

# Exploring challenges to transformational leadership communication about employment equity : Managing organizational change in South Africa

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This paper is based, in part, on two papers delivered during the 2nd world Public Relations Festival in Trieste, Italy (June 27-30, 2005) and the 12th Annual International Public Relations Research Symposium, Lake Bled, Slovenia (July 1-3, 2005), respectively.

**Purpose** – The purpose of this paper is to explore the management of employment equity (EE) communication at corporate level, against the background of South African societal complexities. It speculates about how the normative ideals of transformational change communication could be applied in order to bridge the apparent divide between government's current development agenda and negative societal sentiments about EE *per se* on the one side, and corporate transformation efforts on the other.

**Design/methodology/approach** – A multiple qualitative case study design was followed for the collection of empirical evidence. Semi-structured interviews were used for data collection in each of the three case studies.

**Findings** – This paper indicates current trends pertaining to the complexity of communicating EE in South Africa, including the strategic value of communication. It appears that internal communication does not receive as much strategic attention as external communication does. Furthermore, some key organizational leaders (involved in EE strategy implementation) view communication as a tactical tool and not a strategic means, thereby failing to appreciate either their own leadership responsibilities, or the complex nature of transformation change communication *per se*. These findings confirm the need for a new breed of transformational leaders who can conceptually and practically navigate the societal and corporate complexities surrounding EE communication in the management of change in South Africa.

**Originality/value** – The paper stresses the complexity of transformational change communication against the background of societal and corporate reactions to EE in South Africa.

## Introduction

The establishment of diversity as a core societal value in post-apartheid South Africa is being complicated by the introduction of laws that enforce corporate transformation. Two of these laws, the Employment Equity Act of 1998 (EEA), as amended, and the Broad-based Black Economic Empowerment Act of 2003 (BEEA), refer to the inclusion of individuals from all races in the formal workplace by means of specific strategies. These strategies focus on the inclusion of so-called previously disadvantaged groups. These laws are also supported by the national constitution, which gives equal status to all racial and cultural groupings, languages and religious backgrounds.

It is the intention of the African National Congress (ANC) Government (which was elected in 1994 and is the first democratically elected black majority government in South Africa) to transform all organizations (private, public and non-profit sectors) to make them representative of all South African citizens. This means that corporate entities should align themselves with government's transformation and social development agenda (**Denton and Vloeberghs, 2003, p. 89**).

However, corporate level efforts to implement these laws are often met with skepticism and cynicism (**De Beer, 1998, pp. 47-8; De Beer and Radley, 2000, p. 3**). These transformational laws are often viewed as controversial since they legally enforce the preferential employment and advancement of non-Whites and other previously disadvantaged groups. Redressing past discrimination gives rise to concerns about reversed racism. Some people may be undeservedly advantaged at the expense of experienced or skilled workers (**De Beer, 1998, p. 48**). Employers are now required to discriminate against often better or equally qualified Whites in terms of these laws, since noncompliance will lead to penalties and fines.

Government rhetoric, media reports and debates by citizens further focus on the validity of employment equity (EE) and the economic empowerment of blacks in bringing about the desired transformation, and an ultimate appreciation of diversity.

South African business and organizational leaders face tremendous leadership challenges in dealing with government's transformational agenda. The critical questions are thus whether organizational leaders can navigate these stormy waters, and how corporate entities should manage corporate and organizational communication efforts in support of transformational change management strategies.

## **Transformational change in the South African context**

Corporate level transformation is interpreted as an infinite process that requires significant changes to people's behavior and mindsets and organizational cultures, which then results in profound change (**Anderson and Ackerman Anderson, 2001, pp. 39-43; Guillard and Kelly, 1995, pp. 6-15; Grobler, 2003, p. 191**). Transformational change is specifically associated with the redefinition of corporate values, dramatic restructuring and variations of business process re-engineering.

In the South African business context “transformation” is also interpreted as having a strong political connotation. This fact needs clarification since the post-1994 era (also known as the post-apartheid era) is commonly referred to as the “New South Africa” (**Holtzhausen, 2005, p. 408**) which could not have come about without a radical turnaround in political policies and societal values.

Apartheid in South Africa was the official government policy that regulated social segregation of all citizens on the basis of race, with Whites having a privileged place in society and the so-called non-White groups (Black African, Coloured and Indian) were viewed as second-class citizens. This resulted in, amongst other practices, exclusion of non-Whites from formal government structures and many career opportunities.

