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PRIVATE SECTOR ROLE IN COMMUNITY DEVELOPMENT

A CASE STUDY ON MARTIN & EAST
(PTY) LTD APPROACH TO
“RESPONSIBLE BUSINESS”

University of Cape Town

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ABSTRACT

*PRIVATE SECTOR ROLE IN COMMUNITY DEVELOPMENT. A CASE STUDY ON MARTIN & EAST
(PTY) LTD APPROACH TO “RESPONSIBLE BUSINESS”*

Given persistently high levels of poverty and inequality in South Africa and the government’s apparent inability to meaningfully address these, the role of the private sector to provide additional interventions to assist in achieving social support through sustainable community development initiatives is imperative. The case study unpacks Martin & East (Pty) Ltd’s (M&E’s) approach to Responsible Business (RB). Winfield’s (2015) argument for what RB is, lies within the unique contractual relationships that exist between the business enterprise and its stakeholders. It is within the identification of the business’ relationships with various stakeholders and in particular, for the purpose of this research, the community as a stakeholder, that we realise the sphere of influence that the business has to possibly affect social change. In order to understand M&E’s RB approach in a particular community the case study is further focused on the City of Cape Town project: 216Q/2014/15 Construction of Link Road (City of Cape Town, 2014) to establish the status quo and any opportunities for improvement which may exist.

The dissertation draws on semi-structured interviews to understand the interaction of M&E with project stakeholders, identified as the Project Management Team (PMT) and the affected Community. The findings are interpreted through the goals of RB and Community Development (CD) established to evaluate the quality of the relationships created through the project. I argue that there is evidence of achieving these goals. However, the responsibility of CD still lies wholly with local government and the strategies that it puts in place by the setting of Community Participation Goals (CPGs) on its infrastructure projects. It is with regard to their strategy in achieving these CPGs where M&E’s RB approach plays a significant role in truly achieving CD in the way that the PMT had intended. M&E’s intrinsic values prompted its Project Team (PT) to engage in informal training, treat labour well and abide by contractual obligations as stipulated in the Contract Document governing their roles and responsibilities.

Recommendations for M&E business practice include ensuring that the well thought through strategy for their internal community, through the implementation of the Isidima Trust and involvement in education programmes, is translated to the temporary community in which it often finds itself.

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GLOSSARY

Citizenship	The position or status of being a citizen of a particular country
Client	The Employer on the Contract.
Community Development (CD)	Upliftment of the Community through various strategies
Community Participation Goals (CPGs)	Strategy implement by the PMT in order to ensure Contractor engagement with the Community
Construction Phase	The phase of the Project in which the Employer is in the process of obtaining delivery of the infrastructure item
Contract Data	Group of documentation setup by the Project Engineer which contains standards of delivery, quality and responsibilities of the Contractor and the
Contract Document	Equivalent to Contract Data
Contractor	The entity contracted to fulfil construction activities in delivery of the infrastructure project to the Client
Contractual obligations	Items listed in the Contract Data to be adhered to by the contracting parties
Directorate	A department of the municipal government of the City of Cape Town
Employer	The City of Cape Town
Engineer	The individual or team responsible to act as the Client's representative on the Project, performing an oversight and management function
EPWP	Expanded Public Works Programme
IDP	Integrated Development Plan
Jobseekers Registration Database (JRSD)	A list of available labour managed by the local Sub-Council
Local Enterprise	Sub-Contractor or Supplier within the area affected by the construction project
Local Labour	Unskilled or low skilled from the area affected by the construction project who are randomly selected from the Jobseekers Registration database
Project lifecycle	All stages of a construction project from inception to feasibility to construction to project close-out
Public Body	The local government
Responsible business	An approach to doing business in considering society
Site	The area where construction takes place in completion of a specific construction project
Stakeholder's capital	Intrinsic knowledge which individuals possess and use to contribute to the business in which it has a vested interest

Sub-Contractor	An entity which is contracted by the main contractor to do a specific portion of work
Supplier	An entity which provides necessary equipment or materials necessary for the contractor to complete its work
Targeted enterprises	Enterprises within the area stipulated in the Contract Data
Targeted labour	Available labour listed on the JSRD who live within the area stipulated in the Contract Data
Tender specification	Section of the Contract Document which lists information regarding pricing submissions by the Contractor, who at that stage would be referred to as the Tenderer
The Community	Businesses and individuals affected by the Construction activities of the Project
The Parking Areas	Waltz Square, Tango Square or/ and Calypso Square included in the scope of work of the Project
The Project	216Q/2014/15 The Construction of Link Road, Mitchell's Plain
The Project Management Team (PMT)	The Client and Engineer representatives who manage the construction project on behalf of the local municipality
The Project Team (PT)	The representatives from M&E who are tasked with the management and completion of a specific construction project

1 INTRODUCTION

1.1 INTRODUCTION

This dissertation is based on an unpublished piece written by Michael Winfield (Former CEO of Martin & East (Pty) Ltd) entitled: Some Suggestions on being a Responsible Business (Winfield, 2015). The document was drafted in response to the question “What in the South African context is a responsible business?” The case study describes the Martin & East (Pty) Ltd (M&E) approach to achieving “Responsible Business” (“RB”) and further how this approach to business may enable an effective role in community development. M&E’s approach to RB will be discussed by focusing on one construction project which the company was involved in from July 2015 – December 2016 and the interactions and effects that M&E presence had on the community of Town Centre, Mitchell’s Plain. In the first chapter of the dissertation, I provide a background to the study with the aim of contextualizing the research and creating an opportunity to engage with the content at a deeper level. I then provide my philosophical position in relation to Community Development (“CD”) and move on to outline the structure of the dissertation through a description of each chapter.

1.2 PURPOSE OF THE STUDY

The purpose of the study is to understand Martin & East (Pty) Ltd’s Responsible Business model with the aim of developing it into a viable tool which will enable the Company to play a more effective role in Community Development. A problem arises with achieving the goals of RB and CD when the company does not acknowledge what its approach should be or does not acknowledge its sphere of influence where we have been placed. One of the main aims of the research is therefore to unpack the concept of Responsible Business. The research is written within the context of Community Development. It becomes essential to outline the concept of Community Development and explore the linkages between Community Development and the role of the private sector through the concept of Responsible Business. The research focuses in particular on Martin & East (Pty) Ltd as a private sector company and a particular Project Team of its employees undertaking a construction project in a portion of the Mitchell’s Plain community (the Community) of Cape Town.

1.3 RESEARCH QUESTIONS

- 1. What is Responsible Business in the context of a Cape Town Construction firm?**
- 2. How does Martin & East's approach to Responsible Business influence Community Development?**
- 3. What is the impact of the Project's Tri-Sector Partnership on M&E's pursuit of Responsible Business?**

1.4 BRIEF DESCRIPTION OF THE SUBJECT OF THE CASE STUDY

M&E is a Civil Engineering Construction Company operating mostly in South Africa's Western Cape Province city of Cape Town since 1950. The company can be described as a large scale construction firm with an annual turnover in 2015 of approximately R665 million and over 1100 employees. (Adonis, 2016) At April 2016 the company's job schedule lists 17 current contracts with the Client split as follows: (Martin & East Tenders Department, 2016)

- 2 Private,
- 9 Local Government (8 City of Cape Town, 1 Msunduzi Municipality),
- 5 Provincial Government (Western Cape Government),
- 1 State Owned Enterprise (SANRAL)

Company interactions with stakeholders through daily business activities can be described as interactions with the above-mentioned Clients as well as any of the 317 Sub-Contractors and approximately 2000 Suppliers. The previous list highlights the existing relationships between the Client and Contractor (M&E), M&E and its Sub-Contractors, which can be described as other companies and smaller firms which do specialized work which is not the core business of M&E and M&E and its Suppliers. This contractual relationship exists in order to ensure goods and services essential to the functioning of M&E and successful completion of projects can be achieved.

This discussion does not explicitly mention relationships which exist within M&E, between the company and its directors, between the company and other construction companies and between the company and the community but these relations can be argued as the foundation and basis of the successful functioning of the relationships mentioned above. The relationship between M&E and the community, in particular, is a focal point of this research. For the purpose of contextualizing the phrase, “the community” refers to the people in the locations surrounding M&E’s projects under construction. This community, including individuals and local businesses, are always directly affected by the construction process. M&E has encountered a range of varying levels of interest while conducting its core businesses in various communities in which projects have been awarded. Either the community is disinterested in the project at hand which does not affect project progress or they may feel deeply affected by the project to a point where they threaten the lives of M&E employees and bring projects to a halt.

The case study will unpack M&E’s approach to RB. Winfield’s (2015) argument for what RB is lies within the unique contractual relationships that exist between the business enterprise and its stakeholders. It is within the identification of the business’ relationships with various stakeholders and in particular, for the purpose of this research, the community as a stakeholder, that we realise the sphere of influence that the business has to possibly affect social change. The issue of community and community development arises out of this statement as does the question of what M&E’s community is. Is a community defined by common “spatial proximity”, “interests” or “consumption”? (Shauri, 2000, pp. 7-16) What is M&E’s sphere of influence within the context of Community Development? And how does a view to operating as a “responsible business” affect its position within this dialogue?

In his paper, Winfield paints a picture of what he believes RB entails providing reasons for the necessity for a RB (which can be further described as a responsible approach to doing business) in the context of South African society. These reasons can be summarized as follows: the government’s inability to successfully provide for the social needs of its citizens adequately has made it imperative for business to intervene in the social system to offer support to society in achieving these goals. According to Winfield, this support must extend to removing the “entrenched barriers of inequality in land ownership, access to capital, adequate levels of education and business skills” which exist in South African society as a result of years of oppression and restriction

perpetuated through apartheid legislation. (Winfield, 2015, p. 1) It therefore also becomes necessary to unpack the concept of RB specifically relating to its impact and capability to make an impact on Community Development. RB will be unpacked through the existing dialogue relating to CC.

Because of Winfield's position in the top management of M&E, the opportunity existed for the proposed approaches to have been implemented as a corporate strategy. My research is positioned to continue from the point at which Winfield's writing ends. I will explore M&E's corporate strategy relating to RB as proposed in his unpublished paper and, using existing literature to interrogate his stance on the matter, I will flesh out Winfield's RB theory which mainly seeks to:

- 1) Identify business stakeholders and the existing contractual relationships between the business and these stakeholders
- 2) Provide a strategy to preserve and grow stakeholder's capital and
- 3) Propose values which a business should uphold so that these strategies are successful

As the writer of this thesis, I will continuously reflect on my first-hand experience as an employee of M&E relating to the corporate strategy under investigation. A thorough investigation of M&E's position in society is therefore of personal interest to me.

In order to understand M&E's RB approach in a particular community the case study is further focused on the current City of Cape Town project: *216Q/2014/15 Construction of Link Road* (City of Cape Town, 2014) to establish the status quo and any opportunities for improvement which may exist. As this Project is a contract between the City of Cape Town as the Client and Martin & East as the Contractor, a large part of the research will be focused on the approach to achieving and over-achieving of Project goals. Furthermore the question will be whether there are hard and fast rules emerging from M&E's RB approach which the company will implement as a project goal via its Project Teams regardless of project specifications in the contract document.

The Construction of Link Road project ("the Project") has been selected as the case study for the research due to my involvement in the project as an employee of M&E but also due to opportunities available for interaction with the Community. The unpacking of M&E's interaction with the Community is a focal point and golden thread of this research project. This interaction will be

explored through interviews and group interviews with individuals from the affected Community and M&E employees.

1.4.1 Introduction of the Case Study Project

For the purpose of the case study on the specific contract which M&E are involved in, it is important to understand the contractual obligations as set out in the agreement between the Client (CoCT) and the Contractor (M&E).

Background of the Construction Project

The contract with the City of Cape Town is for the completion of work required for the upgrading of Northern Terminal Public Transport Interchange. The works are located in the Mitchells Plain CBD area, east of the railway line, west of AZ Berman Road and South of Westpoort Drive. (City of Cape Town, 2014)

The Project broadly entails the construction of:

- The Northern Terminal Public Transport Interchange Link Road
- Upgrading of Tenth Avenue
- Upgrading of existing parking areas in the Town Centre vicinity
- Electrical supply and lighting in Tango Square, Waltz Square and Calypso Square parking areas
- Landscaping in Tango Square, Waltz Square parking areas and Link Road area

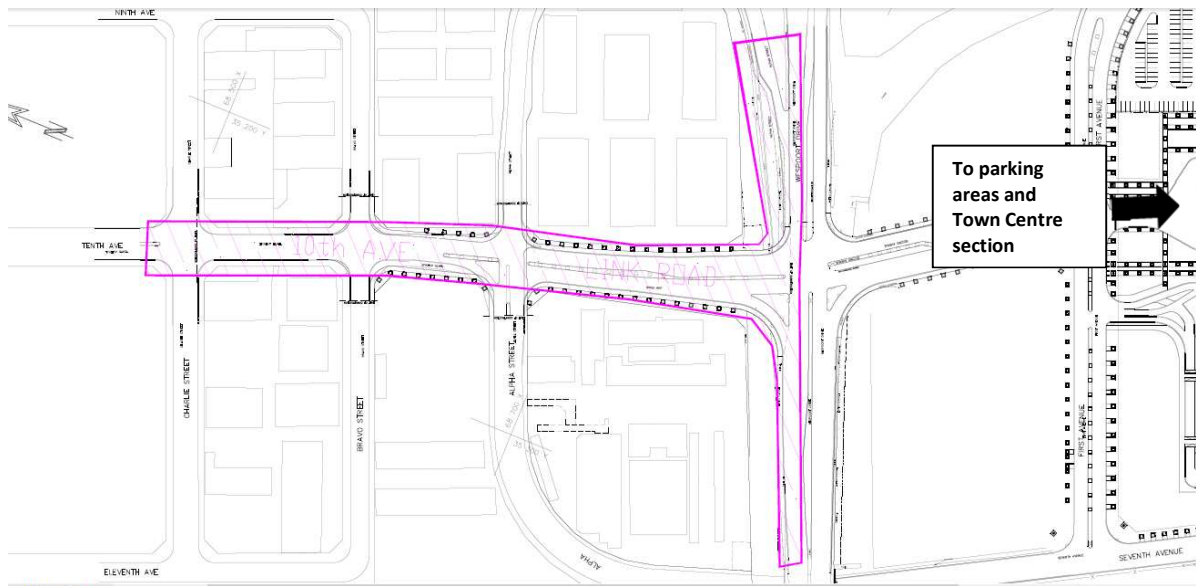


Figure 1 Extent of Work - Link Road and Tenth Avenue (Dombo & Du Plessis, 2014)

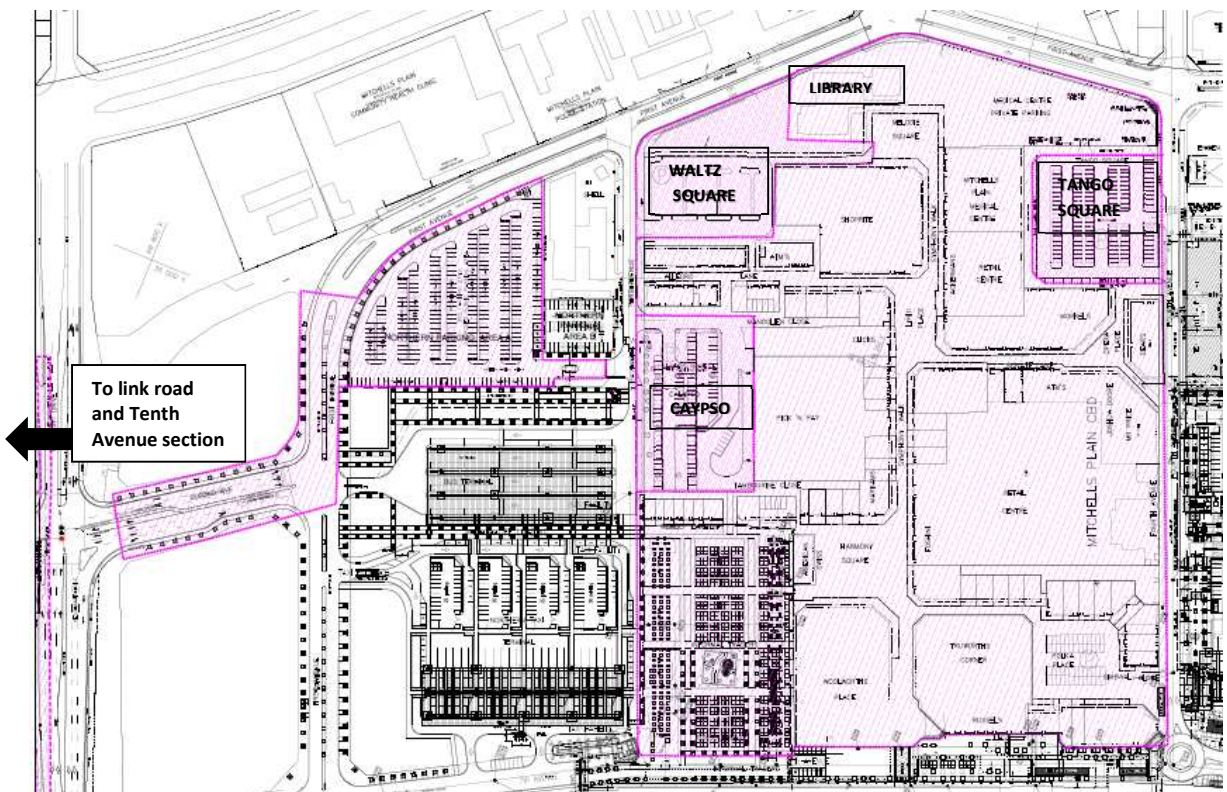


Figure 2 Extent of Work – Parking areas and Town Centre (Dombo & Du Plessis, 2015)

1.5 MY PHILOSOPHICAL POSITION IN RELATION TO COMMUNITY DEVELOPMENT

Shauri in an unpublished thesis stated, “‘Community’ is a problematic term”. There are many definitions for the same term, some even contradictory, which in turn serve to support the view that the concept is a complex issue which must be understood in the context of its use. (Shauri, 2000)

For me the term “community development” in the global South serves to support meaningful methodologies which are able to unlock the communities and allow them access to infrastructure solutions. These solutions may be top-down (imposed upon the community by the government of a country) or bottom-up through NGO’s or Local Development Agencies (Clark, et al., 2010, p. 30). In the bottom-up scenario, solutions to community infrastructure issues are developed by the community for the community and then support is received or sought from the government or externally. This support may be in the form of financial backing and additional resources aimed at enhancing the performance of the successful or promising interventions, proposed by the community (Pieterse, 2013) In the bottom up approach described above, the development agency adds value to the local development system (including public, private, civil society groups) in that they may be “flexible, market-facing, business-like, specialist and innovative” unlike other organisations in the development system. The nature of the development agency as an organization therefore allows all role players the opportunity to discuss the needs of the community. (Clark, et al., 2010, p. 134)

1.6 STRUCTURE OF THE DISSERTATION

This dissertation begins with a review of the available literature which will inform the case study. Chapter 3 deals with research methodology and a discussion of the merits of the case study method used for the research. In Chapter 4, the research results are collated under the research questions which interrogate Contractor interactions with the Project Management Team and the Community involved in or affected by the Project. Chapter 5 serves to discuss the findings in Chapter 4 and relate these back to the relevant literature discussed in Chapter 2. The conclusions and recommendations to the study follow in Chapter 6.

1.7 CONCLUSION

In this chapter I discuss the basis for the research to follow. This has been done through evaluating the purpose of the study. I give a brief description of the case to set the scene-and continue to give my philosophical position in relation to Community Development. I conclude by looking at the structure of the dissertation.

