

An EMPOWERDEX Guide



The Codes of Good Practice

Scorecard Essentials

MANAGEMENT CONTROL

Code 200 – **Management Control**

Statement 200 – Measurement of Management Control



Management Control

Management Control

Code Series 200

Measurement of the Ownership Element of B-BBEE

Statement 200

The General Principles for Measuring Management Control

What you can expect:

- Management Control scorecard
- Common examples of Top Management
- Key measurement principles
- Calculating the Adjusted Recognition for Gender
- Calculating compliance

The Essence of Statement 200:

The Management Control Scorecard allocates points for:

- Exercisable voting rights held by black Board Members
- Percentage of black Executive Directors
- Percentage black Top Management
- Percentage of other Top Management
- Percentage of black Independent Non-Executive Board Members

Common examples of Top Management (for guidance purposes only)

Senior Top Management = the chief executive officer, the chief operating officer, the chief financial officer and other people holding similar positions.

Other Top Management = the chief information officer, the head of marketing, the head of sales, the head of public relations, the head of transformation, the head of human resources and other people holding similar positions.

Key measurement principles

- A Measured Entity receives points by meeting the targets for participation of black people and black women at **Board and Top Management level**
- Wherever possible, a Measured Entity **must use the same information/ data** that it has **filed with the Department of Labour under the Employment Equity Act** to calculate its score under the Employment Equity Scorecard
- Where a company **does not distinguish** between Top Management and Senior Management, it may include its Senior Management under this statement. But if Senior Management are included in this statement, they are not measurable under Employment Equity
- Where a company **does not distinguish** between Senior Top Management and Other Top Management then only Senior Top Management is measurable. If a Measured Entity adopts this approach:
 - The corresponding targets for Senior Management will apply to the Management Control Scorecard
 - Senior Management included in this way are not measurable against the Employment Equity Scorecard
- If Measured Entities **do not appoint** Non-Executive Independent Board Members they are encouraged to appoint persons who do not serve in that capacity for any other Measured Entity.

Calculation of the Adjusted Recognition for Gender

The following calculation is applied when working out the Adjusted Recognition for Gender:

$$A = \frac{B}{2} + C$$

C is limited to a maximum of 50% of the target

Where

A is the Adjusted Recognition for Gender

B is the percentage of employees in the measurement category that are black people

C is the percentage of employees in the measurement category that are black women