The apartheid policy was officially adopted in 1948, and all general elections between then and 1994 are, therefore, viewed as undemocratic and illegitimate. Nelson Mandela took office as the first truly democratically elected President of the newly elected ANC's Government in 1994. That year, therefore, signifies the official end of the apartheid (Old) South Africa. Profound societal change has been taking place ever since.

## **Current South African transformation policies**

Three concepts and practices are central to the ANC's current transformational agenda. EE refers to a policy that ensures a fair, equitable workplace where all races, both genders, people with disabilities and all religious/cultural identities are represented.

Affirmative action (AA) is viewed as a collection of methods used to implement EE legislation (**Denton and Vloeberghs, 2003, p. 85**), and includes preferential employment and advancement of EE beneficiaries.

The term black economic empowerment (BEE) refers to a broader societal empowerment effort through which non-Whites are included in mainstream economic activities by means of strategies such as preferential procurement, partnerships between the traditional white business sectors and non-white entrepreneurs, and BEE agencies. Grassroots level expectations of resulting career opportunities, and ideals regarding the overall acceptance of transformational strategies (like affirmative action), are often ambitious. Invariably, these debates affect corporate efforts to implement the aforesaid laws.

## **Transformational leadership challenges**

The tensions of transformation that South African leaders face daily are potentially exhausting. Restructuring, downsizing, outsourcing, empowerment of employees and systems thinking (**Denton and Vloeberghs, 2003, pp. 86-91**) leave managers and employees with emotions, such as fear, stress, denial, mistrust and resistance to new ideas – emotions often associated with the experience of change (**Puth, 2002, pp. 117-130**).

Attempts to compete globally by means of the current transformational initiatives also lead to “transformational fatigue” (**Denton and Vloeberghs, 2003, pp. 86-91**). Thus, government's transformational agenda, as embodied in the EE act, may perhaps not be a top priority for all organizational and business leaders. This law may then be reduced to a matter of legal compliance, or even a strategy that “... should be driven by senior corporate leadership or the Employment Equity Office” (**Thomas and Robertshaw, 1999, pp. 20-2**).

Organizational leaders also need to comprehend their transformational responsibilities, which may prepare them psychologically for their role in the “thinking science” (**Anderson and Ackerman Anderson, 2001, pp. 147-50; Puth, 2002, p. 190**) of corporate transformation in a complex reality.

Transformational leadership refers to both formal and situational (informal) roles (**Puth, 2002, p. 16-32**) and the diffusion of innovation (or transformation) (**Anderson and Ackerman Anderson, 2001, pp. 182-6**), as well as critical questioning of and participation in the creation and management of a corporate vision (**Puth, 2002, p. 74**). And transformational change communication serves as the vehicle through which leaders (and followers) achieve either synchronic (one-way/asymmetrical) or diachronic (dialogical/symmetrical) objectives (**Grunig, 1992**).

## **Complicating factors in managing employment equity communication in South Africa**

Different layers of complexity surround EE strategies and related communication efforts at corporate level. A clear-cut segmentation of these complicating factors would not be realistic, since they are interrelated and have a collective impact on the psyche of employees in the South African workplace. The following seven complicating factors can be distinguished.

### ***Government's top-down approach to employment equity***

Introducing legislation such as the **EEA (1998)**, as amended, and the Broad-based **BEEA (2003)** to enforce transformation, constitutes a top-down government approach. The ANC Government's rationale behind this approach was that organizations would not empower

sufficient numbers of black employees of their free will (**De Beer, 1998, pp. 3-6**). The merits of this top-down approach in BEE have been confirmed in recent media reports about the increased influence of non-White owned businesses listed on the Johannesburg Securities Exchange (**Van Rooyen, 2006**).

However, the forced appointment of employees from previously disadvantaged groups (beneficiaries of EE) may lead to renewed racial polarization and distrust (**De Beer and Radley, 2000, p. 3**). The implementation of the EEA is also linked to punitive measures for organizations that do not achieve their annual EE targets.

Resistance to EE may be further validated if negative perceptions about EE measures are not addressed during the recruitment and selection processes. Concerns are related to productivity and work standards (**De Beer and Radley, 2000, pp. 15-17; Human, 1993; Thomas, 1996**). Thus, organizations need to have a clear vision as to why and how they will pursue an EE strategy before even contemplating the management of communication about the matter.

