

# The bricks and mortar of SA

**Sandra Burmeister** comments on the state of the construction industry

**T**he construction industry is not in a position to meet the challenges of rapid infrastructure development in South Africa.

In October, Landelahni Recruitment Group undertook a research project aimed at establishing the progress made in the construction industry in regard to employment equity and the development of a skilled work force to support proposed infrastructure investment in the country over the next five years.

Among the reasons given for the delay in finalising the construction industry charter are the breadth and complexity of the sector, as well as the fact that the industry has experienced very little growth since the 1980s.

The purpose of the study was to gather information on the current status of the construction industry, to support the sector in mobilising appropriate skills for the future.

Not unexpectedly, we found that the construction industry is not well placed to meet the challenges of rapid infrastructure development: the delivery thrust is likely to exceed current capacity.

With huge infrastructure demands, the industry is going to have to come up with some innovative solutions. Clearly, a multi-pronged approach is needed if the sector is to be successful in addressing its employment equity imbalances and boosting levels of skills development.

Under its growth initiative, Asgisa, the government announced plans to spend R372-billion on infrastructure over the next three years. And, in his medium-term budget policy statement, Finance Minister Trevor

Manuel announced that a further R37-billion is being made available for infrastructure development, upping the total to R409-billion. So there is no shortage of capital.

The joint initiative for priority skills acquisition (Jipsa), 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 recent announcement that a business plan is being developed under the auspices of Jipsa to increase the number of professional engineers by 2 400 a year — a substantial upgrade of 1 000 from the original 1 400 target, is to be welcomed.

Jipsa also aims to raise the number of skilled artisans by 50 000 over the next four to five years — an ambitious target.

The private sector needs to join government in implementing far-reaching training and skills development initiatives if we are to meet development goals ahead of the Soccer World Cup 2010 — and beyond.

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

In recent years, the construction industry in South Africa has caught up with the global infrastructure

boom. It now faces a situation where engineers and artisans are 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.

According to department of labour reports, 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 can only be described as 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 technikons. Between 1998 and 2004 there were 139 820 enrolments and 14 250 graduates — a graduation rate of 10% across all disciplines.

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

More encouraging, however, is the increase in new ECSA registrations, particularly of black candidates, indicating that companies are registering a diversity of employees. The 2004 intake is balanced, with 907



black and 940 white registrations across all disciplines.

But by far the greatest numbers of registered engineers in all disciplines are in the professional category. This trend is even more in evidence in the construction sector. This means that the industry consists predominantly of professionals who are ageing out of the system. Add to this the fact that the average age of artisans is 53, and we get a measure of the magnitude of the skills challenge.

This trend has been in evidence for years. So, the question is: What are we going to do to turn it around?

The construction industry is already ahead of the all-industry average in training at the management and professional level. Overall, in 2005, construction spent 8% more on training than other industries — a positive sign that the sector has begun to address the challenge.

But the construction industry needs 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 candidates is also required. Graduate development programmes need to focus on ensuring that we achieve a higher number of graduates. Business can then play a more significant role in providing the necessary support, guidance, career planning, mentoring, coaching and tutoring.

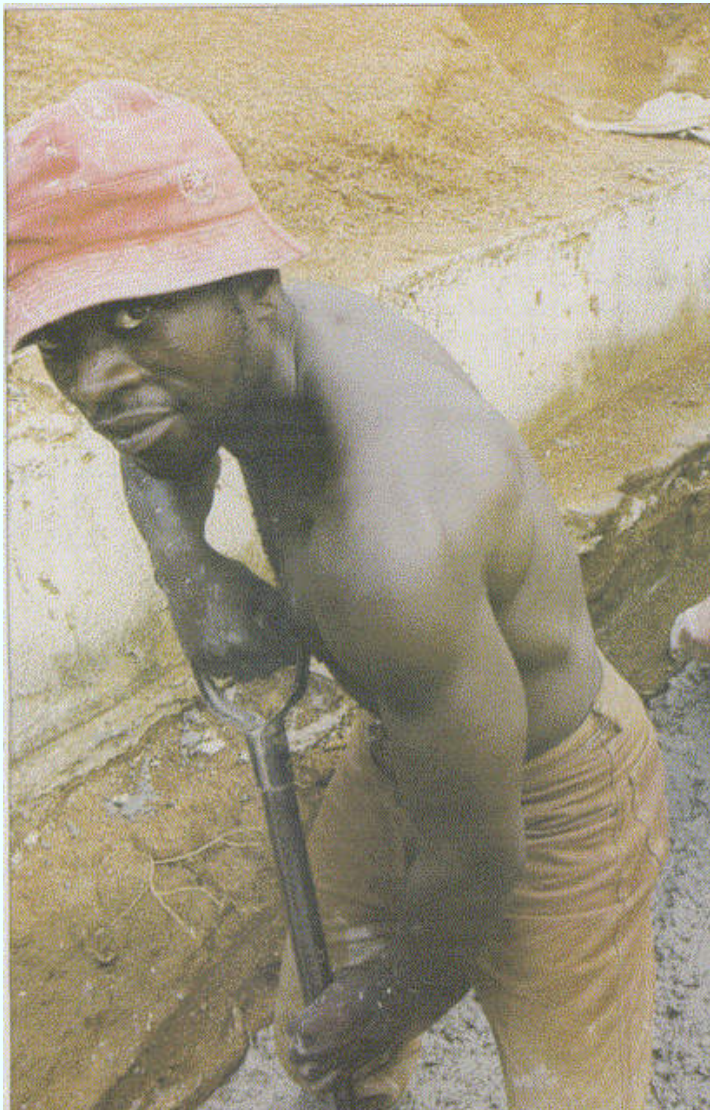
A fast-track programme for can-

didates with management potential is needed so they can achieve executive status within a 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 black people occupy more senior positions. Potential candidates often exist at executive and management level in other industries, with transferable skills.

It is important to remember that construction is not just about engineers. It is about introducing fresh leadership 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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