

# Is SA's construction industry poised for a major hiring boom?

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The South African construction industry is quickly regaining strength and companies are hiring to meet growing demand following the economic downturn seen over the past couple of years.



Roelof van den Berg | image supplied

Construction consistently ranks among the top 10 largest industries in the country, adding over a million rand to the national GDP and employing roughly 1.2 million South Africans every year. As a result, the industry is not only a key employer, but has the potential to substantially lower the country's worryingly high unemployment rate.

According to research conducted by online recruiter [CareerJunction](#), the building and construction industry has seen the largest rise in hiring activity of all sectors over the past three months with a notable 16% increase, followed by architecture and engineering with 15%.

If construction companies can keep this momentum going on the basis of increased project investment levels from both the public and the private sectors, then construction can grow into a truly influential industry and even more significant employer within the next few years.

Notably, in keeping with the needs of the local labour market, the construction industry has an abundance of job opportunities for unskilled and semi-unskilled labourers who are often overlooked by other industries. This is particularly significant for making a meaningful difference towards addressing unemployment, poverty, and inequality, and creating positions suited for our general workforce – potential which has been restricted in previous years owing to a lack of investment.

For companies looking to improve their hiring practices and help combat unemployment, a few steps need to be taken:

## **Hire lower-skilled workers and invest in upskilling programmes**

The South African construction industry is currently under extreme pressure due to a pronounced shortage of skilled and qualified workers. The result is intense competition among firms for available skilled workers, while key positions often go unfilled for extended periods, which in turn further impacts the unemployment rate.

## **Speed up hiring processes**

Vacant positions add to unemployment for the time they remain open. Leaving one position unfilled for one month may not seem like it could have much of an impact, but spread that out over many companies across the sector, the numbers start to add up.

Construction companies can choose to emphasise hiring, speed up hiring processes, do away with unnecessary and restrictive practices, and get employees into the office and onto the worksite sooner.

## **Retain employees during economic slowdowns**

Economic slowdowns, downturns, and recessions usually negatively impact employment numbers as businesses are forced to retrench employees or close their doors. The effects are then felt for years after, as companies undergo the slow process of growth and re-hiring to build capacity.

But those construction companies that prepare for tough times should have enough capital to carry themselves through a few months of decreased business. This in turn allows these companies to retain skilled employees in whom the business has invested time and money. These companies are also better off when the economy rebounds and other companies are forced to search for employees.

## **ABOUT THE AUTHOR**

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