### *The contextualization of employment equity as a corporate transformation process*

Few South African laws need to be contextualized as clearly and consistently as the **EEA (1998)** and **BEEA (2003)** to ensure their correct implementation at corporate level. There is a general misconception is that the EEA only addresses past racial injustices (**De Beer, 1998, pp. 47-51**). The true intention of the EEA is to contribute to the development of South Africa's human capital as a whole, but broad consensus about the exact nature of EE does not necessarily exist in the mind of citizens, with obvious implications for corporate level communication efforts.

When EE is managed from the perspective of diversity management (**De Beer and Radley, 2000, pp. 5-12**) it signals a move away from the potentially divisive focus of the affirmative action perspective. This approach is favored for its sophistication in comparison with the affirmative action perspective (**Horwitz et al., 1996; Jones et al., 2000; Kramar, 1998; McDougall, 1996; Teicher and Spearitt, 1996**). It focuses on dimensions like religion, physical ability, age, sexual orientation, functional and educational background, tenure with an organization, lifestyle and geographic origins (**De Beer and Radley, 2000, pp. 5-12; Horwitz et al., 1996, pp. 139-40**). This perspective acknowledges the uniqueness of every individual and facilitates capacity building, which should be a long-term objective.

Finally, diversity management could have indirect positive effects on employees' performance, as compared to any EE implementation strategy governed by a strictly race-based philosophy. Personal motivation, more realistic career planning and a greater sense of self-directed leadership replace the anger, frustration and fears of both beneficiaries and non-beneficiaries associated with a purely race-based perspective on workplace transformation like "affirmative action".

### *Divisive sentiments about employment equity*

**De Beer and Radley (2000)** contend that the historical societal level dynamics have a negative impact on both beneficiaries and non-beneficiaries of EE. Black Africans, Colored and Indians (race-based beneficiaries) share fears, including being sell-outs, being sold out, and being victims of white manipulation, victimization, tokenism and marginalization when appointed as “EE candidates”. Many so-called previously disadvantaged groups dislike the labeling associated with EE measures – tokenism and special EE status are not what they aspire to as professionals. These people typically believe in career advancement on the basis of individual merit.

Conversely, many Whites fear revenge/retribution from non-Whites, loss of standards, punitive taxation and nationalization (**De Beer and Radley, 2000, pp. 28-40**) and they tend to question the political and ethical legitimacy of this policy. Young White people often feel hopeless about limited career prospects and leave the country either temporarily or permanently, resulting in an exodus of skilled and semi-skilled labor.

Inter-racial tension in the South African context is also complex. Inter-racial tension was born of the hierarchical apartheid classification of the four main race groups, namely Whites, Colored, Indians and Africans (**Department of Labor, 2004**). The EEA opened public debates about which of the non-White groups benefited most during apartheid, and should, therefore, not be included in the classification as previously disadvantaged groups. Media reports often highlight labor court cases in which individuals claim that they were previously not “white enough” to benefit from apartheid, and are now not “black enough” to benefit from the EEA.

These realities emphasize the need for organizations to communicate the underlying purpose of an EE policy and the need to involve the entire workforce in this transformational initiative. Communicating this only to beneficiaries of EE or to levels of organizational management would perpetuate the stereotyping of racial groups and misunderstandings about the real intentions of EE, as was mentioned previously. These facts also emphasize the need to address the socio-historical context of the EEA in any related communication strategy.

### *Confusion about employment equity terminology*

Some organizational leaders and many followers have only a superficial understanding of the true intentions of the EEA (or BEEA). One of the most popular misconceptions is related to “target-setting within a timeframe” vs “quotas” for appointees from previously disadvantaged groups. Regular media reports about, for example, quotas in provincial and national sports teams further strengthen the perception that quotas need to be filled in the workplace.

The EEA specifically states that no employer is under any obligation to implement quotas of employees from specific races or other forms of diversity (gender and disability), or

even to limit the career development opportunities of Whites who are already employed. Public debates about quotas should be seen as a result of the fear of job losses by mainly Whites (**De Beer and Radley, 2000, p. 32**). Furthermore, there is no sunset clause in the EEA. The appropriateness of prolonging the EEA is being questioned by a number of political parties and became an important theme during both the 2004 general election and the 2006 municipal election campaigns.

