take relationship between management and employees, and this seems to be the case.

It is important that employees feel that their company is neither too strict nor too lenient and that the company is fair. Approximately 47% of participants agree (either agree or strongly agree) that the authoritative level at their company is fair. Approximately 27% of participants disagree (either disagree or strongly disagree) with the statement. Therefore, although many employees feel that their organisation is fair, there is still room for improvement.

Organisations need to make sure that their level of authority is appropriate and fair to all employees at different levels, based on the needs of the organisation, because literature supports the view that employees' perceptions of fairness in an organisation is an important factor on which employees base their perceptions of equity policies. This is discussed in more detail in the Literature Review chapter.

Employee Relations

An overwhelming 93% of participants either agree or strongly agree that they have good working relationships with most of their co-workers and get on well with them. This suggests that employees have healthy working relationships with one another and could translate into any potential conflict being handled effectively. This is a very encouraging finding and goes a long way in promoting diversity management and enhancing perceptions of equity policies. In fact, approximately 48% of participants agree (either agree or strongly agree) that conflict is handled well in their organisation. Only 26% of participants either disagree or strongly disagree with the statement. This may serve to improve the potential success of equity policies implemented in the company as the findings suggest that when conflict does arise between employees, it is usually resolved effectively.

Another positive finding is that most participants feel secure and safe in their working environment, and that they are protected against any potential discrimination. Approximately 64% of participants agree (either agree or strongly agree) with the statement "there are systems in place in my company that protect employees against discrimination." This is important in terms of employees being more receptive to the implementation of equity policies because having such protection systems in place increases the perceived fairness of equity policies and serves to foster a trusting relationship between employees and management.

It is important for employees to feel that they can discuss work-related and personal problems (that may influence the input of the employee) with their management. This is important because "managerial support forms part of an effective goal-setting strategy and impacts on goal acceptance, goal commitment and performance" (Cilliers & Kossuth, 2002, p.1). Approximately 43% of participants agree (either agree or strongly agree) with the statement "I feel free to discuss problems with the management at my company". However, 38% of participants disagree (either disagree or strongly disagree) with the statement. Therefore, communication strategies of management could be improved. The qualitative data results

also seem to suggest this and participants offer certain suggestions for improving communication in the company, including transparency and openness from management. These results are outlined in the Qualitative Responses section (section 4.5).

4.7 REGRESSION ANALYSIS

A factor analysis was performed on the data for EE and BEE and three different factors each for EE and BEE were found, based on the different questions asked of respondents. These were then labelled as follows: (1) the *importance* of EE/BEE; (2) the *impact* of EE/BEE; and (3) the *clarity* of EE/BEE. Therefore, there are six factors in total. The two major constructs, namely EE and BEE, therefore consist of three similar factors each. A multiple regression analysis was conducted in SPSS v16, a statistical software package.

4.7.1 STEPWISE REGRESSION ANALYSIS

Firstly, the stepwise selection method was used. The fourth model in this analysis was found to produce the soundest results. The factors in the other models produced results that would have been biased in terms of multicollinearity, and therefore they were not used for analysis. The factors in this model (from those outlined above) are as follows: EE_f1 (EE factor 1); EE_f3 (EE factor 3); BEE_f1 (BEE factor 1); and BEE_f2 (BEE factor 2). These factors then proved to be the best predictors of overall organisational culture.

Table 22 Stepwise regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
4	0.649	0.421	0.413	0.494	1.923

d. Predictors: (Constant), EE_f3, BEE_f1, BEE_f2, EE_f1
f. Dependent Variable: OC_Total

The Durbin-Watson value in the table above is 1.923. According to Field (2005), this value needs to be as close to 2 as possible. This shows that any errors are independent. According to Field (2005), a value of less than 1 or greater than 3 should “raise alarm bells” (p.189). Therefore, a value of 1.923 satisfies the condition of independent errors.

Table 23 ANOVA table

Model		Sum of Squares	df	Mean Square	F	Sig.
4	Regression	52.76	4	13.19	54.14	0.000
	Residual	72.60	298	0.24		
	Total	125.36	302			

d. Predictors: (Constant), EE_f3, BEE_f1, BEE_f2, EE_f1

From the ANOVA table above, it can be seen that model 4 is a significant fit of the data overall ($p < 0.001$).



Table 24. *Collinearity statistics from coefficients table*

Model		Collinearity Statistics	
		Tolerance	VIF
4	EE_f3	0.69	1.44
	BEE_f1	0.51	1.95
	BEE_f2	0.84	1.20
	EE_f1	0.46	2.16
5	EE_f3	0.39	2.57
	BEE_f1	0.49	2.05
	BEE_f2	0.74	1.35
	EE_f1	0.46	2.19
	BEE_f3	0.36	2.73
a. Dependent Variable: OC_Total			

Table 25. *Collinearity diagnostics for stepwise regression*

Model	Dimension	Variance Proportions					
		(Constant)	EE_f3	BEE_f1	BEE_f2	EE_f1	BEE_f3
4	1	0.00	0.00	0.00	0.00	0.00	
	2	0.02	0.01	0.07	0.21	0.16	
	3	0.07	0.89	0.05	0.04	0.00	
	4	0.32	0.00	0.73	0.08	0.31	
	5	0.58	0.10	0.14	0.66	0.53	
5	1	0.00	0.00	0.00	0.00	0.00	0.00
	2	0.00	0.02	0.08	0.09	0.16	0.05
	3	0.12	0.18	0.00	0.14	0.00	0.08
	4	0.15	0.18	0.52	0.01	0.17	0.17
	5	0.66	0.02	0.08	0.66	0.43	0.01
	6	0.07	0.60	0.31	0.09	0.24	0.70
a. Dependent Variable: OC_Total							

Table 24 gives the collinearity statistics for models 4 and 5, from the coefficients table for the stepwise regression. From Table 24, the following can be seen. Field (2005) states that VIF values should be lower than 10. Therefore, the VIF values for both models 4 and 5 seem to be fine. However, “if the average VIF is greater than 1, then multicollinearity may be biasing the regression model” (Field, 2005, p.175). Field (2005) says that this is especially true when “the average VIF is substantially greater than 1” (p.196). This is the case for model 5, where the average VIF is 2.179 and therefore the regression for this model may be biased. Although the average VIF for model 4 is still greater than 1 (it is 1.689), the average is much lower than that of the VIF for model 5 and not substantially greater than 1, and therefore model 4 seems to be a better regression model to use in terms of multicollinearity. According to Field (2005), tolerance levels should be greater than .2, and therefore tolerance levels for models 4 and 5 are fine.

Table 25 shows the collinearity diagnostics for models 4 and 5 in the stepwise regression. From Table 25, it can be seen that for model 5, the variance on the small eigen values (the last few rows of the table) are not spread on unique dimensions, therefore multicollinearity is a problem. In fact, the second last row for model 5 shows three high variance loadings (0.66, 0.66 and 0.43) on the same dimension. Model 4 is better where this is concerned. The multicollinearity for model 5 can be explained by the fact that there is some overlap between EE and BEE. This is evident by the Correlations table (Table 26) below. For example, there are significant correlations between the following variables: EE_f1 (EE Factor 1 – Importance) and BEE_f1 (BEE Factor 1 – Importance) ($r = 0.72, p < 0.01$); EE_f2 (EE Factor 2 – Impact) and BEE_f2 (BEE Factor 2 – Impact) ($r = 0.71, p < 0.01$); and EE_f3 (EE Factor 3 – Clarity) and BEE_f3 (BEE Factor 3 – Clarity) ($r = 0.76, p < 0.01$). Therefore, model 4 is the best model to use for regression.

Table 26. *Correlations*

		EE_f1	EE_f2	EE_f3	BEE_f1	BEE_f2	BEE_f3
EE_f1	Pearson Correlation	1	0.162**	0.484**	0.716**	0.003	0.329**
	Sig. (2-tailed)		0.000	0.000	0.000	0.962	0.000
	N	476	476	476	351	351	351
EE_f2	Pearson Correlation	0.162**	1	0.435**	0.106	0.707**	0.444**
	Sig. (2-tailed)	0.000		0.000	0.047	0.000	0.000
	N	476	476	476	351	351	351
EE_f3	Pearson Correlation	0.484**	0.435**	1	0.387**	0.350**	0.760**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000
	N	476	476	476	351	351	351
BEE_f1	Pearson Correlation	0.716**	0.106	0.387**	1	0.123	0.403**
	Sig. (2-tailed)	0.000	0.047	0.000		0.022	0.000
	N	351	351	351	351	351	351
BEE_f2	Pearson Correlation	0.003	0.707**	0.350**	0.123	1	0.492**
	Sig. (2-tailed)	0.962	0.000	0.000	0.022		0.000
	N	351	351	351	351	351	351
BEE_f3	Pearson Correlation	0.329**	0.444**	0.760**	0.403**	0.492**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	
	N	351	351	351	351	351	351
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

The correlation matrix produced by the regression analysis shows that EE_f3 (clarity of EE) has a large positive correlation with organisational culture ($r = 0.53$). Therefore, the more positive a person's perceptions of the clarity of employment equity policies within the company, the more positive that person's overall perception of the organisational culture will be. This correlation is significant ($p < 0.001$). Also, there is no multicollinearity in the data because there are no substantial correlations ($r > 0.9$) between predictors.



Table 27 Coefficients table for model 4

	B	SE B	β	t
Constant	1.41	0.14		9.85
EE_f3	0.18	0.03	0.30*	5.68
BEE_f1	0.15	0.05	0.21*	3.43
BEE_f2	0.17	0.04	0.22*	4.64
EE_f1	0.13	0.04	0.19*	2.91

Note R(squared) = 0.42. * $p < 0.001$

The coefficients table shows that there is a positive relationship between the predictor (organisational culture) and the other variables (if one increases the other increases) (positive b-values). The most important factor is EE_f3 (clarity of employment equity policies), with a standardized b-value of 0.30. BEE_f1 (importance of BEE) and BEE_f2 (impact of BEE) have comparable degrees of importance, with standardized b-values of 0.21 and 0.22 respectively. The factor that makes the greatest contribution to model 4 is also EE_f3 ($t(298) = 5.68, p < 0.001$); however the others are all significant: BEE_f1 ($t(298) = 3.43, p < 0.001$); BEE_f2 ($t(298) = 4.64, p < 0.001$); and EE_f1 ($t(298) = 2.91, p < 0.001$).

4.7.2 HIERARCHICAL REGRESSION ANALYSIS

After the stepwise regression (described above) was completed, a hierarchical multiple regression was completed, where the same identified variables are entered and then different variables are added in a stepwise manner. Table 28 below gives the model summary for this hierarchical regression. The Durbin-Watson value is 1.949, which satisfies the condition of independent errors (Field, 2005). Table 29 shows the ANOVA table. From this table it can be seen that the model is a significant fit of the data overall ($p < 0.001$).

Table 28. Hierarchical regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.649	0.421	0.413	0.494	1.949

d. Predictors: (Constant), EE_f1, BEE_f2, EE_f3, BEE_f1
f. Dependent Variable: OC_Total

Table 29. ANOVA table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.76	4	13.19	54.14	0.000
	Residual	72.60	298	0.24		
	Total	125.36	302			

d. Predictors: (Constant), EE_f1, BEE_f2, EE_f3, BEE_f1
b. Dependent Variable: OC_Total

The next step was to include the biographic variables as dummy variables in the regression analysis. The only biographic (dummy) variable that had an effect on the model was race and specifically "Indian vs White". Being Indian seems to reduce the total organisational culture

score. This will be discussed later. Table 30 below shows the model summary. Model 4 is the original model, gained from the stepwise regression in the beginning and model 5 is the new model, with the dummy variable of “Indian vs White”. The Durbin-Watson value when all the dummy/biographic variables are included in the regression analysis is 1.973. This still satisfies the condition of independent errors, as explained earlier (Field, 2005). Table 31 is the ANOVA table for models 4 (the original model from stepwise regression) and model 5 (the new model with the original predictors from model 4 as well as the dummy variable of Indian vs White).

Table 30 Hierarchical regression with dummy variables model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
4	0.649	0.421	0.413	0.494	
5	0.657	0.431	0.421	0.490	1.973

d. Predictors: (Constant), EE_f1, BEE_f2, EE_f3, BEE_f1
e. Predictors: (Constant), EE_f1, BEE_f2, EE_f3, BEE_f1, Indian vs White
f. Dependent Variable: OC_Total

Table 31. ANOVA table

Model		Sum of Squares	df	Mean Square	F	Sig.
4	Regression	52.76	4	13.19	54.14	0.000
	Residual	72.60	298	0.24		
	Total	125.36	302			
5	Regression	54.04	5	10.81	45.01	0.000
	Residual	71.32	297	0.24		
	Total	125.36	302			

d. Predictors: (Constant), EE_f1, BEE_f2, EE_f3, BEE_f1
e. Predictors: (Constant), EE_f1, BEE_f2, EE_f3, BEE_f1, Indian vs White
f. Dependent Variable: OC_Total

Being Indian seems to reduce the total OC score (negative relationship) ($t(298) = -2.1, p < 0.05$). Therefore, Indian participants tend to have lower total OC scores.

The tolerance and VIF values show that there is no collinearity in the data (there are no VIF values greater than 10, the average VIF is not substantially greater than 1, and there are no tolerance values less than 0.1 or 0.2) (Field, 2005, p.175).

The final regression model therefore consists of the four variables of EE_f1 (EE Factor 1 – Importance), BEE_f1 (BEE Factor 1 – Importance), BEE_f2 (BEE Factor 2 – Impact) and EE_f3 (EE Factor 3 – Clarity), as well as the dummy variable of Indian vs White. The model summary for this final model as well as the ANOVA table are shown below. From the tables it can be seen that the model satisfies the condition of independent errors (the Durbin-Watson value is 1.973) (Field, 2005) and the model is a significant fit for the data overall ($F = 45.01, p$

< 0.001). Being Indian seems to reduce the total OC score ($t(298) = -2.1, p < 0.05$). Therefore, Indian participants tend to have lower total OC scores.

Table 32. *Final model summary*

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.649	0.421	0.413	0.494	
0.657	0.431	0.421	0.490	1.973

e. Predictors: (Constant), EE_f1, BEE_f2, EE_f3, BEE_f1, Indian vs White
f. Dependent Variable: OC_Total

Table 33. *Final ANOVA table*

	Sum of Squares	df	Mean Square	F	Sig.
Regression	54.04	5	10.81	45.01	0.000
Residual	71.32	297	0.24		
Total	125.36	302			

e. Predictors: (Constant), EE_f1, BEE_f2, EE_f3, BEE_f1, Indian vs White
f. Dependent Variable: OC_Total

The histogram, normal p-p plot and scatter plot for the dependent variable of OC show that the data satisfies the conditions of linearity and normal distribution. These graphs are in the appendices.

