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A comparative analysis of transformation between local and global media and advertising agencies in South Africa

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A comparative analysis of transformation between local and global media and advertising agencies in South Africa

Applied Research Project Proposal

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A research article submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

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DECLARATION

I, Kevin Ndinguri, declare that this research article is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Kevin Ndinguri

Signed at ……Bryanston, Johannesburg……

On the …27th... day of …February… 2023…

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†

ABSTRACT

Poverty, unemployment and inequality among black people have been identified as key consequences of apartheid. To redress these, the Broad-Based Black Economic Empowerment Act was enacted. In the Media and Advertising industry in South Africa, the B-BBEE Act is translated through the Media and Communications Charter (MAC) which describes five elements, namely; management inclusion, skills development, responsible advertising, preferential procurement and socio-economic development. Most of the media industry studies on the compliance to the MAC charter focus on descriptions of how companies have applied the B-BBEE Act. This study's specific objectives were to describe the nature of transformation in local media and advertising agencies, describe the nature of transformation in global media and advertising agencies and describe the effect of B-BBEE codes on local and global media and advertising agencies in South Africa. The study used a qualitative approach and an exploratory-descriptive design. The data collection tool was semi-structured interviews and data was collected through in-depth interviews. Data were analysed using thematic content analysis and presented in narrative format.The study found four themes that compare the transformation of local and global media and advertising agencies. The first theme is that transformation has taken place in local media agencies, the second is that few transformation initiatives have taken place in global media companies. The third theme is that B-BBEE codes have enabled local media companies to secure clients and the fourth theme is that B-BBEE codes have obligated global media agencies to transform the way they manage their businesses. In conclusion, global media and advertising agencies have been affected by transformation through increased diversity and change in the way they managed their businesses. Recommendations for future research should use a quantitative approach to enable the generalisation of findings.

Keywords: Transformation, media and advertising, B-BBEE, South African media

TABLE OF CONTENTS

DECLARATION ..... **ii**

ACKNOWLEDGEMENTS ..... **iii**

SUPPLEMENTARY INFORMATION ..... **iv**

ABSTRACT ..... **v**

LIST OF TABLES ..... **ix**

LIST OF FIGURES ..... **x**

Chapter 1: INTRODUCTION **1**

1.1 INTRODUCTION 1
1.2 BACKGROUND 1
1.3 PROBLEM STATEMENT 2
1.4 RESEARCH QUESTIONS 3
1.5 RESEARCH OBJECTIVES: 3
1.6 SIGNIFICANCE OF THE STUDY 4
1.7 DE-LIMITATIONS OF THE STUDY 4
1.8 STRUCTURE OF THE REPORT 5

CHAPTER 2: LITERATURE REVIEW **7**

2.1 INTRODUCTION 7
2.2 DEFINITION OF KEY CONSTRUCTS 7
2.3 TRANSFORMATION IN LOCAL MEDIA AND ADVERTISING AGENCIES 8
2.4 TRANSFORMATION IN GLOBAL MEDIA AND ADVERTISING AGENCIES 9
2.5 EFFECTS OF B-BBEE CODES IN THE TRANSFORMATION OF GLOBAL AND LOCAL MEDIA ADVERTISING AGENCIES 10
2.6 COMPARISON OF TRANSFORMATION IN GLOBAL AND LOCAL MEDIA ADVERTISING AGENCIES 12
2.7 THEORETICAL FRAMEWORK 13
2.8 CONCEPTUAL FRAMEWORK 14
2.9 SUMMARY OF RESEARCH KNOWLEDGE GAPS 15
2.10 SUMMARY 15

CHAPTER 3: RESEARCH METHODOLOGY 16

3.1 INTRODUCTION 16
3.2 RESEARCH DESIGN 16
3.3 STUDY POPULATION AND SAMPLING 17
3.4 SAMPLING STRATEGY AND SIZE 17
3.5 RESEARCH INSTRUMENT 18
3.6 DATA SCREENING AND ANALYSIS APPROACH 19
3.7 LIMITATIONS OF THE DATA COLLECTION METHODS 20
3.8 ENSURING RIGOUR 20
3.8.1 CREDIBILITY 21
3.8.2 TRANSFERABILITY 21
3.8.3 DEPENDABILITY 21
3.8.4 CONFIRMABILITY 21
3.9 RESEARCH ETHICS 22
3.10 CONCLUSION 23

CHAPTER 4: PRESENTATION OF FINDINGS 24

4.1 INTRODUCTION 24
4.2 SAMPLE DEMOGRAPHIC VARIABLES 24
4.3 EMERGING THEMES 25
4.3.1 THEME 1: TRANSFORMATION HAS TAKEN PLACE IN LOCAL MEDIA AND ADVERTISING AGENCIES 26
4.3.2 THEME 2: FEW TRANSFORMATION INITIATIVES HAVE TAKEN PLACE IN GLOBAL MEDIA AND ADVERTISING AGENCIES 31
4.3.3 THEME THREE: B-BBEE CODES HAVE ENABLED LOCAL MEDIA ADVERTISING AGENCIES TO SECURE CLIENTS. 38
4.3.4 THEME FOUR: B-BBEE CODES HAVE OBLIGATED GLOBAL AGENCIES TO TRANSFORM THE WAY THEY MANAGE THEIR BUSINESSES. 40
4.3.5 COMPARISON OF TRANSFORMATION BETWEEN LOCAL AND GLOBAL MEDIA AND ADVERTISING AGENCIES IN SOUTH AFRICA. 42
4.4 CHAPTER SUMMARY 45

Chapter 5: Discussion 46

5.1 INTRODUCTION 46
5.2 TRANSFORMATION IN LOCAL MEDIA AND ADVERTISING AGENCIES IN SOUTH AFRICA 46
5.3 TRANSFORMATION IN GLOBAL MEDIA AND ADVERTISING AGENCIES IN SOUTH AFRICA 49
5.4 THE EFFECT OF B-BBEE CODES ON TRANSFORMATION IN LOCAL AND GLOBAL ADVERTISING AGENCIES 51
5.5 COMPARISON BETWEEN GLOBAL AND MEDIA ADVERTISING COMPANIES 53
5.6 THE THEORETICAL FRAMEWORK 56
5.7 CHAPTER SUMMARY 59

Chapter 6: Conclusions and Recommendations 61

6.1 INTRODUCTION 61
6.2 CONCLUSIONS 61
6.3 IMPLICATIONS 63
6.4 RECOMMENDATIONS 64
6.5 LIMITATIONS 65

REFERENCES 66

Appendix A: Semi-structured Interview Guide 69

LIST OF TABLES

Table 4.1: Sample demographics 24

Table 4.2: Summary of Theme 1 30

Table 4.3: Summary of Theme 2 37

Table 4.4: Summary of Theme 3 40

Table 4.5: Summary of Theme 4 42

Table 4.6: Comparison of Transformation between global and local media and advertising agencies 43

Table 5.1: Application of Kotter's Change Model (1995) 58

LIST OF FIGURES

Figure 2.1: Kotter's change model. Source: Kotter (1985) 13

Figure 2.2: Conceptual Framework 14

CHAPTER 1: INTRODUCTION

1.1 Introduction

After the end of apartheid in South Africa, economic transformation was identified as one of the solutions to poverty, unemployment and inequality among previously disadvantaged people. These previously disadvantaged people include black people, coloureds, Indian women, disabled persons and those in rural areas (DTI, 2016). To facilitate this economic transformation, in 2003 the South African government promulgated the Broad-Based Black Economic Empowerment Act 53 of 2003 (shortened the B-BBEE Act or Act 53 of 2003) as a means of economically empowering previously disadvantaged black people. Act 53 of 2003, subsequently was amended in 2013 as Act 53 of 2013. Govenden and Chiumbu (2020:1) describe the B-BBEE Act as a measure of transformation that companies are undertaking. Application of the B-BBEE Act is across all sectors: inclusive of government departments, and private sector companies like those in media and advertising. This study comparatively looked at this economic transformation within local and global media and advertising agencies in South Africa.

1.2 Background

To ensure compliance with the B-BBEE Act, specific sector B-BBEE codes were also gazetted with the latest amendments done in 2016 (DTI 2016:1). The media and advertising industries are guided by the Marketing Advertising and Communications (MAC) Sector Codes of Good practice, commonly referred to as the MAC Charter (Makhetha 2019:1). The MAC charter highlights five key codes that seek to redress economic empowerment among previously disadvantaged black people (DTI 2016:1). The first is the inclusion of previously disadvantaged black people in senior, middle level and junior management positions and the inclusion of the black people with disabilities. The second is the inclusion of previously disadvantaged black people for skills development in short skills, learnerships and their subsequent absorption in employment after skills

development. The third is the provision of preferential procurement for businesses owned by previously disadvantaged black people including the development of black-owned enterprises and suppliers. The fourth is socio-economic development measured against the contributions made for socio-economic development. Lastly, the code on responsible marketing and communication fosters the development of national strategic objectives (DTI, 2016:15). The DTI (2016:11) further elaborates that for large corporates, the codes with the highest weighting are enterprise development, management control and skills development. For small companies, the codes with the highest weighting are ownership, enterprise development and skills development (DTI, 2016:14).

Ngang (2021:1) notes that despite the need and availability of legislature that supports transformation, there is evidence of failure to transform the economic prospects of previously disadvantaged black people. The author further highlights that transformation in some areas has been successful as such there is a need for comparison in some sectors. In media and advertising agencies, Abrahams (2018:14) reveals that transformation has taken place at a slow pace mainly because of the culture within the industry that has supported previous legacies that do not support transformation.

1.3 Problem Statement

The media and advertising industry in South Africa consist of four main global companies which compete with several local agencies. Transformation in these global and locally owned agencies is in various stages, where in some extreme cases transformation has not taken place and previously disadvantaged people are not economically empowered. The vast differences in levels of transformation are problematic as despite the transformation taking place in some agencies, benefits cannot be fully realised as other agencies still dominate market shares in acquiring business. Consequentially this negates the efforts to transform and empower previously disadvantaged people through increased opportunities from partnerships and contracts.

Vilkazi and Bosiu (2021:218) validate this anecdotal evidence by noting that entry barriers for black-owned businesses restrict access to opportunities and negate the application of the B-BBEE Act. Vilakazi and Bosiu's (2021:128) assertion is indicative of poor compliance with the B-BBEE Act which notes that large corporates should support small enterprises by providing them with opportunities for supplying services and products. This in turn would economically empower smaller black-owned entities. However, the issue of complying with preferential procurement requirements is only one aspect of five aspects that indicate transformation in global and local media advertising agencies.

Other aspects such as employing people from previously disadvantaged backgrounds are also lacking in media and advertising agents. Fredericks and Yu (2018:527) highlight that the unemployment rate of black females remains higher than that of any other racial/gender group indicating poor transformation in ensuring equity in employment. Shai, Molefinyana and Quinot (2019:1) further summarise that this lack of compliance with B-BBEE requirements is more rampant in the private sector. The authors indicate that for B-BBEE to be successful there has to be compliance by both private and public sectors.

1.4 Research Questions

The study had four research questions and these were:

1. What is the nature of transformation implemented in local media and advertising agencies in South Africa?
2. What is the nature of transformation implemented in global media and advertising agencies in South Africa?
3. How effective have B-BBEE codes been on transformation in local and global advertising agencies in ensuring transformation?
4. How does the transformation between local and global media and advertising agencies in South Africa compare?

1.5 Research Objectives:

The study was undertaken with a need to meet the following objectives:

1. To describe the transformation in local media and advertising agencies in South Africa
2. To describe the transformation in global media and advertising agencies in South Africa
3. To explain the effect of B-BBEE codes on transformation in local and global advertising agencies
4. To Compare transformation in global and local media and advertising agencies

1.6 Significance of the study

The study is significant to the research and practice of change management as it provides information on how transformation in media and advertising agencies has taken place. The study through a comparison of the global and local media and advertising agencies sheds light on the various challenges and effects of transformation that have taken place in both global and local agencies. Through this description, knowledge can be shared on how to effect the transformation and change managers can learn from the positive effects the B-BBEE transformation has brought to media and advertising agencies.

Research on compliance with the B-BBEE Act in the media and advertising agencies in South Africa is limited. As such, this study provides a foundation for additional studies that can be conducted on transformation in the media and advertising industry. The study's exploratory design provides a suitable basis for other research designs to be applied to increase the knowledge base in the field of transformation in the media and advertising industry.

1.7 De-limitations of the Study

This study is limited to global and local media and advertising agencies that operate from Gauteng. The study is further limited to those media and advertising agencies that are required to be compliant with the B-BBEE Act, which are qualifying micro-enterprises and multinational companies.

1.8 Structure of the Report

This study's report is structured into six chapters. These are outlined below:

Chapter 1: Introduction

Chapter 1 introduces the topic of transformation in the media and advertising agencies and also highlights the research problem of interest. The chapter also outlines the research objectives, and research questions and explains the research problem. Chapter one further outlines how the study is significant to change management and explains the limits of the study.

