Affirmative action: from compliance mode to sustainable leadership practices in the private sector

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ABSTRACT

This quantitative, cross-sectional research ($n = 116$) sought to establish the relationship between Sustainable Leadership Practices (SLPs) and Affirmative Action (AA) implementation with the view of assessing whether South African private business applied SLPs in the implementation of AA.

The sample consisted of leaders in private organisations particularly Human Resources Practitioners/Managers, Organisational Directors and Chief Executive Officers (CEOs). The study collected data through a self-administered internet survey; data was collected using questions on 10 Sustainable Leadership Practices and 4 constructs of Affirmative Action implementation. Kendall’s Tau c tests were conducted to test the hypotheses. Data was also analysed through correlation analysis techniques that sought to establish correlational strengths between SLPs and AA as well as AA and company size.

The results showed that use of SLPs within the South African private companies was generally high. However, SLPs had positively affected AA implementation with weak positive relationships observed. The findings of this research contribute to the SLPs realm through results which showed that SLPs had positive correlations with the implementation of AA. It was also observed through the study that AA can indeed be better implemented through SLPs hence Leaders and Managers of organisations must invest in these practices though their level of importance is not equally the same. SLPs such as, devolved consensual decision-making, internal succession planning, amicable labour relations, long-term perspective and social responsibility showed a stronger positive relationship with the implementation of AA relative to the other five.

KEYWORDS

Affirmative Action
Sustainable Leadership Practices
Private Organisations
Compliance
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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Tichawona Lloyd Runganga

6 November 2017
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1. CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1. The research title

Affirmative Action: from compliance mode to Sustainable Leadership Practice in the private sector.

1.2. The research problem

According to the Employment Equity Act (1998), designated employers are required to implement and report Affirmative Action (AA) measures with a view to compensate the difficulties and challenges in employment experienced by previously disadvantaged (designated groups) and to ensure and drive nondiscriminatory representation in all jobs classifications and levels in the work environment. In South Africa, this is a legislative requirement which comes with compliance expectations and obligations. Leslie, Mayer and Kravitz (2014) argued that AA policies while designed to facilitate workplace success for the previously disadvantaged members, who include women and ethnic minorities, have in some cases created stigma around the same AA targets consequentially decreasing their performance.

Affirmative Action Implementation (AAI) affects underlying incentive structures which might cause reduced performance and efficiency by participants and has been referred to as reverse discrimination by the non-designated employees as it appears to correct previous disadvantages by penalising those who are advantaged (Calsamiglia, Franke & Rey-Biel, 2013). There is enough documented evidence to prove that despite encouragement and persisted government commitment to change, AA implementation has faced challenges and implementation huddles in Australia (Daly, Gebremedhin & Sayem, 2013).

The penalties and costs for organisations that fail to adhere to legislative requirements and compliance have forced organisational leadership into compliance mode. The challenge is that organisational leaders seek to comply with AA regulations for the sake of compliance disregarding an opportunity for building sustainable organisations (Oosthuizen & Naidoo, 2010). Roman and Mason (2015) posit that in most organisations, AA tends to be numbers-driven rather than competence and talent management-driven. Oosthuizen and Naidoo, (2010) argued against this noting that implementing AA squarely on compliance creates sustainability problems.
Sustainable leadership covers multi-dimensional management practices, processes and values that can create long-term corporate performance and resilience and can be applied to all facets of organisational change including AA (Suriyankietkaew & Avery, 2014). Tideman, Arts and Zandee (2013) similarly argued that a shift to Sustainable Leadership Practice (SLPs) by business leadership will mean a change from a ‘business as usual’ approach to a ‘sustainable leadership’ approach.

In the context of AA, Sustainable Leadership Practice-approach represents a substantial change in AA implementation where internal sustainability rather than external compliance drives the process. The internal approach or the SLP-approach is deemed more appropriate as it takes cognisance of intra-organisational dynamics and reduces issues of stigmatisation, poor performance and resentment (Suriyankietkaew & Avery, 2014). This research therefore endeavored to identify SLPs that aid organisational leaders in moving from the compliance mode to sustainability mode in the implementation of AA.

1.3. Purpose statement

Given the challenges that have been associated with compliance-driven AA implementation, there is an urgent need to identify possible approaches that can result in the positive implementation of AA while at the same time supporting sustainable organisational progression. The SLPs approach has been identified as one possible methodology that can harmonise the implementation of AA with organisational sustainability. This harmonisation is important for the success of AA and the building of better organisations that harness unity and equality amongst South Africans.

The purpose of this research is to gather information on the current relationship between SLPs and AA implementation in South Africa as this will help detect the extent to which compliance or SLPs affect AA implementation. Many businesses in South Africa are in search of options that can facilitate a sustainable implementation of AA.

The research will be important in providing quality information that can assist decision making and more importantly support the need to move away from the compliance mode to a more internally-based sustainable mode. The researcher thus endeavors to contribute to the relatively new phenomenon of sustainable leadership theory through testing whether SLPs could represent best practices in the implementation of AA by South African private businesses.
On a national, socio-economic level, adopting AA programs to reduce poverty and inequality is considered an important subject matter for which academics and professionals alike are always waiting for new evidence that can help to forge new recommendations (Francis & Tannuri-Pianto, 2012). The pair further argued that SLPs will allow private companies to contribute to the social needs of the country, reduce workplace disharmony, increase productivity and effectively contribute to national building. Ultimately, the research aims to close theoretical and knowledge gaps around the implementation of AA in South Africa and create possibilities for a more sustainable, less stressful labour environment which in turn could play a part in the achievement of the National Development Plan’s vision 2030 and other national developmental strategies.
2. CHAPTER 2: THEORY AND LITERATURE REVIEW

2.1. Theoretical underpinning

AA can be traced back to the mid-1960s where it emerged as a movement fighting against the discrimination of Africa-American minorities in employment and academic opportunities in the United States of America. It was also widely accepted into many other countries across the world. However, to this day, not even the United States of America can claim overall successful implementation of AA (Daly, Gebremedhin & Sayem, 2013).

Concerns around the fairness of AA programs have been the subject of scholarly debate with multiple views and attitudes being expressed depending on the interest group. While a lot of resistance has been noted on the subject matter, Barnes, Chemerinsky and Onwuachi-Willig (2015) established that some of the arguments presented against AA did make business sense prompting a view that a new paradigm of leadership practices that takes note of all the facets of AA is critically required.

Within the scholarly discourse, the debate regarding equal treatment versus equal opportunity has been described as the difference that illuminates an anti-classification approach versus an anti-subordination approach to equal protection (Barnes et al., 2015). An anti-classification approach prohibits the classification of persons by certain designations such as race or ethnic groups for the purposes of employment opportunity.

In post-apartheid South Africa, there is a strong sentiment from some business sections that AA is a form of state or government interference in the recruitment processes and practices of private organisations (Hall & Woermann, 2012). Haynes and Alagaraja (2016) questioned the effectiveness and sustainability of AA arguing that it has not achieved much for native Indians in the USA.

AA programs have been viewed as nuisances meant to thwart meritocracy and eventually creating the victim mentality. These views and prevailing conditions in which AA is implemented require dynamic and complex interventions that go beyond simplistic number crunching and targets interventions. Haynes and Alagaraja (2016) resolved that the successful implementation of AA should adopt an expansive design and implementation of leadership practices.
2.2. Affirmative Action legislation and Theory in South Africa

The Employment Equity Act (1998) was enacted to undo the imbalances of the past through achieving employment equity in all organisations operating within the Republic of South Africa. While there are other various laws promulgated to address inequality in South Africa, the Employment Equity Act's sole purpose was to foster equity through AA implementation aimed at redressing the past challenges in employment opportunities experienced by the designated groups and to ensure equitable and fair representation in all workspaces (Hall & Woerman, 2012).

According to Section 21 of the Employment Equity Act (1998), employers with fewer than 150 employees were to submit initial Employment Equity reports to the Director-General within a year after the inception of the Act, and once every two years thereafter. Employers employing 150 or more employees, were to submit initial Employment Equity reports six months after the inception of the Act and annually thereafter.

The provisions outlined above, make AA measures in the workplace a legislative and compliance matter which must be complied with regardless of organisational feelings. Section 35 of the Act empowers labour inspectors, upon reasonable grounds of believing that a designated employer or organisation has failed to comply with the terms of the Employment Equity Act, to issue a written undertaking to an employer and order compliance within a prescribed period. Further to this provision, failure by a designated employer to comply with the obligations stipulated by the Act may result in the Labour Court ordering or imposing fines on the designated employers. The prescripts of the Employment Equity legislation which underpins the implementation of AA is embedded and driven by compliance (Hall & Woerman, 2012).

The King Code of Governance IV (2016) noted that every board should consider whether its size, diversity and demographics make it effective in leading and managing an organisation in all aspects. The previous King Code of Governance III also encouraged organisations to comply with the provisions and prescripts of the Employment Equity Act (1998), thus indicating that the code expects diversity to impact positively on organisation outcomes, including output and performance (Ntim, Lindop & Thomas, 2013).
To the contrary, AA programs are reported to have achieved remarkable successes in the public sector resulting in broadly representative organisations. Importantly, the silence of the same successes for the private sector could be taken as evidence of the implementation and compliance challenges (The National Development Plan, 2011).

2.3. Affirmative Action compliance: international perspective

2.3.1. American experience

Over the past fifty years, the United States of America (USA) have lived under a negotiated peace with AA programs and employers have laboured in attempting to implement AA programs in a principled fashion (Rich, 2013). In 1965 in the USA, President Johnson’s Executive Order 11246 extended AA to cover and include women and established the Office of Federal Contract Compliance Programs (OFCCP), the branch of the Department of Labour in charge of AA enforcement (Kurtulus, 2016).

Johnson’s executive order obligated federal contractors to prepare and submit yearly AA plans which are similar to the South African Employment Equity expectations around reporting (Kurtulus, 2016). Organisations in the USA were and are currently subjected to compliance inspections and reviews by the OFCCP and in turn detailed penalties for noncompliance including revocation of government contracts from the state and suspension from bidding on future contracts (Kurtulus, 2016). The same approach of penalties for non-compliance has been instituted in South Africa through the employment Equity Legislation. Financial and future business consequences for non-compliance from the employers and contractors coupled with the periodic compliance reviews by the OFCCP forces compliance mode.

Leonard (1990) argued that AA in the USA never worked since the inauguration of the Reagan administration in 1981. He maintained that AA was one of the most controversial government interventions and its major criticism was that it does not work and should be disposed of. However, he argued that in cases wherein it has made some impact, it was only because of compliance reviews enforced by government and only served for purposes of paper pushing. The compliance reviews have been used as the first, the most common and the last mechanism for enforcement (Leonard, 1990).

Threats of revocation of contracts and future business would force any organisation to comply. Unfortunately, this would not change the perception of private organisations...
whose business is not dependant on government contracts and this is the same challenge in South Africa, private businesses who are not dependant on government tenders and contracts do not view this compliance expectation as a threat to the continuation and sustenance of their businesses. The debate around AA in the USA is argued to continue years to come given the persistent movement against the programs lately (Hinrichs, 2012).

2.3.2. Brazilian experience

In 2001, Brazil announced AA policies to the surprise of many that were caught off-guard by the announcement. The programs have been adopted mainly in educational institutions like the universities which are required to meet quotas for admissions of Afro-Brazilians. The progressive nature of University Councils led to the initial implementation of AA in these institutions (Telles & Paixao, 2013).

President Cardoso’s administration passed a law in the State of Rio de Janeiro for quotas which reserved university admission places for black students, which was unprecedented and trailblazing for black AA in Brazil (Cicalo, 2014). However, it is also important to note that pressure from international commitments such as the United Nations compelled Brazil to adopt the AA Programs and since then, many public universities have adopted the programs.

Since the announcements of 2001, up to 20% of vacancies were being reserved for people with disabilities in the civil public services. However, not much data has been published around AA and importantly AA in Brazil is mainly limited to enrollment to institutions of higher learning (Telles & Paixao, 2013).

2.3.3. Indian experience

AA in India was developed through a system of Reservation which was introduced in the 1930s and formalised in the 1950s aimed at eradicating the Casteism System in India. The reservation system was particularly introduced to increase diversity in employment and educational institutions. However, unlike in South Africa there is no national law or Act that enforces the reservation system, though the state is empowered through the Ministry for Social Justice in the Central Government established to deal with the Reservation System. The abolition of Casteism was enforced through Article 15 (4) of the Constitution of India which seeks to prohibit
Casteism (Haynes & Alagaraja, 2016).

In cases where employment is made through the Union Public Service Commission, AA has been a success and compliance to the reservations has been adhered to (Jangir, 2013). To the contrary, data and evidence of similar successes in the private sector has not been available and the same success story cannot be assumed in the private sector though 90% of the lower Castes work in the private sector (Haq, 2014).

The private sector in India argue that they are Caste-blind and believe in meritocracy in their employment practices as noted by Haq, (2014) and interestingly, they have denied any need to implement AA reservation policies and track data related to the employment of Lower Caste in their organisations. Similar to the American and Brazilian experience, the potential threat of legislative imposition has compelled some private organisations to change their stances and adopted AA (Haq, 2014).

2.3.4. Australian experience

AA policies were introduced to Australia in the 1980s (Equal Opportunity for Women: Act 1986) which was later replaced by the Equal Opportunity for Women in the Workplace Act in 1999 with a particular response to women’s unequal workplace position. Contrary to the rest of the countries that have implemented AA programs, Australia has had a unique take to the implementation of AA programs in that it was driven by an Act aimed to promote gender equity (Strachan, Burgess & Sullivan, 2004).