4.8 ANALYSIS OF VARIANCE

Statistical analyses were performed on the data to investigate any significant differences between groups on their scores for EE, BEE and OC. The results are outlined below and discussed in the next chapter, Discussion of Results.

4.8.1 DEMOGRAPHIC FACTORS AND PERCEPTIONS OF EE, BEE AND OC

After completing multiple ANOVAs (analysis of variance) on the data and performing multiple comparisons using Scheffe's post hoc test, the following significant differences between groups become evident.

The Importance of EE and BEE

For EE_f1 (importance of EE) and race, the ANOVA condition of homogeneity of variance is not satisfied, as revealed by the fact that Levene's statistic is smaller than 0.05. In this case, Field (2005) suggests that one uses Welch's F value instead to report statistically significant differences in means of groups. This value is shown in Table 34 below. In the case of EE_f1 and race, the differences in means is significant ($p < 0.05$). Therefore, there is a significant effect of race on perceptions of the importance of EE, $F(3, 248.96) = 31.74, p < 0.05$. Multiple comparisons reveal that the group means of Whites and Africans differ by 1.03, which is

highly significant ($p < 0.01$). The group means of Whites and Indians differ by 0.35, which is significant ($p < 0.05$) and the group means of Whites and Coloureds differ by 0.61, which is also significant ($p < 0.05$). The group means of Africans and Indians differ by 0.68, which is highly significant ($p < 0.01$) and the group means of Africans and Coloureds differ by 0.42, which is significant ($p < 0.05$). The multiple comparisons table is included in the appendices. On closer inspection of the means for the different races for EE_f1, one sees that Africans give the highest ratings with a mean of 3.53, then Coloureds with a mean of 3.11 and then Indians with a mean of 2.85. Whites give the lowest ratings with a mean of 2.50. One can then see that Whites' ratings of the importance of EE are lower than that of Africans, Indians and Coloureds. The means table is displayed below.

Table 34. Robust tests of equality of means for EE_f1 and race

	Statistic ^a	df1	df2	Sig.
Welch	31.74	3	248.96	0.000

a. Asymptotically F distributed.

Table 35. Means for race for EE_f1

	N	Mean	Std. Deviation
White	171	2.50	1.05
African	100	3.53	0.73
Indian	101	2.85	0.89
Coloured	104	3.11	0.81
Total	476	2.92	0.98

There is a significant effect of gender on perceptions of the importance of EE, $F(1, 474) = 4.44$, $p < 0.05$. Multiple comparisons could not be performed because there are only two groups. However, on closer inspection of the means for the two groups, one sees that the mean for females is slightly higher at 3.01 than for males, with a mean of 2.82. The means table is displayed below.

Table 36. ANOVA for EE_f1 and gender

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.25	1	4.25	4.44	0.036
Within Groups	454.47	474	0.96		
Total	458.73	475			



Table 37. Means for gender for EE_f1

	N	Mean	Std. Deviation
Female	255	3.01	0.96
Male	221	2.82	1.00
Total	476	2.92	0.98

There is also a significant effect of age on perceptions of the importance of EE, $F(4, 7.99) = 6.96, p < 0.05$. Multiple comparisons reveal that the group means of 20-29 year olds and 30-39 year olds differ by 0.56, which is significant ($p < 0.05$). The group means of 20-29 year olds and 40-49 year olds differ by 0.70, which is highly significant ($p < 0.01$) and the group means of 20-29 year olds and 50-59 year olds differ by 0.73, which is also highly significant ($p < 0.01$). The multiple comparisons table is included in the appendices. On closer inspection of the means for these groups for EE_f1, one sees that the 20-29 year old age group gives higher ratings for the importance of EE, with a mean of 3.51, than the 30-39 year old age group, 40-49 year old age group and 50-59 year old age group. The means table is displayed below.

Table 38. Robust tests of equality of means for EE_f1 and age

	Statistic ^a	df1	df2	Sig.
Welch	6.96	4	7.99	0.010

a. Asymptotically F distributed.

Table 39. Means for age for EE_f1

	N	Mean	Std. Deviation
20-29	53	3.51	0.77
30-39	120	3.00	0.89
40-49	213	2.81	0.99
50-59	88	2.79	1.08
60-65	2	3.13	0.53
Total	476	2.92	0.98

There is a significant effect of race on perceptions of the importance of BEE as well, $F(3, 172.58) = 25.05, p < 0.05$. Multiple comparisons reveal that the group means of Whites and Africans differ by 0.99, which is highly significant ($p < 0.01$). The group means of Whites and Coloureds differ by 0.48, which is also highly significant ($p < 0.01$). The group means of Africans and Indians differ by 0.72, which is highly significant ($p < 0.01$) and the group means of Africans and Coloureds differ by 0.51, which is highly significant ($p < 0.01$). The multiple comparisons table is included in the appendices. On closer inspection of the means for the different races for BEE_f1, one again sees that Africans give the highest ratings with a mean

of 3.47, then Coloureds with a mean of 2.95 and then Indians with a mean of 2.75. Whites give the lowest ratings with a mean of 2.48. One can then see that Whites' ratings of the importance of BEE are lower than that of Africans, Indians and Coloureds. The means table is displayed below.

Table 40. Robust test of equality of means for BEE_f1 and race

	Statistic ^a	df1	df2	Sig.
Welch	25.05	3	172.58	0.000

a. Asymptotically F distributed.

Table 41. Means for race for BEE_f1

	N	Mean	Std. Deviation
White	140	2.48	0.97
African	61	3.47	0.64
Indian	72	2.75	0.88
Coloured	78	2.95	0.76
Total	351	2.81	0.93

There is a significant effect of age on perceptions of the importance of BEE, $F(4, 346) = 3.19$, $p < 0.05$. Multiple comparisons could not be performed for BEE_f1 because at least one group has fewer than two cases.

Table 42. ANOVA for BEE_f1 and age

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.66	4	2.67	3.19	0.014
Within Groups	289.30	346	0.84		
Total	299.97	350			

The Impact of EE and BEE

There is a significant effect of race on perceptions of the impact of EE, $F(3, 228.89) = 17.67$, $p < 0.05$. Multiple comparisons reveal that the group means of Whites and Africans differ by 0.50, which is highly significant ($p < 0.01$). The group means of Whites and Indians differ by 0.38, which is highly significant ($p < 0.01$) and the group means of Whites and Coloureds differ by 0.60, which is also highly significant ($p < 0.01$). The multiple comparisons table is included in the appendices. On closer inspection of the means for the different races for EE_f2, one sees that Whites give the highest ratings with a mean of 3.59, then Indians with a mean of 3.20 and then Africans with a mean of 3.08. Coloureds give the lowest ratings with a mean of 2.99. The means table is displayed below.



Table 43. Robust test of equality of means for EE_f2 and race

	Statistic ^a	df1	df2	Sig.
Welch	17.67	3	228.89	0.000

a. Asymptotically F distributed.

Table 44. Means for race for EE_f2

	N	Mean	Std. Deviation
White	171	3.59	0.67
African	100	3.08	0.88
Indian	101	3.20	0.80
Coloured	104	2.99	0.83
Total	476	3.27	0.82

For the impact of BEE, there are a number of significant effects. Firstly, there is a significant effect of race on perceptions of the impact of BEE, $F(3, 154.66) = 9.44, p < 0.05$. Multiple comparisons reveal that the group means of Whites and Africans differ by 0.51, which is highly significant ($p < 0.01$). The group means of Whites and Coloureds differ by 0.52, which is also highly significant ($p < 0.01$). The multiple comparisons table is included in the appendices. On closer inspection of the means for the different races for BEE_f2, one sees that Whites give the highest ratings with a mean of 3.51 and then Indians with a mean of 3.22. Africans and Coloureds give the lowest ratings with a mean of 2.99 each. The means table is displayed below.

Table 45. Robust test of equality of means for BEE_f2 and race

	Statistic ^a	df1	df2	Sig.
Welch	9.44	3	154.66	0.000

a. Asymptotically F distributed.

Table 46. Means for race for BEE_f2

	N	Mean	Std. Deviation
White	140	3.51	0.73
African	61	2.99	1.04
Indian	72	3.22	0.82
Coloured	78	2.99	0.81
Total	351	3.25	0.86

The second significant effect is that of gender on perceptions of the impact of BEE, $F(1, 349) = 4.31, p < 0.05$. Multiple comparisons could not be performed because there are only two groups. However, on closer inspection of the means for the two groups one sees that males have a slightly higher mean of 3.34, in comparison to a mean of 3.15 for females. The means table is displayed below.



Table 47. ANOVA for BEE_f2 and gender

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.12	1	3.12	4.31	0.039
Within Groups	253.09	349	0.73		
Total	256.21	350			

Table 48. Means for gender for BEE_f2

	N	Mean	Std. Deviation
Female	173	3.15	0.83
Male	178	3.34	0.87
Total	351	3.25	0.86

The third significant effect is that of occupational level on perceptions of the impact of BEE, $F(2, 348) = 3.59, p < 0.05$. Multiple comparisons reveal that the group means of the operational and supervisory occupational levels differ by 0.31, which is significant ($p < 0.05$). The multiple comparisons table is included in the appendices. On closer inspection of the means, one sees that the mean of supervisors (= 3.48) is slightly higher than that of the operational level (= 3.17). The means table is displayed below.

Table 49. ANOVA for BEE_f2 and occupational level

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.18	2	2.59	3.59	0.029
Within Groups	251.03	348	0.72		
Total	256.21	350			

Table 50. Means for occupational level for BEE_f2

	N	Mean	Std. Deviation
Operational	256	3.17	0.86
Supervisory	63	3.48	0.87
Management	32	3.35	0.70
Total	351	3.25	0.86

Lastly, there is a significant effect of years' service on perceptions of the impact of BEE, $F(4, 346) = 2.42, p < 0.05$. Multiple comparisons could not be performed because at least one group has fewer than two cases.



Table 51. ANOVA for BEE_f2 and years service

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.97	4	1.74	2.42	0.048
Within Groups	249.24	346	0.72		
Total	256.21	350			

The Clarity of EE and BEE

There is a significant effect of occupational level on perceptions of the clarity of EE, $F(2, 85.64) = 10.42, p < 0.05$. Multiple comparisons reveal that the group means of the operational level and the supervisory level differ by 0.34, which is significant ($p < 0.05$). The group means of the operational level and the management level differ by 0.59, which is highly significant ($p < 0.01$). The multiple comparisons table is included in the appendices. On closer inspection of the means for the different groups, one sees that the management level has the highest mean of 3.64, then the supervisory level with a mean of 3.39 and the operational level has the lowest mean of 3.05. The means table is displayed below.

Table 52. Robust test of equality of means for EE_f3 and occupational level

	Statistic ^a	df1	df2	Sig.
Welch	10.42	2	85.64	0.000

a. Asymptotically F distributed.

Table 53. Means for occupational level for EE_f3

	N	Mean	Std. Deviation
Operational	362	3.05	1.09
Supervisory	79	3.39	1.06
Management	35	3.64	0.76
Total	476	3.15	1.08

There is a significant effect of occupational level on perceptions of the clarity of BEE as well, $F(2, 78.52) = 10.32, p < 0.05$. Multiple comparisons reveal that the group means of the operational level and the management level differ by 0.65, which is highly significant ($p < 0.01$). The multiple comparisons table is included in the appendices. On closer inspection of the means for the different groups, one sees that the mean for management (= 3.58) is higher than that of the operational level, with a mean of 2.92. The means table is displayed below.

Table 54. Robust test of equality of means for BEE_f3 and occupational level

	Statistic ^a	df1	df2	Sig.
Welch	10.32	2	78.52	0.000

a. Asymptotically F distributed.



Table 55. Means for occupational level for BEE T3

	N	Mean	Std. Deviation
Operational	256	2.92	1.09
Supervisory	63	3.29	0.99
Management	32	3.58	0.78
Total	351	3.05	1.07

Perceptions of Organisational Culture

With regard to perceptions of organisational culture, there is a significant effect of race, $F(3, 299) = 5.76, p < 0.05$. Multiple comparisons reveal that the group means of Africans and Indians differ by 0.50, which is highly significant ($p < 0.01$). The multiple comparisons table is included in the appendices. On closer inspection of the means for the different groups, one sees that the mean of Africans (= 3.55) is higher than that of Indians (= 3.05). This confirms what the regression analysis showed: that being Indian reduces a participant's total OC score. The means table is displayed below.

Table 56. ANOVA for OC Total and race

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.85	3	2.28	5.76	0.001
Within Groups	118.52	299	0.396		
Total	125.36	302			

Table 57. Means for races for OC Total

	N	Mean	Std. Deviation
White	124	3.26	0.57
African	49	3.55	0.66
Indian	61	3.05	0.71
Coloured	69	3.29	0.64
Total	303	3.27	0.64

4.8.2 ORGANISATIONAL CULTURE AND PERCEPTIONS OF EE AND BEE

To assess whether there are any relationships between the culture of the organisation with regard to equity policies (negative or positive attitude towards equity policies, i.e. more or less accommodating towards equity policies) and the perceptions of the employees with regard to these policies, questions related to this factor were assimilated together into one factor titled "positive or negative culture towards EE/BEE". This factor then consisted of a total of 9 questions, including questions such as "I have good working relationships with most of my co-workers", "conflict is handled well in my organisation", "my organisation is committed to carrying out its EE policies", and "the employees at my organisation speak informally about BEE". This factor was then correlated with the three main factors of EE and BEE. Significant

correlations were found between a positive or negative culture towards EE/BEE and all the factors, at the 0.01 level (with EE_f1: $r = 0.39$; with EE_f2: $r = 0.80$; with EE_f3: $r = 0.55$; with BEE_f1: $r = 0.46$; with BEE_f2: $r = 0.75$; and with BEE_f3: $r = 0.60$). The highest correlations were found between a positive or negative culture towards EE/BEE and EE_f2 (the impact of EE), as well as BEE_f2 (the impact of BEE). Therefore, it seems that the perceptions that employees have of the *impact* of equity policies in their organisation influences their perceptions about the culture of the organisation with regard to equity policies. This is a positive linear relationship, i.e. the more positive employees' perceptions about the impact of the equity policies, the more positive their perceptions about the culture of the organisation with regard to these policies. Furthermore, the more positive employees' perceptions about the *importance* and *clarity* of these policies, the more positive their perceptions about the culture within the organisation with regard to these policies (i.e. more accommodating culture).