Chapter 2: Literature Review

Chapter 2 reviews literature related to transformation in global and local companies in South Africa. Among other areas, it reviews how transformation in these two types of companies compares. The chapter ends by highlighting the study's theoretical and conceptual frameworks.

Chapter 3: Research Methodology

This chapter presents the methodology used for the study. It outlines the research paradigm, the research approach, the study design, the study population and how sampling was done. The chapter also describes how data were collected and analysed as well as the ethical principles that were considered in the research.

Chapter 4: Presentation of Findings

This chapter presents the findings from the study. The chapter describes the main themes that emerged in accordance with the research objectives.

Chapter 5: Discussion

Chapter 5 discusses the study findings in relation to other findings in the literature reviewed. The chapter compares and contrasts the findings presented in Chapter 4 with the findings from other authors on B-BBEE and economic transformation.

Chapter 6: Conclusions and Recommendations

Chapter 6 concludes the study. The chapter also highlights the study's limitations and the findings' managerial implications in both the local and global agencies.

Chapter 6 ends by making recommendations to practitioners and researchers on B-BBEE.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

In post-apartheid South Africa, socio-economic transformation to emancipate previously disadvantaged black South Africans has been described as unsuccessful (Beresford, 2019:65). Ndalamba (2019:1) concurs with Beresford (2020) on the issue of failed socio-economic transformation in South Africa but acknowledges that policies and legislation such as Act 53 of 2003 have been put in place to support this socio-economic transformation. Albeit the presence of these laws, the failure of economic transformation continues due to a lack of collaboration in leadership between the citizens and the civil service (Ndalamba, 2019:1). To reverse the unsuccessful socio-economic transformation of previously disadvantaged black South Africans, Beresford (2019:1) reveals that recently, black South Africans from townships are beginning to take up opportunities in entrepreneurship to transform their socio-economic status. These opportunities include the setting up of local media and advertising agencies. The next section defines transformation and other key terms as applied to this study.

2.2 Definition of Key Constructs

The study's key constructs were transformation, media and advertising and B-BBEE or the B-BBEE Act. These are defined below.

Transformation: In this study, transformation refers to the national strategy of change or alteration set to achieve national unity through negotiated settlement and non-racism promoting the economic empowerment of previously disadvantaged black people (Collins English Dictionary 2022:1)

Media and advertising: In this study refers to an industrial sector that deals with the promotional efforts by an agent outside the location of the dealer. (Law Insider 2022:1)

B-BBEE: Refers to the Broad-Based Black Economic Empowerment (B-BBEE) Act which provides a legislative framework for the transformation of South Africa's economy (DTI, 2016:4).

2.3 Transformation in local media and advertising agencies

In economic transformation, there are two broad entities – those required by law to comply with the B-BBEE Act (qualifying enterprises) and those exempted from it (Act 53 of 2003). The DTI (2016:16) notes that some local media and advertising agencies are classified as qualifying micro-enterprises. The DTI (2016:16) describes these qualifying micro-enterprises as companies that have an annual turnover of between 10 million and 50 million. In addition, other local media and advertising agencies are classified as exempted micro-enterprises and are described as those with an annual turnover of less than 10 million. Notably, transformation in local media companies also follows the five elements outlined in the MAC Charter, with some variations such as the percentage of ownership that should be reserved for previously disadvantaged black people.

The DTI (2016:21) notes that one of the aims of the B-BBEE Act is to increase access to finance for small businesses to foster economic inclusion. This as explained includes support for emerging entrepreneurs. Despite this, Mutambara and Musabayana (2022:80) note that since 2013 there has been a decline in the number of black people starting small businesses. The authors attribute this decline to a high failure rate of SMMEs as a result of a lack of financial support, which contravenes the objectives of the B-BBEE Act.

Although Mutambara and Musabayana (2022:80) conclude that the failure rate of SMMEs is attributed to a lack of support for these SMMEs, concerning compliance with the B-BBEE Act not much research has been conducted on qualifying micro-enterprises in the media and advertising sector in South Africa. As such this study serves to fill this research gap.

2.4 Transformation in global media and advertising agencies

Among topical B-BBEE issues are the transformation challenges among global media and advertising agencies. One of the challenges in implementing the B-BBEE Act identified by Musabayana and Mutambara (2022:80) is the large global corporates or companies' unwillingness to comply with the B-BBEE Act. The Corporate Finance Institute (2016:4) describes a global company as a company operating in more than one country at the same time with assets it is operating from. Global companies as noted by The Corporate Finance Institute (2022:1) also refers to global companies as multinational companies or transnational companies. Musabayana and Mutambara (2022:80) highlight several reasons why global companies fail to comply with the B-BBEE Act. These reasons include (1) the absence of benefits for complying with the Act. In terms of supplier development, Musabayana and Mutambara (2022:80) note that the second reason for failure to comply with B-BBEE Act is the unreliability of micro-enterprises as suppliers. The authors indicate that small businesses face financial challenges which consequentially impact their ability to supply and or conduct business with large corporates. In light of this, global companies shun procuring from small businesses owned by previously disadvantaged people or develop them as suppliers. Another reason for the lack of transformation by large corporates as described by Musabayana and Mutambara (2022:80) is small businesses' inability to be competitive and provide the services or products required by large global corporates. Pricewaterhouse Coopers (PWC) (2019:1) affirms this assertion by Mutambara and Musabayana (2022:80) by highlighting that business-to-business growth among small suppliers in the advertising industry has declined from 4% in 2015 to 2,7% in 2018.

Pike, Purchet, Chimurindi and Chimurindi (2018:3) in a study on the future of B-BBEE assert that global companies find it challenging to comply with the B-BBEE Act as a result of its impact on direct foreign investment. The authors explain that with global companies, the implementation of the B-BBEE Act goes beyond financial prejudice but also negatively affects the sourcing of skills, which in turn hampers their entrepreneurial competitiveness. Musabayana and Mutambara

(2022) and Pike et al. (2018) note that compliance with some elements of the MAC Charter remains a challenge.

The above sources, therefore, highlight economic transformation as a problematically slow or non-existent phenomenon in some sections. The sources show that this lack of transformation is bidirectional with both large corporates and SMMEs being blamable. Regardless, the sources highlight a need for effective interventions that can address the subpar rate of economic transformation in the advertising and media industry and the South African economic space at large.

2.5 Effects of B-BBEE codes in the transformation of global and local media advertising agencies

The literature discusses the effect of B-BBEE codes in the transformation of global and local media advertising agencies. Dreyer, Viviers and Mans-Kemp (2021:1) argue that the B-BBEE Act is the most important legislation that has been published to propel economic transformation in South Africa. Dreyer, Viviers and Mans-Kemp (2021:1) posit that one of the aims of the B-BBEE codes was to ensure that the number of black people who have access to entrepreneurial opportunities increased. Beresford (2019:65) also concurs and notes that one of the roles of the B-BBEE Act is to enable black South Africans to access entrepreneurial opportunities.

One of the B-BBEE codes indicated in the MAC Charter is economic transformation through awarding contracts to SMMEs owned by previously disadvantaged black people. In a study on the role of the B-BBEE Act in the print media Govenden and Chiumbu (2020:32) conclude that in print media the B-BBEE Act has largely been unsuccessful in fostering racial diversity through economic empowerment. Govenden and Chiumbu (2020:32) further indicate that in print media the B-BBEE Act in procurement has largely served to economically emancipate a few elite black people whilst the majority of black people in the industry have not benefitted. Musabayana and Mutambara (2022:78) on the issue of fostering economic inclusion of previously disadvantaged black people concur with Govenden and Chiumbu by noting that the B-BBEE Act has at large

benefitted a minority of elite black individuals. Musabayana and Mutambara (2022:78) cite a survey conducted by Baldaulf (2006) which reveals that in 2006, 68% of public procurement contracts benefited six companies owned by elite African National Congress (ANC) members.

With regards to the B-BBEE element on skills development, Pillay (2018:64) highlights that B-BBEE Act has not been successful in its intended role of emancipating disadvantaged black people. Pillay (2018:64) describes this failure of the B-BBEE as an “unintended consequence” and elaborates that the failure of the B-BBEE Act is attributed to the high cost of complying with the policy. The author further reveals that complying with B-BBEE Act reduces SMMEs' profitability especially with complying with skills development. Abrahams (2020:826) similarly notes that with regard to skills development, the cost of compliance with the B-BBEE Act does not make economic sense for the business.

Notably, skills development is one of the key compliance B-BBEE code requirements for both qualifying microenterprises and large entities. As such the challenge posed by a lack of profitability in complying with skills development requirements negatively impacts the global and local advertising media and advertising agencies. Abrahams (2020:829) further indicates that the lack of skills development by large entities and qualifying micro-enterprises is reflected in the high levels of unemployment among young black South Africans. The author notes that the DTI (2016:50) mandates that ten bonus points are awarded to entities that absorb young black people into employment after learnership or apprenticeship programs. Despite this incentive, Abrahams (2020:826) notes that unemployment in South Africa continues to increase and this is indicative of the ineffectiveness of the role of B-BBEE in resolving unemployment. Abrahams (2020:286) makes similar conclusions about the role of B-BBEE on supplier development. The authors argue that the rise in unemployment also indicates the ineffectiveness of large corporates in developing suppliers to redress the challenge of unemployment.

2.6 Comparison of transformation in global and local media advertising agencies

In a study comparing transformation in global companies listed on the JSE in South Africa, Dreyer, Viviers and Mans-Kemp (2021:1) concluded that large corporate companies showed a decrease in compliance with B-BBEE codes of good practice for employment equity between 2007 and 2013, whilst they improved on the compliance with B-BBEE codes of good practice for socio-economic development. On the contrary, Ramovha (2018:2) asserts that the media and advertising industry in South Africa have shown little progress towards transformation to emancipate previously disadvantaged black people. The author attributes the lack of transformation in advertising to a lack of knowledge from the leadership. Notably, Ramovha's (2018:2) conclusions are based on a study conducted on three different types of advertising agencies that did not specify whether they were global or local. Albeit the different views between Ramovha (2018:2) and Dreyer Viviers and Mans-Kemp (2021:1) on the nature of progress in transformation in advertising and media agencies in South Africa, the researcher of this paper believes that there is evidence that not all B-BBEE elements have been complied with in the transformation.

Musabayana and Mutambara (2022:79) also argue that global multinational companies compare poorly with small local companies in terms of B-BBEE compliance. In their argument, the authors assert that global companies are well-established and have already secured a large market share. As such the need to need to comply with B-BBEE elements to secure funding and market share is not there. Consequentially the impetus to comply with B-BBEE elements rests upon small local companies who are still seeking market share and access to funding (Musabayana & Mutambara 2022:79). Govenden and Chiumbu (2020:43) support Musabayana and Mutambara's (2022:79) assertion on the issue of non-compliance with B-BBEE elements by large multinational companies in comparison to local SMMEs. Govenden and Chiumbu (2020:43) describe this monopoly in the market by multinational companies as "white privilege" that has continued to persist regardless of the existence of the B-BBEE Act.

2.7 Theoretical Framework

This study sought to compare the transformation in global and local advertising agencies in South Africa. To analyse this transformation, Kotter's change model provides the theoretical framework. Kotter's change model was first proposed by John Kotter in 1995 in his book titled "Leading Change." The model asserts that there are eight steps for the implementation of change in an organisation and these are shown in Figure 2.1.

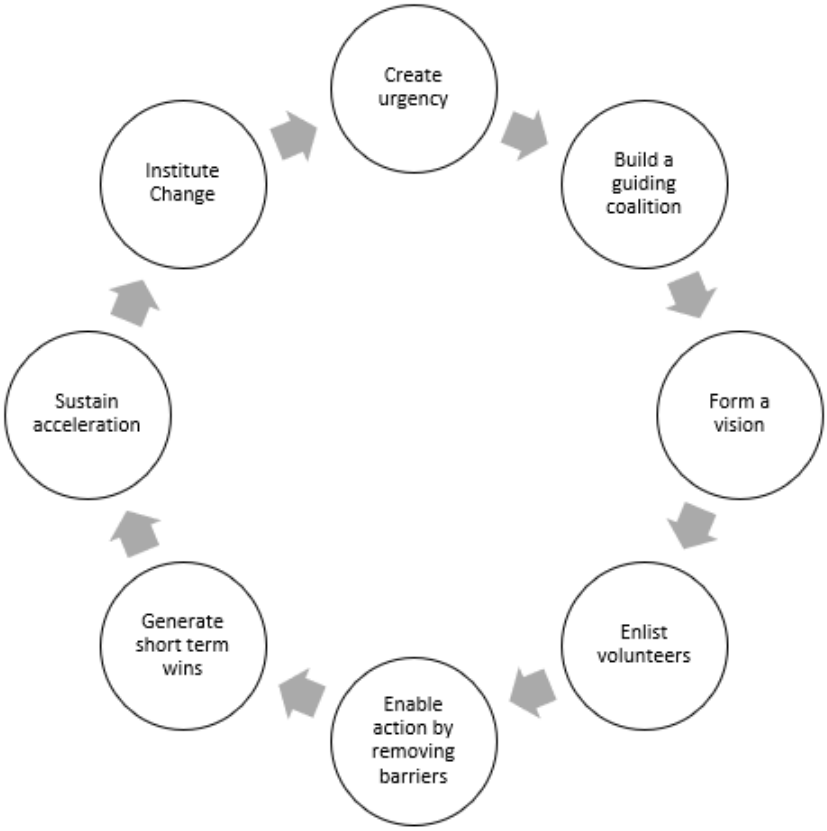


Figure 2.1: Kotter's change model. Source: Kotter (1985)

As illustrated, these steps are (1), creating urgency, (2) building a guiding coalition, (3) formulating a strategic vision and initiatives, (4) recruiting volunteers, (5) enabling action by removing barriers, and (5) generating short-term wins, (6) sustaining the acceleration and (8) instituting the change.