### *Cyclical communication vs transformational change communication*

The EEA prescribes the obligations of employers regarding mechanisms for the implementation and communication of this process. These include consultation with employees, employment profile analysis, the compilation of an EE plan and the submission of an EE report. The annual planning and reporting of progress regarding the EEA may reduce communication with internal and external stakeholders to a cyclical affair, instead of contributing to corporate transformation.

EE plans and reports are closely related. EE plans pertain to cyclical (annual) and five-year targets that employers are obliged to set. An EE report about each organization's actual progress must also be completed. Both EE plans and the reports must be submitted to the Department of Labor by October 1, each year (**Department of Labor, 2004**).

The **Department of Labor (1999)**, by means of a Code of Good Conduct for the EEA, provides guidance for various areas of communication, including the “duty to consult with and inform” internal stakeholders. This code specifies that consultation, awareness and monitoring efforts need to be central to any corporate transformational communication strategy and/or related communication plans of organizations.

However, the very fact that progress in terms of targets and annual EE plans needs to be submitted regularly to a government department creates the opportunity for organizations to focus only on presenting favorable statistics in order to gain the approval of the Department of Labor. This practice, known as “window-dressing transformation,” often leads to popular debates about the credibility of the EE process.

Although the BEEA is not a focal point of this study, its potential impact on defining and prioritizing stakeholders should not be underestimated. Organizations may focus too much on external reporting of EE and BEEA efforts since their profiles are critical for government relations and economic survival. The **King II Report (2002)**, a key directive for corporate governance in South Africa, proposes that reporting on these matters should be included in the Sustainability Report of each organization, thus focusing on the business imperative of transformation. Internal stakeholders should be viewed as critical to the success of the EE process, despite pressures to perform well in the BEE arena – external communication should not be excellent at the cost of internal relationships.

### *Aligning corporate values with employment equity requirements*

Organizations that embark on this journey are in a double-bind: if they do not comply with the EEA they will be fined by government, while they can arguably not really force employees to transform their deeply-held beliefs or attitudes toward issues of race, gender and disability. Based on the argument that individuals need to embrace a new set of organizational values as the first step towards organizational transformation, it seems that any framework for the management of EE should also indicate how corporate values will be addressed (**Thomas and Robertshaw, 1999, pp. 12, 29-35**). Any communication strategy aimed at supporting the EE strategy should address so-called “hidden barriers” (**De Beer and Radley, 2000, pp. 42-50**). One of the most difficult to overcome is a corporate culture of intolerance based on the beliefs that shaped apartheid South Africa. The transformation of corporate values is at the core of transformation in relation to an EE strategy (**De Beer, 2002**).

**Thomas and Robertshaw (1999, p. 137)** propose a model for the “integrated management” which precedes any framework for the contents of an EE communication strategy and addresses the issue of new values. Their model comprises six phases, i.e. leadership by top/senior management to establish the new vision and values; review of human resource policies, practices and company structures; organizational diagnosis to identify potential barriers to transformation; employee involvement that should permeate the corporate transformation effort; broad-based intervention by means of ongoing programs and the revision of values; and finally, ongoing monitoring and evaluation (**Thomas and Robertshaw, 1999, p. 137**).

### *Organizational complexity and corporate transformation*

The complexity of corporate transformation and the dynamics of organizations embarking on transformational journeys are often underestimated. Whereas incidental changes are thought of as having a clear beginning and an end, and focus on procedures (**Puth, 2002, pp. 114-5**), transformation is an infinite process (**Anderson and Ackerman Anderson, 2001, pp. 39-43; Grobler, 2003, p. 191; Ströh and Jaatinen, 2001, p. 149**). This level of change requires an organization to transform into something radically different from the entity and set of values that existed previously.

The manner in which people are engaged with the envisioned “end-state” matters most. Transformation requires individual transition towards acceptance of corporate values or goals and this in turn, requires psychological commitment (**Puth, 2002, p. 115**). Equally, “... each level has to go through its own process of comprehending the change and coming to terms with it” (**Jick and Peiperl, 2003, pp. 163-6**). Communication efforts to facilitate understanding about the envisioned transformed organization cannot realistically be a once-off or rigidly orchestrated affair. In many instances, repetitive communication efforts are required in some units of an organization to facilitate understanding of and active participation in the transformational goals.



## Problem statement

Transformational leaders face a number of challenges, the most important of which is to communicate EE effectively to followers, amidst all the associated misunderstandings and rhetoric. If they underestimate their communicative role and the potential of corporate level transformational communication efforts, lasting corporate transformation is not likely to occur. The research question is thus to what degree the seven complicating factors affect an organization's communication efforts to facilitate the implementation of the EEA and the BEEA in South Africa.

