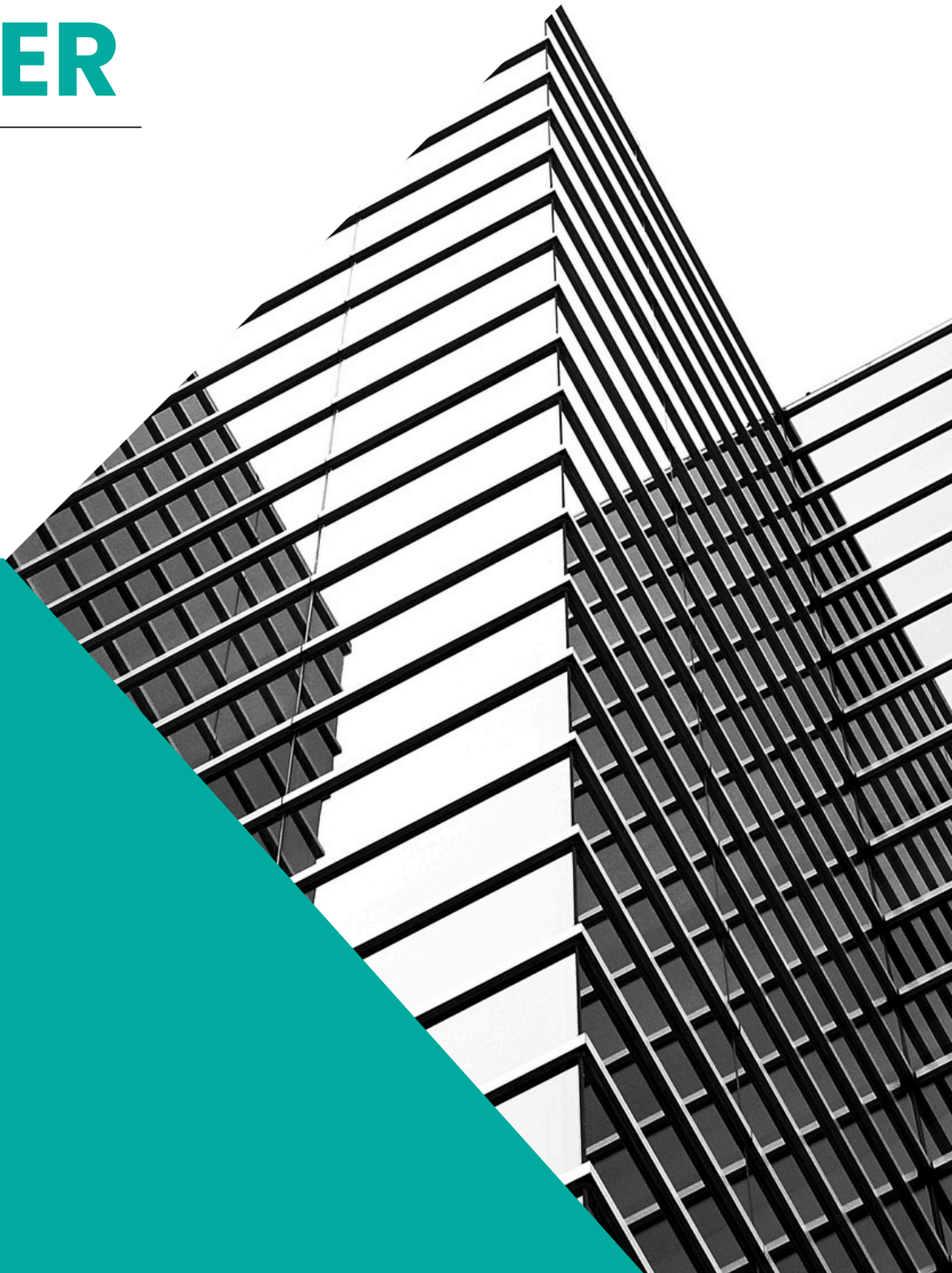


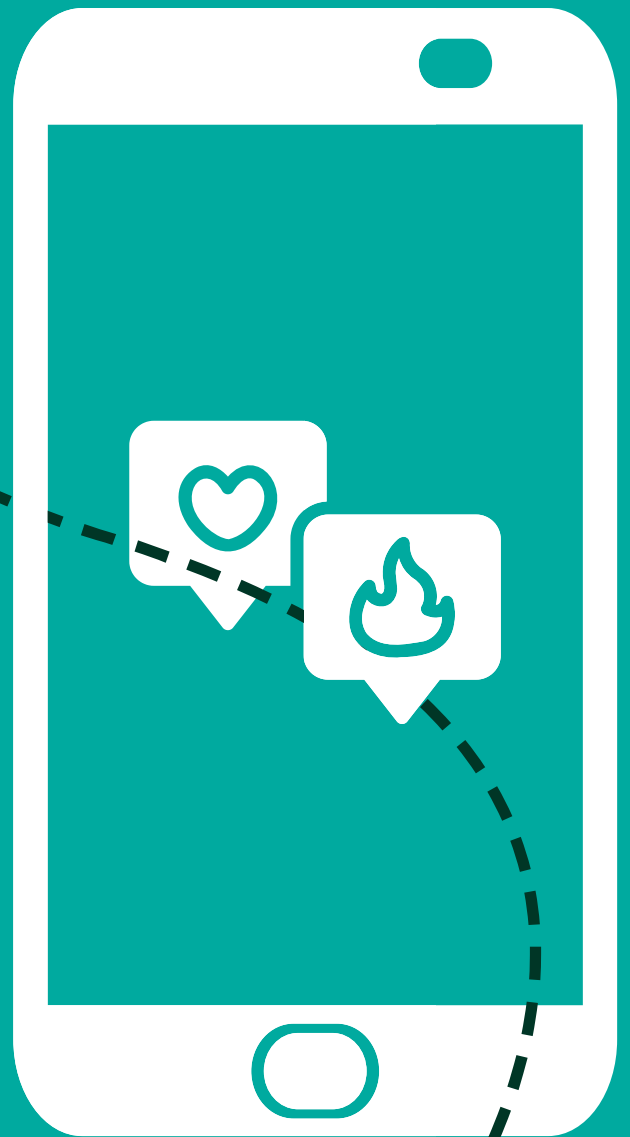


NEWS LETTER

MAY
2024



What's trending?



Let's find out!

South African Employment Highlights:

-19%

According to Pnet's data, **Recruitment activity** decreased by -19% from March 2022 to March 2024.

-19%

According to Pnet's data, **Hiring activity** decreased by -19% when compared to March 2023.

Conversely

-8.1%

According to CareerJunction's data, **Recruitment activity** decreased by -8.1% from Jan 2022 to Jan 2024.

-11%

According to CareerJunction's data, **Hiring activity** decreased by -11% when compared to Q1:2023.

TOP 5 Trending Jobs that Showed an Increase in Demand for Workers and Professionals:

1. Business Analysis
(Information Technology)



3. Executive Management
(Business & Management)



2. Health, Safety &
Environment
(Admin, Office & Support)



4. Building Project
Management
(Building & Construction)



5. Data Analysis /
Data Warehousing
