

STATUS UPDATE 2003**ACA TRANSFORMATION PROGRESS IN OWNERSHIP,
REPRESENTIVITY AND STUDENT PROFILE****Introduction**

Whilst the ACA has been monitoring representivity in human resources since 1998, and has adopted self-imposed targets since the launch of the ACA Transformation Charter in 2000, our philosophy is and has always been that transformation and BEE, in terms of the national agenda, cannot be equated to the mere setting of representivity or equity targets or tracking of progress. In addition, our own targets and milestones as presently embraced in our Charter will be constantly reviewed and informed in light of the letter and spirit of the Broad Based Black Economic Empowerment Bill, and the most immediate priority is to develop a scorecard for ACA members.

What follows is a reflection of the status quo of progress in hard data up until our most recent survey in November 2003. These include the *ACA Employee Cost to Agency Survey*, measuring representivity in various categories, and the *ACA Empowerment Equity Survey*, measuring ownership.

Ownership**Table 1****ANALYSIS OF ACA MEMBERS WITH BLACK SHAREHOLDING 2001 – 2003***(Source: ACA Empowerment Equity Survey)*

ACA MEMBERSHIP	TOTAL NO.			BLACK EMPLOYEE / DIRECTOR SHAREHOLDING ¹			EMPOWERMENT COMPANY SHAREHOLDING			BLACK SHAREHOLDING – ANY SOURCE ²			%WITH BLACK SHAREHOLDING – ANY SOURCE			AVERAGE% OF BLACK SHAREHOLDING ³		
	01	02	03	01	02	03	01	02	03	01	02	03	01	02	03	01	02	03
AGENCY GROUPS	30	26	26	15	13	12	9	9	12	16	16	18	53.3%	61.5%	69.2%	N/A	N/A	N/A
INDIVIDUAL AGENCIES	85	82	84	50	42	41	38	42	53	60	50	63	70.6%	61.0%	75%	21.7%	21.7%	25.5%

Notes:

1. “Black Employee/Director Shareholding” is defined as equity held directly by individual black employees and directors within individual agencies.
2. “Black Shareholding – any source” represents those agency groups / individual agencies that have at least one type of equity participation by black persons or empowerment companies. Included in these are 3 agency groups with 100% black shareholding.
3. This represents the **average** % of black shareholding held by black persons and empowerment companies across all individual agencies.

Table 2

RANGE OF BEE OWNERSHIP 2003

<u>% BEE Ownership¹</u>	<u>No. of Agencies in Range</u>		
100	5	} 57,1%	
91	1		
53	3		
51	4		
49	1		
40	3		
32	1		
30	1		
28	1		
26	23		
25	4	} 75,0%	
20 – 24	4		
15 – 19	5		
10 – 14	3		
5 – 9	1		
1 – 4	3		
0	21		
	84		} 25,0%

Note

1. % BEE Ownership does not include any employee share trusts due to inability to determine whether these are exclusively for PDI's

Remarks

1. From the results for 2003, it can be seen that the average percentage of black shareholding across all individual member agencies is 25,5%.
2. A breakdown of the 84 agencies which form part of the ACA membership in 2003, shows that 57% of them have black shareholding (any source) of 25% or more, and 25% have no black shareholding at all.

Representivity

Table 3

BLACK REPRESENTIVITY ACA MEMBERS 1998 – 2003

(Source: ACA Employee Cost to Agency Survey)

	1998	1999	2000	2001	2002	2003
% Black Employees¹	23,3	26,2	29,5	31	31,1	32,8
% Black top management²	6,9	8,2	16,4	18,9	16,8	20,0
% Black professional / management³	13,5	16,4	19,3	21,4	20,4	23,5

Notes:

1. Percentage of black employees in total in member agencies (Black includes Africans, Coloureds and Indians).
2. Black representation in top management (defined as CEO's, Chairpersons or MD's)
3. Combines all levels of management from middle to top management including professionally qualified employees or experienced specialists.

Remarks

1. Table 3 shows that overall black representivity has increased annually from an effective 23% in 1998 to an effective 33% in 2003.
2. It must be noted that the annual increase in black representivity has occurred despite strong indications that the industry is actually shrinking, in keeping with global trends, as reflected by the fact that the reported total number of employees in the ACA was 2905 in 1998 as opposed to 2768 in 2003, which suggests an effective decline of 8% in employment numbers over a period of 5 years. More telling perhaps, is that the 2003 figure represents an effective 7% drop over the 2002 figure (2878) when one works from the same base and even including new members.
3. Despite the slight drop in black professional and top management reported between 2001 – 2002 (due to loss of top end personnel), a healthy increase in both respects is shown for 2003. The 20% top management figure is meeting the target recommended by the BMF.