Employees were also asked if they think the culture within their organisation has changed because of equity policies. If they answered "agree" or "strongly agree" to these questions (for EE and BEE), they were then asked if they think this change has been positive or negative. Out of the respondents, approximately 55% said that this change has been negative for EE and approximately 58% said that the change has been negative for BEE. Therefore, if employees think that the culture within their organisation has indeed changed because of equity policies, they tend to believe this to be a negative change, with participants feeling slightly more positive about EE policies than BEE policies. Participants were also asked to motivate why they said that this change has been positive or negative (qualitative responses). If participants said that the change has been positive, their motivations include the following (for both EE and BEE):

- There has been increased diversity and acceptance in the company, e.g. "*The advancement of most EE staff has added to the diversity*"; "*If you look at all different cultures it is positive - you learn more (about) all type(s) (of) cultures*"; "*People are now more respectful of one another, irrespective of their background. There is more co-operation among co-workers and tolerance of divergent views. Workers who were previously disadvantaged are now highly motivated to achieve the company objectives*"; "*Better communication and understanding*"; "*More open to other cultures, people are starting to accept change*"; "*A company that represents the people of S.A.*"; "*Management positions that have been filled by BEE candidates have added a new perspective to the workforce*"; "*We all work as a team*"
- EE/BEE creates more opportunities, e.g. "*There are more EE employees in management positions*"; "*Creating opportunities for previously disadvantaged groups in general*"; "*We have (the) opportunity to have a better lifestyle*"; "*I think women (are) getting more exposure*"; "*(It is) moving in the right direction - creating jobs for all*"; "*(There are) more opportunities for people of colour*"; "*It helped by getting contracts and more work coming in*"; "*More opportunities have*

been offered”; *“People of colour got opportunities they otherwise wouldn’t have”*;
“I think everyone has a (chance) to (prove) themselves”

- *“Improved communication and understanding”*
- *“Positive synergy has been created”*
- *“It meets everyone’s expectation(s) and needs”*

If, however, participants said that this change has been negative, their motivations include the following (for both EE and BEE):

- The company has lost skilled people, e.g. *“We have lost a lot of skilled personnel due to the fact that EE candidates (who are) not always as skilled were given priority”*; *“All skilled people (have) left”*; *“The company has lost a lot of its (knowledgeable) people due to BEE”*
- There are now lower standards or values, e.g. *“Deterioration of customer care services”*; *“Many values (have) been lowered or (are) non-(existent)”*; *“Quality of work has dropped, many mistakes are made which (cost) money”*; *“Standards have lowered to (accommodate) individuals (who don’t have) the necessary skills to do the job (that) they are in”*; *“The quality of service has declined”*; *“Contractors (are) not always on time with (the) project”*; *“Not enough practical support measures are implemented to ensure quality standards”*; *“(Service) providers to my company do not meet expected deliverables”*; *“Some service providers cannot live up to the standards... set for them”*; *“Workmanship is poor”*
- Change has not been to a large enough degree, e.g. *“In my section the people (are) still clinging to (their) own culture. And they still throw the apartheid years in our (face), and that is on a (daily) basis”*; *“Still needs to be worked on a lot”*; *“Top management is mostly Whites”*
- EE/BEE has created negative attitudes, e.g. *“Attitude of ‘don’t care about it”*; *“EE has brought out an attitude amongst staff that life owes them”*
- Tokenism or “window dressing” (EE/BEE is not fair), e.g. *“Merely placing inexperienced (people) in positions to meet quotas and show the powers that be a company is EE compliant is a demoraliser. Give the best person the job”*; *“(People) are in positions with no skills, this has (had) a negative affect on the company”*; *“Appointing a person in a position because of their (colour) and gender, and not according to knowledge and experience”*; *“Qualified and suitable (people) (should) be identified and appointed”*; *“Skills are not considered”*; *“People are not appointed for their knowledge but rather to fill...numbers”*; *“Unqualified people are put into positions”*
- Increased costs, e.g. *“Generally it has increased the cost of doing business”*
- *“Focus on politics rather than performance”*



Multiple ANOVAs were performed on the data to test for any significant differences between groups for the demographic variables and a positive or negative culture towards EE/BEE but no significant differences between groups were found.

5. DISCUSSION OF RESULTS

5.1 INTRODUCTION

This chapter will be used to discuss the results of the study as it relates to relationships between the organisational culture of the company and perceptions of EE and BEE in the company. Firstly, an overview of the sample company's approach to, values relating to and policies of EE and BEE will be discussed, to give the reader an idea of the organisational culture in the sample company regarding EE and BEE policies. Then the discussion focuses on the apparent influence of demographic factors on perceptions of EE, BEE and OC, before turning to a final discussion of the main factors of EE and BEE (namely the importance, impact and clarity of these policies) and how these relate to the organisational culture.

5.2 OVERVIEW OF SAMPLE COMPANY'S APPROACH TO ITS EE AND BEE POLICIES

In the sample company's 2009 Annual Report, the chairman states that the company scores highly on certain aspects of Broad Based Black Economic Empowerment (BBBEE), such as management control (with a score of 10 out of 10) and preferential procurement (with a score of 19.1 out of 20) and as such "remain(s) a champion of BBBEE" (Sample Company Annual Report, 2009, p.18). However, she admits that their overall BBBEE status is "relatively low" (Sample Company Annual Report, 2009, p.18), with a score of a level 6 contributor at their last verification. She states that to rectify this, a new BBBEE strategy will be put into place.

In terms of shares, 15% of the company's shares were recently sold to mainly public entities and black shareholders (Sample Company Annual Report, 2009). The company was ranked as the second most empowered company on the JSE in terms of management control in 2009 (Sample Company Annual Report, 2009). In terms of preferential procurement, the company received goods and services worth R4.1 billion (33.2% of total procurement) from black-owned companies in 2009 (Sample Company Annual Report, 2009). This is just over double the 15% target recommended by BEE codes. The company also encourages multinationals to partner with local BEE companies (Sample Company Annual Report, 2009). The company has a "Human Capital and Diversity Strategy" (Sample Company Annual Report, 2009, p.60) in place which strives for the company's workforce to reflect South African demographics in terms of race, gender and disability. They also have a talent management division to attract and retain black employees, especially black women (Sample Company Annual Report, 2009). Furthermore, 87% of new appointments by the company in 2009 were black, which brings black representation in the company to a total of 62% (Sample Company Annual Report, 2009). Disability percentages rose from 0.93% in 2007 to 1.13% in 2009 (Sample Company Annual Report, 2009).

Regarding the company's culture, the company is dedicated to increasing engagement with its employees and has facilitated this through training and ongoing communication initiatives (Sample Company Annual Report, 2009).

These results show that the sample company is committed to its EE and BEE policies and attempts to foster a culture which encourages dedication to, active participation with and acceptance of these policies. The company also seems to have good communication channels in place that value the concepts of open and ongoing communication between management and lower-level employees. The results of the survey in terms of the employees' perceptions of the organisational culture regarding its EE and BEE policies therefore also need to be interpreted with this discussion in mind.

5.3 DEMOGRAPHIC FACTORS AND PERCEPTIONS OF EE, BEE AND OC

It was found that there are a number of significant correlations between different demographic variables and perceptions of the three main factors (importance, impact and clarity) of EE and BEE, and for OC. These are now discussed and possible reasons for this explored.

After completing multiple ANOVAs (analysis of variance) on the data and performing multiple comparisons, the following significant differences between groups become evident, as outlined in the previous chapter. For EE_f1 (importance of EE), Africans give significantly higher ratings than Whites, Indians and Coloureds; and Whites give significantly lower ratings than Africans, Indians and Coloureds. This is to be expected as Whites do not exclusively benefit from EE (only white women do) but the other racial groups do. Therefore, one may assume that Whites' perceptions of the importance of EE may be somewhat negatively biased as they do not benefit from the practice exclusively themselves. Literature supports this view. Konrad and Linnehan (1995) (as cited in Edgar, 2003) state that an individual's self-interest determines their reaction to organisational policies. Therefore, if a policy serves to benefit an individual in some way, his/her perceptions of and responses to that policy will be significantly more positive than that of those who do not serve to benefit from such a policy. This view also supports the fact that females give significantly higher ratings on the importance of EE than males (as females can potentially benefit from EE policies but males cannot). Age was also found to have a significant effect on perceptions of the importance of EE. The younger employees (20 to 29 year old age group) seem to think that EE is more important than the older employees (30-39 year olds, 40-49 year olds and 50-59 year olds) do. A possible explanation for this is that the younger employees did not experience the apartheid regime like the older employees did and did not grow up in that era of potentially racist ideas and considering people of other races as being "different" or "otherwise". They might therefore have more positive perceptions of equity policies and more readily view these policies as being important to South African business. Africans give significantly higher ratings than Whites, Indians and Coloureds on BEE_f1 (importance of BEE) questions, while Whites

give significantly lower ratings on these items than Africans and Coloureds. This is again to be expected, based on individuals' self-interest in the perception of occupational policies.

Whites also tend to believe that the impact of EE in their company has been greater (or will impact more on them) than what Africans, Indians and Coloureds tend to believe. This also relates to a certain extent to the concept of self-interest. Whites are potentially negatively impacted upon by equity policies and they therefore perceive the impact of these policies to be greater than Africans do. For BEE_f2 (impact of BEE) questions, Whites rate these items significantly higher than Africans and Coloureds. Reciprocally, Africans rate these items significantly lower than Whites. Therefore, Whites seem to think that BEE has had a greater impact in their company than what Africans and Coloureds tend to think. Males also think that BEE has had a greater impact in their company than females do. A difference in occupational levels was also found for this variable. Employees at the operational level give significantly lower ratings for these items than those at supervisory level. Therefore, lower-level employees think that the impact of BEE within their company has been less than what supervisors think.

No significant differences in race on EE_f3 or BEE_f3 (clarity of EE and BEE respectively) perceptions were found. Therefore, it seems that all races view the clarity of these policies within their company equally. However, differences were found between the different occupational levels and their perceptions of EE_f3 and BEE_f3 (clarity of EE and BEE respectively). The operational level gives significantly lower ratings for the clarity of EE than that of the supervisory level and management. The operational level also gives significantly lower ratings for the clarity of BEE than the management level. Therefore, managers and supervisors within the company may think that lower-level employees (at the operational level) have a better and clearer understanding of equity policies than they actually do. This is an important factor to take into consideration when communicating these policies to employees. A more concentrated effort may need to be made to rectify this issue and gain feedback from employees to gauge the effectiveness of such communication.

For perceptions of the organisational culture, Africans give significantly higher ratings than Indians do. This confirms what the regression analysis revealed: that being Indian reduces a participant's total OC score. Therefore, Indians' perceptions of the company's culture are more negative than that of Africans. Possible reasons for this would need to be explored by the company itself. Perhaps Indians feel more excluded from the organisational culture than Africans do. It is important that companies identify such issues and seek effective solutions to such problems, as they could negatively influence productivity.

5.4 MAIN FACTORS OF EE AND BEE

The factor analysis performed on the data outlined three main factors of EE and BEE, namely importance, impact and clarity. Although limited in the South African context, there is available literature that supports this delineation.

5.4.1 IMPORTANCE OF EE AND BEE POLICIES

Esterhuizen and Martins (2008) state that “if employees are convinced that AA is necessary to redress inequalities, then they would be more likely to accept the programmes (of AA)” (p.67). This aspect relates to the perceived importance of policies related to AA, such as EE and BEE. The more important employees perceive EE and BEE policies to be, the more necessary they will deem them and necessarily be more accepting of them (as integral to the success of the organisation and to the South African business situation). This will be even more so if the importance of these programmes specifically to the company, and not just to business in general, is emphasized and outlined by management. This demonstrates that management needs to have and demonstrate an active commitment to the equity policies implemented in their organisation (e.g. Booysen, 2007). Esterhuizen and Martins (2008) emphasize the fact that “organisations that can effectively provide a pro-business justification for a diverse workforce may be able to reduce unfavourable attitudes towards EE and AA programmes” (p.70). Furthermore, the more positive employers are about EE and BEE policies, the more positive their employees will be regarding the policies and the more effective they will regard these policies to be (Edgar, 2003). If an employee works in an organisational environment that “actively and effectively promotes and encourages” (Edgar, 2003, p.106) EE and BEE policies, they will attach more value to such policies.

A 2008 study by Sartorius and Botha reveals that the main reason that companies implement BEE ownership initiatives relate to the perceived importance of BEE, namely the thought that “BEE is essential for South Africa to sustain its economic and democratic structures” (p.443). 37 out of the 72 respondent companies answered this way (Sartorius & Botha, 2008). The fourth main reason also related to importance, namely “companies realise that BEE is a business imperative and that they will lose market share if BEE is not implemented” (Sartorius & Botha, 2008, p.443) – 23 companies mentioned this factor.

Therefore, the perceived importance of EE and BEE policies is an integral part of evaluations of these policies and management can influence such employee evaluations. Management could highlight different benefits of these policies to employees to increase positive perceptions of the policies, for example highlighting the fact that these policies create equality and diversity in the workplace.

5.4.2 IMPACT OF EE AND BEE POLICIES

The 2008 study by Sartorius and Botha furthermore reveals that the second most important reason that companies implement BEE ownership initiatives relates to the perceived impact of such practices. 32 out of the 72 respondent companies said that “companies see BEE as an opportunity to grow their business and market share” (Sartorius & Botha, 2008, p.443). This shows that companies do in fact realise the significant impacts that equity policies such as EE and BEE can have for South African business – they therefore need to pay more attention to this factor. Management can highlight the positive impacts/effects of EE/BEE to all employees

and communicate to employees that EE/BEE doesn't necessarily equate with job losses or employing unqualified or incompetent people, if these policies are implemented effectively, efficiently and with all employees in mind.

5.4.3 CLARITY OF EE AND BEE POLICIES

There is also research that supports the importance of the clarity of equity policies such as EE and BEE (e.g. Booysen, 2007; Country Monitor, 2009). For example, Booysen's (2007) study found that employees complained about inconsistencies within their company regarding the implementation of EE policies and viewed this factor as a stumbling block to the success of such policies. Booysen (2007) states that "specific focus should be on the effective coordination, integration, prioritising and management of the consistent implementation of the EE strategies and action plans" (p.66). Thomas (2003) found in her study that one of the most frequently mentioned themes of factors that contribute to the lack of progress of EE is ineffective communication. Communication as one of the most important factors of successful EE/BEE implementation has been discussed extensively in the Literature Review. Therefore, management needs to ensure that regular, open communication is maintained with all employees regarding equity policies and that this communication is as clear as possible. Feedback regarding the success of these policies also needs to be regularly communicated to employees and gained in return from employees. Employees need to feel that they are part of the process. Furthermore, clear guidelines should be outlined to employees regarding equity policies.