2 LITERATURE REVIEW

2.1 Introduction

2.2 Mike Winfield's paper on Responsible Business

2.3 Corporate Citizenship as it is related to responsible business

2.4 The role of the private sector in Community Development

2.5 Tri-Sector Partnerships

2.6 Martin & East's current approach to Responsible Business

Conclusion

2.1 INTRODUCTION

In this Chapter I aim to outline the concepts which will assist in evaluating the case according to the objectives of this research project. These concepts will serve as the theoretical bases of the research project. The literature review serves as the theoretical base for the research that follows. This chapter details what has been researched and attempts to summarize and give an overview of the direction of my research. The writing of former CEO and director of M&E on the subject of responsible business, which forms the basis of the thesis, is first discussed. The chapter goes on to describe the responsible business through the concept of corporate citizenship and what it involves, its context within South African business and its opportunities and limitations. This is followed by a description of what the private sector's role in community development could be with an additional focus on partnerships. The chapter is concluded with a specific focus on M&Es sphere of influence based on their business interactions and the methods in which they achieve Community Development through internal processes.

2.2 DISCUSSION ON MIKE WINFIELD'S PAPER ON RESPONSIBLE BUSINESS AS AN INFORMATIVE THEORETICAL PERSPECTIVE

2.2.1 Argument 1: "The government is failing to fulfil their mandate"

In the introduction to the paper, Winfield begins by stating that through all tiers of government it is failing to fulfill its mandate of social support and therefore the role of business is imperative for additional interventions to assist in achieving social support goals. This support must extend to removing the entrenched barriers of inequality in land ownership, access to capital and levels of education and business skills which exist in South African society as a result of years of oppression and restriction perpetuated through apartheid legislation. The democratically elected government have introduced legislation such as transformation, black economic empowerment and protection of labour in attempts to reverse the effects of apartheid legislation, but these laws, as cited by Winfield, have caused an increase in the cost of doing business and reduced inefficiency which in turn affects profits. (Winfield, 2015)

2.2.2 Argument 2: "Business can positively influence society through interactions with its stake holders"

The premise of Winfield's argument for what responsible business is lies within the unique contractual relationships that exist between the business enterprise and its stakeholders. The paper proposes that far reaching effects exist if these relationships are focused on and when the enterprise supports improvement and advancement of stakeholder capital in a sustainable manner. Social responsibility strategies are often generally unstructured and ill-defined or based on short term financial gain with little concern for broader societal impact. (Winfield, 2015)

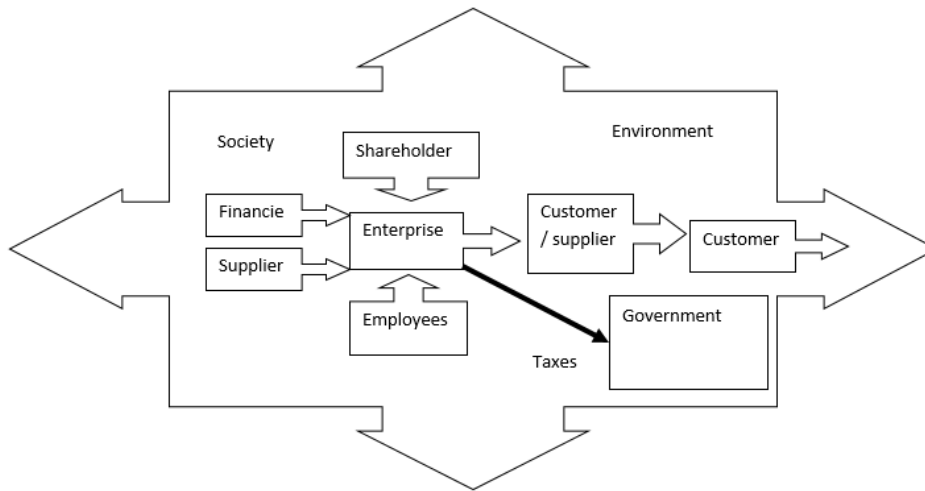


Figure 3 The interrelationship of stakeholders as proposed in Responsible Business (Winfield, 2015, p. 3)

Figure 3 illustrates the interrelationships which typically exist between a business (referred to as the “Enterprise” in the diagram) and its stakeholders. Winfield’s view is that the shareholders, the financier, supplier and employees are inputs to the business within its physical environment and position in society. These inputs make it possible for the business outputs of taxes paid to the government and deliverables required by the client. From this reasoning we can establish that the quality of inputs has a direct effect on the quality of outputs and therefore the core business of the company.

2.2.3 Argument 3: “In order to preserve, protect and grow stakeholder’s capital a number of strategies need to be followed.”

Stakeholder’s capital is described as the stakeholder’s vested interest in a business transaction. Each stakeholder invests capital through a combination of financial, intellectual and reputation capital dependent on the stakeholder’s unique purpose or mandate in the business. (Winfield, 2015)

The paper proposes the following RB strategies to achieve the goal of stakeholder capital growth:

- Risk management of debt- equity ratios, growth within capacity and ensuring achievable contractual undertakings
- Quality programmes ensuring employee understanding of quality service to internal and external customers

- Care of Assets ensuring that maintenance and correct operation
- Health & Safety plans which are clear and measurable
- Skills development of employees to ensure long term positive influence
- Management and staff should understand the importance of being present at work and the negative impacts that absenteeism causes

2.2.4 Argument 4: “Underpinning the strategies and principles of a ‘responsible’ business is to have clear and well defined ethos and values”

In his paper, Winfield proposes the following values for a business enterprise which should be expressed constantly through actions and decisions by the management team and all staff towards the business’ external stake holders as well as internally. These values are proposed as being incorporated into all business strategies to ensure sustainable and responsible business. (Winfield, 2015)

- Trust especially important in a society of significant distrust, strategies and actions must be employed to develop trust and trust relationships
- Mutual Respect and recognition that each stake holder plays a significant role within the organisation
- Honest Ethical behavior through consistent and uncompromising transactions will ensure integrity and reputation of the enterprise
- Value employees above tasks for the unique contribution that the individual brings to the enterprise. This in turn ensures readiness of the enterprise to impact social and economic transformation

In summary, the paper expresses that the government is failing to fulfil its mandate and that business needs to and is capable of positively influencing society through its unique contractual relationships. There are benefits to the enterprise and to society through the support of improvement of quality of stakeholder’s capital. The business must focus on strategies to develop a responsible business underpinned by clearly defined ethos and values.

2.3 CORPORATE CITIZENSHIP AS RELATED TO THE DISCUSSION ON RESPONSIBLE BUSINESS

2.3.1 Definition of Corporate Citizenship for the purpose of this research

Corporate Citizenship (“CC”) (a term used interchangeably with others such as Corporate Social Responsibility and Corporate Social Investment) was introduced to “emphasize the role of business in society” and its contribution to sustainable development. (de Jongh, 2009, p. 36) CC is described by Hamann as follows:

“Being a good corporate citizen means treating all of a company’s stakeholders (and natural environment) with dignity and respect, being aware of the company’s impacts on stakeholders and working collaboratively with them when appropriate to achieve desired results” (Hamann, 2006: 180)

This definition encapsulates the essence of Winfield’s writing. It reinforces the idea that understanding CC is useful in evaluating the strategies which Winfield proposes in order to achieve the goals of responsible business and how these relate to CC.

Hamann (2006) further raises the point that scope remains for researchers to investigate how the purpose of business can be changed through institutionalized company law, organisational structure and culture and personal ethics and aspirations in order to favour a holistic approach to CC. The case study to be used for my research fits into Hamann’s suggestion of available scope for researchers with the investigation of the effects of the RB model on M&E’s role in CD.

For the purpose of this research successful CC will be regarded as an investment, of the most appropriate kind, into a community. This investment should have positive, long-lasting and sustainable benefits for the community into which the investment was made. This view is endorsed by Tracey et al, 2005 (Tracey, et al., 2005, p. 131) regarding effective CSR as “the attainment of social outcomes” rather than the benefits to the corporation which has invested in the community. If we subscribe to the stereotype that the corporation’s only goal is profit maximization, it is necessary that a specific business case or corporate benefit is identified at the outset of a CC project in order to have full support from the key decision makers or money- spenders of that corporation.

2.3.2 The development of Corporate Citizenship in the context of South African business

Visser (2008) cites legislative reform, globalisation, stakeholder pressure and codification¹ (calculating the level of CC achieved eg. sustainability reporting) as four aspects which significantly influenced the progress of CC in the South African context between 1994 and 2004.

De Jongh (2009) states additionally that CC “has been influenced by the country’s history of inequality and injustice” concurring with Visser’s points on legislative reform and stakeholder pressure as influences of CC. De Jongh also states that CC is affected by “systemic issues undermining sustainable development” and other domestic challenges such as black economic empowerment, spiraling economic crimes, the effects of AIDS and the prevalence of poverty.

In order to understand the development of CC in South Africa, it must firstly be noted that the relationship between business and its non-financial stakeholders has varied between non-involvement and purposeful mutually beneficial engagement. Secondly, at various points during apartheid, business acted as an opponent and proponent of the legislation, sometimes even as both simultaneously. (de Jongh, 2009)

The table below gives a description of the time period, level of business involvement with non-financial stakeholders relating to the time period and further, the approach to CC during the time period mentioned. It serves to summarize the approach to CC at different stages of South Africa’s history.

Time Period	Type of Business involvement with Non-Financial Stakeholders	Methodology applied
Early industrialization and rise of Apartheid	Non-involvement	Anglo Saxon business principle followed that maximizing shareholder value would benefit society

¹ Kinder, Lydenberg, Domini (KLD) social performance index; The Global Reporting Initiative (GRI) (www.globalreporting.org) ; ISO 14000 (www.iso.org); the King Code of Governance Principles (www.iodsa.co.za/kingIII); JSE Socially Responsible Investment Index

<https://www.jse.co.za/content/JSERulesPoliciesandRegulationItems/Background%20and%20Criteria%202014.pdf>

Government policies including Broad-Based Black Economic Empowerment http://www.thedti.gov.za/business_regulation/acts/BEE-Amendment_ACT2013.pdf

Apartheid liberalization movement	Ad-hoc social responsibility	Business took a lead role in lobbying against Apartheid driven by business interests
Towards the end of Apartheid and early years of transition	Systematic involvement	Strategising the role of business in the new South Africa to create clear parameters for involvement
Post-Apartheid	Pre-systemic	Business mandated through post-apartheid policy to contribute to nation building
Current	Systemic	Integrating and positioning business as a stakeholder in society towards achieving mutualism

Table 1 Development of Corporate Citizen in South Africa (De Jongh, 2009)

2.3.3 Opportunities and Limitations of Corporate Citizenship

Davis (1973), identified some of the most prominent reasons and considerations by business regarding opportunities gained from successful engagement in social interest projects and limitations which are expected to be experienced through engagement in CC projects. These are listed below:

Opportunities	Limitations
Long-run Self-interest	Profit Maximization
Public image	Costs of Social Involvement
Viability of Business	Lack of Social Skills
Avoidance of government regulation	Dilution of Business's Primary Purpose
Sociocultural Norms	Weakened International Balance of Payments
Stockholder interest	Business Has Enough Power
Let Business Try	Lack of Accountability
Business Has the Resources	Lack of Broad Support
Problems can Become Profits	
Prevention Is Better than Curing	

Table 2 Opportunities and Limitations of Corporate Citizenship (Davis, 1973)

It is obvious from Table 2 that the business case (which can be further described as the financial benefit) for CC is a dominant factor when consideration of an issue as an opportunity or a liability. There exists great potential for societal benefits to be vast and exactly what is required by the community which is focus for development if the private sector takes up their role as a member of society according to the principles of Ubuntu:

In Mangaliso's paper entitled *Building Competitive Advantage from "Ubuntu": Management Lessons from South Africa*, Ubuntu is defined as humaneness including a spirit of caring and community, harmony and hospitality, respect and responsiveness that people display for one another. These basic values of the philosophical thought system of Ubuntu offers competitive advantage through its focus on relationship with others, language and communication, decision making, time, productivity, age and leadership and belief systems (Mangaliso, 2001: 2000)

This view further serves to confirm that the private sector has a responsibility to play a role in CD and the community in which it finds itself.

2.3.4 Approaches to Corporate Citizenship

In the following sections I will highlight a few examples of approaches to CC.

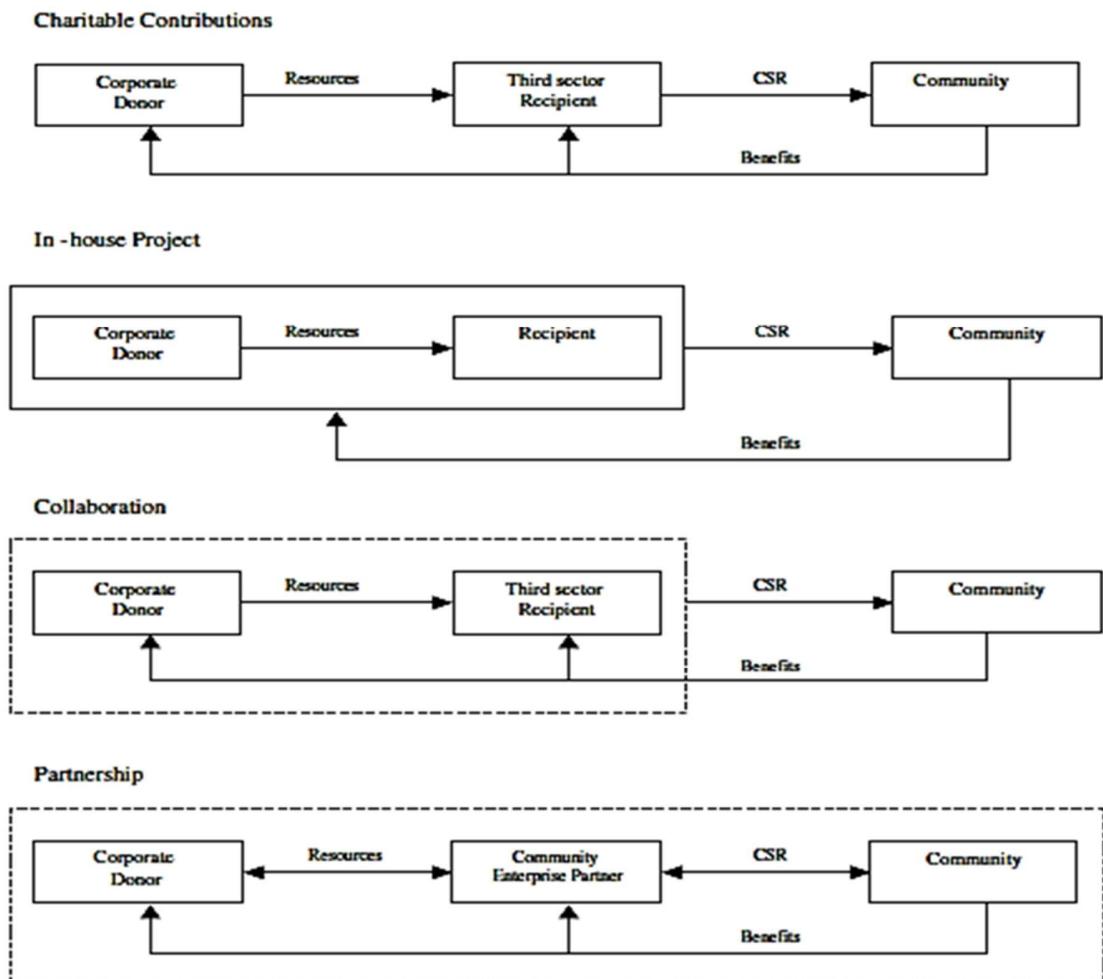


Figure 4 Four approaches to CC as suggested by Tracey, et al (Tracey, et al., 2005, p. 337)

Charitable Contributions can be described as ad-hoc philanthropic projects undertaken by individuals or businesses as once-off interventions or donations to a community. These projects may improve the situation of a community for a while, but once the financial support from private sector investment is withdrawn, the community is usually left in the same position or worse off than before the receipt of these funds (Warhurst, 2001). The organisation which had received the funds becomes dependent on the funding and therefore cannot plan ahead as these donations may be limited or withdrawn at any time. (Tracey, et al., 2005)

In-house Project approach allows the company manage its expenditure and resource allocation on the CSR project. They are also able to ensure that the strategy is in line with core business activities and can be integrated into its daily operations. With this approach to CC the company liaises directly with the community and local stakeholders. (Tracey, et al., 2005)

Collaboration promotes the idea that the company and social organisation combine efforts to develop strategies to address social problems. This approach builds CC capacity within the company which can be used in future projects and enhances the ability of social organisations to deliver outcomes. (Tracey, et al., 2005)

Partnership is argued by Tracey, et al to have the most significant influence on community capacity-building. I contend that capacity-building, in the most appropriate form suited to the affected community, should be the primary aim of a construction company in achieving corporate social goals. The partnership approach promotes learning and innovation for finding solutions to local issues. It also facilitates relationships between the company and local stakeholders in gaining local knowledge. In order for successful sustainable partnership to survive, a high level of commitment and investment is required from all involved. (Tracey, et al., 2005)

2.4 THE ROLE OF THE PRIVATE SECTOR IN COMMUNITY DEVELOPMENT

2.4.1 Definition of Community Development for the purpose of this research

Ismail 2009 described Community Development (CD) as follows:

“Initiatives undertaken by community (described as people with common goals in the same area) in partnership with external organizations or corporations to empower individuals or groups of people by providing these groups with the skills they need to effect change in their own communities” (Ismail, 2009, p. 203)

The community is best positioned to identify its own needs and pursue solutions for Community Development. This is due to their lived experience leading to intrinsic knowledge of their situation. However, in many cases, it may be necessary to upskill people first so that they are able to interrogate and interpret exactly what these needs may be. It is an important aspect of development to then prioritize the issues raised by the community and set goals accordingly to see valuable progress. The community may not be able to strategize and collaborate internally to achieve these goals and necessary prioritization without skilled assistance. It is clear that external assistance is required to ensure that the development process is successful from the stage at which the community identifies their needs until the point of delivery of the interventions assessed as necessary. (City of Cape Town, n.d.)

On the other hand, if development goals are imposed on the community without thorough consultation, achieving these development goals may become a continuous struggle. This especially in the area of community showing its support for infrastructure projects which are undertaken – an important point to note in relation to the case study selected for this research project.

2.4.2 Approaches to Community Development

Approaches to CD include Participatory Rural Appraisal (PRA)², Experiential Learning³ and Strategic Action Planning (SAP).

For the purpose of this research I will focus on the SAP approach as it covers the aspects of CD which encompasses vital characteristics of all approaches to CD.

² Evidence of the importance of a community needs analyses, community empowerment and capacity-building modes of development which lead to the successful implementation of CD are found in the Participatory Rural Appraisal (PRA) approach. PRA has been used for the implementation of Community-Led Total Sanitation which could be scaled to Community-Led efforts to achieving other goals. (Kar & Chambers, 2008)

³ Bolnick and Patel argue that CD is the most successful when the approach of shared learning is employed. The approach presented which they've entitled "experiential learning" aims to empower people through training programmes introduced into a community and then through community buy in, entrusting them to complete the process. The training process also allows people to further understand their social and economic environment by teaching them how to involve all residents in the process of making choices, encouraging participation in the process of change which deepens community participation and causes natural leaders to emerge, creating an opportunity for the community to realise what their needs and aspirations are before an external party comes in to offer a solution and through the involvement in the process ensures that the community fully understands the lengthy process of development and in turn prevents the expectation of instant solutions.