The model, therefore, asserts that organisational change, including change towards economic transformation, is not a random activity but a process

achievable through well-defined steps. The model, as the researcher observes, also puts economic transformation in the hands of the companies as it focuses on internal change albeit it suggests that the urgency for change could be created by outside forces like the need for compliance with the B-BBEE Act.

2.8 Conceptual Framework

The elements of Kotter's model from the previous section are looked at from an advertising and media industry angle. Figure 2.2 below shows a modification of Kotter's change model in relation to concepts in the study.

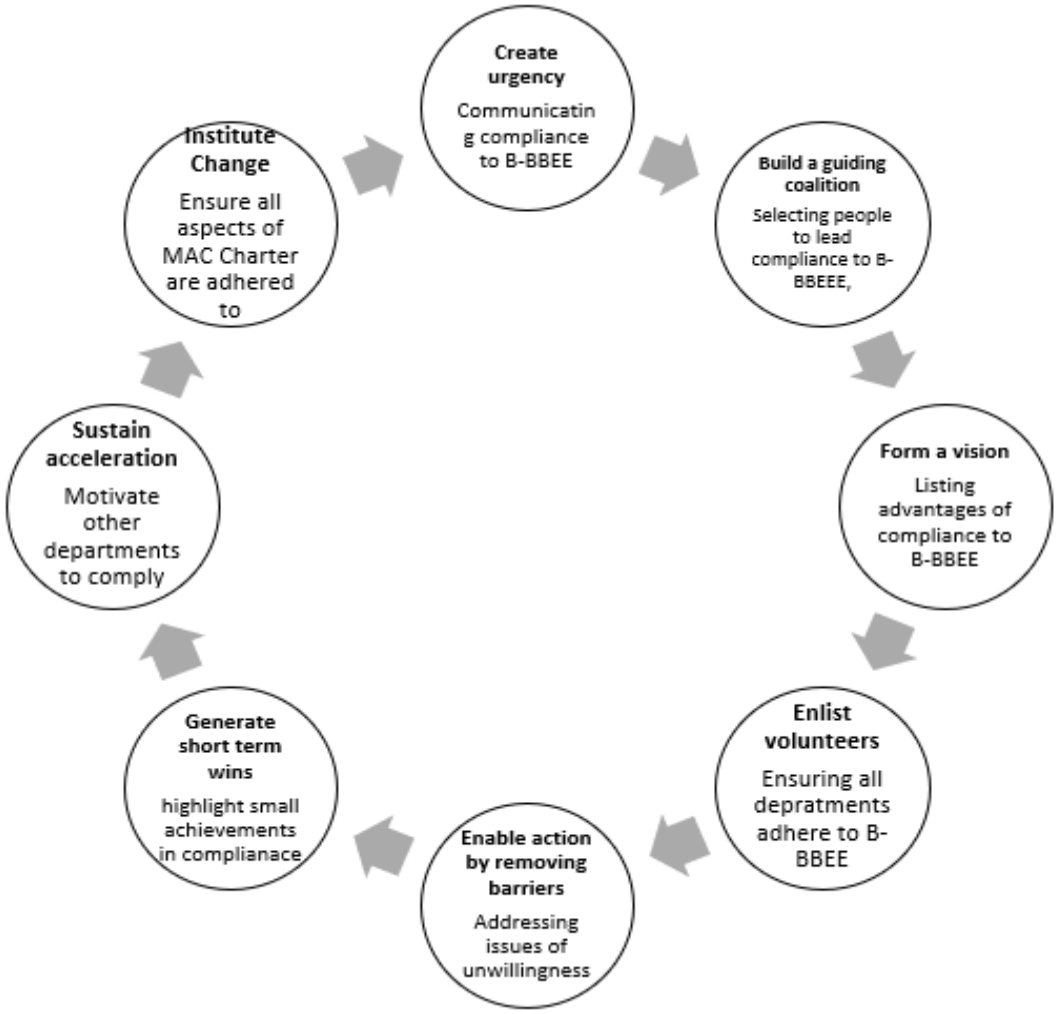


Figure 2.2: Conceptual Framework

Kotter (1995) asserts that to facilitate change the management team needs to create urgency by communicating the need to change in the organisation. In this

study, the need for change is prompted by the need to comply with the B-BBEE Act which will reduce unemployment, poverty and inequality. Kotter (1995) also asserts that for change to occur barriers to transformation have to be removed, in this study barriers to transformation in global media and advertising agencies include the unreliability of small businesses as service providers to large global media and advertising agencies. Kotter (1995) notes that the seventh step is to generate short-term wins. These as Kotter (1995) asserts build up to the greater achievement of transformation. In this case, compliance with other elements of the MAC Charter like employment is easier to comply with.

2.9 Summary of research knowledge gaps

The literature reviewed noted that what is known is that local media and advertising agencies fail to transform because of corruption associated with the requirements of the B-BBEE Act and that global media and advertising agencies also fail to comply as a result of a lack of financial incentives as the B-BBEE Act hinders foreign direct investment to global companies. The literature review also notes that what is not known, is whether either local or global media and advertising agencies have any economic impetus to full realise the transformation needed within the sector given both sides have been found lacking and to blame in addressing the subpar rate of economic transformation in the advertising and media industry in South Africa.

2.10 Summary

Chapter two reviewed the literature on transformation in media and advertising companies in South Africa. The chapter began by defining key concepts like the B-BBEE Act and transformation. The literature reviewed noted the reasons why both local and global media and advertising agencies fail to comply with the requirements of the B-BBEE Act. The chapter ends with a description of Kotter's change model which was adopted as the study's theoretical framework. The next chapter looks at the research methods applied in the study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is a study of methods applied in research. Creswell and Creswell (2018:43) refer to research methods as the overall plan and procedures that are to be followed when conducting research. The authors also highlight that research methods include specific plans that enable the selection of the research design as well as the data collection and analysis procedures. This chapter discusses the research design, sampling methods, data analysis processes and procedures and ethical issues among others.

3.2 Research Design

According to Creswell and Creswell (2018:53), a research design provides the researcher with a direction on the particular procedures that need to be followed using a specific approach. Kumar (2020:17) elaborates on this by noting that a research design details how the research will be done. The research design according to Kumar (2020:17) includes the study design, the sampling techniques and the measurement techniques.

Kumar (2020:17) reveals that in qualitative research there are various forms of study designs such as phenomenology, ethnography and grounded theory. Polit and Beck (2020:262) add that there are descriptive qualitative designs which are qualitative studies that cannot be classified as phenomenology, ethnography or grounded theory. Gray and Grove (2020:76) expand by describing the exploratory descriptive research design in qualitative research. In their description, Gray and Grove (2020:76) highlight that the exploratory-descriptive qualitative research design researchers seek to explore a new topic whilst describing a new situation. Similarly, in this study, the researcher explored a new topic in transformation in the media and advertising agencies in South Africa whilst also describing how media and advertising agencies apply B-BBEE codes.

3.3 Study population and Sampling

A study population refers to all the elements of interest to the researcher (Kumar, 2018; Hennink, Hutter and Bailey, 2020). In this study, the study populations are all the media and advertising agencies in South Africa. This includes local and global media advertising agencies. The inclusion criteria for the local and global media and advertising agencies are:

Inclusion criteria

- Media and advertising companies willing to take part in the study

Exclusion criteria

- Media and advertising agencies not willing to take part in the study.

In South Africa, media and advertising agencies are categorised into three broad categories. These categories are digital marketing companies, media companies and outdoor advertising companies. Bizcommunity (2023:1) lists at least 51 outdoor advertising companies and 19 media companies and 23 digital marketing companies.

In the population, the following were considered eligible participants:

- Managers and executives from local advertising and media agencies
- Managers and executives from global advertising and media agencies

The above candidates were considered to be in a position to knowledgeably discuss the study's subject matters of interest. This was mostly by the virtue of their active roles in internal policies including those affecting economic transformation.

3.4 Sampling Strategy and Size

Sampling is the process of selecting a section of a population to take part in a study (Hennink, Hutter and Bailey, 2020). Kumar (2018:179) highlights that there are two main sampling strategies - probability and non-probability sampling. Probability sampling is described as a sampling method whereby the researcher purposively selects elements to be included in the study (Bell, Bryman and Harley, 2018). There are different types of probability sampling methods which

include convenience sampling as explained by Kumar (2018:179). In convenience sampling, the researcher selects elements that are accessible to the researcher thereby reducing the cost and time required to sample (Bell, Bryman and Harley, 2018). This study utilised convenient sampling to access participants from media and advertising agencies. The convenience factors considered were the targeted participants' availability and willingness to participate in the study and the ease of participant reachability to the researcher.

Sample size refers to the number of elements selected by the researcher for data collection. In qualitative studies, Babbie (2020) notes that the sample size is determined by data saturation. Data saturation as explained by Kumar (2018:178) refers to a point whereby no new information can be derived from the participants through further interviewing new participants. In this study, data saturation was used to determine the sample size and saturation was reached at ten participants.

3.5 Research Instrument

Data collection was done using two semi-structured interview schedules. One interview guide collected data from the local media and advertising agencies and the other from the global media and advertising agencies. Saunders, Lewis and Thornhill (2018:44) assert that in qualitative research, the researcher is guided by broad open-ended questions or topics. The role of the researcher as described by Saunders, Lewis and Thornhill (2018:44) is to make sure participants respond to all the topics or questions. This approach was followed in the study. The interview guide was divided into two sections. The first section discussed topics on the transformation that has taken place locally and globally in terms of the B-BBEE Act. The second section discussed the effect of the transformation in alignment with the five elements described in the MAC Charter. The research participants' demographic variables were collected through field notes and were also included in the data analysis. These included the participants' age, gender, experience and position in the company they worked for.

3.6 Data Screening and Analysis Approach

Data collected from the study were automatically transcribed from voice to text using otter.ai, an online transcription application. It was analysed using thematic analysis on Atlas.ti., a qualitative data analysis software. Thematic analysis is considered an appropriate method for analysing volumes of audio or transcribed data within exploratory research set-ups (Braun and Clarke, 2021). Polit and Beck (2018:469) highlight that thematic content analysis enables the researcher to synthesise and integrate all the recurring themes in the study. The authors further assert that thematic analysis goes beyond finding themes in the transcribed data, but also entails the identification of patterns of themes that emerge in a study. These advantages greatly appealed to this study's exploratory nature hence this method's suitability.

In this study, patterns between the demographic variables, such as level of experience, and job grade were compared to quotes from the different participants to analyse the emerging themes. The process of thematic content analysis is explained by Creswell and Creswell (2018:316) and entails five steps. The first step is organising and preparing the data, the second step is reading through the transcribed data and if necessary, taking notes. The third step involves coding the data where chunks of data are broken down and categorised. The fourth step is to create a description of the data and the themes that emerge and lastly to present the emerging themes. In coding the data, Creswell and Creswell (2018:316) cite Tesch (1990) who describes eight steps in coding qualitative data. The first step is reading transcribed data, secondly understanding the meaning of the document; thirdly to list the topics highlighted by the participants; the fourth step is abbreviating the topics as codes; the fifth step is categorising the codes; the sixth step is placing the categorised codes in alphabetical form. The seventh step is to do a preliminary analysis and the last step is to recode if necessary. These steps were followed in the study leading to the identification of four themes each with its subthemes.

3.7 Limitations of the Data collection methods

In qualitative research one of the limitations of the data collection methods is bias. Polit and Beck (2020:307) note bias as underrepresentation or overrepresentation of the population that is done systematically and occurs when using non-random selection methods. However, the authors note that in some populations there is no means of estimating the probability and as such, the elements do not have an equal chance of inclusion. Similarly, the collection of data in this study was limited by the sampling strategy as there were no means of estimating the probability of the study population

Another limitation of qualitative studies is the sample size. Creswell and Creswell (2018: 94) state that sample sizes in qualitative studies are usually small. These small sample sizes do not allow for the generalisation of study findings and are limited to the population studied. In this study a sample of nine local and global media and advertising agencies was used and as such the results can only be applied to the nine media and advertising agencies.

