



NEWS

The lack of skills in the industry

The latest results of the biannual South African Association of Consulting Engineers (SAACE) management information survey (MIS) indicate that the profession's greatest immediate concern is a lack of skills in the industry. Commenting on the results of the survey for the period June 2006 to December 2006, SAACE CEO, Graham Pirie said that the lack of skills in the industry was reaching a crisis point. He added that the skills shortage was irrespective of race or gender and resulted from the growing use of existing capacity.

"From the latest results, more than 63% of the responding firms said that they were already using 100% and more of their technical personnel capacity. At least 70% of MIS respondents expected that the use of their personnel capacity would increase further - reaching critical levels - in the next six months.

Pirie said that the engineering industry was running full steam ahead, with the MIS indicating that investment growth in the construction industry had exceeded economic growth for 19 consecutive quarters. This was happening in the context of the South African economy having sustained 87 months of positive growth.

According to the South African Reserve Bank, construction investment growth increased by 14,7%/y in the third quarter of 2006 compared with 12,6% in the preceding quarter.

Higher costs relating to employment affected the profit margins of consulting engineering firms in the second half of 2006. However, more than 50% of respondents expected profit margins to improve, while 26% expected margins to remain static.

During the period under review, overall employment increased by 6%, compared with figures for the first six months of 2006.

Demand for personnel pivoted on engineers, with 93,5% of the respondents saying that they were hoping to increase intake of engineers. About 91,3% hope to increase intake of technologists, and 80,8% hope to increase intake of technicians.

Pirie averred that while the industry was desperately seeking to employ engineers, technologists and technicians and, in some cases, also administrative staff, it was easier said than done. More than 95% of firms reported difficulties in finding engineers and technologists, irrespective of whether or not they are from a previously disadvantaged background. Moreover, the cost of labour increased by 52% in the last four years.

On the positive side, the consulting engineering industry was spending more on training. On average, spending on bursaries in 2006 - based on an average of the two surveys undertaken during 2006 - represented the highest contribution to the salary and wage bill since 2002.

"From the latest results, the situation has clearly deteriorated to critical levels, with 92% of firms looking for engineering personnel, compared with 76% in the preceding survey," Pirie averred.

Technical Capacity under Spotlight

Municipal Technical Capacity came under the spotlight at the recently held Municipal Infrastructure Indaba arranged by the Western Cape Provincial Administration in Cape Town. In an article entitled "Technical Capacity under Spotlight", by IMESA (INSTITUTE OF MUNICIPAL ENGINEERING OF SOUTHERN AFRICA), Johan de Beer, Vice President (Regions) for IMESA shared some alarming statistics on the critical shortage of engineering skills within municipalities.

There are more than 1 000 vacancies in local government for engineering practitioners. In 2006 alone, 231 civil engineers resigned, 31 of which were from the Directorate of Transport Roads & Stormwater, in the City of Cape Town. He went on to point out that staff levels have reached critical proportions, which is having a serious impact on the ability to deliver municipal services. De Beer believes that initiatives that need to be implemented to alleviate the shortage of skills in municipalities should include the use of retired civil engineering professionals to both undertake specific functions and mentor junior staff. Functions, where possible, should be outsourced to consultants, scarce skills allowances should come into play, and a greater number of engineering bursaries should be made available.



The YPF have been tasked to combat this global phenomenon

Increasingly, engineering is becoming more visible because the economy is in a growth phase. However, Pirie says one of the challenges facing the industry is the lack of young people entering the profession. Initiatives are in place to increase this, however. The Young Professionals Forum (YPF) has been created in an effort to encourage young school leavers to pursue a career in engineering. The association realised that the average age of civil engineers is between 58 and 59. This has led to a significant gap in the middle. Owing to the growth of the economy and the amount of current development, the mentoring process is not performing as it should. The necessary skills are not being passed on, leading to the widening gap. SAACE recognises the need to involve the youth in the profession. It is for this reason that it created the YPF. The YPF have set up a business plan, which serves a number of purposes. Members need to recruit young people for the profession by visiting schools and talking to students about engineering as a career of choice; talking to engineering students at universities to create consulting engineers out of prospective graduates; and talking within the profession to discover why young consulting engineers are leaving the profession and/or the country. The YPF needs to become aware of these challenges to create and recommend retention strategies. However, Pirie says that the skills shortage is a worldwide phenomenon and is not solely a South African concern. "There is a worldwide shortage of engineers. South African engineers are acknowledged to be competent, so it is important to ensure that the environment encourages exciting work opportunities if we are to be sure to retain our engineers," he says. He adds that only India and China are currently generating surplus engineers, but the language creates a barrier that discourages the import of skills to other countries. "Besides, we want to develop home-grown engineers," he concludes.

The YPF strategy to combat this global problem will be covered in next month's issue, so readers, don't forget to log on to <http://www.saace.co.za/YPF/news.php>. Readers are welcome to contribute to the strategies that the YPF should embark on and can contact the editor.

UPCOMING EVENTS

- IMESA - 23 - 26 October 2007, ICC Durban
- Presidents Media Breakfast – 5 February, 2008 – Sunnyside Park Hotel
- Procurement Indaba – 12 February, 2008 – Emperors Palace – Gauteng
- YPF Committee Meeting – 20 March, 2008 – SAACE Boardroom
- SAPOA – 28 – 30 May, 2008 – TBA
- GAMA – 2nd June – 4 June, Tunisia
- SAACE Construction Week (Job Shadow Day) 28 July - 4th August
- SAACE/ Glenrand MIB Awards – 6th August, 2008 – The Sandton Convention Centre
- SAACE Presidential Golf Challenge – 15 August , 2008
- SAACE Consultants Relay – 30 August, 2008 – The Fountains, Pretoria

Regards

Shian Saroop

Tel: (031) 2758500

Fax: (031) 2758555

Please send your contributions to the editor, Shian Saroop, at ssaroop@kv3.co.za

