

Struggling construction sector must develop a new talent perspective

 By [Théo Gaultier](#)

7 Jan 2019

South Africa's declining infrastructure remains an area of concern for the country's future, yet despite the current environment, opportunities exist for construction companies. Government's 12% reduction of its infrastructure budget has unsettled an already struggling construction sector, with some construction companies going into business rescue and even bankruptcy.



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The [Bryte SA Construction Activity Monitor](#) reports that four of SA's top six large construction companies lost 50% to 75% of their share price in 2017 but there are signs that the sector is recovering globally since the financial crisis. According to [Construction Intelligence Center](#), the global construction industry expected to reach \$10tn by 2020 with emerging economies expected to contribute 51.9% of the value of this sector, up from 43.9% in the year 2010.

To take advantage of the expected gains in the sector, the construction industry would do well to future-proof its talent.

Five ways the construction industry can future-proof its talent:

Keeping talent at home

Due to the current environment, civil engineers are being retrenched and graduates are struggling to find jobs. The situation is putting pressure on the sector to retain talent and will result in a loss of capacity to rebuild the nation's decaying infrastructure. However, President Cyril Ramaphosa's economic stimulus plan to launch an SA Infrastructure Fund coupled with a visa regime will assist companies to retain and attract international talent – crucial for preparing and executing projects for long-term profitability of the sector.

Technology: Disrupting and enabling the skills pipeline

Technology remains one of the biggest disruptors for the construction industry. A Goldman Sachs report from 2016

predicted that the largest use for commercial drones in the immediate future would be in construction; Gauteng has already started using these to monitor projects. Africa has a fast-growing young population, providing the opportunity to build, upskill and retain fresh innovative talent which can infuse fresh thinking into this sector. The future construction workforce which can operate seamlessly in the fourth industrial revolution needs to be trained now to fill the jobs created by advanced technology.



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Building for the future

Beyond technology, building methods, innovation and creativity require a different type of workforce. Green building and modular building using recycled materials in construction are some the trends construction companies must keep up with. South Africa is currently a leader in green building with a 41% rate of green building activity, compared to a 24% global average. How do we continue to encourage and accelerate our existing leadership to think innovatively? Leadership assessment tools can help organisations gauge where there are innovation and creativity gaps.

A focus on science, technology, engineering, and mathematics (STEM) education

There is a lack of STEM skills in South Africa which could lead the younger generation being left behind in this new digital world. It is reported that 80% of all jobs will require young people to have some sort of STEM education by 2020. A concerted focus on and investment into STEM education by the private sector will ensure a pipeline of talent to future-proof the construction

sector.

Transformation and diversity

The construction and engineering sectors have been dogged by lack of transformation and diversity. The top five companies in construction [still control 70% of all construction work](#), with smaller contractors, most of whom are black or female, sharing the remaining 30%. This is a close reflection of the reality inside the big corporates, as transformation, especially at leadership-level, still has some way to go. Deliberate succession planning should be considered, as a combination of gender, age, race, skills and geographical diversity makes for a more effective leadership team. With the right succession planning, and executive search partner, these organisations will be able to build and develop diverse talent pools.

If the recent commitment by government to establish an infrastructure fund and the Statistics SA Q2 figures of a 2.3% uptick in construction activity are anything to go by, then the tide may turn sooner rather than later for the construction industry. It is critical for the construction sector to work to develop the necessary capacity today to be able to continue to contribute meaningfully to the economy in future.

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