(Information Technology)





Information Technology

This sector saw a -26% decrease in hiring activity year-on-year.

Building & Construction

This sector saw a +8% increase in hiring activity year-on-year.

Business & Management

This sector saw a -7% decrease in hiring activity year-on-year.

SA's Employment Trends as per Pnet & CJ

A consistent rise in hiring activity is a sign of trust in the local economy and an indication of business expansion.



Architecture & Engineering

This sector saw a +7% increase in hiring activity year-on-year.

Admin, Office & Support

This sector saw a -9% decrease in hiring activity year-on-year.

Finance

This sector saw a -9% decrease in hiring activity year-on-year.

Sector Statistics - Information Technology

EE Candidates



Candidates in Gauteng



Willing to Relocate



Tertiary Qualification



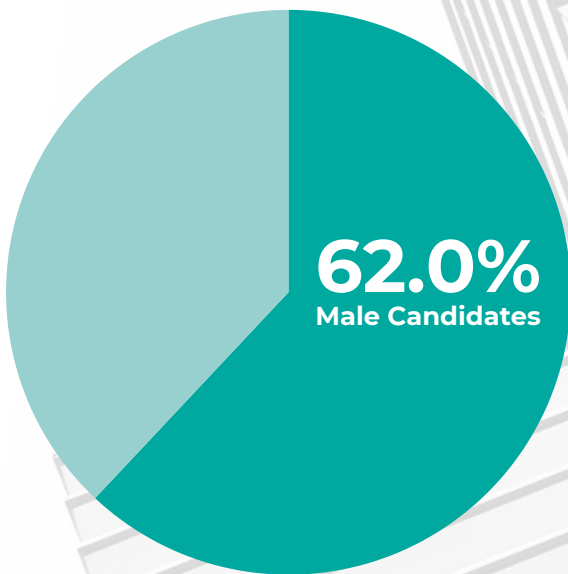
Market-related monthly salaries (CTC) for TOP 3 in demand roles

