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A total of 60 percent of employers subjected to Director-General reviews in the past financial year ending 31 March 2022 has been referred to prosecution for failure to comply with Employment Equity (EE) legislation.

The South African Government News Agency reports that in a recent advocacy session with stakeholders, the Department of Employment and Labour's chief director of statutory and advocacy services, Ms Fikiswa Bede, shared the following with company executives, union representatives, academics, and government departments:

- In the year under review a total of 860 Director-General (D-G) reviews were conducted nationally.
- In terms of the D-G review process, there was 94 percent non-compliance with the EE Act.
- More employers were requesting settlement out of court, indicating that employers were budgeting for fines, which was a concern to the Department.
- The department will from now on also force the employers to foot the court bills.

D-G reviews involve requesting designated employers to complete the EEA7 and submit all documentation referred to therein to the relevant inspector, as well as meetings with the employer and employees/trade unions that the employer should have consulted with in terms of Section 16.

If the employer fails to comply with the D-G's recommendations/request or has not achieved its annual EE Targets, the D-G may refer the employer for non-compliance to the Labour Court, which may impose a fine of 2% of the employer's annual turnover.

According to Ms Bede, the areas of non-compliance relate to:

- The implementation of EE Plans not reflecting reasonable progress towards transformation in line with the goals and numerical targets set by the designated employers;
- Lack of proof of assignment of EE responsibility to a Senior Manager;

Annual EE reporting reflects the company's progress towards meeting goals on the EE plan. Such a plan should have been drawn up in consultation with employees.





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- EE managers not provided with the required resources and budget;
- Attendance register not indicating the constituencies represented by the committee members;
- An analysis conducted post the development of the EE Plan; and
- Barrier analysis not matching a true reflection of what is happening in the workplace.

“Transformation is a process, not an event. It begins with the will, desire and a decision to commit to transformation,” Ms Bede said.

Many South African businesses attempt to comply with all the Employment Equity requirements themselves or without adequate support, or ignore the legislation until they are audited and suddenly find themselves in trouble with the DoE&L.

EES-SIYAKHA has specialised in the development and implementation of EE Plans, and assisting non-compliant employers to comply with D-G Reviews for the past 22 years.

Let us help you to benefit from our knowledge and practical EE expertise in complying with all EE Act requirements.

[Let us simplify your EE management](#)

You can also contact Mathe Peete at mathe@ees.co.za or on 078 031 3898 or 071 275 7888 or visit our website ees.co.za.

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