The Australian approach to AA is partially legislated (gender equity) unlike in other parts of the world. Furthermore, compliance is not prescribed and driven by targets and meeting quotas like in India and South Africa (Daly, Gebremedhin & Sayem (2013). With the experience of other countries highlighted in sections 2.3.1 to 2.3.3 there are contradictions to the successes of this approach. AA programs are managerialist driven programs not driven by the state which has led to a variety of approaches in Australian private organisations (Hideg & Ferris, 2014).

The Australian voluntary and self-regulating approach to AA is likely to result in better outcomes for all stakeholders than a more prescriptive or rather legislative approach. The legislative and compliance approach has been seen to encourage deceitful approaches in order to comply with regulations without having the desired positive effects on actual outcomes of fair and equitable employment for all (Daly, Gebremedhin & Sayem, 2013).
In contrary, evidence to support any suggestion of this approach being successful or better is weak to non-existent as there has not been much evidence of successes in the Australian approach. There have been limited econometric studies due to non-availability of suitable data for testing the impact of this approach. However, the economic and labour market challenges of Native Australians have persisted notwithstanding the substantial commitments from the Australian government (Daly et al., 2013).

2.4. Sustainable Leadership

2.4.1. The emergence of sustainable leadership

Literature on SLPs is generally still in its infancy. “Sustainable leadership is any ethical behaviour that has the intention and effect of helping groups of people address shared dilemmas in significant ways not otherwise achieved” (Bendell, Sutherland & Little (2017) (p. 434). Regardless of the novelty of the sustainable leadership paradigm, indications are that SLPs are vital in achieving sustainable and progressive organisations that can survive into the future (Lambert, 2011).

Kantabutra and Avery (2013) argued that while there are many definitions and frameworks that defined and theorised sustainable leadership, the concept encourages organisations to focus on long-term, stakeholder-oriented goals rather than on short-term profitability and shareholder value maximisation. The pair also linked SLPs to a strong corporate governance and social responsibility culture where organisations have a conscience that influenced how decisions that affect stakeholders are made.

In the twenty-first century, sustainable leadership is considered a strategic imperative and is gaining momentum in a similar fashion to popular twentieth century management paradigms (Galpin & Whittington, 2012). Organisational focus on sustainability and sustainable leadership has been heavily influenced by community needs, public interest, pressure from relevant stakeholders, changes in legislation and civil society bargaining. Concerns for organisational integrity and reputation compel the most reluctant organisational leaders to undertake sustainability efforts (Galpin & Whittington, 2012). Gerard, McMillan and D’Annunzio-Green (2017) concluded that “The theory of sustainable leadership has developed in interest and importance as a result of the fallout of the economic crisis” (p. 117).
2.4.2. Sustainable leadership models

The section below discusses popular sustainable leadership models.

i. **Avery and Bergsteiner’s sustainable leadership practices model**

Avery and Bergsteiner (2011) have researched on and identified SLPs and noted that although these were referred to as practices; some are more of broad principles and attitudes of leadership. Table 1 below provides a summary of broad SLP levels.

**Table 1: Summary of Sustainable Leadership Practices**

<table>
<thead>
<tr>
<th>Type of Practise</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foundation practices:</strong></td>
<td>These principles can be introduced any time by the leadership.</td>
</tr>
<tr>
<td><strong>Higher-level practices</strong></td>
<td>These principles emerge with the presence of foundation practices.</td>
</tr>
<tr>
<td><strong>Key performance drivers</strong></td>
<td>These practices emerge from several amalgamations of foundation and higher-level practices.</td>
</tr>
<tr>
<td><strong>Performance outcomes</strong></td>
<td>The tip of the pyramid has five outcomes that are credited with creating sustainable leadership.</td>
</tr>
</tbody>
</table>

These practises are further presented in Figure 1 below in the form of a pyramidal hierarchy.
Figure 1: The 23 Practices Pyramid

Sustainable leadership advocates that change not only be implemented because of external compulsive and compliance forces like the law, but also moral obligation and moral consideration of what could be right for society (Kantabutra & Avery, 2013). In their research in one of Thailand’s largest conglomerate (Siam Cement Group), the pair concluded that organisations implementing SLPs performed better than their counterparts. In the same study, they grouped SLPs into the following six core themes summarised in Table 2 below.

Table 2: SLPs grouped by six major themes

<table>
<thead>
<tr>
<th>Theme</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term perspective</td>
<td>SCG displayed a long-term perspective consistent with the 23 sustainable leadership enterprises. The conglomerate’s ten-year plan which was formulated in 2007, contained a goal to become a sustainable business leader in Asia, with a long-term view of balancing economic, social and environmental concerns with business success.</td>
</tr>
<tr>
<td>Staff development</td>
<td>In each country where SCG operated, it considered employees as a critical asset, and demonstrated this in many ways such as promoting equality and career development.</td>
</tr>
<tr>
<td>Culture</td>
<td>SCG leadership applied the company’s corporate values and strategy to bring together its employees to work for a unified goal.</td>
</tr>
<tr>
<td>Innovation</td>
<td>Innovation was one of SCG’s two most important corporate goals. Innovation at SCG took society and the environment into consideration.</td>
</tr>
<tr>
<td>Social Responsibility</td>
<td>SCG’s leadership demonstrated responsibility towards stakeholders’ interests and also considered the well-being of the various communities in which the organisation operated.</td>
</tr>
<tr>
<td>Ethical Behaviour</td>
<td>SCG’s business philosophy stated that it was committed to the idea of excellence, concern for the individual and social responsibility.</td>
</tr>
</tbody>
</table>

ii. The 6C sustainable leadership model

Tideman et al., (2013) proposed a 6C model to identify and develop sustainable leadership. The trio stated that for leaders to embrace sustainable leadership they needed to develop three new mind-sets that redirected their interaction with stakeholders and the business environment.
These mind-sets are:

- Context
- Consciousness
- Continuity

Leaders also needed to master three new skills to be able to achieve mind-set redirection. These skills are:

- Connectedness
- Creativity
- Collectiveness

Table 3 below summarises the aspects of each of the 6Cs.

Table 3: The 6C SLP model concepts

<table>
<thead>
<tr>
<th>SL elements</th>
<th>Concepts used in economics and business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context</td>
<td>Recognising interdependence; complexity; ambiguity; interconnectedness; resource constraint; regulators; mega-trends</td>
</tr>
<tr>
<td>Consciousness</td>
<td>Mind-sets; world-views; beliefs; mental models; attitudes</td>
</tr>
<tr>
<td>Continuity</td>
<td>Long-term horizon; courage; strength; common purpose; centredness; change processes</td>
</tr>
<tr>
<td>Connectedness</td>
<td>Serving needs of all stakeholders; both long and short term influencing; collaboration; trust; fairness; altruism; relatedness; needs instead of wants</td>
</tr>
<tr>
<td>Creativity</td>
<td>Innovation for sustainable shared value creation; sustainable business models; new value measurement models; flow</td>
</tr>
<tr>
<td>Collectiveness</td>
<td>Scale up for collective impact; embedding sustainability in business structures; sustainable consumption</td>
</tr>
</tbody>
</table>


2.4.3. Sustainable leadership practices in business

Avery and Bergsteiner (2011) argued that an important concern of business is to be one with the community in which it operates - which consists of multiple stakeholders whose interests and actions are vital to its own success. Similarly, Tideman et al., (2013) argued that the new global view of business is one in which business,
economics, the environment and society are no longer separate and loosely-related worlds, but are an inseparable unit that is interconnected and interdependent. The authors posited that sustainability is a business mega-trend that requires sustainability-focused leaders. The trio concluded that the sustainability challenges presented a major transformational agenda in business practice - one that cannot be argued against.

2.4.4. Sustainable Leadership Practices in Affirmative Action Implementation

SLPs as posited by both Tideman et al., (2013) 6Cs model and Avery and Bergsteiner’s (2011) model have a strong background and interest in finding solutions to social challenges including those attributable to historical injustices. Under the Avery and Bergsteiner’s model, AA is accommodated under the following SLPs:

- Social responsibility
- Ethical behaviour
- Valuing people

Applying this logic, AA would be an important issue in sustainable leadership teams. Under the 6Cs model of sustainable leadership AA naturally fits under “Consciousness” – an SLP that includes societal arguments and matters relating to equality and social justice.

Secondly, AA affects organisational relationships amongst team members as well as team performance (Ntim, Lindop & Thomas, 2013). SLPs are directly concerned with labour relations and their effects on corporate sustainability. Avery and Bergsteiner (2011) presented issues that affected organisational relationships under the following SLPs:

- Amicable labour relations
- Developing people continuously
- Team orientation
- Staff engagement

Under the 6Cs model, Connectedness and Continuity are the two Cs that are closely associated with the relationships amongst team members, fairness and performance (Tideman et al., 2013). Arguably, the need to instil sustainability based on the two models should therefore express concern for AA.

Thirdly, SLPs advocate for the development of a moral compass within organisations so that they are capable of instituting sustainable businesses, economic and social change without necessarily being forced (Kantabutra & Avery, 2013). As AA is one
such change, it stands to reason that organisations in pursuance of sustainability would voluntarily implement AA without the pressures of the law.

The study’s 10 Sustainable Leadership Practices focus

The author undertook to research 10 of the 23 practices from Avery and Bergsteiner, (2011) SLPs for enhancing business resilience and performance as discussed above and indicated in figure 1. The 10 practices were:

- Developing people continuously
- Amicable labour relations
- Long-term staff retention
- Internal Succession planning
- Ethical behaviour
- Long-term perspective
- Social responsibility
- Stakeholder approach
- Strong, shared vision
- Developed and consensual decision making

The 10 practices were mainly from the foundation practices and the choice to research the influence of foundation practices on AA was guided by the fact that foundation practices influence the emergence of other practices like higher-level practices, key performance drivers and performance outcomes depending on the various combinations of the foundation practices (Avery & Bergsteiner, 2011).

Suriyankietkaew and Avery (2014) in their research on Effects of sustainable leadership on customer satisfaction proposed that the SLPs are independent variables. The argument that these practices are independent variables is evidence that they can be independently researched as individual variables and conclusions can be drawn based on individual practices and how each influences AA implementation.

2.4.5 Affirmative Action implementation

Chapter 3 of the Employment Equity Act (1998) promulgates that all designated employers must implement AA measures for targeted groups through four measures which include:
“Consult with employees” (Communication)

The Act requires of employers to establish communication with employees and consult as part of decision making. Communication is important in the implementation of AA in organisations (Leonard, 2006). Communication, particularly with the hiring staff was important to ensure that their commitment and involvement in AA implementation. Limited, attention has been given to communication in organisations despite communication being a prerequisite for organisational change and effort (Ruck & Welch, 2012).

“Conduct an analysis” (Training)

Section 19 of the Act stipulates that by conducting the analysis, the employer must include in its plan, the development of its workforce. Section 15 of the Act stipulates that AA implementation measures must include “retention, development and training of designated groups”. The section obligates employers to implement training and development measures to ensure designated employees are capacitated and to ensure AA is successfully and speedily implemented.

“Prepare an employment equity plan” (Resource Allocation)

Section 20 of the Act stipulates that employers must identify persons, including senior managers to monitor and implement the plans and according to section 24, employers must make resources available for this purpose. The implementation of AA like any other major organisational change process whether in response to compliance forces or as inspired by SLPs requires information, material, financial and human resources (Bloom, Davers, Wallace & Wilson, 2000).

The availability of critical resources is a major indicator of whether an organisation is ready to institute internal change or not (Lehman, Greener & Simpson, 2002). Resource allocation challenges posed major problems for organisations that were attempting to achieve predetermined goals such as internally-driven equality processes (Phillips & Costa, 2007).

“Report to the Director-General on progress” (Accountability)

The entire Act obligates the employers to account for the implementation of AA measures and targets, for example, section 60 notes that in case of contravention of the Act by employees while on duty, the employer must account unless proven otherwise. Accountability for social and economic impact has gradually developed into a common trend in many organisations (Bebbington, Unerman & O'Dwyer, 2014).
Based on the literature above, it is important to note that for AA implementation to be successful; these four principles/precursors must be met as far as the Employment Equity Act (1998) is concerned.

2.5 Conceptual framework

Based on evidence from the literature above, AA programs engage leaders in equity initiatives and are likely to compel leaders to train staff, account, allocate resources and communicate to meet AA targets. Leaders who are involved in training and development initiatives with a sustainable view will therefore favour and champion such initiatives (Dobbin, Schrage, & Kalev, 2015).

Structures such AA plans that embed management practices such as accountability, authority and expertise have been argued to be most effective ways of successful representation (AA) in the workplace (Kalev, Dobbin & Kelly, 2006). Accountability and other management practices in this case resource allocation and communication are conceptualised as key outcomes of SLPs. Figure 2 below summarise the conceptualised relationship between SLPs and AA implementation.

Figure 2: SLP and AA Implementation Framework

The model above takes both SLPs and antecedents as internal processes or endogenous factors. They are factors that are within the control of management and are thus directly determined by management. At the same time the model recognises the influence of exogenous factors (Oosthuizen & Naidoo, 2010) factors that influence the existence of AA within an organisation regardless of the existence of SLPs or not, regulatory forces (compliance) being one such important exogenous factor.

© University of Pretoria
Antecedents of AA implementation

Training

Olaniyan and Ojo (2008) argued that “the role played by staff training and development can no longer be over-emphasized. Staff training and development is based on the premise that staff skills need to be improved for organizations to grow” (p. 326). They defined training as “a systematic development of knowledge, skills and attitudes required by employees to perform adequately on a given task or job” (p. 326).

As noted in the literature above, the Employment Equity Act (1998) obligates employers to implement training and development measures to ensure designated employees are capacitated and to ensure AA is successfully and speedily implemented.