Another limitation of the study is the inability to determine the causes of the lack of transformation in local media and advertising companies (Creswell and Creswell 2018:95). Creswell and Creswell (2018:95) highlight that when qualitative studies are not conducted longitudinally, the causality of a phenomenon might not be possible. This assertion implies that although the study enables a comparison of transformation between local and global media companies. The reasons for the contrasts cannot be determined from this study.

3.8 Ensuring rigour

In qualitative research, the concepts of validity and reliability are equated to the research trustworthiness concept. Trustworthiness looks at four data analysis and findings qualities. These are credibility, transferability, confirmability and dependability (Saunders, Lewis and Thornhill, 2018). Each one of these is briefly discussed. To manage the general trustworthiness of findings, the research pretested their interview guide on two participants outside the study's sample.

The piloted participants found no difficulty in answering or relating to the interview questions in the guide and it was adopted without further changes.

3.8.1 Credibility

Credibility relates to the extent to which study outcomes represent the data input of consulted sources (Kyngäs et al., 2020).In this study, these sources were the managerial employees from the local and global advertising agencies operating in Gauteng. To enhance research credibility, the study relied on triangulation. This involved the use of both primary qualitative data compared and contrasted with secondary data in the literature. This ensured that extreme divergencies that could challenge the credibility between findings could be given further analysis mainly through further comparative analyses.

3.8.2 Transferability

Transferability refers to whether study outcomes can be transferred to relatable settings and environments (Kyngäs et al., 2020). In this, the researcher enhanced transferability by giving adequate details of the research setting, context and candidates (Kyngäs et al., 2020). This empowers other researchers to assess the transferability of these findings to their own settings.

3.8.3 Dependability

A dependable study can be repeated to produce similar or relatable findings (Amin et al., 2020). Dependability requires researcher objectivity (Amin et al., 2020) and the researcher ensured this throughout the data collection, analysis and reporting process. Furthermore, the researcher also documented all processes that were applied in the study to ensure that others can verify the process and results' dependability (Saunders, Lewis and Thornhill, 2018).

3.8.4 Confirmability

Confirmability is the degree to which research outcomes made are confirmable from other sources (Amin et al. 2020). To support the confirmability of its findings,

the provided adequate information on the study setting (Saunders, Lewis and Thornhill, 2018).

3.9 Research ethics

This study was conducted in line with prescribed research ethics. According to Saunders, Lewis and Thornhill (2018), research ethics refers to the obligations that researchers have towards the protection of research participants' rights. Four fundamental research ethics are the rights to confidentiality and anonymity (2) informed consent, (3) voluntary participation and (4) protection of participants/candidates from harm (Creswell and Creswell, 2018).

Regarding the first right to confidentiality, the researcher ensured that the participants' names, organisations and any other data that can easily result in them being identifiable were excluded from the data analysis and presentation of findings. Further to that, the participants' collected data was stored under password-encrypted digital systems. No other persons or organisations were to have access to the names of these participants and the collected data will not be available to any unauthorised parties.

The right to informed consent demands that research participants be made fully aware of the nature and purpose of the collected data as well as the identities of entities and stakeholders that are part of the research they are to participate in. This gives way to the right of voluntary participation. Once fully informed, participants can choose to participate or not without the fear of penalties. Also, they are to be allowed to withdraw from a study if they decide to. These rights were protected in the research. A consent letter that explained the study and identified its stakeholders also served as a signing form for voluntary participation. The study expected no physical harm to befall participants and this was also explained in the consent letter. The above were guided by the works of Creswell and Creswell (2018: 128), Saunders, Lewis and Thornhill (2018:94) and Kumar (2020). Overall, the researcher ensured that all the above rights were fully respected and abided by Protocol number: WBS/BA0610836V/547 of the University of the Witwatersrand's research ethics committee.

3.10 Conclusion

Chapter 3 described the research methodology applied in the study. The study took a qualitative approach and used an exploratory-descriptive design. The study also used convenient sampling with a final sample size of nine participants being reached using the saturation point concept. Data were collected using a semi-structured interview guide and were analysed using thematic analysis. The study's findings' rigour was enhanced by considering the concept of research trustworthiness. The study was also conducted ethically. The next chapter discusses the findings made from the analysis of semi-structured interview transcripts.

CHAPTER 4: PRESENTATION OF FINDINGS

4.1 Introduction

Chapter four presents the findings from the interviews conducted. The chapter begins with a presentation of the participants' demographic variables and then the findings from the thematic content analysis. The presentation of the sample demographic variables was done numerically and the presentation of the themes emerging from the thematic analysis was done narratively.

4.2 Sample demographic variables

A total of ten participants were interviewed. Table 4.1 below shows the sample demographic variables:

Table 4.1: Sample demographics

Participant	Age	Gender	Years of Experience	Position grade	Local or Global Agency
Participant 1 Local	46	Male	10-15 years	Executive	Local
Participant 2 Local	34	Male	5-10 years	Middle manager	Local
Participant 3 Local	39	Male	5-10 years	Middle manager	Local
Participant 4 Local	40	Male	10-15 years	Executive	Local
Participant 5 Local	35	Female	10-15 years	Senior manager	Local
Participant 6 Global	39	Female	5-10 years	Senior manager	Global
Participant 7 Global	46	Female	10-15 years	Executive	Global
Participant 8 Global	52	Male	More than 15 years	Executive	Global
Participant 9 Global	37	Female	10-15 years	Senior manager	Global

Participant 10 Global	51	Male	More than 15 years	Executive	Global

Five participants were from global media and advertising agencies while the other five participants were from local media and advertising agencies. Four of the participants were female while the remaining six participants were male. In terms of ages, the ages of the participants ranged from 34 years to 52 years. With regards to experience in the media and advertising agencies, experience ranged from five years to more than 15 years experience, with the modal experience range being 5-10 years. The participants also gave their job descriptions, five were in executive positions, three were senior managers and two were middle managers.

4.3 Emerging Themes

Emerging themes were generated using open coding applying, Tesch‘s 8-step process. The first step involved transcribing the data as a means of preparing it for analysis. The second step was the definition of themes, which are keywords from the transcribed data that can be categorised. The third step was developing a scheme of how data was to be categorised. The fourth step was testing the coded data to see if the results are similar between the researchers. The fifth step was coding all the categories of data while the sixth step involved assessing the consistency of the coded data. The seventh step was drawing inferences from the coded data and lastly, data was presented.

From the findings, four main themes emerged, the first theme was transformation initiatives taking place in local media and advertising companies. The second theme to emerge was the transformation that has taken place in local media and advertising companies. The second theme was that global media and advertising agencies were starting to transform. The third was B-BBEE codes have enabled local media advertising agencies to secure clients and the fourth theme was B-BBEE codes have obligated global agencies to transform the way they manage their businesses.

4.3.1 Theme 1: Transformation has taken place in local media and advertising agencies

The view that local media and advertising companies had transformed by being inclusive of previously disadvantaged black people was discussed by all four local participants (Participants 1 Local, 2 Local, 3 Local, and 4 Local) who described the transformation in local advertising agencies. Four subthemes emerged from Theme 1. The first was that local media and advertising companies have transformed by being inclusive of previously disadvantaged black people in top management. The second subtheme was skills development for previously disadvantaged black people in local media and advertising agencies enables transformation and the third subtheme was procurement has transformed to include previously disadvantaged black people. The fourth subtheme was transformation has occurred through the inclusion of responsible social marketing and advertising in local media and advertising agencies.

4.3.1.1 Subtheme 1: Local media and advertising companies have transformed by being inclusive of previously disadvantaged black people in top management

Three participants, (Participant 1 local, Participant 2 local and Participant 3 local) of the five participants noted that local media and advertising companies are more inclusive of previously disadvantaged black people. Of the three respondents, all were males. Two of the participants who noted the issue of local media and advertising companies have transformed by being inclusive of previously disadvantaged black people were one middle manager and one executive. With regards to their experience, one of the participants (Participant 2 local Male, Middle Manager) had 5-10 years' experience while Participant 1 local (Male, Executive) had 10-15 years of experience. Participants described the theme of top management being included in senior management positions in response to the question "What transformation measures has your company made with regards to the following B-BBEE elements?" in response participants described how in the past they had only white people in senior management positions and now had both black and white with the black managers being in larger numbers.

Excerpts from Participant 1 (Male, Executive) and 2 (Male, Middle Manager) are shown below illustrating the inclusion of previously disadvantaged black people in local media and advertising agencies:

> *"So, there is only one wide top of all these disciplines so the rest is black female, its black female and its black male. So, we've because… we obviously have to respond as well with these type of things to our customers which are state-owned enterprises because, in our type of work, it is rare for us to be"…Participant 2 Local (Male, Middle manager)*

> *"I think I guess you have to ask the question you have to ask is over what time period are you referring to let's say 10 years ago… we have made enormous strides I mean if you look at management, for example, ten years ago we didn't have… we had no, we had one black manager but now our head of finance is black, our head HR is black, our head of every… is black we now have 60% black so things have changed drastically, so I think we have made enormous strides I mean like I said we took over in 2011, the entire board used to be white"…Participant 1 Local (Male, Executive)*

From the excerpts above it was concluded that the involved local media companies have been more inclusive of previously disadvantaged black people in the companies and have transformed over the years to include black people.

4.3.1.2 Subtheme 2: Skills development for previously disadvantaged black people in local media and advertising agencies enables transformation

The second subtheme that emerged was there is skills development for previously disadvantaged black people. The issue of skills development was outlined by Participant 1 local (Male, Executive) and Participant 3 local (Male, Middle manager). The participants discussed how they are developing skills among previously disadvantaged black people in the media and advertising agencies. These skills discussed by participants were specifically targeted at particular positions or were part of a broad training program for the whole company which employed more previously disadvantaged black people and as a

result, they would invariably benefit from training because they were the majority employees.

The participants who noted the issue of skills development benefitting previously disadvantaged black people were both males. One of these participants (Participant 1 local) was an executive and Participant 3 local worked as a middle manager. Concerning experience in media and advertising, Participant 1 local had 10-15 years working in the media and advertising industry and Participant 3 had between 5 and 10 years working in media and advertising. Quotes from their response to the question "What transformation initiatives have you seen in local media and advertising agencies?" are shown below:

> *"I mean for example when you work with some of the government departments, they must you must showcase you know how kind of provide proof of what you are doing in terms of giving back to you know black community, especially in terms of training providing skills"…Participant 3 Local (Male, Middle manager)*

> *"long back we had fewer black staff so now the black staff has increased and when you have a big training budget you will spend it on the black person you know so that so and so can go to Harvard. In terms of how you spend your training budget but now literally and I looked at the numbers yesterday 76% of our staff is black. So, you now have a training budget that is by defacto goes towards the majority to black people because they are the majority right"…Participant 1 Local (Male, Executive)*

Skills development was part of local companies' transformation drive in the represented agencies and as noted this also had something to do with the need to comply with B-BBEE Act to get government business.

4.3.1.3 Subtheme 3: Procurement has transformed to include previously disadvantaged black people

The third subtheme to emerge was that procurement has transformed to include previously disadvantaged black people in local media and advertising agencies. This subtheme of procurement being inclusive of previously disadvantaged black

people was discussed by two of the participants in local media and advertising agencies. These participants were Participant 1 Local and Participant 5 Local. The participants who highlighted the issue of transformation in procurement were all males. One participant (Participant 5 Local) had between 5 and 10 years in media and advertising whilst participant 1 local had 10-15 years of experience. In terms of job grade, the two participants (Participant 5 was senior manager while the other one was an executive (Participant 1 Local).

Their excerpts are shown below:

> *"you know with the B-BBEE the changes in the law like procurement you can no longer initially what we did we looked at our procurement in terms of what we buy our pens our paper and whom we pay our rent to right… we have changed we now talk of preferential procurement. We talk about procurement from what in terms of what, where and we buy media from"…Participant 1 local (Male, Executive)*

> *"in terms of procurement perspective um, this has actually been very interesting because a lot of our State-owned enterprises actually want us to procure at least 30% of any media of any media spend and to a smaller company and whether it's through outsourcing… Or through a media owner that's fully black-owned". …Participant 5 Local (Female, Senior manager).*

The issue of procurement transforming to include black people from previously disadvantaged black people illustrated by participants 1 Local and 5 Local provides evidence that transformation is taking place, notably, the participants noted that this transformation was partially influenced by working with state-owned entities who made it mandatory for them to procure from black-owned micro-enterprises as highlighted by Participants 5 Local and Participant 1 Local.

4.3.1.4 Subtheme 4: Transformation has occurred through the inclusion of responsible social marketing and corperate social responsibility in local media and advertising agencies

The third subtheme to emerge was that transformation has taken place that has included responsible social marketing and corperate social responsibility. The

participants who outlined the issue of responsible social marketing were Participant 3 Local, Participant 2 Local and Participant 1 local. The discussion on responsible marketing highlighted issues pertaining to social responsibility such as gender-based violence and well as the inclusion of local people in marketing and advertising. The excerpts from participant 1 Local and Participant 3 local are shown below.

