Examining the adequacy of the policy of Broad Based Black Economic Empowerment to address the need for psychological empowerment among black people

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ABSTRACT

Much has been said and written about the reasons for the slow progress of the Black Economic Empowerment interventions in South Africa.

This research paper aims to explore the meaning of empowerment in the South African context, with the objective of uncovering what real and holistic empowerment means given the particular history of the country.

Apartheid, through its social re-engineering intervention, targeted the minds of both whites and blacks to send an unequivocal message to each racial group about their superiority and inferiority as a race, respectively. Suffice to say; to have a nation whose majority still harbours feelings of inferiority would not only impede the progress of BEE interventions but pose a serious restraint to economic growth. It requires directed and deliberate effort to reverse a habit or to renew a mind-set; to that end this research assesses whether the current BBBEE policy is an adequate antidote to the effects of Apartheid on the minds of blacks.

This study concludes that psychological empowerment is a necessary condition for economic empowerment; indicating that the current BBBEE policy is less efficacious as it does not address the essence of psychological disempowerment.

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Lithalethu Mtembu

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DEFINITIONS OF THE TERMS

BEE   - Black Economic Empowerment

BBBEE   - Broad based Economic Empowerment

BRICS   - Brazil, Russia, India, China, South Africa

EEA   - Afrikaner Economic Empowerment

NEP   - New Economic Policy of Malaysia

Volk   - Collective of Afrikaans individuals

National Party   - Ruling party in South Africa during Apartheid

DTI   - Department of Trade and Industry

ANC   - African National Congress- ruling party in the democratic South

                   Africa

1 CHAPTER 1: INTRODUCTION TO RESEARCH PROBLEM

1.1 Introduction

The most distinctive item in South African history is the system of Apartheid, which was a system that mechanised the structured exclusion of blacks from social, political and economic participation. The disempowering impact of Apartheid is still evident today as many blacks still live in abject poverty.

In order to address the issue of economic and social inequalities that are a consequence of the former Apartheid government, the government of South Africa promulgated the Broad Based Black Economic Empowerment (BBBEE) Act in 2003. The BBEEE Act is the tool by which the South African government aims to empower this portion of the population to enable them to enjoy meaningful participation in the growth of the country's economy. A recent assessment of the progress of BEE has shown that the success of BEE has been less than impressive in addressing poverty alleviation, job creation and overall social empowerment (The Presidency, 2009).

Since 1994 the government of South Africa has placed focused efforts on measures to reverse the impact of Apartheid. Some of the legislation includes a national strategy for the development and promotion of small businesses in 1994, a green paper on

public sector procurement reform in 1997, the Competition Act in 1998, the Employment Equity act in the same year, the creation of the National Empowerment Fund in 1998 and the subsequent promulgation of the BEE Act which was followed by industry charters. Yet despite all this effort, South African society is far from reaching its empowerment targets.

The understanding of what empowerment is differs from individual to individual depending on their position, race, education, needs and economic status. In the minds of some citizens, economic empowerment implies entitlement to a share of wealth or income. However, international experience suggests that entitlements (hand-outs) do not breed economic empowerment but rather, dependency (Gregis, 1999).

Others have written that intrinsic motives (psychological), sometimes supported by external incentives (societal or structural), to make a better living and exploit opportunities for doing business are more powerful tools that unleash the drive to succeed (Gregis, 1999).

This research paper aims to explore the meaning of empowerment in the South African context, with the objective of uncovering what real and holistic empowerment means given the particular history of the country. Apartheid, through its social re-engineering intervention, targeted the minds of both whites and blacks to teach them that they are superior and inferior, respectively. This research assesses whether the

current BBBEE policy is an adequate antidote to the effects of Apartheid on the minds of blacks.

1.2 Background and Context

South Africa is a vibrant emerging economy, which unlike its African counterparts is able to compete with the best nations in the fields of banking, science and medicine (Government, 2011). South Africa's economic growth was recently recognised when it was awarded a place among the world's leading emerging economies, BRIC, changing BRIC to BRICS (Seria, 2010) . These are great strides considering the history of the country. It has been 17 years since South African citizens gained their freedom from the Apartheid government, yet the legacy left by Apartheid is still evident (Moller, 2007). In all its successes, South Africa is a country whose majority of citizens lead a life wrought with poverty, disease, lack of education, poor living conditions and high unemployment levels (Moller, 2007).

South Africa has one of the world's highest Gini coefficients (Higgs, 2007) at 0.66 in 2009 (The Presidency, 2009) and less than 10 kilometres from Africa's highest concentration of wealth, Sandton, is Alexandra Township, an overpopulated settlement littered with all the signs of poverty; filth, disease, dilapidated and derelict buildings, overuse of alcohol, crime etcetera (Moller, 2007). The residents of such areas make up the majority population of South Africa (The Presidency, 2009). This is the legacy of Apartheid.

The defining feature of Apartheid was the use of race to restrict and severely control access to the economy by black persons (Dvorin, 1951). The accumulation process was one of restricted wealth creation and imposed underdevelopment of black communities to ensure that they were, in the main, suppliers of cheap labour (Dvorin, 1951). The underdevelopment of black South Africans took the form of a progressive destruction of productive assets, deliberate denial of access to skills and jobs, and the undermining of self-employment and entrepreneurship. In combination, these policies restricted and suppressed wealth and skill endowments in black communities, thereby structurally inhibiting their participation in a legislatively deracialised economy (Dvorin, 1951).

In addition, Apartheid worked hard to influence the mind of the black child in the education system through distorted accounts of history, in which, for instance, Africans were not portrayed as city dwellers and inhabitants of "modern" urban areas (Johnson, 1982). African schoolchildren learnt that they had no right to live in the 'white' areas, and that the inexorable logic of history, rather than the government in Pretoria, decreed the establishment of their 'nations' in their 'traditional' 13% of the country" (Herbstein, 1979, p104, cited in Johnson, 1982). Their examinations were set such that, in order to succeed in the examinations which were graded by whites, African children had to display acceptance of Apartheid (Rebusoajoang, 1979).

At the time of its introduction, Bantu Education caused a furore in South Africa (Rebusoajoang, 1979). The organised black opposition, the African National Congress, considered the Bantu Education Act the "most dangerous of any of the oppressive laws" (Rebusoajoang, 1979, p. 235). As with whites, the curricula sought to instil specific elements of the Apartheid social charter into the minds of African children (Johnson, 1982).

By the 1980s in South Africa, preschool African children seemed to already have less positive images of themselves than their white counterparts (Press *et al.*, 1979, cited in Johnson, 1982).

Bantu education was meant to explicate the Apartheid process and teach the people to accept it (Rebusoajoang, 1979, p. 239). The content of state-controlled education, especially the myths of European civilisation and ideas about culture, further destroyed the African self-image and promoted a psychological atmosphere in which African resistance to domination was reduced (Johnson, 1982). The aspirations of students were suppressed and channelled into the neo-tribal Bantustans (Rebusoajoang, 1979, p. 239).

It is evident that control over the socialising functions of education was a critical part of the conscious and deliberate programme of institutionalising Apartheid. Apartheid's social engineers, reinforced by South African history and culture,

concocted a system that made it difficult for black children to become well-educated, to take pride in their heritage, to have self-pride or to learn to think for themselves (Murphy, 1992).

Apartheid was a mind-altering system devised by a group of human beings to subjugate, subordinate, marginalise and exclude another group of people; at the core of this brutal psychic experiment was race socialisation. The objective of race socialisation in the Apartheid construct was to programme superior self-pride among white people, to entrench white supremacy and to falsely inflate their sense of self-worth. The opposite side of the coin was a systematic programme by Apartheid to malign the black people by casting them as sub-human, primitive, lazy, promiscuous, untrustworthy and violent, with a propensity towards crime. This Apartheid construct sought to impose black inferiority. The system sought to foster a lack of self-worth, self-efficacy and constrained black peoples' opportunities for self-expression and creativity (Murithi, 2011).

The advent of a new democratic South Africa in 1994 brought with it the legislation of a system that would redress the effects of Apartheid on the black people of South Africa. The current version of the BEE Act was promulgated in 2004 and gave birth to the charters that govern the different industries in the South African economy, each of which set out targets to be achieved in line with the advancement of the objectives of the BEE Act. One of the objectives of the BEE Act was "promoting economic

transformation in order to enable *meaningful participation* [emphasis added] of black people in the economy" (Broad-Based Black Economic Empowerment Act No 53 of 2003, 2004), however, 17 years since 1994, this still remains a challenge in practice.

This research suggests that to assume that the elections of 1994 and the promulgation of pieces of empowerment legislation would rectify minds which sustain either inferiority or superiority complexes depending on race, is to fail to understand the psychological damage that was wrought by the Apartheid system (Murithi, 2011).

1.3 Research Objectives

The objectives of this research report are to explore the following:

- Given the deleterious effects of Apartheid, is the BBBEE policy efficacious enough to alleviate the effect of Apartheid?
- The importance of psychological empowerment as a key part of Black Economic Empowerment in the South African context.

2   CHAPTER 2: LITERATURE REVIEW

2.1   Introduction

Since 1994, South Africa has embarked on a series of programmes aimed at empowering groups and individuals who were negatively affected by the previous system of Apartheid (Kemp, 2007). This has been attempted directly by government through efforts to deliver better public services and housing, and indirectly through the process of Black Economic Empowerment (BEE) (Kemp, 2007). BEE as a concept emerged in the early 1990s, with the initial focus in practice on increasing 'black' ownership of shares in major corporations (Ponte, Roberts, & van Sittert, 2007; West, 2006).

BEE has enjoyed a significant level of attention from academics and business over the last 12- 15 years, and recently the debate has been around the question of whether or not BEE has been successful (Southall, 2007). The purpose of this literature review is to define holistic empowerment and to establish the adequacy of the empowerment policies in South Africa by reference to current literature.

2.2   Theoretical Framework

2.2.1   Concepts

This section seeks to review generally accepted concepts that are common and analogous with empowerment and psychological empowerment theory. Most of the concepts are cognitive and abstract propositions which are generally accepted and understood in the field.

This section will review what empowerment is and provide a brief conceptual analysis of what the construct is.

2.2.1.1 Definition of Empowerment

There are many studies of the concept of empowerment and just as many definitions of the term exist in the literature. No consensus occurs in defining the concept however (Ergeneli, Sagˇlam Arı, and Metin, 2007; Correa, 2010). Khoza (2006) agreed and referred to empowerment as a complex phenomenon to define, as there is not a single variable that can be used to define empowerment.

According to Eccles (1993) cited in Buitendach and Hlalele (2005) empowerment is the   process of giving employees confidence together with management, to utilise their skills and experience by presenting them with the power to use more judgement and discretion in their work. In the past, the focus of empowerment, especially in the work setting, has been on management principles and behaviour, for example, the

delegation of decision making to lower levels and increase of access to information and resources to lower level managers (Spreitzer, 1995). This structural focus on empowerment, according to Conger and Kanungo (1988), is thin and may or may not, empower the employees.

Thomas and Velthouse (1990) recommended seeking more profound alternative perspectives on empowerment; alternatives that distinguish between management principles (structural empowerment) and employee cognitions about those principles (psychological empowerment).

