



Women and the Construction Code

9 June 2009



Overview of presentation

- Intro to Khuthaza
- Status quo: women and the sector
- Review of the elements as they relate to women in the sector
 - Benefits
 - Approaches
- Khuthaza's approaches to BEE



Khuthaza

Khuthaza facilitates opportunities for women in the housing and construction sectors

- Section 21 Company
- Brief history
- Industry involvement
- Involvement in the development of Charter and Code



Areas of Focus

Talent Development

students, professionals, leaders

Contractor Development

Bridgebuilding

advocacy, facilitation, integration,
communication, information





Women and the sector

- Perceptions on women in the sector
- Charter discussions related to women
- Industry characteristics
- Statistics
- Negotiating the targets
- Driving implementation and creating momentum



The economy

Gender Equality as Smart Economics: A World Bank Group Gender Action Plan (Fiscal years 2007–10)

Gains in women's economic opportunities lag behind those in women's capabilities. This is inefficient, since increased women's labor force participation and earnings are associated with reduced poverty and faster growth; women will benefit from their economic empowerment, but so too will men, children and society as a whole. Women's lack of economic empowerment, on the other hand, not only imperils growth and poverty reduction, but also has a host of other negative impacts, including less favorable education and health outcomes for children and a more rapid spread of HIV/AIDS. In sum, the business case for expanding women's economic opportunities is becoming increasingly evident; this is nothing more than smart economics.



Economy and industry imperative

- Competitive edge
 - Infrastructure driving the sector: Govt and SOEs are pushing transformation and women's empowerment – competitive edge means empowering women
 - Transformation & procurement linked
 - Investing in the growth & future capacity of the company and industry
- Women: growing source of talent in the industry
- Economic growth and socio-economic development
- Use the downturn to gear up for the upturn



Experience tells us

- Increasing interest
- Young professionals
- Ageism, sexism & racism
- Signs of change
- What women want
 - opportunities, challenges, responsibilities, respect





Charter and Code setting the foundation

The industry came together with the belief that a proactive approach would “address inequalities in the sector, unlock the sector’s potential and enhance its growth.”



Construction Code: women Ownership

Ownership

- 27.5 (yrs 0-4) / 30 (yrs 5-7)
- Women 10%
- Targets for
 - Designated groups
 - Broad based ownership
 - Employee ownership
 - Cooperatives
- Benefits
- Approaches





Women in leadership

Recent international studies have led to the conclusion that there is a link between gender diversity and organisational financial performance. A study conducted by Catalyst published in 2007 in the USA which looks at Fortune 500 companies has revealed that the ROE (Return on Equity), ROS (Return on Sales) and ROIC (Return on Invested Capital) of companies with a higher women's representation on the Board showed stronger financial performance than those companies with lower women's representation on the Board. Companies with more women board directors outperformed those with the least women board directors in ROE by 53%, in ROS by 42% and in ROIC by 66%. *This in itself seems motivation enough to employ more women in companies.*

(BWA 2008 census)



Construction Code: women Management Control

- Board
 - 40%Black
 - Adjusted recognition for gender
 - $A=B/1.76+C$
- Top Management
 - 25% Black (yrs 0-4) 40% (yrs 5-7)
 - Adjusted recognition for gender
 - $A=B/1.62+C$
- Strategic advantage
- Approaches





Construction Code: women Employment Equity

- Senior Management
 - 35% Black (yrs 0-4) 60% (yrs 5-7)
 - Adjusted recognition for gender
 - $A=B/1.62+C$
- Middle Management
 - 45% Black (yrs 0-4) 75% (yrs 5-7)
 - Adjusted recognition for gender
 - $A=B/1.62+C$
- Junior Management
 - 68% Black (yrs 0-4) 80% (yrs 5-7)
 - $A=B/1.66+C$
- BEPs – all Management levels
 - 45% (yrs 0-4) 60% (yrs 5-7)
 - $A=B/1.62+C$
- Benefits
- Pipeline
- Approaches



Construction Code: women Skills Development

- Multilevel element
 - Skills Dev Expenditure
 - Emphasis on management skills
 - Learnerships
 - Bursaries
 - Mentorship
- Adjusted recognition for gender
- Benefits
- Approaches





cidb: black contractors

Supply; Black Ownership: For South Africa as a whole (and in fact for every province in South Africa other than the Northern Cape), more than 80% of cidb registered Grade 2 to 4 building and civil contractors are black owned (defined as more than 50% ownership control). Furthermore, more than 60% of all Grade 5 and 6 building and civil contractors are black owned, while around 60% of all Grade 7 and 8 building contractors are black owned.



cidb: women contractors

Supply; Women Ownership: On average, around 40% of all Grade 2 to 4 contractors are women owned – with the highest ownership in Limpopo (which probably reflects tender preferencing in this province), followed by Mpumalanga. However, women ownership varies significantly from province to province, and across the Grades. From Grades 5 and 6 and above, women ownership is typically less than 30% in the civil sector, when in the building sector it is around 30 to 50%.



Construction Code: women Procurement

Procurement spend

- 50% (yrs 0-4) 70% (yrs 5-7)
- QSE and EME 10% (yrs 0-4) 15% (yrs 5-7)
- Suppliers >50% black owned 9%/12%
- Suppliers >30% black women owned 6%/8%



- Benefits
- Approaches



Construction Code: women Enterprise Development

- ED Relationships
- ED Contributions
 - Contractors target = 3% NPAT
 - BEP target = .75% Leviable amount
- Benefits
- Approaches





Construction Code: women Enterprise Development

- Link to procurement
- Many public sector clients setting high targets for involvement of women owned businesses (procurement)
- CIDB 40% women owned
- Develop your procurement chain
- Simply makes sense



Construction Code: women Socio-economic Development

Contractors: target = 1% NPAT

BEPs: target = .25% leviable amount

- Benefits
- Approaches





Khuthaza and transformation

BEE Alignment

- Ownership
- Control
- Employment Equity
- Skills Development
- Procurement
- Enterprise Development
- Socio-economic Dev
- Investment Company
- Access to talent pipeline
- Courses
- Contractor Development (links)
- Talent and business development non-profit work



Khuthaza and Transformation

- SED: black women represent over 75% of our target market thus support to Khuthaza qualifies for full points
- ED & SED: various types of support
 - Financial contribution
 - Site visit
 - Training / workshop / advisory
 - Credit/ direct assistance to contractors/others
 - Direct relationships
 - Raising profile of women, industry support and transformation



Khuthaza: Contractor Development

2009 Programmes (Gauteng)

Excavation (open registration)

- Industry exploration

Cornerstone (entry level)

- 7 month certificate programme
- To provide a foundation of business and construction related skills for those in the early phases of setting up a business
- Mix of business and technical skills
- 35 people registered





Contractor Development

Khuthaza Connection (intermediate level) (ED)

- 7 month certificate programme
- To build on existing knowledge/skills – focus on niche market and efficiency
- A year of experience, business registered and running full-time
- 18 people registered

Re a Abelana (more experienced) (ED)

- 9 month certificate programme
- Business growth, interaction with industry, professional development
- Min 3 years experience, running business full-time and prepared to grow
- 20 people registered



Programme Components

Personal, professional, business, technical

- Assessments
- Career Guidance
- Training
- Business Tools
- Networking
- Exposure
- Advisory
- Integration
- Linkages
- Personal Development
- Giving Back



Summary

- True empowerment demands that black people be represented at all levels of the industry in a way that reflects our demographics
- So much potential in the country!
- Women can contribute to competitive advantage
- Women: potential to add even greater value to company, industry, country
- Work toward our vision of a great South Africa!



Contacts



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