> *"and then there is responsible marketing and advertising, this one I don't quite get it but every year we do it. This year we have partnered with the Western Cape government and we got a campaign for gender-based violence going on, so we work with them to fork out the media for the…Participant 1 Local (Male, Executive)*
>
> *"We also got to show local flavour, local people you know a lot of local brands do that but you always get that odd number"…Participant 1 Local (Male, Executive)*
>
> *"so we have in past in terms are small businesses trained them in the past on digital marketing, just to give back, especially black-owned businesses we help them launch an e-commerce company and they are now selling their products online and we helped them with graphic designing … we also run online campaigns for such small businesses and yes we run campaigns for not-for-profit companies so that we get people to kind of find them…Participant 3 Local (Male, Middle manager)*

4.3.1.5 Summary of Theme one

From the responses of the participants, local media and advertising agencies had taken initiatives to transform their agencies in alignment with the B-BBEE codes. The table below shows the main theme and the emerging subthemes

Table 4.2: Summary of Theme 1

Theme One	Transformation has taken place in local media and advertising agencies	Participants 1,2,3,4 and 5 Local

Subtheme 1	Skills development for previously disadvantaged black people in local media and advertising agencies enables transformation	Participant 1 local, Participant 2 local and participant 3 local
Subtheme 2	Skills development for previously disadvantaged black people in local media and advertising agencies enables transformation	Participant 1 local and Participant 3 local
Subtheme 3	Procurement has transformed to include previously disadvantaged black people	Participant 1 Local, Participant 5 Local
Subtheme 4	Transformation has occurred through the inclusion of responsible social marketing and corperate social responsibility in local media and advertising agencies	Participants 1, 2 and 3 Local,

4.3.2 Theme 2: Few transformation initiatives have taken place in global media and advertising agencies

The second theme that emerged was that a slight transformation has taken place in global media and advertising agencies. The issue of a few transformation initiatives taking place was noted by the three participants from global media and advertising agencies; Participant 6 Global (Female, Senior Manager), Participant 7 Global (Female, Executive) and Participant 8 Global (Male, Executive). These participants discussed that some transformative changes had taken place in global media and advertising companies, however, most transformative changes that should have taken place had not taken place. Subthemes that emerged from this main theme were (1) recruitment of management is predominantly talent

driven in global media and advertising agencies (2) Skills development is focussed on young people and not specific to previously disadvantaged black people and (3) procurement is aimed at empowering previously disadvantaged black people (4) Corporate Social Responsibility Initiatives are rarely done and (5) responsible social marketing is still growing in global media and advertising agencies.

With regards to a few transformation initiatives that have taken place in global media and advertising companies two of the participants who highlighted the issue of inadequate transformation initiatives were executives (Participants 7 and 8 global) whilst one was a senior manager. With regards to gender, two of the participants who discussed inadequate transformation measures were female (Participants 6 and 7 global) and one was male (Participant 8 Global). In terms of age ranges, the ages of the participants ranged from 37 to 52 and all participants who described the issue of a few transformative changes had a minimum of 10-15 years of experience in the industry and a maximum of more than 15 years of experience.

The issue of few transformation changes was best elaborated by participant 7 and 8 Global whose quotes ate shown below

> *"I think from a management perspective when you look at the percentage of senior black management you can see there is still a long way to go in terms of transformation… there have been slight shifts. Like you know in recent years but we are not accelerating in the same kind of you know process or as swiftly as we should be" …Participant 7 Global (Female, Executive)*

> *"our exact focus is that we have the right calibre of individuals, so we would never drive the transformation agenda, it is far from our minds, we are doing talent planning we are doing what we are doing for the next year." …Participant 8 global (Male, Executive)*

4.3.2.1 Subtheme 1: Recruitment of management is predominantly talent driven in global media and advertising agencies

The first subtheme emerging was that recruitment of management positions is largely driven by the required talent and not by transformation requirements was highlighted by participant 7 global and participant 6 global. In their discussion, participants noted that white people had acquired a lot of expertise in the media and advertising industry and it had become generational knowledge and established that they are experts which places previously disadvantaged black people in a precarious position when it comes to advancements and recruitment. Respondents who described the issue of inadequate transformation in management structures in global media and advertising agencies were all females in senior management (Participant 6 Global) and executive (Participant 7 Global) positions and all had 10-15 years of experience. Excerpts from their interviews showing how the management structure is driven by talent are shown below.

> *"I'm not saying that we should put people in positions simply because of the colour of their skin but I do think there are capable and talented black people out there that we could potentially use or people that are being overlooked due to several factors… Indians are being accelerated into positions of power in place of black Africans … Participant 7 global (Female, Executive)*

> *"in middle management we identify individuals with high potential, we look for critical thinking skills, we look for business strategists and we poach people from consultancies"…Participant 6 global (Female, Senior manager)*

4.3.2.2 Subtheme 2: Transformation through skills development is focussed on young people and not specific to previously disadvantaged black people

The second subtheme to emerge was that skills development focussed on young people and these young people were not always previously disadvantaged black people. The participants described various programs they had in place for skills

development in the media industry that increased the skills of young people. In addition, participants noted that due to the skills shortage in the media industry, it was difficult to only select previously disadvantaged black people and global media and advertising agencies would choose from across different professions. Notably, in comparison to recruitment in management positions, there was more effort to improve transformation through skills development by global companies. The participants who described the issue of skills development in young people were Participant 6 Global, and participant 8 global. With regards to their gender, one of the participants was female (Participant 6 global), and one was male (Participant 8 global). Remarkably all the participants who discussed the issue of training young people were executives in global media and advertising agencies who were above the age of 35 years. In addition, the participants who noted that global agencies provided skills for young people had more than 10 years of experience in the industry. The quotes from Participants 6 and 8 are shown below illustrating the issue of training programs for young people:

> *"We do have a program called graphics, we recruit graduates that are across the industry so the first year we did it and the graduates were much more, I wanna say media same chip from Boston Media House or Vega AAA in the second year we actually opened it up and we have specific attributes, more than where they studied or even what they studied, we got really capable data analysts who are astrophysicists and that kind of data scientists that would never have considered a career in media but are now currently part of the agency team that we brought on board through the graphics program"…Participant 6 Global (Female, Senior Manager)*

> *"And again, if you again came from, if you are not in the immediate industry so I am going to explain to you like you are not, but it's a very small pool. So, you can't talk from a race perspective So you generally don't have a wide pool to choose from so we've had to look outside our talent pool. from that, we have a very robust development and learning structure within the organisation and it contributes to the overall growth, but it's a bit tricky being a global organisation because we obviously report to the Omnicom Group"…Participant 8 Global (Male, Executive)*

4.3.2.3 Subtheme 3: Procurement initiatives that aim to empower black-owned businesses are just starting and not fully operational.

The third subtheme to emerge was that procurement initiatives from global media companies aim to empower black-owned businesses had just started. This issue was discussed by Participants 7 Global and Participant 8 global. The issue discussed was that global media and advertising agencies are starting to procure from smaller black-owned businesses but have to build their capacities to meet the procurement standards they require. The participants who noted the issue of procurement from black-owned businesses were one female and one male. Participant 7 was 46 years and Participant 8 was 52 years. Both participants (Participant 7 and Participant 8 global) were executives. The quotes below illustrate that the support of procurement from small black-owned businesses was still in the early stages:

> *"The media businesses that are looking out to start up and procure sites or procure this in terms of helping them and they can go and get finances so I have seen some come out in the last twelve months, but we are not seeing a large amount of black-owned businesses sort of hit the line, we are supporting them as a client mandate but it's still in its infancy and we are still trying to unpack who they are and what they do"…Participant 8 Global (Male, Executive)*

> *"Umm, it's quite interesting in terms of procurement because we are starting to see a lot of our clients ask this question in procurement discussions so we started an enterprise development program where we are helping. These businesses are a lot smaller but could be in media adjacent spaces like PR and creative services and we just found out there are a lot of black media owners"…Participant 7 Global (Female, Executive)*

4.3.2.4 Subtheme 4: Corporate Social Responsibility Initiatives are rarely done

The fourth subtheme to emerge was that social responsibility was not being practised by global media and advertising agencies. This issue was discussed by Participant 7 Global, and Participant 6 global. The two participants who noted that

social responsibility was not done were one senior manager (Participant 6 Global) and one executive Participant 7 global. All the participants who outlined the issue of lack of corporate social responsibility had more than 10 years of experience. Excerpts from Participant 7 global and Participant 6 global are shown below:

> *"Well, I don't know if any agencies that deal with or directly have a social investment wing to their budget… a lot of times the CSR is driven by the clients, or media owners and we tend to benefit from that which is not necessarily a bad thing or the other way is that we leverage on existing relationships or existing media owner relationships. . . sometimes to request tile may be for and on behalf on an NPO to run their campaigns but very rarely do agencies use their own money to fund these initiatives. I have never heard of any, any even minimal amounts even to say we are keeping 20 000 rands to the good cause, so I don't think we are there yet."…Participant 7 Global (Female, Executive)*

> *"Yes, we did discuss the issue of giving back to the community, but you must understand that sometimes the laws that govern here in South Africa, the parent company would normally be running the social issues in different parts of the world, but I'm sure more can be done"…Participant 6 Global (Female, Senior Manager)*

4.3.2.5 Subtheme 5: Responsible social marketing is still growing in global media and advertising agencies.

The fifth subtheme discussed by participants was the growth of responsible social marketing in global media and advertising agencies. This issue of responsible social marketing was described by two participants; Participant 7 global and Participant 9 Global. In describing the issue of responsible social marketing the participants noted they had become more conscious of social issues and promoting tolerance of minority groups in the community. The excerpts from Participants 7 and 9 Global are shown below:

"Then there is the issue of responsible social marketing, this one is tough because I'm like yes, yes responsible social marketing is growing, it's growing it's not accelerating in the way it should be. It's growing in the wrong spaces with talk

of sustainability for Checkers it's like we are preaching to the choir. We are already converted maybe we should be starting at the townships where there is a clear correlation between poverty and filth"…Participant 7 Global (Female, Executive)

> *"you know like the form is responsible social marketing, but I feel like it's a lot you watch your TV you look at your ads almost every single one there is a transgender person like ads that way almost all shows have that I understand its raising consciousness. But if you were to do it in the reverse in terms of race it would be a problem. So in the South African context, we now just put more black people because there is a growing black middle class and we talk about them in retail, but we do not show their stories of struggle. It does not make sense, we still have a long way to go"… Participant 9 Global (Female, Senior Manager)*

4.3.2.6 Summary of Theme Two

From the data analysed from participants in global media and advertising agencies, it was noted that few transformation initiatives had taken place. Some of these transformation initiatives such as procurement and responsible social marketing were just starting. Table 4.3 below summarises the themes

Table 4.3: Summary of Theme 2

Theme Two	Few transformation initiatives have taken place in global media and advertising agencies	Participants 6, 7 and 8 global
Subtheme 1	Recruitment of management is predominantly talent driven in global media and advertising agencies	Participants 6 and 7 global
Subtheme 2	Transformation through skills development is focussed on young people and not specific to previously disadvantaged black people	Participants 6 and 8 global

Subtheme 3	Procurement initiatives aim to empower black-owned businesses are just starting and not fully operational	Participants 7 and 8 global
Subtheme 4	Corporate Social Responsibility Initiatives are rarely done	Participants 6 and 7 global
Subtheme 5	Responsible social Marketing is still growing in global media and advertising agencies	Participants 7 and 9

4.3.3 Theme Three: B-BBEE codes have enabled local media advertising agencies to secure clients.

For local media and advertising agencies, the B-BBEE codes have enabled them to secure clients. This issue was discussed by Participant 1 Local, Participant 2 Local and Participant 3 local. Notably, all participants that outlined that B-BBEE codes have enabled access to clients were all male. In addition, two of these participants were middle managers (Participants 2, and 3 local), and one of the participants was an executive (Participant 1 local). In terms of experience in the media industry, the participants who described the third theme had varying years of experience; two participants had worked in the industry for 5-10 years (Participants 3 and 2 local) while participant 1 local had worked for between 10- and 15-years' in the industry. The issue of B-BBEE enabling local agencies to secure clients has also resulted in them competing with global agencies, this discussion developed to the first subtheme that B-BBEE codes have led to increased competition. The excerpts of the interview are shown below

> *"I tell you one client that came to us, it was Nestle and Nestle said to us as long as you are level one B-BBEE you will continue to have this contract. And if we drop a level the contract will be moved to another agency…Participant 1 Local (Male, Executive)*

"So, you see B-BBEE has given an opportunity to be in a position at the same time with global agencies say for example Coke is going to do a pitch which is going to be in Atlanta and it's going to be in Johannesburg and we as a local agency we are also going to call in a smaller agency to come in and play a part"…Participant 2 Local (Male, Middle manager)

4.3.3.1 Subtheme 1: B-BEEE codes have led to increased competition between local and global media and advertising agencies.