The cognitive approach to empowerment sees empowerment as a concept emanating from the work environment and reflecting an individual's personal perceptions of self-efficacy (Spreitzer, 1995). Spreitzer (1995) defined this concept as the psychological state that employees must experience for managerial empowerment interventions to be successful.

The forgoing discussion is evidence while structural empowerment is good; on its own it may not achieve the anticipated success. The discussion shows that there is a second, equally important type of empowerment which acts as the mediator between structural empowerment and organizational goals and objectives. That empowerment is of the cognitive nature and is termed psychological empowerment (Masito, 2007; Ergeneli *et al.*, 2007; Conger & Kanungo, 1988; Spreitzer, 1995).

2.2.1.2 Powerlessness

Powerlessness is the perception that an individual has that he or she is not able to determine what happens to him or her, and this feeling is reinforced by factors in the individual's environment (Fourie, 2009). Keiffer (1984), quoted in Fourie (2009), referred to helplessness as "an attitude of self-blame, a sense of generalised distrust, a feeling of alienation from resources for social influence, an experience of disenfranchisement and economic vulnerability and a sense of hopelessness" p.18 .

2.2.1.3 Learned helplessness

Definitions of learned helplessness emphasise a lack of perceived influence over workplace forces built upon a history of past experiences (Martinko & Gardner, 1982). In this situation, an individual has learnt to be passive as a result of repeated failure to influence outcomes in the past that.

2.2.1.4 Locus of control

Internal locus of control is a global personality characteristic that endures across situations (Wolfe & Robertshaw, 1982). Rotter (1966), cited in Fourie (2009), proposed that: "Individuals differ in where they place the responsibility for what happens to them" p.20.

When people interpret the consequences of their behaviour to be controlled by luck, fate or powerful others, this indicates a belief in what Rotter called an external locus

of control. Conversely, he surmised that if people interpret their own behaviour and personality characteristics as responsible for behavioural consequences, then these people have a belief in an internal locus of control" (Fourie, 2009, p. 20).

2.2.2 Theories and Models

2.2.2.1 Psychological empowerment

The form that empowerment takes depends on the context and the population being studied (Rappaport, 1984). Psychological empowerment is a cognitive process by which individuals gain control and mastery of their lives, as well as adopt a critical understanding of their environment (Guterrez, 1995; Spreitzer, 1995).

Konzak, Stelly and Trusty's (2000) take the definition further and define of psychological empowerment as a process of enhancing feelings of self-efficacy among organisational members through the identification of conditions that foster powerlessness and through their removal by both organizational practices, informal techniques and by providing efficacy information.

According to Ergeneli *et al.* (2007), if employees do not behave as expected when power is transferred to them, then the employees are either not aware of the fact that they have power or else they feel powerless. In this case, empowerment is a psychological variable involving employees' self-perceptions. According to Yagil (2006) psychological empowerment is a motivational process by which an individual

experiences a sense of enablement, as well as provide an effective buffer against the adverse effects of stress.

Conger and Kanungo (1988) agreed with Ernegeli *et al.* (2007) and defined empowerment as a "process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal both by formal organizational practices and informal techniques of providing self-efficacy information" (p. 474).

General self-efficacy is defined as "one's belief in one's overall competence to effect requisite performances across a wide variety of achievement situations" or as an "individual's perception of their ability to perform across a variety of different situations" (Chen, Gulley, & Eden, 2001, p.63; Bandura, 1977; Conger & Kanungo, 1988; Spreitzer, 1995).

According to Bandura (1977) and Anderson and Betz (2001), an individual's self-efficacy beliefs are derived from (1) performance accomplishments - when an individual has successfully completed a task enough times in the past, their belief in their ability to complete the task successfully is high, (2) vicarious experience or modelling- this relates to an individual witnessing others around them whom they perceive to have similar backgrounds successfully complete a task, then that individual's self-efficacy belief relating to the said task is high, (3) verbal persuasion -

this relates to direct verbal motivation and encouragement, and (4) physiological states or emotional arousal – for example when an individual is stressed they are aware that stress may debilitate performance, hence their self- efficacy expectation is low.

Self-efficacy expectations, which refer to beliefs about one's performance capabilities, have been hypothesised to influence a variety of important outcomes such as choice of behavioural activities, effort expenditure and persistence in the face of obstacles (Bandura, 1977; Lent, Lopez, & Bieschke, 1991)

Wood and Bandura later expanded on the concept of self-efficacy as follows:

> "Perceived self-efficacy concerns people's beliefs in their capabilities to mobilise the motivation, cognitive resources and courses of action needed to exercise control over events in their lives. There is a difference between possessing skills and being able to use them well and consistently under difficult circumstances. To be successful one *must not only be able to possess the required skills but also a resilient self-belief in ones capabilities to exercise control over events* [emphasis added] to accomplish desired goals. People with the same skills may, therefore perform poorly, adequately or extraordinarily, depending on whether their self-belief of self-efficacy enhances or impairs their motivation and problem solving skills" (Wood & Bandura, 1986, p. 364).

This view by Wood and Bandura (1986) is consistent with Thomas and Velthouse (1990), who placed emphasis on an individual's perception rather than reality. The

pair posited that the individual's judgement about observable conditions is shaped by their interpretation, which goes beyond verifiable reality. "For individuals to feel empowered, they *must perceive* [emphasis added] a role environment to be liberating rather than restraining" (Deci *et al.*, 1989 in Spreitzer, 1996, p486).

Further, the result of two studies by Zimmerman (1988), cited in Zimmerman, Israel, & Checkoway (1992) and Keiffer (1984), cited in Zimmerman *et al.* (1992), supported Bandura's theory and found that psychological empowerment includes personal control and perceived self-efficacy.

With reference to work done by Conger and Kanungo (1988), Thomas and Velthouse (1990) argued that empowerment is multifaceted and its essence cannot be captured in a single concept. They posited that psychological empowerment is a function of an individual's situational assessment, which entails the assessment of a task before them as well as his perception of environmental dynamics. To this end they defined four elements forming part of the situational assessment, namely, meaningfulness, competence, choice or self-determination and impact.

Spreitzer (1996), along with Zimmerman *et al.* (1992), further defined the elements of psychological empowerment as follows: Meaningfulness involves a fit between the requirements of a work role and a person's beliefs, values, and behaviours. Competence refers to self-efficacy specific to work - a belief in one's capability to

perform work activities with skill and is analogous to agency beliefs, personal mastery, or effort-performance expectancy. Self-determination is a sense of choice in initiating and regulating actions or causal responsibility for a person's actions. Self-determination reflects autonomy over the initiation and continuation of work behaviour and processes. Making decisions about work methods, pace and effort are examples. Finally, impact is the degree to which a person can influence strategic, administrative, or operating outcomes at work.

Spreitzer (1995) expanded on the work done by Thomas and Velthouse (1990) and defined a model (Figure 1) which he called a "Partial nomological Network of Psychological Empowerment in the workplace." This model served to identify the basic properties of empowerment, antecedents to empowerment and consequences of psychological empowerment.
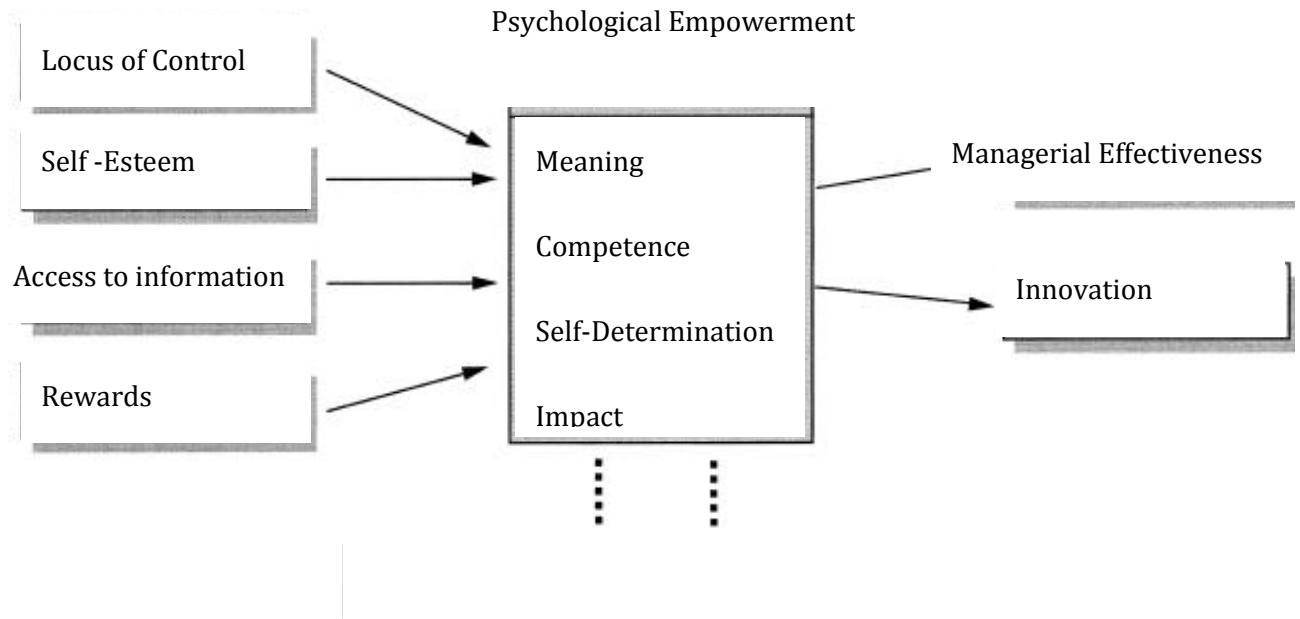
Figure 1: Partial Nomological Network of Psychological Empowerment in the Workplace

Adapted from Spreitzer (1995)

Spreitzer (1995) found that each of the four elements in the model contributes to an overall construct of psychological empowerment and that psychological empowerment in the work environment results in innovation and managerial effectiveness. Flohr and Host (2000) cited in Theron (2000) concur with Spreitzer and identified organisational effectiveness as the consequence of empowerment. Further, (Knol & Van Linge, 2009)), posit that previous studies have reported that psychological empowerment mediates the relationship between structural empowerment and innovative behaviour.

2.2.2.2 Structural empowerment

According to Dafna Eylon and Bamberger (2000) and Mills and Ungson (2003) structural empowerment refers to organizational policies, practices and structures that grant employees greater latitude to make decisions and exert influence regarding their work.

Kanter (1984), cited in Applebaum and Honeggar (1998), identified three types of structure within the organisation as sources of empowerment; opportunity structure, power structure and proportions structure. Knol and Van Linge (2009) view structural empowerment as a structural determinant that controls behaviour in an organization; hence individuals with adequate empowerment are able to fulfil the tasks the organization is asking of them.

Structure of opportunity is related to job conditions that provide individuals with the chance to grow and develop in the organisation and includes opportunities and structures to increase knowledge and skills and participate on committees and task forces (Spreitzer, 1995).

The structural empowerment alone has however, been criticised for being unable to address the cognitive state of the disempowered (Greasley *et al.,* 2008).