Furthermore, according to Sartorius and Botha (2008), one of the lessons that can be learnt from AA implementation in Malaysia is that EE policies should be well-defined. This relates to the clarity of equity policies. Management needs to ensure that equity policies are as clear cut as possible, explaining all rules and procedures regarding these as clearly and simply as possible to staff, and including employees in the process

5.4.4 CONCLUSION

Therefore it seems that companies need to mainly take into consideration these three factors of EE and BEE when implementing or amending these policies and also when communicating these policies to their employees. Management should therefore outline to employees the importance and impact of these policies, as viewed by the company, and make sure that the guidelines and procedures required by these policies are clear to employees.

5.5 ORGANISATIONAL CULTURE AND PERCEPTIONS OF EE AND BEE

As discussed in the previous chapter, to assess whether there are any relationships between the culture of the organisation with regard to equity policies (negative or positive towards equity policies, i.e. more or less accommodating towards equity policies) and the perceptions of the employees with regard to these policies, questions related to this factor were assimilated together into one factor titled "positive or negative culture towards EE/BEE". This

factor was then correlated with the three different factors of EE and BEE. Significant correlations were found between a positive or negative culture towards EE/BEE and all the factors, at the 0.01 level. The highest correlations were found between a positive or negative culture towards EE/BEE and EE_f2 (the impact of EE), as well as BEE_f2 (the impact of BEE). Therefore, it seems that the perceptions that employees have of the *impact* of equity policies in their organisation influences their perceptions about the culture of the organisation with regard to equity policies. This is a positive linear relationship, i.e. the more positive employees' perceptions about the impact of the equity policies, the more positive their perceptions about the culture of the organisation with regard to these policies will be. Furthermore, the more positive employees' perceptions about the *importance* and *clarity* of these policies, the more positive their perceptions about the culture within the organisation with regard to these policies (i.e. more accommodating culture). Therefore, although this has not been directly tested by this research, it is reasonable to assume that the more positive and accommodating the culture within an organisation is towards equity policies in that company, the more positive employees' perceptions about these policies (importance, impact and clarity) will be and the more successful a company will likely be in implementing these policies within their company.

Employees were also asked if they think the culture within their organisation has changed because of equity policies. If they answered "agree" or "strongly agree" to these questions (for EE and BEE), then they were asked if they think this change has been positive or negative. As discussed in the previous chapter, out of the respondents, approximately 55% said that this change has been negative for EE and approximately 58% said that the change has been negative for BEE. Therefore, if employees think that the culture within their organisation has indeed changed because of equity policies, they tend to believe this to be a negative change, with participants feeling slightly more positive about EE policies than BEE policies. This could be because EE policies benefit black people and white women, whereas BEE policies benefit only black people.

5.6 DISCUSSION OF RESULTS IN TERMS OF RESEARCH HYPOTHESES

The research hypotheses outlined at the beginning of this study are as follows:

H0 (Null Hypothesis): No statistically significant relationships exist between the variables of EE and BEE policies, employee perceptions, and OC. H0: $R = 0$.

H1 (Alternative Hypothesis): A statistically significant relationship/relationships exists/exist between the variables of EE and BEE policies, employee perceptions, and OC. Both positive and negative correlations are anticipated to occur between the different variables included in the study. H1: $R \neq 0$.

Therefore, in terms of the research hypotheses and the results outlined in the study, the null hypothesis may be rejected in favour of the alternative hypothesis, which states that statistically significant relationships exist between the variables of EE and BEE policies, employee perceptions, and OC. As outlined in the results chapter, both positive and negative correlations occur between the different variables in the study. This study therefore shows that clear relationships exist between the research variables of EE and BEE policies, employee perceptions, and OC. Future research into this field may further examine such statistically significant relationships and possibly take more variables into account.

6. CONCLUSION

This section serves to highlight the main findings of the research and to discuss what these mean practically to South African business.

There are a number of significant correlations between the different demographic variables and perceptions of the three main factors (importance, impact and clarity) of EE and BEE. The findings suggest especially racial biases (differences) in terms of EE and BEE perceptions. Those who potentially benefit from the policies (i.e. predominantly Africans, and to a lesser degree Coloureds and Indians) tend to have more positive perceptions of EE and BEE than those who do not (i.e. Whites) (only white women potentially benefit from EE). This is to be expected as literature supports the view that an individual's self-interest determines their reaction to organisational policies. Therefore, if a policy serves to benefit an individual in some way, his/her perceptions of and responses to that policy will be significantly more positive than that of those who do not serve to benefit from such a policy.

Literature supports the delineation of the three main factors of EE and BEE outlined by the factor analysis performed on the data. Firstly, the more important employees perceive EE and BEE policies to be, the more necessary they will deem them and necessarily be more accepting of them. The more positive employees are about EE and BEE policies, the more positive their employees will be regarding the policies and the more effective they will regard these policies to be. Secondly, companies need to realise the significant impacts that equity policies such as EE and BEE can have for South African business and need to pay more attention to this factor. Lastly, with regard to the clarity of EE and BEE policies, management needs to ensure that regular, open communication is maintained with all employees regarding equity policies and that this communication is as clear as possible. Feedback regarding the success of these policies also needs to be regularly communicated to and gained from employees. Management needs to ensure that equity policies are as clear cut as possible, explaining all rules and procedures regarding these as clearly and simply as possible to staff. It seems therefore that companies need to mainly take into consideration these three factors of EE and BEE when implementing or amending these policies and also when communicating these policies to their employees.

Significant correlations were found between a positive or negative culture towards EE/BEE and all the factors, at the .01 level. The highest correlations were found between a positive or negative culture towards EE/BEE and the impact of EE, as well as the impact of BEE. Therefore, it seems that the perceptions that employees have of the *impact* of equity policies in their organisation influences their perceptions about the culture of the organisation with regard to equity policies. The more positive employees' perceptions about the impact of the equity policies, the more positive their perceptions about the culture of the organisation with regard to these policies will be. Furthermore, the more positive employees' perceptions about the importance and clarity of these policies, the more positive their perceptions about the

culture within the organisation with regard to these policies (i.e. more accommodating culture). Therefore, although this has not been directly tested by this research, it is reasonable to assume that the more positive and accommodating the culture within an organisation is towards equity policies in that company, the more positive employees' perceptions about these policies (importance, impact and clarity) and the more successful a company will likely be in implementing these policies within their company. Furthermore, if employees think that the culture within their organisation has changed because of equity policies, they tend to believe this to be a negative change, with participants feeling slightly more positive about EE policies than BEE policies.

Therefore, as expected, there are definite racial differences in terms of perceptions about equity policies, with Africans especially regarding these policies more positively than their white counterparts. Factor Analysis identified three important factors of EE and BEE, which were labelled as *importance*, *impact* and *clarity*. Businesses need to pay particular attention to these three constructs of equity policies when implementing or amending them, and in communicating these to their employees. This could have a positive influence on employees' perceptions of the policies and potentially create a more amenable organisational culture with regard to these policies. Furthermore, although not directly tested by this research, it does seem that a more positive organisational culture towards equity policies creates more positive employee perceptions of this organisational culture and of the equity policies implemented in that company. However, more research is needed that specifically focuses on such a hypothesis that has more and different (e.g. public sector versus private sector) sample companies tested by the research and possibly larger respondent groups.

7. RECOMMENDATIONS AND SHORTCOMINGS

The results of this study show that there are definite relationships between demographic factors and perceptions of EE and BEE policies, as well as between these perceptions and the organisational culture. Ultimately, it seems that the more accommodating an organisational culture is towards these policies, the more positive employee perceptions of these policies will be. The use of this questionnaire that was developed through this study or similar questionnaires in studies of this field may therefore be beneficial in furthering similar research. However, the results of this study cannot be generalised to all South African companies. This study may also be biased in terms of participant effects, i.e. specific characteristics of the individuals that took part in the study or the participants may have answered a certain way to please the researcher or sample company, even though these effects were reduced by the researcher fulfilling all ethical considerations, such as informed consent and explaining to participants that their answers are confidential and that they will remain anonymous.

Further research is needed in the field of EE and BEE policies in the South African context, especially with regard to the organisational cultures that are employed in relation to these policies. This study is limited by the fact that only one company was studied. Future research could include case studies of multiple companies and explore differences in their organisational cultures and statistically significant results that these bring up with regard to perceptions of equity policies put into place in these companies. Cook and Lafferty's (1989) organisational culture distinctions as well as Terlaga and O'Connor's (1994) more simplified delineation may be used in such studies to explore practical implications of such distinctions of the different types of organisational culture.

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9. APPENDICES

APPENDIX A QUESTIONNAIRE

(Follows on the next page)

Please note this data is for research purposes only and confidentiality is guaranteed



Good Day. My name is Kim Woolhough. I am currently completing my Masters degree in Research Psychology at the University of Pretoria.

The value of this research is to gain an understanding of how employees within companies feel about equity policies and how they are affected by these policies.

Please note the following:

- **Employment Equity (EE)** refers to the granting of equal employment opportunities to previously disadvantaged individuals.
- **Black Economic Empowerment (BEE)** refers to regulations that encourage companies to develop black economic entrepreneurship.

Your participation in completing this short survey is highly appreciated.

PLEASE ANSWER ALL QUESTIONS		Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Q.1	I think that Employment Equity (EE) in general in South Africa is fair.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.2	I think that EE in my company is fair.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.3	I think that EE policies are necessary to help the South African business economy grow and advance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.4	I believe that the way in which EE policies are currently (now) used in my company are successful for bringing about positive change in my organisation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.5	My organisation has explained its EE policies and the implementation (putting into practice) thereof to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.6	My organisation's goals and objectives concerning EE are clear	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



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	to me.					
Q.7	My organisation is committed to carrying out its EE policies. E.g. the company makes a strong effort to recruit previously disadvantaged individuals.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.8	Previously disadvantaged individuals (Blacks, including Coloured people and Indians; women; and the disabled) are well represented in management positions in my organisation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.9	The employees at my organisation speak informally (e.g. chats during lunch, informal discussions) about EE.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.10	The culture within my organisation has changed because of EE policies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

"Click" to Save data and proceed



Instruction: Click on the boxes below to open up the writing space.

Q11: Please indicate if this change in Organisation culture because of EE has been

Positive

Negative

Q11A: Please motivate your selection you made in question 11

Q12: What do you think can be done by organisations (in general) to improve the carrying out (practical implementation) of EE policies?

Q13: What do you think can be done by your organisation (in particular) to improve the carrying out (practical implementation) of EE policies?

"Click" to Submit the Data

Please note this data is for research purposes only and confidentiality is guaranteed

FORM 2

The value of this research is to gain an understanding of how employees within companies feel about equity policies and how they are affected by these policies.

Please note the following:

- **Black Economic Empowerment (BEE)** refers to regulations that encourage companies to develop black economic entrepreneurship.

PLEASE ANSWER ALL QUESTIONS		Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Q.14	I think that Black Economic Empowerment (BEE) in general in South Africa is fair.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.15	I think that BEE in my company is fair.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.16	I think that BEE policies are necessary to help the South African business economy grow and advance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.17	I believe that the way in which BEE policies are currently (now) used in my company are successful for bringing about positive change in my organisation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.18	My organisation has explained its BEE policies and the implementation (putting into practice) thereof to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.19	My organisation's goals and objectives concerning BEE are clear to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.20	My organisation is committed to carrying out its BEE policies. E.g. the company makes a strong effort	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



	to award contracts to BEE-compliant companies.					
Q.21	The employees at my organisation speak informally (e.g. chats during lunch, informal discussions) about BEE.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.22	The culture within my organisation has changed because of BEE policies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

"Click" to Save data and proceed

Instruction: Click on the boxes below to open up the writing space.

Q23: Your answer for question 22 has determined that you can skip this question - please proceed with question 24.

Q24: What do you think can be done by organisations (in general) to improve the carrying out (practical implementation) of BEE policies?

Q25: What do you think can be done by your organisation (in particular) to improve the carrying out (practical implementation) of BEE policies?

"Click" to Submit the Data



Please note this data is for research purposes only and confidentiality is guaranteed

FORM 3

The value of this research is to gain an understanding of how employees within companies feel about equity policies and how they are affected by these policies.

Questions regarding your Organisation itself (Organisation's Culture)

PLEASE ANSWER ALL QUESTIONS		Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Q.26	I feel that I am well rewarded for the work that I do in my organisation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.27	My level of qualification affects my salary.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.28	My level of experience affects my salary.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.29	Each employee at my organisation knows his/her roles and responsibilities towards the company.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.30	I have good working relationships with most of my co-workers (I get on well with most of my co-workers).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.31	The values of management for the company (e.g. vision, mission, goals, etc.) are similar to my own.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.32	There are systems in place in my company that protect employees against discrimination.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.33	Conflict is handled well in my organisation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	I feel free to discuss					



10/03/16

New Page 1

Q.34	problems with the management at my company.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.35	I believe that I am a valuable part of the successful working of my organisation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.36	The authoritative level at my company is fair: the organisation is not too strict and not too lenient (laid back).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q.37	What do you think could be done to improve employee relations/the culture in your organisation?					
	<input type="text"/>					
Q38	How long have you been employed at Telkom in your current position?	<input type="text" value="Please select"/>				
Q39	Were you previously employed by Telkom?	<input type="text" value="Please select"/>				
	Do you have any of the following disabilities?					
Q40	Visual impairment (Trouble seeing)	Yes <input type="radio"/> No <input type="radio"/>				
Q41	Hearing impairment (Trouble Hearing)	Yes <input type="radio"/> No <input type="radio"/>				
Q42	Physical Impairment: e.g. need to use a wheelchair Other	Yes <input type="radio"/> No <input type="radio"/>				
Q43	Other disabilities not mentioned					
	<input type="text"/>					

Your participation in completing this short survey was highly appreciated.