Resource allocation

As discussed in the literature above, resource allocation is important in realising the AA implementation success. “Resource allocation is the distribution of scarce and versatile resource types to satisfy multiple ranked requirements in a way that optimises benefit” (Hargreaves, 1990) (p. 43). The author further argued that “the business approach for today and the future must center on the resources that an organisation needs to manage to accomplish its mission, rather than on the classic functions” (p. 43).

Managers across industries continually face the challenge of resource allocation at the same time juggling the costs, benefits, risks and commitment from varying stakeholders (shareholders, the community, employees, organisational leadership) who in themselves might have varying priorities (Phillips & e Costa, 2007).

Communication

Limited attention has been given to the needs of employees as far as communication in organisations is concerned. However, effective communication is a prerequisite for organisational success and organisations must assess the value created through communication to its own employees as well as the rest of the organisations (Ruck &
Welch, 2012). Byars and Rue (2000) defined communication as the transmission of information that is of substance to involved parties. In the case of AA implementation, these parties include employees, unions and the employer.

Muscalu, Todericiu and Fraticiu, (2013) suggested that all organisations “regardless of size or object of activity, have to listen to their interlocutors and, at the same time, meet the expectations of a public characterized by diversity and exigency.” (p. 75). Postmes, Tanis and De Wit (2001) argued that “people’s sense of belonging to the organisation does not primarily depend on the quality of their informal and socio-emotional interactions with peers and proximate colleagues, but it is related more strongly to their appreciation of the management’s communications.” (p. 240)

**Accountability**

Shafritz (1992) defined accountability as “the extent to which one must answer to higher authority-legal for one’s action in society at large” (p. 4). The King IV report on cooperate governance (2016) posits that good governance compels leaders to face the challenges of 21st Century governance which is characterised by ethical values of responsibility, accountability, fairness and transparency embedded in the concept of Ubuntu and such leaders lead organisational strategies with a view to achieve sustainable economic, social and environmental performance.

2.6. Knowledge gap

Firstly, AA implementation is considered to be a controversial and highly-debatable issue with various sides presenting different arguments for and against the subject matter. The common arguments for AA are that it is a social justice necessity that enhances workforce unity and equality (The Employment Equity Act of 1998). The strongest arguments against AA were that it was a form of reverse segregation that supported non-merit based promotions and hiring – which in turn could result in organisational underperformance (Haynes & Alagaraja, 2016).

International literature from the USA, Brazil, India and Australia were reviewed in section 2.3.1 to section 2.3.4 and a general view that AA has failed to achieve its objectives prevailed. SLPs were also studied and from the literature it is clear that sustainable leadership promotes positive organisational change that focuses on long-term achievement and the balancing of stakeholder interest (Suriyankietkaew & Avery, 2014; Tideman, Arts & Zandee, 2013).

The link between SLPs and AAs was also implied in the literature and evidence shows
that organisations are more likely to be successful towards AA implementation if SLPs are implemented as it resonated with several individual SLPs. The literature also revealed the existence of antecedent factors of AA, being training, communication, resource allocation and accountability.

Importantly, the main research gap identified was that there is no work that studied the relationship between SLPs and AA implementation either in South Africa or the world at large. Understanding this relationship is important in determining whether South African organisations’ response to AA implementation was a result of the need to comply with state regulations or a need for social transformation embedded in the precepts of sustainable leadership. The author endeavored to fill the knowledge gap by conducting a primary research in the private organisations in South Africa.
3. CHAPTER 3: RESEARCH HYPOTHESIS

OBJECTIVES

Three overarching research objectives guided this study. These were:

- To identify the relationship between SLPs and AA implementation in South African private businesses.
- To determine the SLPs that are considered as the most important ones within the SLP and AA implementation relationship;
- To understand the relationship between company size, as determined by the number of employees and AA implementation.

HYPOTHESES

To explore the research objectives, three research hypotheses were tested:

3.1 Hypothesis One

H1ₐ: There is a weak positive relationship between SLPs (independent variables) and AA implementation and outcomes (dependent variable).

H1₀: There is no weak positive relationship between SLPs (independent variables) and AA implementation and outcomes (dependent variable).

3.2 Hypothesis Two

H2ₐ: Sustainable Leadership Practices variables that affect the implementation of AA are not of equal importance.

H2₀: Sustainable Leadership Practices variables that affect the implementation of AA are of equal importance.

3.3 Hypothesis Three

H2ₐ: There is a positive relationship between the size of a company as measured by the number of employees and AA implementation.

H2₀: There is no positive relationship between the size of a company as measured by the number of employees and AA implementation.

The next chapter discusses how the above hypotheses were tested.
4. CHAPTER 4: RESEARCH METHODOLOGY

4.1 Research Design

Research design is the comprehensive strategy that is applied for the purposes of answering the research questions and meeting the set research objectives (Saunders, Lewis & Thornhill 2012). The authors noted that the research design determined the choice of methodology and justified its effectiveness and relevance for the study. There are two broad research designs used in business and the social sciences and these are a qualitative research design and a quantitative research design (Kumar, 2011). Punch (2013) refers to the qualitative and quantitative designs discussed above as research paradigms and identified the major differences between a quantitative paradigm and a qualitative paradigm.

The major difference between the two as also affirmed by Saunders, Lewis and Thornhill (2012) are that the quantitative paradigm is concerned with testing hypotheses and statistical facts and therefore draws its samples and populations in a more scientific, bias-reducing manner that also supports inferring study results to different settings.

The qualitative paradigm on the other hand is more concerned with the establishment of theories from perceptions, views and beliefs expressed by research candidates in their natural settings. This particular study followed a quantitative research paradigm or design as defined by Saunders, Lewis and Thornhill (2012) and Punch (2013) because it needed to scientifically test hypotheses about presented theories and infer the results thereof back to the population.

Research design by objective

Research design can also be defined by the broad objective of the study and four generic research objectives exist in business and the social sciences (Kumar, 2011). These are: exploratory research that is exploratory research that is aimed at discovering new phenomenon about a research subject; the explanatory research aimed at explaining the phenomenon under study; correlational research aimed at investigating relationships between or amongst variables in a study and descriptive research aimed at describing an identified research phenomenon.

This study combined a descriptive objective and a correlational objective as it wanted firstly to describe the influence, extent and effects of SLPs on AA implementation and to quantify the correlational relationship between SLPs, AA and company size.
4.2 Population

The population of the research consisted of organisational leaders in privately owned companies in South Africa. Privately owned companies were selected because according to Thomas (2002), AA policies have not been incorporated and considered as strategic organisational issues and accordingly, there has been a lack of leadership commitment to this process in private business.

4.3 Unit of Analysis

The units of analysis in this research was organisational leaders, particularly Human Resources Practitioners/Managers, Organisational Directors and Chief Executive Officers (CEOs) as they are the organisational members closely associated with the implementation of both SLPs and AA. The eligibility criterion for the unit of analysis was devoid of any form of discrimination such as race, gender, ethnicity and age. The researcher attempted to consciously avoid any biases and assumptions that would compromise the credibility of the study.

4.4 Sampling Method and Size

As the researcher did not get the complete list of privately owned companies in South Africa, non-probability sampling techniques were used for this study. Sanders and Lewis (2012) argued that it is sometimes difficult to know and make contact with the whole population. In this study, the researcher did not have the time and resources to reach out to the total population; hence purposive sampling was employed targeting the identified units of analyses. The size of the sample for this study was 116 respondents across different private companies across South Africa.

4.5 Measurement Instrument

A questionnaire adopted from the Avery and Bergsteiner's Sustainable Leadership Model and a survey from the study by Naff and Kellough (2003) in the International Journal of Public Administration were merged and used as a tool for data collection. The measurement instrument consisted of 33 questions that measured the several variables in the study.

The questionnaire was divided into three major sections: the first section collected information on the company size and number of years in operation. The second section collected responses on SLPs and the third section collected information on AA implementation. Ten (10) independent variables were identified for the purpose of
testing Hypothesis One and Hypothesis Two. These were SLPs that influenced AA implementation. Size of the company as measured by number of employees was identified as an independent variable for testing Hypothesis Three.

The dependent variable as assessed by the questionnaires was AA for which data was collected through four antecedent factor questions (third section of the questionnaire). The questionnaire made use of a six-scale Likert Scale on all questions testing the extent to which SLPs were practiced and a two-scale Likert Scale on questions testing the existence of AA implementation. Likert Scales were used because they are considered effective in collecting attitude-related responses in an efficient and user-friendly way (Kumar, 2011).

A close-ended questionnaire was considered appropriate for this study as SLPs and AA were generally known subject matters which did not require much exploratory research (Kumar, 2011). Close-ended questions were also used as they enabled a quick and low cost collection of data while reducing the risk of bias (Punch, 2013).

4.6 Data gathering process

An on-line centered survey was employed to collect data for the research. Dillman, Smyth and Christian (2009) argued that internet based surveys were becoming more popular than any other type of survey due to their cost savings and time efficiency characteristics. Through the use of internet based data collection methods, participants may be more truthful in their responses to a survey compared to face to face interviews or by telephone due to the anonymity factor (Dillman, 2000). Creswell (2014) argued that survey research is most appropriate for providing quantitative description of trends, attitudes, or opinions of a population by studying a sample of that population.

Preparation for distribution

Firstly, the researcher got permission to conduct the research from the Gordon Institute of Business Science’s MBA Research Ethical Clearance Committee. Prior to distribution of the questionnaires the researcher ensured that the four stage preparation as recommended by Dillman, Smyth, and Christian, (2009) was followed. The researcher thus:

a) Used knowledgeable colleagues to review the survey content.

b) Conducted interviews to evaluate motivational and cognitive qualities of the survey content.

c) Conducted a pilot test for the study.

d) Completed the final check.
Data Storage

Good storage of research data permits easy access and retrieval in various formats (Boeije, 2010). Considering the ethical requirements for conducting research, the printed copies of data collected were safely stored in a locked and secure filing cabinet and electronically saved on the researcher’s password-protected Dropbox services, desktop and laptop.

4.7 Analysis approach

Descriptive data analysis and inferential statistical analysis were used for this study. These tests were done using IBM SPSS.

Descriptive analysis

The main descriptive statistical analysis applied was cross-tabulated frequencies between the independent variable (SLP) and the dependent variable (AA implementation). The frequencies from a six-scale Likert Scale on questions that tested the extent of SLPs were cross-tabulated against the frequencies of respondents acknowledging or denying the existence of AA implementation in their organisations. This was meant to give a comprehensive, two-dimensional view of how respondents who selected a particular response on the six-scale Likert Scale (independent variable questions) fared on the questions that tested the presence of dependent variable. As a result of this method, it was possible to analyse the relationship and associations between six-scale Likert Scale questions testing the independent variable versus two-scale questions testing the dependent variable.

Management of variables

The questions provided were grouped into variables to enable more efficient data analysis across these questions. The mean and the median may be employed to pool various Likert Scale questions into a single variable provided the questions measured similar observed variables. This thinking was applied in the combination of the questions into common variables.

The median was used as a measure of central tendency in grouping questions with the same underlying variable into one because of its conformity with non-normally distributed data (Punch, 2013). The use of the mean which is a commoner measure of central tendency was avoided as a result of the noted skewness in the data set.
Prior to combining any related questions into an independent variable, the Cronbach’s Alpha test was conducted to ensure that the combined items met internal consistency standards (Cooper & Schindler, 2006). A composite dependent variable was also created by further combining the four antecedents of AA. The four antecedents are training, communication, accountability and additional resource commitment. This composite variable was referred to as AA Implementation as it stemmed from AA Implementation antecedents. A correlation test was done to ensure that the variables though measuring the same concept were not the same thing.

Ordinal data can be combined into a single variable if it is based on the same scale, related by theme or sense and it exhibits some internal consistency (Gliner, Morgan & Leech, 2011). The data set obtained from the questionnaire met all the above criteria as it was based on the same Likert Scale and had high internal consistence as shown by the Cronbach’s alpha.

Inferential statistical analysis

Kendall’s Tau c test was conducted to determine underlying relationships between the independent variables (SLPs) and the composite dependent variable (AA Implementation). Kendall’s Tau c tests for the strength of association and direction of association between ordinal and interval independent or dependent variables and given that the data from the sample was of an interval nature hence the use of this test was appropriate (Boone & Boon, 2012).

Kendall's Tau c also tests the correlation between 2 variables on a scale from -1 indicating a perfect negative correlation between variable and 1 indicating a perfect positive correlation while 0 indicate no relationship. The tests above were selected in consideration of the normality tests discussed earlier.

Test assumptions

The data met all the assumptions required in order to get reliable tests from Kendall’s Tau c correlations. These were as follows:

- **The ordinal or interval scale assumption** – the variables under study must have variable or interval observations. In the study, SLP variables and AA implementation were both ordinal in nature therefore this assumption was met.

- **Monotonicity** – the variables under study are also required to have a monotonic relationship meaning that as one increases in value, the other one must also increase or decrease in value (Gliner, Morgan & Leech, 2011). A
monotonicity test was conducted by creating a scatter graph with a composite variable of SLPs versus AA Implementation as a composite variable. Figure 3 below shows a monotonic relationship between the composite dependent and independent variables thus proving that this assumption was also met.

The x-axis shows the composite independent variable (made up of all individual independent variables grouped by median) and the dependent variable All AA variables also grouped together using the median. The chart highlights a positive correlation that was also confirmed in the Kendall’s Tau c test.