## Methodology

An exploratory (**Babbie and Mouton, 2001, pp. 79-80**) qualitative case study comparison (**Yin, 2003, pp. 2, 45-6**) was conducted across three organizations from three sectors, namely higher education (pilot study), two automotive manufacturers and a metropolitan council (main study). The potentially sensitive nature of the research topic made it necessary for the organizations to remain anonymous.

### *Data collection*

Semi-structured personal interviews (**Du Plooy, 2001, pp. 176-7**) and communication strategies for EE/BEE were the sources of evidence within each case study. As was stated previously, only some elements from the interviews in a larger study are reported on in this paper.

Interviews were recorded electronically for verbatim transcription, while the interviewer adhered to a list of considerations about informed consent (**Mason, 2002, pp. 80-2, 101-2**). Interviews were conducted at the offices of participating organizations, including the South African headquarters of participating multinationals.

### *Pilot study*

The pilot study (**Babbie and Mouton, 2001, p. 244; Yin, 2003, pp. 78-80**) contributed to the development of the interview schedule and the experimentation with evidence analysis and reporting. A university, which represented the higher education sector, was the pilot study.

### *Interview schedule*

The interview questions reported on in this paper (which appears as Appendix) were part of an interview schedule used in a larger study by **Leonard (2004)**. The term affirmative

action was used during interviews, but all participating organizations indicated that EE should be used instead since the latter focuses on the implementation of the EEA and not only on affirmative action (**Leonard, 2004, pp. 149-50, 162-3, 173-4**).

### *Selection of case studies*

Criterion sampling (**Babbie and Mouton, 2001, p. 287**) was used for the selection of cases, since such organizations had to:

- qualify as “designated employers” (as stipulated in the **EEA (1998)**); and
- have separate corporate communication, human resources and EE functions.

A number of 15 randomly selected organizations (across a number of industries) were approached for possible participation. Because of the exploratory nature of the study, the first four to grant official permission for participation were included in the study. Theoretical sampling (**Du Plooy, 2001, p. 114**) validated the decision to interview the most senior communication, human resource and EE practitioners per case study.

### *Analysis of evidence*

Interviews were analyzed by identifying post-coded themes (**Henning, 2004, pp. 104-9**). The complete interviews were transcribed and read at least four times:

1. for completeness and to check for technical errors;
2. to identify pertinent issues (themes);
3. to number themes and separate themes from examples; and
4. to reconstruct reality from the perspective of the interviewees.

## **Methodological soundness**

Four criteria for methodological soundness were applied. Credibility was ensured by defining the parameters of three dimensions of the study, namely the setting, the population and a theoretical framework (**Babbie and Mouton, 2001, p. 277**). Demonstrating dependability implicitly demonstrated confirmability: a co-researcher acted as an inquiry auditor whose task it was to assess the internal coherence of the study.

Inter-coder reliability was ensured through the involvement of the second coder and the application of Holsti's reliability formula (**Stacks and Hocking, 1999**). A reliability level of 97.5 percent confirmed the objectivity of the researcher's categorization of themes, sub themes and examples. A confirmability audit trail (**Babbie and Mouton, 2001, p. 278**) ensured confirmability. This trail entails the revision of six classes of evidence, namely raw evidence, evidence reduction and analysis products, evidence reconstruction and

synthesis products, process notes, notes pertaining to intentions and dispositions, and instrument development information.

## Findings

Findings are presented per case study to emphasize the unique contextual realities of each case. Evidence from all three case studies confirms the interrelatedness of the seven complicating factors that surround EE communication.

### *Case study 1 report*

The first subject was a European-based motor vehicle manufacturer. The organization has 23 production and assembly plants in seven countries. The South African operation employs almost 3,500 people at two locations, namely head office and a manufacturing plant. A communication strategy for EE management in South Africa was being developed at the time of the research. This organization's EE strategy includes affirmative action measures, a graduate training program and diversity management initiatives.

### *Findings*

The communication practitioner acknowledged the impact of political realities on the transformation process:

I think government has been wise to tell companies to come up with targets themselves, I think most of the blue chip companies are doing what we are doing. But the problem lies with companies that play the smoke and mirrors games.

Negative news about BEE is also published in the mass media leading to “political pressure” advocating prescribed quotas.