According to Spreitzer (1995) posits that an individual's perception of the work environment forms feelings of empowerment and structurally empowering circumstances cannot fully be realised unless the employee is psychologically open.

2.2.2.3 Holistic empowerment

According to Masito (2007), the second dimension (other than structural dimension) of empowerment relates to esteem, confidence and group pride where applicable, and this second dimension is a consequence or fruit of the first dimension (functional dimension). Ergeneli *et al.* (2007) somewhat agreed with Masito in linking the partnership between psychological empowerment with structural empowerment, however they differed slightly in that they asserted that when an individual who is under a structural empowerment programme fails to perform as expected, then the individual is either not aware of the fact that they have power and access to empowerment structures, or else they feel powerless. In this case, it becomes necessary to combine structural empowerment with psychological empowerment to achieve holistic and meaningful empowerment.

Corsun and Enz (1999) agreed with this and put forward that empowerment as a psychological state exists through factors other than structural change or environmental design.

Building on the above subsets, empowerment comprises both environmental (structural) and individual (psychological) elements (Conger & Kanungo, 1988; Spreitzer, 1995; Ergeneli *et al.,* 2007, Thomas & Velthouse, 1990). The authors stated that the interaction between environmental elements and personal cognition, perceptions and attitudes, along with the way in which these elements affect employee's work behaviour, constitute holistic empowerment.

2.2.2.4 Ethnicity and psychological empowerment

A study was conducted by Kotze *et al.* (2007) to assess the state of integration in the South

African National Defence Force (SANDF). They utilised a range of established psychological constructs as possible indicators of integration. One of the researcher's hypotheses was that Blacks who are fully integrated should not vary from other racial groups in terms of perceived control. Interestingly, the results showed that Blacks reported lower perceived control and competence compared to whites, coloureds and Asians.

2.2.2.5 Five stages of the empowerment process

According to Conger and Kanungo (1988) it is important to identify conditions within organisations that foster powerlessness amongst employees and to then use tactics and empowerment strategies to remove these conditions. Conger and Kanungo (1988) go on to point out that where it is not possible to remove these external

conditions, the empowerment strategies employed should have the objective of delivering personal efficacy information to the employees. The authors describe the empowerment process in five stages which include the psychological state of empowering experience, its antecedent conditions and behavioural consequences.

The five stages are explained by Conger and Kanungo (1988) as follows:

Stage 1: The diagnosis of certain conditions within the organization that are responsible for feelings of powerlessness. These conditions can find their origin in organizational factors, leadership styles, and reward systems, and/or in the nature of the job (job design) (Theron, 2010).

Stage 2: The diagnosis completed in Stage 1 leads to the implementation of empowering strategies and techniques in the second stage. The use of participative management, establishing goal setting programs, implementing merit-based pay systems, and job enrichment through redesign are examples of possible empowering activities (Theron, 2010).

Stage 3: The strategies and techniques mentioned in stage 2 are aimed at accomplishing two objectives in stage 3 namely, removing some of the external conditions (contextual factors) responsible for powerlessness on the one hand and more importantly, providing employees with self-efficacy information.

Stage 4: Receiving such information results in feelings of empowerment in the fourth stage. This is because increasing self-efficacy strengthens effort-performance expectancies.

Stage 5: Lastly, the enhanced empowerment feelings from stage 4 are translated into behaviours in the fifth and final stage. These behavioural consequences of empowerment include increased activity directed towards task accomplishment. Thus by helping employees feel more assured of their capability to perform well, and by increasing linkages between effort and performance, empowerment can result in positive individual and organizational pay-offs (Theron, 2010).

2.2.2.6 Economic empowerment of select ethnic groups

South Africa's policy of BEE is not the first in the world to favour a certain race group within a country for economic advancement. BBBEE was preceded by Afrikaner Economic Empowerment (AEE) in South Africa from 1890-1990, as well as Malaysia's New Economic Programme (NEP) from 1970 to 1990 (Masito, 2007; Mandla, 2006; Simpson, 2005; Giliomee, 2003). Although the motives were different with each of these systems, the objective was the same and there are lessons to be learnt by BBBEE from each of the other two.

The fundamental goal of empowerment is to help individuals within the society to improve the quality of their own lives and share equitably in the benefits of economic growth.

2.2.2.7 Lessons from Malaysia's NEP

According to Mandla (2006), much of Malaysia's success can be attributed to education. Education was critical in the NEP and was seen as a key method to integrate the Malay people back into the economy (Selvaratnam, 1988). To this end, the Malay government invested in building tertiary institutions that would produce doctors and engineers, and these were available to the Bumiputeras people of Malaysia (Yang, D'Souza, Bapat, & Colarelli, 2006). This was tantamount to both structural and psychological empowerment, as not only was it a tangible means to a better life for the Bumiputeras, but it was also a way to make racial stereotypes regarding intelligence and competence obsolete.

2.2.2.8 Lessons from Afrikaner Economic Empowerment (AEE)

Masito (2007) pointed out that the difference between BBBEE and AEE is seen in the two additional elements in the AEE scorecards which are not found on the BEE scorecard. These are Social Engineering and Savings.

Social engineering - The National Party understood that they had to work hard on the hearts and the psyche of the Volk to facilitate group pride amongst them, as they had self-esteem and inferiority complexes when it came to the British (Masito, 2007; Giliomee, 2003). Social re-engineering was acknowledgment that economic empowerment cannot be separated from social and cultural empowerment (Johnson, 1982).

2.2.2.9 Black Economic Empowerment

One of the objectives of the BEE Act is "promoting economic transformation in order to enable meaningful participation of black people in the economy" (Broad-Based Black Economic Empowerment Act No 53 of 2003, 2004).

The particular focus on blacks is due to the devastating legacy of Apartheid, which systematically and purposefully restricted the majority of South Africans from meaningful participation in the economy (DTI, 2011). (Refer to table 1 for a comparison of the drivers, objectives and processes of BEE, AEE and NEP.)

Table 1. Comparison of the Drivers, Objectives and Processes of BEE, AEE and NEP

	BEE	**AEE**	**NEP (Malaysia)**
Driver	Redress economic and social imbalances owing to policies of the Apartheid regime (DTI, 2011).	• Ethnic preservation at all cost (Giliomee, 2003)	Redress economic and social imbalances owing to colonisation (Simpson, 2005; Mandla, 2006)
Objective	Accordingly, government 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 numbers of black people that manage, • own and control the country's economy, • as well as significant decreases in income inequalities (Broad-Based Black Economic Empowerment Act No 53 of 2003, 2004)	Objective • Accelerate economic participation • Provide psychological security for the Afrikaner (O'Meara, 1996; Dvorin, 1951)	The primary objective of NEP was to achieve national Unity by: • Eradicating poverty by raising income levels and increasing employment opportunities for Malaysians • Restructuring Malaysian society to achieve inter-ethnic economic parity between the predominantly Malay Bumiputeras and the Chinese Malaysians thereby eliminating the identification of race with economic function (Simpson, 2005)
Process	• Score card • Legislation • Regulation • Restructuring of state-owned enterprises	• Score card • Afrikaner Consciousness • Language culture identity, symbols of success. • Afrikanerisation of	Poverty reduction for farmers (majority population): • Adoption of modern techniques in agriculture

	• Preferential procurement by government • Institutional support and a BEE Advisory Council • Partnerships and Charters (DTI, 2011)	commerce and education (Masito, Afrikaner Economic Empowerment (1890- 1990) and Lessons for BEE (Masters Thesis), 2007)	• Provision of technical support. Restructuring of society: • Education-Establishment of Tertiary institution in Engineering, science, medicine • Affirmative Action in Education institutions • Creation of New Industries reserved for ownership by Bumiputeras • Employment Equity • Creation of common national language (Mandla, 2006) (Simpson, 2005)

In summary, it is evident that the NEP sought to eliminate the inferiority attitudes that had plagued the Bumiputeras people for a long time. The empowerment interventions sought to remove the racial stereotypes by eliminating the identification of each race with economic function. The interventions aimed to put an end to the perception that that Bumiputeras were menial labourers and sought to integrate them into the professional workforce along with the Chinese people in Malaysia who were the owners of capital at the time.

The major intervention was the investment into education. Between 1970 and 1980, Malaysia built seven universities for the Bumiputeras; the focus of these institutions was engineering, medicine and the sciences. Malaysia also employed a quota system at these institutions which specified that 55% of the students be Bumiputeras. Other interventions included subsidies and loans for tertiary education, exclusive admission to certain institutions and guaranteed employment for Bumiputeras with qualifications.

In addition, Malaysia also demoted English as the national language and promoted one of the indigenous languages as the language of business and medium of instruction at tertiary institutions. The aim with this was to ensure that the Bumiputeras were not intimidated by English.

At an ownership level, like the Afrikaners, the Malay government created new industries and owned these as state owned enterprises. As the Bumiputeras attained their skills and qualifications, the government methodically relinquished ownership of these enterprises to the Bumiputeras. This served two purposes; firstly, it increased the ownership of capital by the Bumiputeras in relation to the Chinese, and secondly, the new industries spurred growth in the economy.

The intentions that underpinned the Afrikaner Economic Empowerment interventions were similar to that of the Malaysian National Empowerment Programme (NEP), in that they not only sought to provide structural empowerment to the Afrikaners, but they were also aimed at fostering an Afrikaans consciousness and group pride amongst the Afrikaans people. This was achieved by use of the Afrikaans language as the national language and the erection of monuments as symbols of Afrikaner achievements and milestones. The structural interventions, much like BBBEE, included the use of a scorecard to measure the implementation of targets on aspects including management control, ownership and skills development.

Much of the BBBEE strategy and process has been borrowed from the processes employed by the AEE. The BBBEE scorecard is identical to that of the AEE except that is does not include the last two elements in the AEE score card; social engineering and savings (Masito, Afrikaner Economic Empowerment (1890- 1990) and Lessons for BEE (Masters Thesis), 2007). The focus of the BBBEE process has been to create

structures and a measurement system which will facilitate the acceleration of the advancement of economic empowerment of blacks. Although the psychological impact of Apartheid is common knowledge, it is not the focal objective of BBBEE.

2.3 The need for this study

Black South Africans have been freed from a system that not only oppressed them by excluding them from access to economic opportunity, but one that also had a mandate to oppress them in the mind, using government institutions and propaganda to make them believe they were lower than any other humans (Rebusoajoang, 1979). The National Party had a deliberate campaign to infuse and engrain self-doubt amongst black people and did so successfully (Johnson, 1982).

Rhodes put it eloquently in 1894 when he said: "It must be brought home to them [blacks] that in the future nine-tenths of them will have to spend their lives in daily labour, in physical work, in manual labour. This must be brought home to them sooner or later." (Harlow & Carter, 2003, p. 508)

Since the liberation of black South Africans in 1994, policy makers in South Africa have promulgated various pieces of legislation to empower the previously oppressed citizens in order redress the impact of Apartheid on the future of its citizens. Policies and legislation include South Africa's Strategy for Economic Transformation for BBBEE (Khoza, 2006). This strategy consists of a policy statement which includes the formalisation of partnerships and 'charters' with the private sector; the use of a

'balanced scorecard' approach to gauging success; and an Act that allows for the formalisation of guidelines and codes and the establishment of an Advisory Council (Kemp, 2007).