The method of CD proposed through Strategic Action Planning (SAP) encourages a 3-staged approach. The Phases are identified as follows:

- Reinforcing synergy
- Creating a cumulative multiplier effect
- Expanding room to manoeuvre

These stages are purposed to empower the community's voice in influencing bottom up development through making valuable proposals which can be supported by local government as a strategy(ies) to intervene in a current system with regards to infrastructure and other community needs.

The key components of SAP are:

- Collective intent
- Reframing diagnosis
- Precedent setting, which is usually the suggestion of strategic action programmes
- Dialogue and advocacy
- Organizational and institutional development and
- Public learning

Collective intent is the shared vision and guiding concept of the SAP which provides the community with an opportunity to enter into relationships of equality with other stakeholders. **Reframing diagnosis** includes reframing thinking with regard to the way that the urban poor see themselves and the view by the public and private sectors with regard to the risk of an investment into a solution proposed by the social grouping. This component is also made up of the concept of 'reading the cracks' which entails understanding where the gaps for development lie. Examples of **precedent setting** by community structures are evidence that they can manage a portfolio of projects, in different spatial and institutional settings, financial blending through leveraging subsidies and other available funding, demonstrating that they are able to be large scale developers that can deliver a quality infrastructure or housing product. **Organisational and institutional development** involves the building of more equal and robust relationships within communities and between the communities and relevant government, non-government and private sector stakeholders. **Dialogue and advocacy** forms the link between all components and is vital in the success of SAP's. The community may need to put pressure on local government for responses or interact with donors and other private sector companies to acquire assistance in achieving its goals.

The **public learning** component of SAP can be achieved through a learning cycle, exchange visits between communities employing SAP's including local government or private sector involvement, agreement of methods to ensure 360 degree monitoring and accountability. The components of SAP are interactive and not linear in relation to each other. (Levy, 2007)

2.4.3 Goals of Community Development Identified

The focal points identified for this research project are as follows. These are numbered merely for reference purposes.



Figure 5 Goals of Community Development

2.4.4 Where does the responsibility for Community Development lie in South Africa?

In the South African context, local government is mandated to deal with local economic and social development issues. This constitutional mandate prescribes community participation in the achievement of development goals (Republic of South Africa, 1996)⁴. In keeping with the context of this research, I refer only to the City of Cape Town's (CoCT) development goals which are established in the Integrated Development Plan (IDP) (City of Cape Town, 2015)⁵ mandated through the Municipal Systems Act of South Africa (Republic of South Africa, 2000)⁶ and the Social Development Strategy (SDS) which "articulates the role of the City of Cape Town in promoting and maximising social development" (City of Cape Town, n.d.)⁷. The goals of the IDP are established

⁴ The Constitution of South Africa Section 152, 153 (a) & (b), 156 (1) (a) & (b)

⁵ http://www.capetown.gov.za/en/IDP/Documents/5yrIDP_1516_rev_amend.pdf

⁶ <http://www.cogta.gov.za/sites/cogtapub/Acts/MUNICIPAL%20SYSTEMS%20ACT.pdf>

⁷ <http://www.capetown.gov.za/en/IDP/Documents/SocialDevelopmentStrategy.pdf>

through participation processes spearheaded by the City of Cape Town’s Public Participation Unit. Methods employed included public meetings, newspaper inserts, information brochures, websites and social media. (City of Cape Town, 2015, p. 9). These methods may be problematic in that the Public Body may use them as merely a tick box exercise instead of ensuring that a good sample of the community has participated and given widespread feedback on community needs or regarding the issue at hand.

The following factors from the IDP and SDS directly affect a private sector construction firm’s role in the development process. Firstly, the SDS notes that to “Guide and encourage CSI activity and collaboration with private enterprises” (City of Cape Town, n.d.: 28) is one of three key “levers” for private sector involvement in social/ community development. City of Cape Town (CoCT) provides these guidelines, accessible on their website⁸, as a document which lists activities identified by CoCT as requiring additional investment in order to succeed. This in turn mobilizes resources for social development and provides opportunities for investment into society and communities in a cohesive manner. The business case for private sector firms making use of the information provided by CoCT lies in the requirement to achieve Broad-Based Black Economic Empowerment (B-BBEE) scorecard goals⁹ and CSI activities incentivised through codification strategies. CoCT also denotes the concept of “shared value” to describe the interaction between business, private sector and NGOs in achieving these social goals.

2.4.5 Common roles of the private sector company relating to Community Development in South Africa

2.4.5.1 *Broad-Based Black Economic Empowerment*

Opportunities for a construction company to get involved in CD exist as they endeavor to achieve improved B-BBEE scorecard rating. (Department: Trade and Industry, 2015)¹⁰

The scorecards for Preferential Procurement, Enterprise Development and Socio-Economic Development relate to spend on external entities such as suppliers, subcontractors and donations. (Department: Trade and Industry, 2015) These three can be most closely associated with corporate citizenship (the company acting as a citizen of a community).

⁸ http://www.capetown.gov.za/en/makeadifference/Documents/2014_07_10%20CSI%20Guide_Draft%205.pdf

⁹ http://www.dti.gov.za/economic_empowerment/docs/generic_code_p1.pdf

¹⁰ B-BBEE targets which are evaluated primarily on company expenditure under the following categories on the generic scorecard: Ownership, Management Control, Employment Equity, Skills development, Preferential Procurement, Enterprise Development, Socio-Economic Development.

Each aspect noted as a measurable item on the B-BBEE scorecard has a weighting allocated to it as well as an associated compliance target. In order to improve their B-BBEE score a company would attempt to achieve percentage spending higher than these targets. (Department: Trade and Industry, 2015)

2.4.5.2 The Expanded Public Works Programme

As with B-BBEE, another direct interface that the private sector company has with the community is through achieving community involvement targets set out in contract documents. The EPWP programme is a function of national government and co-ordinated by the EPWP¹¹ Unit in the Department of Public Works (DPW). It was implemented in April 2004 to help stimulate employment in South Africa and had a goal to achieve one million work opportunities in five years, which it achieved ahead of schedule. It operates in three main sectors namely infrastructure, social, and environment and culture. (Department of Public works , 2015)

It is within the guidelines for infrastructure that we find information relevant to the case study at hand. The project implementer, which is the Project Management Team (PMT) on an infrastructure project including the Client (Local government in this case) and Client's representative (Appointed Engineer), are guided in using Labour Intensive Methods (LIM) especially intended for the infrastructure sector in setting up project specifications to be adhered to by the Contractor on a project. (Melody & Zonyana, 2015)

2.4.5.3 Other applicable codes

The scope of this paper will not extend to an examination of other codes of practice which relate to corporate citizenship such as the King Codes III or the JSE Socially Responsible Investment Index as these are not a requirement on M&E to do business. These types of codes and standards are applied by JSE listed companies and multinationals to determine their level of achievement of CSI standards. There is no reason, except perhaps financial implications it would have on the business, why M&E could not attempt to achieve goals set out in these codes. (See footnote 1 for links web pages).

¹¹ The objectives of implementing labour-intensive infrastructure projects under the EPWP as listed in the guidelines include: (Department of Public works , 2015, p. 1)

- “Providing employment opportunities and distribution of income through injecting some project funds into the local economy in the form of the wages to local poor and unemployed people
- Providing training or skills development to the locally employed workers
- Building cost-effective and quality assets
- Development of labour-intensive capacity in the construction industry”

2.5 TRI-SECTOR PARTNERSHIPS AND RELATIONSHIPS ON AN INFRASTRUCTURE CONSTRUCTION PROJECT

Through the discussion on various approaches to CD, it has been established that neither the private sector, the public sector nor the community can achieve community development in isolation. It is for this reason and the fact that construction projects do not occur in isolation that it is necessary to have a theoretical understanding of what the nature of the interaction between the three project stakeholders should be.

2.5.1 What are Tri-Sector Partnerships?

In Warhurst's 2001 article, Tri-sector partnerships are described as follows:

"...an agreement between business, government and civil society – which is a model or framework for managing coherently and systematically over time project-level partnerships between business, government agencies/ intergovernmental organisations and local communities or civil society organisations. ...also referred to as multi-sectoral partnership." (Warhurst, 2001, p. 59)

A vital component of successful CC (and therefore RB) is collaboration between business, government and civil society to achieve a favourable situation for all three entities. (Ismail, 2009)

In South Africa, where the contextual history, more specifically apartheid, has affected the relationship between business, societal stakeholders and government, it is vital that a strategic approach is taken to ensure a cohesive and mutually beneficial arrangement or achieving of project goals. (de Jongh, 2009)

The reason for introducing a section on partnerships is that it has been established that it is vital that the community, government and private sector work closely together to ensure a successful project with a major influence on societal value creation.

2.5.2 Project-specific drivers of Tri-Sector partnerships

"Project-specific drivers are described as those which encourage project managers and staff to ensure those partnerships deliver tangible benefits to business, government and local communities" (Warhurst, 2001, p. 62)

Key drivers as identified by Warhurst: (Warhurst, 2001, p. 66)

- Stakeholder expectations and local community needs

- Corporate policy and practice
- Local technical innovation
- Local reputation management
- Government development plans

Stakeholder expectations and local community needs may drive tri-sector partnerships by contributing to local community development through providing support where institutional capacity or political will do not exist. They may allow for the creation of legal funding frameworks which supports the community in activities which require funding and have the potential to impact the community in far reaching and sustainable ways. Community participation in core business, incorporates solutions that the community can offer into their approach to business in that area and even beyond. Local responses to special-interest groups and the close engagement with the local community allows for the opportunity to provide individual and focused responses to concerns close to the communities' heart.

Implementing corporate policy and practice translates into having a track record of responsible business practice. This drives closer collaboration with NGOs, government and community partners. The greatest challenge is to translate company policy into implemented strategy at the operational level.

Local technological innovation works best when there is collaboration with the local community who understands their environment and receives funding from local government and business along with input from special-interest groups.

Local reputation management entails the protection and promotion of the company's local reputation. The company must show that they are genuinely committed to promote social development goals.

Government development plans and company alignment with these will add value to all stakeholders involved in implementing the plan – this includes government departments, NGO's, small and medium-sized companies and community-based organisations. (Warhurst, 2001).

Martin & East encounters local communities based on the projects which they have been contracted to complete. These "key drivers" indicate a means of forging successful relationships with the stakeholders in the local community.

2.5.3 Roles and Responsibilities of Partnership Stakeholders related to the Project

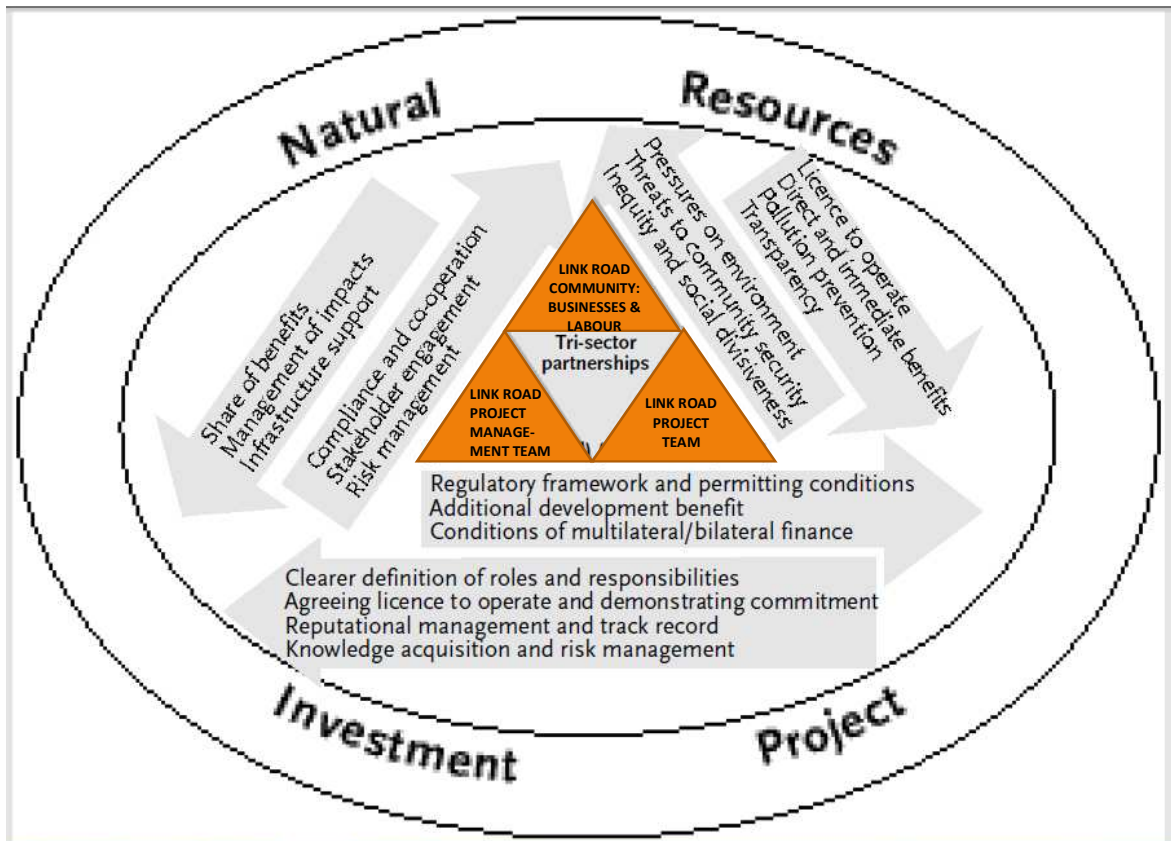


Figure 6 Project-specific drivers of tri-sector partnerships - adapted (Warhurst, 2001, p. 66)

Warhurst’s graphic in Figure 6 highlights the relationships which exist in any project. On the Link Road Project, the roles and responsibilities of the Project Team (PT) are set out in the governing and standard conditions of contract upon which the contract is agreed. The General Conditions of Contract for Construction Works, Second Edition, 2010 (“GCC 2010”) and the Contract Document as set up by the selected Engineer/ Client’s Representative for the Project. These documents are to be read in conjunction and give an indication of the PMT’s and Contractor’s obligations for the duration of the construction phase of the Project.

The contractual relationship between the Client and the Engineer is contained in a separate Contract Document agreed between those parties before the construction phase Contract is agreed. In the following sections I have tabulated the contractual obligations on all three stakeholders which highlight their roles and responsibilities in relation to the Community.

The roles and responsibilities of the three stakeholders are presented in the table below:

The Project Management Team	The Contractor	The Community
Conduct IDP and other necessary Public Participation processes to assess community needs, project feasibility and project objectives	Appointment of Community Liaison Officer (CLO) and local labour from the JRSD	Unemployed individuals to ensure that their information is correctly loaded on the JRSD
The Local Sub-Council manages the Jobseekers Registration Database (JSRD) to be use on the Project (City of Cape Town, 2011)	Achieve the local labour and local enterprise target set according to the plan it has created	CLO to perform the following duties set out in the contract document: (City of Cape Town, 2014, p. 85) <ul style="list-style-type: none"> • keep the community informed on the progress of the project • keep the Contractor informed on relevant Community affairs and possible grievances • manage the recruitment of workers from the Sub-Council Job-Seekers Database • assist the Contractor’s supervisory staff in the management of the workers
The Ward Councilor proposes suitable CLO candidates	Formal and informal training of local labour	
The Client appoints the Engineer who will act as Client’s representative on the Project	Skill transfer to the local community from the mosaic artist employed through the Mosaic Sub-Contract	
The Engineer has the following roles related to the Community on the Project <ul style="list-style-type: none"> • Setup the Project contract document • Assist the Client in defining Project objectives¹² • Setting Community Participation Goals. 3% expenditure on targeted labour; 5% expenditure on targeted enterprises • Monitoring Contractor performance regarding CPGs through evaluating monthly reports submitted 	Reports to be submitted to PMT: <ul style="list-style-type: none"> • Monthly Project Labour Report • Targeted Labour Contract Participation Expenditure report • Targeted Enterprises Contract Participation Expenditure report 	

Table 3 Roles and Responsibilities of the Project stakeholders

¹² The Client’s objectives for this project are as follows: (City of Cape Town, 2014, p. 140)

- The safe accommodation of pedestrians during the construction period
- The provision of access to the 10th Avenue and Alpha Road businesses for supply and maintenance vehicles
- Accommodate organized trading areas
- Provide accommodation for various City activities and functions
- Provide opportunities to local enterprises and local labour through the main contractor
- Provide formal training to local labour employed on this project with specific focus on those previously unemployed
- Allocate a certain percentage of the labour component to the local unemployed community

The following section will serve to outline M&E’s approach to RB through its internal processes.

2.6 MARTIN & EAST CURRENT APPROACH TO RESPONSIBLE BUSINESS

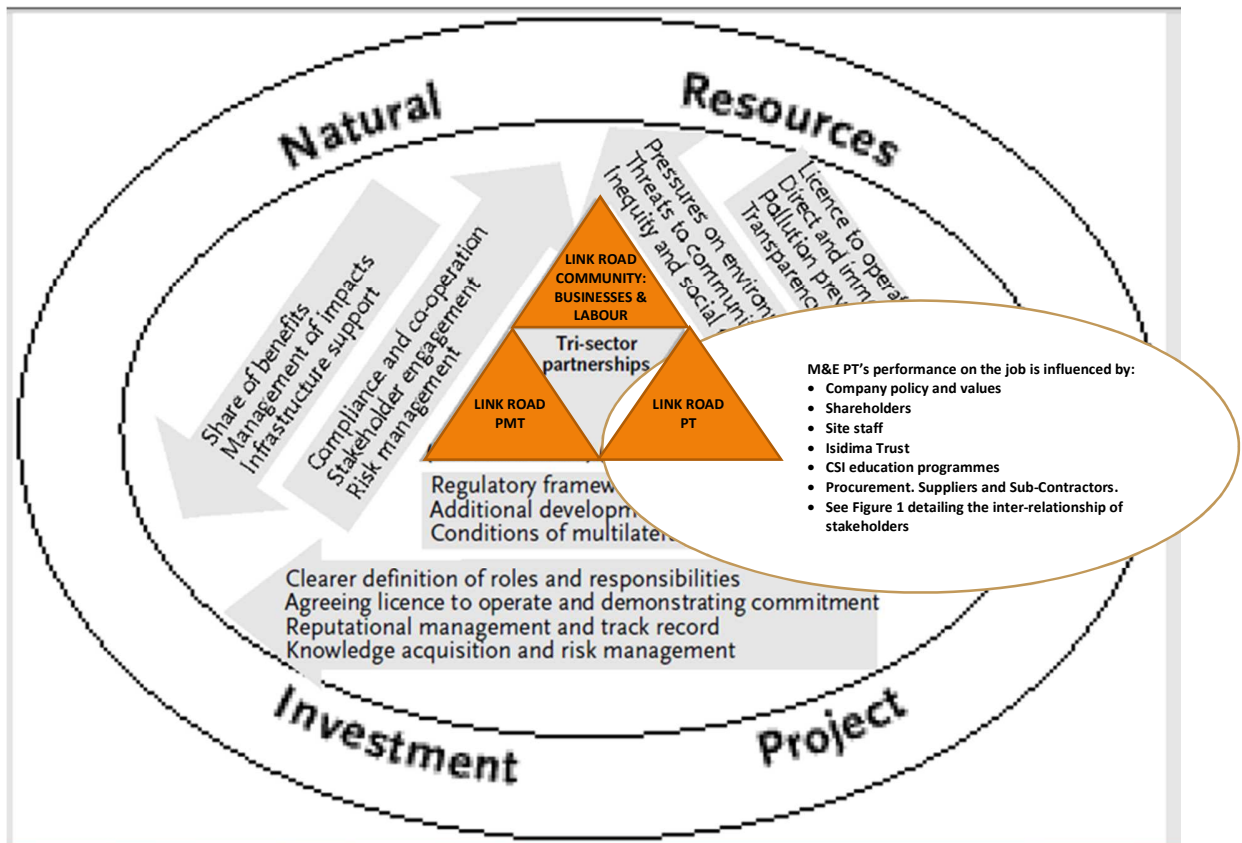


Figure 7 M&E internal policies influence the Project Team's performance

Warhurt’s diagram is further amended above to indicate that M&E internal systems influence Project Team (PT) performance on its sites. The PT operates within company rules, regulations and policies.