The communication practitioner also emphasized the importance of aligning corporate level communication with legislative stipulations and clarifying the scope of the EE strategy. The focus should be not only on the content requirements stipulated by law, but also on adding value to the organization:

If you do not communicate the intent of the Act, the spirit of our [employment equity] plan and the objective of our plan, this will never happen.

This case study confirms the interrelatedness of factors that could lead to confusion about EE. All EE appointments are made on merit and followed by empowerment and development. Furthermore, such appointees should not function at the lowest organizational levels since this would perpetuate discriminatory practices of the past.

The criterion of understanding the EE process also applies to the communication experts when they support other organizational functions in communicating this strategy: “I don't believe that the communication division could add value if they don't understand what employment equity is about.”

The credibility of the EE strategy is in danger if all the employees do not know that “... the employment equity strategy is not something that only happens on Mondays and Fridays.”

Internal and external communication should facilitate the strategic alignment of EE and BEE with the corporate strategy. The principle of equity is viewed as an element of organizational sustainability. “Employment equity and BEE strategies should not be implemented so that we can fix all the ills of apartheid and create another form of racism.”

Internally, communication is a tool for achieving understanding of the EE process. “The more you communicate with the right audiences in the right manner, the better you might be at breaking down barriers,” argued the human resources practitioner:

An example of hidden barriers is the true sentiments of White managers when no White candidates are considered during the recruitment and selection process of external appointees. Then we have to remind them of the scope and purpose of the employment equity strategy.

The credibility of the EE process, the transformational culture and individual appointees is often at stake:

We have had some instances where people simply did not shape, followed by a little bit of finger-pointing. Communication about recruitment and appointment, etc. must be managed well. As far as senior appointments go, it is vital that those appointees succeed.

The culture within which BEE programme operates is effective negatively if not handled carefully in terms of communication.

The BEEA influences the interdependence between motor manufacturers, dealerships, suppliers and external communication, and it also emphasizes the idea of an extended enterprise. “External communication is very narrowly focused in terms of media coverage and used very selectively,” says the communication practitioner. “An example of this approach is the launch of a black-owned dealership: the ownership is truly one hundred percent black, as opposed to window-dressing appointments by other organizations.”

### *Case study 2 report*

A municipality in the Gauteng province was the subject in the second case study. This organization includes 13 local transitional/representative councils and employs 13,100 people. The two organizational leaders are the executive mayor and a city manager, respectively. Furthermore, 76 councilors serve on different structures of this organization. No specific communication strategy for EE existed or was planned at the time of this study. The biggest problems for this organization have been the credibility of the EE process and the post-transformation reputation of the organization.

### *Findings*

Government's radical approach to transformation, from a deep-rooted racial discrimination paradigm towards more harmonious racial relations, is a controversial issue in the geographical heartland of erstwhile apartheid South Africa, the location of this organization, and balancing the interests of the bureaucrats and politicians in this city is a potential communication management minefield. The constant battle to elicit support for the policy could be seen as a classic example of:

... redressing the imbalances of the past. You try to create a semblance of normality and sort of stabilising what we have all achieved ten years in[to] the post-1994 South Africa.

Communication is viewed as a strategic vehicle "... in defining and explaining EE." The role of the corporate communication division is "... to try to and demystify the monster that other people are trying to create around employment equity ... "

The sensitivity of the race issue is clearly recognized. The biggest strategic communication challenge identified was breaking down the perceptions that all systems would collapse during a radical transformation from a White, Afrikaans, male-dominated management to a non-White management. Equally clear for the interviewee was the need for genuine transformation, not window dressing:

We understand employment equity as an instrument that was intended to bring about a balance and to ensure that the balance is not just brought about at the level of window-dressing.

If the communication by both the human resources and the EE divisions are aligned, it facilitates understanding of policies and employees will be able to understand their role in the process. Comments of the following nature were made once this was achieved: "... there is room for me and I know how I can contribute to the organization's goals."

Each member of the executive management, the strategic management officers, the municipal manager himself (the CEO) and general managers sign performance contracts which measure their contribution to EE:

Their performance in this aspect is based on our strategic plan ... And their performance is vital in articulating those strategic plans as part of the broader transformational agenda.

This illustrates the organization's traditional (hierarchical) approach to transformational leadership, but also highlights the pivotal communication role of such individuals in this transformational context. And the human resource practitioner views himself as critical to setting the EE scene and indicating to other leaders "... this is where we are as an organization and that is where we want to go."