Gender Representivity

Table 4

FEMALE EMPLOYMENT: ACA MEMBERS

(Source: ACA Employee Cost to Agency Survey)

	2000	2001	2002	2003
% Female employees	59,7	59,8	61,0	60,6
% Female top management	26,2	22,2	21,8	24,5
% Female management/professional	56	56	56,6	57,6

Table 5

BLACK FEMALE EMPLOYMENT: ACA MEMBERS
(Source: ACA Employee Cost to Agency Survey)

	2002	2003
% Black Female employees	17,9	18,7
% Black Female top management	5,9	7,3
% Black Female management/professional	7,2	9,1

Remarks

1. Overall female representation remains over 60%, and female representation in both management and top management level reportedly compares well with available employment equity workplace demographics in other sectors and nationally.
2. Black female representivity has only been separated for the first time since 2002 and a relative increase is shown in all 3 categories.

Education (statistics up to 2004)**Table 6**

BLACK STUDENTS 2001 – 2004
AAA SCHOOL OF ADVERTISING (FULL TIME)

PROGRAMME	JOHANNESBURG				CAPE TOWN			
	2001	2002	2003	2004	2001	2002	2003	2004
Integrated Marketing Communications 1	68.8%	70%	58.0%	77.6%	34.2%	27.3%	44.7%	32.4%
Integrated Marketing Communications 2	68.4%	62.9%	66.7%	61.1%	28.6%	20.7%	20.0%	25.0%
Integrated Marketing Communications 3	40.4%	48.8%	48.6%	55,1%	26.3%	18.0%	14.3%	26.1%
TOTAL	58.0%	60.0%	58.5%	64.9%	30.6%	22.0%	25.2%	27.8%

PROGRAMME	JOHANNESBURG				CAPE TOWN			
	2001	2002	2003	2004	2001	2002	2003	2004
Copywriting 1	28.6%	52.6%	25.0%	26.9%	0.0%	22.2%	21.1%	26.3%
Copywriting 2	47.8%	24.0%	38.1%	13.0%	21.1%	11.1%	16.0%	21.4%
TOTAL	38.6%	36.4%	31.7%	20.0%	21.1%	16.7%	18.2%	23.4%

PROGRAMME	JOHANNESBURG				CAPE TOWN			
	2001	2002	2003	2004	2001	2002	2003	2004
Visual Communications 1	26.0%	24.6%	42.6%	56.6%	8.7%	15.0%	15.9	25.0%
Visual Communications 2	16.2%	26.2%	23.1%	15.4%	5.1%	7.3%	15.6	16.3%
Visual Communications 3	3.0%	19.4%	16.1%	26.8%	5.6%	7.9%	8.1	14.3%
TOTAL	16.7%	23.7%	29.8%	37.5%	6.6%	10.1%	13.5	18.6%

Table 7**BLACK STUDENTS 2001 – 2004****AAA SCHOOL OF ADVERTISING (PART TIME)**

PROGRAMME	JOHANNESBURG				CAPE TOWN			
	2001	2002	2003	2004	2001	2002	2003	2004
Higher Diploma in Integrated Marketing Communications	73.9%	70.5%	73.1%	65.5%	23.8%	18.2%	19.1%	20.1%
Brand Management	72.2%	74.3%	71.8%	56.0%	45.8%	30%	32.6%	24.5%
Account Management	53.3%	90.0%	81.5%	63.0%	-	50.0%	44.4%	10.0%
Media Management	76.7%	85.7%	79.6%	63.9%	29.6%	44.4%	48.6%	31.3%
Art Direction	28.6%	28.5%	29.3%	40.0%	-	-	-	-
Copywriting	38.2%	34.3%	37.0%	28.6%	-	-	-	-
DTP	34.3%	40.0%	41.6%	25.0%	-	-	-	-
Graphic Design	22.2%	16.7%	18.0%	60.0%	-	-	-	-
Multimedia	-	60%	-	-	-	-	-	-
E-Marketing (only in Cape Town)	-	-	-	-	-	0%	10.0%	-
TOTAL	58.0%	59.8%	59.6%	63.0%	33.3%	30.3%	31.2%	23.8%

Remarks

- From the tables above it can be seen that the 2004 percentage of black full time students in IMC (the most popular programme) is 64.9% at the Johannesburg campus, and that 63% of part-time students at the Johannesburg campus is black.
- The picture is not nearly as good at the Cape Town campus, although good progress is made and more black full time students in the visual communications programme are educated at both campuses. The relatively low number of such students can to a large degree be explained by the fact that Art is still not taught at a Gr. 12 subject at many schools, and difficulties experienced by black students to obtain study loans from banks who only recognise loans for universities and technikons.
- The ACA and AAA School are actively seeking to remedy the situation and has made much progress in the last three years. For instance, the funding of 91 black students who cannot afford to study at the School has been secured through ACA members' support of 3 learnership programmes and are currently registered through the MAPPP SETA. In 2004 the School also applied to MAPPP SETA for 59 learners to be added to the three learnerships. It is noted with great concern, however, that the future of the MAPPP SETA is in the balance, due to a restructuring initiative by the National Skills Fund. This could result in the SETA losing 60% of its income, meaning significantly less funding to learnerships.