The discussion which follows provides further detail regarding the internal attributes listed in Figure 7.

Company policy and Values

Martin & East is committed to living out the following values to ensure sustainable empowerment at every level within the company. The company has committed to the following pledge as stated on its website:

To this end, we have pledged, to our staff, clients and peers that we will:

- *Collectively value and protect the health and safety of our people and will respect our environment and the need for sustainability.*
- *Contribute to efficiently producing excellent quality work.*
- *Be a learning organisation where individuals continuously improve their skills and value. (For the past 30 years, our student training programme has been deepening our staff talent pool while our focus on continued on-the-job learning keeps us ahead of the game.)*
- *Be committed to our duties and support our co-workers by being present.*
- *Protect our company assets through care, maintenance, and strict loss control.*
- *Promote, and be open to, new ideas and innovations arising from within the company*

(Martin & East (PTY) Ltd, 2011)

Financial empowerment through Isidima

Isidima is a 100% black economic empowered company that forms part of the Martin & East Group. Wholly owned by previously disadvantaged senior employees of Martin & East, Isidima is completely autonomous and was established in 2001 as a means of empowering and financially rewarding black senior employees of the group.

A true empowerment organisation, Isidima differs from many other BEE companies because shares in the business must be bought by employees using their own funds. There is also an aspirational element to Isidima because shares are only available to qualifying staff members who are in the top 10% of black salaried employees of the companies within the Martin & East Group. In addition, shareholders must have been with the group for a minimum period of three years and must be currently employed in order to hold shares.

Isidima's level 1 BEE rating and level 7 CIDB rating ensures that contractors and partner businesses have a means of bolstering their BEE credentials when tendering for major contracts.

(Martin & East (PTY) Ltd, 2011)

Financial empowerment through the Isidima Trust

Established to deliver direct benefits of the success of Martin & East and Zebra Paving to the people that help realise that success, the Isidima Trust owns 10% of Martin & East, with employees (mainly previously disadvantaged individuals) of the organisation as the beneficiaries of the Trust.

Beneficiary membership is purely voluntary and benefits are calculated based on the cost to company and number of years of service of these employees.

(Martin & East (PTY) Ltd, 2011)

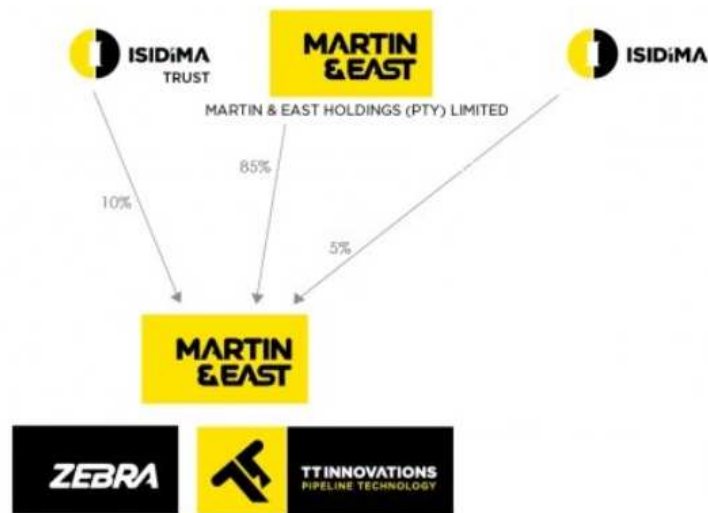


Figure 8 Collective ownership of Martin & East (Martin & East (PTY) Ltd, 2011)

Procurement and Joint Ventures

Martin & East has built a substantial database of both national and local suppliers with whom it has established sound working relationships. The company's procurement strategy has remained constant by always monitoring the scorecard and HDI ownership status of new and existing suppliers. (Martin & East (PTY) Ltd, 2011)

Enterprise Development

The company has an active Enterprise Development program where it strives to develop the entities on its Enterprise Development program through mentoring sessions and active assistance with problems where possible. Advice is always given freely where required. Where possible the company draws in these entities into sub-contracts and Joint ventures. This has had the effect that Martin & East (Pty) Ltd has always achieved maximum points for Enterprise Development on its scorecard. The company prides itself in the knowledge that it has assisted in the development of emerging contractors into established contractors and will continue to do so. (Martin & East (PTY) Ltd, 2011)

Corporate Social Investment

Martin & East (Pty) Ltd is proud to sponsor between 30 and 50 previously disadvantaged children who attend the Star Schools programme enhancing their grade 10 to 12 English, maths and science. The programme is run at the CPUT on Saturday mornings and part of the company's social investment is towards transporting learners to this venue. In addition, Martin & East are also actively involved with the Go for Gold programme where 10 learners are sponsored. This programme initially has a similar focus to Star Schools but later extends to providing learners with career opportunities within the built environment. Finally, the company provides continuous counselling and medical support to its HIV positive staff. (Martin & East (PTY) Ltd, 2011)

2.6.1 M&E'S sphere of influence regarding Community Development on its Construction Projects

Along with the prescriptions of B-BBEE and its internal value system (both discussed above), it is within the CoCT IDP objective 1.2 to "*Provide and maintain economic and social infrastructure to ensure infrastructure-led economic growth and development*" (City of Cape Town, 2015, p. 42) that the intersection between the local government and M&E as a Civil Construction firm is found. The 2014 IDP makes mention that 72% of the capital budget was allocated to projects in Utility Services and Transport for Cape Town (TCT) directorates. The tender for the project used in the case study *The Construction of Link Road, Mitchells Plain* was issued by the Director of Infrastructure Transport for Cape Town (TCT) and so the project forms part of the capital budget spend on infrastructure. It is through the contractual obligations where further community involvement goals set out for the Contractor to achieve.

2.7 CONCLUSIONS

In this chapter available literature has been reviewed in order to establish the *PRIVATE SECTOR ROLE IN COMMUNITY DEVELOPMENT* and strategies which aid the private sector's role in this regard. The review has also aimed to establish a theoretical basis for the *CASE STUDY ON MARTIN & EAST (PTY) LTD APPROACH TO "RESPONSIBLE BUSINESS"* by discussing available literature on corporate citizenship a term believed to be interchangeable with corporate social responsibility. The purpose of this discussion was to unpack the ideology behind the term responsible business.

Establishing the theoretical basis for the research highlights the importance of various aspects of corporate citizenship, private sector role in community development and partnerships which will ultimately enable the evaluation of M&E's approach to these constructs through the case study project and community. Comparing these ideals will highlight where the specific project team performed well or poorly in achieving the goals of responsible business and community development while engaged in the unique tri-sector partnership formed for the project.

3 RESEARCH METHODOLOGY

3.1 Introduction

3.2 Objectives of the Research Project

3.3 Research Questions

3.4 Research design

3.5 Data Sources

3.6 Data Collection Techniques

3.7 Case Study Method

3.8 Data Analysis and Interpretation

3.9 Conclusions

3.1 INTRODUCTION

This study is based largely on field research to examine Martin & East's approach to Responsible Business as evaluated through the project lifecycle construction phase where they perform their core business. In this chapter I will give an overview and reflect on the objectives of the research project and research questions to re-align focus on these for the following chapters. The discussion then goes on to give an overview of the research design. Finally I discuss the data sources and the reason for selecting the case study method of research.

3.2 OBJECTIVES OF THE RESEARCH PROJECT

The main objective of the study is to determine what Responsible Business looks like for a South African Cape Town based construction firm. This includes evaluating strategies of corporate citizenship and how these relate to Responsible Business. This evaluation will provide an understanding of exactly what a view to *doing business responsibly* means and how it affects the community in which the business finds itself or is able to affect through certain internal policies or programmes implemented.

It may be possible to link or find linkages between the goals of Community Development and the goals of Responsible Business. If the goals of RB and CD are relatable, both should prosper and benefit the Community and Company alike.

A case study was deemed to be the ideal research method to use in the evaluation of Martin & East's approach to Responsible Business and was conducted at the Construction of Link Road project, located in Town Centre, Mitchell's Plain, Sub-Council 12, Ward 78 and 79. Research is focused on how Community Development goals have been envisaged by the public client, City of Cape Town, and whether or how Martin & East's method of achieving these goals, which are contractual obligations, are influenced by RB obligations.

3.3 RESEARCH QUESTIONS

What is Responsible Business in the context of a Cape Town Construction firm?

How does Martin & East's approach to Responsible Business influence Community Development?

What is the impact of the Project's Tri-Sector Partnership on M&E's pursuit of Responsible Business?

3.4 RESEARCH DESIGN – THE CASE STUDY METHOD

This dissertation uses the case study method to explore Martin & East's position on responsible business and its current methods used to achieve the goals of responsible business in relation to available literature.

The benefits of this case study for Martin & East is that it will provide a platform upon which the company begins to analyze its position with regards to community development and possibly move the employees especially in management positions to beyond thinking within only their own space and consider the impact which they actually have within various communities.

Interacting with the Community through interviews in the area of Mitchells Plain in which the Link Road project took place provides feedback on the impact of a specific project on that community. This will also give insight into how the values held by Martin & East actually unfolded at the coalface of the community and its established structures.

Semi-structured interviews and group interviews were conducted to establish the views of top management and the lived experience of site management, site staff, members of the project management team and local stakeholders involved with Martin and East throughout the project.

3.4.1 Case study method

The case study method is a realistic research method which lends itself to being mostly subjective. This is due to the researcher's close relationship with the research matter. (Riege, 2003) In my case this would be my employee relationship with the Martin & East. Riege suggests that in such cases the researcher must take additional precaution not to make subjective judgements during the research process. (Riege, 2003, p. 80) If the subjective adds fullness to the writing the researcher should then state that such judgements have occurred and necessity for their inclusion in the writing.

The methodology for case study research required me to access data, analyze and interpret documents, interviews, observations and experiences. As Gummesson also suggests, quality research required that I was constructively critical of the raw data gathered through the data collection methods described in section 3.6. The benefits of using this method of research for this dissertation lie within this reasoning for quality research. The research allowed me to get an idea of the lived experiences of various stakeholders and their interaction with M&E on the project. In doing this I would get a true picture of the impact of M&E in this specific community.

What became challenging at times was the fact that I was an employee of M&E. Some respondents used the interview as an opportunity to vent, claiming to have never been informed about the project. Others used the opportunity to ask for donations and assistance for their organisations. In some instances I found myself having to be apologetic to the interviewee for the way they felt they had been treated. It was important to remain neutral while involved in the discussion which ensued from the semi-formal open-ended questions so as to get the best information from the interviewees.

3.4.2 Ethical considerations

In order to ensure validity and reliability I made sure to cast a wide net of respondents who had differing levels of interaction with the M&E project team. It was also important to establish the exact boundaries of the study so that it is clear which aspects are generalizable or useful to understand only the specific project team or in understanding the entire company. I have not wanted to exclude anything from the data collected but have had to give priority to the information which was related the closest to the research objectives.

3.5 DATA SOURCES

Documentary sources for the Literature Review were the current dialogue on Community Development and Responsible Business as identified in various journals. Company documents which describe the Martin and East approach are used as input in the study.

The project contract document will be the basis of information detailing the Client's requirements of the Contractor for the project.

Transcripts of interviews and group interviews with the relevant respondents have also been evaluated to contribute to the findings of the research. A standard schedule of open type questions was drawn up for use in these interviews which maintained a semi-formal format of questioning as discussed in section 3.6.2

3.6 DATA COLLECTION TECHNIQUES

3.6.1 Documentary Sources

Information has been sourced from various journals available on the UCT Libraries website. Summaries have been made of search results and the most relevant data found was used.

Company documents were requested from the HR department of Martin & East and used where necessary.

The project contract document formed the basis of information detailing the Client's requirements of the Contractor for the project.

3.6.2 Semi-structured Interviews

A series of semi-structured interviews were conducted with individuals who could provide a view of the case study. See interview schedule in Appendix 1. These interviews enabled a full picture to be formulated regarding the implementation of M&E's internal strategies and how these were influenced by the project goals and how the combination of the two affected the community. Semi-structured interviews were used in order to allow for discussion to ensue relating to the questions asked and also to allow for further contribution to the "full picture". (Table in Appendix 2)

3.6.2.1 Individual interviews were conducted with:

- 3 senior level management
- 4 individuals from the Project Management Team
- 6 other City of Cape Town officials
- 3 Local Businesses who have directly benefited from the project
- 15 Local Businesses who have been affected by the project due to their proximity to construction activities
- A Local Journalist who had written an article on the project
- 3 NGO's
- 2 Local schools involved in the project
- M&E Site Agents to establish the general company view or lived experience in dealing with the coalface of involvement in aspects of RB which affect community development

3.6.2.2 Group Interviews

Group interviews were done with the following individuals:

- M&E site supervision specific to the Link Road project for their experience with involvement of community labour and subcontractors and suppliers
- Mitchell's Plain individuals who have benefited through employment for their experiences and frustrations during the Project.

3.7 DATA ANALYSIS AND INTERPRETATION

3.7.1 How data was analyzed and why?

As the fieldwork for this research is qualitative, the data analysis is based on recorded interviews and group interviews. Transcripts of each interview and group interview was compiled by playing back the recording and transcribing the interview verbatim. These transcripts were then analyzed to establish themes in the responses. These themes were then be related back to general theoretical ideas from literature review and research questions and discussed accordingly.

I then reflected back on the goals of the research in attempt to maintain a golden thread through the writing. In so doing it enabled me to tie together the literature review and make sure that it informed the data collected in order to interpret this in a full-bodied and informative way.

3.7.2 Confidentiality

As per Contract Data C1.2 Clause 11 I received prior written consent of the Engineer as details of this Contract are to be used in this paper.

With regards to the interviews and group interview process, confidentiality was maintained at the request of any interview participant by the use of pseudonyms (if necessary).

3.7.3 Informed Consent

A “Consent Form for participation in research study” was provided to each research participant before the interview began. The form was explained before signature was required to indicate consent.

3.8 CONCLUSIONS

In this chapter I sought to unpack the logic underlying my dissertation. Firstly the research design was described. Then there was a description of the data sources used and the collection techniques employed for these data sources. Finally the chapter moves on to describe the selection of the case study method of research and the benefits and challenges encountered while gathering data.

4 RESEARCH RESULTS

4.1 Introduction

4.2 What is Responsible Business in the context of a Cape Town Construction firm?

4.3 How does Martin & East's approach to Responsible Business influence Community Development?

4.4 What is the impact of the Project's Tri-Sector Partnership on M&E's pursuit of Responsible Business?

4.5 Conclusions

4.1 INTRODUCTION

In this Chapter I will discuss the information which has been collated from field research in the form of individual and group interviews. The discussion will unpack the responses of the key stakeholders involved in the project from the Client, Contractor including the mosaic Sub-Contractor (not from the Community) and Community (including local labourers, the local Sub-Contractor, local schools and local businesses). This discussion is aimed at giving a picture of the lived experience of each party in relation to the other in order to respond to the research questions set out in Chapter 1.

4.2 WHAT IS RESPONSIBLE BUSINESS IN THE CONTEXT OF A CAPE TOWN CONSTRUCTION FIRM?

In order to investigate whether M&E acted as a Responsible Business on the Project, the following section serves to describe the Company's interactions with the Community under the three core aspects of RB identified in Section 2.2

- "Business can positively influence society through interactions with its stakeholders"

- “In order to preserve, protect and grow stake holder’s capital a number of strategies need to be followed.”
- “Underpinning the strategies and principles of a ‘responsible’ business is to have clear and well defined ethos and values”

4.2.1 “Business can positively influence society through interactions with its stakeholders”

The discussion in this section is based on M&E PT interaction with the local Community and views of the Community and PMT of the PTs interaction with the Community which will assist in establishing whether or not the project team acted responsibly as a representation of M&E on the case study project.

Contractor’s PT feedback regarding interaction with Local Labour

On this Project, a total of 51 general labourers and 2 community liaison officers were employed from the community. The total cash injection into local households via this employment in the period July 2015 to August 2016 amounted to just under R916 000 at an average monthly wage of R4 500 excluding the value for any overtime worked.

When questioned regarding what the working relationship had been like with local labor, the site supervisors expressed that employment of local labour was a process of “weeding out” the poor performing workers. They experienced issues and frustrations of poor attendance with these individuals especially around pay day and coupled to this was that they would take advantage of the proximity of where they stayed to where site was. Local labourers would leave site in the morning and return later or not at all without informing their supervisor. These actions would eventually lead to disciplinary action requiring the attendance of the CLO. The site supervisors also shared that they picked up on tensions between some of the permanent labour and the local labourers and would attribute this to “cultural differences” and the permanent labour attempting to show their power and position.

Positive effects of working closely with labour employed from the Community were that they were aware of criminal elements and could therefore provide additional security to their work teams on site. The supervisors also mentioned that some of the locals were hard working and dependable.

Feedback of Local Labour employed through the Contract

In group interviews with a sample of the local labourers when asked about their experience working with M&E, the overall sentiment was that it had been a positive experience with good teamwork. The labourers expressed gratitude for the opportunity given to learn new skills. They felt that they had learnt from the supervisors on site and from M&E permanent labour staff who they had worked with. They mentioned that it would be up to the individual to take responsibility to take note of what they have learnt and then apply it through the task at hand. A respondent shared that they would *“work hard with no complaints and do what they were told”*.

The timekeeper especially mentioned that she was given the opportunity to do things she had never done before which brought out a part of her that she never knew was there and saying that *“At Martin & East they didn’t discriminate age and that made me have a sense of belonging.”* This was not what she had experienced on the previous construction projects she had worked on as CLO.

The majority of the respondents had no prior construction experience and very few had been in an EPWP post prior to the job which they had through M&E. A respondent who had worked for a construction company previously shared that he found his bosses there to be *“rude”* and not concerned about workplace wellbeing of the individual.

There was also agreement that they had experienced racist attitudes towards them from certain permanent labourers, with one respondent describing this as follows: *“The Africans are full of racism: ‘Who are you to tell me, I’m longer here, you are just a contracted worker, you don’t tell me, I will tell you: ‘You can’t sit here, where we are eating, this is our place.’ ‘We are Africans, we sit here’. We must sit on the road and eat. What you know is actually more than what he knows. In his mind, he’s been here longer. ”*

Contractor’s PT feedback regarding interaction with Local Enterprises

On this Project, the total cash injection into local households through the use of local enterprises in the period July 2015 to December 2016 amounted to R1 009 845. This excludes cash spent at the local hardware stores, fuel stations and grocery chain stores.

Local Sub-Contractor

In summary, the relationship with the local Sub-Contractor was described as one of immense frustration. Supervisory staff also believed that they could’ve done the work themselves more efficiently.