Organizational complexity forms the background to the manner in which different departments cooperate regarding EE strategy. The human resources department monitors EE strategy, and the communication experts are occasionally consulted on the technical dimensions.

Expectations about support from the corporate communication division are not always met, since this division has undergone considerable restructuring and there is still a lot of uncertainty there. The EE practitioner says "... the communication department tends to be more reactive and I don't think we are communicating as much as we should. They tend to see themselves as external."

While the communication practitioner admits to previous mistakes regarding internal communication, he explains that "... strategy is underpinned by transparency and the values of the organization." The results of this case study also confirm the notion of an extended enterprise. The impact of EE and BEE leads to other problems, for example, the creation of unrealistic expectations among the local community about job opportunities in all organizational divisions.

According to the EE practitioner, the appropriate skills are not always available in the previously disadvantaged groups. Specialized service delivery departments like the electricity and engineering sections illustrate this dilemma. The lack of innumerable job opportunities as a direct result of EE and BEE, and the qualification criteria for EE positions, may be responsible for public distrust of the organization's commitment to the transformational agenda.

### *Case study 3 report*

The subject of the third case study was another automobile manufacturer. This organization is also foreign-owned and has operations in 17 countries across six continents. This organization employs 362,100 people worldwide. The South African operations employ almost 4,400 people. This organization's EE strategy is linked to changes in the country and implemented on the premise of a corporate conscience. A communication strategy for EE governs all internal communication in this case.

## *Findings*

The tension between internal and external stakeholder communication is apparent in this case study. The communication practitioner reported that internal communication "... was given the least strategic attention, while external communication has been very active." External communication focused on utilizing any noteworthy event for publicity regarding this organization's progress in transformation. However, a more strategic approach to internal communication is required since "... you will be confronted with fears, insecurities and expectations in relation to employment equity."

CEO involvement is cited as a success factor in this organisation:

He basically was a champion for the cause, if you like. Well, in public forums, he constantly championed the reason for and used examples from our company about this process [employment equity]. He's prepared to do that publicly.

According to the communication practitioner the discrepancy between internal and external communication efforts could perhaps also be addressed by stressing the CEO's commitment to EE internally: "We should take the same chairman and have him present those same lectures that he delivers externally, and present them internally."

However, a concerted effort should be made to avoid further confusion about the correct terminology. The communication and human resource practitioners agreed that the concept of EE is preferable to the term affirmative action, since "... it helps people to focus on equity as the motivation ... " of these transformational efforts.

A key issue is addressing discrimination in the workplace and the emphasis is on the place of race, gender and disabilities in the EE process. Commitment is required from all organizational levels to arrive at the point where the workforce embraces diversity as the overarching goal of the EE strategy.

This organization follows a rather hierarchical approach to transformational leadership. Every person who is responsible for other people has a leadership communication role regarding the EE strategy. This process is not uni-directional. According to both the human resource and EE practitioners, leaders should report on both the progress of and incidents that could impact negatively on relations within the EE context. Thus, internal communication efforts are not limited to cyclical planning or reporting phases.

Evidence in this organization further emphasizes the importance of internal dialogue about the EE process. Based on the corporate culture to address all aspects through open communication, all non-managerial individuals must empower themselves in terms of understanding the EE strategy and process. Sound relationships are also of critical importance to this organization "... and there is no way in which you can achieve that if you don't communicate," says the communication practitioner.

Feedback about the EE process is very important, but that feedback is supplied in different formats at the two locations. Union representatives provide feedback to their members and their feedback becomes part of the EE policy at the assembly plant, while hierarchical management structures facilitate the process at the corporate offices.

Ensuring that board level leaders follow through on EE-related discussions emphasizes the complexity of organizational dynamics in this case:

There is a problem with some executive leaders in cascading information down to the staff in a verbal form or showing their commitment to it. If there is no reward or punishment, they are like children - if they are not at risk of being punished, they will not worry about this.

Interviewees agree that the corporate communication function is and should be responsible for aligning all communication related to the EE strategy. One example was reported by the EE practitioner:

They [the communication division] help us through intranet, through magazines by explaining what the best medium for the implementation of the strategy is. And they help us create constant awareness of the employment equity message.

The notion of an extended enterprise is also applicable in this case. The interviewees agree that all communication about BEE and the implications for the organization's dealership network are very important, and communication with this network should help to clarify the purpose of the EE strategy and to create shared goals. Relationships within this network will not function properly without a shared understanding of the transformational challenges.

