

Global tug of war for skills

WORLDWIDE ECONOMIC GROWTH HAS INCREASED THE DEMAND ON SKILLS

The critical shortage of skills in the construction industry is by far not unique to South Africa or even to that sector of the economy. The sustained global economic growth of the last number of years, has led to increasing pressure on the availability of skilled labour and professional services of all kinds.

Additionally, the instant distribution of information and globally common technological platforms has created a generally shared knowledge base in most areas of economic activity. A combination of this and other factors like the international trend towards open economies, has led to the increasing transferability of skills across international borders and an accompanying mobility of skills and pressure on workforces.

This situation is increasingly leading to special measures and strategies to try and deal with and counter the impact of this situation. In the wake of the Landelahni report, highlighting the almost crisis proportions of the skills shortage in the construction industry, a joint skills development initiative between major South African players in the industry and Further Education and Training (FET) colleges has been launched.

In early November 2006, Education Minister Naledi Pandor, announced the formation of a partnership between a consortium of leading players in the construction sector and her department will see designated FET colleges being assisted in the training of artisans.

During 2007, five leading construction companies will assist designated FET colleges with this training.

The five listed companies in the partnership are Murray and Roberts, Aveng (Grinaker-LTA), Wilson Bayly Holmes-Ovcon (WBHO), Group Five and Basil Read. The benefit of the partnership agreement is that increased numbers of skilled artisans will become available for the entire construction sector and in the future, there will be an attempt to bring more companies on board.

Part of the partnership is financial assistance. In the first year, 50% of the intake will enjoy industry bursaries – in addition to the FET bursaries that will be available. The industry will support the recruitment of learners, the quality of the education and teacher assistance.

Attempting to come to grips with similar problems, Botswana's Ministry of Local Government (MLG) announced in December 2006, that it will embark on a drive to start recruiting junior engineers without experience in an attempt to address the lack of project implementation capacity.

An MLG spokesperson said the decision was taken to relax entry and progress requirements in engineering fields. He revealed that there are currently 38 vacant engineering posts and they have already identified Botswana, which will fill 11 of those posts.

So critical has the battle for skilled workers become, that in Botswana for instance, a war of words has erupted between some of the government departments, accusing one another of poaching staff.

The spokesperson of the MLG claimed that the Ministry of Finance has approved a special budget amount to create and fill 760 new posts and recently recruited four MLG staff members, who were immediately promoted to higher employment scales.

"Why can't we do the same to avoid 'brain

drain' in our ministry?" he was reported to have asked. The director of MLG also lashed out at the costs the ministry incurs due to officers who are sent for further studies and then change their courses without consulting the ministry, and those who refuse to return to Botswana after completion of their training.

He said officers are sent for courses that are relevant to their positions of service, but change to study courses that will not add value to local government. "If they come back with qualifications that are not relevant to their jobs – like law – it is really not acceptable, but we will put procedures in place to stop this nonsense," he said.

Of those officers who fail to return after completion of training, he said that such officers are sent to school as employees of the local government, but they terminate their contract on completion and then seek alternative employment abroad without contacting the ministry.

These factors, highlighted by Botswana's MLG, is symptomatic of what is happening internationally. Large companies, government structures and countries as a whole increasingly have to compete for skills at various levels to cope with growth and development demands.

In the European Union, barriers like work permits amongst member states have already disappeared. This alone, however, has not been enough to solve skills shortages.

Even the government departments, traditionally the preferred employers of those putting a high priority on job security rather than in pocket income, have increasingly been struggling to fill vacancies.



Craters in the workforce

THE RECESSION OF THE 1980S AND 1990S HAS LEFT A SHORTAGE OF ENGINEERS AND ARTISANS

The construction industry needs to galvanise itself into addressing employment equity imbalances and boosting levels of skills development.

South Africa has caught up with the global infrastructure boom so the delivery thrust is likely to exceed current capacity. With huge infrastructure demands, innovative solutions are required.