**Figure 3: Test for Monotonicity**

![Graph showing monotonic relationship between SLP composite variable and AA implementation](image)

i. **Level of significance**

A level of significance of 0.05 (< 0.05) was applied in all the tests throughout the study including in hypothesis testing. A level of 0.05 was selected because of its common acceptability in most business and social sciences studies (Gliner, Morgan & Leech, 2011).

ii. **Two-tailed tests**

The inferential tests employed two-tailed tests. Two-tailed tests are tests designed to test the relationship between variables in both a negative and a positive direction (Gust & D’journo, 2006). The study aimed to determine the nature of the relationships between SLP variables and AA implementation in either direction hence the use of two-tailed tests.
iii. Correlational and association tests

The data was interpreted using an interpretation scale by Gust and D’journo (2015). It interpreted correlational strengths as follows:

- Very strong : 0.8 to 1
- Fairly strong : 0.5 to 0.8
- Fairly weak : 0.2 to 0.5
- Very weak : less than 0.2

This criterion was also used to interpret all correlation results in the study.

4.8 Hypothesis testing

Hypothesis One

Hypothesis one was tested using the Kendall’s Tau c correlation after it met all the assumptions of this test. The independent variables (SLPs) were correlated to the dependent variable – AA implementation. A 95% degree of confidence or a significance level of \( p < 0.05 \) was required for rejecting the null hypothesis.

Hypothesis Two

Hypothesis two was tested using the Kendall’s Tau c correlation after it met all the assumptions for this test. The test included correlating all the SLPs – as individual variables against a composite AA dependent variable (AA Implementation). All variables that had a level of significance less than 0.05 or a confidence level above 95% were then ranked in order of their correlation coefficient. The mere ability to rank variables by this criterion was adequate for testing the hypothesis.

Hypothesis Three

Hypothesis three was tested using the Kendall’s Tau c correlation after it met all the assumptions for this test. This involved correlating the size of a company as measured by the number of employees with AA implementation. A 95% degree of confidence or a significance level of \( p < 0.05 \) was required for rejecting the null hypothesis.

4.9 Tests for reliability and validity

Test for normality

Normality tests were conducted prior to descriptive analysis to determine whether the tests that were proposed for the study would be applicable. Some statistical tests can
only provide reliable results if conducted on normally-distributed data sets while others are only applicable to skewed distributions (Brown, 2016). This necessitated conducting a Kurtosis test and a Skewness test on the data set.

Brown (2016) argues that a Kurtosis test measures the symmetry of a data set and a normal distribution has a Kurtosis of 3. A skewness of 0 and a Kurtosis of 3 are required for a normal distribution (Bai & Ng, 2005). As data was non-normal and highly skewed, the study used non-parametric tests to conduct inferential statistical analysis. Non-parametric tests (including the Kendall’s Tau c correlation discussed above) are tests that do not require normal distribution as a prior assumption (Bai & Ng, 2005).

Test for internal consistency

Data collected was tested for internal consistency using Cronbach’s alpha test. This is a reliability test applied to questions or variables of the same scale to check the degree to which they are measuring the same or closely-related concept (Cooper & Schindler, 2011). The test was first applied to questions that were to be combined together into one variable and that were based on the same scale and later to the combined variables themselves.

Testing for confounding variables

To ensure reliability of the above correlations, a Multiple Analysis of Covariance (MANCOVA) test was conducted. The test’s objective was to highlight the possible effect of confounding variables in the relationship between the independent and the dependent variable. Possible confounding factors in the data analysis were the length of operations in South Africa and the number of employees. The test was also part of the reliability and validity tests conducted to ensure more accurate results.
5. CHAPTER 5: RESULTS

5.1 Introduction

The chapter presents the results of the research and the data collected for the study. The chapters’ main section is the descriptive statistics section that presents cross-tabulated frequencies between the independent variable - SLPs and the dependent variable AA implementation. The inferential statistics section further analysed underlying relationships amongst variables and tested the hypotheses of the study using Kendall’s Tau c correlation. Reliability analysis, tests of normality and tests of covariance on compounding variables were also carried and presented first as they formed the basis of most of the data analysis choices.

Data analysis preparations

Two types of procedures were conducted before descriptive and inferential data analysis was done. Firstly data reliability tests and tests for normality were done and secondly some variables were combined into composite variables.

Test for distribution

Table 4 below shows the results of the Skewness and Kurtosis tests conducted to test for normality of distribution on the independent variables.

Table 4: Normality tests

<table>
<thead>
<tr>
<th></th>
<th>Developing People Continuously</th>
<th>Amicable labour relations</th>
<th>Long-term staff retention</th>
<th>Internal succession planning</th>
<th>Ethical behaviour</th>
<th>Long-term perspective</th>
<th>Social responsibility</th>
<th>Strong shared vision</th>
<th>Devolved consensual decision making</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Skewness</td>
<td>-0.63</td>
<td>0.06</td>
<td>1.01</td>
<td>-0.08</td>
<td>-2.13</td>
<td>-1.18</td>
<td>-0.05</td>
<td>-0.60</td>
<td>-0.41</td>
</tr>
<tr>
<td>Std. Error of Skewness</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.84</td>
<td>-0.99</td>
<td>0.05</td>
<td>-0.05</td>
<td>5.44</td>
<td>1.22</td>
<td>-0.33</td>
<td>-0.21</td>
<td>-0.85</td>
</tr>
<tr>
<td>Std. Error of Kurtosis</td>
<td>0.45</td>
<td>0.45</td>
<td>0.45</td>
<td>0.45</td>
<td>0.45</td>
<td>0.45</td>
<td>0.45</td>
<td>0.45</td>
<td>0.45</td>
</tr>
</tbody>
</table>

Brown (2016) stated that a Kurtosis test measures the symmetry of a data set and a normal distribution has a Kurtosis of 3. The results above show that none of the variables exhibit any closeness to the Kurtosis of 3 with the closest Kurtosis to 3 being 1.84. A data set or sample shows a high level of skewness when skewness is greater than -1 or 1 (Bai & Ng, 2005). By this interpretation the data above is generally skewed. Bai and Ng, (2005) argued that a skewness of 0 and a Kurtosis of 3 are required for a
normal distribution. The data set from the study was therefore classified as non-normal as it failed to meet these thresholds.

**Grouping of variables**

The Likert-type questions on the existence of SLPs were grouped into ten variable as discussed and justified in chapter four and as presented in Appendix 4.1 for the combination criteria as well as Cronbach’s Alpha that tested for consistency on the resulting variables.

**Composite dependant variable**

A composite dependant variable was also created by further combining the four dependant variables of AA. The four variables were finally combined into a single variable measuring AA, referred to as AA implementation (Appendix 4.2). The Pearson Correlation range of the variables was from $r = 0.380$, $p < 0.05$ to $r = 5.38$, $p < 0.05$ (weak to moderate positive relationships) on a 2-tailed indicating that the variables indeed measured different aspects of the same concept and were not a mere multiplication of one another (Please see Appendix 4.3 for Pearson correlation between AA antecedents).

**Test for internal consistency**

Appendix 4.1 shows the Cronbach alpha tests done to determine the level of internal consistency for the data. Questions 4 and 5 scored an alpha of -4, Questions 8 and 9, 0.873, Questions 12 and 13, 0.541, Questions 15 and 16, 0.579 and Questions 18 and 19, 0.626. All the independent variables measured on the six item Likert Scale scored a combined alpha of 0.635 as indicated in table 5 below. These results show that the data had an acceptable level of internal consistency with all scores being above 0.5, that is both the combined questions and the total independent variables showed that they were measuring the same concepts.

The combined alphas for the independent variable questions and dependent variable questions are shown in Table 5 below.

**Table 5: Cronbach's alpha test**

<table>
<thead>
<tr>
<th></th>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent</strong></td>
<td><strong>variable</strong></td>
<td></td>
</tr>
<tr>
<td>questions</td>
<td>0.635</td>
<td>16</td>
</tr>
<tr>
<td><strong>Dependent</strong></td>
<td><strong>variable</strong></td>
<td></td>
</tr>
<tr>
<td>questions</td>
<td>0.889</td>
<td>14</td>
</tr>
</tbody>
</table>
On the two item Likert scale used to measure dependant variable responses the data also showed an acceptable level of consistency with a combined alpha of 0.889 and on a 6 scale Likert Scale it showed an alpha of 0.635 for 16 questions. These scores show acceptable levels of reliability and internal consistency.

5.2 Descriptive analysis

The descriptive analysis sections starts by presenting brief information about the sample. Afterwards, it discusses descriptive statistical relationships between SLPs and AA before making a broad conclusion on both.

General sample information

The study drew a sample of 116 respondents from privately-owned companies operating in South Africa across all industries. Figure 4 below breaks down this sample by the number of years for which the respondents’ companies had operated in South Africa and the number of employees that were engaged by the respondents’ respective companies.

Figure 4: General sample information

Within this sample, 1.7% or 2 of the respondents were from companies that had operated for less than 5 years in South Africa, 3.4% or 4 of the respondents from companies that had operated for 5 to 10 years, 18.1% or 21 respondents from companies that had operated for 10 and 20 years and 76.7% or 89 of the respondents from companies that had operated for over 20 years. The sample was also defined by the number of employees that the respondents’ companies had. Six respondents or
5.2% of the sample were from companies that employed less than 50 persons, 8.6% or 10 respondents from companies with 50 to 100 employees, and 86.2% or 100 respondents where from companies that employed over 100 employees.

5.3 Descriptive analysis of SLPs against AA implementation

This section applies frequencies to cross-tabulate the responses from the sample. It relates the six item Likert Scale questions (now reduced into 10 variables) with the 2 scale “Yes/No” responses from the AA antecedents.

Table 6: Descriptive analysis summary

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Response</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Don't know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing People Continuously</td>
<td>No</td>
<td>0%</td>
<td>0%</td>
<td>9%</td>
<td>49%</td>
<td>40%</td>
<td>2%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>1%</td>
<td>0%</td>
<td>15%</td>
<td>52%</td>
<td>30%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1%</td>
<td>0%</td>
<td>13%</td>
<td>51%</td>
<td>34%</td>
<td>2%</td>
<td>100%</td>
</tr>
<tr>
<td>Amicable labour relations</td>
<td>No</td>
<td>9%</td>
<td>42%</td>
<td>18%</td>
<td>38%</td>
<td>14%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>3%</td>
<td>25%</td>
<td>18%</td>
<td>32%</td>
<td>12%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5%</td>
<td>32%</td>
<td>16%</td>
<td>32%</td>
<td>12%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td>Long-term staff retention</td>
<td>No</td>
<td>47%</td>
<td>33%</td>
<td>7%</td>
<td>11%</td>
<td>2%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>31%</td>
<td>37%</td>
<td>8%</td>
<td>14%</td>
<td>8%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>37%</td>
<td>35%</td>
<td>8%</td>
<td>13%</td>
<td>6%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td>Internal succession planning</td>
<td>No</td>
<td>0%</td>
<td>18%</td>
<td>53%</td>
<td>20%</td>
<td>9%</td>
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<td>1%</td>
<td>3%</td>
<td>35%</td>
<td>49%</td>
<td>11%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1%</td>
<td>9%</td>
<td>42%</td>
<td>38%</td>
<td>10%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Ethical behaviour</td>
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<td>4%</td>
<td>7%</td>
<td>31%</td>
<td>56%</td>
<td>0%</td>
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<td>0%</td>
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<td>23%</td>
<td>69%</td>
<td>3%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
<td>26%</td>
<td>64%</td>
<td>2%</td>
<td>100%</td>
</tr>
<tr>
<td>Long-term perspective</td>
<td>No</td>
<td>11%</td>
<td>7%</td>
<td>13%</td>
<td>38%</td>
<td>29%</td>
<td>2%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>1%</td>
<td>3%</td>
<td>10%</td>
<td>35%</td>
<td>48%</td>
<td>3%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5%</td>
<td>4%</td>
<td>11%</td>
<td>36%</td>
<td>41%</td>
<td>3%</td>
<td>100%</td>
</tr>
<tr>
<td>Social responsibility</td>
<td>No</td>
<td>2%</td>
<td>29%</td>
<td>44%</td>
<td>13%</td>
<td>11%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
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<td>11%</td>
<td>38%</td>
<td>41%</td>
<td>7%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3%</td>
<td>18%</td>
<td>41%</td>
<td>30%</td>
<td>9%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Strong shared vision</td>
<td>No</td>
<td>0%</td>
<td>7%</td>
<td>71%</td>
<td>16%</td>
<td>4%</td>
<td>2%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>0%</td>
<td>4%</td>
<td>69%</td>
<td>17%</td>
<td>10%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>0%</td>
<td>5%</td>
<td>70%</td>
<td>16%</td>
<td>8%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td>Stakeholder approach</td>
<td>No</td>
<td>0%</td>
<td>16%</td>
<td>18%</td>
<td>33%</td>
<td>33%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>0%</td>
<td>4%</td>
<td>6%</td>
<td>46%</td>
<td>42%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>0%</td>
<td>9%</td>
<td>10%</td>
<td>41%</td>
<td>39%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td>Devolved consensual decision making</td>
<td>No</td>
<td>20%</td>
<td>27%</td>
<td>18%</td>
<td>24%</td>
<td>11%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>3%</td>
<td>13%</td>
<td>20%</td>
<td>44%</td>
<td>21%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>9%</td>
<td>18%</td>
<td>19%</td>
<td>36%</td>
<td>17%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Sustainable management practices combined</td>
<td>No</td>
<td>2%</td>
<td>11%</td>
<td>33%</td>
<td>47%</td>
<td>7%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>0%</td>
<td>1%</td>
<td>17%</td>
<td>55%</td>
<td>27%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1%</td>
<td>5%</td>
<td>23%</td>
<td>52%</td>
<td>19%</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Developing people continuously

Respondents were asked to rank the extent to which their respective organisations practiced SLP number 1 (SLP 1) which is “Developing people continuously”. Fifty one percent (51%) of the sample agreed that their organisations practiced SLP 1 while 34% strongly agreed.
SLP 1, six item Likert Scale responses (Strongly disagreed, disagreed, neutral, agreed, strongly agreed and Don’t know) were then cross-tabulated against “Yes” or “No” responses obtained from questions asking whether they (respondents) viewed their companies as having implemented AA. Sixty-one percent (61%) of the sample who responded to the statement indicated that they believed that their organisation had positive AA implementation attributes and outputs (had implemented AA), while 39% indicated that their organisations did not have positive AA attributes or outcomes.