"Click" to Save the Data



THE BEE SCORECARD

Core Component	Indicators	Weighting
Direct Empowerment		
Equity ownership	% share of economic benefits	20%
Management	% black persons in executive management and/or executive board and board committees	10%
Human Resource Development		
Employment equity	Weighted employment equity analysis	10%
Skills development	Skills development expenditure as a proportion of total payroll	20%
Indirect Empowerment		
Preferential procurement	Procurement from black-owned and empowered enterprises as a proportion of total procurement	20%
Enterprise development	Investment in black-owned and empowered enterprises as a proportion of total assets	10%
Residual		
Residual element	To be determined by sector/enterprise	10%

Source: The FW de Klerk Foundation, 2006, p. 9



FREQUENCY TABLES OF MEASUREMENT INSTRUMENT ITEMS

Q1 I think that EE in general in SA is fair

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	81	17.0	17.0	17.0
	Disagree	145	30.5	30.5	47.5
	Neither Agree nor Disagree	74	15.5	15.5	63.0
	Agree	154	32.4	32.4	95.4
	Strongly Agree	22	4.6	4.6	100.0
	Total	476	100.0	100.0	

Q2 I think that EE in my company is fair

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	76	16.0	16.0	16.0
	Disagree	125	26.3	26.3	42.2
	Neither Agree nor Disagree	93	19.5	19.5	61.8
	Agree	167	35.1	35.1	96.8
	Strongly Agree	15	3.2	3.2	100.0
	Total	476	100.0	100.0	

Q3 I think that EE policies are necessary to help the SA business economy grow and advance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	55	11.6	11.6	11.6
	Disagree	68	14.3	14.3	25.8
	Neither Agree nor Disagree	75	15.8	15.8	41.6
	Agree	231	48.5	48.5	90.1
	Strongly Agree	47	9.9	9.9	100.0
	Total	476	100.0	100.0	



Q4 I believe that the way in which EE policies are currently used in my company are successful for bringing about positive change in my organisation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	78	16.4	16.4	16.4
Disagree	124	26.1	26.1	42.4
Neither Agree nor Disagree	112	23.5	23.5	66.0
Agree	149	31.3	31.3	97.3
Strongly Agree	13	2.7	2.7	100.0
Total	476	100.0	100.0	

Q5 My organisation has explained its EE policies and the implementation thereof to me

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	60	12.6	12.6	12.6
Disagree	81	17.0	17.0	29.6
Neither Agree nor Disagree	100	21.0	21.0	50.6
Agree	211	44.3	44.3	95.0
Strongly Agree	24	5.0	5.0	100.0
Total	476	100.0	100.0	

Q6 My organisation's goals and objectives concerning EE are clear to me

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	51	10.7	10.7	10.7
Disagree	78	16.4	16.4	27.1
Neither Agree nor Disagree	109	22.9	22.9	50.0
Agree	209	43.9	43.9	93.9
Strongly Agree	29	6.1	6.1	100.0
Total	476	100.0	100.0	

Q7 My organisation is committed to carrying out its EE policies

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	31	6.5	6.5	6.5
Disagree	46	9.7	9.7	16.2
Neither Agree nor Disagree	86	18.1	18.1	34.2



Agree	235	49.4	49.4	83.6
Strongly Agree	78	16.4	16.4	100.0
Total	476	100.0	100.0	

Q8 Previously disadvantaged individuals are well represented in management positions in my organisation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	47	9.9	9.9	9.9
Disagree	90	18.9	18.9	28.8
Neither Agree nor Disagree	87	18.3	18.3	47.1
Agree	186	39.1	39.1	86.1
Strongly Agree	66	13.9	13.9	100.0
Total	476	100.0	100.0	

Q9 The employees at my organisation speak informally about EE

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	68	14.3	14.3	14.3
Disagree	129	27.1	27.1	41.4
Neither Agree nor Disagree	118	24.8	24.8	66.2
Agree	135	28.4	28.4	94.5
Strongly Agree	26	5.5	5.5	100.0
Total	476	100.0	100.0	

Q10 The culture within my organisation has changed because of EE policies

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	33	6.9	6.9	6.9
Disagree	66	13.9	13.9	20.8
Neither Agree nor Disagree	131	27.5	27.5	48.3
Agree	188	39.5	39.5	87.8
Strongly Agree	58	12.2	12.2	100.0
Total	476	100.0	100.0	



Q11 Please indicate if this change in organisation culture because of EE has been positive or negative

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Negative	103	21.6	55.1	55.1
	Positive	84	17.6	44.9	100.0
	Total	187	39.3	100.0	
Missing	99	289	60.7		
Total		476	100.0		

Q14 I think that BEE in general in SA is fair

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	71	14.9	20.2	20.2
	Disagree	107	22.5	30.5	50.7
	Neither Agree nor Disagree	70	14.7	19.9	70.7
	Agree	89	18.7	25.4	96.0
	Strongly Agree	14	2.9	4.0	100.0
	Total	351	73.7	100.0	
Missing	99	125	26.3		
Total		476	100.0		

Q15 I think that BEE in my company is fair

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	60	12.6	17.1	17.1
	Disagree	101	21.2	28.8	45.9
	Neither Agree nor Disagree	92	19.3	26.2	72.1
	Agree	84	17.6	23.9	96.0
	Strongly Agree	14	2.9	4.0	100.0
	Total	351	73.7	100.0	
Missing	99	125	26.3		
Total		476	100.0		



Q16 I think that BEE policies are necessary to help the SA business economy grow and advance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	35	7.4	10.0	10.0
	Disagree	63	13.2	17.9	27.9
	Neither Agree nor Disagree	61	12.8	17.4	45.3
	Agree	162	34.0	46.2	91.5
	Strongly Agree	30	6.3	8.5	100.0
	Total	351	73.7	100.0	
Missing	99	125	26.3		
Total		476	100.0		

Q17 I believe that the way in which BEE policies are currently used in my company are successful for bringing about positive change in my organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	60	12.6	17.1	17.1
	Disagree	97	20.4	27.6	44.7
	Neither Agree nor Disagree	100	21.0	28.5	73.2
	Agree	83	17.4	23.6	96.9
	Strongly Agree	11	2.3	3.1	100.0
	Total	351	73.7	100.0	
Missing	99	125	26.3		
Total		476	100.0		

Q18 My organisation has explained its BEE policies and the implementation thereof to me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	47	9.9	13.4	13.4
	Disagree	67	14.1	19.1	32.5
	Neither Agree nor Disagree	89	18.7	25.4	57.8
	Agree	132	27.7	37.6	95.4
	Strongly Agree	16	3.4	4.6	100.0
	Total	351	73.7	100.0	
Missing	99	125	26.3		
Total		476	100.0		



Q19 My organisation's goals and objectives concerning BEE are clear to me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	40	8.4	11.4	11.4
	Disagree	63	13.2	17.9	29.3
	Neither Agree nor Disagree	93	19.5	26.5	55.8
	Agree	136	28.6	38.7	94.6
	Strongly Agree	19	4.0	5.4	100.0
	Total	351	73.7	100.0	
Missing	99	125	26.3		
Total		476	100.0		

Q20 My organisation is committed to carrying out its BEE policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	4.2	5.7	5.7
	Disagree	30	6.3	8.5	14.2
	Neither Agree nor Disagree	83	17.4	23.6	37.9
	Agree	160	33.6	45.6	83.5
	Strongly Agree	58	12.2	16.5	100.0
	Total	351	73.7	100.0	
Missing	99	125	26.3		
Total		476	100.0		

Q21 The employees at my organisation speak informally about BEE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	44	9.2	12.5	12.5
	Disagree	102	21.4	29.1	41.6
	Neither Agree nor Disagree	89	18.7	25.4	67.0
	Agree	97	20.4	27.6	94.6
	Strongly Agree	19	4.0	5.4	100.0
	Total	351	73.7	100.0	
Missing	99	125	26.3		
Total		476	100.0		



Q22 The culture within my organisation has changed because of BEE policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	25	5.3	7.1	7.1
	Disagree	46	9.7	13.1	20.2
	Neither Agree nor Disagree	116	24.4	33.0	53.3
	Agree	124	26.1	35.3	88.6
	Strongly Agree	40	8.4	11.4	100.0
	Total	351	73.7	100.0	
Missing	99	125	26.3		
Total		476	100.0		

Q23 Please indicate if this change in organisation culture because of BEE has been positive or negative

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Negative	82	17.2	58.2	58.2
	Positive	59	12.4	41.8	100.0
	Total	141	29.6	100.0	
Missing	99	335	70.4		
Total		476	100.0		

Q26 I feel that I am well rewarded for the work that I do in my organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	56	11.8	18.5	18.5
	Disagree	103	21.6	34.0	52.5
	Neither Agree nor Disagree	52	10.9	17.2	69.6
	Agree	78	16.4	25.7	95.4
	Strongly Agree	14	2.9	4.6	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		



Q27 My level of qualification affects my salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	33	6.9	10.9	10.9
	Disagree	90	18.9	29.7	40.6
	Neither Agree nor Disagree	68	14.3	22.4	63.0
	Agree	89	18.7	29.4	92.4
	Strongly Agree	23	4.8	7.6	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		

Q28 My level of experience affects my salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	48	10.1	15.8	15.8
	Disagree	95	20.0	31.4	47.2
	Neither Agree nor Disagree	58	12.2	19.1	66.3
	Agree	79	16.6	26.1	92.4
	Strongly Agree	23	4.8	7.6	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		

Q29 Each employee at my organisation knows his/her roles and responsibilities towards the company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	18	3.8	5.9	5.9
	Disagree	45	9.5	14.9	20.8
	Neither Agree nor Disagree	52	10.9	17.2	38.0
	Agree	157	33.0	51.8	89.8
	Strongly Agree	31	6.5	10.2	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		



Q30 I have good working relationships with most of my co-workers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	0.6	1.0	1.0
	Disagree	9	1.9	3.0	4.0
	Neither Agree nor Disagree	9	1.9	3.0	6.9
	Agree	170	35.7	56.1	63.0
	Strongly Agree	112	23.5	37.0	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		

Q31 The values of management for the company are similar to my own

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	4.8	7.6	7.6
	Disagree	56	11.8	18.5	26.1
	Neither Agree nor Disagree	74	15.5	24.4	50.5
	Agree	118	24.8	38.9	89.4
	Strongly Agree	32	6.7	10.6	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		

Q32 There are systems in place in my company that protect employees against discrimination

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	4.2	6.6	6.6
	Disagree	32	6.7	10.6	17.2
	Neither Agree nor Disagree	58	12.2	19.1	36.3
	Agree	148	31.1	48.8	85.1
	Strongly Agree	45	9.5	14.9	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		



Q33 Conflict is handled well in my organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	32	6.7	10.6	10.6
	Disagree	46	9.7	15.2	25.7
	Neither Agree nor Disagree	82	17.2	27.1	52.8
	Agree	120	25.2	39.6	92.4
	Strongly Agree	23	4.8	7.6	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		

Q34 I feel free to discuss problems with the management at my company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	55	11.6	18.2	18.2
	Disagree	60	12.6	19.8	38.0
	Neither Agree nor Disagree	58	12.2	19.1	57.1
	Agree	108	22.7	35.6	92.7
	Strongly Agree	22	4.6	7.3	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		

Q35 I believe that I am a valuable part of the successful working of my organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	4.6	7.3	7.3
	Disagree	13	2.7	4.3	11.6
	Neither Agree nor Disagree	36	7.6	11.9	23.4
	Agree	155	32.6	51.2	74.6
	Strongly Agree	77	16.2	25.4	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		



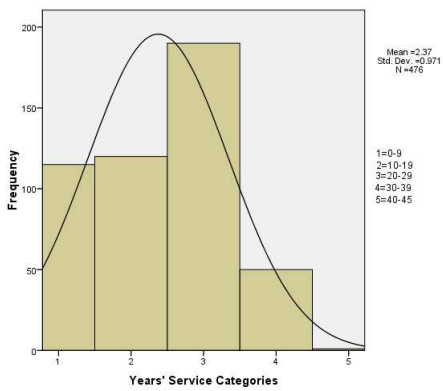
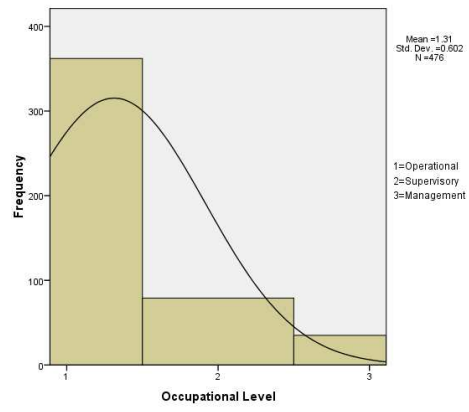
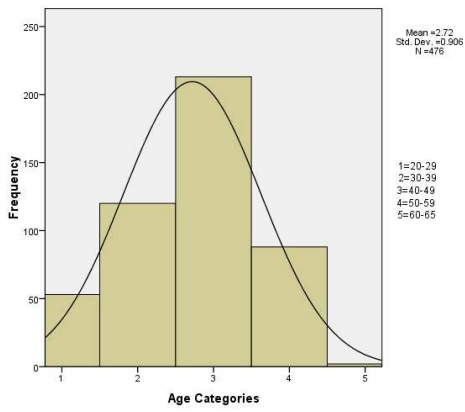
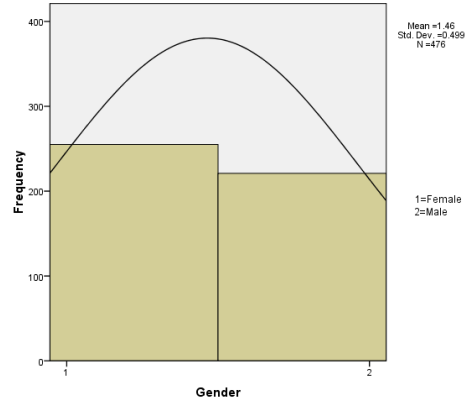
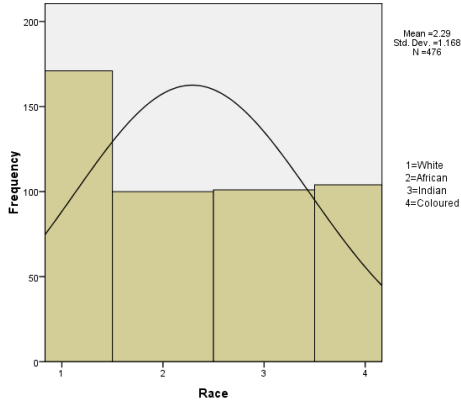
Q36 The authoritative level at my company is fair

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	32	6.7	10.6	10.6
	Disagree	48	10.1	15.8	26.4
	Neither Agree nor Disagree	82	17.2	27.1	53.5
	Agree	123	25.8	40.6	94.1
	Strongly Agree	18	3.8	5.9	100.0
	Total	303	63.7	100.0	
Missing	99	173	36.3		
Total		476	100.0		