The first subtheme of increased competition between local and global media and advertising agencies was described by Participant 3 local and Participant 2 local. The participants described that B-BBEE codes enabled them to achieve a level one B-BBEE, which was also achieved by global media and advertising agencies, consequentially, they would compete on pricing. As discussed, such competition on pricing resulted in local advertising agencies losing because they had fewer resources, and expertise than global media and advertising agencies. The excerpts from the interviews describing how the issue of increased competition as an effect of B-BBEE codes are shown below:

"We now have to compete with the multinationals because they are also level 1 B-BBEE and the competition goes down to a price point which is close to impossible, because of economies of scale, I am running a small business everything is expensive for me to run and I have to make sure I have all the tools to run the business the Nielsen scales which don't come cheap"…Participant 2 Local (Male, Middle manager)

"Even big companies have tried by all means and we know there are a lot of unethical practices done by big businesses and as an agency, we look at as much as you are level one and you come and see the level one at the management which there isn't like one black person. And so when they pitch you also pitch and I mean there is no one who can compete with them because they have double the staff size they have more experience and they have deeper pockets and already that puts us at a disadvantage and so I think the whole thing needs some measures in place." …Participant 3 local (Male, Middle manager)

4.3.3.2 Summary of Theme Three

From the participants' responses, the third theme outlined how the B-BBEE codes enabled the local media and advertising agencies to secure clients. However, the local media and advertising clients were also now facing increasing competition from the global media and advertising agencies. Table 4.4 below summarises theme four.

Table 4.4: Summary of Theme 3

Theme Three	B-BBEE codes have enabled local media advertising agencies to secure clients.	Participant 1 Local, Participant 2 Local, Participant 3 local,
Subtheme 1	B-BEEE codes have led to increased competition between local and global media and advertising agencies.	Participant 2 local and Participant 3 local

4.3.4 Theme four: B-BBEE codes have obligated global agencies to transform the way they manage their businesses.

The fourth theme to emerge was that B-BBEE codes have obligated global agencies to transform the way they have been managing their businesses. This theme was highlighted by three participants who were; Participant 7 Global, Participant 8 Global, and Participant 6 Global. Of these participants who described the issue of being obligated to transform, two were females (Participants 6, and 7) one of these females was a senior manager (Participant 6 Global) and one was an executive (Participant 7 Global). The male participant who described the theme of being obligated to transform had the longest experience in the industry with more than 15 years of experience.

Global companies being obligated to transform was described by participants in response to the question of what has been the effect of B-BBEE codes on global media and advertising agencies. In their discussion participants noted that they have been obligated by two forces to transform their businesses, the clients they

serve and the law that demands they comply with B-BBEE codes. The participants noted for instance when procuring they are now looking at businesses they would never ordinarily have considered working with. In addition, their skills development programs are starting which are building capacities of young people of all races which have made the team more diverse. One subtheme emerged from these which were teams have become more diverse as a result of B-BBEE codes.

The quotes from the interviews that substantiate the way global adverting agencies have been obligated to support the effect of B-BBEE codes on global agencies are shown below:

> *"We still don't get it right we are still being forced into the B-BBEE formula. You know we are creatures of habit we go with what we know and I think there has been a positive perspective in procurement and skills development we are forced to look into companies that we would not otherwise consider"…Participant 7 Global (Female, Executive)*

> *"I do believe things can happen organically, they should happen organically and we can't force them, we can't force things we can turn the extent on our own. We can see guys into black-owned businesses they have a lot of understanding and with the forms of education that can be done… and as an agency, it would not hamper us as an agency to grow externally with new partners as well"…Participant 6 Global (Female, Senior manager)*

4.3.4.1 Subtheme 1: Transformation initiatives have provided diversity to the team

The subtheme of transformation providing diversity was discussed in response to the question what has been the effect of B-BBEE codes on global media and advertising agencies. The participants who brought up the theme were; Participant 7, Global, Participant 6 Global and Participant 8 Global. Two of these participants were female, (Participants 6 and 7 Global) and one was male (Participant 8 global). The quotes below show how the theme emerged.

"The kind of analytic side we get such amazing insights, that's the amazing part about transformation is everybody's journey's different you know we get very diverse kind of learning stories"…Participant 6 Global (Female, Senior manager)

"I think it's a positive result for clients and the agencies as well it creates new businesses, new business owners, new revenue streams, it really is positive"…Participant 8 Global (Male, Executive)

Table 4.5: Summary of Theme 4

Theme	Subtheme	Participants
Theme Four	B-BBEE codes have obligated global agencies to transform the way they manage their businesses.	Participant 7 Global, Participant 8 Global, Participant 6 Global and
Subtheme 1	Transformation initiatives have provided diversity to the team	Participant 7, Global, Participant 8 Global and Participant 6 Global.

4.3.5 Comparison of transformation between local and global media and advertising agencies in South Africa.

From the themes that emerged from the qualitative data analysis, transformation in global and local media and advertising agencies can be compared. This comparison is based on: overall compliance with transformation initiatives, B-BBEE codes of (1) procurement, (2) recruitment, (3) skills development, (4) responsible social marketing and corporate social responsibility. The table below provides a side-by-side comparison of global and local media and advertising agencies.

Table 4.6: Comparison of Transformation between global and local media and advertising agencies

Transformation Initiatives (B-BBEE Code)	Local Media and Advertising Agency	Global Media and Advertising Agency
Overall performance of transformation	Transformation has taken place in local media and advertising agencies	Few transformation initiatives have taken place in global media and advertising agencies
Recruitment of previously disadvantaged black people	Local media and advertising companies have transformed by being inclusive of previously disadvantaged black people in top management	Recruitment of management is predominantly talent driven in global media and advertising agencies
Skills development	Skills development for previously disadvantaged black people in local media and advertising agencies enables transformation	Transformation through skills development is focussed on young people and not specific to previously disadvantaged black people
Procurement	Procurement has transformed to include previously disadvantaged black people	Procurement initiatives aim to empower black-owned businesses are just starting and not fully operational.
Corporate social responsibility	Transformation has occurred through the inclusion of responsible social marketing and Corporate social responsibility advertising in local media and advertising agencies	Corporate Social Responsibility Initiatives are rarely done
Responsible social marketing	Transformation has occurred through the inclusion of responsible social marketing and corporate social responsibility advertising	Responsible social Marketing is still growing in global media and advertising agencies.

	in local media and advertising agencies	
Effects of B-BBEE on global and local media and advertising agencies		
	Local media and advertising agencies	Global media and advertising agencies
Effect 1	B-BBEE codes have enabled local media advertising agencies to secure clients.	B-BBEE codes have obligated global agencies to transform the way they manage their businesses.
Effect 1.2	B-BEEE codes have led to increased competition between local and global media and advertising agencies.	Transformation initiatives have provided diversity to the team

In comparison to global media and advertising companies, local agencies have overall transformed, while global agencies have completed fewer transformation initiatives. Global media and advertising agencies highlight that some of the B-BBEE code initiatives that have not been implemented to transform the businesses include skills development which focuses on youths, recruitment which is talent-based and corporate social responsibility which is rarely done. Furthermore, the global media and advertising agencies note that some initiatives such as procurement and responsible social marketing are still growing. On the other hand, local media and advertising agencies have operationalised initiatives such as recruitment inclusive of previously disadvantaged black people, skills development for black people, responsible social marketing and procurement.

Concerning the effects of B-BBEE codes on both local and global media and advertising agencies, there have been both negative and positive results from the two groups. Local media and advertising agencies note that B-BBEE codes have enabled them to get new clients however this access to new clients has also resulted in increased competition from global companies negatively impacting their competitiveness due to limited resources. In contrast, the effect of B-BBEE codes on global media and advertising agencies has been an obligated

transformation from clients and the law. While global agencies have been forced to transform, this transformation has positively resulted in team diversity.

4.4 Chapter Summary

Chapter 4 presented the results of the study. The study began by analysing the participants' demographic data. The chapter outlined that 10 participants were interviewed from global and local media and advertising agencies. These participants were mostly senior managers and the majority had between 10-15 years in the media and advertising industry. Four main themes emerged from the qualitative analysis. The first was that local media and advertising agencies had transformed, the second was that global media and advertising agencies were starting to transform, the third was B-BBEE codes have enabled local media advertising agencies to secure clients and the fourth theme was B-BBEE codes have obligated global agencies to transform the way they manage their businesses. Local media and advertising agencies have also completed more transformation initiatives in comparison to global media and advertising agencies. The next chapter discusses these findings.

CHAPTER 5: DISCUSSION

5.1 Introduction

This chapter discusses the findings from the study which sought to provide a comparative, descriptive analysis of the transformation between local and global media and advertising agencies in South Africa. The study's specific objectives were:

1. To describe the transformation in local media and advertising agencies in South Africa
2. To describe the transformation in global media and advertising agencies in South Africa
3. To explain the effect of B-BBEE codes on transformation in local and global advertising agencies
4. To compare the transformation between local and global media and advertising agencies in South Africa

This chapter discussed the findings from the study in relation to previous studies conducted on transformation around the world and in South Africa. The chapter ends by discussing the study findings in relation to the theoretical framework, Kotter's change model.

5.2 Transformation in local media and advertising agencies in South Africa

From the study's findings, transformation in local media and advertising companies could be described as having taken place. The issue of transformation having taken place in local media advertising agencies is described by Musabayana and Mutambara (2022) who further describe local media and advertising agencies as locally owned companies that have a turnover of less than R50 million annually. In contrast to the findings by Musabayana and Mutambara (2022) who found that local companies do not comply with B-BBEE codes due to high failure rates of locally owned companies, this study found that some local media and advertising companies have transformed. The similarity of

findings on the compliance to B-BBEE codes is noted with the findings by Madzimure (2020:182) who note that small companies that comply with B-BBEE Act are the ones that are successful and in operation.

Building on the issue of the high failure rate of small to medium enterprises, Madzimure (2020:182) like Musabayana and Mutambara (2022:78) acknowledges the high failure rate of SMMEs but further explains that those SMMEs that do survive are compelled to comply with government legislation such as the B-BBEE Act. Madzimure (2020:182) further highlights that SMMEs such as the local media and advertising agencies are obligated to comply to get government tenders which require B-BBEE compliance. The issue of receiving government tenders is acknowledged by Participant 1 Local (Male, Executive) who described that they have partnered with the Western Cape government to achieve B-BBEE compliance in responsible social marketing and corporate social responsibility on gender-based violence. In this regard, these assertions by Participant 1 Local show a bi-directional relationship where firstly, Madzimure (2020:182) assertion that local companies do receive government contracts and secondly, compliance with the B-BBEE code on responsible social marketing for gender-based violence and corporate social responsibility.

According to Madzimure (2020:182), compliance with legislation such as B-BBEE codes is expensive for locally-owned SMMEs. Musabayana and Mutambara (2022:78), also agree with Madzimure (2020:182) that compliance with government legislation such as B-BBEE codes on transformation requires external service providers which could increase the cost. However, from the findings of this study, despite the high cost of complying with B-BBEE described by Madzimure (2020:182), the local media and advertising companies that do not fail had transformed and did receive tenders from the government which ensured their continued survival. This means that it is more costly for the local media and advertising companies not to transform as they will lose business from the government and fail as Musabayana and Mutambara (2022) highlight. Mudzimure (2020:182) draws a similar conclusion that despite the compliance being costly, it is unsustainable to be non-compliant as conducting business with the state provided greater survival opportunities for SMMEs. Furthermore,

Dreyer, Viviers and Mans-Kemp, (2021:1) note that poverty persists among black-owned businesses due to a lack of compliance with the B-BBEE codes. As such the findings of this study that local media and advertising companies have transformed are also aligned with findings by Dreyer, Viviers and Mans-Kemp, (2021) who note that transformation has occurred in SMMEs that survive as they have a greater opportunity to do business with the state.

In addition, the issue of local media and advertising agencies transforming because they have to work with the government was also described by Participant 3 Local (Male, Middle manager) who explained that when you work with the government you have to show them what you are doing to empower the black community. This issue of showing the government how local media and advertising companies were complying with B-BBEE codes was discussed concerning skills development for previously disadvantaged black people. This issue of transforming through compliance to the B-BBEE code on skills development further shows similar findings of this study and the study conducted by Madzimure (2020:182) who notes that SMMEs are obligated to transform and be compliant with legislation as they need to work on government tenders.

Furthermore, with regards to employment in top management, local media and advertising companies described how they had transformed to include previously disadvantaged black people including women in their top management. This issue of transformation that has taken place in local media and advertising companies was also driven by the need to work with the state, which is also described by Madzimure (2020:182). The compliance with the B-BBEE code on employment was also highlighted by Participant 2 Local (Male, Middle manager) who noted that because their customers were state-owned entities, they were obligated to comply with transformation legislation. This assertion by Participant 2 local was highlighted as a subtheme of “local media and advertising companies have transformed by being inclusive of previously disadvantaged black people in top management, to the main theme that local media and advertising agencies have transformed.