The experience was that the Sub-Contractor was never on site on time and that they left when they wanted to. Their supervisor was said to be incompetent and they *“did not know how to read a plan*

and manage their own people". The Sub-Contractors' supervisors and labour did not know what they were doing. The M&E site supervisors shared the sentiment that they needed to put a lot of effort into supervising the local Sub-Contractor and would sometimes have to lend them tools. The frustration regarding the Sub-Contractor was also due to them not honouring work deadlines and that they expected a lot from the supervisors but on their time. The supervisors shared that they were expected to teach the Sub-Contractor but that the Sub-Contractor did not carry out the skills learnt to the quality required. They had no programme or structured discipline in the way they did things. The overarching issue was that the Sub-Contractor shouldn't have portrayed that they knew how to do something, one supervisor shared that *"If you say you haven't done paving in your life I will help you."* Attention was drawn to the fact that they also arranged numerous meetings with the Sub-Contractor to discuss these deadlines and expectations which were rarely achieved as discussed. They had also offered to assist in providing security to the areas of work if they could provide a programme of work activities that they could stick to. Such a programme was never provided.

Other Enterprises

The M&E staff shared that a huge frustration with local enterprises was that they took a long time to respond to requests and this gave the impression that they were not organized. What had also become evident was that local suppliers were comparatively more expensive than the usual suppliers which M&E would do business with.

In terms of doing corporate credit card purchases to acquire construction materials, the experience had been that the best service was given when going in to a hardware store for example and buying something off the shelf.

Comments regarding the local security company employed on the Project were that they did not seem committed throughout the contract period and that there was a lack of formal communication about their whereabouts. The local service provider did not report to work before the end of site working hours, so there was no safe handover of site even though this had been requested. Otherwise, no large theft issues occurred in the areas which they were requested to guard.

Feedback of the Local Sub-Contractor employed through the Contract

The local Sub-Contractor expressed that they had minimal experience in construction and therefore encountered problems with the quality of work that they delivered. The owner also expressed that their employees had poor productivity and would only work well when the owner was on site to

push production. In completing small work within the Town Centre, they had to deal with theft of their small tools and newly installed materials. In such cases the Sub-Contractor was contractually liable for any loss or theft while the areas were not handed over as complete.

Cash flow was flagged as a major challenge for the Sub-Contractor, *“as a small business and that cash flow had been the biggest frustration. A cash outlay was done before the Project and then the amount of work increased. This caused me to run around as a small business. The banks were not very supportive of the business and so I had to find people who would help with the cash flow or lend with someone. If you fell behind on payment then the job was not worth it.”* The Sub-Contractor recognised that as a small business, enough support was also needed in terms of personnel but that getting this support would reduce their profit margin.

Finally, the Sub-Contractor raised the point that the opportunity to learn from M&E wasn't used to its full potential. Admittedly there were many occasions to do so and supervisory staff were available to be used but the owner personally struggled to ask for help. During the interview, the owner also enquired about Enterprise Development opportunities with M&E and would've followed up for details on this. But still hadn't by Project end date.

Feedback of Local Enterprises employed through the Contract

The local security service provider mentioned that they had no frustrations with M&E. The manager shared that there have been daily issues of crime that the guards needed to deal with.

The service provider also shared that they operate in quite a competitive market within the local area where there are 14 other security companies. Their approach is what had set their business apart in that they value long term relationships. In their opinion, having worked with M&E previously, a trust relationship had been built with them so that they knew where to come if they needed assistance. The manager believed that by providing a good service you would ensure having the opportunity to list M&E as a reference of places worked.

Contractor's Mosaic Sub-Contractor's feedback regarding interaction with schools impacted by the Project

The interaction with the schools used in the mosaic section of the work was via the mosaic Sub-Contractor who managed the entire portion of the work with minimal input required from M&E. This section of the work was managed by a mosaic artist from another part of the city and outside of the Project's target area.

The mosaic Sub-Contractor explained that she needed to *“go into the Community and run a kids workshop to get input from the children for the mosaic design”* required for installation as part the Project. This workshop was hosted at a local school. She also needed to get two trainees involved. The art teacher from the local school at which the mosaic would eventually be produced, assisted in locating these individuals. For the duration of the mosaic project and with the assistance of her team, she developed these trainees into mosaic artists who could carry out all stages of mosaic production and installation. She worked well with the trainees and was glad that she *“stuck with them until the end.”* She especially referred to the young man with whom she initially struggled with attendance and work ethic but that this vastly improved by the end of the Project.

The contract required that a children’s workshop was planned for 15 individuals but 30 attended after she struggled to get feedback from more than just the one school. Besides the two children’s workshops, the mosaic Sub-Contractor ran an additional workshop at the library for the broader Community in the hope that this would assist in getting their buy-in and ownership of the mosaic artwork which would be placed on the outside walls at the library. She suggested this workshop in response to the concern raised by the PMT regarding having to counteract the threat of vandalism to the mosaic which would be exposed to the public once installed. Thirty people attended this workshop and many still contact her to express their interest. The mosaic artist shared that *“people are longing for opportunities to learn something which would help them use their time constructively as well as things which would enhance their personal dignity and possibly create career and job opportunities.”*

She described using the school as a workspace as more preferable than the two containers suggested in the contract document. It gave them enough space to work, they had the opportunity to look at the overall picture of their design, they felt safe there and the school children would come in from time to time as they knew that the mosaic work was happening in the classroom.

While she fixed the artwork to wall she encountered threats of theft of her small tools but the team was vigilant and jumped off the scaffolding to chase the thieves away. She noted that it wasn’t safe walking from the school to the library and that the trainees assisted her quite a bit with vigilance on site as they could spot who potential thieves were and warn the team accordingly.

Feedback of Local Schools Impacted by the Project

In the interview with the first school which was impacted by the Project, the art teacher and the principal shared that the mosaic Sub-Contractor had spent a week at their school from 230pm to 530pm. She had two helpers with her, teaching how to do mosaic artwork. The primary school

students were quite interested and enjoyed their time with her as they went through the entire process from design to placing the mosaic pieces. The school had no frustrations with the mosaic Sub-Contractor and would not mind having her back. They shared that she sent out a box of leftover materials and the school would look at getting the children involved with one of the art teachers to continue on from where they left off.

The principal and the art teacher concurred that the greatest benefit of having the Sub-Contractor at their school was the skills transfer. These were skills transferred to the children and to the art teacher alike. They also lauded her approach and willingness to be involved with the Community even afterwards coming back every second week at no charge to the school to be involved in a continuation of the mosaic workshop at the school. They noted the mosaic artwork skills as “*skills for life*” and that especially in the area in which they find themselves with its high unemployment rate, these people would be able to use the skills learnt to earn a living. The mosaic skills transfer had further added to the school’s key value of influencing a positive dialogue amidst the daily struggles that the children and the rest of the Community are faced with namely gangsterism, crime and drug abuse. Added to this, the principal noted that the opportunity that the school had to host the mosaic Sub-Contractor highlighted the school as a venue of choice for role players and stakeholders. This factor is important as schools need to be creative about their fundraising in areas or communities where it is not easy to access additional and much needed funds for optimal functioning of the institution.

Contractor’s PT feedback regarding interaction with Local Businesses and public impacted by the Project

The communication with businesses which were to be affected by the construction activities was done via the CLO. Senior management described the relationship as “*quite good*”. There were a few instances where it was claimed that businesses were not informed but the CLO then provided proof that he had been to see these individuals through signatures in his book. The PT admitted that he could’ve missed one or two businesses but couldn’t see that it should have been that difficult to approach M&E directly. In the relationship with the business hubs in Tenth Avenue, the on-site lived experience was different to the feedback which M&E had received when the PMT got involved. The businesses expressed their frustrations to the PMT at meetings arranged on site but never expressed these views to the PT who was on site every day. They also noted that there was no request from either party that the PT be present at these meetings.

The relationship with the biggest businesses in the parking area sections of work was described as “*embarrassing*”. This was mainly due to the initial planned completion date and then continually being required to go back and shut off sections of the parking area in order to complete repairs for Engineer approval. These additional closures were frustrating for M&E and the affected businesses. Originally it was agreed with the businesses that the entire parking would not be closed off and that M&E would proceed with work one half at a time. The objective with this arrangement was to accommodate the businesses affected businesses with regards to client access and deliveries. In hindsight, the PT suggested that they should’ve closed off the entire parking area and completed the work and then reopened upon completion and approval of the work because this would’ve caused disruption over a shorter length of time.

M&E did not feel that the PMT assisted significantly with the relationship with local businesses. “*They did not seem to have a clear understanding of what the needs were.*” Evidence of this is in the fact that the PMT approved M&E’s traffic accommodation phase plan in Tenth Avenue and the closing of half of the parking areas at Tango and Waltz Squares.

In terms of pedestrian accommodation, the PT believed that measures were taken to safely accommodate pedestrians but also that this could’ve been done more effectively. Their experience on site was that pedestrians at the link road and at the parking areas were frustrated that their thoroughfare had been cut off and did not understand initially why they were not allowed to come in. Senior management believe that an allowance should’ve been made for bigger signage and that the City should’ve done more to create awareness of the impacts of the ongoing construction activities.

Feedback of Local Businesses impacted by the Project

Feedback from the local businesses interviewed in the Tenth Avenue section of work was that communication regarding programming and timing was poor throughout the construction phase. The majority of businesses had been informed before construction began but others expressed that they’d “*just arrived on site one day and saw that work had started*”. The representatives from business hubs interviewed shared that efforts of engagement with the Community intensified in the form of consistent meetings only after the Project’s delays and disruption was reported to the newspaper. Businesses in the parking areas shared that they had also been communicated with at the beginning of the construction period and consulted with M&E during the construction period regarding logistical issues.

Only two of the interviewees shared that they had been somehow involved in the planning phase of the initial Town Centre upgrade.

The construction phase did not come without frustration and the interviewees had much to vent regarding this. Frustrations expressed regarded disturbances in flow of traffic, insufficient traffic accommodation especially over the holiday period, no indication of timeframe given, no one to engage with and voice frustration, the PM didn't have a sense of the inconvenience they caused by blocking off large sections of the parking area, customers were forced to park cars far from where they usually would and there was an increase in robberies and car theft, businesses lost money due to inconvenience caused to clients in terms of access and safety, the planning was not good and they believed that the PT would *"remove one section, pave it and then come back to the same section and redo the same thing"*, the time period for construction was too long and that agreed dates were extended. Another frustration voiced was that pedestrians needed to walk around and under the Westpoort Bridge while the link road area was closed off for construction and this was dangerous for them as they would get robbed along the way.

One of the respondents shared that the way that the Project had played out had done some damage to M&E's reputation. They did however have a good working relationship with the first supervisor at the parking area and found M&E to be accommodating of their needs. One business in the Tenth Avenue section shared that they would assist in storage of small plant and equipment when not in use so that these items would not be stolen. Responses from the representatives of the Alpha and Bravo business hubs followed the same pattern, with the Alpha hub's representative expressing that *"neither the city nor M&E treated them properly throughout the Project"* and that *"big corporates think they can do with the poor what they want"*. The businesses within the Town Centre, however, expressed that they had been kept informed of activities via the CLO. This can be directly attributed to the timing and change of CLO on the project.

Some shared that the Client and the Ward Councilor *"should do more to keep them informed"* and *"should do more to support their businesses regarding social and infrastructure issues"*.

Positives shared were that the Project had brought an upgrade to infrastructure in all areas worked. The new road would increase flow of traffic past businesses in the Tenth Avenue area and hopefully increase sales. At the same time a formal thoroughfare would be created for pedestrians. This increase in traffic and the installation of new streetlights would hopefully assist in reducing the

crime rate in the area. A few of the interviewees also congratulated M&E for employing local labour through the Project.

Feedback of respondents from other Community structures

Representatives from the local library stated that the library was happy to host the mosaic workshop and were especially excited about the further opportunities which additional workshops will provide to the Community.

NGO's contacted shared that they had been informed of the Project by the CLO. Interestingly, two of the NGO's interviewed believed that the co-ordinating role of the entire Project team and the Community should be handled by an NGO who understands the Community.

Though not being directly involved in the Project as NGOs, they experienced its effects via their clients and their personal experiences and commented that the construction created congestion at the parking area and they needed to walk longer routes to wherever they wanted to be with no clear idea why any of this was happening. They found that the City had not been responsive and assisting regarding their requests concerning meeting with them but they would spend "unnecessary" funds to upgrade the parking lot at election time.

Contractor's relationship with the CLO

Two CLO's were employed through the Project. This was not due to demands from the Community, where usually if more than one ward serves as the Project's target area, each ward would demand to be represented by its own CLO. The first CLO was selected from a list of candidates provided by the Sub-Council 12 to M&E. M&E interviewed the shortlisted candidates and then selected its preferred individual. Initially the PT had attempted to employ the same CLO which was used by the previous M&E project team that completed work in the Town Centre and on another CoCT job within the same ward. The intention with this request was to use someone with a proven track record and already established good working relationship with M&E. The request was denied by the Sub-Council as work opportunities needed to be rotated and a new CLO was selected.

The first CLO was unreachable for the purposes and I did not interview him for this research project. He worked on the Project from Project start up in July 2015 to April 2016 at which point he did not return to work for a period of a two weeks. It then became a necessity to replace him and the initial suggestion to use a CLO from the previous M&E project was accepted.

In his time there, he would've been responsible for communicating with the Community regarding closures which would affect local business, dealt with labour issues and contacting labour off the EPWP list issued by the Sub-Council when M&E management required additional labour. After automatically dismissing himself by not returning to work, it was brought to light that he had been arranging employment for people who were not on the EPWP list and requesting payment from willing individuals in order to arrange jobs for them. The PT had then assumed that he had not returned to work because he could not fulfill the "money for jobs" promises that he had made, people had also come to collect money from him at M&E site office and found that he no longer worked there.

As a researcher, my relationship with the second CLO was pivotal to the success of this research project. Her connectedness with and involvement in her Community was invaluable. These are the same characteristics which assisted the PT in clear communication with the Community and awareness of issues which arose. At the time of the interview the CLO served on the Ward Committee for Ward 79 and was the Chairperson of the Sports Council. She stated that she has been in this Community for more than 24 years and involved in CD. She also did a Community development course at UWC, Boland College. She demonstrated vast community experience and clear evidence of clout in the Community.

CLO feedback of her experience of the Project

The CLO highlighted that on the previous M&E project she had been involved in that site agent had arranged that local labour were sent on training courses for kerb laying training, training on paving, first aid, flag training and traffic control but that none of that to her knowledge had occurred on this Project. She also noted that the PT did empower the local labour through informal training constantly but that if the labourers wanted to go on to the next job and apply for a permanent job, having the certification would be more beneficial. Training was seen by her as the most influential way that M&E could empower the Community.

Issues with discipline of the M&E permanent labour regarding punctuality became apparent to her when she expected them to have lead by example. Once they did as they pleased, it created a challenge in ensuring the discipline of the local labour. She also noted that the timekeeper, newly appointed from the community, struggled as guys would not follow correct procedures and they

would also not be corrected by their supervisor on site to follow the correct procedures. She found that across the board labourers and local labourers constantly pushed the limits.

The CLO also considered the relationship with the local Sub-Contractor one of the most challenging things she had to deal with. "As a liaison between the Contractor and the Sub-Contractor you need to understand the frustration of the Contractor and the cash flow issues which the local Sub-Contractor may have and see how this can be resolved."

She had an issue with the appointment of the local Sub-Contractor. As with the local labour, she was of the opinion that the CLO should peruse the profile of the Sub-Contractor before they are appointed. She summarizes issues with the Sub-Contractor as "Maybe it's the choice of the Site manager or the choice of the CLO. Be that as it may, she's here but she does not deliver." She conceded however that even though M&E had struggled with this Sub-Contractor they kept on with them and gave them the opportunity to learn from their mistakes, in this way empowering them to grow their business.

She shared an instance where a pedestrian's foot got stuck in the barbed which protruded too far out into the walkway to explain that there had been pros and cons to M&E's approach to traffic and pedestrian accommodation on site. Despite whatever had unfolded on site, she believed that the overall design of the Project and end product to be delivered to the Client would have the biggest impact on the Community as it would allow taxi drivers to get more trips between Town Centre and the Promenade and that the parking areas were due for an upgrade as potholes clearly visible beforehand.

In terms of other ways M&E had ploughed back into the Community, she received many requests from individuals at which point she would ask them to submit a letter stating their request. M&E would then assist with any spare time they had on trucks or digger loader and sending these to help. She stated an example of assisting someone who needed excess rubble to create a ramp for wheelchair access for people in Tafelsig.

In conclusion, the CLO viewed community participation as a vital part of the process which would ensure that the Community is getting what they want, she believed that role players like the taxi

associations would've been part and parcel of the solution which had been presented and now constructed.

Project Team role in interaction with the Community through donations

According to the PT, M&E is happy to donate within the line of construction activities to schools, churches and community projects. Monetary donations are generally not given to individuals or smaller groups. On the current project M&E donated cement to the CLO from the previous phase, extra material was donated to a community project and there were local people that needed sand/sub-base. Donations to the Community were mainly in the form of excess materials on this Project or instances where they could send machines from site to offer assistance. In sharing this, the PT also shared that *"(They) care, but ... can't care to the extent that we're losing money. If we get paid for it, we want to develop it."*

On other jobs the management team had encountered an extremely vocal and almost violent community where they stopped the job and work could not continue for 10 days. The view is that this occurs on jobs where the City is the Client and the community can use the project and its delay as a bargaining chip to get other demands met. This had never been the situation with the Community on this Project.

PMT and other CoCT officials view of the Contractor's role relating to Community engagement

The majority of the PMT and city officials viewed the involvement of M&E with the Community as a positive experience or one where minimal issues had arisen.

Overall, the PM described the experience with M&E as having *"had a good working relationship"*. He added that what could've added to a more challenging situation for the Contractor on this Project is that the ward committees did not have a strong voice so that if at any stage an issue had arisen it could be dealt with effectively.

The Engineer shared that the level of involvement a community is dependent on the project objectives. He illustrated by way of example that in the previous phase when the upgrade of the trader areas was occurring it was necessary to involve the community and especially the traders quite extensively. The Engineer shared that in their opinion M&E *"depended on the Client to assist in achieving local enterprise goals and did not put in any effort from their side"*. He felt that M&E made a more concerted effort on the previous phase.

In the following section I will discuss feedback from the M&E senior management and PT regarding the second aspect of RB.

4.2.2 “In order to preserve, protect and grow stake holder’s capital a number of strategies need to be followed.”

The following strategies were those extracted from the interviews as those contributing towards M&E behaving as a Responsible Business in following strategies that evidently preserve, protect and grow stake holder’s capital.

Pay taxes

In the interview with Mike Winfield, we discussed the importance of the business paying its taxes. He said that *“one of the reasons (he) wrote the paper is that people think that government can change and make lives better for people, but government can only make legislation and they can provide a safety net for people, but if the government does not have income through taxes they can’t provide the safety net for all the social security, like the unemployment grant, the child grant, retirement. All of those things come from taxes. If there are no businesses that are successful then the government won’t have taxes.”* There is no direct role in this for the PT except to submit reporting documentation on time.

Operate somewhere between taking full social responsibility and no social responsibility

Winfield also questioned whether there is a responsibility of a business towards society or if it’s solely the government’s responsibility. He said that *“Some people are of the view that all business must do is make as much profit as possible and let the government do its job,”* and in this way, expecting the government to take full responsibility for social welfare and the private sector to take none. He contended that this cannot be the case and the value he tries to bring across is that *“for business to be successful it has got to be somewhere in this middle range”*. Evidence is that the Project Team assisted where they could with donations, as discussed in Section 4.2.1, but followed no specific plan in this regard besides the contractual prescriptions. The PT did act responsibly by committing to achieving the CPGs, informal training as well internal training and education sponsorship programmes.

Pay on time

He also noted the importance of evaluating every area where the business could be responsible and this included paying creditors on time. His view regarding this was that *“there should be no reason for the creditors to take the full risk of the business”* especially in cases where the business would be paid a mark-up on the goods supplied by the creditor through payment for work done on the company’s projects. The Project Team’s role in this regard was to submit the required documentation to the accounting department timeously.

