



Quick Brief

A news update from the NBI on its programmes, business leadership and issues on sustainable development.

26 March 2018

Approaches to Economic and Social Transformation

On a rainy Johannesburg afternoon the day before Human Rights Day, an esteemed panel of business and organisational leaders passionately discussed businesses' role in achieving economic and social transformation. This was an appropriate and timely discussion to have as issues of poverty, inequality and inequity are human rights issues, as well as leadership, cultural and values ones too. This Thought Leadership Series seeks to facilitate a deep and critical reflection, as individuals, organisations and society, to fundamentally change the way we think, act, make decisions and do business. If South Africa is to transform, there has to be a deep and lasting change at every level.

Our panel brought their wealth of knowledge, experience and insights to enrich the discussion:

- Bernard Swanepoel | Chairperson: Small Business Institute
- Busisiwe Mavuso | COO: Business Leadership South Africa
- Joanne Yawitch | CEO: National Business Initiative
- Tanya Cohen | CEO: Business Unity South Africa
- Xolani Qubeka | Chairperson, Small Business Portfolio : Black Business Council

Transformation was described as *"a fundamental breaking with the past"* which requires structural and systemic change with an in-depth understanding of the challenge. The panel agreed that business is not doing enough to address real transformation and that the current status quo is unsustainable. The following issues were highlighted and discussed:

- **Enabling small business and reindustrialisation**

The need for an enabling environment to be created in order for small businesses to achieve sustainable growth was raised as one of the first areas to be addressed. A great deal of emphasis was put on the importance of creating an enabling environment for small businesses to grow to scale and be sustainable. A number of barriers were highlighted including the cumbersome

processes to ensure burden of compliance which in turn impacts on resources, late payments and lengthy payment processes from both the private and public sector, and access to skilled and ready-to-work staff. It was further suggested that attention should be given to reindustrialisation to build up South African-based industries with the potential to create jobs and grow the economy.

- **Committed leadership**

The panel agreed that business leadership is key to driving transformation agendas. Without the will to change, progress is going to continue to be slow which we cannot afford. Issues of representation at an executive level were highlighted and described as “disastrous”, with the particular emphasis on the lack of black women in senior positions. In addition, the redirection of executive salary increases and bonuses was highlighted as an opportunity for CEOs to show commitment to change by addressing pay imbalances within their organisations.

- **Changing the heart and creating the will**

The panel acknowledged that not enough has been done to change the mind-set of leadership. In particular, leaders and decision-makers need to develop their own self-awareness and outlook in ways that drive transformation. Failing to address issues of unconscious bias, and the views and attitudes that remain largely unchanged, will continue to be a stumbling block in transforming organisations. While intellectually there is buy-in and understanding of the need to change our society, the will to implement this as the key to every level of our society is lacking.

- **Shared and collective vision and agenda**

The panel also addressed the need for a collective approach to creating an equal, just and equitable society, with the understanding that we are all working towards the same outcome, *“a safe place for our children, not to go to bed hungry and with a roof over their heads.”*

This important discussion highlighted the fact that there are many more elements to be raised in this context in order to truly understand and ensure that the work to be carried out will ensure that there are substantive changes and a turnaround in the transformation process.

Our next Thought Leadership Session will explore the data and trends as they relate to inequality, income disparity and BBB-EE progress. We hope that you will join us.

We would also like to hear your feedback so please send your thoughts and comments to GuguM@nbi.org.za.

Business Action for Sustainable Growth

www.nbi.org.za

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