


Trust in business alliances between traditional companies and previously disadvantaged institutions: A barometer for black economic empowerment



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Background: Despite the positive role of trust as a complex 'glue' that keeps the parties of an alliance together, it is unclear how trust dynamics may play out among black and white business partners and what such trust experiences may mean for black economic empowerment in South Africa.

Aim: The study reflects on the prospects for black economic empowerment by exploring trust experiences of managers involved in business alliances between traditional companies and previously disadvantaged institutions.

Setting: The study focused on managers involved in these alliances in the province of Gauteng in South Africa.

Methods: Twenty-five managers from mainstream companies ($n = 7$) and emerging companies ($n = 18$) were selected through purposive sampling. Q-sorting was applied to trust-related items, with follow-up interviews. Principal component factor analysis was used to analyse the Q-sorted data to reveal the managers' clustered perceptions about trust in business alliances. Interview data were thematically analysed to place the findings from the factor structure analysis in context.

Findings: The managers shared six nuanced conceptions of trust. Generally, the prospects for black economic empowerment appear greater in the groups characterised by integrity, revealing the centrality of honesty in these alliances.

Conclusion: Exploring trust in black and white business alliances may help to disentangle the phenomenon of black economic empowerment in South Africa. In a way, managers' perceptions of trust may be used as a barometer for the functioning of these alliances because trust affects managerial behaviour and, ultimately, whether or not such alliances enhance the prospects for black economic empowerment. The study also offers new ways of thinking about and new ways of advancing theory and practice regarding black economic empowerment.

Keywords: trust; black economic empowerment; business alliances; traditional companies; previously disadvantaged institutions.

Introduction

Business organisations continue to be engrossed in alliances for a variety of reasons, which include obtaining access to new markets and technology, gaining access to resources outside their purview and acquiring business knowledge that lies outside their repertoire of skills (Choi, Garcia & Friedrich 2010; Grant & Baden-Fuller 2004; Yang, Lin & Peng 2011). Business alliances are supposed to enable the parties to achieve what they are unable to achieve individually (Hamel & Prahalad 1989; McCarter, Mahoney & Northcraft 2011; Pucik 1988). Unlike experiences in most countries of the world, South Africa's business alliances between white or traditional companies (TCs) and black or previously disadvantaged institutions (PDIs) are neither purely voluntary nor driven purely by economic considerations (Ahwireng-Obeng & Ogunjobi 2001). Rather, they are largely the result of government suasion and legislation and are therefore meant to facilitate the transfer of business skills to PDIs and thereby impact black economic empowerment in a desired manner (Ahwireng-Obeng & Ogunjobi 2001).

However, the extant research reveals that the foundation of business alliances is trust or the relationship between people who conceive, develop and maintain such alliances (Sklavounos & Hajidimitriou 2011). Trust is viewed as a complex 'glue' that is required to keep two or more parties in an alliance together (Tähtinen & Blois 2012; Zhang 2011). A lack of trust encumbers the

partners from realising alliance goals. Extensive research has been conducted on the pivotal role of trust as a bond that facilitates good alliance relationships. However, owing to the dearth of research on trust in business alliances between TCs and PDIs, it is unclear how trust dynamics may play out and affect black economic empowerment in South Africa, which has a history of institutionalised racism (Burns 2011).

Background and context

The context within which business alliances between TCs and PDIs existed in South Africa was characterised by degenerate and abysmal social relations between black and white people for decades (Denton & Vloeberghs 2003). Prior to 1994, the apartheid government practised discrimination and conferred rights and privileges based on race, that is, white, coloured, Indian and black. Black people were at the bottom of the social strata (Davies 2012; Esman 1987; Seekings & Natrass 2011). Through an assortment of legislation as varied as the *Bantu Education Act* 47 of 1953 (Republic of South Africa [RSA] 1953), the *Extension of University Education Act* 45 of 1959 (RSA 1959), and the *Mines and Works Act* 12 of 1911 (RSA 1911), black people were confined to the fringes of the national economy while white people had more privileges and opportunities (Ihederu 2004; Tangri & Southall 2008). The restriction of blacks to categories of cheap and unskilled labour yielded an asymmetrical distribution of opportunities and ensured uneven business skills and capital among the different strata of the population (Lowenberg & Battacharya 2010; Patel & Graham 2012; Van Scheers 2010).