**Amicable labour relations**

Amicable labour relations (SLP 2) was the second SLP tested. Most respondents held positive views that their companies practised SLP 2. Fifty-two percent (52%) agreed and 40% strongly agreed with the statement that “Employee representatives are involved in key strategic decisions for the organisation” (which represented SLP 2). Nine percent (9%) of the respondents chose to be neutral to the statement while the remaining 2% did not know.

When the above responses where cross-tabulated with the AA statements (statements across 4 variables that were combined into a single composite variable to measure AA presence in a company), 61% of the sample chose “Yes” indicating that their companies had positive AA attributes and outputs while the remaining 39% indicated otherwise. Seventy three percent (73%) of respondents who agreed that their companies practiced SLP 2 also chose “Yes” when asked if their company had positive AA attributes and outcomes while 71% of those who strongly agreed also chose “Yes” in response to the AA attributes and outcomes question.

Respondents who expressed negative sentiment to the practice of SLP 2 (disagree and strongly disagree) generally selected “No” on the AA attributes and outcomes question with 67% of respondents who strongly disagreed also indicating that there were no positive AA outcomes and attributes in their organisations.

**Long-term staff retention**

Responses to the extent to which companies exhibited Long-term staff relations (SLP 3) were as follows: 37% of the sample strongly disagreed, 35% disagreed and 13% agreed with the statement. Another 8% of the sample was neutral to the statement while 1% of the respondents stated that they did not know. Overall, respondents showed a strong negative perception on the extent to which SLP 3 was practised in their companies. Of the 43 respondents who strongly disagreed that their companies practised SLP 3, 51% stated that their companies had positive AA outputs and
attributes, while 63% of respondents who disagreed with the practice of SLP 3 also stated that their companies had positive AA implementation.

Internal succession planning

Internal succession planning (SLP 4) consisted of 2 statements that were grouped into one variable. These read “Our organisation has a formal succession policy in place” and “Our organisation fills many Leadership positions with candidates from outside the organisation.” Responses to this variable were as follows: 42% were neutral, 38% agreed, 10% strongly agreed, 9% disagreed and 1% strongly disagreed.

Of the respondents who agreed to the existence of SLP 4, 80% also chose the answer “Yes” when asked if their companies had positive SLP attributes and outcomes, while 67% of respondents who “agreed” also stated the presence of AA attributes and output in their companies. Generally, respondents moderately agreed to the existence of SLPs while neutrality was also high at a frequency of 42%.

Ethical behaviour

Sixty-four percent (64%) of the sample strongly agreed that their companies had “… an ethical code of conduct that explains what is expected of all employees”. Twenty-six percent (26%) of the sample agreed with the statement, while the frequencies of those who strongly disagreed, disagreed, were neutral or did not know ranged from 2% to 4%. Respondents thus strongly affirmed the strong presence of SLP 5 (Ethical behaviour).

Sixty-six percent (66%) of the respondents who strongly agreed with the presence of SLP 5 in their companies also submitted that their companies positively exercised AA. Respondents therefore showed positive perceptions that SLP 5 was practised in their companies and that these companies also had positive AA outputs.

Long-term perspective

Long-term perspective (SLP 6) basically referred to a company’s propensity to plan over the long-term period versus the short-term. The statement, “Our decisions in this organisation are made with the long-term view in mind” was presented. Forty-one percent (41%) of the sample strongly agreed with it followed by 36% who agreed, 11% neutral and the remaining response categories with frequencies below 5% each.

Of the 41% of respondents who strongly agreed with the SLP 6 as an independent variable, 72% stated that their organisations had positive AA attributes or outcomes.
compared to 17% of respondents who strongly disagreed about the presence of SLP 6 or a long-term perspective in their companies.

Thus the respondents who viewed SLP 8 as existent in their companies also attested to the existence of AA outputs in their companies.

**Social responsibility**

Social responsibility (SLP 7) related to the degree which a company cares about its broader community. It was assessed through 2 statements that were then grouped into a composite variable. These were, “Our organisation encourages employees to engage in social or community activities during work time” and “In this organisation generating profits and providing jobs is sufficient contribution to the community”.

Most respondents (41%) chose to be neutral to the statements, followed by 30% who agreed, 18% disagreed, 9% who strongly agreed and 3% who strongly disagreed with the statements. Of the 41% who were neutral to the statement, 57% stated that their companies had positive AA outputs and attributes.

**Strong shared vision**

Seventy percent (70%) of the sample indicated neutrality to the statements on strong shared vision which is SLP 8. This was followed by 16% who agreed on the presence of SLP 8 in their companies, 8% who strongly agreed and 5% who agreed. Of the seventy percent (70%) of the sample that indicated neutrality to the existence of SLP 8 in their companies, 63% also indicated the presence of AA output and attributes in their companies.

**Stakeholder approach**

SLP 9 was concerned with how an organisation related with its stakeholders –the stakeholder approach. Question 14 on the questionnaire was posed to measure SLP 9 as an independent variable. Forty-one percent (41%) of the sample agreed that indeed their organisations worked “closely with employees customers suppliers the community and other stakeholders.” They were followed by 39% who strongly agreed, 10% who were neutral and 9% who disagreed on the presence of SLP 9 in their organisations. Sixty-nine percent (69%) of those who agreed that their organisations exercised SLP 9 also acknowledged that their companies had positive AA output and attributes.

The responses above showed that most respondents from the sample had a positive view on the existence of SLP 9 in their companies.
Devolved consensual decision making

Devolved consensual decision (SLP 10) as a variable measured whether organisational decisions were centred on managers or involved a level of consent within the organisation (Avery & Bergsteiner, 2011). Three questions were posed to assess the values of these variables these are Questions 17, 18 and 19 on the questionnaire.

The responses from the questions were grouped into a single variable with the following observed frequencies: 36% agreed that their organisations exercised SLP 10; 19% expressed neutrality to the statement, 18% disagreed with it, 17% strongly agreed and 9% strongly disagreed with the statement. Of the 36% who agreed with the statement, 74% stated that their companies also practiced AA or had positive AA outputs and attributes. There was thus a moderate level of agreement to the existence of SLP 10 amongst the sample.

5.4 Descriptive analysis conclusion

To conclude on the descriptive analysis results discussed above, most respondents (at least 50%) expressed a positive sentiment towards 6 of the SLPs (independent variables) as measured by the summation of two positive response categories, that is “Agree” and “Strongly agree”. Table 7 below shows this.

Table 7: Positive sentiments of SLPs

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Variable</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>% of positive sentiment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Long-term perspective</td>
<td>31%</td>
<td>56%</td>
<td>87%</td>
</tr>
<tr>
<td>2</td>
<td>Internal succession planning</td>
<td>20%</td>
<td>9%</td>
<td>83%</td>
</tr>
<tr>
<td>3</td>
<td>Long-term staff retention</td>
<td>13%</td>
<td>6%</td>
<td>83%</td>
</tr>
<tr>
<td>4</td>
<td>Strong shared vision</td>
<td>41%</td>
<td>7%</td>
<td>77%</td>
</tr>
<tr>
<td>5</td>
<td>Ethical behaviour</td>
<td>38%</td>
<td>29%</td>
<td>67%</td>
</tr>
<tr>
<td>6</td>
<td>Amicable labour relations</td>
<td>49%</td>
<td>11%</td>
<td>61%</td>
</tr>
<tr>
<td>7</td>
<td>Developing People Continuously</td>
<td>20%</td>
<td>9%</td>
<td>48%</td>
</tr>
<tr>
<td>8</td>
<td>Devolved consensual decision making</td>
<td>44%</td>
<td>21%</td>
<td>36%</td>
</tr>
<tr>
<td>9</td>
<td>Social responsibility</td>
<td>16%</td>
<td>8%</td>
<td>24%</td>
</tr>
<tr>
<td>10</td>
<td>Stakeholder approach</td>
<td>44%</td>
<td>21%</td>
<td>20%</td>
</tr>
</tbody>
</table>
On the exercise of AA, 61% of the sample indicated that their organisation practiced AA or had AA attributes while 39% refuted the same. Further statistical analysis was done to find other relationships that the cross-tabulated frequencies could not reveal and also to test underlying hypothesis. These are presented in the next section.

5.5 Inferential statistical analysis

Correlation analysis

Kendall's Tau c test was conducted to determine underlying relationships between the independent variables (SLPs) and the dependent variable, AA. Table 9 below shows the results of this test.

<table>
<thead>
<tr>
<th>SLP</th>
<th>Independent variable</th>
<th>Kendall Tau c</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLP 1</td>
<td>Developing people continuously</td>
<td>-.143</td>
<td>.123</td>
</tr>
<tr>
<td>SLP 2</td>
<td>Amicable labour relations</td>
<td>.266</td>
<td>.006</td>
</tr>
<tr>
<td>SLP 3</td>
<td>Long-term staff retention</td>
<td>.097</td>
<td>.006</td>
</tr>
<tr>
<td>SLP 4</td>
<td>Internal succession planning</td>
<td>.316</td>
<td>.001</td>
</tr>
<tr>
<td>SLP 5</td>
<td>Ethical behaviour</td>
<td>.180</td>
<td>.042</td>
</tr>
<tr>
<td>SLP 6</td>
<td>Long-term perspective</td>
<td>.251</td>
<td>.010</td>
</tr>
<tr>
<td>SLP 7</td>
<td>Social responsibility</td>
<td>.236</td>
<td>.017</td>
</tr>
<tr>
<td>SLP 8</td>
<td>Strong shared vision</td>
<td>.060</td>
<td>.475</td>
</tr>
<tr>
<td>SLP 9</td>
<td>Stakeholder approach</td>
<td>.220</td>
<td>.026</td>
</tr>
<tr>
<td>SLP 10</td>
<td>Devolved consensual decision making</td>
<td>.359</td>
<td>.000</td>
</tr>
</tbody>
</table>

Devolved consensual decisions making (SLP 10) had the strongest relationship with AA ($r = 0.359$, $p < 0.05$), followed by Internal succession planning (SLP 4) with a test score of 0.316 at a 0.001 level of significance ($r = 0.316$, $p < 0.05$) and Amicable labour relations (SLP 2) with a score of 0.266 at a 0.006 level of significance ($r = 0.266$, $p < 0.05$).

i. Very weak positive relationships

SLP 3-Long-term staff retention ($r = 0.097$, $p < 0.05$) and SLP 5-Ethical behaviour ($r = 0.18$, $p < 0.05$) were interpreted as showing a very weak positive correlation with the dependant variable AA.

ii. Fairly weak positive relationships

Amicable labour relations ($r = 0.266$, $p < 0.05$), Internal succession planning ($r = 0.316$, $p < 0.05$), Long-term perspective ($r = 0.251$, $p < 0.01$), SLP 7-Social responsibility ($r = 0.236$, $p < 0.017$)
0.236, \( p < 0.05 \), SLP 9-Stakeholder approach (\( r = 0.22, p < 0.026 \)) all had a Kendall’s Tau C between 0.02 and 0.05 and were interpreted as having a positive fairly weak and significant correlations with the dependant variable.

iii. Low level of confidence relationships

SLP 1 - Developing people continuously (\( r = -0.143, p > 0.05 \)) and SLP 8-Strong shared vision (\( r = 0.06, p > 0.05 \)) both had a significance level above 0.05 set for the study and were both deemed to have a rather insignificant relationship with the independent variable AA.

Accounting for compounding variables

Table 9 shows a Multiple Analysis of Covariance (MANCOVA) test done to determine whether length of service and number of employees were interfering with the results of the Kendall’s Tau c above (table 8). The significance level was \( p < 0.05 \) indicating a 95% confidence level that the changes in the dependent variable can be explained only by the independent variable and not the confounding factors discussed above. This tests added reliability to the results from the Kendall’s Tau c test above.

### Table 9: Analysis of Covariance (ANOVA)

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>5.263(^{a})</td>
<td>6</td>
<td>.877</td>
<td>4.292</td>
<td>.001</td>
</tr>
<tr>
<td>Intercept</td>
<td>.819</td>
<td>1</td>
<td>.819</td>
<td>4.005</td>
<td>.048</td>
</tr>
<tr>
<td>LengthSAops</td>
<td>.309</td>
<td>1</td>
<td>.309</td>
<td>1.513</td>
<td>.221</td>
</tr>
<tr>
<td>No_Employees</td>
<td>.662</td>
<td>1</td>
<td>.662</td>
<td>3.241</td>
<td>.075</td>
</tr>
<tr>
<td>ALLSLP</td>
<td>3.586</td>
<td>4</td>
<td>.896</td>
<td>4.385</td>
<td>.003</td>
</tr>
<tr>
<td>Error</td>
<td>22.280</td>
<td>109</td>
<td>.204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Corrected</td>
<td>329.000</td>
<td>116</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>27.543</td>
<td>115</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. R Squared</td>
<td>.191 (Adjusted R Squared = .147)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent Variable: All AA variables combined</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.6 Hypotheses testing

The hypotheses of the study were tested using the Kendall’s Tau c tests.
5.6.1 Hypothesis One

Hypothesis one stated that there is a weak positive relationship between SLPs (independent variables) and AA implementation (dependant variable). The null hypothesis stated that, there is No weak positive relationship between SLPs (independent variables) and AA implementation (dependant variable).