Notably, all the instruments used in the strategy document deal with only the structural aspect of empowerment. The policy does not appear to have a mandate of operationalizing black pride, self-efficacy, culture, new skills and competence, all of which are elements which are key for the holistic empowerment of black people.

Lessons from the social re-engineering element of AEE, which included the superior education of whites and inferior education of blacks, show that lasting empowerment occurs when individuals gain self-empowerment through the transfer of skills, education and intellectual capital (Khoza, 2006).

The above literature indicates that for empowerment to be successful, it needs to constitute not only structural empowerment, but psychological empowerment as well.

3   CHAPTER 3: RESEARCH QUESTIONS

The main aims of the study are to explore the importance of psychological empowerment as a key part of Black Economic Empowerment in the South African context, to conceptualise psychological empowerment as experienced by blacks in South Africa, and to determine what (factors, methods, practices) contributes best to psychological empowerment according to how blacks in South Africa experience it.

To that end the following research questions were formulated:

- **Research Question 1: Does the BEE framework address psychological empowerment?**

- **Research Question 2: What is the relationship between psychological and structural empowerment in relation to BEE**

4 CHAPTER 4: RESEARCH METHODOLOGY

This chapter describes the methodology employed in this study. Firstly, it presents the aims of the study. Secondly, a defence of the selected methodology is laid out. Thirdly, the research design and the measuring instruments that were used, as well as the descriptive account of the method used to code data derived from interviews, are presented. Fourthly, the procedure used to execute each phase and component of the research is given and the potential limiting factors that were considered are laid out.

4.1 Research objectives

The overall objective of this research is to assess and confirm the necessity of psychological empowerment as a necessary condition for economic empowerment and well as to explore the efficaciousness of the current BBBEE policy. The nature of the research is qualitative as it is an investigation into new territory for the purpose of searching out reasons for the limited success of BEE. The research's objective was met using qualitative research as it is an investigation into new territory for the purpose of searching out reasons for the limited success of BEE. The research methodology combined qualitative methods as well as desk top analysis of secondary data as follows:

1. First, through the content analysis of the BBBEE Act and the DTI BEE strategy implementation document.

2. Secondly, through quantitative data gathered from interviews from participants thereafter.

4.2 Defence of Research Methodology

4.2.1 Secondary Data

The researcher reviewed relevant sources of secondary data, including BBBEE legislation and policy documents from the Department of Trade and Industry (DTI) and historical archives at Pretoria University for an in-depth understanding of the strategies of the orientation of the BEE framework towards structural empowerment or psychological empowerment.

Conventional content analysis is generally used with a study design whose aim is to describe a phenomenon. This type of design is usually appropriate when existing theory or research literature on a phenomenon is limited (Denzin & Loncoln, 2005).

4.2.2 Qualitative Research

The focus of qualitative research is quality and depth of insights and understanding more than quantity and a large population size (Silverman, 2000).

In the process of qualitative data analysis, either inductive or deductive approaches may be used. The researcher made use of an inductive approach, where data is

collected first and then analysed without the compulsion of applying knowledge of an existing theoretical framework. This approach allows for theory to emerge from the data (grounded theory approach).

In this approach researchers avoid using preconceived categories, instead allowing the categories and names for categories to flow from the data. Researchers immerse themselves in the data to allow new insights to emerge. This is also described as inductive category development (Denzin & Loncoln, 2005).

For this purpose the research methodology was to use expert interviews on BEE professional to ascertain their understanding of psychological empowerment and what aspects of psychological empowerment are present or evident amongst blacks in South Africa.

McGivern (2007) asserted that in-depth interviews are appropriate when the topic is sensitive, participants are difficult to find, or when the researcher is trying to dig deeper and go beyond political correctness

4.3 Specific procedures

The research method is multi-level and based on content analysis of national policy and on interviews of BEE experts. This paper drew data from documentary analysis as well as in-depth interviews; informal discussions with a total of 11 people took part in the interviews.

The research involved documentary analysis of the Department of Trade and Industry's strategies on equality, diversity and BEE, the BBBEE ACT, BEE advisory documents, and strategy documentation.

It also relied on interviews with BEE experts, including academics, executives and authors, who have been published or interviewed on the topic of BEE; this includes members of relevant organisations such as the Black Management Forum and Business Unity South Africa.

4.4 Research population

Population is defined as the "total collection of elements about which we wish to make some inferences" (Blumberg, Cooper, & Schindler, 2005, p. 228)

The research population comprises policy advisers and key actors in strategy formulation, such as the Department of Trade and Industry, BEE experts including academics, researchers who have been published or interviewed on the topic of BEE,

members of relevant organisations such as the Black Management Forum and Business Unity South Africa.

4.5 Research sample

Sample sizes are a function of many variables such as time constrains, budget availability, measurement vs. insight, participant availability and whether the research is design is exploratory, causal or descriptive in nature (Mauch & Park, 2003; Zigmund, 2003)

The nature of this research is qualitative; hence the sample sizes will be smaller as qualitative research prioritises understanding and depth of insight over width (large number of elements) or measurement (Silverman, 2000).

Given the nature of the study and the time, budget constraints and availability of participants, a sample size of five to 25 participants was deemed adequate and does not need to be representative of the population (Zigmund, 2003).

Eleven interviews were conducted with BEE experts. Ten participants were selected by the researcher and a purpose sampling strategy, specifically judgement sampling, was employed. When researcher arrived to interview one of the participants, he called his colleague, another empowerment executive in the organization to participate in the interview.

"Judgement sampling occurs when a researcher selects sample members to conform to some criterion" (Blumberg, Cooper, & Schindler, 2005, p. 253).

4.6 Instrumentation

According to Mauch and Park (2003), the purpose of a data collection instrument is to help produce or gather data to answer questions raised in the problem statement.

4.6.1 Instrumentation for data collected from secondary sources:

To determine the general orientations towards psychological empowerment, current BEE literature, the BEE Act 2003 as well as the DTI's "A Strategy for Broad-Based Black Economic Empowerment" document were analysed.

4.6.2 Instrumentation for collecting qualitative data

The researcher conducted one-on-one interviews with all the participants. These interviews were recorded with a suitable recording device as well as hand-written notes by the researcher. A discussion guide, which included semi-structured questions, was employed by the researcher in the one-on-one interviews. (Refer to Appendix A)

Because face-to-face interviews were used, observations were made of the participants' environment. For this there were no definite constructs that were observed, however, indications of the passion with which the participants spoke on particular subjects were made, as well as the confidence with which the participants

expressed themselves. A written consent form was drawn up, which was signed by the participants

4.7   Data analysis

4.7.1   Analysis of data obtained from secondary sources

A desk top review of the secondary data was performed with the view to choosing key words which gave clues as to the orientation of the BEE policy framework documents towards structural empowerment, or psychological empowerment. or both. Thematic content analysis was then used to analyse all data collected.

The deductive approach was used when the contents were scanned. All the contents were scanned to see what aspects of empowerment were covered by taking note of the words used, with particular focus on the 'objective' section of the Act and the 'problem statement' section of the DTI strategy document. The researcher was on the look-out for the absence or the presence of words alluding to psychological empowerment as a construct or the pillars and elements of psychological empowerment, or an expression of the necessity for psychological empowerment.

4.7.2 Analysis of qualitative data

Content analysis was used for the analysis of interview data in order to answer the research questions. To be able to do this the recorded interviews had to be transcribed mainly verbatim and interviews that contained use of languages other than English had to be translated. A careful, detailed, systematic examination and interpretation of the transcribed material was done in an effort to identify, themes, patterns and meanings relevant to the topic under investigation.

According to qualitative research principles, each word a participant speaks reflects his or her consciousness. The participants' thoughts and beliefs (cognitions) were expressed in their words and these were recorded as fully and as accurately as possible, because by substituting what the participants say with the researcher's paraphrasing or summaries is to substitute the researcher's consciousness for that of the participant. However, where the participant digressed completely from the topic, those segments were transcribed merely by paraphrasing.

No parts of the tapes were pre-selected to transcribe and no parts were omitted, as this could lead to premature judgements about what is important and what is not. The researcher made use of qualitative research software to reduce the complete transcripts to what was of most significance and interest by coding the evidence obtained, and key words were used for this purpose. Using the software in analysing

the transcripts, anything that was thought of as being of interest was marked by selecting key words and highlighting them in a different font colour.

The next step was to create themes. Parts consisting of the highlighted key words were tagged and linked under the headings of the key words indicating a theme. When more than one theme was mentioned in the same passage, it was shown under each theme. This was done as initial content analysis, partly to determine in what categories the themes belonged and if a theme was strong enough in terms of frequency to be identified as belonging to one of the main categories. The researcher considered that a minimum of three occurrences can be considered a pattern and that an aspect or experience that comes up repeatedly carries more weight than one that is scarcely found.

The conceptual framework served to develop specific research questions, which determined the major categories of the analysis. The main categories in this case were determined by research questions, as well as the theoretical frameworks. Once the criteria for selection for various categories had been established, the next stage was to sort the data accordingly. Themes were analysed and it was decided in which categories they belonged.

4.8 Limitations of the Research

The limitations of the study were as expected for all qualitative studies. The biggest limitation being that the interpretation of the data is subject to the understanding and limitation of the researcher.

A vital limitation is that, although the respondents the respondents were carefully selected for their extensive experience within empowerment and BEE, there was no psychologist amongst the participants. The view of a psychologist who has experience with working with victims of oppression would have added much depth and richness to the study.

4.8.1 Expertise/ Knowledge Constraints

Interviewer errors and biases in this study were a result of the researcher's lack of experience. Effort was made by the researcher to eliminate such bias.

5 CHAPTER 5: RESULTS

This chapter covers the presentation of the results of the data gathering.

> "In grounded theory, theory is the outcome of the research and the researcher begins by collecting and analysing data before using theory, while in phenomenology, no preconceived notions, expectations or frameworks guide researchers. However, the researcher does make use of an orienting framework. Therefore, in the search for dimensions of empowerment no specific theory was tested, but theory was allowed to emerge. Theory can be described as a unique way of perceiving reality, an expression of insight into some aspect of nature and a fresh and different perception of an aspect of a phenomenon. Different opinions were found in the literature regarding the role of theory in qualitative research. Some authors argued that theory in qualitative research relates to the methodology the researcher chooses, while others believe that theory plays a critical role and that without some basic conceptual framework, the researcher would not be able to decide what data to collect" (Fourie, 2009, p. 239)

5.1 Research Question 1

Does the BEE policy frame work address psychological empowerment?

To gather data to answer this research question the research involved content analysis of the following document: DTI's Strategy for BBBEE as well the BBBEE ACT (2003). Particular focus was paid to how these documents defined the impact and consequences of Apartheid, because the consequences identified inform the BBBEE interventions.

The BEE implementation strategy document describes Apartheid as having had the following impact, consequences and limitations on blacks:

- Land that was taken away from blacks

- The prohibition of blacks from generating entrepreneurship and self-entrepreneurship

- A previous job reservation policy, to the exclusion of blacks

- Inferior education system which reinforced the job reservation policy

- Few blacks had access to higher education

- Unequal distribution of income

- Prohibiting of blacks from owning assets and property

The interventions of BEE are therefore built around the above-mentioned consequences of Apartheid.

