

Regulatory compliance will help economic recovery and sustainability in South Africa

By [Janine Espin](#)

1 Jun 2021

For South Africa to work towards post-Covid economic recovery it will be necessary to reprioritise compliance to ensure both economic and environmental sustainability in the long term. Most organisations are fast realising that a compartmentalised approach to tackling compliance issues is becoming difficult to maintain as regulations increase to determine how these industries are run.



Janine Espin, managing director, EDS

Now, compliance issues often overlap, and internal approaches start to contradict which leads to nasty surprises, overlooked issues, and non-compliance. To eliminate the risk of non-compliance, businesses have to create a systematic approach to achieving compliance which is one of the most efficient ways of building a resilient organisation that is better prepared to contribute to the social and economic growth of South Africa.

The importance of compliance

To varying degrees, all businesses have compliance requirements. Depending on the regulations that govern the industry and the size of the organisation, the compliance burden will either be straightforward or onerous. Adhering to the regulations that apply to specific industries has clear benefits to business. For example, adhering to occupational health and safety requirements speaks of commitment to achieving a safe working environment.

Fulfilling environmental obligations, such as carbon tax, indicates a commitment to reversing climate change. Not only does compliance indicate commitment to certain outcomes, but it also informs an organisation's ability and eligibility to do business with others. Most public sector entities have social, Broad-Based Black Economic Empowerment (B-BBEE), environmental, and fair labour practice compliance requirements.

Without the right B-BBEE compliance score, for example, businesses are not eligible to submit tenders for government contracts. This also applies with other compliance requirements such as labour or environmental where the company will not be able to participate in a government tender if not adhered to.

For South African businesses that want to engage in trade on an international scale, compliance with global practices, such as environmental and occupational health and safety standards is critical to gaining access to the marketplace. Inability to evidence compliance in such a scenario will negatively impact the business' sustainability and ability to generate revenue.

Compliance requires an integrated approach

It is important to move away from compliance as a box-ticking exercise and start treating it as an initiative that will unlock growth and deliver business value. Standards and frameworks for compliance and sustainability provide important benchmarks and goals that give organisations something to work toward, aside from the pursuit of profit.

Regulations are put in place to ensure that the pursuit of profit no longer happens at the expense of people, the environment, and our society. Achieving compliance means commitment to manufacturing, producing, and transacting in a way that is not unduly dangerous or exploitative of natural and human resources, thereby reaffirming the 'localness' factor, which is important to the overall growth of the economy.

Compliance is not something that can take place in isolation, nor can it be achieved by a single team. Compliance touches on every aspect of the business - from processes to technology and people – where every function is affected and will require some level of change.

Whether it is to protect private information or achieve equality in the workplace, compliance will require strategic planning, realistic execution, and a means to measure performance against expectations. Improvement is not possible without measurement, and this tracking needs to happen across the organisation at every level to be effective and sustainable.

Reprioritising compliance and sustainability

No matter the industry, the burdens and challenges of compliance and sustainability do not have to be faced alone. Instead, organisations with intricate regulatory responsibilities should seek the guidance and expertise of specialists that make compliance their business.

The right partner will be ideally positioned with skills, access to resources and systems to make compliance realistically attainable and sustainable in an integrated fashion across the business. With achievability on track and sustainability in place as a priority, compliance can become an accelerant of business growth instead of a hurdle.

The result? A resilient business that is better equipped to respond to change, to look after its people and customers, contributing positively to economic recovery while reducing its impact on the environment.

ABOUT THE AUTHOR

Janine Espin is the managing director at Economic Development Systems (EDS)

For more, visit: <https://www.bizcommunity.com>