Scrum Master R34 635 - R56 538

Data Analyst R39 424 - R48 593

Test Analyst R34 491 - R46 044

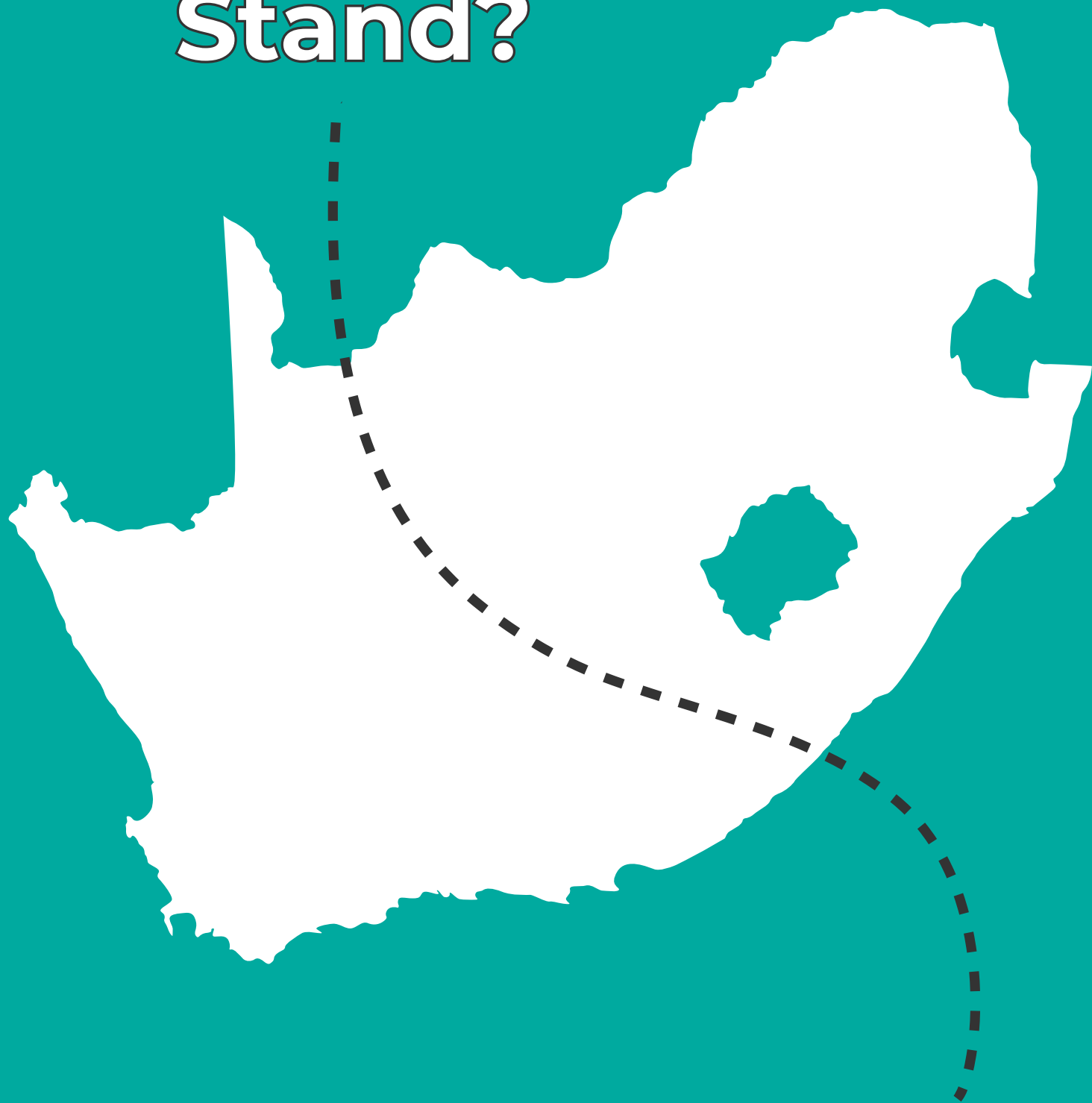
Male Finance Candidates



3 Years
2 Months

The Average Stay of IT
Candidates in Their Roles

South Africa: Where Do We Stand?



Let's find out!

