



Is the slow pace of legislation the reason for cynicism around BEE status?

A grouping of the South African asset owners community, representing large numbers of members, holds a deep sense of cynicism around the progress of transformation and the “success” of achieving a BEE level 1 status in the asset management industry. The perception is that little meaningful changes have taken place in corporate product line ups (a case of the unusual suspects persists) and little innovation has been brought forward from the large corporates to back this “success”.

For companies which have made bold statements around transformation and the strides they have made in employment equity, the cynicism seems almost insulting to their progress. Why would a large part of the industry (large in number not Rand value) look upon these strides with a cynical lens. And why are these corporates at risk of been seen to be inauthentic – as good as they may believe their intentions to be.

What does authenticity in Transformation actually mean.

Authenticity refers to the process of aligning corporate values, purpose and mission with the actions behaviours and communication about the corporate brand. The hardest part of this honesty is demonstrating it in every day business and actions; as this is what clients see as the manifestation of the bold statements. In reality, this is where many corporates fall short, especially in a South African context when communicating on Transformation. What many clients perceive today is generally the same thing they saw 15 years or even 20 years ago – with a few wealthier individuals. Which leads to the question, what has actually changed? These asset owners see the bold statements from some corporates as only that, statements! The action to these statements are not evident.

We are complying with legislation

Compounding the problem is the slow pace of promulgation of disclosure and tracking legislation which seems to be hamstrung by representative committees trying to come to consensus on transformational matters which are simply too polarising to ever find the middle ground. A role government will have to take a firmer stance on. But to the bold corporate, it all detracts from the attempted authenticity of making bold transformational statements.

The truth

The packaging of conversations on Transformation perceived and real, are always going to be hard; the hardest part is that of the perception from outside the corporates. The realities which Motswedi sees in our engagements with groups is unfiltered; and is a view on the perceptions of transformation at large corporates across the industry, and is laced with cynicism and will be hard for some large corporates to stomach.

The cynicism we speak of is from the notion of transformation through the BEE scorecard and the perception that Level 1 means the transformation job has been done.

We realise that many corporates are on a transformation journey and some are doing more than others, however, our insight is that true authenticity comes in the form of action –ie. so prove it.

Authenticity is inclusive and is demonstrated in action, we see this as an opportunity for large corporates to be innovative around how they reach the majority of South Africans with their actions.