The objectives of BBBEE according to the BBBEE Act are:

- 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 2

- A significant increase in the number of new black enterprises, black-empowered enterprises and black-engendered enterprises

- A significant increase in 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, employee trusts, and other collective enterprises) and cooperatives

- 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 including the 13 nodal areas identified in the Urban Renewal Programme and the Integrated Sustainable Rural Development Programme.

- Accelerated and shared economic growth

- Increased income levels of black persons and a reduction of income inequalities between and within race groups.

It is worthwhile to note that the identified consequences and impacts of Apartheid on black people are all structural limitations, whereas the masterminds of Apartheid were unequivocal about their intention to work on limiting and reducing the black mind when they made statements like: "It must be brought home to them [blacks] that in the future nine-tenths of them will have to spend their lives in daily labour, in physical work, in manual labour. This must be brought home to them sooner or later." (Harlow & Carter, 2003, p. 508).

What is interesting to note, however, is that the strategy document identifies an inferior education system as a legacy and result of Apartheid, but there are no corresponding interventions to address this within BBBEE, instead it is housed exclusively in the mandate of the Department of Education.

Therefore the strategy document is not comprehensive because it, in turn, does not make reference to the psychological impact of Apartheid on blacks. As such, none of the intentions and objectives of BEE as documented in policy allude to the psychological imperative of BEE.

In summary, the BBBEE interventions are less efficacious because they do not address the essence of psychological disempowerment.

5.2 Research Question 2

<u>What is the relationship between structural empowerment and psychological empowerment in relation to BEE?</u>

5.2.1 Overview of Participants

Most of the participants were experts in Black Economic Empowerment and their work involved an aspect of empowerment one way or another. All the participants were passionate about empowerment and shared their views as well as their contribution to empowerment and transformation freely with the researcher. The participants demonstrated deep connections with the need for empowerment in South Africa and provided deep insights into the issues that are associated with empowerment.

Eleven experts on empowerment and BEE were interviewed. All the experts were based in Gauteng, except for one who was based in the Eastern Cape but was in Gauteng during the time of the interview. The participant complement consisted of five executive directors who look after BEE and Transformation in large corporates, four directors and founder members of medium sized BEE or Empowerment businesses, one professor at South Africa's largest tertiary institution, as well as a Black Consciousness author and expert on Black Consciousness philosophy.

The age profile of the participants was between thirty and fifty years. All of the participants were deeply involved with empowerment and transformation and held very strong views on the matter. The university professor has published more than 70 peer reviewed articles and chapters in scholarly books on religion, liberation, transformation, philosophy, African studies and contemporary (African) politics. Three of the participants were part of organisations that focus on communicating the objectives of BEE to people in the lower class in order to equip them to better engage corporate South Africa, and so had good insight in terms of the shortcomings of BEE. The participants in the corporates each had no less than 10 years' experience with transformation. The gender profile of the participants was skewed towards males, with over 91% being male. 100% of the participants were black Africans. One of the participants is South African black but grew up in the diaspora, only return to South Africa fifteen years ago. Refer to Appendix B for brief profiles of the participants.

5.2.2 Data Analysis

The analysis of the data began as soon as the first interview was completed. The interviewer noted that the manner in which the participants framed their responses was largely influenced by the context of the participant, in other words, the type of work the expert did, his experience in BEE and empowerment and his background and culture. Out of the data that was collected, there were five major themes that emerged.

5.2.3 Theme 1: Feelings of Inferiority

The subject of inferiority is one that emerged quite readily during the majority of the interviews with the participants; in most instances with very little provocation. The participants were very passionate about this subject and were eager to dwell on the subject as they clearly felt that it is a very significant issue amongst blacks in South Africa. Most of the participants concurred that a good number of blacks in South Africa still perceived themselves as somewhat inferior to white people and this manifests itself in several ways when it comes to entrepreneurship, being assertive in the workplace, innovation and even in government leadership.

General inferiority

Eight out of the 10 participants were of the opinion that blacks still seem to exhibit behaviour that is a result of being brainwashed that they are inferior. These participants believed that Apartheid has left a very real and visible legacy of inferiority amongst blacks. Some of the comments from the participants were as follows:

> *"...from a very early age we were told that we can never be business people, we have always been told that the transfer of skills happens between white people to black people, when we think about skills transfer we are thinking about white people giving knowledge to black people, not a black person giving knowledge to another black person." PARTICIPANT A*

Another said:

> *"...and I think we underestimate the impact of Apartheid on our minds and the impact of Apartheid on our minds is deep-seated* [it is evident] *even when we have succeeded"* PARTICIPANT D

Participant B was very passionate about the residual presence of the workings of Apartheid and expressed this as follows:

> *"We cannot quickly write off the ills of Apartheid as the reason why we are not moving forward. Apartheid laws are gone but the way that black people live today was determined by Apartheid."* PARTICIPANT B

The respondent went on to say,

> *"Same with Apartheid it still exists in the minds of black and white people who were around at the time. Even the "born frees" these exist as the products of Apartheid."* PARTICIPANT B

The effect of Apartheid on the black mind was summarised by the next respondent who said:

> *"Now you cannot do that if already part of the brainwashing of Apartheid was that black people are not mentally competent and not capable of being empowered, of ruling and so forth."* PARTICIPANT H

In assessing how an inferiority mentality manifests itself, three of the participants also indicated that the inferiority mentality amongst blacks also manifested itself in a manner that results in blacks not believing, trusting or support one another, with an inclination to choose white products and services over services and products provided by blacks. One of the respondents summed it up as follows:

> *"black people should learn from the Muslims and the Jews, black people are not united, if you fail I am going to be the first one to laugh at you,…, you get appointed today, tomorrow the very same black people they want your job, they want to get rid of you for some reason instead of supporting you…when they say let's suggest people to be the CEO the black person will never suggest another black person because it will serve their purpose to be the only black person there because they become the centre of attraction. [We are] competing for space which is very short sighted in a way but I think until we are united,"* PARTICIPANT C

The other two respondents had the following to say:

> *"We are reluctant as black consumers to consume things that are made by black producers. We don't trust the quality."* PARTICIPANT J

> *"when blacks succeed we say where did they steal the money or who did they bribe or if it is a woman who did they sleep with there is that sense of distrust that is being built and I think we need to deal with that,"* PARTICIPANT D

Confidence related concerns at executive level

Six of the 10 participants put forward that a challenge they had observed in their respective roles in empowerment is that blacks are still not confident enough to assert themselves to whites. The researcher observed the passion with which these participants spoke about this issue. They spoke of this as an impediment to economic progress and empowerment as blacks often accepted less than they should from white people, or even in high decision making roles, blacks fail to participate at the level that would be expected of them.

One respondent had the following to say regarding boardroom dynamics between blacks and whites:

> *"…for example, in board meetings with whites you still get black people sitting in quiet. Why? They are not empowered, either lack of knowledge. But one on one they are confident, but not amongst white people and this is an impediment to their progress." PARTICIPANT D*

Another respondent said the following about dynamics outside the boardroom in contexts where the black CEO and the white CEO should relate equally:

> *"from a psychological perspective making that transition from being told from a white guy you are not good in business to now moving into an environment where you now have to start thinking "I am a CEO," …, you are the decision maker and that when you come head to head with another CEO that you are on the same*

level there, I have seen it on many occasions where you have a black CEO and a white CEO and who dominates the conversation, it is the white CEO. PARTICIPANT A

Participants also pointed out that this issue was a particular challenge in times of conflict or negotiation.

"...so it becomes difficult because of the legacy of Apartheid, it becomes difficult to stand up to white people and fight you war and win it because there is still this mental captivity of a white person being superior." PARTICIPANT G

Another participant pointed out that this reluctance to assert oneself was not only limited to situations where the black person fails to interact with his white peers at a leadership level, but pointed out that this is also a challenge in dealing with white subordinates.

"Yes I think we are [intimidated by white people] because for example I think it was last year when I had to discipline a white person, it took me a lot of energy because of where we come from." PARTICIPANT C

General self-confidence concerns

Seven out of the 10 participants made reference to general lack of confidence, self-esteem and self-doubt.

One had the following to say about starting a new job at a white company:

"…even from the moment you get into that environment there is an element of self-doubt in there because you may be purely in there because you are just filling a quota." PARTICIPANT A

Another summarised his observation about what he termed ''over-consulting'. This is done by black executives who don't believe in their ability to make strategic decisions without consulting:

"I have observed what most senior black people always want to surround themselves by white people. So I asked myself the same questions that you are asking. Are these people strong mentally or do they still have Apartheid 'Babalaas' [hangover]. *Suddenly in a situation* [where they will] *have to make a decision, they over consult, with white people."* PARTICIPANT I

Another agreed and said the following about blacks' dependency on whites:

"I think black South Africans, Africans do not believe that they can lift themselves up on their own." PARTICIPANT D

<u>Issues of a captive mind-set</u>

Eight of the 10 participants asserted that both blacks and whites are still captive in the Apartheid mind-set. The researcher observed that this is another area that aroused

emotion and passion amongst the participants. The participant expressed strong opinions on this subject.

One respondent summarised the captive mind-set referred to as follows:

"So, all the things that are engrained in us remain our culture. We still have the mental captivity of our past." PARTICIPANT G

Another highlighted that the incorrect mind-set occurs in both blacks and whites and is still prevalent today:

"Same with Apartheid it still exists in the minds of black and white people who were around at the time. Even the "born frees" these exist as the product of products of Apartheid." PARTICIPANT B

The same respondent went on to add:

"The architect of Apartheid was very successful because even today, the struggle we go through is our minds. The struggle of ourselves." PARTICIPANT B

Another had the following to say about how blacks perceive themselves in relation to whites:

"Well again it is the same psychological perception that this white person knows more and in an African environment that we are in here and we still have not got around to that fact that I actually have a voice and I do have experience that comes with it despite everything that is going on in the environment over here so one needs to think around that, that it is okay for me to have." PARTICIPANT A

Participant J had the same opinion regarding our perception of whites and said the following:

"Everything that is white is the best. Even with the born free generation." PARTICIPANT J

Another participant highlighted that financial success does not necessarily mean freedom from mental captivity and said:

"So it is both, those ones that have succeeded there is still some damage done not fixed in terms of their thinking" PARTICIPANT F

5.2.4 Theme 2: White Systems are foreign to blacks

Seven of the ten participants were of the opinion that economic systems in South Africa were still very biased towards whites and that blacks are still unaccustomed to these systems and are intimidated by them, hence the struggle to make a success in those systems. By systems, the participants referred to work environment, work culture, corporate policies and processes for application for financing from government institutions.