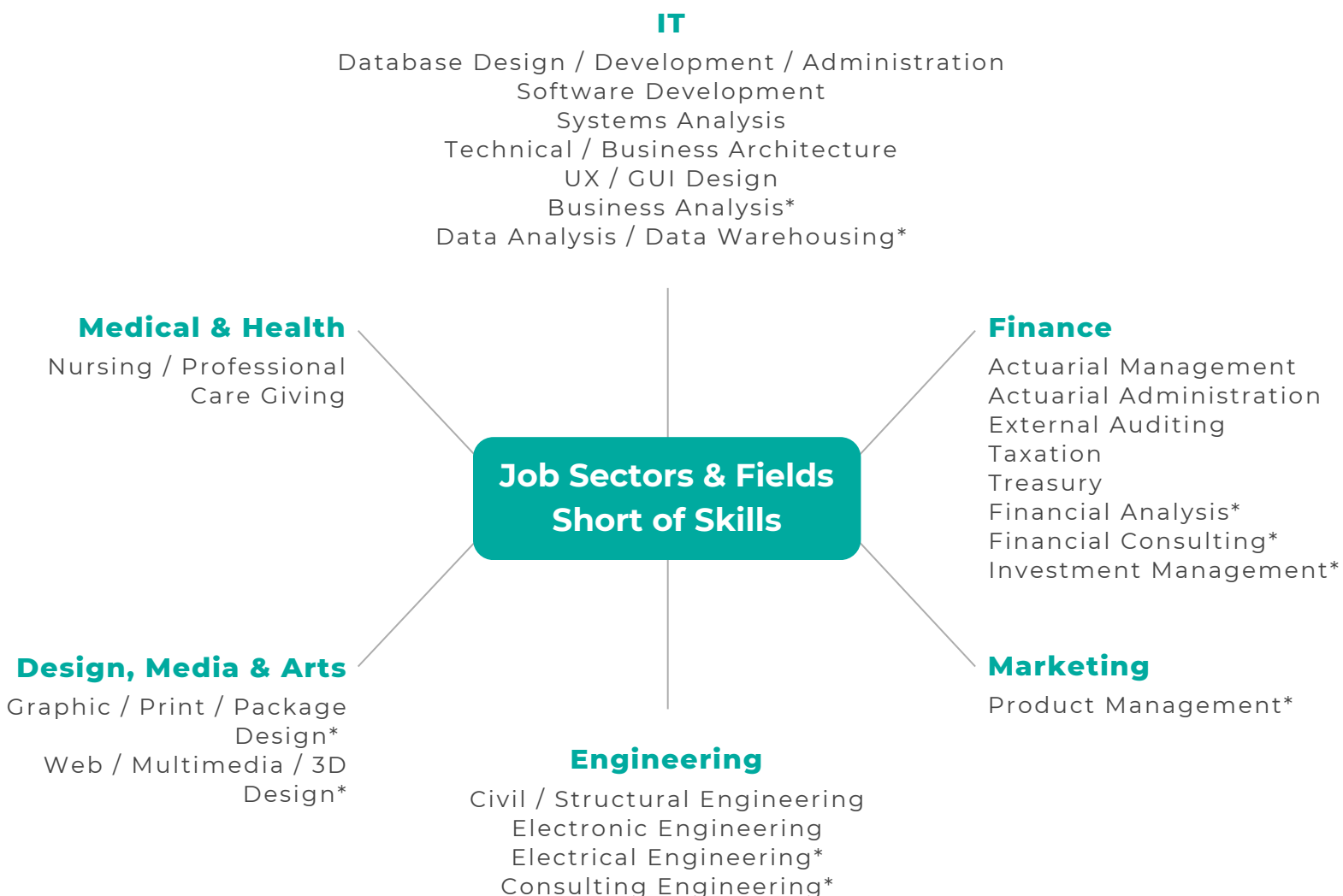
Continued: South Africa's Skills Shortage

According to PwC's 26th Annual Global CEO Survey, nearly half of CEOs in sub-Saharan Africa (**45%**) and over half worldwide (**52%**) believe that insufficient skilled workers will negatively impact their company's profits in the next decade. This highlights the critical importance of addressing skills shortages to ensure business success.

The Impact of the Skills Shortage on South African Businesses According to Pnet:

