



The Execution Advantage

Mining Industry’s Contractor Management Challenge Is Becoming a Strategic Risk

Across the global mining industry, contractors and business partners have become part of the core operating model, spanning drilling, maintenance, logistics, engineering, catering, construction, and shutdown execution. Yet as this dependency has grown over the past decade,¹ the way that operators govern it has often not kept pace. The result is a widening gap between how much work contractors perform and how reliably organisations can verify that it is done safely and competently. This article examines why contractor management in mining is becoming a strategic risk, and what the strongest operators are doing differently.

Key Takeaways:



Contractor work is now the largest segment of the mine workforce in major jurisdictions, yet governance has not kept pace. Dependency has become operational risk.



South Africa has driven mine fatalities to record lows (42 in 2024, 41 in 2025), but the residual risk sits in how high-risk work, much of it contractor-performed, is executed and governed.



Aggregate gains can mask where risk concentrates: fall-of-ground fatalities rose in 2025 even as the total fell, and inspectors still issue thousands of life-risk stoppages a year.



The strongest operators are reframing contractors as partners in the operation, not suppliers to be managed, and building risk-based segmentation, central visibility, and capability verification.



Most large-scale governance implementations fail on adoption, not technology. Operational readiness and a phased, risk-based rollout matter more than the system itself.



Sustainable contractor governance is a cultural and capability challenge, not a compliance exercise.

¹International Council on Mining and Metals, “An Approach to Contractor Engagement.” ICMM describes contractor use as widespread and central, with contractors forming a substantial proportion of the workforce.

~469,000

People employed across South Africa's mining industry²

42

Mine fatalities in 2024, South Africa's lowest on record, down from 55 in 2023. The provisional 2025 figure of 41 was lower still

4,443

Section 54 stoppages issued in 2023/24 for transgressions that can cause loss of life⁴

+25%

Rise in fall-of-ground fatalities in 2025, even as the overall total fell⁵

[2] Minerals Council South Africa, [Facts and Figures 2025](#) (Minerals Council South Africa, 2026).

[3] "Release of 2024 Mine Health and Safety Statistics". Minerals Council South Africa, Facts and Figures 2025.

[4] "South Africa's Mining Sector Records Lowest Fatality Rate Ever in 2024." Mining Weekly, January 23, 2025.

[5] Minerals Council South Africa, [Facts and Figures 2025](#).

Mining investment is accelerating in Africa, into critical minerals and the infrastructure to move them. Getting the work done is rarely the hard part. The harder task is governing it reliably. South Africa, the continent's largest and deepest mining industry, is the clearest case: it has cut fatalities to record lows two years running, yet that progress has changed where the risk now sits. As the most visible gains are banked, what remains is concentrated in how work is executed on the ground, and a growing share of that work, including much of the highest-risk activity, is now performed by contractors. That is where contractor management stops being a procurement matter and becomes a strategic one.

At A&M, we regularly see mining organisations struggling with fragmented contractor governance, inconsistent onboarding standards, weak verification processes, and limited visibility into field-level execution. In many cases, they have developed strong procurement and commercial disciplines, but operational partner management has remained underdeveloped.

As mining operations become larger, more distributed, and more contractor-dependent, this gap is becoming increasingly material.

Why Contractor Management in Mining Is More Than Procurement

Historically, contractor management was often viewed primarily through a commercial lens focused on contracts, procurement, pricing, and supplier administration. Today, that approach is no longer sufficient.

Business partners now shape operational continuity, production stability, asset reliability, project execution, and safety performance. In many operations, contractors now make up a substantial and growing share of the mine workforce⁶ and perform some of the highest-risk work onsite, while operating across multiple operational interfaces.

This changes the nature of contractor management. The question is no longer whether the right supplier was chosen on commercial terms. It is whether an organisation can verify, across thousands of people and tasks, that the work is being done safely and to standard.

Benchmark: ICMM identifies contractor management as a recurring organisational factor behind fatal incidents, pointing to inadequate vetting, weak integration, and poor oversight. With contractors now performing most of the hours worked at major mining companies, around 58%, governing them well is central to safety performance.⁷

Contractor Complexity Is Growing Faster Than Governance

In mining, the contractor base has grown faster than the systems built to govern it. Many companies now operate with multiple onboarding systems, varying contractor standards across sites, fragmented operational ownership, and disconnected operational, procurement, and HSE (health, safety, and environment) functions. As contractor numbers increase, governance complexity expands disproportionately.

