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Challenges faced by construction companies in Gauteng in implementing the revised BEE codes

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2017

https://hdl.handle.net/10539/24930

Koaho, Tholwana (2017) Changellenges faced by construction companies in Gauteng in implementing the rivised BEE codes, University of the Witwatersrand, Johannesburg, <http://hdl.handle.net/10539/224930>

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ABSTRACT

In October 2013, the Department of Trade and Industry (DTI) revised the 2009 construction codes. From the revision, Black Economic Empowerment (BEE) is now measured using five (5) elements instead of seven (7), as was the case with the previous BEE codes. KPMG states that on average, construction companies will drop 2 BEE levels as a result of the revised BEE codes.

This study is aimed to examine how Grade 9 Construction Industry Development Board (CIDB) rated construction companies with registered offices in Gauteng implement the revised BEE codes[1], and the challenges which they face in implementing the revised BEE codes. The study followed a qualitative research methodology approach, semi structured interview were used to collect the necessary data from the various companies.

Individuals responsible for implementing BEE from Grade 9 CIDB rated construction companies in Gauteng were interviewed. Of the 21 companies which were interviewed, companies implemented BEE by increasing in spent on enterprise and supplier development and skills development.

The biggest challenges that the companies faced was increasing/introducing black ownership within the company and employing previously disadvantaged individuals into management positions.

The results of the research would guide the CIDB in drafting further revisions of the BEE codes as to curb construction companies from dropping their BEE levels due to BEE legislation.

Key words: *construction codes, BEE, challenges, implement*

[1] This refers to how a business complies with BEE by acquiring maximum points from the BEE score.