Create opportunities to empower people

We discussed that it is better to *“give poor people a job than a hand-out and that in this way they are less dependent.”* He believed that when a community becomes dependent on handouts, *“they don’t work, because the handouts will come.”* Regarding this, he viewed it as important to encourage whatever small job was possible and said that *“all businesses can have more impact than the government”* in this area. The Project Team created opportunities to empower people by meeting contractual CPG obligations and informal training daily in Project tasks.

Make a profit

In Winfield’s view, a responsible approach to doing business does not mean that *“it’s wrong for companies to have lots of money”*. However, the important thing for him was that the *“money (should be used) wisely for the company, and everyone else”* and that in this way the company is *“being far more effective than a company sitting in its box”*. He shared further that a company operating responsibly in its environment would be sustainable in the long run. An overall profit was not achieved by the Project Team on the Project.

Operate within contractual obligations

In commenting regarding the contractual relationships on the Project, he said that it is important to understand *“Contractors rights vs. Community situation”* and that once this is compromised or once the Contractor extends past its contractual obligation a precedent is created which puts M&E at risk.

He felt that the PT had compromised when they agreed to accommodate the Community at the parking areas. But he understood that *“one of the parking areas has a hospital and there was no way to close it off.”* He was of the opinion therefore that *“the Engineers (didn’t) consider the impact of the Project”*.

When the PT agreed to this without any additional claim, M&E compromised its rights. He believed that what should've happened was that Client's risk and Contractor's risk should've been defined well since the beginning and the PT should not have let it continue for the time that it did. He said that *"Sometimes ...We think that we have got to work with our Community (but) that is not our mandate"*. His view of what happened was that *"we focused on the Community when it was not our risk and ended up paying for it on a job which should've been simple and where we should've made a profit easily."* These actions and the poor financial performance of a job is not in terms of acting as a Responsible Business because the stakeholders are losing through the Project deficit.

In summary, Winfield said that Community issues or external issues are the Client's responsibility, with regards to labourer issues *"there is a negotiation process [internally]...and Isidima Trust"* and *"everyone has a supervisor, so it's a responsibility"*, the Union was described as external and having a different agenda with regard to M&E and labour and with and Sub-Contractors and Suppliers, a contract exist to manage these relationships.

In the following section I discuss the third aspect of Responsible Business.

4.2.3 "Underpinning the strategies and principles of a 'responsible' business is to have clear and well defined ethos and values"

The discussion serves to highlight the views shared by the respondents in order to assist in understanding how M&E values and ethos were experienced or displayed through the Project. These views will add to the discussion on the project team's achievement of acting as a responsible business.

M&E Tender Stage strategy to achieving CPGs stipulated non-existent and left entirely to the PT to achieve

In the discussion with the manager of the M&E tenders department the view of the company's approach to EPWP goals at tender stage was that *"it's always going to be very theoretical because you don't tender a contract knowing you are going to get it"*. The process requires *"vested time to research the community and to make sure the guys are available and it's the way you tender and whether the bill of quantities is correct."* In reference to evaluating the CPG's, he stated that *"It's difficult to establish if it's feasible or not. You do lots of tenders. Objections are often not raised at tender stage."* The tender department's main focus is getting the numbers right.

He was also of the opinion that when M&E works on contracts, the project teams are pressurised into fulfilling individual needs and that this should not be the case. However, if there is provision made on project for more innovative community intervention aspects to infrastructure jobs, the company would be contractually obligated to fulfill such a role.

Through M&E support of its Employees it supports the Community of the Employee

The tenders department manager moved away from discussing the strategy to achieving CPGs and shared the view that M&E *“does look after the welfare of people in the company, so indirectly in the community you are working in you are looking after the people - Definitely for the people that work for you.”* He also mentioned that *“there used to be programmes for HIV”* and that *“transport of labour from a central point to site is something which M&E does, not all companies do that.”* In stating these benefits to employees, he also made the point that M&E is *“not overly generous”* but that in order for charity organisations to exist they need contributions and *“someone has to care”*. As a big company *“you have to contribute where you care.”* He shared the view that *“in SA there are many needs and not enough money to go around”* and so he viewed it as important to *“know which ones are legitimate.”*

The current CEO shared that the reason for taking the decision to create the Isidima Trust for the employees was so that *“members belonging to the Trust can make a contribution to their children’s education one day.”* Through the workings of the Trust, *“permanent employees who have made a contribution to the company have a direct benefit in their community (and) by way of association to the commitment of the company, that we give back or pay forward in that way.”* Through the Trust and the funds channeled to long term employees and thereby rewarding their commitment, M&E will be involved in funding community projects which the employee deems necessary. The current CEO mentioned examples of the building of a clinic or the provision of mobile toilets.

Treat labour well

M&E treats its labour well and have no issue paying them their wages in accordance with what the Bargaining Council of the Civil Engineering Industry agrees with unions. Winfield stated that *“our labourers should never have bothered to strike with us over wages. We always paid them”*. His view was that because *“other contractors don’t share that view (the labourers feel) we’ve got to go with the group. So, I often think that our labourers are totally missing the point.”*

Being involved with the community on projects must benefit all parties

In sharing regarding M&Es involvement with the community on its various projects, the current CEO stated that *“there is often an expectation that we are a charity organisation, which is not necessarily the case and this often becomes a bargaining tool for the community...Typically, it would involve the interface between the contractor and the communities. The employment from the community creates an expectation. I don’t have an issue doing something for the community if we can, but I don’t want to be held over a ‘barrel’ to do it.”*

His view on being involved with any community is summarized in stating that we operate in a *“capitalist environment”* and that while *“(we) don’t mind getting involved in it, the need or that angle for doing it must have some benefit to us. We are not an NGO.”*

M&E should behave with a mindset of sustainability regarding all stakeholders

The current CEO shared that *“being a responsible business is first and foremost paying people correctly for those who are rendering service correctly.”* He shared that *“part of Responsible Business is being sustainable, in the number of people you are employing and in the pricing so that your business can carry on.”* His view was that it is important to be *“consistent, in that you are not hiring and firing, you not buying and selling, not bankrupting suppliers, not setting up a show company and not buying things irresponsibly.”*

The PT said that if M&E could *“develop someone’s skills which would help people to find work and teach the basics of running a business that would add great value to Community Development”*. They also noted that M&E does a lot regarding education and that education *“will change an entire community generationally”*. During the course of the Project there was a site trainee and four students working as supervisory staff employed by M&E through internal sponsorship programmes. The site supervisor conversation highlighted that the benefit of M&E or any private company working in the area is that the local labour benefits with skills and knowledge transfer through day to day activities on site. These individuals can then go to another company to find work and build their CVs. This echoed the sentiments of senior management.

Enterprise development was suggested as another way that M&E could impact the community. It was felt that more buy-in from the Client/City was needed for this type of development to be successful, especially in the area that the City wants to uplift. As expressed above, the local enterprises should be integrated into the tender processes. It was suggested that those local guys can tender and M&E can add a mark-up and manage them. *“People within the community have more control to uplift the community as M&E come in for a few months and then leave. It’s very*

difficult to go beyond that.” This was given as the reason why it would be more successful to impact enterprises instead of only labour who are often affected by drugs and alcohol and do not have a mindset to work hard for what they could have.

Value relationships with stakeholders

Particularly mentioned by the Sub-Council manager were the labour issues which were quickly resolved. The Project’s funding co-ordinator stated that the Project was not the first time he had worked with M&E and that he found them to be *“competent and always willing to go the extra-mile.”*

For M&E it is important to recognise that the stakeholders in the business also have an interest in it. Winfield highlighted that *“there must be a reason that M & E suppliers offer the company discounts which are maybe bigger than our competitors”*. He believed that this is because they *“appreciate our relationship and they appreciate the fact that we pay them”*. In the same way the suppliers *“appreciate that if there are problems with their product we will fight on their behalf with the client”* whereas many might just say *“that’s a supplier thing and they will draw a little box around it and define it, and a boundary around there”*. With regards to stakeholders and M&E’s relationship with them, he said that *“the boundary is quite fluid around them”*.

He said that the relationship between business stakeholders should be viewed as *“a circle, as opposed to a triangle (because) we all depend on each other. Those four are interdependent: customers - shareholders – staff — suppliers. (If) anyone of these (is) cut out, your business is not there.”*

Focus on education and training

The current CEO’s view is that *“if you train someone, it’s always a return on your investment. But a strategy to get rid of someone else is training them. It’s cheaper than struggling with them. It’s paying someone that doesn’t want to be in your business and having someone with negative energy.”*

Education can assist by being a positive and a negative. From a socio-responsibility point of view he believed that *“it’s an overlooked angle of empowering someone”*. He shared reiterated M&E’s focus on education through sponsorship of programmes such as *“Star Schools”* and *“Go for Gold”*.

Growing with Employees

“Very few people at M&E have been employed from the outside, they have been training within our structures, and that knowledge has been compounded, so M&E keeps its organisational knowledge intact and building on it.” The current CEO shared that *“If you are consistently employing above-*

average people doing an above average job you will have an above average result and everyone benefits from that.”

M&E should leave a positive Legacy where it has completed a project

The current CEO shared that when the M&E community arrives at another community he would want the contribution to be positive. *“Someone that works for us for a limited duration where we have worked must feel that we have made a positive impact on their lives. If we take a few people along the way then so be it. I don’t want the M&E community to end up in another community being a negative influence.”*

His view with regards to behaving responsibly as a business was that *“the shift happens in the intangibles in the way we treat each other, the way we respect each and the quality of relationships we have with people which will determine whether you are happy. If people are happy they contribute, if they are unhappy they don’t contribute. I say that in the broader sense ‘contribute’.”*

4.3 HOW DOES MARTIN & EAST’S APPROACH TO RESPONSIBLE BUSINESS INFLUENCE COMMUNITY DEVELOPMENT?

M&Es approach to business will be discussed under the goals of CD identified in section 2.4.3 to establish whether these have been achieved on the Project.

The goals are:

- Goal 1: Encourage community involvement through community engagement
- Goal 2: Community needs analysis
- Goal 3: Upskill the community
- Goal 4: Develop sustainable solutions together
- Goal 5: Collective intent

The following sections will contain an overlap with information discussed in section 4.2, thus establishing the connection between Responsible Business actions and the needs of Community Development strategies.

4.3.1 GOAL 1: Encourage Community involvement through Community engagement

Engagement with the Community happened via the businesses affected by the construction activities as well as local labour and local enterprises employed to achieve Project completion as obliged by the CPG's as discussed extensively in section 4.2.

Engagement with the rest of the Community was predominantly via the CLO for communication with affected businesses regarding the work to commence in their area as well as constant direct engagement with the businesses in the parking areas to accommodate ambulance and delivery vehicles. There was an overwhelming response by the affected businesses interviewed that they had not been communicated with enough throughout the Project to keep them abreast of all activities and expected completion dates. The Town Centre manager added that, in her experience, it was easier to get Community "*buy-in*" if plans were agreed with the affected parties beforehand and not just implemented without prior consultation.

An opportunity which was missed by this specific M&E team was to get the business community involved in planning for road closures on Tenth Avenue and the parking areas. The interviewees expressed their frustration with the inconvenience that the closures had caused and the view that access to their business for the customers had not been considered. The entrance to one of the business hubs was restricted over the December period. This period is usually their busiest time of the year and the owner said that he felt that "*they had just dropped everything and left*". The PT would contest this and could show evidence that there was daily monitoring of traffic accommodation over this period.

4.3.2 GOAL 2: Community needs analysis

M&E did not do a community needs analysis on the Project. As they were contracted to complete the construction of infrastructure which has already been designed, it was their understanding that the needs analysis of the Community had been completed through relevant processes.

The opportunity did exist however for M&E to contribute to the Community upon request. Site management shared that they offered machines to assist the Community where they were in need. It made the most sense to contribute physically, in line with the core business instead of cash to individuals. The PT did not proactively seek projects to be involved in but requests were shared with

the CLO and passed on to the PT for their response. Discussion under 4.2.1 regarding interactions with the CLO.

4.3.3 GOAL 3: Upskill the Community

Feedback from interviewees established a large aspect of skill transfer on the Project. Aspects of skills transfer are discussed under all three sections of RB in section 4.2. Upskilling occurred especially from the permanent staff to the local labour and, as shared by the site supervisors as a frustration, there was also major upskilling necessary for the Sub-Contractor to enable them to complete their work correctly.

No formal training was done through the Project. The site management took the view that it was the Clients' money to spend and they should be requesting training. They also agreed that they should've proposed training which could've then been accepted or rejected by the Client on the basis of budget constraints. There was no strong push to fulfill the objective of formal training from either the PMT or the PT. However, the local labour and Sub-Contractor expressed that they'd gained valuable experience through the Project.

There is a strong focus to upskill its community through providing training for staff and opening up bursaries to the children of staff members along with a rich company culture of teaching and transfer of skills.

4.3.4 GOAL 4: Develop sustainable solutions together

As per strategies discussed in section 4.2.3. The method of employing local labour, local subcontractors and local suppliers throughout the construction phase is, at face value, not sustainable. The minimum and sometimes only interaction with these individuals would be during the life of the contract and not continue after that. Local labour and local Sub-Contractors may not be considered when the PT moved on to another project in a different location which requires the same services to be rendered. What could happen though is that a labourer could prove to be a well performing individual and the supervisor may decide to move them with the team to the next site. The same may occur for a well performing Sub-Contractor, their company profile would be added to M&Es internal database and considered for future tenders or future work. Neither of these situations occurred on this Project.

With the view that M&E takes that its community is its internal community and this most importantly being its staff. M&E does engage with their community and encourage community development through the implementation of the Isidima Trust.

The aim of each M&E project is to run it as cost effectively as possible and in coming up with solutions to achieve this goal all individuals who have a practical idea to do so are encouraged to share it. The PT is then responsible for implementation through all levels of site staff.

4.3.5 GOAL 5: Collective intent by the Community

M&E had no direct impact to encourage collective intent within the Community. The feedback from the majority of individuals from the Community is that *“people don’t get involved unless it benefits them”* and that they would complain about issues but usually *“not to someone who could make a difference about the situation”*. The respondent from the local library said that the general attitude was that *“people are too complacent. They will moan amongst each other but they won’t say anything.”*

The chairpersons of the business hubs in Tenth Avenue have both been involved with the political structures in order to get wants and needs of the community attended to. They both expressed general feelings of helplessness, in that they’ve made many requests and been involved in giving ideas to the government but that these things were not prioritized or paid attention to. They added that when these issues were eventually addressed, it would be the politician who gets the credit. In his frustration with the situation, the Chairperson of Bravo hub expressed that he gets the sense that the *“Government doesn’t want strong community structures”*.

The PM shared that his experience on the Project was that the Community *“are quite forceful in expressing their needs once they realise that it will have an impact”*. He said that the businesses were in support of the Project but had a list of demands to be met at Project start. The PM said that with a functioning Ward Committee *“once the Project is approved you [the Contractor] go to Sub-Council and you speak to the manager, the Chairperson and the local Ward Councilors...That is an improvement in communication, so if an issue comes up it can be dealt with effectively.”*

Comments by NGO respondents who noted the value in collective intent for their role in the community was that they’d *“decided that there is a need to involve other stakeholders in Mitchells Plain. We don’t know what everyone does... So we all have a collective [approach]”*

Sadly, the view of one business man who expressed that working together on combatting crime would be successful said that *“it seems no one wants to get involved and do something towards crime prevention for fear of being targeted”* and that this was the reason why people do not act together.

Two instances where collective intent by the Community achieved resolution on the Project were as follows:

- In conversation with a journalist who wrote two articles about the project, it was mentioned that the first article, published on February 2016, was written as a result of complaints from business owners from the business two hubs (72 businesses) at Tenth Avenue. Their biggest issue was that their customers could not access the main entrances to the business hubs and that this caused chaos. A follow up article was published in July 2016 and the journalist shared that at that point she saw progress. The City also informed her that construction was coming to an end and the road would be opened shortly. She was also informed of meetings being held every second week during construction to discuss progress and other issues.
- The previous CLO was the cause of many labour issue. He had contacted labour who were not on the list provided by the Sub-Council to come for work. Individuals from the local community who had heard about this occurrence then reported “what M&E had been doing” to one of the Ward Councilors who then took it up with the Sub-Council. The Sub-Council then arranged meetings with M&E site manager to resolve issues on labour, how the sourcing had happened and to decide on the way forward.

4.4 WHAT IS THE IMPACT OF THE PROJECT’S TRI-SECTOR PARTNERSHIP ON M&E’S PURSUIT OF RESPONSIBLE BUSINESS?

In order for the Project to achieve completion, the key stakeholders needed to fulfill their contractual responsibilities.

Firstly, it is important to note that the stakeholders did not explicitly acknowledge the temporary partnership which had been formed but did set out to achieve their contractual obligations and entered into contract agreements.

The Contractor had a contractual agreement with the Client which made provision for the contract to be administered on their behalf by the Client's Representative who was the Engineer on the Project. The Engineer also employed a Resident Engineer (RE), as permitted by the GCC 2010, to act on their behalf and maintain daily communication and a good working relationship with the Contractor and all other site activities which arose. The relationship between the PT and the RE was not always ideal and the PT was frustrated by the nature of the RE which would often result in hostile situations throughout the construction phase. Despite this, the PT needed to remain professional and represent the M&E professionally.

The CLO was employed by the Contractor through a temporary employment contract as set out in their contract document agreed with the Client. The Client also had a contractual agreement with the Engineer in order to establish the roles and responsibilities those parties to each other and regarding the Project.

The "relationship" was managed via monthly "Site Meetings" facilitated by the Engineer. Representatives of the PT and the PMT attended these meetings. The Community was not physically represented but issues were discussed and minuted under sections for "Local Labour" and "Local Enterprises". Any matters which arose outside of these meetings would be brought to the PTs attention by the CLO who would then escalate it to the PMT.

The PMT did not have a direct relationship with the Community during the construction phase until the complaints of progress arose at which point bi-weekly meetings were arranged. The attendants of this meeting were business from Tenth Avenue affected by the construction activities, representatives from the Client Body, the PM and the Engineer.

Though the Community was not directly involved in the Project meetings, the CLO was available and employed through the Project for their use in this regard. The necessity for the use of local labour and local enterprises ensured that the Community was drawn in to the Project at these levels of employment.

4.4.1 The Client /PMT

The PMTs responsibilities on the Project relating to the Community were achieved through the following avenues:

- Pre-contract phase engagement and defining of Project objectives

- Setting of Project Community Participation Goals (CPGs)
- Contract phase engagement with the local community
- Area Co-ordinating Team (ACT) meetings
- Managing the Jobseekers Registration Database
- Resolution of Project labour issues
- Overview of the Project – ensuring that the Community benefits
- Media releases and internal reporting regarding the Project
- Risk in the Project Team not achieving CPGs

Interviewees also revealed the following expectations on the Contractor:

- The Contractor is required only to operate as stipulated by the Contract and the Client must act as an enabler for them to invest in the community
- Leave a positive legacy
- Understand the Community at Tender Stage
- Sponsor education programmes
- Private Sector Companies should now have in-house focus on Community

4.4.2 The Contractor

The PTs responsibilities on the Project relating to the Community were achieved through the following avenues:

- Appointment of the CLO
- Engaging with the community via the CLO
- Appointment of the Local Labour
- Achieve targeted labour contract participation goal: 5.52% achieved (CPG set was 3%)
- Achieve targeted enterprise contract participation goal: 6.1% achieved (CPG set was 5%)
- Informal Training
- Skill Transfer through Mosaic Sub-Contract
- Submission of the *Monthly Project Labour Report* (“Project Annex 1”)
- Submission of the *Targeted Labour Contract Participation Expenditure Report* (“Project Annex 4”)

- Submission of the *Targeted Enterprises Contract Participation Expenditure Report* (“Project Annex 5”)

4.4.3 The Community

The Community’s experience of the Project brought with it frustrations and unmet expectations:

- A successful business engages with its Community and in some instances M&E did not do so
- Construction activities caused a loss of income for local businesses
- The Contractor should make an effort to understand the Community’s needs and do something about it
- The Contractor should do something about needs which could be easily identified

4.5 CONCLUSIONS

In this Chapter I have collated the responses of the individual and group interviews to further inform the research questions in terms of the lived experiences of the various stakeholders on the Project. The main findings have been highlighted and will be used in the discussion to take place in Chapter 5.