In the post-1994 period, South Africa has adopted a remarkable equity regime that promotes equality, prohibits unfair discrimination and affirms previously disadvantaged individuals. The equity regime is underpinned by section 9 of the Constitution of the Republic of South Africa 1996 (RSA 1996a). A plethora of legislation, including the *Promotion of Equality and Prevention of Unfair Discrimination Act* 4 of 2000 (RSA 2000), the *Employment Equity Act* 55 of 1998 (RSA 1998) and the *Commission on Gender Equality Act* 39 of 1996 (RSA 1996b), give effect to section 9 of the Constitution. Germane to economic empowerment is a variety of legislation that proscribes unfair discrimination and the exclusion of previously disadvantaged individuals, and actively encourages corporate South Africa to increase its participation in the economy. The economic empowerment of previously disadvantaged individuals and PDIs has now evolved into more sophisticated government suasion and legislation, which is exemplified by the *Broad-Based Black Economic Empowerment Amendment Act* 46 of 2013 (RSA 2013). This Act enables the Black Economic Empowerment Codes of Good Practice, in terms of which Transformation Sector Charters are introduced and analysed for compliance. In, for example, the mining sector, the Scorecard for the Broad-based Socio-economic Empowerment Charter for the Mining and Mineral Industry (the Mining Charter) (RSA 2004) (and its subsequent revisions) endeavours to attain government's objectives of redressing historical socio-economic inequalities and

ensuring broad-based and meaningful participation of black persons and black-owned companies, that is, PDIs, in the mining sector.

Trust as an essential ingredient in business alliances

Research on the success of business alliances has chronicled the significance of trust for alliance performance (Silva, Bradley & Sousa 2012; Stanley & McDowell 2013). A lack of trust between partners of an alliance encumbers the realisation of alliance goals. Trust is the willingness of a party (the trustor) to be vulnerable to the behaviour of another party (the trustee) based on the expectation that the trustee will not abuse that vulnerability, irrespective of the trustor's ability to monitor or control the trustee (Mayer, Davis & Schoorman 1995). To be regarded as trustworthy, the trustee has to be perceived as high in ability or competence, benevolence or consideration, integrity or openness and reliability (Mayer et al. 1995; Mishra 1996). Perceived ability refers to the trustor's belief that the trustee will perform as expected because they are competent. Perceived benevolence or consideration relates to the trustor's belief that the trustee cares about the trustor and will not harm the trustor's interests, while perceived integrity refers to the trustor's belief that the trustee is committed to a set of acceptable principles (Mayer et al. 1995). Trust in partners results in more lasting relationships than may otherwise have been the case and reduces the incidence of conflict (Hernandez & Dos Santos 2010). As observed repeatedly by various scholars, organisations are more committed to each other when there is trust, and when there is more trust, they are more likely to commit to each other (Harris & Wicks 2010).

Trust promotes society's economic and social development because it reduces the incidence of corporate misconduct such as managerial opportunistic behaviour (Dong et al. 2018). Managers' opportunistic behaviour may be fuelled by the contradictions inherent in the notion of cooptation, which typifies many alliances where organisations in a partnership are direct competitors (Wu 2014). Under such conditions, organisations in alliances collaborate with each other in some business activities but simultaneously compete in others (Dahl 2014; Tidström 2014). Opportunistic behaviour may also be fuelled by a fear of breeding one's future competitors (Hamel & Prahalad 1989; Stanley & McDowell 2013).

Goal of the study

Owing to the dearth of research on trust in business alliances between TCs and PDIs, it is unclear how trust dynamics may play out and affect black economic empowerment in South Africa, which has a history of institutionalised racism. Consequently, this study reflects on the prospects for black economic empowerment by exploring trust experiences of managers involved in business alliances between TCs and PDIs. In this way, the study makes a novel and valuable contribution to knowledge regarding the field of organisational trust and provides new insights into the

functioning of alliances in an economic empowerment setting. Such valuable insights into trust experiences could lead to managers' insightful understanding of the issues that facilitate or encumber trust and the implications of such experiences for black economic empowerment. In a way, managers may use perceptions of trust as a barometer for the functioning of alliances because trust affects managerial behaviour and, ultimately, whether or not such alliances enhance the prospects for black economic empowerment.