Table 10: Hypothesis One Kendall’s Tau c test

<table>
<thead>
<tr>
<th>Tests</th>
<th>Correlations</th>
<th>All AA variables combined</th>
<th>SLPs combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kendall's tau_c</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
<td>.336**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>116</td>
<td>116</td>
</tr>
<tr>
<td></td>
<td>Correlation Coefficient</td>
<td>.336**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>116</td>
<td>116</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.05 level (2-tailed).

It was concluded with a 95% degree of confidence that the relationship between SLP and AA implementation is weak \((r = 0.336, \ p < 0.05)\). When individually-tested, Hypothesis One also showed that the 10 SLPs had a weak to fairly weak relationship with the grouped variable AA implementation (outcomes and attributes).

The null hypothesis that there is a no weak positive relationship between SLPs (independent variables) and AA implementation (dependant variable) was therefore rejected.

5.6.2 Hypothesis Two

The second hypothesis was that SLP variables that influence the implementation of AA are not of equal importance. The null hypothesis was that SLP variables that influence the implementation of AA are of equal importance.

This hypothesis was tested through a comparison of the Kendall’s Tau c of all the SLPs and ranking the correlational coefficients.
Table 11: Ranking SLPs by correlation with AAI

<table>
<thead>
<tr>
<th>SLP</th>
<th>Independent variable</th>
<th>Kendal Tau C</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLP 10</td>
<td>Devolved consensual decision making</td>
<td>.359</td>
<td>.000</td>
</tr>
<tr>
<td>SLP 4</td>
<td>Internal succession planning</td>
<td>.316</td>
<td>.001</td>
</tr>
<tr>
<td>SLP 2</td>
<td>Amicable labour relations</td>
<td>.266</td>
<td>.006</td>
</tr>
<tr>
<td>SLP 6</td>
<td>Long-term perspective</td>
<td>.251</td>
<td>.01</td>
</tr>
<tr>
<td>SLP 7</td>
<td>Social responsibility</td>
<td>.236</td>
<td>.017</td>
</tr>
<tr>
<td>SLP 9</td>
<td>Stakeholder approach</td>
<td>.22</td>
<td>.026</td>
</tr>
<tr>
<td>SLP 5</td>
<td>Ethical behaviour</td>
<td>.18</td>
<td>.042</td>
</tr>
<tr>
<td>SLP 3</td>
<td>Long-term staff retention</td>
<td>.097</td>
<td>.006</td>
</tr>
<tr>
<td>SLP 9</td>
<td>Strong shared vision</td>
<td>.06</td>
<td>.475</td>
</tr>
<tr>
<td>SLP 1</td>
<td>Developing people continuously</td>
<td>-.143</td>
<td>.123</td>
</tr>
</tbody>
</table>

The null hypothesis that SLP variables that influence the implementation of AA are of equal importance is rejected based on the observation that at a significance level less than 0.05, \( p < 0.05 \), Devolved consensual decision making \( r = 0.359 \), Internal succession planning \( r = 0.316 \), Amicable labour relations \( r = 0.266 \), Long-term perspective \( r = 0.251 \), Social responsibility \( r = 0.236 \) are the most important variables ranked by Kendall's Tau c correlation coefficients. Thus there is an observable order of importance amongst SLPs despite their general weak relationships with the dependant variable.

5.6.3 Hypothesis Three

Hypothesis three tested the strength of the relationship between company size as measured by the number of employees (independent variable) and the implementation of AA. Hypothesis three (and its null hypothesis below it) read,

**Ho3:** There is a positive relationship between the size of a company as measured by the number of employees and Affirmative Action implementation.

**Ha3:** There is no relationship between the size of a company as measured by the number of employees and Affirmative Action implementation.

It was tested using the same correlation method applied to test the first two hypotheses. Table 12 below shows the results of the statistical tests conducted.
Table 12: Hypothesis 3 test results

<table>
<thead>
<tr>
<th>Nominal by Nominal</th>
<th>Phi</th>
<th>Value</th>
<th>Asymp. Std. Error</th>
<th>Approx. T</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cramer's V</td>
<td>.270</td>
<td></td>
<td></td>
<td>.015</td>
</tr>
<tr>
<td>Ordinal by Ordinal</td>
<td>Kendall's tau-b</td>
<td>.234</td>
<td>.091</td>
<td>2.366</td>
<td>.018</td>
</tr>
<tr>
<td></td>
<td>Kendall's tau-c</td>
<td>.160</td>
<td>.068</td>
<td>2.366</td>
<td>.018</td>
</tr>
<tr>
<td></td>
<td>Spearman Correlation</td>
<td>.237</td>
<td>.092</td>
<td>2.609</td>
<td>.010 c</td>
</tr>
<tr>
<td>Interval by Interval</td>
<td>Pearson's R</td>
<td>.191</td>
<td>.096</td>
<td>2.074</td>
<td>.040 c</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td></td>
<td>116</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of all the correlations above show that there is a weak, positive relationship between the size of a company as measured by the number of employees and the implementation of AA. As company size or the number of employees increase, the exhibits of AA implementation also increase although by a small proportion. The null hypothesis that there is NO relationship between the size of a company as measured by the number of employees and Affirmative Action implementation was therefore rejected as $r = 0.16, p < 0.05$.

5.7 Summary

The findings from the descriptive tests showed that respondents generally expressed positive views that their organisations practised SLPs. Furthermore respondents also indicated that AA implementation was practised in their various companies. However major inconsistencies found were that respondents who either strongly agreed or disagreed that SLPs were practised did not generally agree that AA was being implemented in their companies indicating that AA implementation might be more as a result of other forces rather than SLPs.

In the inferential statistics section that the null hypothesis that there is no weak positive relationship between SLPs (independent variables) and AA implementation and outcomes (dependant variable) was rejected; The null hypothesis that SLPs were of equal importance in their relationship with AA was also rejected. The null hypothesis that there is NO relationship between the size of a company as measured by the number of employees and Affirmative Action implementation was therefore rejected.
6. CHAPTER SIX: DISCUSSION OF RESULTS

Introduction

This chapter gives a detailed discussion of the statistical findings from chapter five and links these findings to the study objectives, research questions, hypotheses and the literature review. The study’s main focus was to achieve three main objectives through providing answers to three objective-related questions. The objectives were:

- To identify the relationship between SLPs and AA implementation in South African private businesses.
- To determine the SLPs that are considered as the most important ones within the SLP and AA implementation relationship;
- To understand the relationship between company size, as determined by the number of employees and AA implementation.

These objectives gave rise to the following research questions that were converted to three hypotheses, one testing the aspects of each research question. The study also produced interesting descriptive statistics relating to the three research questions.

6.1 OBJECTIVE ONE: The relationship between SLPs and AA implementation

The study assessed the relationship between SLPs and AA implementation first on a factor-by-factor basis where the individual correlations between SLPs as independent variables and AA as dependent variables were measured.

Established relationships

In addition to classifying the relationships between SLPs and AAI by correlational strengths, it was also possible to classify the same relationships by possible behaviour. Descriptive statistical analysis showed four general behavioural categories amongst respondents:

i. Companies that exercised SLPs and had AAI.
ii. Companies that exercised SLPs and had no AAI.
iii. Companies that did not exercise SLPs and had AAI.
iv. Companies that did not exercise SLPs and had no AAI.

These relationships were achieved by taking the cases of respondents and summing them as follows:
**AA Implementation**

“Yes” option on questionnaire = Yes (on matrix)

“No” option on questionnaire = No (on matrix)

**SLPs presence**

Agreed and Strongly Agreed = Yes

Disagree and Strongly Disagree = No

**Note:** Cases of respondents who chose to be neutral or did not know how to respond were excluded.

Figure 5 below summarises the above relationships into a single four-grid matrix.

**Figure 5: Matrix - SLP and AAI**

- The upper left quadrant consist of companies where SLPs were present and had implemented AA in the eyes of the respondents. These companies present a probability that AAI can be achieved as a result of internal forces generated by SLPs. Kantabutra and Avery (2013) in their research with Siam Cement Group concluded that organisations with SLPs performed better than their
counterparts. Companies represented in this quadrant are likely to outperform other private companies who do not use SLPs.

- The lower left quadrant represents companies that had implemented AA but had no SLPs in operation. These lead to the suggestion that external forces other than SLPs can have a strong influence of companies leading them to implement AA. They also showed that SLPs were not indispensable and ultimate in the implementation of AA. Companies in this quadrant are similar to the ones noted by (Kurtulus, 2016) in America whose compliance and AA implementation were driven by fear of penalties for non-compliance, financial and future business.

- The upper right quadrant consists of companies that had SLPs in place but no AAI. These companies view AAI as an unsustainable practice. Resistance was suggested as the main reason for AAI absence.

- The lower right quadrant presents companies that neither had SLPs in place or AAI. This supports the argument by Tideman et al., (2013) that a lot of companies are sometimes embroiled in the ‘business as usual’ approach hence the use of SLPs is not considered important to such companies. Furthermore, literature argued that there are some strong sentiments from some private organisations as they feel that AA is interference by the state or government hence such companies represented in this quadrant are likely not to comply (Hall & Woermann, 2012).

The upper right quadrant where companies had SLPs in place and also had AAI was the ideal condition hypothesized by the study. A recent study by Lee (2017) concluded that SLPs explained a significant variance of diverse aspects of organizational effectiveness when practised. However, the author argued for further research in the realm of SLP.

### 6.2 OBJECTIVE TWO: SLPs rank importance in AA implementation

The second objective of the study was to rank the various different SLPs by importance in relation to how they affect AA implementation. Dealing with a fairly large number of independent variables, it was deemed crucial to identify the most important ones in order to assists management and private organisations to focus on what works best. This is also supported by Suriyankietkaew and Avery (2014) who argued that “A major managerial implication is that understanding the contribution of particular practices to stakeholder satisfaction can assist business owners, entrepreneurs, HR directors and
managers in prioritising management practices that could notably affect their business success" (p. 256).

In the descriptive statistics section, SLPs were ranked by positive sentiment expressed by respondents (strongly agree and agree). This ranking presented slightly different results with the hypothesis testing ranking because the latter focused on the strength of the relationship between SLPs and AA while the former was concerned about sentiments on SLPs regardless of their strength in the relationship between SLPs and AA implementation. Table 13 below ranked SLPs by “Strongly agree” as a response.

Table 13: SLP ranking by "Strongly agree"

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Variable</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Long-term perspective</td>
<td>56%</td>
</tr>
<tr>
<td>2</td>
<td>Ethical behaviour</td>
<td>29%</td>
</tr>
<tr>
<td>3</td>
<td>Devolved consensual decision making</td>
<td>21%</td>
</tr>
<tr>
<td>4</td>
<td>Stakeholder approach</td>
<td>21%</td>
</tr>
<tr>
<td>5</td>
<td>Amicable labour relations</td>
<td>11%</td>
</tr>
</tbody>
</table>

The above ranking indicates that four of the five SLPs ranked by correlation were also considered to be highly observable in the respondents' organisations with Long-term perspective being ranked top. Suriyankietkaew and Avery (2014) support these results by arguing that sustainable leadership creates long-term corporate performance and resilience. As the study was able to rank SLPs that affected AA implementation by importance, and as Likert scale responses showed that respondents “strongly agreed” that their organisations exhibited most of the high ranked SLPs, organisations had the necessary SLPs to implement AA and therefore AA implementation was expected to score higher.

**Devolved consensual decision making**

Devolved consensual decision making appears to have the strongest correlation with AA implementation. Avery and Bergsteiner (2011) stressed the importance of devolved consensual decision-making in producing more acceptable decisions. Devolved decision-making is considered critical in areas where common agreement may be lacking and were imposed actions may have strong severities. These kinds of situations appear to suit the AA environments were resistance and disagreement are commonplace especially by the groups who believe that AA indirectly punishes them...
for belonging to a particular demography while rewarding other groups on non-merit basis (Haynes & Alagaraja, 2016).

It is therefore of no surprise that the results show that devolved decision-making is a high ranking SLP in the SLP/AAI relationship as it is possible that consent amongst smaller groups within organisations may resolve resistance and encourage management to implement AA more widely. A reminder that whilst devolved consensual management ranks first in the relationship, it is still exhibits a fairly weak relationship with AA.

**Internal succession planning**

The findings also indicated that internal succession planning is an important SLP in the studied relationship between SLPs and AA. Organisations with a strong internal succession planning aspect tended to have a positive, fairly weak, albeit high ranking correlation between SLPs and AA. Internal succession planning generally affords an organisation a chance to gradually and sustainably plan for the upliftment of persons of identified in AA categories.

Succession planning encourages recruitment for higher posts from within and also considered the possibilities of gradually uplifting previously disadvantaged groups while ensuring that organisational performance is not compromised (Kantabutra & Avery, 2013). It is considered an answer to challenges associated with abrupt promotions that may compromise performance (Roman & Mason, 2015).

**Amicable labour relations**

Amicable labour relations also ranked high in importance in the relationship between SLPs as independent variables and AA implementation as an independent variable. It had a positive correlation of \( r = 0.266, p < 0.05 \) which is the third largest amongst the studied independent SLP variables.

A positive relationship amongst organisational members will generally require a positive perception on the levels of organisational members’ equality. By encouraging amicable labour relations, organisations can improve effectiveness and efficiency at the same time strengthening competitiveness and promote organisational sustainability (Suriyankietkaew & Avery, 2014).

