

TRANSFORMATION CAN WORK FOR YOU

By Roxanne Da Mata Gonçalves, Director of Strata-G Labour Solutions, which partners with its clients to take care of every labour related facet of their businesses, from industrial relations and recruitment, to human resources, empowerment equity and payroll.

Many organisations are struggling to come to terms with transformation under the new Broad Based Black Economic Empowerment (BBBEE) codes. The reality is, BBBEE is here to stay and the sooner companies embrace the idea, the better.

And no-one is alone. The entire South African market is affected by it. The fundamental principles of BBBEE although extremely stringent, are sound. When companies do embrace the codes, they position themselves to boost their bottom lines and, more importantly, to make a difference in the country.

While businesses with a turnover of R10m or less are automatically considered Level 4 under the new codes, which in this market is extremely favourable. Those with a turnover of more than R10 million need to comply with the five priority elements of equity ownership; management control; skills development; preferential procurement, supply development and enterprise development; and socio-economic development.

For several companies, the codes present major challenges and compliance is regarded as an expensive and time-consuming exercise. In addition, misconceptions around the five elements hinder many from even attempting to become BBBEE compliant. This means they are unable to pursue business from government and parastatals as well as from other companies that are complaint and demand compliance from their suppliers.

Five tips to facilitate transformation:

Accept that BBBEE is here to stay

The private sector needs to embrace BBBEE rather than feel resentful when they are compelled to comply. Key to accepting it is to choose initiatives that resonate with everyone in the organisation. It is also important to ensure employees understand the concept of 'paying it forward', which is so much more than just giving good service. It's about nurturing and creating opportunities for others and understanding that South Africa is only as good as the quality of the people it empowers.

Interestingly, most entrepreneurs understand the basic concept of paying it forward and feel a sense of responsibility to empower others. This is especially true in instances where they themselves have received assistance on their own growth journeys.

Be smart about how you structure your strategy

Where you can, give of your time and resources rather than paying out money, especially in the current economic environment where cash is king. This refers specifically to the socio-economic development aspect of the codes. So, if a company employs skilled painters or builders, it could rather paint a school, build restrooms or provide training on how to build or paint.

It is important that everyone buys into the process, from senior management to entry-level employees as well as customers and communities.

Educate, educate, educate

Companies are often apprehensive about training staff because they believe they will lose them once they have reached a higher level of competency. Losing them means the money and time spent training them will be lost. It was Richard Branson who said, "train people well enough so they can leave, treat them well enough so they don't want to."

And, let's face it, who wants to remain untrained? The new generation of young people need more stimulation than ever before. In addition, there is a trend among young people today to choose freedom above money. With powerful technology

in the palms of their hands and information readily available, they feel the world is their oyster. Their reasons for staying in a job need to be compelling. They need to feel like they are growing and evolving and there is an enticing future for them. In addition, many young people are more politically and socially aware and want to know that the company they work for is making a positive difference in the world.

If young people are not educated, they will become a dead weight and the future of our economy will be uncertain. Companies that carry the empowerment torch have a deep understanding of this idea, because it makes so much sense on every possible level.

Most importantly, from the BEE codes perspective, a great portion of the points lie in the correct senior and top management and their demographics. The success of an organisation is hinged on its ability to empower and grow the correct individuals to become decision makers.

Hold people accountable

BBBEE needs to belong to everyone in the organisation. If businesses decide to go for it, they need to embrace it, commit to it, be in it. The process cannot be sabotaged by those who don't believe in the process and stymie efforts along the way.

While equity ownership is an element that cannot be changed without the buy-in of top management, the organisation as a whole can ensure that the other elements are managed correctly to achieve the desired outcome.

Get expert advice

Companies that do want to embrace BBBEE, but feel daunted by the process, should consider investing wisely by seeking expert advice. It is counter-productive to brood on how costly the process of transformation process is and much more constructive to think about how much compliance can benefit the company. The correct expertise will ensure that the desired results

are achieved with the minimum level of effort, time and resources.