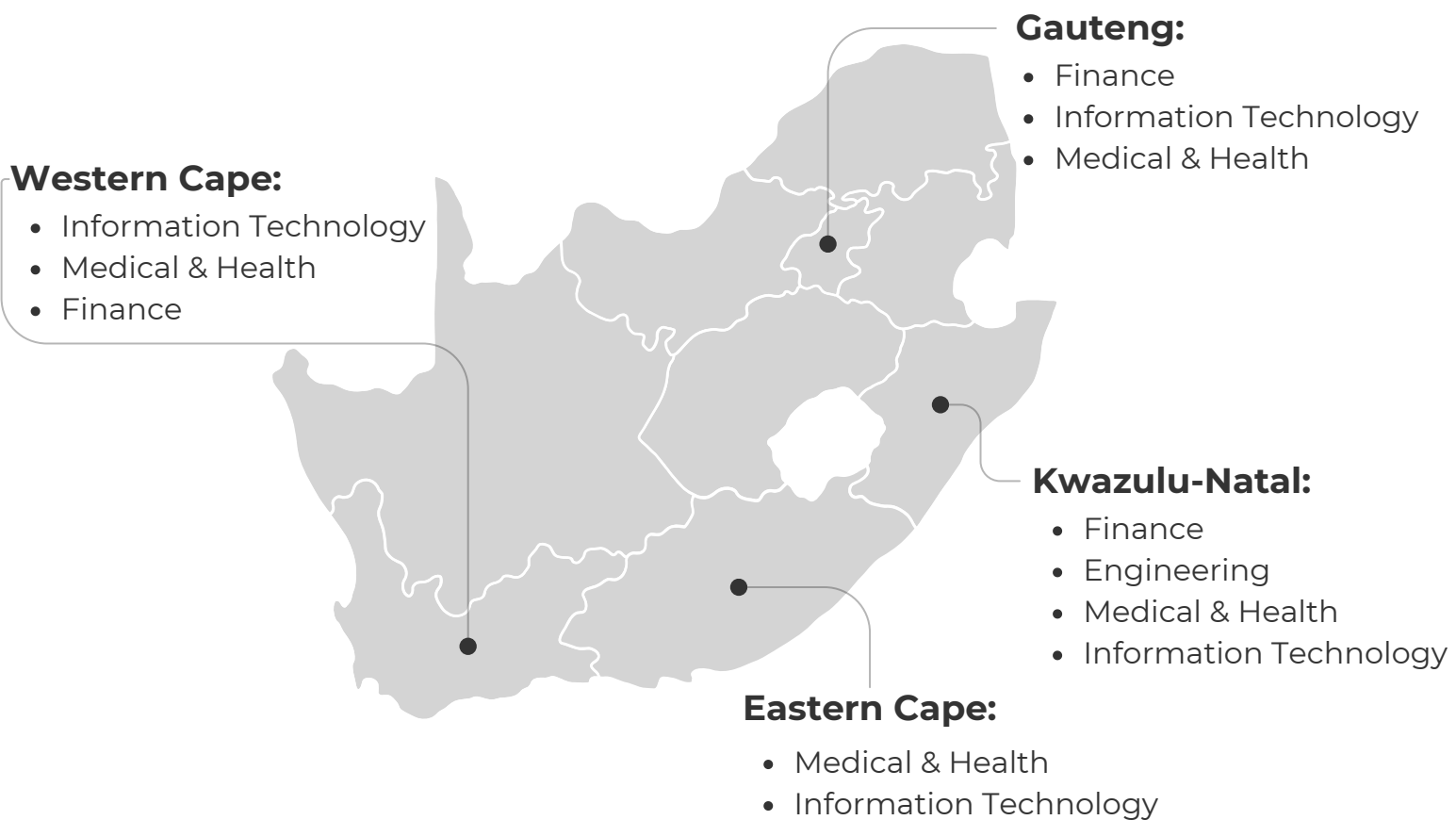
- **Costs Rise:** Scarcity of skilled workers leads to higher salaries, impacting business costs.
- **Productivity Falls:** Skills gaps reduce productivity, straining existing staff.
- **Project Delays:** Lack of expertise can hinder project progress.
- **Growth Constraints:** Persistent shortages limit business expansion and innovation.

According to Pnet's Job Market Trends Report, their recent investigation into scarce skills in the South African recruitment market revealed shortages in several sectors.



* While there is currently lower labor demand for these scarce skills, recruitment remains challenging. However, these skills shortages may become more severe once hiring activity increases in these sectors.

Regions Most Affected by the Skills Shortage



6 Signs Your Company Is in the Midst of a Skills Shortage

1. High Turnover:

Frequent employee turnover at various levels within the organisation can signal a skills shortage. Employees leaving due to better opportunities elsewhere may highlight gaps in talent.

2. Difficulty Recruiting:

Struggling to find qualified candidates for open positions is a clear sign. If job postings remain unfilled for extended periods, it suggests a shortage of relevant skills.

3. Inadequate Workforce Productivity:

When existing employees struggle to meet performance expectations or handle their responsibilities effectively, it could be due to skill gaps.

4. Project Delays and Quality Issues:

If projects consistently face delays or quality problems, it may be due to insufficient expertise in critical areas.

5. Increased Workload on Staff:

Overburdening existing employees with additional tasks due to a lack of specialised skills can lead to burnout and decreased productivity.