**Long-term perspective**

With a correlation coefficient of \( r = 0.251 (p < 0.05) \), long–term perspectives ranks as the fourth most important SLP out of the ten SLPs considered for the study. Long term
perspective as an SLP focuses on long-term rather than on immediate short-term profits that may however have a negative impact on the organisation later on (Kantabutra & Avery 2013). The long-term survival perspective is enhanced by the ability of the organisation to consider other stakeholders (Guamba, 2016). It follows that while unequal opportunities in organisations may generally not have an immediate term negative impact, it might not be so in the long term.

Strategic planning as a more comprehensive planning strategy is more likely to embrace AAI, firstly because it affords the organisation adequate planning on AAI and secondly because in addition to focusing on the internal environment, it also focuses on the external environment that includes the regulatory environment. The latter creates risks for non-compliance which strategic planning generally attempts to counterbalance.

**Social responsibility**

The study also ranked social responsibility as an important SLP in relation to AA implementation with a correlation coefficient \( r = 0.236 \) \((p < 0.05)\). Bergsteiner and Avery (2010) argue that an entity with a high sense of social responsibility generally value people within the organisation. Such a sense of value is likely to encourage community upliftment both from inside an outside the organisation and AA may be one initiative amongst many to uplift persons from within. The relationship between social responsibility and AA implies that AA might be considered as an act of benevolence and community responsibility that exists outside the bounds of meritocracy. Several authors including (Haynes & Alagaraja, 2016) criticise this approach.

Lee (2017) found that SLPs significantly influenced varying aspects of organisational effectiveness and performance in a study the author undertook. However, as in this study, the author also found that different SLPs influenced organisational effectiveness in different ways and degrees.

6.3 **OBJECTIVE THREE: the effects of company size on AA.**

The third objective of the study was to determine the effect of company size, as measured by the number of employees on the implementation of AA.

**AA Implementation and company size**

Figure 7 below links the percentage of respondents who indicated the existence of SLPs in their organisations and also the absence of AA implementation in the same
organisations broken down by company size. The weak relationship is confirmed as 39% of respondents who were positive (agreed and strongly agreed) about the existence of SLPs in their companies also indicated the absence of AA.

In the study, small ventures with less than 50 employees indicated the presence of AAI while entities with 50 - 100 employees exhibited a very low uptake of AAI. This is contrary to the finding by Moyo (2009) who argued that AAI is viewed with strong negativity by small, micro and medium enterprises (SMMEs) as they do not see it direct benefits to them and they also see it as an additional administrative and compliance burden. Sanchez (2011) also supported this notion by noting that the compliance is mainly a challenge in smaller firms due to lack of knowledge coupled with the difficulties in setting up an effective compliance framework. The result of the study is contrary to the established literature as it seems smaller organisations are implementing AA compared to larger organisations (50 - 100).

**Figure 6: Affirmation levels- SLP and AAI by company size**

![Graph showing affirmation levels for SLP and AAI by company size]

Perhaps the view by Sanchez (2011) could help to explain the low AAI by larger firms. Sanchez discusses the view that large corporations sometimes face challenges in getting qualified previously disadvantaged personnel into management and senior teams. This results in a low level of implementation of AA as noticed from Figure 7 above. He further noted that for the sake of sustainability, some companies prefer paying non-compliance fees than engaging unskilled labour.
Kruger (2014) argues that low AAI by large firms (and by some smaller firms) may simply be as a result of resistance to equality initiatives that include the Broad-based Black Economic Empowerment (BBBEE). Small enterprises may also be exempt from some BBBEE requirements hence may not implement AA as a result of these exemptions as evidenced by the compliance requirements within the Employment Equity Act of 1998.

**Sustainable Leadership Practices in the context of company size**

The relationship between SLPs and company size was also indirectly scrutinised in the testing of the relationship between company size as measured by the number of employees and AA implementation. The logic for this scrutiny was based on the fact that in the document, a theoretical argument that SLPs determined the extent of AA implementation was developed with the hypotheses being tested against this argument. Figure 8 below shows the relationship between company size and AA implementation via SLPs as argued.

**Figure 7: Correlations: Number of employees, SLP and AA**

Figure 8 shows that there is a weak positive correlation of 0.16 ($p < 0.05$) between company size and AAI. There is however a 0 correlation coefficient between Company size and SLP implementation (with a level of significance above 0.05 which highlights insignificance in this test). This statistically proves that company size does not have much of an impact on the presence of SLPs. SLPs can be found in a company of any size regardless.

Importantly, it shows that the strength of the relationship between company and AAI is more affected by other factors outside the studied relationship than by SLPs. Suriyankietkaew and Avery (2016) found the presence of SLPs in small to medium
enterprises (SMEs) thus indicating that even is smaller firms, SLPs can be found to exist as much as in bigger firms.

6.4 Hypotheses testing

The statistical processes that were employed in the data analysis were able to meet the objectives of the study first through describing the relationships through descriptive statistical techniques and secondly through inferential statistics that tested hypotheses developed from the literature. The tested hypotheses are discussed further below.

6.4.1 Hypothesis One

Hypothesis one was tested in line with the objective of determining the relationship between SLPs and AAI was as follows:

H1: There is a weak positive relationship between SLPs (independent variables) and AA implementation and outcomes (dependent variable).

It also combined all the SLPs into a composite variable whose correlation with AA was also measured. Figure 9 below depicts this relationship.

**Figure 9: AA versus SLP composite variable**

A positive correlation of 0.336 (Kendall’s tau c) was observed between SLPs as independent variables and AA as the dependent variable. This means that only 33.6% of the change in the dependent variable was accounted by the independent variable. This shows a weak relationship between SLPs and AA implementation leading to the conclusion that the implementation of AA in an organisation can also be accounted for by various other exogenous factors and like in any other study, a reasonable error margin.
Going back to the literature, various authors discussed the strong influence that legal forces had on the implementation of AA. Oosthuizen and Naidoo (2010) stated that businesses do not have much internal choice when it comes to AA as the external legal environment practically forces its implementation.

The King Code of Governance IV (2016) and the Employment Equity Act were cited as important pieces of legislation that enforced AA implementation in organisations in South Africa. As it where, AA is widely a matter of compliance in South Africa as well as in the Indian, American and Brazilian cases discovered in the literature review (Cicalo, 2014; Haq, 2014; Kurtulus, 2016; Rich, 2013).

The weak relationship observed above can also be explained by the view that some organisations may not view AA as sustainable and may prefer to suffer the risks of not implementing it (Sanchez, 2011). This view suggests that some organisations therefore viewed AA as an unsustainable option towards the realisation of the generic outcomes of sustainability.

This null hypothesis read as follows:

\[ H_{1_0} : \text{There is a no weak positive relationship between SLPs (independent variables) and AA implementation and outcomes (dependent variable).} \]

This was rejected based on the Kendall’s Tau c correlation coefficient \( r = 0.336, p < 0.05 \) that indicated the presence of a positive relationship between SLP and AAI.

### 6.4.2 Hypothesis Two

The rationale behind hypothesis two was to enable the researcher to assess whether there are some SLPs that can be deemed to be more important than others in the relationship between SSLPs and AAI. Hypothesis two read as follows:

\[ H_{2_a} : \text{Sustainable Leadership Practice variables that influence the implementation of AA are not of equal importance (some factors are more important than others and factors can be ranked by order of importance).} \]

Figure 10 below shows the SLPs ranked by order of the correlational strength of their relationships with the dependent variable, AA.
The hypothesis testing process identified the above SLPs as ranking higher than others. The Kendall’s Tau c correlational coefficients were used to rank the SLPs in order of correlational strength with AAI. The process showed that devolved consensual decision making ranked highest within this relationship ($r = 0.359$, $p < 0.05$), followed by internal succession planning ($r = 0.316$, $p < 0.05$) and so on. The null hypothesis that stated that these SLPs affected AA implementation equally was rejected.

The ranking of SLPs by importance is neither new nor scarce in literature (Zulkifli, 2016). SLPs ranked differently depending on the nature and type of assessment they are put under. Identifying the most important SLPs for a particular situation is critical for change management as the most deterministic SLPs for that particular change can be identified and deployed. This enhances the chance of achieving required change benefits. Suriyankietkaew and Avery (2014) supported this notion arguing that businesses must understand the contribution of particular SLPs and how they can assist business.

### 6.4.3 Hypothesis Three

The following hypothesis and null hypothesis were tested on the relationship between company size and AA implementation:

**H3a**: There is a positive relationship between the size of a company as measured by the number of employees and AA implementation.
H3: There is no relationship between the size of a company as measured by the number of employees and AA implementation.

Whilst the hypothesis test results were consistent with what the researcher expected, (the existence of a relationship between company size and AAI), the strength of the relationship was much lower than expected. Given that discussions in the literature indicated that as firms employ more and more employees, pressures on equality issues seem to increase due to increased company visibility and increased public scrutiny (Madhani, 2016). A correlation coefficient within a range of \( r = 0.45, \ p < 0.05 \) to \( r = 0.6, \ p < 0.05 \) was expected and this would have indicated a moderate to strong relationship between number of employees and AA.

Further to that, the possible effects of the Employment Act (1998) were expected to create a strong relationship between company size and AAI given that designated employers (companies employing 50 employees or more according to the Act) are expected to implement AA measures. The Employment Equity Act (1988) places more reporting responsibilities on designated employers than on smaller companies. This distinction in the compliance requirements of the Employment Equity Act (1998) was not clearly visible in the results of the study.

**Figure 11: Employee numbers against AAI descriptive**

![Diagram showing employee numbers against AA implementation]

With a Kendall’s Tau c correlation coefficient of \( r = 0.16, \ p < 0.05 \), the null hypothesis was rejected.

**6.4.4 Summary**

Chapter six provided an interpretation of results obtained through statistical data analysis in Chapter five. The results showed that there was a positive relationship
between SLPs and AA implementation but the relationship was generally weak. All the ten SLPs studied had positive correlations with AAI. Through frequency cross-tabulations, three behaviour patterns were noticed in this relationship and these were drafted into a four-quadrant matrix (figure 5) that showed that some AAI may be present in organisations regardless they had or did not have SLPs. Additionally, the presence of SLPs did not always translate into AAI.

The matrix prompted possible conclusions that the external environment might have played a greater role in motivating AAI than SLPs and that some organisations might have viewed AAI as an unsustainable practice. The study also proved that SLPs affected AAI at different correlational strengths that could be used to rank the importance of each SLP in affecting AAI. The effect of company size was also discussed and it was concluded from the studies and from some literature that AAI had a positive relationship with company size though this was not as strong as envisaged.

The study showed that AAI from within the firm without any external forces (mainly legal and political) might be a challenge in South Africa. The study was able to achieve its intended objectives.
7. CHAPTER 7: CONCLUSION

The purpose of this research was to establish the SLPs that are related to the implementation of AA in South African private companies. This chapter reviews the major findings of this research and also highlights the theoretical findings, the practical implications for managers responsible for AA in private organisations and limitations of the research. Future research related to the studied topic was also recommended.

7.1 Principal findings

7.1.1 Research objective one

The first objective of this research was to identify the relationship between SLPs and AAI. It was found that SLPs 10, 4, 2, 6, 7, and 9 had a fairly weak but positive relationship with the implementation of AA. SLP 5 and 3 had a very weak but positive relationship. SLPs 9 and 1 had a low level of confidence (insignificant relationship).

Table 14: Ranking SLPs by relationship with AAI

<table>
<thead>
<tr>
<th>SLP</th>
<th>Independent variable</th>
<th>Kendall Tau C</th>
<th>Approx. Sig.</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLP 10</td>
<td>Devolved consensual decision making</td>
<td>0.359</td>
<td>0.000</td>
<td>Fairly weak positive relationship</td>
</tr>
<tr>
<td>SLP 4</td>
<td>Internal succession planning</td>
<td>0.316</td>
<td>0.001</td>
<td>Fairly weak positive relationship</td>
</tr>
<tr>
<td>SLP 2</td>
<td>Amicable labour relations</td>
<td>0.266</td>
<td>0.006</td>
<td>Fairly weak positive relationship</td>
</tr>
<tr>
<td>SLP 6</td>
<td>Long-term perspective</td>
<td>0.251</td>
<td>0.01</td>
<td>Fairly weak positive relationship</td>
</tr>
<tr>
<td>SLP 7</td>
<td>Social responsibility</td>
<td>0.236</td>
<td>0.017</td>
<td>Fairly weak positive relationship</td>
</tr>
<tr>
<td>SLP 9</td>
<td>Stakeholder approach</td>
<td>0.22</td>
<td>0.026</td>
<td>Fairly weak positive relationship</td>
</tr>
<tr>
<td>SLP 5</td>
<td>Ethical behaviour</td>
<td>0.18</td>
<td>0.042</td>
<td>Very weak positive relationship</td>
</tr>
<tr>
<td>SLP 3</td>
<td>Long-term staff retention</td>
<td>0.097</td>
<td>0.006</td>
<td>Very weak positive relationship</td>
</tr>
<tr>
<td>SLP 9</td>
<td>Strong shared vision</td>
<td>0.06</td>
<td>0.475</td>
<td>Low level of confidence</td>
</tr>
<tr>
<td>SLP 1</td>
<td>Developing people continuously</td>
<td>-0.143</td>
<td>0.123</td>
<td>Low level of confidence</td>
</tr>
</tbody>
</table>
7.1.2 Research objective two

The second objective of this research was to rank the SLPs in order of their relationship with AA implementation. The study found that there are some SLPs that are more important in influencing the implementation of AA. This study managed to rank the SLPs (listed below) in order of importance (concentrating mainly on the top 5 most influential practices). Suriyankietkaew and Avery (2014) argued that it is important to understand the contribution of particular SLPs to organisations and prioritise them based on how they affect business success.