Method

A qualitative and constructivist approach, referred to as Q methodology, was adopted (Stenner 2009). Q methodology uses quantitative techniques such as correlation and factor analysis in order to study human subjectivity (Goldman 1999). In the lexicon of Q methodology, subjectivity is a person's communication of their viewpoint (Coogan & Herrington 2011; McKeown & Thomas 1988). Therefore, Q methodology is not about truths; rather, it is about the perceptions and opinions of persons who provide facts (Brown 1980; Stephenson 1993). Ontologically, the study is premised on the view that the managers' experiences of trust were relative and that there would be as many experiences as the people who expressed them. Epistemologically, the assumption was that knowledge is something softer and subjective because it is based on personal and unique experiences (Burrell 1999). The researchers interacted with the managers in order to collect the data because, epistemologically speaking, the requisite data lay within the experiences of the participants. Consequently, trust in business alliances between TCs and PDIs could be understood from the managers' experiences (and not the viewpoints of the researchers), and the prospects for black economic empowerment could be conjectured from such experiences.

Sample and setting

The study used a small sample of 25 business managers ($n = 7$ from TCs and $n = 18$ from PDIs). Female managers comprised 28% of the participants. Q methodology is biased toward a small sample of participants because of its intensive orientation or endeavour to develop an in-depth understanding of phenomena under observation. Such a small sample of participants has implications for the generalisability of the results. However, in Q methodology, generalisation is concerned with the opinion clusters derived from the present study participants and not with the numerical distribution of the managers among factors. Therefore, this study does not focus on the number of people who hold a particular viewpoint but on how and why the managers believe as they do. As Brown (1980) states, generalisations in Q methodology are best thought of:

... in terms of *specimen* and *type* – i.e., we are prepared to say what it is that is of concern to specimen persons of the A type, the

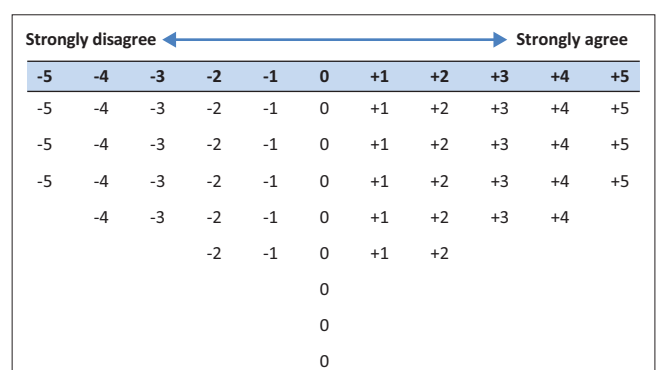
factor being a generalised abstraction (based on communalities) of a particular outlook or value orientation. (p. 67)

The participants were recruited through snowball sampling with the help of the initial six contact managers known to the author. The managers were theoretically relevant to the issue under investigation and were not randomly selected. They were all part of alliances between TCs and PDIs in the province of Gauteng in South Africa.

Data collection

Data were collected through Q-sorting and post-Q-sorting interviews. A Q sample comprising 50 items on trust in business alliances between TCs and PDIs was used to collect data. The 25 managers ranked the 50 items according to how strongly they disagreed (–5) to how strongly they agreed (+5) with each one. The items placed under (–5) and (+5) markers were assumed to hold greater significance to the Q-sorter than items elsewhere in the Q-sort. According to McKeown and Thomas (1988), what is of greater importance to the respondent is not an artefact of what the researcher has already determined. It is only the Q-sorters who determine, by ranking items in relation to others at the poles, those items that are of positive or negative significance to them. This also explains why the middle score (0) is not an average. Instead, it is regarded as a point that is neutral in meaning and without significance to the Q-sorter. To record the completed Q-sorts, the item numbers were written on a score sheet, thus producing the Q-sort distribution or template – see Figure 1.

The post-Q-sorting interviews were meant to provide the managers with an opportunity to expound on their reasoning for the sorting of the 50 items and were audio-recorded and later transcribed. The emphasis was on the items ranked at the extremes, that is, (–5) and (+5). The experiences of the managers that emerged from this study are regarded as both subjective and operant (McKeown & Thomas 1988). They are subjective because they represent the managers' points of view and operant because they exist naturally within a particular context. A subjective operant is neither right nor wrong (Brown 1980).



Source: Brown, S.R., 1980, *Political subjectivity*, Yale University Press, New Haven, CT

FIGURE 1: A distribution marker.