Concerning supplier development, Musabayana and Mutambara (2022:78) explain that SMMEs fail as a result of a lack of business opportunities and lack of

financing. However, in contrast, findings from the study revealed that local media and advertising companies have transformed in terms of procurement and develop SMMEs owned by previously disadvantaged black people. This issue of transformation occurring in local media and advertising agencies through supplier development was described as subtheme three “procurement has transformed to include previously disadvantaged black people”. Supporting this assertion, Participants 1 (Male, Executive) and 2 Local (Male, Middle manager) described how they procure media and other small items such as pens and even rentals from businesses that are owned by previously disadvantaged black people. Participant 2 Local in particular notes that at least 30% of their procurement goes to SMMEs owned by previously disadvantaged black people. Noteworthy, this percentage revealed by Participant 2 Local shows that still the majority of procurement does not go to previously disadvantaged black people-owned businesses, which leaves greater chances of failure for SMMEs owned by previously disadvantaged black people. The low percentage of procurement allocated to businesses owned by previously disadvantaged black people also resonates with objective three of the study which seeks to describe the effectiveness of the B-BBEE codes. This quote from participant 2 Local shows that despite the companies being compliant there remains a challenge in the Act itself emancipating previously disadvantaged black people.

5.3 Transformation in global media and advertising agencies in South Africa

The second objective of the research was to describe the transformation in global media and advertising agencies. From the findings of the study, few transformation initiatives have taken place in global media and advertising agencies. Notably, these findings that few transformation initiatives had taken place were similar to findings by Abrahams (2018:1) who also concluded that transformation had taken place at a slow pace due to a culture that was not used to transformation initiatives in global media and advertising companies. Musabayana and Mutambara (2022:78) in their study also concluded similar results that it was challenging for global media and advertising companies to

comply with the B-BBEE Act. In this study, the findings revealed that global media and advertising companies had the potential to improve their transformation initiatives but had not done so. From the study findings, the reasons for the lack of transformation were that management had not driven the transformation agenda as management itself had not fully transformed. This reason contrasts with the findings by Musabayana and Mutambara (2022:78) who highlight that global media and advertising companies do not comply because of a lack of benefits in complying with B-BBEE.

Concerning the issue of recruitment of previously disadvantaged black people, the first issue noted that recruitment in global media and advertising companies was talent-driven. Similarly, Pike et al (2018:3) highlighted that it was challenging for global media and advertising companies to comply with the B-BBEE code on employment of previously disadvantaged people because of direct foreign investment which mandates them to recruit seemingly “skilled” people who enhance the businesses competitiveness of the media and advertising agency. The issue of recruiting only “skilled” people, with little regard for B-BBEE codes was explicitly explained by Participant 5 Global (Female, Senior manager) who noted that when recruiting global media and advertising agencies look for critical thinkers and business strategists who can contribute to business growth. This assertion by Participant 5 Global resonates strongly with the findings by Pike et al. (2018:3) who similarly noted global media and advertising companies need to recruit skilled people.

In terms of supplier development, the study found that global media and advertising agencies had only started procuring from black-owned SMMEs. Initial programs for developing suppliers had only just started. Noteworthy, Pricewaterhouse Coopers (2019:41) posit that the number of SMMEs doing business with large corporate entities has been declining despite the B-BBEE codes being mandated. In addition, Musabayana and Mutambara (2022:78) highlight that large multinational companies shun working with locally owned SMMEs due to a lack of resources among the local SMMEs. In their description, Musabayana and Mutambara (2022:78) note that the poor resourcing of locally owned SMMEs impacts their ability to deliver quality goods and services. Despite

the contrasting findings from (Pricewaterhouse Coopers, 2019:41), findings from this study are described explicitly by Dreyer, Viviers and Mans-Kemp (2021:1) who explain that initiatives to develop local suppliers started after 2015 with the realisation that compliance with the B-BBEE code on supplier development was easier to achieve than compliance with the recruitment of previously disadvantaged in top management. The reflection by Dreyer, Viviers and Mans-Kemp (2021:1) that since 2015, supplier development programs had begun as such are consistent with findings from this study which shows the initiatives are not fully established. In addition, Dreyer, Viviers and Mans-Kemp (2021:1) explain that compliance with supplier development B-BBEE codes among globally owned companies has increased due to more points allocated to this code in comparison to the 2007 B-BBEE Act.

With regards to overall compliance with transformation, global companies had transformed in some aspects of the MAC Charter such as supplier development and responsible social marketing. However, in terms of compliance with the B-BBEE code on skills development, the study found that global media and advertising agencies developed skills in young people from diverse backgrounds regardless of race. This was concluded from theme 2 subtheme 2.2. Another aspect of the MAC Charter where transformation had not taken place previously discussed was the issue of employment. This conclusion, that some aspects of transformation in global companies had taken place is also similar to findings by Pike et al. (2018:3) who noted that transformation on some aspects of the MAC Charter had not taken place in global and media advertising companies

5.4 The effect of B-BBEE codes on transformation in local and global advertising agencies

The third objective of the study sought to explain the effect of B-BBEE codes on transformation in global media and advertising companies. From the findings of the study, it was concluded that B-BBEE codes have enabled local media and advertising clients to secure clients. The issue of B-BBEE codes enabling local media and advertising agencies was described from two perspectives. Firstly, B-BBEE codes enabled local media and advertising companies to acquire

international clients. Secondly, compliance with B-BBEE codes has enabled local media and advertising agencies to acquire clients from government departments and other state-owned entities. The issue of acquiring new international clients was highlighted by Participant 2 Local (Male, Middle manager) and Participant 3 Local (Male, Middle manager) who revealed that international companies who are locally based also mandate local media and advertising companies to be B-BBEE compliant to secure tenders.

The issue of B-BBEE enabling the securing of clients that local media and advertising companies can acquire is also described by Madzimure (2020:1) who explains that although it requires financial resources to be compliant, the increased opportunities that come with being B-BBEE compliant such as getting tenders enables sustainability of small locally owned entities. Similarly, Beresford (2019:65) also notes that B-BBEE compliance has enabled small companies in media and printing to acquire more customers.

However, on the contrary, Govenden and Chiumbu (2020:32) albeit acknowledging that B-BBEE has enabled local companies to acquire more clients, the authors highlight that it is only a few elite black-owned companies that benefit from B-BBEE codes facilitating them to acquire more clients. The argument by Govenden and Chiumbu (2020:32) is also supported by Musabayana and Mutambara (2022:78) who explain that the Black-owned companies do receive more clients when compliant with B-BBEE codes, however only six black-owned businesses benefitted from 68% of all procurement in government.

Another effect of the transformation of B-BBEE codes on local media and advertising companies was the increased competition local media and advertising agencies now face from global media and advertising agencies. Notably, a study conducted by Chauke (2020) also found that B-BBEE compliance increased competitiveness among SMMEs. Chauke (2020:576) in their discussion note that such competition should not be viewed negatively, and explain that policies such as the B-BBEE codes that increase competition with global entities put pressure on local entities to perform at par with the global corporates thus elevating their business acumen. Moreover, the more compliant

a company is with B-BBEE codes the more likely they are to get business opportunities. Participant 2 Local (Male, Middle manager) expresses this issue of competition with global entities and the need for use of international tools such as Nielsen to remain competitive elaborately in a similar assertion to Chauke (2020:576).

Vilakazi and Bosiu (2021:189) also support the argument by Chauke (2020:576) and explain that competition between global and local media companies allows smaller local companies to enter the market at a scale that only global companies could have access to due to enabling policies such as B-BBEE. This conclusion by Vilakazi and Bosiu (2021:189) of increased competition is also described as an effect of B-BBEE by local media and advertising companies. In their description, local media and advertising companies acknowledge that because of B-BBEE they have also been able to work with large corporate international companies.

Global media and advertising companies noted that B-B-BBEE codes have enabled diversity in global media and advertising agencies. On the effect of diversity brought by transformation, the findings are in contrast to the findings by Govenden and Chiumbu (2020:32), who concluded that B-BBEE codes have not brought racial diversity in print media as few black people are emancipated through B-BBEE.

Furthermore, global media and advertising companies highlighted that the B-BBEE codes have enabled transformation in the manner they manage their businesses. Vilakazi and Bosiu (2021:189) explain that policies that foster economic transformation to emancipate previously disadvantaged people are not unique to South Africa. Similar policies have been implemented in other countries such as Malaysia successfully.

5.5 Comparison between global and media advertising companies

The findings of the study were also compared to provide a description of how global and local media and advertising companies compared in terms of

transformation initiatives. In terms of overall performance, the transformation had taken place in local media and advertising companies while a few transformation initiatives had taken place in global and media advertising companies. This comparison is also justified by a similar conclusion drawn by Musabayana and Mutambara (2022:79) who noted that global companies compare poorly to local companies in terms of B-BBEE compliance because they are well-established and have secured a larger market share. While on the other hand, local companies who are still seeking market share and accessing funding view compliance with B-BBEE as a means to gain customers and increase their share in the market (Musabayana & Mutambara 2022). Ramovha (2018) however in contrast to findings from this study highlights that there is an overall lack of transformation in the media and advertising industry as a whole, regardless of whether the agency is global or local. The authors attribute this lack of transformation to a lack of knowledge on the part of the leadership.

One of the B-BBEE elements where local and global international companies compare is the element of procurement. In local media and advertising companies, procurement includes sourcing from previously disadvantaged black people. In turn, global media and advertising companies had initiated programs to procure from previously disadvantaged black people. Dreyer, Viviers and Mans-Kemp (2021:1) explain that companies were more likely to comply with elements such as preferential procurement especially when they supply to government departments. In turn, when they do supply to the government, they are obligated to ensure their suppliers to are B-BBEE compliant (Dreyer, Viviers & Mans-Kemp 2021:1).

With regards to the employment of previously disadvantaged black people Chauke (2020:576) argues that despite the promulgation of laws that foster the emancipation of previously disadvantaged black people such as the B-BBEE Act, recruitment and selection of people in companies will always be based on merit and talent whilst laws that encourage the employment of previously disadvantaged black people will come second place. This argument by Chauke (2020:576) substantiates the recruitment of talented individuals in global companies. However, in contrast to local media and advertising companies, the

recruitment of previously disadvantaged people takes precedence resulting in more black people occupying top positions as well as more black people being employed in all other lower positions. Furthermore, the difference in the recruitment of talented individuals in global companies versus the recruitment of previously advantaged black people in local media and advertising agencies cascaded to skills development.

In terms of skills development, it was concluded that one of the transformation initiatives that had not taken place in global media and adverting companies was skills development. Dreyer, Viviers and Mans-Kemp (2021:1) argue that it is not economically prudent for large corporate companies listed on the Johannesburg stock exchange to comply with the B-BBEE element of skills development because of the small contribution that skills development makes to the overall B-BBEE score card. The findings from this study show that whilst global media and advertising companies had not complied with the B-B-BBEE element of skills development, local media and advertising companies had complied by promoting skills development in previously disadvantaged black people. However, from discussions with Participant 1 local (Male, Executive) and Participant 3 Local (Male, Middle manager) on the element of skills development, local media and advertising companies illustrated that skills development was achieved as a consequence of the local companies employing more black people and not as a result of a deliberate effort to train and upskill previously disadvantaged black people. Similarly, global media and advertising agencies employed people based on skill and talent to grow their businesses, and consequentially developed skills in young people regardless of race based on talent as they had been recruited.

Another difference between global and local media and advertising companies was the element of corporate social responsibility. Global media and advertising companies reported that corporate social responsibility initiatives are rarely done, whilst, in contrast, local media and advertising companies reported that they combined responsible social marketing with corporate social responsibility. Participant 1 local elaborated on combining these elements by explaining that as part of their corporate social responsibility, local media and advertising companies work with not-for-profit organisations through responsible social

marketing, in addition, this responsible social marketing includes pertinent social challenges such as gender-based violence.

The findings of the study indicate that local and global media and advertising agencies are comparable in terms of the B-BBEE code on procurement. However, there are contrasts in terms of; employing previously disadvantaged black people, skills development and corporate social responsibility. In the elements where there are contrasts, (skills development, employment and corporate social responsibility) local media and advertising companies are more compliant in comparison to global media and advertising companies. Vilakazi and Bosiu (2021:189) also acknowledge that there are differences between compliance with B-BBEE codes between local and global companies. The authors indicate that these differences in compliance are attributed to differences in the size of the company as well as the compliance requirements of the B-BBEE codes. For example, since the amendment of the B-BBEE Act in 2014, large companies are required to comply with at least five of the seven elements of the B-BBEE code, with minimum scores of 40% of the codes of ownership, skills development and supplier development. Musabayana and Mutambara (2022:79) also justify this difference by highlighting that global media and advertising companies already have a larger share of the market in comparison to local companies and may need only to comply with the minimum requirements of the B-BBEE Act.