5 DISCUSSION OF FINDINGS

5.1 Introduction

5.2 What is Responsible Business in the context of a Cape Town Construction firm?

5.3 How does Martin & East's approach to Responsible Business influence Community Development?

5.4 What is the impact of the Project's Tri-Sector Partnership on M&E's pursuit of Responsible Business?

5.5 Conclusions

5.1 INTRODUCTION

In this chapter I will discuss the findings in Chapter 4 under the research questions and relate these to the literature identified on the relevant aspects.

5.2 WHAT IS RESPONSIBLE BUSINESS IN THE CONTEXT OF A CAPE TOWN CONSTRUCTION FIRM?

5.2.1 "Business can positively influence society through interactions with its stakeholders"

Winfield believes that Responsible Business lies in the contractual relationship with its stakeholders and that these relationships can improve and advance the stakeholder. (Winfield, 2015) This notion is supported by Hamann's writing stating that *"being a good corporate citizen means ... being aware of the company's impacts on stakeholders and working collaboratively with them when appropriate to achieve desired results"* (Hamann, 2006: 180)

The achievement by the PT to "positively influence society" through the Project can be evaluated with regards to interactions with the Community.

A total of 51 general labourers and 2 community liaison officers were employed from the Community. The total cash injection into local households via this employment in the period July 2015 to August 2016 amounted to just under R916 000 at an average monthly wage of R4 500 excluding the value for any overtime worked. Regarding local enterprises, 1 service provider and 1 Sub-Contractor were employed from the Community. The total cash injection into local enterprises via these contractual arrangements was R1,009,845. Thus indicating the positive influence on society through financial investments albeit short term which allowed the impacted Community individuals a degree of economic liberty.

Besides the financial benefit to the Community, there was also the opportunity for the PT to transfer skills. Construction skills were transferred to the local labourers, most of who had no prior construction experience. The necessary skills were also transferred to the local Sub-Contractor and its labour in order to ensure that they completed their work to the required quality. The mosaic Sub-Contractor transferred mosaic artwork skills to students from the local schools and their art teachers, as well as individuals who attended an additional workshop and trainees selected from the Community.

Other enterprises directly affected by the construction activities due to their proximity to it were engaged via the Project CLO. A few of these enterprises shared that they had been well informed of the construction but the majority of the feedback was that communication regarding the time period for construction and other information was not well communicated. This was one of the biggest frustrations that came out of the interviews with enterprises with which no contractual relationship existed. They were also aggrieved that the construction activities affected their businesses detrimentally and thus negatively influencing society through reduced income.

5.2.2 “In order to preserve, protect and grow stake holder’s capital a number of strategies need to be followed.”

Tracey et al (2005) support this view in that being a good corporate citizen requires long-lasting and sustainable benefits for all stakeholders involved and affected. It is therefore necessary to have strategies in place to ensure this accordingly. Winfield proposes that the following strategies be employed in order to preserve, protect and grow stakeholder’s capital: (Winfield, 2015)

- Risk management of debt- equity ratios, growth within capacity and ensuring achievable contractual undertakings

- Quality programme ensuring employee understanding of quality service to internal and external customers
- Care of Assets ensuring that maintenance and correct operation
- Health & Safety plan should be clear and measurable
- Skills development of employees to ensure long term positive influence
- Management and staff should understand the importance of being present at work and the negative impacts that absenteeism causes

In terms of the Project, the strategies proposed by Winfield were achieved as follows and thereby indicating an achievement of RB by the PT:

Risk management was discussed and said not to have been achieved in the area of contractual responsibility. The Project Team assumed part of the Client's risk in terms of agreeing to accommodate the Community and amending its programme in order to do so. This detrimentally affected the financial performance of the Project Team.

Overall the team achieved **quality** on the Project as shared by the PMT. However, the PT struggled to achieve quality with the inexperienced local Sub-Contractor.

The PT displayed **care of assets** by employing the local security service provider in order to guard items.

No major incidents reported. **Health & Safety** regulations were adhered to.

Skills development occurred for a site trainee and student technicians as well as for the local labourers employed and Sub-Contractor through the Project, as shared by these individuals.

The site supervisors shared their frustration regarding **absenteeism** patterns of the local labour.

In section 4.2.2 I have discussed growing stakeholder capital under the following additional points:

Pay taxes, this is done as part of the internal accounting department and not directly through the Project.

Operate somewhere between taking full social responsibility and no social responsibility.

According to De Jongh, CC occurs somewhere between non-involvement to purposeful mutually beneficial involvement. (de Jongh, 2009) The view to business regarding this is taken by the high level management. On the Project the site management shared that they had assisted with a few projects as donations in the line of construction activities when they had spare time on machinery used on site. It is clear that M&E sit in the position tending towards social responsibility and

“purposeful mutually beneficial involvement” within their contractual obligations but will also go a bit further in offering assistance where possible - however, not to a point where the company would be affected detrimentally.

Pay on time, this is also a function of M&Es accounting department. The site staff needed to ensure that they submitted all documentation before deadlines in order for payment to occur.

Create opportunities to empower people. Through employing local labour and a timekeeper from the Community, the PT has created opportunities to empower people instead of giving handouts.

Make a profit. This was not achieved on the Project and so negatively affected the internal and external stakeholders’ capital.

5.2.3 “Underpinning the strategies and principles of a ‘responsible’ business is to have clear and well defined ethos and values”

Hamann (2006) stating that *“being a good corporate citizen means treating all of a company’s stakeholders with dignity and respect”* (Hamann, 2006: 180). Further supporting strategies are included in the principles of Ubuntu which implore the display of a spirit of caring and community, harmony and hospitality, respect and responsiveness that people display for one another (Mangaliso, 2001) Winfield proposes that the following values should underpin the approach to responsible business: (Winfield, 2015)

- Trust
- Mutual Respect
- Honest ethical behavior
- Valuing employees

In terms of the Project, it is not straightforward to describe how these values were achieved. It is important to note that they are experienced through the PT’s approach to completing the job.

The PMT described *“a good working relationship”* with the PT and commended them on accommodation of the affected business community.

Feedback from the local labour also sheds light on how they have experienced the PT and there were also no complaints in this regard. There were, however, issues of respect between the local labour and permanent labour. The local labour had experienced these as racist attitudes and exclusionary efforts by the permanent labour.

The PT valued the employees and they would be taken care of as per Human Resource Department company norms and standards. The CLO assisted in dealing with any local labour issues and

disciplinary action would be via the labour broker with the CLO present. All labour is treated therefore treated in accordance with Labour Law.

In section 4.2.3 I have discussed company values under the following additional points which relate to the overall company approach to RB, some not specifically to the Project:

Trust

The PMT entrusted the achievement of CPGs to the PT and offered assistance when this became an issue. One could, however, see the penalty to be charged to the PT if the goals were not achieved as a form of distrust.

Mutual Respect

Through ensuring that being involved with the community on projects must benefit all parties.

No detailed strategy employed to establish where the PT would get involved with the Community. But they would assist if possible on ad-hoc requests for assistance received via the CLO. CPGs are measured in PT expenditure on the Project but it is the PT's responsibility to ensure that they still make a profit on this expenditure. In this way "being involved with community" benefits all parties. Mutual respect in achieving CPGs is through treating local labour and Sub-Contractors with same internal company values as the rest of the labour and Sub-Contractors which was done on the Project. This in the hope that the local entities will reciprocate the attitude.

Through ensuring that the business behaves with a mindset of sustainability regarding all stakeholders. The PT would make sure that payments were made on time. The labourers would be able to use the skills learned on the Project and the labourers who worked well would be remembered and employed if the team should return to Mitchell's Plain - no one was taken on to following projects. The local Sub-Contractor will not be included in the supplier database but was offered contact details for enterprise development, if interested. She had yet to request this. No evidence of extended relationship with the Community.

Through ensuring that M&E leaves a positive Legacy where it has completed a project. There were definitely frustrations with the PT throughout the Project. Communication was highlighted by the Community as severely lacking from the PT. This factor may influence a tarnished image for M&E in the area. However, the Community was impressed by the end product and the final quality of the work delivered by the PT.

Honest ethical behavior

Through strategy to achieving CPGs stipulated. The PT was left to evaluate the achievability of these targets at construction phase. No evidence of a detailed plan for achieving these goals from the start of the Project but the PT employed labour to fulfill team requirements. The PT struggled to get hold of local Sub-Contractor for the work that was in the original scope of work but she was used for newly introduced work. However, they made use of local hardware stores, fuel stations and local security company in the hope that this would fulfil the contractual obligation to achieve the CPG of 5% for local enterprise expenditure. Through this approach to achieving CPG expenditure, the PT exceeded the 5% requirement.

The PT was honest in their attempts to achieve the CPGs. There was no evidence that the penalty amount was built into the tender price to ensure that they would not be at risk of losing money if they did not focus on the achievement of these goals as intended by the PMT.

Valuing employees

Through M&E support of its Employees it supports the Community of the Employee. Not directly related to the Project.

Through a focus on education and training. This is a broader company value. As discussed, the Community received informal training on site via the site supervisors or Mosaic Sub-Contractor.

Through growing with Employees. This is also a broader company value to employ staff while they are in their final years of studies in hopes that they will remain with the company throughout their career.

Value relationships with stakeholders. The relationship with the Client was good but strained through a frustrating relationship with the Project Engineer. The PT was frustrated by the relationship with the local Sub-Contractor and therefore it is uncertain if there was any value placed in the relationship besides the fact that processing payment for work completed assisted in achieving CPGs. The PT valued the hard-working local labour.

5.3 HOW DOES MARTIN & EAST'S APPROACH TO RESPONSIBLE BUSINESS INFLUENCE COMMUNITY DEVELOPMENT?

5.3.1 GOAL 1: Encourage Community involvement through Community engagement

A common thread running through approaches to CD showed that it was necessary for the community to engage with experienced individuals in order to develop community expertise. Le Breton makes the point that when the local community is involved in delivery the results are better. (Le Breton, 2001) The opportunity to engage with the Community in which M&E finds itself is imposed upon them through CPGs set out by the PMT in the contract document. The CLO was pivotal in the PTs relationship with the Community in that this individual served as a means of communication between the two entities and had an understanding of the Community that the Contractor required insight on.

It was not an obligation on the PT to engage with the Community regarding planning its work but, through the interviews, it was established that such engagement was an expectation by the local businesses and the PMT. Responses by the Community also accuse the PT of not going beyond their contractual obligation in dealing with them to address a selection of their social needs.

Community engagement should be undertaken by the Client at pre-contract phase through IDP processes and public participation in order to determine community requirements. These processes were followed for the Project and the necessity for the link road was established. In the discussions with individuals from the PMT, the public participation seemed to have been done as a "tick-box process". The original participation occurred with the beginning of the upgrade of Town Centre in 2006 and was not re-evaluated when the link road was at the construction phase. This caused issues for the Contractor and PMT alike. A review by the PMT before the Project began would have highlighted that the ownership of some of the Tenth Avenue businesses had changed and the current needs for accommodation for access required in the parking areas.

In summary, the PT donated where possible but would not necessarily engage with the Community beyond its contractual obligation. If the CPGs were not in place, it is more than likely that the PT would've elected to use internal labour and known Sub-Contractors to complete the Project due to the assurance of quality and minimal training required.

5.3.2 GOAL 2: Community needs analysis

Kar & Chambers identify the importance of a community needs analysis as a key element to CD. (Kar & Chambers, 2008)

In the approach to development taken by the PMT, the needs analysis should be completed long before the Contractor is on site through IDP and public participation processes.

What the PT did miss out on in this instance was to establish whether there was anything that the PMT had missed out on by engaging with the Community during planning. There was no contractual obligation on the PT to do this but it would've assisted in establishing risks for the Project. Issues which arose during the Project can be attributed to lack of planning and effort by the PMT. However, coupled to this, is that the PT was not proactive in using the CLO to get feedback on issues which may arise.

5.3.3 GOAL 3: Upskill the Community

Experiential learning is noted as a key development exercise for the community as a means of improving their ability to act as a key stakeholder in development. (Bolnick & Patel, 1994)

The PT was successful in upskilling the Community with construction and mosaic skills as expressed by all who had the opportunity to gain these skills. Whether these skills will be used after the Project was left solely to the recipient. No follow-up strategy by PT evident.

5.3.4 GOAL 4: Develop sustainable solutions together

The theme through the CD approaches presented support the development of sustainable solutions by and for the community. Tracey et al. mention that the investment should have positive long-lasting and sustainable benefits for the community into which the investment is made. (Tracey, et al., 2005)

Even though there was not a contractual obligation to achieve this goal, practically, the idea would be that after the PT engages with the Community through CPGs and that this would have a lasting effect. There is no specific plan evident that M&E would do a follow up with the Community. As per findings, a continued relationship would usually only occur if the local Sub-Contractor or labour perform well. They would then be included in M&E future considerations for projects.

M&E internal policy promotes sustainability within the company through retaining staff, training programmes and the Isidima Trust. (Martin & East (PTY) Ltd, 2011)

5.3.5 GOAL 5: Collective intent by the Community

Ismail describes CD as follows: *“initiatives undertaken by community in partnership with external organisations or corporations to empower individuals or groups of people by providing these groups with skills they need to effect change in their own communities”* (Ismail, 2009)

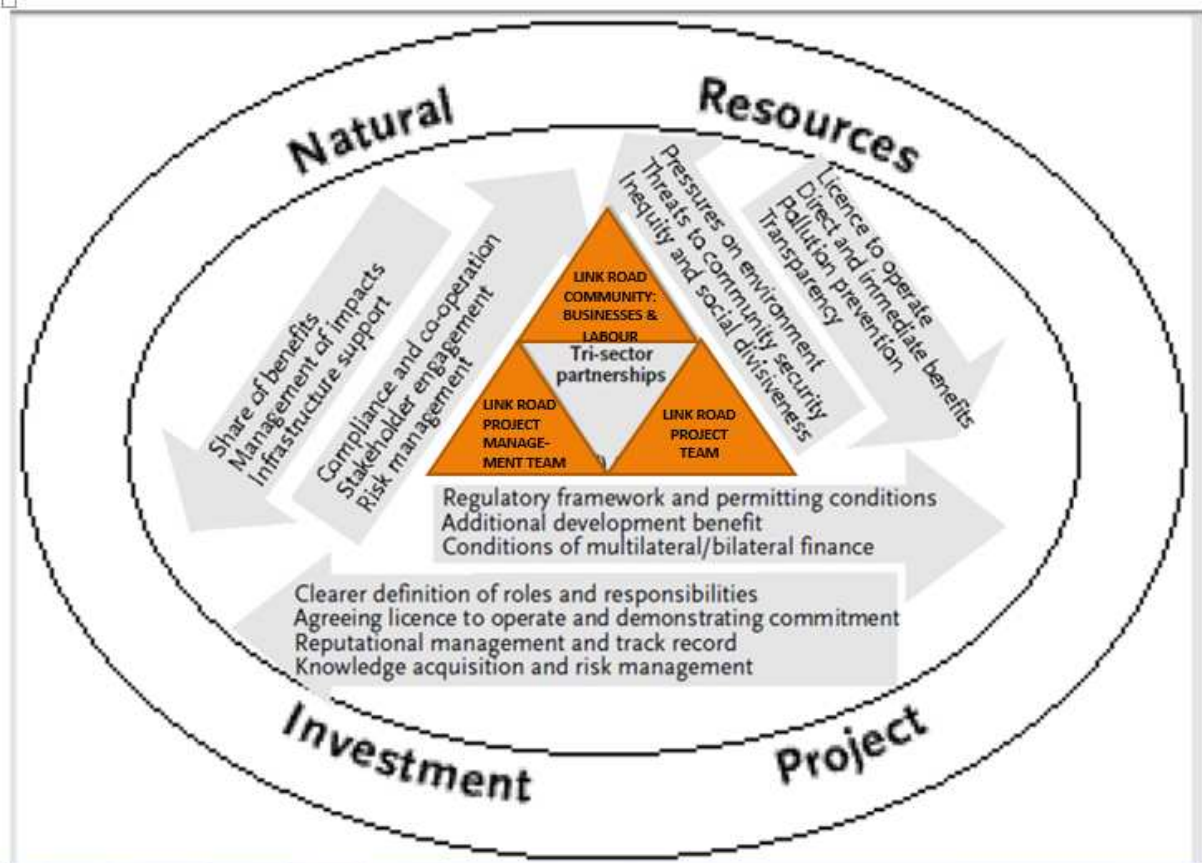
The feedback by the Community relating to the view of the Community’s (non) willingness to act is evident in why the PT was not confronted or approached regarding frustrations about the Project voiced in individual interviews. The opinion was shared that *“people don’t get involved unless it benefits them”*

There were three examples related to the Project where collective grievances were met with progress and action. But, the experience was largely one of complacency. Two Community leaders interviewed expressed views of hopelessness and possibly request fatigue in terms of attaining their social wants or needs. The PM said that commonly there would be vibrant ward structures in place which could assist in communication relating to the project. If the Community did not get together they would not have a strong voice and continue to be isolated in any action that they may try to take. The reason for poor collective intent goes deeper than what has been shared through the interviews and is most likely based on historical influences and perceptions of unworthiness. There were individuals who recognized the value in working together but this was countered with the view that everyone was just taking care of their own business.

5.4 WHAT IS THE IMPACT OF THE PROJECT’S TRI-SECTOR PARTNERSHIP ON M&E’S PURSUIT OF RESPONSIBLE BUSINESS?

Key Project-specific drivers of Tri-Sector Partnerships as identified by Warhurst: (Warhurst, 2001, p. 66)

- Stakeholder expectations and local community needs
- Corporate policy and practice
- Local technical innovation
- Local reputation management
- Government development plans



As per Figure 9 Project-specific drivers of tri-sector partnerships - adapted (Warhurst, 2001, p. 66)

Stakeholder expectations and local community needs

The Community did not use the CLO fully as she was available to be used, as a vehicle to voice concerns. They voiced their frustrations via the interviews for this research. The PMT also did not seem to have a grasp of the Community's needs at the time of the Project. These factors influenced the perception of the M&E PT even though they were out of the control of the PT. As mentioned, the PT missed out on being proactive in acquiring information about the Community. No evidence that the PMT had systems in place to ensure that the relationship with the Community was managed well by the Contractor.

The PMT's understanding of the Community are summarized in its Project objectives: (City of Cape Town, 2014, p. 140)

- The safe accommodation of pedestrians during the construction period
- The provision of access to the 10th Avenue and Alpha Road businesses for supply and maintenance vehicles
- Accommodate organized trading areas
- Provide accommodation for various City activities and functions
- Provide opportunities to local enterprises and local labour through the main contractor

- Provide formal training to local labour employed on this project with specific focus on those previously unemployed
- Allocate a certain percentage of the labour component to the local unemployed community

The experience of the PT regarding stakeholder expectations and community needs is that the Community felt largely that these were not met. This influenced RB negatively as stakeholder capital was reduced. The businesses were unable to plan for the disruption to the access for customers and in this way lost income.