Data analysis

Principal component factor analysis was used to analyse the Q-sort data. Factor interpretation requires one to determine the factor scores – a process that involves the systematic examination of the items that define a factor (Brown 1980). The factor scores, which refer to an average of the scores given to a particular statement by all the Q-sorts defining a factor, helped in connecting the factors with the items that define a factor. As a rule, the factor scores that differ by two (2) are significant and of immediate interest because they distinguish one factor from the others (Brown 1980). The distinguishing items are presented in Table 1.

The post-Q sort qualitative data obtained from the interviews were thematically analysed according to the procedures proposed by Braun and Clark (2006). The data collected from the post-Q-sorting interviews illuminated the managers' Q-sorts. If, for example, a manager rated an item such as 'I feel that my alliance partner behaves in an honest manner towards my organisation' (+5), the focus was on the reason for such a rating.

Ethical consideration

The University of South Africa's Ethics Research Committee granted ethical clearance for the study with clearance number: 2014/CEMS/IOP/024. The researcher observed ethical requirements, which included informed consent, confidentiality, anonymity and the right to withdraw from the study at any stage.

Results and discussion

The results reveal the intricacy of trust dynamics in a South African milieu, with reference to the country's history of institutionalised racism. The 25 managers expressed their viewpoints, after which their experiences about trust in business alliances between TCs and PDIs were classified into six nuanced clusters, labelled as follows: sincerity trust alliances, values trust alliances, duped trust alliances, vigilant trust alliances, deceitful trust alliances and propensity to trust alliances. Table 2 sets out the themes peculiar to each group or cluster and provides a sample of verbatim statements typical of each cluster.

The findings of the study reveal that people's perceptions that their business partners are high in ability, benevolence, integrity or reliability remain significant barometers of partners' trustworthiness in business alliances, and support existing research (Mayer et al. 1995; Schoorman, Mayer & Davis 2007). Generally, the strong perceptions expressed by the sincerity trust and values trust groups regarding the benevolence, reliability or integrity of partners formed the basis for perceptions that partners were trustworthy. Similarly, the perceived lack of ability, integrity and reliability expressed by the duped trust, vigilant trust and deceitful trust groups implied low trustworthiness experiences. The findings lend credence to the view that the perceived characteristics of the trustee are crucial for trust formation (Beldad et al. 2011; Mayer et al. 1995; Mishra 1996; Silva et al. 2012).

TABLE 1: Factor scores for six clusters.

Number	Statement	A	B	C	D	E	F
4	I feel that I rely on the written contract to ensure that my partner organisation performs its duties and responsibilities honestly.	-3	-2	+2	+5	+2	+3
7	I feel that my alliance partner works against the interests of my organisation.	-5	-2	+1	-1	0	-2
8	I feel that my alliance partner adheres to the values that my organisation holds in high esteem.	+1	+5	-1	-3	+1	0
10	I feel that there is consistency between the words and actions of my partner organisation.	+2	+3	-1	-4	-1	+1
11	I feel that I am able to count on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance.	-4	-4	-5	-5	+5	-3
13	I feel that I am able to trust a business partner from a different racial background.	+4	0	-3	-2	0	-2
19	I feel that my alliance partner behaves in an honest manner towards my organisation.	+5	+2	0	-5	+1	0
21	I feel that my partner organisation keeps its promises.	+2	+5	-3	-3	0	0
23	I feel that I act in a manner that safeguards the interests of my organisation at the expense of the alliance.	-3	-4	-4	-1	+5	-4
25	I feel that the alliance achievements we experienced encouraged me to make a larger investment in the alliance.	+1	0	+1	0	+4	+1
26	A formal written contract is important, given the potential for risk of opportunism on the part of my partner organisation.	-1	-2	+2	+4	+2	+1
27	I feel that others may be counted on to do what they promised to do.	+3	-1	+3	+1	+1	-3
28	I feel that my partner organisation makes competent decisions on behalf of the business alliance.	+1	0	0	-1	-3	0
30	I feel that the advice that my alliance partner gives my organisation is honest.	+4	0	-1	0	-1	0
32	I feel that my partner organisation is dependable.	+3	+3	-4	0	+3	0
33	I feel that I initiated an alliance with my partner organisation because it has the credentials required for compliance with legislation.	0	-3	-5	+1	+2	+4
34	I feel that my alliance partner cooperates with my organisation on business matters pertaining to the alliance.	0	0	0	+1	+3	-1
35	A lack of social interaction between black and white people over the years has affected the level of trust in my business partner.	-2	+2	+2	+3	+2	+5
37	I feel that the formal contract is the foundation of the alliance relationship with my partner organisation.	-1	-3	+1	+2	+3	+2
38	I feel that I generally give people the benefit of the doubt when I first meet them.	+3	-2	+3	+2	0	+5
39	I feel that my partner organisation is knowledgeable about our industry.	0	0	+5	+3	-4	+1
45	I feel that I formed an alliance with my partner organisation so that it could open political doors for me.	-5	-1	-5	-5	+5	-5
47	I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance.	-4	-5	+4	-4	-4	-5
49	I feel that my alliance partner chose my organisation as an alliance partner to neutralise future competition between our organisations.	-2	-3	+2	-2	-5	-1