6. Lack of Innovation:

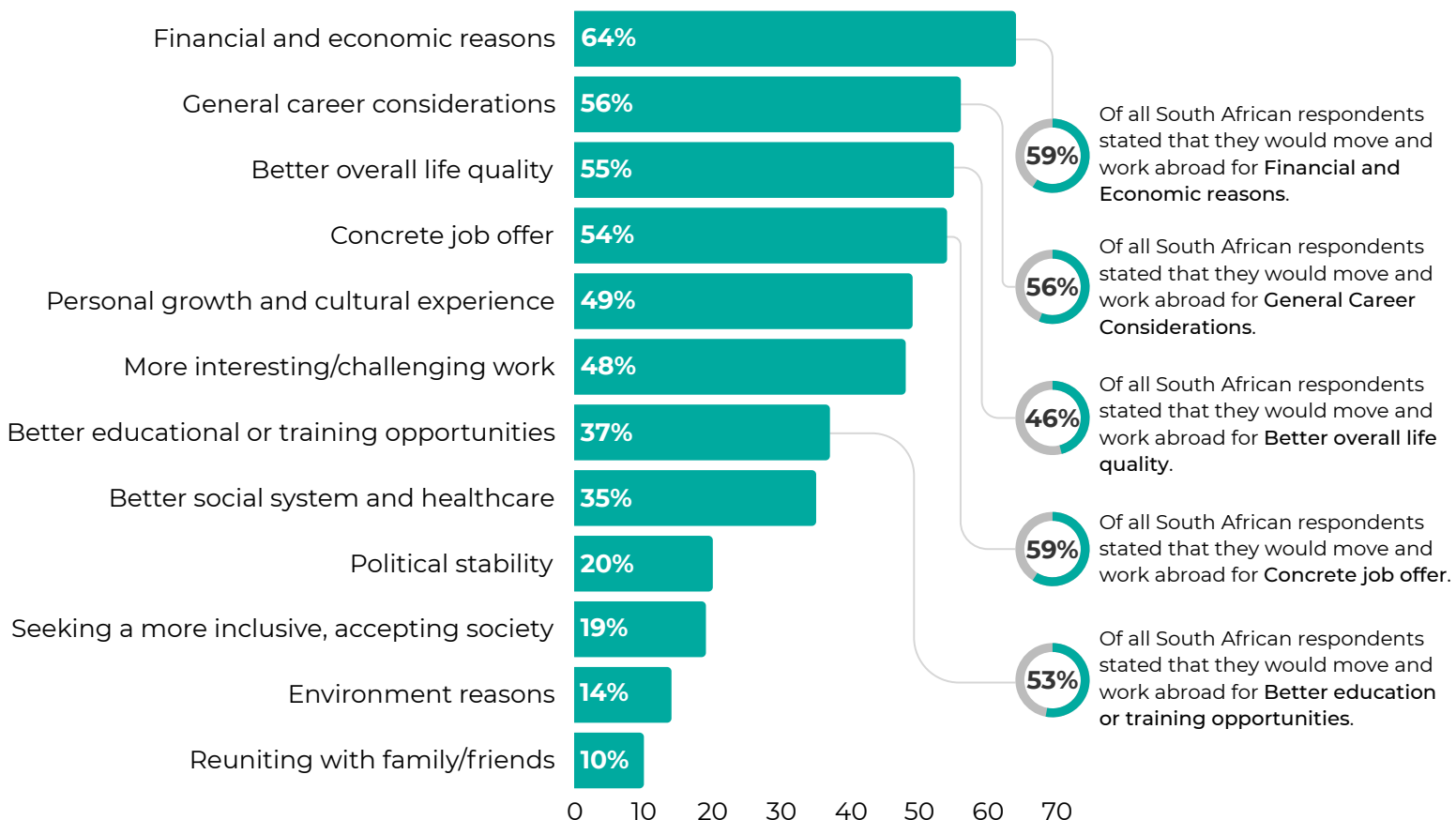
A shortage of creative and innovative ideas may indicate a skills gap. Organisations with limited access to cutting-edge skills may struggle to stay competitive.

Global Work Trends: South Africa's Mobility

In the fourth quarter of 2023, CareerJunction collaborated with The Stepstone Group, Boston Consulting Group, and the Network to conduct a significant global survey on labor migration trends. This survey involved over 150,000 participants from 188 countries, including South Africa, where more than 7,000 respondents contributed valuable insights.

79.5% of respondents from South Africa indicated that they would be willing to work abroad.

Global Mobility Reasons With a South African Perspective



“We’re seeing a lot of – actually in Africa – we’re seeing a lot of African professionals, you know, returning to the continent to contribute their quota.”

- John Dramani Mahama

Brain Drain or Gain? The Impact and Opportunities of South African Talent Migration

The willingness of a significant 79.5% of South African respondents to work abroad presents a complex challenge for the country's labor market. This trend, often referred to as 'brain drain', can exacerbate the skills shortage currently experienced in South Africa.

When a large proportion of skilled workers consider opportunities abroad, it can lead to a depletion of critical skills within the domestic workforce. This is particularly concerning for sectors that already struggle with skills shortages, such as technology, engineering, and healthcare. The departure of these skilled professionals can slow down innovation, reduce productivity, and hinder economic growth.