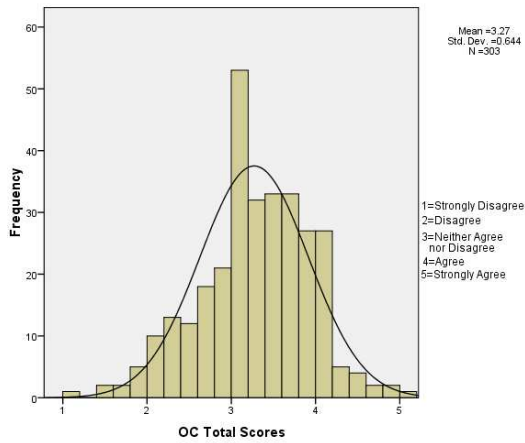
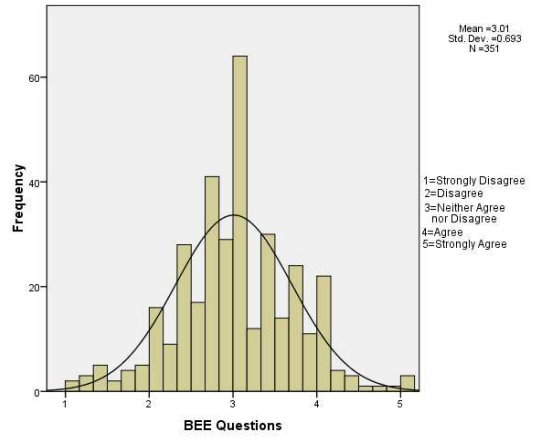
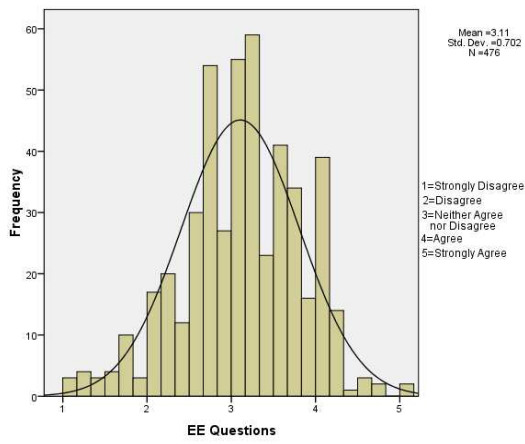
APPENDIX D

HISTOGRAMS SHOWING THE DISTRIBUTION OF DEMOGRAPHIC FACTORS OF PARTICIPANTS





HISTOGRAMS SHOWING THE DISTRIBUTION OF SUMMARY SCORES





DESCRIPTIVE STATISTICS FOR EE, BEE AND OC QUESTIONS

Descriptive Statistics for EE Questions

	Mean	Std. Deviation	Analysis N
Q1 I think that EE in general in SA is fair	2.77	1.202	476
Q2 I think that EE in my company is fair	2.83	1.163	476
Q3 I think that EE policies are necessary to help the SA business economy grow and advance	3.31	1.180	476
Q4 I believe that the way in which EE policies are currently used in my company are successful for bringing about positive change in my organisation	2.78	1.137	476
Q5 My organisation has explained its EE policies and the implementation thereof to me	3.12	1.143	476
Q6 My organisation's goals and objectives concerning EE are clear to me	3.18	1.116	476
Q7 My organisation is committed to carrying out its EE policies	3.59	1.075	476
Q8 Previously disadvantaged individuals are well represented in management positions in my organisation	3.28	1.205	476
Q9 The employees at my organisation speak informally about EE	2.84	1.149	476
Q10 The culture within my organisation has changed because of EE policies	3.36	1.082	476

Descriptive Statistics for BEE Questions

	Mean	Std. Deviation	Analysis N
Q14 I think that BEE in general in SA is fair	2.62	1.179	351
Q15 I think that BEE in my company is fair	2.69	1.130	351
Q16 I think that BEE policies are necessary to help the SA business economy grow and advance	3.25	1.149	351
Q17 I believe that the way in which BEE policies are currently used in my company are successful for bringing about positive change in my organisation	2.68	1.106	351
Q18 My organisation has explained its BEE policies and the implementation thereof to me	3.01	1.135	351
Q19 My organisation's goals and objectives concerning BEE are clear to me	3.09	1.111	351
Q20 My organisation is committed to carrying out its BEE policies	3.59	1.043	351



Q21 The employees at my organisation speak informally about BEE	2.84	1.124	351
Q22 The culture within my organisation has changed because of BEE policies	3.31	1.065	351

Descriptive Statistics for OC Questions

	Mean	Std. Deviation	Analysis N
Q26 I feel that I am well rewarded for the work that I do in my organisation	2.64	1.182	303
Q27 My level of qualification affects my salary	2.93	1.153	303
Q28 My level of experience affects my salary	2.78	1.212	303
Q29 Each employee at my organisation knows his/her roles and responsibilities towards the company	3.46	1.053	303
Q30 I have good working relationships with most of my co-workers	4.25	0.739	303
Q31 The values of management for the company are similar to my own	3.26	1.111	303
Q32 There are systems in place in my company that protect employees against discrimination	3.55	1.075	303
Q33 Conflict is handled well in my organisation	3.18	1.115	303
Q34 I feel free to discuss problems with the management at my company	2.94	1.254	303
Q35 I believe that I am a valuable part of the successful working of my organisation	3.83	1.083	303
Q36 The authoritative level at my company is fair	3.16	1.097	303



APPENDIX G

COMMUNALITIES OF FACTOR ANALYSIS FOR EE AND BEE QUESTIONS

Communalities for EE Questions

	Initial	Extraction
Q1 I think that EE in general in SA is fair	1.000	0.717
Q2 I think that EE in my company is fair	1.000	0.772
Q3 I think that EE policies are necessary to help the SA business economy grow and advance	1.000	0.645
Q4 I believe that the way in which EE policies are currently used in my company are successful for bringing about positive change in my organisation	1.000	0.776
Q5 My organisation has explained its EE policies and the implementation thereof to me	1.000	0.885
Q6 My organisation's goals and objectives concerning EE are clear to me	1.000	0.903
Q7 My organisation is committed to carrying out its EE policies	1.000	0.555
Q8 Previously disadvantaged individuals are well represented in management positions in my organisation	1.000	0.599
Q9 The employees at my organisation speak informally about EE	1.000	0.369
Q10 The culture within my organisation has changed because of EE policies	1.000	0.688

Extraction Method: Principal Component Analysis.

Communalities for BEE Questions

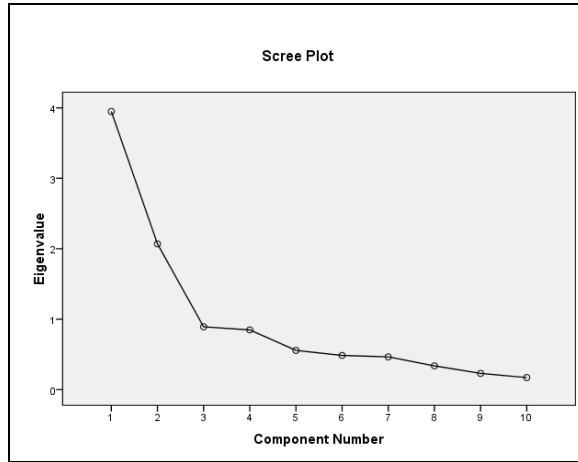
	Initial	Extraction
Q14 I think that BEE in general in SA is fair	1.000	0.691
Q15 I think that BEE in my company is fair	1.000	0.728
Q16 I think that BEE policies are necessary to help the SA business economy grow and advance	1.000	0.612
Q17 I believe that the way in which BEE policies are currently used in my company are successful for bringing about positive change in my organisation	1.000	0.733
Q18 My organisation has explained its BEE policies and the implementation thereof to me	1.000	0.863
Q19 My organisation's goals and objectives concerning BEE are clear to me	1.000	0.867
Q20 My organisation is committed to carrying out its BEE policies	1.000	0.669
Q21 The employees at my organisation speak informally about BEE	1.000	0.648
Q22 The culture within my organisation has changed because of BEE policies	1.000	0.687

Extraction Method: Principal Component Analysis.

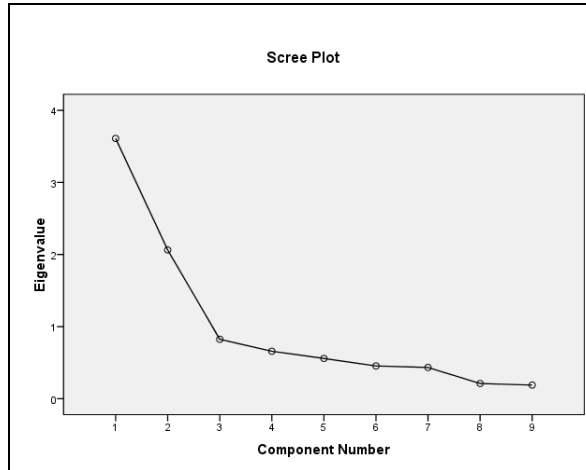


SCREE PLOTS FOR FACTOR ANALYSIS FOR EE, BEE AND OC QUESTIONS

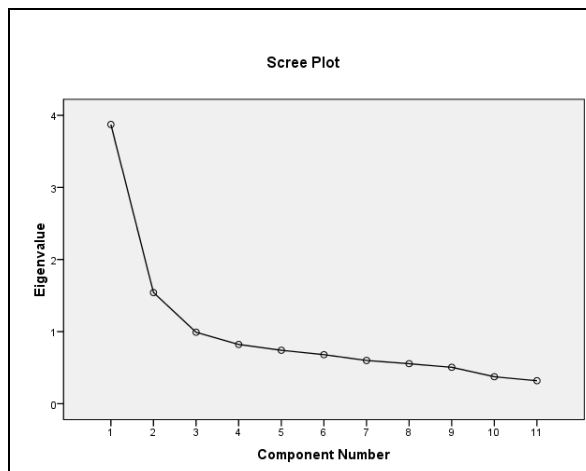
Scree Plot for EE Questions



Scree Plot for BEE Questions



Scree Plot for OC Questions





**TOTAL VARIANCE EXPLAINED FOR FACTOR ANALYSIS FOR EE AND BEE
QUESTIONS**

Total Variance Explained for EE Questions

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.949	39.487	39.487	3.949	39.487	39.487	2.853	28.531	28.531
2	2.068	20.684	60.172	2.068	20.684	60.172	2.181	21.814	50.345
3	0.891	8.912	69.084	0.891	8.912	69.084	1.874	18.739	69.084
4	0.848	8.476	77.560						
5	0.557	5.567	83.127						
6	0.485	4.848	87.975						
7	0.465	4.651	92.626						
8	0.337	3.368	95.994						
9	0.230	2.299	98.293						
10	0.171	1.707	100.000						

Extraction Method: Principal Component Analysis.

Total Variance Explained for BEE Questions

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.610	40.115	40.115	3.610	40.115	40.115	2.623	29.145	29.145
2	2.063	22.924	63.039	2.063	22.924	63.039	1.944	21.600	50.745
3	0.824	9.157	72.195	0.824	9.157	72.195	1.930	21.450	72.195
4	0.658	7.310	79.505						
5	0.558	6.205	85.709						
6	0.454	5.044	90.753						
7	0.433	4.810	95.563						
8	0.211	2.341	97.903						
9	0.189	2.097	100.000						

Extraction Method: Principal Component Analysis.

**ALLOCATION OF ITEMS TO COMPONENTS IDENTIFIED BY FACTOR ANALYSIS
ROTATED COMPONENT MATRICES FOR EE AND BEE QUESTIONS**

Rotated Component Matrix for EE Questions^a

	Component		
	1	2	3
Q1 I think that EE in general in SA is fair	0.839		
Q2 I think that EE in my company is fair	0.822		
Q4 I believe that the way in which EE policies are currently used in my company are successful for bringing about positive change in my organisation	0.807		
Q3 I think that EE policies are necessary to help the SA business economy grow and advance	0.791		
Q10 The culture within my organisation has changed because of EE policies		0.823	
Q8 Previously disadvantaged individuals are well represented in management positions in my organisation		0.767	
Q7 My organisation is committed to carrying out its EE policies		0.656	
Q9 The employees at my organisation speak informally about EE		0.561	
Q6 My organisation's goals and objectives concerning EE are clear to me			0.892
Q5 My organisation has explained its EE policies and the implementation thereof to me			0.866

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Rotated Component Matrix for BEE Questions^a

	Component		
	1	2	3
Q14 I think that BEE in general in SA is fair	0.827		
Q16 I think that BEE policies are necessary to help the SA business economy grow and advance	0.779		
Q15 I think that BEE in my company is fair	0.774		
Q17 I believe that the way in which BEE policies are currently used in my company are successful for bringing about positive change in my organisation	0.759		
Q22 The culture within my organisation has changed because of BEE policies		0.801	
Q21 The employees at my organisation speak informally about BEE		0.764	
Q20 My organisation is committed to carrying out its BEE policies		0.745	
Q19 My organisation's goals and objectives concerning BEE are clear to me			0.876
Q18 My organisation has explained its BEE policies and the implementation thereof to me			0.863



Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.