Source: Brown, S.R., 1980, *Political subjectivity*, Yale University Press, New Haven, CT

TABLE 2: Clusters of trust.

Group	Theme	Verbatim statement or distinguishing item
A	<i>Sincerity trust alliances</i> , driven by integrity anchored mainly in the honesty of predominantly TC partners. Strong perceptions of benevolence anchored in partners' consideration because they did not work against the group's interests and did not engage in activities that benefited them at the expense of the focal group	<ul style="list-style-type: none"> 'Maybe the question should not be 'do we need trust to be successful?'. I think trust is not a nice-to-have. I cannot work with a partner that hides stuff from me. The partner should be principled and have integrity. That is not negotiable. The two of us understand honesty.' (Participant 23, male, executive director) 'My partner may be a bigger company but he does not take me for granted.' (Participant 24, male, executive director)
B	<i>Values trust alliances</i> , driven by the belief that the partners adhere to the values held in esteem	<ul style="list-style-type: none"> 'Our partners espouse our values and we espouse their values. In fact, we are lucky to have partners that uphold ethics and morals that we espouse and embrace. Values are the building blocks.' (Participant 21, male, executive director)
C	<i>Duped trust alliances</i> , driven by the belief that the TC partners are deceitful and use the PDIs as a façade for black economic empowerment	<ul style="list-style-type: none"> 'You know, the stuff about window-dressing you read about in newspapers is true. ... You think somebody approaches you because he sees talent or potential in you, only to find out that he sees an opener of doors and tenders for himself.' (Participant 3, female, executive director)
D	<i>Vigilant trust alliances</i> – shared perceptions that TC partners possess strong abilities or competences but also low integrity and reliability trust, driven by the belief that formal contracts are essential to safeguard against opportunism on the part of TC partners	<ul style="list-style-type: none"> 'Make no mistake, TCs are skilful, knowledgeable and have big networks and the financial strength. They control quarries, steel, brick and cement – the items that are on a critical path.' (Participant, 9, male, managing director) 'TCs are not honest. They will not behave in an honest manner. They think blacks are ignorant and don't have experience, for example, in the construction sector, the issue of pricing the overheads. They know the PDIs do not have equipment. The loading of plants becomes a way to deal with the PDI even when you are in alliance. This has the effect of reducing the PDI profit margins. They park a bus to increase the overheads on site even if they are not used just to increase profits on their side. You enter into an alliance with an agreement of 50/50 profit but the expenses from their organisation are overloaded.' (Participant 9, male, managing director)
E	<i>Deceitful trust alliances</i> , driven by the focal TCs' desire to use PDI partners to open political doors and to acquire contracts to serve their own self-interest	<ul style="list-style-type: none"> 'Business alliances with whites do not create authentic empowerment because there is no transfer of business skills. They encourage and make sure you remain dependent.' (Participant 6, male, managing director) 'Black economic empowerment is the source [of the problem]. It forces us to work with the blacks.' (Participant 10, male, executive director) 'Of course, sometimes I do not like our business ... but at the same time, it puts bread on my partner's table and my table. The government makes it difficult for white people to acquire businesses. If you want your business to increase and grow, [you] have to have a black person even if he does not understand business. (Participant 19, male, executive director) 'My partner uses me as much as I use him. This is what black economic empowerment wanted. As a white person, I do not have a lock [key] to open political doors but I have a brain to form or do things that will open those doors.' (Participant 8, male, managing director)
F	<i>Inclination to trust alliances</i> , driven by a high propensity to trust of the focal PDIs	<ul style="list-style-type: none"> 'I am a trusting person who gives people an opportunity to prove themselves. I have trusted both black and white people, not because they are black or white but because maybe it made business sense. I have also been disappointed by both black and white companies.' (Participant 7, male, executive director) 'Do you trust a black more than a white organisation? I am neutral about it. I have done well with both blacks and whites and I have also battled with both.' (Participant 1, male, executive director)

PDI, previously disadvantaged institution; TC, traditional company.