One participant summarised this situation as follows:

> *"We've never felt as black people we own economics. It's a totally foreign system to us. And hence some of its appendages may be intimidating to us. We've always worked for the white man. And even when we come to work, we come into the white man's world; adapting to his systems." PARTICIPANT G*

Another posited their view of the reason blacks struggle to integrate into white society as follows:

> *"So a lot of the systems that are normal in the white society are new to us as a society and as a race because of the legacy of Apartheid." PARTICIPANT G*

Another explained how the challenge manifests itself in Enterprise development:

"and yet when you go to the grass roots you find that people do not know how to interact with the Corporate and do not know how to unlock those potential ideals, opportunities be it Enterprise Development or Socio Economic Development or Procurement opportunities and so forth so" PARTICIPANT E

Another pointed out the impact of being intimidated by a new environment as follows:

"...and what that is going to do for is confidence is that it is actually not going to make him feel much more productive, already in that environment over there which is not conducive to the realities of people's lifestyles." PARTICIPANT A

Two participants raised the point that even government created financing structures which are supposed to aid the empowerment of black people are still designed in a manner that does not enable them to derive optimum benefit from them, because they are still designed in a way that is understood by whites.

"...even though I think those processes and initiatives have room for improvement among them, I do not think they are all enabling." PARTICIPANT D

"Because although government has put in the agencies and institutions for finance, the committees that judge the business plans are still very sophisticated professionals and there is a disconnect between the expectation of these

professionals and what the entrepreneurs are pitching. The interests are different." PARTICIPANT J

One of the participants pointed out that because black people do not 'own' these systems, they don't fully understand how they work and as a result are treading fearfully when manoeuvring in those systems.

> *"We are fearful, we do not understand what the consequences are and again we need to overcome that"* PARTICIPANT A

Two participants commented about the culture of organisations, stating that the culture within traditionally white organisations still remains very white, even though statistics at board level may indicate that the organisations are transformed.

> *"A transformation is not only about numbers but also to transform the structures and the culture of organisations but I think it is going to take us time"* PARTICIPANT C

> *"The system is still a white system, it is still very white and the reality is that by virtue of the fact that even though we are seeing ownership deals happening over here, the culture of that environment still remains white. ….The composition of the Board, that is perhaps the only thing that has changed but at the operational*

level where things really happen, where actually the productivity or the profitability of the company depends on those people it is still of a very white culture there." PARTICIPANT A

5.2.5 Theme 3: Entitlement

Four out of the ten respondents commented on the entitlement arising amongst black people as a result of BEE. All the participants agreed that entitlement is an unintended consequence of a preferential economic empowerment system. The participants were of the opinion that blacks did not always view BEE as opportunity to skill themselves or to learn value creating methods, but rather they seemed to see BEE as something that is meant to give them something for free, because they are black.

One participant was of the view that it is the government which created the entitlement amongst people by raising their expectation:

"But we raised the expectation of our people. We need to change that. As a result people have no sense of difference between value created and money earned. People must know how much effort creates how much value. Understanding the workings of an economy as well as an organisation must become a culture. Focus on knowledge" PARTICIPANT B

Another related black people's misunderstanding of Black Economic Empowerment as follows:

> *"but you have those entitlement of people thinking that just because I am black I must get this and life cannot work that way because empowerment is supposed to assist those people who unable to assist themselves" PARTICIPANT C*

Another respondent related their experience with entitlement in the workplace as follows:

> *"A sense of entitlement. I see that a lot of that as transformation executive. Where young people come in at lower level and expect to be fast tracked. Because our people died to get our land back. So there is that mentality" PARTICIPANT G*

One of the respondents was of the opinion that blacks' confidence and self-esteem is the cause for the feelings of entitlement and dependency:

> *"I think black South Africans, Africans do not believe that they can lift themselves up which is why there is this tremendous dependence on Government and blame of Government and of course we have to blame Government" PARTICIPANT D*

One of the participants disagreed with this view however and views the existing sense of entitlement not as a case where blacks want something for free, but rather that blacks were desperately looking for means to empower themselves, in the form of

jobs or business opportunities, and they are of the opinion that government should at least provide them with this.

"Yes I think they are expecting but I do not think they are expecting much but they are just expecting basic needs ... they do not want Government to feed their families, they are saying can we have jobs, can we have opportunities to trade, can we have jobs, can we have skills to empower ourselves, can we get the money to grow our businesses those are the kind of things that people want. ... so the entitlement is not because they are lazy it is get me something so I can make a living." PARTICIPANT E

5.2.6 Theme 4: Lack of Role Models

Seven of the ten participants commented on the lack of immediate role models as a problem within black communities. The most mentioned cause of this is that as black people break through the ceiling of poverty, they move out of black communities leaving no role models behind.

"The problem is that blacks who have broken out of that cycle do not go back to their communities to educate and motivate, they stay out" PARTICIPANT G

"People get better and they leave the townships, leaving no role models. We need to stop this migration out of township" PARTICIPANT B

"those people that move out of the township might move out because they cannot be safe there because some people can be rebellious because there is poverty so it is out of fear and resentment for their people and that might be like from Apartheid era that in order for you to be seen to be doing well you have to be living in the suburbs" PARTICIPANT F

Two of the respondents linked the lack of role models to lack of mentorship. One of the respondents highlighted that many of the blacks who have succeeded are the first to do so in their communities, and as such, there is no benefit of support or mentorship from anyone more experienced.

"Many of us are the 'first' in our families" PARTICIPANT G

"I am of the opinion that you do not necessarily have to get it [mentorship] from [a] white person or white business person that has been there for years, other black people are easier to relate to and the relationships are a lot more meaningful" PARTICIPANT A

Some of the participants were of the opinion that blacks that have succeeded should find ways to share their success stories in order to motivate and direct those that come after them.

"…and those ones who have succeeded are not doing anything to come back and prove to the grass roots that it is possible and this is the road that we have to take" PARTICIPANT E

"Also, the ones who have succeeded are not stopping to tell the story or share their knowledge with the others or write about it in media" PARTICIPANT J

5.2.7 Theme 5: Sources of Self-Efficacy

When the participants were asked about their personal sources of self-efficacy, five of the ten responded saying that their source of motivation and self-belief can be traced to a teacher at school who believed in them and encouraged them to excel.

"There was a teacher at school who encouraged me. He told me what I could achieve" PARTICIPANT I

"Teachers, in fact maybe a few teachers who probably saw potential and they keep on pushing and giving me hints about what I can do" PARTICIPANT F

"I had a teacher who believed in me and encouraged" PARTICIPANT B

Three of the respondents cited exposure to environments other than the usual black communities which opened their eyes to new and better things, which in turn motivated them to elevate their goals in life.

"They [teachers] were always inviting me to most of the staff excursions"
PARTICIPANT F

"I lived a privileged life. My parents were quite advanced and moved us to the suburbs when I was 15" RESPONENT G

One of the respondents cited vicarious learning as a source of his self-efficacy.

"...and at that time we could see some of the people in the Township, okay [Mr. X] is making he is an Engineer now so now it is possible..." RESONDENT E

Two of the respondents said that their source of determination came from a social push, an expectation from their community that they would succeed.

"When I grew up there was almost an expectation that I can do better from family, from friends there was just that expectation that I should do better than the others" PARTICIPANT C

The above results cover the key themes that emerged from the interviews with the experts. All the experts were very passionate about the topic and some of them even

invited the researcher to return should she require additional information. All the participants expressed their keen interest in the outcome of the research and requested a copy of the manuscript once the research had been completed. The following chapter provides an interpretation of the results.

All the participants were in agreement with the assessment that BEE was not moving at the expected pace and that there is a need to explore the reasons for the less than desired progress. The participants had differing views on the reasons behind the progress of BEE; however they did agree that additional measures need to be taken to fast-track the progress of BEE in South Africa.

In summary, he majority of the participants were in agreement that Apartheid had a negative impact on the black mind, best summed up by the one of the participants:

> *"...and I think we underestimate the impact of Apartheid on our minds and the impact of Apartheid on our minds is deep-seated* [it is evident] *even when we have succeeded"* PARTICIPANT D

6 CHAPTER 6: INTERPRETATION OF RESULTS

The main aim of the study was to explore the importance of psychological empowerment as a key part of Black Economic Empowerment in the South African context.

The outcomes of the literature review indicated that holistic empowerment constitutes structural empowerment as well as psychological empowerment. The study is founded on the literature which says that the pillars of psychological empowerment are meaningfulness, impact, competence, perceived self-efficacy and choice or self-determination (Spreitzer, 1995; Thomas & Velthouse, 1990; Bandura, 1977; Conger & Kanungo, 1988). The presence of these elements, together in an individual, results in a state where the individual is psychologically empowered.

This research aimed to ascertain whether there is an absence of any or all of these elements amongst black people, with the view to determine whether there is a need for psychological empowerment efforts alongside with the current BEE efforts.

6.1 Discussion of Research Question 1: Does the BEE policy frame work address psychological empowerment?

The interventions of the NEP and AEE as discussed in Chapter Two not only focused on structural empowerment, but they also identified the non-tangible consequences of disempowerment. Consequently, these interventions were designed to go deep enough to resolve the problem of disempowerment from the core; for instance, in both the AEE and NEP instances the national language was changed to that of the group being empowered. This served not only to eliminate the problems of feeling inferior but made it easier for the group being empowered to participate in the empowerment initiatives.

Malaysia's NEP spanned 20 years from 1970 to 1990, after which the policies biased towards the Bumiputeras were relaxed as most of the transformation targets were reached and some of them were even surpassed. For example, a target was to decrease poverty from 49% in 1970 to 16.7% in 1990, but by 1990 poverty amongst the Bumiputeras was at 15.7% (Mandla, 2006).

The AEE process in South Africa had similar results by the 1970s. 25 years after the legislation of Apartheid, the government under the National Party was running a well-oiled machine. They had built an efficient public sector with effective state owned enterprises, new businesses and industries had been established and most Afrikaners had been integrated into the middle class.

Having interrogated the differences in policies and processes between the AEE, NEP and BEE, which show that the major difference is the absence of the psychological element in BEE, and the results of each of these systems, it would appear that the absence of psychological empowerment in a national empowerment initiative not only fail to address disempowerment of individuals at the core, but it also decelerates economic growth of the country as a whole.

The findings reveal that the focus of BEE policy documentation is structural empowerment with no focus at all on psychological empowerment, and as such only skims the surface of empowerment.

6.2 Discussion of Research Question 2: What is the relationship between structural empowerment and psychological empowerment in relation to BEE?

As laid out in the preceding chapter, the broad themes that emerged from the data gathered from interviews with experts are:

1) Inferiority

2) Foreign systems

3) Entitlement

4) Lack of role models

This chapter gives an interpretation of these findings in relation to the literature.

6.2.1 Theme 1: Feelings of Inferiority

A common theme of the subject of inferiority perception emerged from the findings, with participants using phrases including 'lack of confidence', 'brainwashing that blacks are not mentally competent', 'whites are superior', 'lack of self-esteem' and 'self-doubt' to describe their view of how many blacks perceive themselves in relation to whites.

Interestingly, what the findings present which was not initially postulated, is that there seems to be residual feelings of inferiority which still exist amongst blacks.

The gist of Alfred Adler's theory on feelings of inferiority was that every human being experiences subjective feelings of inferiority as a child by virtue of being smaller than most people around them (Onwuzurike, 1987). Adler then argueD that as an individual grows, barring all counter-developmental influences, the individual is driven to compensate for these subjective feelings of inferiority, motivating the individual toward higher levels of self-development.