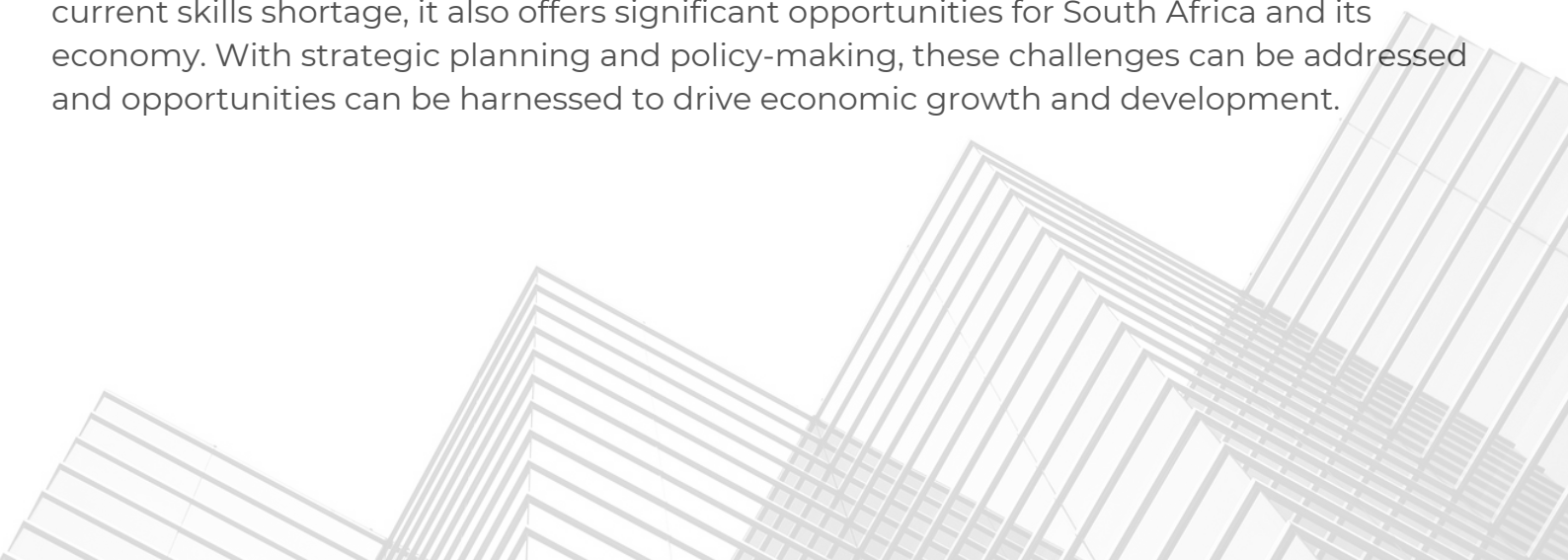
Moreover, the potential loss of these workers can impact the transfer of skills to the next generation. Experienced professionals play a crucial role in mentoring and training younger employees, helping to build a robust and skilled workforce for the future. Their departure can disrupt this knowledge transfer, further deepening the skills gap.

However, this trend also opens up a wealth of opportunities for South Africa and its economy. Firstly, the influx of remittances from South Africans working abroad can significantly contribute to the local economy. Secondly, the international networks established by these individuals can open doors for foreign direct investment (FDI), stimulating economic growth and boosting technological advancement.

There's also the potential for 'brain gain'. South Africans who have worked abroad may bring back new skills, innovative ideas, and best practices learned from global industries. This can lead to the introduction of these practices in the South African market, potentially driving innovation and enhancing competitiveness.

Lastly, this trend can highlight the areas of skills shortage in the country, helping policymakers and businesses to strategically plan for skills development and training programs. This can lead to more targeted and effective initiatives to address the skills gap.

In conclusion, while the willingness of South Africans to work abroad can contribute to the current skills shortage, it also offers significant opportunities for South Africa and its economy. With strategic planning and policy-making, these challenges can be addressed and opportunities can be harnessed to drive economic growth and development.



Strategies for Employers to Transform Brain Drain into Brain Gain: A South African Perspective

Address Economic Conditions:

Make your company more attractive to potential employees by offering competitive salaries and benefits that align with or surpass global standards.



Provide Concrete Job Offers:

Being transparent about job roles and expectations can help you secure talent who are seeking solid offers abroad.



Provide Challenging Work:

You could attract those seeking more stimulating work environments by offering innovative projects or roles that push boundaries.



Social Systems and Healthcare:

By providing comprehensive health benefits and supporting social causes important to employees, you may increase loyalty.



Political Stability:

You may appeal to those concerned about political stability by demonstrating strong governance and ethical practices in your company.



Improved Quality of Life:

You can enhance the overall quality of life for your employees by investing in initiatives such as flexible work arrangements, wellness programs, recreational activities, and a positive work environment.



Promote Career Opportunities:

By developing clear career progression paths and continuous learning opportunities, you can attract talent looking for growth.



Opportunities for Personal Growth:

You might retain ambitious individuals by encouraging personal development through diverse projects or international exposure within your company.



Educational Opportunities:

You could enhance your appeal by partnering with educational institutions for employee training programs or further education scholarships.



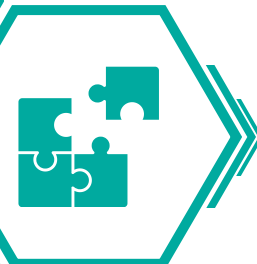
Inclusivity and Acceptance:

You can draw individuals seeking accepting societies by building an inclusive workplace culture where diversity is celebrated.



Environmental Reasons and Family Ties:

You may attract those who value these aspects by showing commitment to environmental sustainability and work-life balance.



Can We Unravel SA's Unemployment Landscape: The Challenges and Opportunities?



Let's find out!

South Africa's Unemployment Rate for 2024

32.9%

SA's **official unemployment** rate stands at 32,9%. This is an increase of 0,8 of a percentage point between Q4:2023 and Q1:2024. This reflects 8,2 million unemployed South Africans.