APPENDIX K
FREQUENCIES FOR 3 FACTORS OF EE AND BEE

EE Factor 1 (Importance)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	31	6.5	6.5	6.5
	1.25	9	1.9	1.9	8.4
	1.5	15	3.2	3.2	11.6
	1.75	16	3.4	3.4	14.9
	2	44	9.2	9.2	24.2
	2.25	23	4.8	4.8	29.0
	2.5	52	10.9	10.9	39.9
	2.75	25	5.3	5.3	45.2
	3	49	10.3	10.3	55.5
	3.25	24	5.0	5.0	60.5
	3.5	48	10.1	10.1	70.6
	3.75	32	6.7	6.7	77.3
	4	78	16.4	16.4	93.7
	4.25	16	3.4	3.4	97.1
	4.5	4	0.8	0.8	97.9
	4.75	4	0.8	0.8	98.7
5	6	1.3	1.3	100.0	
Total		476	100.0	100.0	

EE Factor 2 (Impact)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	9	1.9	1.9	1.9
	1.25	7	1.5	1.5	3.4
	1.5	3	0.6	.6	4.0
	1.75	10	2.1	2.1	6.1
	2	16	3.4	3.4	9.5
	2.25	19	4.0	4.0	13.4
	2.5	30	6.3	6.3	19.7
	2.75	30	6.3	6.3	26.1
	3	69	14.5	14.5	40.5
	3.25	49	10.3	10.3	50.8



3.5	65	13.7	13.7	64.5
3.75	45	9.5	9.5	73.9
4	73	15.3	15.3	89.3
4.25	21	4.4	4.4	93.7
4.5	16	3.4	3.4	97.1
4.75	8	1.7	1.7	98.7
5	6	1.3	1.3	100.0
Total	476	100.0	100.0	

EE Factor 3 (Clarity)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	45	9.5	9.5	9.5
	1.5	13	2.7	2.7	12.2
	2	57	12.0	12.0	24.2
	2.5	30	6.3	6.3	30.5
	3	80	16.8	16.8	47.3
	3.5	44	9.2	9.2	56.5
	4	173	36.3	36.3	92.9
	4.5	18	3.8	3.8	96.6
	5	16	3.4	3.4	100.0
	Total	476	100.0	100.0	

BEE Factor 1 (Importance)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	19	4.0	5.4	5.4
	1.25	10	2.1	2.8	8.3
	1.5	13	2.7	3.7	12.0
	1.75	14	2.9	4.0	16.0
	2	33	6.9	9.4	25.4
	2.25	22	4.6	6.3	31.6
	2.5	35	7.4	10.0	41.6
	2.75	26	5.5	7.4	49.0
	3	49	10.3	14.0	63.0
	3.25	26	5.5	7.4	70.4
	3.5	29	6.1	8.3	78.6



	3.75	17	3.6	4.8	83.5
	4	43	9.0	12.3	95.7
	4.25	6	1.3	1.7	97.4
	4.5	4	0.8	1.1	98.6
	4.75	1	0.2	0.3	98.9
	5	4	0.8	1.1	100.0
	Total	351	73.7	100.0	
Missing	System	125	26.3		
Total		476	100.0		

BEE Factor 2 (Impact)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	2.1	2.8	2.8
	1.33	3	.6	0.9	3.7
	1.67	8	1.7	2.3	6.0
	2	15	3.2	4.3	10.3
	2.33	31	6.5	8.8	19.1
	2.67	32	6.7	9.1	28.2
	3	56	11.8	16.0	44.2
	3.33	51	10.7	14.5	58.7
	3.67	44	9.2	12.5	71.2
	4	64	13.4	18.2	89.5
	4.33	18	3.8	5.1	94.6
	4.67	12	2.5	3.4	98.0
	5	7	1.5	2.0	100.0
	Total	351	73.7	100.0	
Missing	System	125	26.3		
Total		476	100.0		

BEE Factor 3 (Clarity)

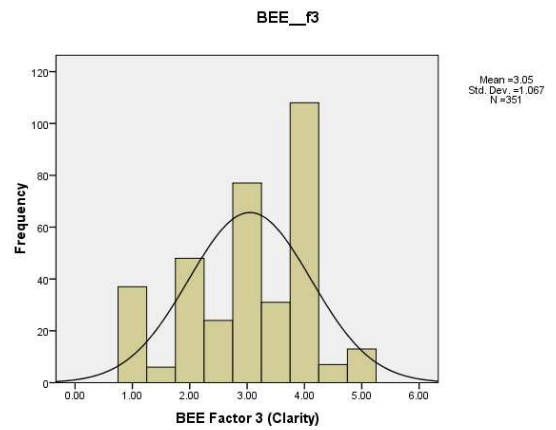
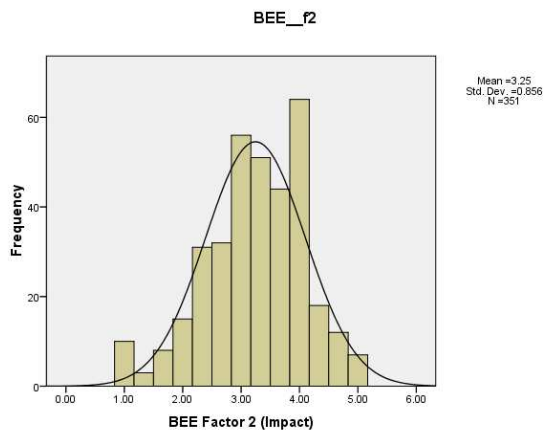
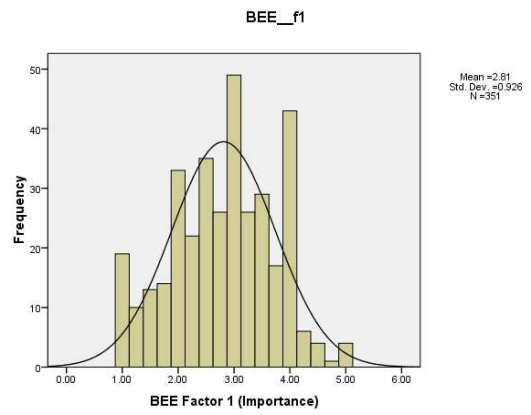
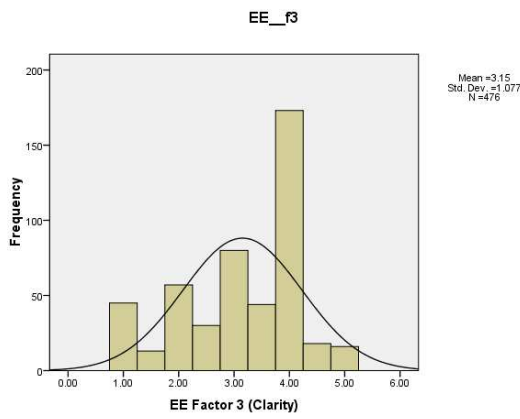
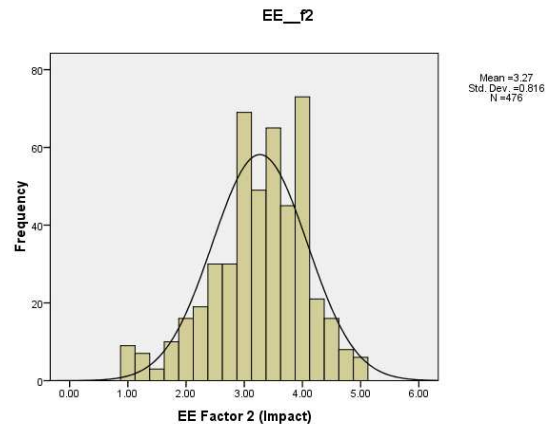
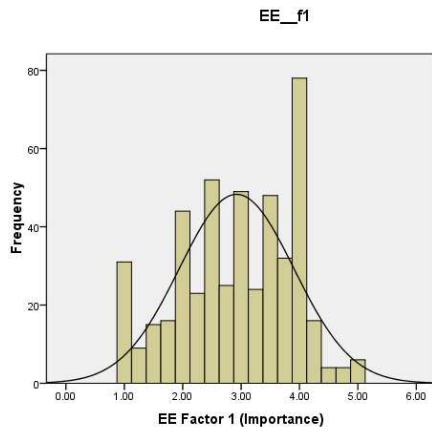
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	37	7.8	10.5	10.5
	1.5	6	1.3	1.7	12.3
	2	48	10.1	13.7	25.9
	2.5	24	5.0	6.8	32.8
	3	77	16.2	21.9	54.7



	3.5	31	6.5	8.8	63.5
	4	108	22.7	30.8	94.3
	4.5	7	1.5	2.0	96.3
	5	13	2.7	3.7	100.0
	Total	351	73.7	100.0	
Missing	System	125	26.3		
Total		476	100.0		



HISTOGRAMS FOR 3 FACTORS OF EE AND BEE





EXPLORATORY FACTOR ANALYSIS FOR OC

Descriptive Statistics

	N	Mean	Std. Deviation
OC__Total	303	3.27	0.64

Reliability Statistics for OC

Factor 1

Cronbach's Alpha	N of Items
0.794	5

Item-Total Statistics for OC Factor 1

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q29 Each employee at my organisation knows his/her roles and responsibilities towards the company	12.83	12.619	0.469	0.786
Q32 There are systems in place in my company that protect employees against discrimination	12.74	12.155	0.524	0.771
Q33 Conflict is handled well in my organisation	13.10	10.758	0.715	0.708
Q34 I feel free to discuss problems with the management at my company	13.34	10.663	0.611	0.744
Q36 The authoritative level at my company is fair	13.13	11.801	.561	0.759

Reliability Statistics for OC

Factor 2

Cronbach's Alpha	N of Items
0.660	3



Item-Total Statistics for OC Factor 2

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q26 I feel that I am well rewarded for the work that I do in my organisation	5.71	4.517	0.313	0.761
Q27 My level of qualification affects my salary	5.42	3.828	0.516	0.503
Q28 My level of experience affects my salary	5.57	3.338	0.605	0.367

Reliability Statistics for OC

Factor 3

Cronbach's Alpha	N of Items
0.544	3

Item-Total Statistics for OC Factor 3

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q30 I have good working relationships with most of my co-workers	7.10	3.140	0.363	0.466
Q31 The values of management for the company are similar to my own	8.08	2.136	0.390	0.389
Q35 I believe that I am a valuable part of the successful working of my organisation	7.51	2.317	0.348	0.463

Communalities for 2 Factors for Exploratory Factor Analysis

	Initial	Extraction
Q26 I feel that I am well rewarded for the work that I do in my organisation	1.000	0.398
Q27 My level of qualification affects my salary	1.000	0.731
Q28 My level of experience affects my salary	1.000	0.777
Q29 Each employee at my organisation knows his/her roles and responsibilities towards the company	1.000	0.384
Q30 I have good working relationships with most of my co-workers	1.000	0.247
Q31 The values of management for the company are similar to my own	1.000	0.455



Q32 There are systems in place in my company that protect employees against discrimination	1.000	0.428
Q33 Conflict is handled well in my organisation	1.000	0.663
Q34 I feel free to discuss problems with the management at my company	1.000	0.556
Q35 I believe that I am a valuable part of the successful working of my organisation	1.000	0.315
Q36 The authoritative level at my company is fair	1.000	0.462

Extraction Method: Principal Component Analysis.

Communalities for 3 Factors for Exploratory Factor Analysis

	Initial	Extraction
Q26 I feel that I am well rewarded for the work that I do in my organisation	1.000	0.407
Q27 My level of qualification affects my salary	1.000	0.761
Q28 My level of experience affects my salary	1.000	0.805
Q29 Each employee at my organisation knows his/her roles and responsibilities towards the company	1.000	0.384
Q30 I have good working relationships with most of my co-workers	1.000	0.777
Q31 The values of management for the company are similar to my own	1.000	0.500
Q32 There are systems in place in my company that protect employees against discrimination	1.000	0.522
Q33 Conflict is handled well in my organisation	1.000	0.690
Q34 I feel free to discuss problems with the management at my company	1.000	0.602
Q35 I believe that I am a valuable part of the successful working of my organisation	1.000	0.429
Q36 The authoritative level at my company is fair	1.000	0.530

Extraction Method: Principal Component Analysis.

Total Variance Explained for 2 Factors for Exploratory Factor Analysis

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	3.873	35.210	35.210	3.873	35.210	35.210	3.529	32.082
2	1.542	14.015	49.225	1.542	14.015	49.225	1.886	17.143	49.225
3	0.991	9.012	58.238						
4	0.822	7.469	65.706						
5	0.741	6.736	72.442						
6	0.680	6.182	78.624						



7	0.600	5.451	84.075					
8	0.555	5.042	89.118					
9	0.505	4.589	93.707					
10	0.374	3.397	97.104					
11	0.319	2.896	100.000					

Extraction Method: Principal Component Analysis.

Total Variance Explained for 3 Factors for Exploratory Factor Analysis

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	3.873	35.210	35.210	3.873	35.210	35.210	3.067	27.883
2	1.542	14.015	49.225	1.542	14.015	49.225	1.771	16.103	43.986
3	0.991	9.012	58.238	0.991	9.012	58.238	1.568	14.252	58.238
4	0.822	7.469	65.706						
5	0.741	6.736	72.442						
6	0.680	6.182	78.624						
7	0.600	5.451	84.075						
8	0.555	5.042	89.118						
9	0.505	4.589	93.707						
10	0.374	3.397	97.104						
11	0.319	2.896	100.000						

Extraction Method: Principal Component Analysis.

Rotated Component Matrix for 2 Factors for Exploratory Factor Analysis^a

	Component	
	1	2
Q33 Conflict is handled well in my organisation	0.781	
Q34 I feel free to discuss problems with the management at my company	0.738	
Q31 The values of management for the company are similar to my own	0.665	
Q32 There are systems in place in my company that protect employees against discrimination	0.644	
Q36 The authoritative level at my company is fair	0.633	
Q29 Each employee at my organisation knows his/her roles and responsibilities towards the company	0.615	
Q35 I believe that I am a valuable part of the successful working of my organisation	.561	

Q30 I have good working relationships with most of my co-workers	0.468	
Q26 I feel that I am well rewarded for the work that I do in my organisation	0.448	0.444
Q28 My level of experience affects my salary		0.880
Q27 My level of qualification affects my salary		0.853

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Rotated Component Matrix for 3 Factors for Exploratory Factor Analysis^a

	Component		
	1	2	3
Q33 Conflict is handled well in my organisation	0.782		
Q34 I feel free to discuss problems with the management at my company	0.753		
Q32 There are systems in place in my company that protect employees against discrimination	0.720		
Q36 The authoritative level at my company is fair	0.708		
Q29 Each employee at my organisation knows his/her roles and responsibilities towards the company	0.531		
Q26 I feel that I am well rewarded for the work that I do in my organisation	0.497		
Q28 My level of experience affects my salary		0.892	
Q27 My level of qualification affects my salary		0.867	
Q30 I have good working relationships with most of my co-workers			0.881
Q35 I believe that I am a valuable part of the successful working of my organisation			0.573
Q31 The values of management for the company are similar to my own	0.477		0.507

Extraction Method: Principal Component Analysis.

