



Holes in construction

Survey shows need for catch-up strategy in skills development

Sandra Burmeister, CEO of the Landelahni Recruitment Group, writes about the implications of a survey done by the group to evaluate employment equity and skills development trends in the construction industry.

The survey, released in October 2006, found that the construction industry is not currently well placed to meet the challenges of rapid infrastructure development.

This state of affairs also has serious implications for the ability of local government and other levels of government to deliver new and maintain existing infrastructure. It can also seriously impact on the tempo and cost of preparations for the 2010 Fifa Soccer World Cup tournament.

A multi-pronged approach is needed to galvanise the construction industry into addressing its employment equity imbalances and boosting levels of skills development.

The delivery thrust is likely to exceed current capacity. With huge infrastructure demands, the industry will be compelled to provide innovative solutions.

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 SA (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 enrolments 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. Whereas in 1975 there were 33 000 apprentices in training across all industries, by 2005 the number of apprentices had dropped to 1 440.

More encouraging, is the increase in Engineering Council registrations of new candidates, particularly blacks, indicating that companies are registering a diversity of employees. The 2004 intake is balanced, with 907 blacks and 940 whites registering across all disciplines.

“... 50 570 people enrolled at South African universities for engineering courses and only 8 900 graduated ...”

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.

The construction industry in South Africa has caught up with the global infrastructure boom.

The industry was in recession for much of the 1980s and 1990s and 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.

For these reasons, the construction industry is not shaping up well when it comes to employment equity.

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

However, 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 consists predominantly of professionals who are aging 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 evident for years. So, the question is: What are we going to do to turn it around?

Under its Accelerated and Shared Growth Initiative of SA (Asgisa), the government plans to spend R372 billion on infrastructure over the next three years, so there is no shortage of capital.



Sandra Burmeister, CEO of the Landelahni Recruitment Group

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 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 growth in the sector.

Training at technician level, however, lags 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.

“Those in the construction industry need to think more creatively about skills acquisition and employment equity ...”

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.

Established in 1997, Landelahni Business Leaders was the country's first black-owned and women-owned executive search company, and is the Africa representative of the Amrop Hever Group, the world's largest executive search group. The group consists of a number of companies offering specialised but synergistic recruitment services across all levels of employment in both the public and private sector.

Global war for skills

General economic growth worldwide has increased the pressure on skills {writer: Piet Coetzer}

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 work forces.

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 that 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. There will be an attempt in future 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.

A ministry 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, that 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 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 said.

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 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 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.