Without operational discipline, organisations often drift towards reactive management, audit-driven compliance, and excessive administration, while still lacking operational visibility into actual field execution. This creates a dangerous illusion of control.

⁶"Contract Labour in Mining and Occupational Health and Safety: A Critical Review." The Economic and Labour Relations Review (2024).

⁷ICMM, ICMM, [Safety Performance: Benchmarking Progress of ICMM Company Members in 2024](#) (ICMM, 2025).

The Shift From Contractor Management to Business Partner Management

The strongest operators are reframing key contractors as partners in the operation rather than suppliers to be managed. This distinction matters.

Strategic business partners are no longer simply vendors. They are extensions of the operating model. This requires far greater operational integration, including aligned standards, capability verification, structured governance, shared accountability, and operational readiness before deployment. Because contractor performance is now part of operational performance, more companies are managing contractors deliberately: segmenting them by risk, building central visibility, verifying capability before deployment, and tightening governance.



*Contractor management has become an operational risk function.
Most organisations still run it as procurement.*



Why Most Contractor Governance Rollouts Struggle

One of the biggest lessons across mining transformations is that implementation is rarely a systems problem alone. The technical framework is usually not the hardest part. The real challenge is operational adoption.

Many organisations design governance models centrally but underestimate site variability, overestimate operational readiness, and fail to align implementation with operational realities. As a result, implementation fatigue develops, local workarounds emerge, and systems become increasingly administrative over time.

Readiness is what decides the outcome. Before scaling, an organisation should know whether its assets, leadership, systems, and frontline teams can hold up once the contractors are onsite and the system is live. Go-live is not the finish line; it is usually where execution risk starts.

Governance Without Capability Creates False Assurance

Another recurring industry challenge is the assumption that governance automatically creates operational control. Many organisations already have policies, standards, reporting structures, and dashboards in place. Yet they still lack operational ownership, field-level verification, and capability at the execution layer for their own operations. When a business partner is onboarded into this environment, that weakness is amplified.

This creates a common failure mode in which organisations become highly efficient at measuring compliance activities while remaining uncertain about actual operational effectiveness. Sustainable governance requires leadership ownership, operational discipline, coaching, capability building, and consistent field verification. Without this, organisations often create reporting systems rather than operational assurance systems.

Why a Phased, Risk-Based Rollout Matters

Another common transformation failure occurs when organisations attempt to implement too much, too quickly. Operational adoption capacity is finite. Mining companies must simultaneously balance production priorities, operational risk, leadership attention, training capacity, implementation workload, and change fatigue.

The strongest implementations therefore prioritise the highest-risk contractors, highest-exposure areas, and highest-consequence activities first. This allows organisations to test governance models, refine operational processes, and build organisational confidence before scaling across the broader enterprise. Phased deployment also creates the opportunity to strengthen frontline capability and operational ownership before complexity overwhelms the system.

Contractor Governance Is a Culture Challenge

Ultimately, contractor governance is not simply a systems or compliance challenge. It is a culture challenge. The organisations that sustain improvement over time are typically those that simplify complexity, reinforce standards consistently, empower frontline leadership, and integrate contractor governance into everyday operational management routines.

Contractor governance should be part of everyday operations, not separate from them. This distinction is critical. The strongest contractor management systems are often operational systems first and compliance systems second.

Contractor Governance as Mining's Competitive Differentiator

Mining companies are under pressure on several fronts at once: production reliability, capital discipline, workforce constraints, and critical-mineral supply. The ones that pull ahead will be those that govern their contractor networks well, aligning capability, standards, governance, and execution. That discipline pays off well beyond safety, in reliability, productivity, and resilience.

The same gap this article describes, between the work contractors perform and how reliably it is governed, does not end with contractor management in mining. It reappears in cost: poorly governed contractor work is one of the largest hidden cost drivers in mining.

The A&M Perspective

Across Africa's resource and infrastructure opportunity, the binding constraint is rarely ambition or capital. It is execution, and contractor governance is one of the places that decides it. At A&M, we see business partner management as central to operational resilience in mining and asset-intensive industries. The organisations that sustain performance improvement over time are typically those that simplify governance, create operational ownership, strengthen frontline capability, and build scalable systems that support execution under pressure. In mining, performance now depends as much on the partners that keep an operation running as on the asset itself.

We work with mining and asset-intensive companies to strengthen operational resilience, from governance and capability building through to execution under pressure. To discuss how these ideas apply to your operations, reach out to us.

Coming next in this series:

Why cost control, like contractor management, is an operational capability, not a finance exercise.



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