The mechanics of Apartheid explain why these inferiority feelings perpetuate amongst black people. The Apartheid system was deliberately designed to influence the mind of the black person by not only limiting their access and exposure to development, but by creating systems - using tools like education - which prevented blacks from learning and therefore succeeding economically, whilst at the same time promoting, supporting and encouraging learning and economic progress amongst whites (Johnson, 1982). Over time this resulted in a significant disparity between the profile of the average white person and the profile of the average black person, giving the white person a more educated, sophisticated and economically successful profile.

This situation cemented the relative social positioning of blacks and whites equally in the minds of both black and white people, where the white man, because of his profile,

is seen to be superior and the black person, inferior. As a result of this, blacks did not move past the 'feelings of inferiority' stage of Adler's theory. On a large scale, not much has changed in terms of education and economic progress among blacks, hence the residual feelings of inferiority even to date.

These themes that emerged from the results relate to the competence pillar or element of the psychological empowerment construct, as competence refers to self-efficacy specific to work - a belief in one's capability to perform work activities with skill - and is analogous to agency beliefs, personal mastery, or effort-performance expectancy (Spreitzer, 1996).

In summary, the results discussed above indicate that feelings of inferiority amongst blacks compromise the competence pillar of their psychological empowerment state.

6.2.2   Theme 2: White Systems are foreign to blacks

The results in Chapter 5 show that the economic systems are an area of concern for many blacks in South Africa. The results show that some blacks are unfamiliar with these systems and this affects economic progress negatively in two ways.

Firstly, blacks are threatened or intimidated by these systems and so they choose to stick to their own systems that they are familiar to. In most instances, the systems that they would be familiar with would have been either designed by the Apartheid

government (the inherent objective of which was to provide limited empowerment to the black man) or they would be systems that because of a limitation in scope and size are not conducive to any significant economic progress. An example of this is an individual electing to procure financing for the expansion of their small business from a local informal micro lender, as opposed to approaching the small business section of their local commercial bank or any of the government agencies that have been set up for that function. A reason for this, if the above example is used, may be that blacks have specific financing needs and repayment solutions that these 'white' systems do not cater for. As such, approaching 'white' systems may be seen to add complexities rather than provide a solution.

Secondly, when blacks are immersed in a predominantly white environment whose systems are informed by white culture, blacks do not feel that they are in control of their progress or well-being in that system. One respondent opined: *"We are fearful, we do not understand what the consequences are and again we need to overcome that."*

In such a situation, the individual becomes passive about decisions over work methods, and even the output of their work. An example given by one of the participants is time of arrival at work, where it would be easier for a black lower level employee to arrive at work at nine o'clock as opposed to eight o'clock owing to many factors related to where the individual lives, but because this individual does not feel ownership of the system, he does not assert himself. This situation has a negative

effect on the individual's psychological empowerment as it compromises the individual's autonomy over the initiation and continuation of work behaviour (self-determination).

Self-determination is one of the four elements or pillars of psychological empowerment (Spreitzer, 1996; Thomas & Velthouse, 1990).

The problem highlighted by the participants can also be linked to the competence or self-efficacy pillar of psychological empowerment. Competence or self-efficacy is analogous to personal mastery or effort-performance belief (Bandura, 1977). Put differently, performance expectation is pinned on peoples' hope for a favourable outcome.

Victor Vroom's theory on effort-performance (expectancy theory) says that the strength of the tendency to act in a certain way depends on the strength of an expectation that the effort will lead to a certain outcome. In other words, in a situation in which the individual ostensibly does not understand the system in which he operates and is aware that he does not understand the system, his efforts are likely to be low and in line with his low expectation of success.

When the effort performance expectation is low, the competency pillar of psychological empowerment is compromised. Again, this has an adverse impact on the overall psychological empowerment of the individual.

In summary, according to Thomas & Velthouse, (1990); Zimmerman, Israel and Checkoway, (1992) and Spreitzer, (1996), psychological empowerment has four key pillars which are all contributors to an overall psychologically empowered state. The absence of any of the four elements compromises an individual's state of psychological empowerment. The analysis above shows that empowerment experts are of the opinion that two of the four pillars of psychological empowerment are compromised in many blacks in South Africa.

6.2.3 Theme 3: Entitlement

The data collected concurs with the notion that an unintended by-product of empowerment is entitlement (Paul, Niehoff, & Turnley, 2000). Recipients of empowerment read meaning into empowerer's attempts to empower that create entitlement beliefs which are beyond the empowerer's control (Rousseau, 1989).

The data gathered shows that blacks do not see themselves as entitled to the right to acquire skills and knowledge, but rather the entitlement is towards money and other forms of economic benefit. One participant opined: "*…as a result people have no sense*

of difference between value created and money earned. People must know how much effort creates how much value…"

This raises the question of whether the reason for this is that these blacks do not feel confident enough to participate in value creating processes that will result in the ultimate objective of not only their own economic benefit, but the economic benefit of the country as a whole.

Entitlement amongst a majority population in a country poses a serious threat which undermines the efforts of the government to empower this group of people.

As illustrated in Figure. 3, based on the results of the research, the researcher was able to derive a model which shows a causal relationship between structural empowerment and entitlement. The inevitable result of entitlement that is not dealt with is dissatisfaction amongst people, as the government will be unable to meet the expectations of the people. Expectations concerning the degree and nature of empowerment may be among the major causes of dissatisfaction (Paul, Niehoff, & Turnley, 2000). This dissatisfaction leads to a break in the psychological contract that these people have with the government or country as they feel let down by the government. This in turn leads to a disengaged group of people which may force the government to invest more resources into structural empowerment efforts, which will lead to further entitlement and dependency on the government as a provider. In this situation people will have a decreased motivation to acquire skills, hence negatively

impacting the Competence and Self-efficacy pillars of their psychological empowerment drivers. Figure. 2 presents the Entitlement –Psychological Empowerment Cycle.
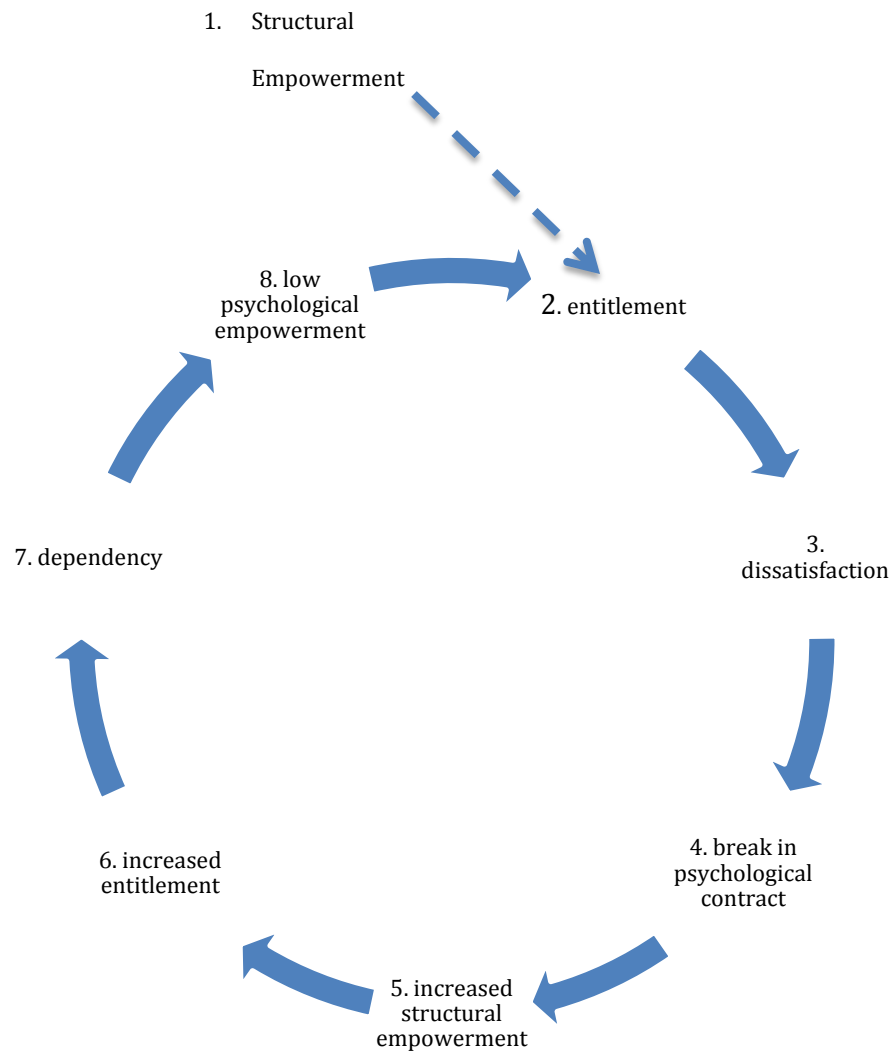

Figure 2. Entitlement –Psychological Empowerment Cycle

In summary, the findings above on entitlement show that not only can structural empowerment lead to an even stronger sense of entitlement, but that structural empowerment when it is not accompanied by psychological empowerment leads to even lower levels of psychological empowerment, leading to an increased dependency of people on the state.

6.2.4 Theme 4: Lack of Role Models

According to Bandura's (1974) social learning view, psychological functioning is best understood in terms of a reciprocal interaction amongst behavioural, cognitive and environmental influences. Bandura also cited vicarious learning as one of the four primary sources of self-efficacy in individuals.

The results are in agreement with Bandura's theory as they show the lack of role models as a missing contributor to the motivation and psychological empowerment of blacks who are still residing in townships and other similar areas. The contributor to the scarcity of role models in black communities is not due to a lack of successful black individuals in general - rather the issue is that as black people become successful and break through the poverty ceiling, they migrate out of their communities to previously white communities, leaving an absence of role models in their communities.

Interestingly, this migration phenomenon seems to be closely linked to the theory of relative deprivation, which arises from a feeling of discontent based on the belief that

one is getting less than that to which they are entitled, or less than others (Halleroid, 2006; Manzi, 2007). The result of relative migration is the migration of individuals from communities with fewer amenities, to communities with better facilities and access to improved lifestyles (Manzi, 2007).

The applicability of this theory in the South African context is plausible given the history of Apartheid.

Studies of relative deprivation suggest that the migration of affluent blacks to suburban areas may be driven by relative deprivation and the need to be among peers for inspiration while providing positive role models for aspiring youth (Manzi, 2007). The link between the effects of relative deprivation behaviour and how youth perceive individuals behaving in that manner (positive or negative role models), provides an important subject for future research.

Chapter Two discussed Bandura's theory on observational learning or learning through modelling as a key source of motivation and self-efficacy. According to Bandura, by observing other individuals, an individual forms a cognitive image of how certain behaviours are performed, and on subsequent occasions this coded information (stored in long term memory) serves as a guide for one's actions.

This model fits very neatly in the context of role models, because as individuals come into contact with and observe individuals who have succeeded, this sets a new standard of behaviour for them and informs their choices and behaviours at a later stage. The theory works for learning bad behaviour as well. If youth are presented with 'role models' who exhibit a certain bad behaviour, upon repeated observation, this behaviour is stored in their long term memory and will be called up and mimicked or used to inform behaviour and choices at a later stage.