- Devolved consensual decision-making
- Internal succession planning
- Amicable labour relations
- Long-term perspective.
- Social responsibility

7.1.3 Research objective three

The third objective of this research was to establish the relationship between company size, as determined by the number of employees and AAI. The study found that there was a positive relationship between company size and AAI. However, this relationship was much weaker than expected.

The study also found that companies that were expected to be implementing AA based on the compliance expectations of the Employment Equity Act (1998) were not implementing AA. Smaller companies of less than 50 employees seemed to fare well in the implementation of AA. As noted in the literature, this was contrary to the finds of authors such as by Moyo (2009) and Sanchez (2011) who argued for strong negativity by small, micro and medium enterprises (SMMEs) arguing that such companies did not see the benefits of AAI and lacked resources.

7.2 Implications for management

The study findings have the following implications for management:

Management should acknowledge that SLPs aid in the implementation of AA. However, as discussed in section 6.2 the SLPs researched in this study are not equally important in influencing the implementation of AA. Some SLPs though fairly weak in their influence to the implementation of AA as discussed in section 7.1.1 and 7.1.2 are important. SLPs such as devolved consensual decision-making, internal succession...
planning, amicable labour relations, long-term perspective and social responsibility are more important than others and should be implemented in organisations looking to successfully implement AA hence there is greater need by leaders to enhance and strengthen these practices in their organisations. This argument was supported by authors such as Suriyankietkaew and Avery (2014) who noted that sustainable leadership creates long-term corporate performance and resilience.

7.3 Implications for theory

The above findings contributes to the Sustainable Leadership and AA theory realm and also concurs with the findings and theory by (Avery & Bergsteiner, 2011; Francis & Tannuri-Pianto, 2012; Kantabutra & Avery, 2013; Suriyankietkaew & Avery, 2014; Tideman, Arts & Zandee, 2013) that SLPs can lead to organisational success and profitability. This suggests that despite the generally weak influence, SLPS are still confirmed to influence AAI positively.

The study also found that some companies did not implement AA, much as they were designated employers who are expected to implement and report on AA through legislative compliance. Such results concur with authors who argued that some companies feel that AA is government or state imposed but is not sustainable (Haq, 2014; Kurtulus, 2016; Roman & Mason, 2015).

7.4 Limitations of the study

a) This study sample was drawn from South African private businesses hence the results of the research cannot be assumed to be applicable in other organisations such as non-profit entities;

b) Cross-sectional study - the research could not study the variables over time as the study was cross-sectional in nature. AA policies as well as SLPs are variables that change over time and the research could measure these time-related changes.

c) The use of a quantitative research design, with close-ended questions might have deprived the study of the ability to measure more subjective and unconstrained feelings and perceptions especially on AA which, as was shown in the review of literature, appears to be a contentious issue.

d) The study also applied a non-probability sampling technique. This was because the population of all private companies in South Africa could not be determined, even in consultation with business registration bodies. This might have slightly compromised findings.
7.4 Suggestions for future research

The theory and concept around SLPs is still growing as noted by (Lambert, 2011), it could be of value for this research to be repeated in a different country. Secondly, the study could be repeated involving State Owned Enterprises in order to have comparisons and lessons from different environments. Thirdly, there is a need to study the reasons behind AA resistance amongst businesses paying more focus on business performance.

7.5 Concluding statement

In conclusion, AAI in the South African private sector is not at as widespread which is not surprising as this concurs with the literature. Whilst there are indications that businesses are putting efforts towards AAI, most businesses are doing this more out of the fear of regulations rather than as acts of business sustainability.

The literature reviewed the American, Brazilian, Indian and Australian cases of AAI where it generally emerged that AAI was more of a compliance issue and was consequentially regarded as a failure. The South African situation (as proven in the study) is not very far and different from that of the discussed countries. It is therefore very critical for all responsible authorities to act towards the development of SLPs and other internal practices that voluntarily support and enhance sustainable implementation of AA.
REFERENCES


APPENDIX 1: MEASUREMENT INSTRUMENTS

<table>
<thead>
<tr>
<th>General Information</th>
<th>Privately Owned</th>
<th>State Owned Entity</th>
<th>Multinational</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What is your organisation’s ownership?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. How long has your organisation been established in South Africa</td>
<td>under 5 Years</td>
<td>5—10 Years</td>
<td>10—20 Years</td>
</tr>
<tr>
<td>3. How many employees do you employ in your organisation</td>
<td>under 50</td>
<td>50--100</td>
<td>Over 100</td>
</tr>
</tbody>
</table>

**Organisation Information: Please read each statement and tick on a scaled number that corresponds most closely to your response (1 = Strongly disagree - 5 = Strongly agree; and 6 = Don’t know).**

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Every employee has ongoing access to training and development in this organisation</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>5. Training and development are some of the first things cut in difficult times.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>6. Employee representatives are involved in key strategic decisions for the organisation.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>7. Our organisation lays off people if it is necessary to achieve short term financial results.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Our organisation has a formal succession policy in place.</td>
<td></td>
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<tr>
<td>8</td>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Our organisation fills many management positions with candidates from outside the organisation.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>The organisation has an ethical code of conduct that explains what is expected of all employees.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>Our decisions in this organisation are made with the long-term view in mind.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>Organisational Leadership and Management Attitude: Please read each statement and tick on a scaled number that corresponds most closely to your response (1 = Strongly disagree - 5 = Strongly agree; and 6 = Don’t know).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>Our organisation encourages employees to engage in social or community activities during work time.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>In this organisation, generating profits and providing jobs is sufficient contribution to the community.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td>The organisation works closely with, employees, customers, suppliers, the community and other stakeholders.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td>The organisation has a strong vision that everyone knows, shares and works towards.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>17</td>
<td></td>
<td>I am unsure what this organisation's vision for the future is.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>18</td>
<td></td>
<td>Employees are encouraged to challenge decisions made by leaders.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td>---</td>
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<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>18</td>
<td>Leaders in this organisation seek consensus when making organisational decisions.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>19</td>
<td>As leaders, we treat employees as the organisation’s most valuable asset.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

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APPENDIX 2: CONSISTENCY MATRIX

**Research title:** Affirmative Action: from compliance mode to sustainable leadership practices in the private sector.

<table>
<thead>
<tr>
<th>Propositions/Questions/Hypothesis</th>
<th>Literature Review</th>
<th>Data Collection Tool</th>
<th>Analysis</th>
</tr>
</thead>
</table>
| **Hypothesis 1:** There is a weak positive relationship between SLPs (independent variables) and AA implementation and outcomes (dependent variable). | - (Lambert 2011)  
- (Avery & Kantabutra, 2013)  
- (Leslie, Mayer & Kravitz, 2014)  
- (Galpin & Whittington, 2012)  
- (Avery & Bergsteiner, 2011)  
- (Tideman et al., 2013)  
- (Ntim, Lindop & Thomas, 2013) | Questionnaire:  
- **Sustainable Leadership Practices:**  
SLPs questionnaire by (Avery & Bergsteiner, 2011)  
- **AA Implementation:**  
AAI questionnaire by (Naff & Kellough, 2003) | Kendall's tau correlations between SLPs and AA implementation |
| **Hypothesis 2:** Sustainable Leadership Practices variables that affect the implementation of AA are not of equal importance (some factors are | - (Galpin & Whittington, 2012)  
- (Francis & Tannuri-Pianto, 2012)  
- (Lambert, 2011)  
- (Avery & Kantabutra, 2013) | Questionnaire:  
- **Sustainable Leadership Practices:**  
SLPs questionnaire by (Avery & Bergsteiner, 2011) | Kendall's tau correlations between SLP variables and AA implementation, ranked according to strength of |
more important than others and factors can be ranked by order of importance).  

<table>
<thead>
<tr>
<th>Hypothesis 3:</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a positive relationship between the size of a company as measured by the number of employees and AA implementation.</td>
</tr>
</tbody>
</table>

- (Galpin & Whittington, 2012)
- (Avery & Bergsteiner, 2011)
- (Tideman et al., 2013)

<table>
<thead>
<tr>
<th>Bergsteiner, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AA Implementation:</strong></td>
</tr>
<tr>
<td>AAI questionnaire by (Naff &amp; Kellough, 2003)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kendall’s tau correlation coefficient between company size and Affirmative Action Implementation</td>
</tr>
</tbody>
</table>
Dear Lloyd Runganga,

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

We wish you everything the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee
### APPENDIX 4: STATISTICAL ANALYSIS RESULTS

### APPENDIX 4.1: SLPS QUESTIONS GROUPING INTO 10 VARIABLES

<table>
<thead>
<tr>
<th>Q.No.</th>
<th>Question</th>
<th>Variable (Independent)</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Every employee has ongoing access to training and development in this organisation</td>
<td>Developing people continuously</td>
<td>-4</td>
</tr>
<tr>
<td>5</td>
<td>Training and development are some of the first things cut in difficult times.</td>
<td>Amicable labour relations</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Employee representatives are involved in key strategic decisions for the organisation.</td>
<td>Long-term staff retention</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Our organisation lays off people if it is necessary to achieve short term financial results.</td>
<td>Long-term staff retention</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Our organisation has a formal succession policy in place.</td>
<td>Internal succession planning</td>
<td>0.731</td>
</tr>
<tr>
<td>9</td>
<td>Our organisation fills many management positions with candidates from outside the organisation.</td>
<td>Ethical behaviour</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>The organisation has an ethical code of conduct that explains what is expected of all employees.</td>
<td>Social responsibility</td>
<td>0.541</td>
</tr>
<tr>
<td>11</td>
<td>Our decisions in this organisation are made with the longterm view in mind.</td>
<td>Social responsibility</td>
<td>0.541</td>
</tr>
<tr>
<td>12</td>
<td>Our organisation encourages employees to engage in social or community activities during work time.</td>
<td>Stakeholder approach</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>In this organisation generating profits and providing jobs is sufficient contribution to the community.</td>
<td>Stakeholder approach</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>The organisation works closely with employees customers suppliers the community and other stakeholders.</td>
<td>Stakeholder approach</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>The organisation has a strong vision that everyone knows shares and works towards.</td>
<td>Strong shared vision</td>
<td>0.579</td>
</tr>
<tr>
<td>16</td>
<td>I am unsure what this organisation’s vision for the future is.</td>
<td>Strong shared vision</td>
<td>0.579</td>
</tr>
<tr>
<td>17</td>
<td>Employees are encouraged to challenge decisions made by leaders.</td>
<td>Devolved and consensus decision-making</td>
<td>0.626</td>
</tr>
<tr>
<td>18</td>
<td>Leaders in this organisation seek consensus when making organisational decisions.</td>
<td>Devolved and consensus decision-making</td>
<td>0.626</td>
</tr>
<tr>
<td>19</td>
<td>As leaders we treat employees as the organisation’s most valuable asset.</td>
<td>Devolved and consensus decision-making</td>
<td>0.626</td>
</tr>
</tbody>
</table>
# APPENDIX 4.2: AA ANTECEDENTS GROUPED QUESTIONS

<table>
<thead>
<tr>
<th>Q.No.</th>
<th>Question</th>
<th>Variable (Dependant)</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Employment Equity and Affirmative Action is part of management training programs in this organisation</td>
<td>Training</td>
<td>0.786</td>
</tr>
<tr>
<td>21</td>
<td>Management training is designed to accomplish Affirmative Action objectives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Affirmative Action is incorporated into the organisation's vision or mission statement.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Our organisation has Affirmative Action policies directives and or administrative order.</td>
<td>Communication</td>
<td>0.712</td>
</tr>
<tr>
<td>24</td>
<td>Our Affirmative Action program is linked to the organisation's strategic plan.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>All managers are held accountable for taking appropriate actions to achieve the objectives of the Affirmative Action program.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Our organisation has an Affirmative Action program accomplishment or status report.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>The implementation of the Affirmative Action program is linked to the organisation's annual performance plan</td>
<td>Accountability</td>
<td>0.734</td>
</tr>
<tr>
<td>28</td>
<td>Our Affirmative Action program includes awards and incentives for implementation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>The organisation evaluates the effectiveness of affirmative action training provided to employees.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>The Affirmative Action program of our organisation includes a formal mentoring program.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Affirmative Action program for our organisation includes an informal mentoring program.</td>
<td>Additional Resource Commitment</td>
<td>0.737</td>
</tr>
<tr>
<td>31</td>
<td>Our Affirmative Action program includes an internship program.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>The organisation has an individual whose primary responsibility is to oversee the implementation of the Affirmative Action program.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX 4.3: PEARSON CORRELATION BETWEEN AA ANTECEDENTS

<table>
<thead>
<tr>
<th></th>
<th>Training</th>
<th>Communications</th>
<th>Accountability</th>
<th>Additional Resource Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Training</strong></td>
<td>Pearson Correlation</td>
<td>1.00</td>
<td>.498**</td>
<td>.531**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>116</td>
<td>116</td>
<td>116</td>
</tr>
<tr>
<td><strong>Communications</strong></td>
<td>Pearson Correlation</td>
<td>.498**</td>
<td>1.00</td>
<td>.538**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>116</td>
<td>116</td>
<td>116</td>
</tr>
<tr>
<td><strong>Accountability</strong></td>
<td>Pearson Correlation</td>
<td>.531**</td>
<td>.538**</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>116</td>
<td>116</td>
<td>116</td>
</tr>
<tr>
<td><strong>Additional Resource Commitment</strong></td>
<td>Pearson Correlation</td>
<td>.399**</td>
<td>.530**</td>
<td>.380**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>116</td>
<td>116</td>
<td>116</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**