## **Reevaluating transformational change communication for employment equity in South Africa**

The evidence from three case studies confirms the need to reevaluate transformational change communication amidst the complexity surrounding communication about EE in South Africa. Three factors deserve special mention.

### ***Rigid communication strategies are unrealistic***

EE communication strategies should be flexible enough to accommodate the wide range of sector-specific dynamics. The EEA Code of Good Practice (**Department of Labor, 1999**) and two frameworks by **Thomas and Robertshaw (1999, pp. 29-35)** could be viewed as benchmarks.



**Thomas and Robertshaw's (1999)** model for integrated (business) thinking and guidelines for an EE communication strategy provide insight regarding the subtleties of organizational dynamics and their influence on the implementation of the EEA. These suggestions are conceptually far more advanced than other frameworks.

The same authors also argue that a comprehensive communication strategy should be formulated even before organizations embark on this transformational path. The formulation of an EE communication strategy should focus on the dynamic nature of various stakeholders. The needs of employees must be the foremost consideration: “It is here that major issues of job security and promotional opportunities are of concern, especially amongst white male employees” (**Thomas and Robertshaw, 1999**).

### *Stakeholder dialogue is imperative*

Dialogue is the mode for creating meaning and the overarching model for establishing transformational values, when the relationships (**Spicer, 1997**) between an organization and other entities are valued. The EEA requires non-negotiable compliance, thus categorizing it as a one-way (top-down) process.

Continuous dialogue between organizations and their myriad of stakeholders is the normative requirement for the implementation of the EEA. Internal and external stakeholders display multi-dimensional reactions to related policies, but also contribute differently to the process. Against this background internal communication should be regarded as a strategic priority since corporate transformation is dependent on internal relations, and not “window-dressing” progress reports.

### *A new breed of transformational leaders is needed*

Leadership communication is increasingly associated with “facilitation” rather than “management”. Those involved in communication about the EEA should enact the requirements of transformational leadership as a conscious process (**Anderson and Ackerman Anderson, 2001, pp. 187-9**) to navigate different complexities. Leaders need to model the transformational vision and facilitate dialogue about the EE strategy in various corporate contexts.

Extensive training should clarify the leadership obligations in terms of the EEA, including issues like diversity management (**De Beer and Radley, 2000; Horwitz et al., 1996; Thomas and Robertshaw, 1999**). The corporate EE strategy should empower leaders to achieve the aforementioned normative expectations. Without empowerment, leaders may feel overwhelmed or neglect their responsibilities regarding EE amidst their numerous other duties.

## Limitations

The findings should be viewed as provisional as they merely reflect current trends in communication about EE in the automotive industry and municipal councils, and not all instances of communication about EE in South Africa. Confirmation and representation should be found through further investigation, using research methodologies more suitable to generalization. Deliberate attempts were made to include organizations from various sectors since the context for each case would be important in terms of potential transferability (Babbie and Mouton, 2001, pp.:277-8).

## Conclusion

Transformational change communication is the vehicle for facilitating corporate and individual transformation towards an equitable work environment. Communication cannot simply be linear: the complexity of organizational responses to the multi-layered topic of EE, confirms this fact.

Leaders are still viewed as critical in communicating EE as a strategic priority. Non-commitment to transformational change communication results in failing their leadership responsibilities, and ultimately their organizations' transformational goals.

Finally, empirical results support the notion of strategically managed transformational change communication in bridging the divide between the South African Government's transformation agenda, negative societal sentiments about EE and corporate transformation efforts.

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### **Appendix. Interview schedule**

What do you view as the purpose of affirmative action (EE) at your organization?

What strategic value does communication have in the management of affirmative action (EE) in your organization?

Which key individuals or departments are responsible for managing communication about affirmative action (EE) in your organization?

What are your key responsibilities in managing communication about affirmative action (EE) in your organization?

What do you view as the specific contribution of the corporate communication department in managing communication about affirmative action (EE) in your organization?

What are the communication responsibilities of other departmental leaders in your organization in managing communication about affirmative action (EE)?

What is the most important content about affirmative action (EE) that your organization communicates to internal stakeholders?

What is the most important content about affirmative action (EE) that your organization communicates to external stakeholders?

In conclusion, is there anything else regarding the management of communication about affirmative action (EE) in your organization that you would like to add to our conversation?

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