5.6 The Theoretical Framework

Kotter's change model provided the theoretical framework for the study. the model describes eight steps for the implementation of change in an organisation. These steps include (1), creating urgency, (2) building a guiding coalition, (3) formulating a strategic vision and initiatives, (4) recruiting volunteers, (5) enabling action by removing barriers, (5) generating short-term wins, (6) sustaining the acceleration and (8) instituting the change.

The first objective was to describe the transformation in local media and advertising companies. The main theme that emerged was that local media and advertising agencies had transformed to include previously disadvantaged black

people. Four subthemes emerged, these were; the inclusion of previously disadvantaged black people in top management, procurement includes previously disadvantaged black people and corporate social investments including responsible social marketing. From the findings, the effects of B-BBEE compliance included the ability to secure new clients and increased competition from global media and advertising companies.

The second objective was to describe the transformation in global media and advertising companies. From the emerging themes of the study, few transformation initiatives had taken place in global media and advertising agencies. This theme was supported by five subthemes: recruitment is mainly driven by talent and skill in global media and advertising companies, skills development is driven by skills and talent, procurement initiatives to include previously disadvantaged black people are just starting; responsible social marketing initiatives are still in infancy and corporate social responsibilities are not done in global media and advertising agencies. The effects of transformation on global media and advertising agencies included an increase in diversity and

The first four steps of creating urgency, building a guiding coalition, formulating a strategic vision and recruiting volunteers for transformation, are realised through driving the purpose of transformation and this comes from top management initiating the change by including previously disadvantaged black people in local media and advertising agencies. The issue of creating urgency by ensuring top management is composed of previously disadvantaged black people was highlighted by Participants 1 and 2 Local who noted that the composition of top management has changed. In global media and advertising agencies, these initial 6 steps had not taken place as the composition of management had been recruited through the identification of talent.

The fifth step in Kotter's change model is the removal of barriers to enable action for the transformation (Kotter 1995). From the study findings, such action that was enabled was the procurement to include previously disadvantaged black people, skills development for previously disadvantaged black people, initiating corporate social responsibility initiatives and responsible social marketing. These initiatives were achieved by the local media and advertising agencies while global

media and advertising agencies had begun initiating change in procurement and responsible social marketing, whilst changes in corporate social responsibility and skills development had not begun.

The sixth, seventh and eighth steps in Kotter's change model include; generating short-term wins, sustaining the acceleration and instituting the change. These short-term wins from emerging themes of the study include the effects of B-BBEE on the local and global media and advertising agencies. Such effects would then sustain the transformation and enable instituting of change. In the local media and advertising companies, the positive effect of B-BBEE enabling local media and advertising companies sustained the agencies to ensure they continually complied with B-BBEE codes. In global media and advertising agencies, the diversity that had been brought on by compliance with B-BBEE elements enabled the institution of change.

The table below illustrates emerging themes aligned with Kotter's Change Model:

Table 0.1: Application of Kotter's Change Model (1995)

Steps in Kotter's Change Model	Emerging Themes in Local media and advertising companies	Emerging themes in global media and advertising companies
Step 1: Creating Urgency Step 2: Building a guiding coalition Step 3: formulating a strategic vision Step 4: recruiting volunteers	Recruitment in top management includes previously disadvantaged black people	Recruitment of top management positions is talent-driven
Step 5: enabling action by removing barriers	Transformation initiatives in procurement, skills development, corporate social responsibility and responsible social marketing have taken place	Transformation initiatives have started in procurement and responsible social marketing No transformation initiatives have taken place in skills development which is talent-driven,

Step 6: generating short-term wins Step 7 sustaining the acceleration Step 8: instituting change	The transformation has enabled the acquisition of new clients which are global and has increased competition with global media and advertising companies	Transformation has facilitated diversity in the global media and advertising agencies Transformation is enabling us to manage the way we manage our businesses.

5.7 Chapter Summary

Chapter 5 discussed the findings of the study in relation to the literature reviewed. The chapter first described the first research objective; to describe the transformation in local media and advertising agencies in South Africa and noted that transformation initiatives had taken place in local media and advertising companies. These initiatives included recruitment in top management, procurement, skills development, corporate social responsibility and responsible social marketing. Similar results were also concluded by Madzimure (2020:182) who found that locally owned companies are compelled to comply with B-BBEE codes to acquire government tenders and new clients

The study also found that few transformation initiatives had taken place in global media and advertising companies. These few transformation initiatives that had started included the procurement and responsible social marketing. These findings that global media and advertising companies were similar to findings by Musabayana and Mutamabara (2022:576) who found that global media and advertising agencies are not inclined to comply with B-BBEE elements as they already have a large market share and compliance with some aspects such as skills development serves no benefit.

With regards to the effects of B-BBEE compliance on global and local companies, the study found that the B-BBEE effect on local media and advertising companies was an increase in clients and an increase in competition from global media and advertising companies. This finding as discussed was similar to assertions by Chauke (2020:575). The effect of B-BBEE compliance on global media companies was an increase in diversity and this finding was in contrast to findings

by Govenden and Chiumbu (2020:32), who noted that companies in print media had not achieved racial diversity.

The last objective was to compare local and global media and advertising companies. From the findings, global media and adverting agencies had achieved fewer transformation initiatives in comparison to local media and advertising companies. The transformation initiatives that global media and advertising agencies had started to accomplish included the procurement and responsible social marketing. On the other hand, local media and advertising agencies had complied with initiatives such as recruitment, procurement, skills development, corporate social responsibility and responsible social marketing. The chapter also described the alignment of the themes with Kotter's 8-step change model and noted that the first four steps aligned to Kotter's model were aligned to the main themes one and two. The fifth step in Kotter's change model was aligned to subthemes of theme 1 and theme 2. The sixth seventh and eighth steps of Kotter's change model were aligned with theme three. The next chapter discusses the implications, recommendations and conclusions drawn from the study.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter summarises the conclusions drawn from the study. The chapter then describes the implications of these conclusions to different people, the global media and advertising agencies that implement B-BBEE, researchers and policymakers. After the implications, the study discusses the limitations of the study and finally outlines recommendations drawn from the study

6.2 Conclusions

The main research objectives of the study were:

- To describe the transformation in local media and advertising agencies in South Africa
- To describe the transformation in global media and advertising agencies in South Africa
- To explain the effect of B-BBEE codes on transformation in local and global advertising agencies
- To compare the transformation between local and global media and advertising agencies in South Africa

The first objective set to describe the transformation in local media and advertising agencies in South Africa. From the findings of the study, it is therefore concluded that transformation initiatives have taken place in local media and advertising agencies in South Africa. With regards to the employment of previously disadvantaged black people in top management positions the subtheme that emerged was that local media and advertising companies have transformed by being inclusive of previously disadvantaged black people in top management. in terms of procurement, the study found that procurement includes previously disadvantaged black people. Furthermore, local media and advertising agencies develop skills among previously disadvantaged black

people. Lastly, local media companies provide corporate social responsibility through responsible marketing.

The second research objective sought to describe transformation in global media and advertising agencies in South Africa. From the findings of the study, it was concluded that a few transformation initiatives had taken place in global media and advertising companies in South Africa. The B-BBEE elements that had just been initiated in global media and advertising agencies were procurement and responsible social marketing. The B-BBEE element of corporate social responsibility has not yet been initiated in global media and advertising companies while recruitment and skills development were also not transformation-orientated but guided by talent.

The third research objective was to describe the effect of B-BBEE on local and global media and advertising agencies in South Africa. From the study findings, two themes described the effect of B-BBEE on local and global media and advertising agencies. The first theme was transformation has enabled local media advertising agencies to secure clients, the subtheme supporting this was that B-BBEE codes have increased competition between local media and advertising companies. From the perspective of global media and advertising companies, B-BBEE codes enabled diversity in global media and advertising agencies. This theme was supported by the subtheme that B-BBEE codes have changed how global media and advertising agencies are managed.

The fourth objective of the study was to compare the transformation between global and local media and advertising agencies in South Africa. Therefore, based on the study findings, it is concluded that transformation has taken place in local media and advertising agencies while a few transformation initiatives have taken place in global media and advertising companies. In both global and local media and advertising companies, the transformation initiatives that have taken place are B-BBEE elements of procurement and responsible social marketing. However, in the global media and advertising companies, both procurement practices and responsible social marketing are still in the initial phases whilst in local media and advertising companies the procurement practices to empower previously disadvantaged black people were being fully implemented and

responsible social marketing was used or combined with corporate social responsibility to empower previously disadvantaged black people. Contrasting findings are drawn on B-BBEE elements of skills development, recruitment in top management and corporate social responsibility. Local media and advertising agencies were found to be compliant with B-BBEE elements of skills development, recruitment of top management and corporate social responsibility. In global media and advertising agencies, parallel findings are drawn whereby recruitment and skills development were talents driven with no influence from the need to emancipate previously disadvantaged people and corporate social responsibility initiatives were not implemented.

In terms of the effect of B-BBEE elements on global and local media and advertising agencies, there were contrasting findings drawn. On local media and advertising companies, B-BBEE's effect was an increase in clients and an increase in competition from global media and advertising agencies. On the other hand, global media and advertising agencies were affected by transformation through increased diversity and change in the way they managed their businesses.

6.3 Implications

From the findings of the study, it was concluded that transformation initiatives were taking place differently between global and local media and advertising agencies. In local media and advertising agencies, B-BBEE codes had been attained while in global media and advertising agencies, only two elements of the B-BBEE codes had been attained. From the discussion, it was noted that the implementation of B-BBEE codes was mandatory for government departments only. However, considering the time frame since the amendment of the B-BBEE Act in 2014, the initiation of two B-BBEE elements at the time of this study implies that for policymakers there is a need to standardise time frames for implementation of B-BBEE codes.

In addition, for the management of global and local media and advertising agencies, the study findings provide information on progress towards transformation in media agencies whilst also providing information on the effects

of transformation on other agencies. This information for management implies there is a need to initiate or work towards transformation initiatives to remain competitive with other agencies in the industry.

6.4 Recommendations

Based on the study findings the following recommendations are made. For policymakers, the B-BBEE Act is applied differentially between government departments, and private sector companies. In addition, within these private sector companies, implementation of the B-BBEE Act is implemented differentially, especially concerning timeframes. In light of this implication, it is recommended that policymakers should standardise the timeframes in which the B-BBEE elements can be implemented in private-sector companies.

The study also recommends continuous knowledge sharing of best practices on the implementation of B-BBEE elements between the management of global and local media agencies through industry-specific platforms such as the Association for Media and Communication. This recommendation is based on the finding that local media and advertising agencies have implemented B-BBEE elements that foster transformation whilst global media and advertising agencies lag on B-BBEE transformation initiatives.

The study used a qualitative approach to compare the transformation between global and local media and advertising agencies. Given the qualitative nature of the study and generalisation of the study, findings are limited to the study population. In view of this, it is recommended that additional future research using quantitative methods enable the generalisation of similar findings. In addition, this study found that few transformation initiatives had taken place in global companies. However, despite the few transformation initiatives that have taken place in global media and advertising companies, one of the effects of the B-BBEE Act in global media and advertising agencies has been an increase in diversity (theme 4), in light of this, it also recommended that future studies should focus on how transformation in global companies has continued to progress.

6.5 Limitations

Despite every effort being made to ensure results are accurate, the study did have some limitations. The first limitation was that although the study sought to provide a comparative analysis of transformation in global and local media and advertising companies in South Africa, the participants in the study described their outreach across provinces in South Africa however these participants were based in only one province- Gauteng Province as most agencies in the country focus the majority of their operational and management structures within the province given it is the economic hub of the country. This sampling of only participants drawn from one province limits the applicability of the study findings to other provinces outside Gauteng.

Although transformation initiatives are done by the global and local media and advertising agencies, the measurement of compliance to B-BBEE compliance is an outsourced service conducted by B-BBEE verification agencies. The study findings are limited to the experiences of only the local and global media agencies as the experiences of the verification agencies are excluded. This was due to the inaccessibility of the verification agencies by the researchers.

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APPENDIX A: SEMI-STRUCTURED INTERVIEW GUIDE

Research Title: A Comparative Analysis of Transformation between Local and Global Media and Advertising Agencies in South Africa

Section A: Transformation in media and advertising agencies

1. What transformation measures has your company made with regards to the following B-BBEE elements
    a. Management
    b. Socio-economic development
    c. Procurement
    d. Skills development
    e. Responsible social marketing and advertising
2. What challenges have you encountered in meeting the B-BBEE compliance elements

Section B: Effect of transformation in media and advertising agencies

1. What has been the effect on your company in complying to the B-BBEE elements in terms of
    a. Management
    b. Socio-economic development
    c. Procurement
    d. Skills development
    e. Responsible social marketing and advertising
2. What has been the effect of compliance to B-BBEE elements to previously disadvantaged people whom you have supported?
3. What negative unforeseen effects in complying to the B-BBEE Act have you experienced if any?