Using the sincerity trust group as an example, it can be seen from Table 2 that this predominantly PDI group viewed their partners as high in integrity because they (the TC partners) were honest with them. Table 2 also reveals that the sincerity trust group experienced their partners as high in benevolence and consideration because they did not work against the focal group's interests or engage in activities that benefited them at the expense of the focal group. Clearly, this predominantly PDI group shared strong perceptions that their partners were trustworthy. Such perceptions of trust may suggest strong and enduring business relationships, characterised by a low incidence of friction and conflict (Hernandez & Dos Santos 2010). As observed repeatedly by various scholars, organisations are more committed to each other when there is trust, and when there is more trust, they are more likely to commit to each other (Harris & Wicks 2010). The managers' trust experiences may then be regarded as a dependable proxy measure of the health and well-being of their business alliances. Because business alliances between TCs and PDIs in South Africa are largely the result of government suasion aimed at empowering the latter companies, it may be theorised that alliance relationships characterised by trust would augur well for black economic empowerment. In other words, trust is crucial in business alliances between TCs and PDIs in a country with a history of institutionalised racism and where these alliances are largely the result of government suasion.

Trust is a crucial driver of governance decisions, collaborative processes and alliance performance in business alliances (Brattstöm, Faems & Mähring 2018). By

implication, the managers in the sincerity trust and values trust groups work well with their partners because trust is central to keeping them working together (Tähtinen & Blois 2011; Zhang 2011). Milestone achievements in business alliances between TCs and PDIs are manifested in the successes conveyed by the sincerity trust and values trust groups. These groups' strong perceptions that their partners are trustworthy suggest that the institutions concerned may act as conduits for the advancement of black economic empowerment.

While the findings of the study support the established crucial role of ability, benevolence, integrity and reliability as perceived characteristics of the trustee in an alliance relationship, they also provide credence to the view that each characteristic may vary independently of the others since each one encapsulates specific elements of trustworthiness. The way in which ability, benevolence and integrity combine into trustworthiness varies between individuals and groups and between situations (Mayer & Davis 1999). As an example, and as can be noted from Table 2, the vigilant trust group formed alliances with their TC partners primarily because of the perception that the partners were competent and offered them the possibility to learn or to have access to invisible assets such as business management and organisational skills, technological capability and knowledge of the market. However, while they were in the alliances, the vigilant trust group experienced their partners as lacking in integrity and reliability because they behaved in a dishonest manner towards them and lacked consistency between their words and actions, as

reflected by their failure to keep their promises. This focal group of PDIs remained in their alliances with TCs but relied on formal contracts to safeguard their interests against possible opportunism on the part of their TC partners.

Through contracts, the vigilant trust group: (1) safeguarded themselves against the risk of opportunism on the part of their partners and (2) ensured that the TC partners performed alliance tasks honestly. Consequently, trust and formal contracts coexisted in this group. Trust and contracts represent crucial modes of managing relationships and risk (Malhotra & Lumineau 2011). When risk is high and trust is low in an alliance relationship, as in the vigilant trust group, a formal contract is essential for bridging the gap between risk and trust by lowering the perceived risk to a level that allows for trust.

The vigilant trust group formed and remained in alliances with their TC partners because they had a strong need to develop their business knowledge and skills. While recognising that business alliances with TCs 'do not create authentic empowerment because there is no transfer of business skills', that 'they [TCs] do not voluntarily enable you [PDIs] to learn' and that TCs encourage PDIs to 'remain dependent', the group are proactive and learn deliberately by going 'into their [*the TCs*] systems and checking [*to learn*]'. Consequently, it can be hypothesised that in order to bring about authentic black economic empowerment, TCs need to create enabling learning opportunities for PDIs, and PDIs need to take the initiative to develop themselves. As in the case of the vigilant trust group, PDIs who take the initiative to learn may develop the business skills, knowledge and attitudes essential for authentic economic empowerment. The group's determination to remain in alliances and to learn despite the astounding experiences, coupled with their simultaneous reliance on the mechanisms of trust and written contracts, revealed a unique shade of trust that affected the behaviour of the managers involved differently. The trust experiences of the vigilant trust managers personify the possibility that business alliances between TCs and PDIs can enhance black economic empowerment.