The construction industry employs some 935 000 people, both permanent and temporary, representing 8% of the South African workforce. The years from 2001 to 2005 saw a 27% increase in employment, making the sector the third highest job creator after trade and finance.

Due to the recession for much of the 1980s and 1990s, engineers and artisans are now in short supply, both locally and globally. In addition, the industry has suffered from being seen as male-dominated, unglamorous and lacking career growth opportunities.

For these reasons employment equity is lagging. According to reports from the

Department of Labour, only 15% of top management in the sector is black, against 27% across all industries. Not surprisingly, only 4% of top management is female, compared to an all-industry average of 17%. Of far greater concern is the lack of successful skills development initiatives in the sector. The fall-out rate among tertiary education students is alarming.

Between 1998 and 2004, 50 570 people enrolled at South African universities for engineering courses and only 8 900 graduated, according to Engineering Council of South Africa (ECSA) statistics. That's a graduation rate of 17.5% across all engineering disciplines.

The graduation rate for engineers is even lower at former Technikons (now Universities of Technology). Between 1998 and 2004, there were 139 820 enrollments and 14 250 graduates – a graduation rate of 10% across all disciplines. Construction-specific disciplines display the same trends.

Artisan training has dropped dramatically over the past 30 years. In 1975, there were 33 000 apprentices in training across all industries; by 2005, that number had dropped to a mere 1 440.

More encouraging, however, is the increase in Engineering Council registrations of new candidates, particularly black people, indicating that companies are registering a diversity of employees. The 2004 intake is balanced, with 907 black people and 940 white people registering across all disciplines. By far the greatest numbers of registered engineers in all disciplines are in the professional category. This trend is even more evident in the construction sector.

This means that the industry predominantly consists of professionals, who are ageing out of the system. Add to this the fact that the average age of artisans is 53, and one has a measure of the magnitude of the skills challenge. This trend has been evident for years. So, the question is: What can be done to turn it around?

Under its Accelerated and Shared Growth Initiative of South Africa, government plans to spend R372 billion on infrastructure over the next three years, so there is no shortage of capital. The Joint Initiative for Priority Skills Acquisition, with its focus on:

developing and recruiting priority artisan and technical skills and, in the short term, developing a graduate-employment strategy; and recruiting retired specialists and expert mentors is a huge step in the right direction. The private sector, however, needs to join the government in implementing far-reaching training and skills development initiatives if we are to meet development goals ahead of the 2010 Fifa Soccer World Cup – and beyond.

The construction industry is already ahead of the all-industry average in training at management and professional level. This is appropriate, given the sector's growth.

Yet training at technician level lags behind the industry average. When it comes to training black employees, construction lags the industry average across all levels.

Those in the construction industry need to think more creatively about skills acquisition and employment equity and embark on a

multi-pronged strategy.

Importing skills at a significant cost is a short-term solution, and needs to be balanced by more effective use of local project and contract labour. We need to accept that more and more skilled professionals will be working on projects around the globe and to encourage this as a way of accelerating skills development. A solid graduate programme that goes beyond merely providing bursaries to black candidates is also required. Graduate development programmes need to focus on ensuring we achieve a higher number of graduates. Business can then play a more significant role to provide the necessary support, guidance, career planning, mentoring and coaching.

Once they have graduated and are employed, a fast-track programme for black candidates with management potential is needed so they can achieve executive status within the company, particularly on the operational side.

Beyond that, external recruitment strategies need to be developed to address both the skills shortage and to ensure that senior positions are occupied by black people.

Often, potential candidates exist at executive and management level in other industries, with transferable skills.

It is important to remember that particularly at senior level, construction is not just about engineers. It is about introducing fresh leadership and management talent into the industry. That's one way of giving the sector a capability boost in the short term, so as to help the country achieve its immediate infrastructure development goals.

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Established in 1997, Landelahni Business Leaders was the country's first black- and women-owned executive search company, and is the Africa representative of the Amrop Hever Group, the world's largest executive search group.