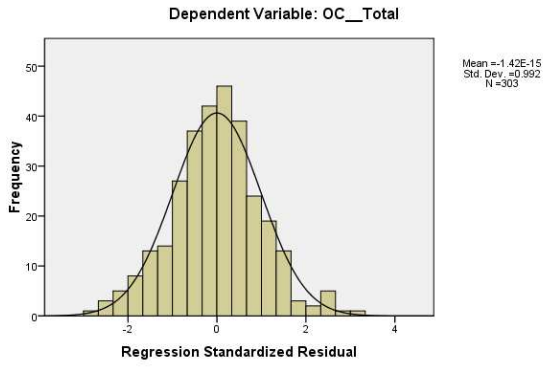
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

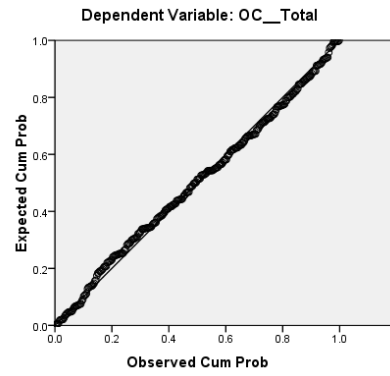


GRAPHS THAT SHOW LINEARITY AND NORMAL DISTRIBUTION OF DATA FOR REGRESSION ANALYSIS

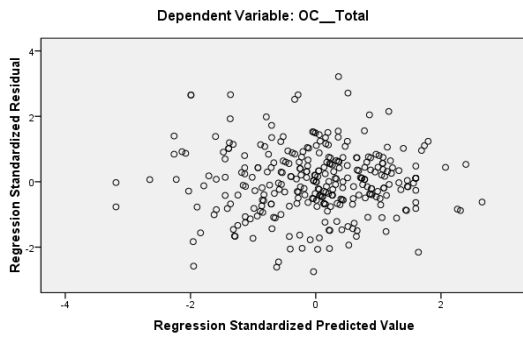
Histogram



Normal P-P Plot of Regression Standardized Residual



Scatterplot



SIGNIFICANT MULTIPLE COMPARISONS TABLES FOR ANOVA

Multiple Comparisons

EE__f1

Scheffe

(I) Race	(J) Race	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
White	African	-1.03042*	0.11399	0.000	-1.3502	-0.7106
	Indian	-0.35441*	0.11363	0.022	-0.6732	-0.0356
	Coloured	-0.61350*	0.11260	0.000	-0.9294	-0.2976
African	White	1.03042*	0.11399	0.000	0.7106	1.3502
	Indian	0.67601*	0.12774	0.000	0.3176	1.0344
	Coloured	0.41692*	0.12682	0.013	0.0611	0.7727
Indian	White	0.35441*	0.11363	0.022	0.0356	0.6732
	African	-0.67601*	0.12774	0.000	-1.0344	-0.3176
	Coloured	-0.25909	0.12650	0.243	-0.6140	0.0958
Coloured	White	0.61350*	0.11260	0.000	0.2976	0.9294
	African	-0.41692*	0.12682	0.013	-0.7727	-0.0611
	Indian	0.25909	0.12650	0.243	-0.0958	0.6140

*. The mean difference is significant at the 0.05 level.

Multiple Comparisons

EE__f1

Scheffe

(I) Age recode diff cats	(J) Age recode diff cats	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
20-29	30-39	0.55790*	0.15863	0.016	0.0674	1.0484
	40-49	0.70312*	0.14764	0.000	0.2466	1.1597
	50-59	0.72722*	0.16723	0.001	0.2101	1.2444
	60-65	0.38915	0.69280	0.989	-1.7533	2.5316
30-39	20-29	-0.55790*	0.15863	0.016	-1.0484	-0.0674
	40-49	0.14522	0.10978	0.782	-0.1943	0.4847
	50-59	0.16932	0.13498	0.813	-0.2481	0.5868
	60-65	-0.16875	0.68573	1.000	-2.2894	1.9519
40-49	20-29	-0.70312*	0.14764	0.000	-1.1597	-0.2466
	30-39	-0.14522	0.10978	0.782	-0.4847	0.1943



	50-59	0.02410	0.12188	1.000	-0.3528	0.4010
	60-65	-0.31397	0.68327	0.995	-2.4270	1.7990
50-59	20-29	-0.72722*	0.16723	0.001	-1.2444	-0.2101
	30-39	-0.16932	0.13498	0.813	-0.5868	0.2481
	40-49	-0.02410	0.12188	1.000	-0.4010	0.3528
	60-65	-0.33807	0.68777	0.993	-2.4650	1.7889
60-65	20-29	-0.38915	0.69280	0.989	-2.5316	1.7533
	30-39	0.16875	0.68573	1.000	-1.9519	2.2894
	40-49	0.31397	0.68327	0.995	-1.7990	2.4270
	50-59	0.33807	0.68777	0.993	-1.7889	2.4650

*. The mean difference is significant at the 0.05 level.

Multiple Comparisons

BEE_f1

Scheffe

(I) Race	(J) Race	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
White	African	-0.98864*	0.13186	0.000	-1.3591	-0.6182
	Indian	-0.27143	0.12465	0.194	-0.6216	0.0787
	Coloured	-0.47656*	0.12144	0.002	-0.8177	-0.1354
African	White	0.98864*	0.13186	0.000	0.6182	1.3591
	Indian	0.71721*	0.14957	0.000	0.2970	1.1374
	Coloured	0.51208*	0.14691	0.008	0.0994	0.9248
Indian	White	0.27143	0.12465	0.194	-0.0787	0.6216
	African	-0.71721*	0.14957	0.000	-1.1374	-0.2970
	Coloured	-0.20513	0.14047	0.546	-0.5997	0.1895
Coloured	White	0.47656*	0.12144	0.002	0.1354	0.8177
	African	-0.51208*	0.14691	0.008	-0.9248	-0.0994
	Indian	0.20513	0.14047	0.546	-0.1895	0.5997

*. The mean difference is significant at the 0.05 level.



Multiple Comparisons

EE_f2

Scheffe

(I) Race	(J) Race	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
White	African	0.50376*	0.09820	0.000	0.2283	0.7793
	Indian	0.38329*	0.09789	0.002	0.1086	0.6579
	Coloured	0.59828*	0.09700	0.000	0.3261	0.8704
African	White	-0.50376*	0.09820	0.000	-0.7793	-0.2283
	Indian	-0.12047	0.11004	0.753	-0.4292	0.1883
	Coloured	0.09452	0.10925	0.862	-0.2120	0.4010
Indian	White	-0.38329*	0.09789	0.002	-0.6579	-0.1086
	African	0.12047	0.11004	0.753	-0.1883	0.4292
	Coloured	0.21499	0.10897	0.275	-0.0907	0.5207
Coloured	White	-0.59828*	0.09700	0.000	-0.8704	-0.3261
	African	-0.09452	0.10925	0.862	-0.4010	0.2120
	Indian	-0.21499	0.10897	0.275	-0.5207	0.0907

*. The mean difference is significant at the 0.05 level.

Multiple Comparisons

BEE_f2

Scheffe

(I) Race	(J) Race	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
White	African	0.51499*	0.12693	0.001	0.1584	0.8716
	Indian	0.28730	0.11999	0.127	-0.0498	0.6244
	Coloured	0.51807*	0.11690	0.000	0.1897	0.8465
African	White	-0.51499*	0.12693	0.001	-0.8716	-0.1584
	Indian	-0.22769	0.14398	0.476	-0.6322	0.1768
	Coloured	0.00308	0.14141	1.000	-0.3942	0.4004
Indian	White	-0.28730	0.11999	0.127	-0.6244	0.0498
	African	0.22769	0.14398	0.476	-0.1768	0.6322
	Coloured	0.23077	0.13522	0.407	-0.1491	0.6106
Coloured	White	-0.51807*	0.11690	0.000	-0.8465	-0.1897
	African	-0.00308	0.14141	1.000	-0.4004	0.3942
	Indian	-0.23077	0.13522	0.407	-0.6106	0.1491

*. The mean difference is significant at the 0.05 level.

Multiple Comparisons

BEE__f2

Scheffe

(I) Level Group	(J) Level Group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Operational	Supervisory	-0.30700*	0.11945	0.038	-0.6006	-0.0134
	Management	-0.17969	0.15925	0.530	-0.5712	0.2118
Supervisory	Operational	0.30700*	0.11945	0.038	0.0134	0.6006
	Management	0.12731	0.18437	0.788	-0.3259	0.5806
Management	Operational	0.17969	0.15925	0.530	-0.2118	0.5712
	Supervisory	-0.12731	0.18437	0.788	-0.5806	0.3259

*. The mean difference is significant at the 0.05 level.

Multiple Comparisons

EE__f3

Scheffe

(I) Level Group	(J) Level Group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Operational	Supervisory	-0.33992*	0.13202	0.037	-0.6641	-0.0157
	Management	-0.59037*	0.18819	0.008	-1.0525	-0.1283
Supervisory	Operational	0.33992*	0.13202	0.037	0.0157	0.6641
	Management	-0.25045	0.21587	0.511	-0.7805	0.2796
Management	Operational	0.59037*	0.18819	0.008	0.1283	1.0525
	Supervisory	0.25045	0.21587	0.511	-0.2796	0.7805

*. The mean difference is significant at the 0.05 level.

Multiple Comparisons

BEE__f3

Scheffe

(I) Level Group	(J) Level Group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Operational	Supervisory	-0.36189	0.14729	0.050	-0.7240	0.0002
	Management	-0.65430*	0.19636	0.004	-1.1370	-0.1716
Supervisory	Operational	0.36189	0.14729	0.050	-0.0002	0.7240
	Management	-0.29241	0.22734	0.438	-0.8513	0.2665
Management	Operational	0.65430*	0.19636	0.004	0.1716	1.1370



Supervisory	0.29241	0.22734	0.438	-0.2665	0.8513
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*. The mean difference is significant at the 0.05 level.

Multiple Comparisons

OC__Total

Scheffe

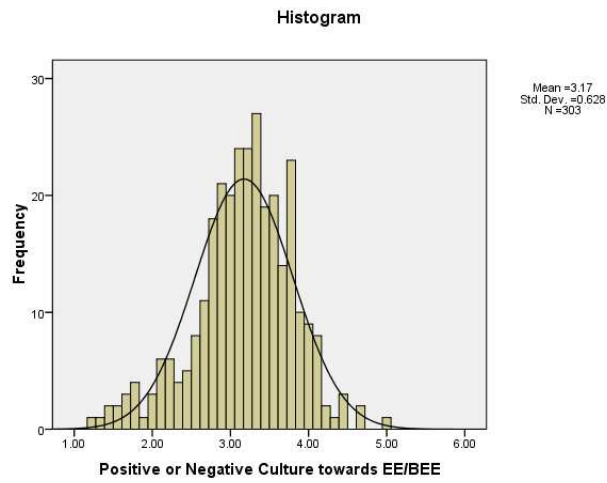
(I) Race	(J) Race	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
White	African	-0.28338	0.10623	0.071	-0.5821	0.0153
	Indian	0.21773	0.09846	0.182	-0.0591	0.4945
	Coloured	-0.02329	0.09456	0.996	-0.2891	0.2426
African	White	0.28338	0.10623	0.071	-0.0153	0.5821
	Indian	0.50111*	0.12078	0.001	0.1615	0.8407
	Coloured	0.26009	0.11762	0.182	-0.0706	0.5908
Indian	White	-0.21773	0.09846	0.182	-0.4945	0.0591
	African	-0.50111*	0.12078	0.001	-0.8407	-0.1615
	Coloured	-0.24102	0.11065	0.194	-0.5521	0.0701
Coloured	White	0.02329	0.09456	0.996	-0.2426	0.2891
	African	-0.26009	0.11762	0.182	-0.5908	0.0706
	Indian	0.24102	0.11065	0.194	-0.0701	0.5521

*. The mean difference is significant at the 0.05 level.



APPENDIX P

HISTOGRAM FOR POSITIVE OR NEGATIVE CULTURE TOWARDS EE/BEE





INFORMED CONSENT FORMS (FOR COMPANY AND FOR PARTICIPANTS)



**UNIVERSITY OF PRETORIA
DEPARTMENT OF PSYCHOLOGY
LETTER OF CONSENT FOR CORPORATE CULTURE STUDY**

Principal investigator: Kim Woolnough

Contact Details: Tel: 082 806 8766

E-mail: kimwoolnough@gmail.com

The intention of this letter is to inform you about the research project in which your company may choose to participate. It also serves to formally obtain your permission for your employees to be part of the research project and to complete the questionnaires that will be given to them if they choose to participate in the research.

The name of the research project is “**The Relation Between Equity Policies, Employee Perceptions and Organisational Culture**”. This research seeks to explore the relationships between employee perceptions, equity policies (Affirmative Action and Black Economic Empowerment) and the culture within an organisation.

If your employees choose to participate in the research, they will be asked to complete a corporate culture/climate questionnaire. This questionnaire will consist of demographic questions, such as age, gender and race; and also questions related to the study which will be answered on a Likert scale of 1 to 5 (e.g. 1 being disagree strongly; 3 being neutral; and 5 being agree strongly with the statements given).

The research is for the purpose of the completion of a Masters degree only and the researcher is not affiliated with the sample company in any way. None of the employers will have access to the answers of the participants of the questionnaire and participation in this research will not have any negative consequences for them in terms of their employment.

The company’s anonymity will be maintained. With the permission of the employees, the researcher will retain their completed questionnaires for the purpose of further analysis. Data will be stored in a secure location for a period of at least 10 years.

Please Note:

- You are not obliged to take part in this research and you may withdraw for any reason at any time. Your employees are also not obliged to take part in the research and may withdraw for any reason at any time.
- If you have any concerns about this research, please ask the researcher for further clarification.

I, _____, as representative of (Company Name) have read and understood this form.



By signing this form, I choose to give consent for my company (Company Name) to be the sample company used for the research project and for the employees of this company to participate in this research project. I understand that this information may be published.

Company Representative (of Company Name) signature Date Place

Researcher signature (Kim Woolnough) Date Place



**UNIVERSITY OF PRETORIA
DEPARTMENT OF PSYCHOLOGY**

LETTER OF CONSENT FOR CORPORATE CULTURE STUDY

Principal investigator: Kim Woolnough

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The name of the research project is **“The Relation Between Equity Policies, Employee Perceptions and Organisational Culture”**. This research seeks to explore the relationships between employee perceptions, equity policies (Affirmative Action and Black Economic Empowerment) and the culture within an organisation.

If you choose to participate in the research, you will be asked to complete a corporate culture/climate questionnaire. This questionnaire will consist of demographic questions, such as age, gender and race; and also questions related to the study which will be answered on a Likert scale of 1 to 5 (e.g. 1 being disagree strongly; 3 being neutral; and 5 being agree strongly, with the statements given).

The research is for the purpose of the completion of a Masters degree only and the researcher is not affiliated with the sample company in any way. None of your employers will have access to your answers of the questionnaire and participation in this research will not have any negative consequences for you in terms of your employment.

Confidentiality is assured, as all participants will remain anonymous. With your permission the researcher will retain your completed questionnaire for the purpose of further analysis. Raw data will be kept for research purposes for at least 10 years in a secure location.

Please Note:

- You are not obliged to take part in this research and you may withdraw for any reason at any time. Should you decide to withdraw from the study data collected from you will be destroyed.
- If you have any concerns about this research, please ask the researcher for further clarification.

If you need to contact the researcher for information regarding the research, this can be done by using the details stipulated above.

I, _____, have read and understood this form.



By signing this form, I choose to participate in this research project. I understand that this information may be published.

Participant signature

Date

Place

Researcher signature (Kim Woolnough)

Date

Place