From Table 2 it can be inferred that the duped trust group shared a strong view that their TC partners were competent and knowledgeable about the business and the industry of the alliances but were not reliable and not inclined to empower the group. The group experienced their TC partners as unreliable because they did not keep their promises. Interestingly, the duped trust group reported that their TC alliance partners, and not the group, had initiated the alliances, suggesting that the partners could have planned this mode of operation from the beginning. Although the duped trust group had not initiated the alliances with their TC partners, they recognised that the 'credentials required by legislation' were anchored in their identification as previously disadvantaged and that they had anticipated the possibility of acquiring business skills and knowledge through alliances with TCs. However, the TC partners performed all the work on behalf of the alliances and the focal duped trust group did

little or nothing, which resulted in the group not gaining the anticipated business skills and knowledge. The focal group seemed observant of the TC partners' reluctance to share knowledge but had not anticipated being used as a façade for black economic empowerment. The following remarks provided credence to this assertion:

'You know, the stuff about window-dressing you read about in newspapers is true. ... You think somebody approaches you because he sees talent or potential in you, only to find out that he sees an opener of doors and tenders for himself.' (Participant 3, female, executive director)

In the South African and similar settings, where there is a history of social exclusion, access to resources is historically predetermined. As evidenced by the experiences of the duped trust group and supported by the existing literature, resources comprise a combination of finance or capital, on the one hand, and business knowledge and skills, on the other (Singh 2012). For example, access to finance is an essential but insufficient factor because lack of business knowledge, skills and experience will undermine economic empowerment initiatives. Previously disadvantaged institutions like the duped trust alliance group may not have the ability and the practical skills needed to define their business goals and to make decisions that will facilitate the achievement of those goals. The complexity of black economic empowerment initiatives may lie in the fact that, in many instances, the purported beneficiaries are people who have been marginalised and excluded from the economic mainstream over the years and, therefore, lack more than just access to capital. In an alliance where there is a low level of trust, individuals withhold or distort information about the business (Schilke & Cook 2013). In the absence of trust, the governance structures and restrictions that preclude participation become disempowering (Brattstöröm et al. 2018). The duped trust group's experiences exemplify the setbacks of business alliances between TCs and PDIs because the partners used the group as a façade for black economic empowerment.

From Table 2 it can clearly be seen that the deceitful trust group comprised a group of TCs who shared strong perceptions that their PDI partners lacked business knowledge and skills and could not contribute to business decisions. The deceitful trust group had approached the PDI partners to form alliances so that they (the PDI partners) could open political doors and acquire contracts from government and state-owned enterprises on behalf of the alliances. However, according to the deceitful group managers, it is not improper or wrong to have a PDI partner acquire contracts from government and state-owned enterprises on behalf of the alliance and to not enable the PDI partner to acquire business skills. When TCs use PDIs to acquire contracts on behalf of the alliances, the aim is to 'get even' with the government for introducing black economic empowerment legislation, which they view as detrimental to whites and, according to them, forces them to work with blacks. The managers' narratives support this view.

The trust experiences of the duped trust and deceitful trust groups personify setbacks for black economic empowerment. The two groups had contrasting trust experiences and fortunes, but these contrasting experiences may have the same debilitating effect on black economic empowerment in that the PDIs are precluded from gaining much-needed business skills and knowledge. Clearly, in the case of these groups, black economic empowerment may be encumbered by the mistrust and distrust epitomised by the withholding of information about the businesses or the restriction of the PDIs' participation in business matters.

Some TCs, as in the case of the deceptive trust group, seduce PDIs into alliances and thereafter assign them symbolic roles. However, it is also plausible that besides retaliating against the despised policy of black economic empowerment, the deceptive trust group do not involve their PDI partners in the businesses to ensure that business skills are not transferred, thus neutralising future competition.

