

The Construction Code and its potential impact on competitive edge
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June 09

The Construction industry now has its own BEE Code of Good Practice and Scorecard. The Construction Code was developed through discussion and negotiations between representatives of business, labour and government. Several years in the making, the Code was gazetted on Friday 5 June 2009 and provides the industry with a clear framework for transformation.

When viewed as an investment in the future, transformation can be an important tool to develop talent, businesses, and capacity within the industry. In today’s economy it is critical that money spent – whether by government or business – should be done so in a way that promotes productivity, creates capacity for the future and prepares the country for our next economic upturn.

Infrastructure and related construction are seen as key economic drivers. The value of our industry and its potential to contribute to economic growth is made clear in our national budget. With public sector spending driving the industry, it’s important that the private sector fully understand the empowerment framework and strategically position itself to effectively integrate empowerment and business goals in a way that will increase a company’s ability to grow and prosper.

Government departments and state owned entities (SOEs) have been emphasising transformation through their procurement policies. Construction companies, suppliers and others within the sector’s supply chain will increasingly need to embrace transformation as a business imperative.

While many companies will view transformation and the BEE Codes of Good Practice as a compliance issue, those that understand the potential value of transformation and embrace it from perspective of value add and investment in future capacity will undoubtedly gain competitive advantage. In our current economy a company’s competitive edge becomes increasingly important.

Transformation can contribute to a company’s competitive edge in many ways:

- Advantage in terms of preferential procurement
- Increased internal capacity to deliver
- A diverse leadership, management and workforce can increase a company’s potential for business growth through bringing together a wide range of perspectives, visions and understanding of the country.
- Diversity can also increase a company’s ability to interact with and develop mutually beneficial relationships with it’s clients and suppliers.
- Through opportunities related to ownership, skills development or accelerated career development, employees are more likely to have a vested interest in the company and

therefore positively impact on its competitive edge (quality, efficiency, productivity, service levels etc)

- Any company is only as strong as its people. This rings true for a company's subcontractors, suppliers and other service providers. Through the enterprise development (ED) element of the Codes, companies have further incentive to invest in the capacity of their supply chain. This investment positively impacts on the bottom line through increased quality, efficiency, productivity and level of service.

In the long run, investment in transformation will also serve to grow the economy through the development of smaller businesses, the creation of jobs, the development of talent, bringing more people into the economy and spreading the wealth in a way that will contribute to a healthier socio-economic environment within the country.

The Construction Code of Good Practice and the DTI Codes of Good Practice provide a framework through which the industry can gear up and develop momentum that will serve to drive both transformation and economic growth. Companies that take a proactive approach to transformation will find that their competitive edge will be significantly greater than that of companies who sit back and wait.

Anyone involved in public sector projects will know that government and the SOEs are placing significant emphasis on the development of women in the industry. Women are a growing source of talent in the industry and can add value on many levels.

The percentages of women entering the construction and built environment sectors are steadily increasing. Approximately 40 % of all CIDB registered contractors in Grades 2 to 4 are women owned. Universities and professional associations are also seeing increasing numbers of women. Women in non-technical positions in the industry are often overlooked and not counted as "women in construction" but their roles are as integral as any other to a company's functioning and success.

Khuthaza is a non-profit social enterprise facilitating career and business development opportunities for women in the construction sector. Experience tells us that women involved in the sector often have a unique, determined spirit and are committed to developing themselves, their careers and businesses.

Though the industry has struggled with a skills shortage in recent years, we have heard from many women in the sector, particularly young professionals, that they feel underutilised despite this need for skills and the industry's incentive to promote and fast track career advancement. The industry would be wealthier should it recognise the potential and value women bring. Investing in the development of women's talent and businesses in the sector will undoubtedly result in a strong return on investment. Women in this sector are looking for opportunities to grow and to take on greater responsibilities. They thrive on challenge and are committed to adding value.

There is no doubt that, if done well and with mutually beneficial intentions, transformation can add great value to a company and the industry. In partnership with Transcend Corporate Advisors, a leading consulting company, Khuthaza aims to assist the industry to understand both the multiple benefits of transformation and how to maximise impact through use of the BEE legislative framework.

For more information on advisory services or training contact:

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