In summary, the results gathered highlight that an important part of psychological empowerment is correct role models. The evidence gathered shows that the lack of correct role models is a significant problem in building the psychological empowerment state of black people. And the presence of bad role models is an equal threat as vicarious learning does not discriminate between good and bad behaviour, so in the absence of good role models, the bad behaviour of bad role models is learnt and adopted.

6.2.5 Theme 5: Sources of Self-Efficacy

The literature in Chapter Two shows that the key sources of self-efficacy in individuals are (1) performance accomplishments, (2) vicarious experience, (3) verbal persuasion, and (4) physiological states or emotional arousal. The results of data gathered are consistent with this as all the sources cited by the participants fall into one of the categories above.

Interestingly, however, the majority of participants cited verbal persuasion (teacher encouragement) coupled with performance accomplishments (excelling at school) as their source of self-efficacy beliefs, whilst only one of the participants cited vicarious learning or modelling as their self-efficacy source. This finding is consistent with the above results which showed the lack of role models within the black community.

7 CHAPTER 7: CONCLUSION

7.1 Introduction

The purpose of this paper was to explore the meaning of empowerment in the South African context, with the objective of uncovering what real and holistic empowerment means given the particular history of South Africa. The paper also aimed to assess whether current BBBEE policy is an adequate antidote to the effects of Apartheid, given the specific focus of Apartheid on the social and psychological re-engineering of both the whites and blacks regarding their superiority and inferiority, respectively. This chapter details the findings in terms of the main questions asked by this research.

7.2 Summary of the findings

The overall finding of this research is that for holistic empowerment to occur interventions must deliver into the psychological dimension. Further, based on the findings this research suggests that psychological empowerment and structural empowerment are two sides of the same coin and that holistic empowerment cannot be achieved in the absence of either one of these two. This finding is not only supported by the results of the data gathered but is evidenced by the success of two other nations, NEP and AEE, that embarked on national empowerment initiatives. Those initiatives were successful because their empowerment initiatives consisted of both psychological empowerment as well as structural empowerment elements.

Another finding in this paper is that education is a very powerful tool for psychological empowerment, as in the case of Bumiputeras, or disempowerment as in the case of Apartheid's inferior Bantu Education. Consequently, Education should form a pivotal part in a national empowerment strategy. This is not the case in South Africa. The separation of education from the BBBEE framework is counterproductive in light of the nation's objective of empowering blacks in South Africa who make up the country's majority.

Further, the research reveals that feelings of inferiority are still a very real condition amongst blacks in South Africa. Many blacks are still trapped in the mind-set of the past and although some blacks have ostensibly broken through the barriers of poverty and the structural limitations of Apartheid, the tell-tale signs of an inferiority mind-set tend to show themselves in the way blacks relate to whites in the boardrooms and other contexts where they should be relating as equals.

In addition, the research showed that entitlement is a possible negative consequence of structural empowerment that is not coupled with psychological empowerment. The combination of literature and the results of the research also allowed the researcher to derive an Empowerment-Entitlement model which shows a causal relationship in the case of psychologically disempowered people, between the provision of structural empowerment without psychological empowerment and entitlement. The model shows that where an intervention consists solely of structural empowerment, this may lead to entitlement which leads to dissatisfied and disgruntled citizens.

The model serves to caution policy makers of the danger of being trapped in the vicious cycle of encouraging entitlement, where, if the expectations of people are not met, this leads to a break in people's psychological contract with government.

This is particularly true in a case like South Africa, a nation that already has misguided feelings of entitlement, where the entitlement to political freedom has wrongly extended to an economic entitlement. The danger of this vicious circle is particularly high in a democratic country like South Africa, where the happiness of citizens will determine the tenure of a political party in government. The most likely response of government to a state of disengaged citizens is increases in hand-downs and other forms of structural empowerment to appease the people and thereby buy another season in government. This only perpetuates entitlement, and so the cycle will continue.

South Africa has already begun to see some of these stages of the model where citizens are dissatisfied with government service delivery and delivery on the promises of employment. The rise in citizen's protests in the last two years is a betrayal of the rising dissatisfaction amongst citizens.

7.3 Recommendations

The objective of this research was to explore whether there is more that can be done to improve the BBBEE interventions which are aimed at empowering black people

economically. To this end, the recommendations detailed below are directed at BBBEE policy makers.

General

It is recommended that this research report be read by the Department of Trade and Industry who are the authors of the 'South Africa's economic Transformation: A Strategy for Broad based Economic Empowerment" to determine the context and do the following:

- Incorporate the elements of psychological empowerment into their policy so as to improve the efficaciousness of the policy
- Align government interventions and policies to the current realities of black people

Education

This research has highlighted that education is an integral tool for both psychological and structural empowerment. A recommendation to policy makers is that education be integrated into the BBBEE policy and given priority as not only is education a pivotal constituent for empowerment but it is a key promoter of economic growth.

Managing Entitlement

It has become critical that the sense of entitlement that has begun to form amongst be dealt with very urgently. It is important that people's expectations are managed and that people's mind-set be refocused from waiting to receive but rather be taught on the importance of creating value. Government need to send out a different message about what it means by empowerment. The empowerment initiatives need to be viewed as a support system for blacks to use to create their own value, build real business and acquire key knowledge and skills. The focus should be on learning rather than immediate enrichment. To this end the researcher recommends that policymakers commission research to find ways to change the expectations of people and redefine empowerment to blacks. A useful tool for achieving this is the Entitlement-Psychological Empowerment Cycle model detailed in Chapter Six.

Culture and systems

This research has successfully demonstrated the importance of culture and language in building an inclusive society which is psychologically empowered. It is recommended that policy makers explore means to create systems and ways of doing business that reflect and celebrate a culture that reflects the majority.

7.4 Additional avenues for future Research

Some areas for future research have already been articulated in the recommendations section above. Additional areas for research include:

- An in-depth analysis of the AEE social re-engineering and how this can be applied in to blacks in South Africa
- The validity of the entitlement–empowerment model could be tested by testing each point in the model

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9 APPENDICES

APPENDIX A: INTERVIEW DISCUSSION GUIDE

Empowerment

DISCUSSION GUIDE: INTERVIEWS

WARM-UP

The aim of the introduction is to get to know the participant and their lifestyle, making them comfortable about the interview with a view of trying to induce an atmosphere of openness and honesty.

- o Brief explanation of discussion and rules of communication

- o Assurance of confidentiality

- o Including of audio recording

- o No right or wrong answer

- o Spontaneous reactions are important even if the sound 'silly'

- **The focus of this interview is on Psychological Empowerment so we will not be delving deep into the structural elements of Empowerment, for example, Access to Funding or Information etcetera.**

- **Participant introduces themselves**

- Short background, where did you grow up, what was it like (community/people)?

- How is that community now? How are the people? Standard of living? Education? What do you think is the problem there?

INTRODUCTION- this section will focus on getting to know the participants involvement with BEE

1. Tell me about your involvement with BEE, how did you start?

2. What is your motivation?

3. What is your involvement with BEE / what is your sphere of influence?

4. What changes have you seen?

5. Outside of your work environment, what are your observations with regards to the levels of empowerment of black people?

EMPOWERMENT- this section will focus on the broad meaning of empowerment

1. *When I mention the word empowerment what comes to mind, the plain meaning of the word without attachment to BBBEE. (Probe meaning of each word the participant uses?)*

2. In your opinion, is empowerment an individual thing, in other words, is it about an individual's thoughts about themselves and their confidence in their ability to break through barriers or is it

something that can be given or imposed? Where does it start? From the self or can it be imposed

BEE perspective

1. What does empowerment mean from a BBBEE perspective?

APARTHEID- This section will focus on Apartheid and its social and mental/ self-efficacy impact

2. When I say Apartheid, what comes to mind?

3. What, in your view, is the psychological legacy of Apartheid on the masses at large?

4. In your view, does this psychological legacy have impact on current economic success of blacks at a broad level?

DRIVERS OF BEE

1. What were the Key drivers of BEE? Was the psychological aspect also a driver? Why not?

CURRENT STATE

2. What does broad-based BEE mean? How does Economic Empowerment reach the average man who is unemployed or has no trade?

3. Is there a link between BEE and entitlement?

4. Outside of your work environment, what are your observations with regards to the levels of empowerment of black people?

5. In your view do you think, the average black person, (unemployed, social grant, low income) is well equipped (in terms of their perception of their place in society) to take full advantage of opportunities made available by BEE legislation.

COMPETENCE:

1. Do you think black people they believe in themselves? Self-efficacy - which refer to beliefs about one's performance capabilities.

SELF DETERMINATION AND IMPACT:

2. In your view does your average black believe in their ability to take make meaningful contribution to society, political influence?

3. Do they believe they can influence and change their environment?

EDUCATION

1. What in your view is the role of education in empowerment?

DRIVERS OF SELF EFFICACY

2. If you don't mind I'd like to come back to you; you are obviously a black man with a similar background to most. And given where you are,

WHAT OR WHO MOTIVATED YOU AS YOUNG MAN CHARTING YOUR FUTURE-

- Very Bright

- Teachers motivated you or Parents

- See others in your community succeed

3. What other instruments can the state employ to ensure a proactive stance by black people?

WRAPUP / CONCLUSION

4. Final thoughts for policymakers and advisors.

Thank you and goodbye!

APPENDIX B: PROFILES OF PARTICIPANTS

Participant A	**Executive Director:** Medium sized firm whose core business is the implementation of sustainable BEE Experience in empowerment: 11 years
Participant B	**Chairman:** A youth empowerment organisation **Programme Manager**: Broad-Based Black Economic Empowerment at Leading Business School Experience in empowerment: Over 14 years
Participant C	**Executive Director**: Organisation which is responsible for monitoring transformation in business in south

	Africa. Experience in empowerment: Over six years
Participant D	**Professor:** at a leading University Speaker on Black Consciousness. He is a leading theologian, with scholarly competence in philosophy, African studies and contemporary (African) politics. He is a respected public intellectual and social commentator whose analyses, views and opinions are often solicited by the South African media. He is invited to speak at many academic, community and corporate functions. Experience in empowerment: Over 10 years
Participant E	**Executive Director:** Medium sized

	Empowerment Organisation which serves to facilitate the links between black owned small business and large corporates. Responsible for research and design of empowerment programmes. Experience in empowerment: Over five years
Participant F	**Executive Director:** Medium sized Empowerment Organisation which serves to facilitate the links between black owned small business and large corporates. Experience in empowerment: Over five years
Participant G	**Senior Manager:** BBBEE and transformation at a large organisation

	Leading Member at BBBEE thought leaders Dialogue Group Experience in empowerment: Over eight years
Participant H	**Managing Partner:** Large International Organisation. Heads up BEE and Transformation Service Experience in empowerment: Over eight years
Participant I	**Director:** Medium sized Empowerment Organisation Experience in empowerment: Over 10 years
Participant J	**Director**: BBBEE Partnerships at the

	Department of Trade and Industry Experience in empowerment: Over eight years
Participant K	**Author** on Black consciousness Philosophy - He is a respected political commentator. Experience in empowerment: Over 15 years