

GUIDANCE NOTE GN200

on

CODE SERIES FS200, STATEMENT 200

Measurement of the Management Control Element of Broad-Based Black Economic Empowerment

Application of the EAP Formula

1. Objectives

The objectives of this Guidance Note are to:

- 1.1 Define the Management Categories
- 1.2 Explain the Economically Active Population (EAP) Figures
- 1.3 Explain how the points for EAP would be calculated

2. Management Categories

- 2.1 The different management categories are as per the Employment Equity (EE) Legislation.

FSC Category	EE Category as per EEA9
Top Management	Top management
Senior Management	Senior management
Middle Management	Professionally qualified, experienced specialists and mid- management
Junior Management	Skilled technical and academically qualified workers, junior management, supervisors, foremen,

3. EAP Targets

3.1 The EAP includes people from 15 to 64 years of age who are either employed or unemployed and who are seeking employment. The EAP is meant to assist employers during the analysis of their workforce to determine the degree of underrepresentation of the designated groups. Furthermore, it guides employers by assisting them in the setting of their numerical goals and targets in order to achieve an equitable and representative workforce.

Regional and National demographics may be used and should be the EAP information provided on the most recent Commission for Employment Equity Annual Report (which can be found on the Department of Labour's website). If a business is based only in KZN then KZN demographics should be used. If a business is based nationally then the national demographics should be used.

3.2 The targets are based on the Quarterly Labour Force (QLFS) for the fourth quarter of 2018 released by Statistics South Africa.

3.3 National EAP by population/ race and gender (15-64 yrs.)

2019 3 RD QUARTER National EAP by race and gender			
Economically Active Population (percentage)			
Race	Male	Female	Total
Black African	42.8%	36.2%	79.0%
Coloured	5.1%	4.4%	9.5%
Indian/Asian	1.7%	0.9%	2.6%
White	5.0%	3.8%	8.8%
Total	54.7%	45.3%	100.0%

3.4 Provincial EAP by population/ race and gender (15-64 yrs.)

Provincial EAP by Population Group and Gender						
Province	Gender	African	Coloured	Indian	White	Total
Western Cape	Male	20.4%	24.6%	0.8%	8.7%	54.5%
	Female	17.6%	20.9%	0.6%	6.5%	45.5%
	Total	38.0%	45.5%	1.3%	15.1%	100.0%
Eastern Cape	Male	41.5%	5.6%	0.6%	3.0%	50.3%
	Female	40.5%	5.5%	0.2%	6.0%	49.3%
	Total	82.0%	11.1%	0.9%	6.0%	100.0%
Northern Cape	Male	28.5%	22.8%	0.1%	4.7%	56.1%
	Female	22.0%	19.0%	0.0%	2.8%	43.9%
	Total	50.6%	41.9%	0.1%	7.5%	100.0%

Free State	Male	50.1%	0.8%	0.3%	2.6%	53.8%
	Female	43.1%	0.7%	0.3%	2.1%	46.2%
	Total	93.2%	1.5%	0.6%	4.8%	100.0%
KwaZulu- Natal	Male	43.7%	0.8%	5.5%	2.2%	52.2%
	Female	42.7%	0.7%	3.1%	1.4%	47.8%
	Total	86.3%	1.6%	8.6%	3.5%	100.0%
North West	Male	53.8%	1.1%	0.7%	2.5%	58%
	Female	39%	0.8%	0.0%	2.2%	42%
	Total	92.8%	1.9%	0.7%	4.6%	100%
Gauteng	Male	45.5%	1.4%	1.7%	7.5%	56.1%
	Female	35.7%	1.3%	0.9%	6%	43.9%
	Total	81.2%	2.7%	2.6%	13.5%	100%
Mpumalanga	Male	50.3%	0.3%	0.2%	3.7%	54.5%
	Female	43.6%	0.2%	0.2%	1.5%	45.5%
	Total	93.8%	0.5%	0.4%	5.3%	100%
Limpopo	Male	53.4%	0.9%	0.9%	1.6%	56.8%
	Female	42.1%	0.3%	0.0%	0.8%	43.2%
	Total	95.4%	1.2%	1%	2.4%	100%

4. Calculating the Points using the EAP

Figures 4 (a) Formulas

1. To calculate the African representation per category

Representation for Category

= Percentage

Total for category

2. To calculate the points

Percentage Representation

----- × Number of points = Points achieved

4 (b) Example for Senior Management

Management Control Scorecard			
	Description	Points	Target
2.3	Senior management	4	
2.3.1	Black employees in senior management as a percentage of all of all senior managers	2	60%
2.3.2	Black female employees in senior management as a percentage of all senior managers	1	30%
2.3.3	African senior managers as a percentage of all senior managers	1	EAP %

	MALE				FEMALE				Total
	African	Indian	Coloured	White	African	Indian	Coloured	White	
Senior Management	5	8	2	10	2	4	1	3	35

African Male	African Female	Total African	Total for Category	African %
5	2	7	35	20%

African %	EAPA %	EAPAIC %	Adjusted EAPA %	Available Points	Points Achieved
20%	78%	90.6%	51.66%	1	0.39

Workings

1. To calculate the African representation per category

$$\frac{7}{35} = 20\%$$

2. To calculate
Adjusted EAPA
Percentage
79%

$$79\% \times 60\% = 47.4\%$$

3. To
calculate
the points
achieved
20%

$$47.4\% \times 1 = 0.474$$

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