Van Scheers (2010) reports that TCs generously offer PDIs contracts, in return for which the PDIs act as their black empowerment partners, but once a bid has been won, they buy their black partners out of the deal. This unscrupulous practice personifies distrust and mistrust and creates black millionaires instantly. However, it undermines the long-term sustainability of economic empowerment of PDIs. The deceptive trust group personifies one of the worst cases of how TCs use PDIs as fronts and 'window-dressing', mobile black executives, 'rent-a-blacks', or 'ghost' or 'freelance' black directors and managers in a bid to procure contracts from government and state-owned enterprises. This phenomenon has been observed in South Africa (Beall, Gelp & Ponte 2008; Ihederu 2004; Ponte, Roberts & Van Sittert 2007; Van Scheers 2010). However, this practice is not limited to South Africa. In Malaysia, some individuals from previously disadvantaged groups such as the Bumiputera functioned in symbolic capacities only (Gomez 2012). In some cases, Bumiputeras wanted to get rich quickly and preferred to collect rentier profits as frontmen for the Chinese without being actively involved in business management and operations.

Business alliances between TCs and PDIs are a crucial mode for the transfer of skills and the creation of authentic economic empowerment of PDIs (Ahwireng-Obeng & Ogunjobi 2001; Thomas 2014). However, cronyism, tokenism (Ihederu 2004; Ponte & Van Sittert 2007; Thomas 2014; Van Scheers 2010), and so on, exemplify mistrust and distrust, and the trust gap in business alliances between TCs and PDIs. It is crucial for business organisations to close the trust gap (Martins & Von der Ohe 2011) to facilitate the transfer of skills, thereby altering the distribution of economic resources and advancing black economic empowerment. Black economic empowerment policy is aimed at redressing past inequities so that the citizenry can exercise the newly found political freedom and choice contemporaneously with social and economic freedom and choice (Patel & Graham 2012).

However, redress is encumbered by, among other things, apartheid burdens that have compromised the distribution of opportunities, business skills and capital among the different strata of the population deep into the post-apartheid era. These burdens have been exacerbated by predatory and parasitic political elites and their associates through cronyism and tokenism. Black economic empowerment is censured because of allegations that it enriches a small political elite and their cronies. Moreover, there is rampant tokenism, where TCs use PDIs as a façade for black economic empowerment, among other things (Beall et al. 2008; Ihederu 2004; Ponte & Van Sittert 2007; Thomas 2014; Van Scheers 2010). The advancement of black economic empowerment requires a multipronged strategy, and business alliances between TCs and PDIs may be among many that have a pivotal role to play. Favouritism, cronyism and tokenism are some of the practices that are void of trust. In the absence of trust, managerial opportunistic behaviour increases, governance decisions become suspect and the collaborative processes and performance of alliances suffer (Dong et al. 2018). Consequently, these alliances may not fulfil their role as a conduit for black economic empowerment.

Conclusion

The purpose of this study was to reflect on the prospects for black economic empowerment by exploring trust between TCs and PDIs in South Africa. The findings of the study add insights into and provide an exposé of the complexity of trust in business alliances between TCs and PDIs. Some of the aspects of the phenomenon of organisational trust in South African business alliances between TCs and PDIs may not exist in other contexts. The phenomenon of black economic empowerment and its encumbrances may be disentangled by exploring trust in black and white business alliances in South Africa. The 25 managers expressed viewpoints that formed the basis for classifying trust experiences into six nuanced clusters. Generally, the prospects for black economic empowerment appeared greater in the groups characterised by stronger perceptions that the partners were trustworthy. Managers' experiences seemed to affect the prospects for black economic empowerment. The findings of this exploratory and novel study could make several contributions to the study of organisational trust and black economic empowerment. Managers and practitioners may become more aware of both the pivotal role of trust in enabling managers to work together and the issues that debilitate trust and sustain the trust gap in business alliances between TCs and PDIs.

The limitations of this study include the snowball sampling procedure used in selecting the managers, which could inadvertently have resulted in the participation of managers who shared specific perspectives. Another limitation is that the data obtained from the 25 managers do not represent the trust experiences of all managers since the sample may not reflect the breadth of managers involved in business alliances

between TCs and PDIs. However, as per the tenets of qualitative research, the goal was not to generalise the results of the study to the broader population but, instead, to develop a more insightful understanding of trust and its implications for black economic empowerment among the participating managers. A stratified purposive sample, as proposed by Creswell (2009), could be used in future research. Moreover, appropriate research designs could be developed in future research to investigate the prevalence or generalisability of the findings. The relatively small number of TCs that participated in the study may represent another limitation. Researchers could, in future, increase the number of TCs relative to PDIs because race or being a TC or a PDI is an important consideration in this study.

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Competing interests

The author declares that no competing interest exist.

Author's contributions

The author conceptualised the study, analysed the data and wrote the article.

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Disclaimer

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