Corporate policy and practice

M&E internal policy and practice ensured that the PT worked towards achieving CPGs. The PT also treated labour well and ensured that informal training took place.

Training, skills transfer, employment and support of local enterprises affected RB positively as this increased stakeholder capital by upskilling individuals or financially.

Local technical innovation

Not a focus of the Project. However, training received by the local labour and Sub-Contractor through Project may have inspired innovation after the completion.

Local reputation management

A respondent mentioned that M&Es reputation “took a knock” due to a lack of communication regarding the construction activities. Local businesses felt ill-treated by the Project Team thus RB through the reputation management driver of the Tri-Sector Partnership was not achieved. However, the Community was satisfied with the quality of the final product to be delivered by the PT and by this the PT would hope that it has left a positive legacy in the Community.

Government development plans

The need for the Project was established by the Client through IDP and public participation processes. The PT had no influences on these. However, because these processes occurred long before the construction phase, it created issues for the PT in that the Community was not completely satisfied with the Project and what they would get out of it. The PT achieved the goals set out by the Client and therefore achieved RB in relation to its Client who was satisfied with the work done. It is important, but not a contractual obligation for the PT to know that the Community

stakeholder capital is satisfied with regards to government development plans so that it can gauge the level of interference that they may expect on a project.

6 CONCLUSIONS & RECOMMENDATIONS

6.1 INTRODUCTION

Through this research project I have answered the questions:

1. What is Responsible Business in the context of a Cape Town Construction firm?
2. Does Martin & East's approach to Responsible Business influence Community Development?
3. What is the impact of the Project's Tri-Sector Partnership on M&E's pursuit of Responsible Business?

The research began with establishing the available literature on the subject and this was discussed through focusing on a theoretical understanding of what Responsible Business is, what Community Development is and how Tri-sector partnerships play a role in the delivery of infrastructure projects. The field work was based on the case study Project which M&E completed for the City of Cape Town for the Construction of Link Road, Mitchell's Plain located in the Town Centre area of Mitchell's Plain. The research findings were discussed as they related to the three research questions. In the following Chapter I will draw conclusions and offer recommendations based on the discussion of findings in Chapter 5.

6.2 RESEARCH FINDINGS AND CONCLUSIONS

The study showed that the specific M&E Project Team achieved Responsible Business through all avenues described by Winfield. The PT also achieved certain Community Development goals. The other goals were not directly impacted by the PT or M&E strategies.

The partnership created through the construction phase of the Project impacted M&E's pursuit of RB by ensuring that Community goals and objectives were stipulated and thereby ensuring that the PT was involved with the Community. It was left to the company to decide how they would or would not invest beyond these stipulations. Primarily RB was achieved through existing company approaches to dealing with its stakeholders and meeting Project objectives.

Contract Participation Goals were the main reason for Contractor interaction with the Community

CPGs are the main reason for M&E interaction with the Community. Through attempting to achieve these goals they dealt with 51 local labourers, a local security company and a local Sub-Contractor as well as other enterprises who supplied sundry items necessary for construction processes. Concern exists regarding unachievable CPGs set by the PMT at tender stage and the fact that the opportunity for the Contractor to evaluate them does not exist at that point. Frustrations arise through these interactions on the Project when local entities do not deliver as promised.

Education, training and skills development are the most valuable and practical contributions by the Contractor to the Community. The roots of the contractual obligations for training and skills development are firmly found. However, these are not monitored as strictly as the achievement of CPGs is monitored. M&E did not have a site specific programme to achieve local labour and enterprise CPGs but the PT achieved these. They did not fulfil any formal training requirements.

The CPGs are monitored only on PT monetary expenditure on local entities in achieving the goals. The quality of programme or relationship is not investigated by the PMT. A criticism of the implementation of CPGs through the Project is that it leaves the actual investment into the Community open-ended with no follow up programme implemented or expected by the Contractor or the Client.

Roles, responsibilities and expectations

Another criticism of the CPG implementation expectation on the M&Es PT was that no clear avenue for the PT regarding the location of local Sub-Contractors for use on the Project, such as the Jobseekers Registration Database for labour. The PMT believed that the PT was responsible for locating the local Sub-Contractor. The PT, however, while agreeing with the PMT, also believed that the PMT should, at least, be able to provide a list of suitable Sub-Contractor candidates who could undertake work required in the completion of the Project. This list was not available. The unavailability of such a list highlights an area where the PMT could improve their understanding of the Community and therefore enable the Contractor to achieve participation with the Community as envisioned.

All roles and responsibilities of the PMT and PT were achieved and had contractual recourse if they were not achieved on the Project. Unmet expectations by either party which were not set out in the contract document were most likely to become a cause of frustration. The Community was frustrated that they did not see the PT “giving back” in the ways that they had expected them to,

as an example, the investment into security solutions for the broader area was suggested. For M&E, there was not a strong business case to support such an intervention.

As expressed by the Client team and other officials from the Public Body, the Client should play a bigger role in enabling the Contractor to achieve Community goals. M&E rather prioritizes its internal community and sees the opportunity in getting involved in the community occurring via its long term staff and projects they may implement in their home communities.

Communication with the Community can be improved

The CLO is a vital role player in the entire Project Team. This person should be used and managed better in order to understand the Community. It is a risk for the Contractor if inadequate candidates for CLO are proposed by the Client. On this Project the CLO was not used to the potential which was possible. There were no systems in place to apply the skills of the CLO to the Project to extract additional value. This was an opportunity missed by the PT and the PMT especially with the wealth of experience that the CLO possessed.

The theme of the frustrations expressed by the Community was that they had experienced poor communication from the PT regarding the progress of work and the work schedule. It is clear that the Community values highly being involved and informed regarding issues which affect their livelihood.

A collective Community voice was not an overwhelming feature of the Project and it is true that the absence of such a voice may serve to hinder or progress the Project. However, there were two situations where unhappy groupings voiced their frustrations and these issues were resolved. In the case of a group of disgruntled labourers who discovered fraudulent employment of local labour, the issue was resolved by the Sub-Council. In the case of the business group who contacted the local newspaper to voice frustrations regarding the inconvenience caused by the construction activities to their businesses, the Client responded by arranging bi-weekly meetings to discuss these issues.

Miscommunication regarding the local Sub-Contractor and their abilities caused immense frustration for the PT as they expected that the Sub-Contractor was able to meet their contractual obligations. Once on site it was found that they did not have the experience to complete the work expected of them within the quality specifications and time agreed without substantial assistance from the PT.

If private sector wants to get involved they must go all in

As expressed by one City official, M&E should employ an in-house Community facilitator. They cannot go to projects in future thinking that they can just complete their work without the Community having some type of influence. M&E achieves its community goals internally through sponsoring education programmes and making avenues of company ownership available to all staff through the Isidima Trust. This is not necessarily conveyed to the Community in which it completes its core business of infrastructure construction.

The PT acted as a RB in terms of training, fulfilling contractual obligations and ensuring local businesses and labour were treated in accordance with company values. Much opportunity for improvement exists, however, especially in implementing strategies which ensure that quality relationships are formed with the local community. A starting point would be communication and interaction with possible community stakeholders from project startup throughout the construction phase.

The investment should be sustainable

If the private sector wants to get involved in CD, the investment should have positive long-lasting and sustainable benefits for the community into which the investment is made. (Tracey, et al., 2005) M&E finds themselves in a position which tends towards social responsibility and “*purposeful mutually beneficial involvement*” within their contractual obligations but will also go a bit further in offering assistance where possible albeit not to a point where the company would be affected detrimentally. Interactions with the local labour and enterprises were not sustainable at face value but may have in fact been sustainable. This can be attributed to informal training which took place on site. However, this went unmeasured but evident through the completion of the Project to required quality.

If M&E wants to influence CD, it must adjust its current approach as follows:

- Plan for training and achieving CPGs
- Investigate CPGs and available enterprises at tender stage
- Have a strategy to establish community needs and decide on a project which the community will appreciate
- Use the CLO effectively

Social responsibility strategies are often generally unstructured and ill-defined or based on short term financial gain with little concern for broader societal impact:

M&Es strategies include education programmes, sponsoring school students where some go on to study and work for M&E. The company also has a strategy for shared ownership via the Isidima Trust. These approaches show a commitment to a structured programme for social responsibility in the hope that they will have a broader societal impact.

What is the best strategy for M&E to achieve broader societal impact? Through infrastructure projects or its internal community?

M&E sees it as a risk to get involved with the community beyond its contractual obligations and are happy to fulfill any contractual obligation with regards to the community if it is compensated through the Project finances. M&E responses tend towards preferring to achieve societal impact via its internal community. They believe that this strategy is lower risk as the benefits are measurable and they can be certain of who benefits.

Is Tri-Sector Partnership approach viable way for M&E to get involved in CD? Why? And what must they pay attention to? If not, why?

A Tri-Sector Partnership was automatically created through contracts which are entered into at the commencement of the project. In its current form, the Public Body's approach to development provides a low risk opportunity for the M&E to be involved in CD as the Client manages and administers these contracts. What M&E should focus on is defining their role within the Community, this is not a contractual requirement and therefore lacking in their approach but would be valuable for the workings of the partnership. It is vital for all stakeholders to understand their roles and the extent of their roles. A starting point would be for the team to acknowledge that a project partnership has been created. All relevant stakeholders should be represented in the partnership. In terms of the case study this would've meant that the CLO at least attended the monthly Site Meeting held.

Difficulties experienced through the partnership was communication and the unmet expectations due to this miscommunication. For example, the PT expected that the local Sub-Contractor could perform their work relatively unsupervised but what transpired on site was the provision of a team which required substantial supervision and training, this situation caused frustration for the M&E supervisors. The Community gained the most from this partnership through skills transfer and the

resultant newly constructed road and upgraded parking areas. They were, however, not included in planning for the Project, which left them feeling excluded and imposed on. This will often be the case in this top down approach to development.

In summary, the relationship created is through an entrenched method of delivering infrastructure projects, it works because it is tried, tested and ensures delivery. This is not to say that there are not opportunities for improvement. I find an opportunity especially in managing the partnership in a more purposeful manner to ensure that all parties are included in the process.

6.3 MY EXPERIENCE OF THE CASE STUDY

It was tricky to navigate the interviews stage of my research as an M&E employee and researcher. I needed to maintain a balance especially when the respondents were attacking the performance of the Project Team that I had been a part of. The instinctive response was to be defensive. In most cases the attack or frustration voiced presented itself to me as a lack of understanding of the facts. In other instances, I knew that our team had not performed ideally in their approach to the Community on the Project especially with regards to clear and constant communication. This research project has given me the opportunity to recognize gaps in our approach as a company towards the specific Community and a desire to do something about it.

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APPENDIX 1

Schedule of interview questions for:

LOCAL BUSINESSES

1 What is your role in terms of City of Cape Town infrastructure projects?

In your experience, what is the most important way that the private sector can plough back into the community? What is the most important aspect of community development?

2 How have you been engaged by the Client (City of Cape Town) throughout the project? Since inception (to derive project goals) to the construction phase.

3 What has been the frustration and benefit of this project being employed by the Contractor?

4 How does this compare to previous Local Enterprise Development employment opportunities?

5 Interviewees to be asked to give detail of previous Local Enterprise Development work opportunities.

Schedule of interview questions for:

LOCAL LABOUR

1. In your experience, what is the most important way that the private sector can plough back into the community? What is the most important aspect of community development?

2. How have you been engaged by the Client (City of Cape Town) throughout the project? Since inception to the construction phase.

3. What has been the frustration and benefit of this project being employed by the Contractor?

4. How does this compare to previous EPWP employment opportunities?

5. Interviewees to be asked to give detail of previous EPWP work opportunities.

Schedule of interview questions for:

PROJECT MANAGEMENT TEAM (CLIENT & ENGINEER)

1 What is your role in terms of City of Cape Town infrastructure projects?

In your experience, what is the most important way that the private sector can plough back into the community? What is the most important aspect of community development?

2 How has the Client (City of Cape Town) engaged with the community throughout the project? Since inception to the construction phase.

- How has the Client (City of Cape Town) engaged with the Contractor regarding community development goals throughout the project? Since inception to the construction phase.
- 4
- What is the process by which the project goals were arrived at? What were the participation processes? How would you describe any room for improvement in these processes?
- 5
- What has been the frustration been with the Contractor regarding achieving goals set out to achieve community development?
- 6
- How does this compare to in general Contractors who are required to achieve these goals?
- 7
- Where does room for improvement lie between all three parties to improve the Community Development goals on such short term projects? Who should be responsible for managing/ overseeing this process?
- 8
- What are the frustrations and benefits been that you have been made aware as feedback on this Project?
- 9
- 10 Role of the CLO?
- What is your opinion of the general public's willingness to express their needs/ wants?
- 11
- Please share any further information which you have regarding the Construction of Link Road project relating to the affected community.
- 12

**Schedule of interview questions for:
M&E SITE SUPERVISION**

- 1 State your years of experience working on City of Cape Town projects.
- 2 What has your experience been with local suppliers on this project?
- 3 What has your experience been with local sub-contractors on this project?
- 4 What has your experience been with local labour on this contract?
- In your opinion, what is the company's strategy towards achieving labour targets and local enterprise targets set out on City of Cape Town projects? What have you done to achieve these goals?
- 5
- 6 Would you do anything differently?
- Have you ever been faced with demands or heard of demands from communities where construction projects have taken place? What was the recourse?
- 7
- What are your thoughts on the current Broad-Based Black Economic Empowerment (B-BBEE) legislation and its effects on private sector approach to community?
- 8
- What are your thoughts on Corporate Citizenship and its effects on private sector approach to community?
- 9
- What are your thoughts on Corporate Citizenship and its effects on private sector approach to community?
- 10

APPENDIX 2

Who was interviewed?	Number interviewed
The Client	
Project management team – Client	2
Project management team – Engineer	2
Sub-Council 12 officials	2
City of Cape Town official involved in allocation of funding	1
Town Centre Facilities Manager	1
Local Library Manager	2
TOTAL	10
The Contractor	
Senior management staff and Directors	3
Site Senior management	2
Site Supervisors	6
M&E labour on Link Road Project	4
Mosaic Sub-Contractor	1
M&E Site Agents & QS	20
TOTAL	34
The Community	
Local business who directly benefitted from the project	3
Local business who have been affected by the project	15
NGO	3
Local journalist	1
Local schools	4
CLO	1
Local labour	14
TOTAL	38

Table 4 Summary of interviews conducted

APPENDIX 3

Client's objectives related to Community Development

For the purposes of this proposed research we focus on the objectives of the Client which are in line with CD and the method which the Client proposes to achieve these objectives through prescriptions of the contract document. This is best described in tabular format below:
(City of Cape Town, 2014, p. 140)

Client's objective:	Community Development goal as per above discussion in section 2.3.1¹⁵	Method prescribed through contractual obligations
The provision of access to the 10th Avenue and Alpha Road businesses for supply and maintenance vehicles	Supporting existing businesses in the area. This is not by improving the business but ensuring that it remains operational throughout the contract period so that there is no revenue loss and in turn loss of income for the local community. GOAL 1: DEVELOP SUSTAINABLE SOLUTIONS TOGETHER	Amendment to standard form of contract: General Conditions of Contract for Construction Works, Second Edition, 2010 (GCC) Clause 5.4.2 makes it a requirement of the Contractor to allow access to general public where required (City of Cape Town, 2014, p. 66A)
Accommodate organized trading areas	As above	As above

¹⁵ [GOAL 1: ENGAGE WITH THE COMMUNITY
[GOAL 2: ENCOURAGE COMMUNITY INVOLVEMENT
[GOAL 3: COMMUNITY NEEDS ANALYSIS
[GOAL 4: UPSKILL COMMUNITY
[GOAL 5: DEVELOP SUSTAINABLE SOLUTIONS TOGETHER

<p>Provide opportunities to local enterprises and local labour through the main contractor</p>	<p>Create new opportunities for individuals. This will unlock financial opportunities and the opportunity to gain experience for future business ventures. The available local unemployed are given the opportunity to earn an income. These both serve as an avenue to upskill and empower the local community.</p> <p>GOAL 1: ENGAGE WITH THE COMMUNITY</p> <p>GOAL 4: UPSKILL COMMUNITY</p> <p>GOAL 5: DEVELOP SUSTAINABLE SOLUTIONS TOGETHER</p>	<ul style="list-style-type: none"> • The contractor may not sub contract more than 25% of value of the contract to sub-contractors who have an equal or lower B-BBEE status level than the prime contractor (City of Cape Town, 2014, p. 54) • Financial penalty for breaching the 25% condition is: 0.5 x (value of work completed by sub-contractors as described above as a percentage of value of contract) x Value of contract (City of Cape Town, 2014, p. 55) • Employment of Community Liaison Officer (CLO) to assist in communication with the community (City of Cape Town, 2014, pp. 85-87, 271) • Local Enterprise spend is recorded in the Targeted Enterprises Contract Participation Expenditure Report and submitted with the payment certificate monthly so that the Client can monitor the compliance with achieving the specified minimum targeted enterprises contract participation goal (CPGE) (City of Cape Town, 2014, p. 304; 306) • Enterprises located in the target area which can provide supplies, services or work necessary for completion of the contract must be a minimum of 5% of the contract value (City of Cape Town, 2014, p. 271) • Penalty to be paid if the 5% goal is not achieved is as follows: (specified goal – targeted enterprises participation achieved) * value of the contract (City of Cape Town, 2014, p. 273)
<p>Provide formal training to local labour employed on this project with specific focus on those previously unemployed</p>	<p>Create new employment opportunities. On the job informal training and formal training ensure the upskilling and empowerment of individuals to become employable in future.</p>	<p>Payment Item A3.16 as described in SANS 1200 A8.5 and amended through project specification PS A7.5 (a), (b) & (c) (City of Cape Town, 2014, pp. 158-159) describes formal and informal training to be provided to local labour through the contract</p> <p>Mosaic Work specifications:</p>

	<p>GOAL 1: ENGAGE WITH THE COMMUNITY</p> <p>GOAL 4: UPSKILL COMMUNITY</p> <p>GOAL 5: DEVELOP SUSTAINABLE SOLUTIONS TOGETHER</p>	<ul style="list-style-type: none"> • Workshop brief entails including school children in design of mosaic artwork to be installed at Library • The mosaic artist must employ 2 trainees from the local community and must give preference to mosaic workers from the area for team • The mosaic artist must do 2 workshops to teach 3 trainees mosaic techniques
<p>Allocate a certain percentage of the labour component to the local unemployed community</p>	<p>As above.</p>	<p>Local labour spend is recorded in the Targeted Labour Contract Participation Expenditure Report and submitted with the payment certificate monthly so that the Client can monitor the compliance with achieving the specified minimum targeted labour contract participation goal (CPGL). (City of Cape Town, 2014, pp. 301-302; 305)</p> <p>The target labour spend (by main or sub-contractor) is set at 3% of value of the contract for this project. The Employer seeks to provide employment opportunities through labour intensive methods in support of the National Department of Public Works' Expanded Public Works Programme (EPWP)¹⁶. (City of Cape Town, 2014, p. 270)</p> <p>The financial penalty to the contractor for failing to meet the 3% goal is calculated as follows: (specified goal – labour participation achieved) * value of the contract (City of Cape Town, 2014, p. 271)</p>

Table 5 Project Goals as a function of Community Development possibilities

¹⁶ City of Cape Town goals regarding EPWP discussed further in IDP document (City of Cape Town, 2015, pp. 49-50)