41,9%

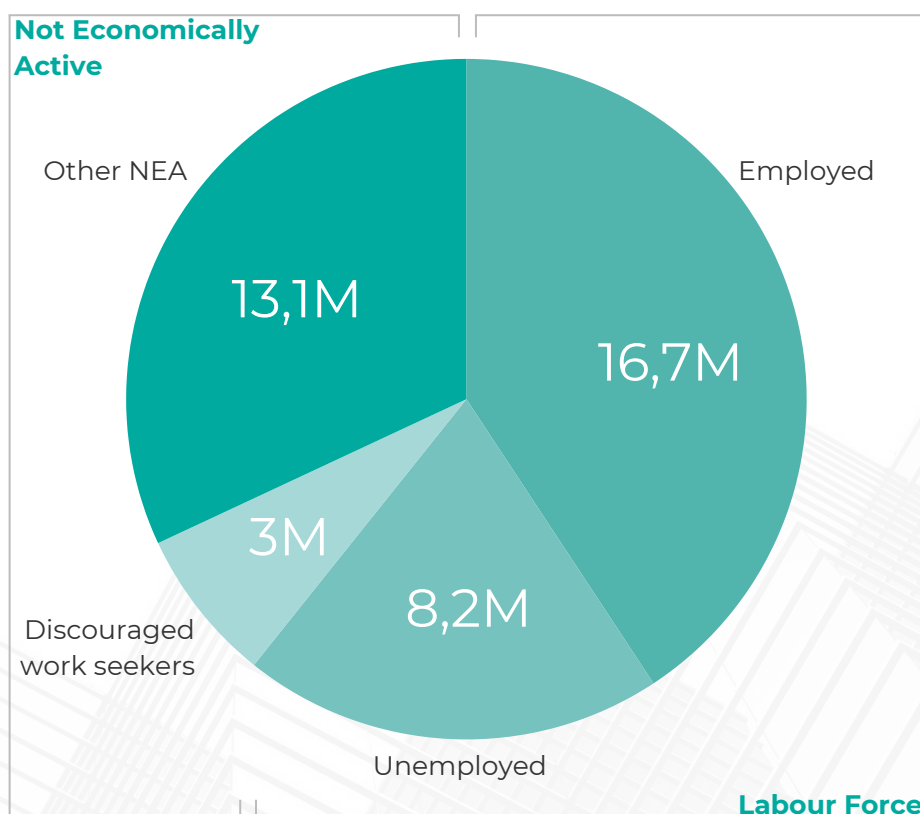
SA's **expanded unemployment** rate stands at 41,9%. This is an increase of 0,8 of a percentage point between Q4:2023 and Q1:2024. This reflects 12,1 million unemployed South Africans.

Expanded Definition includes the following

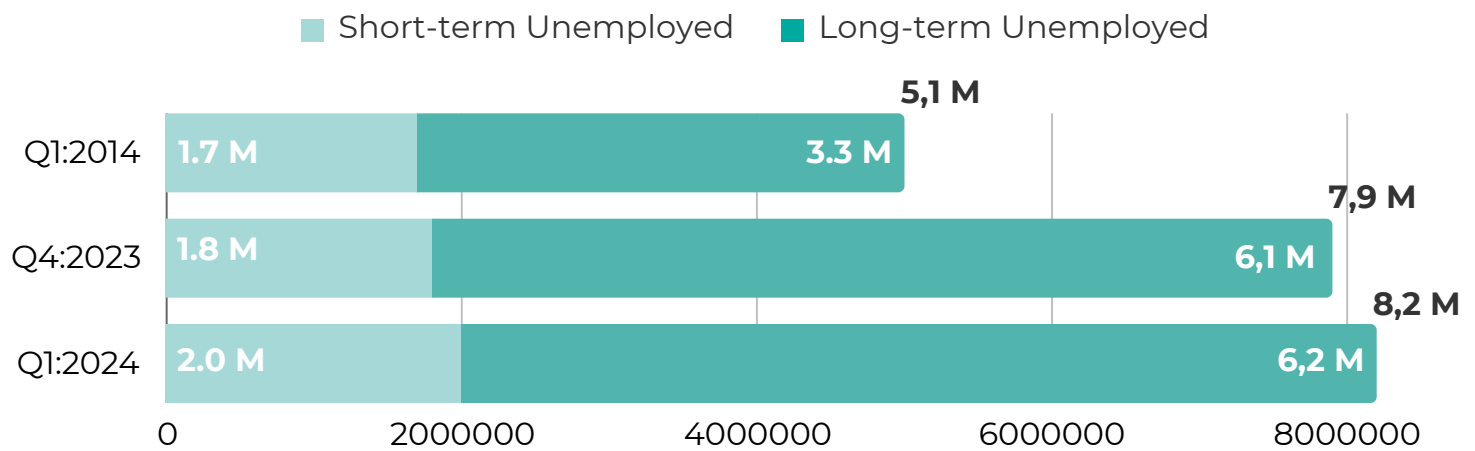
Candidates available to work but are/or

- Discouraged work-seekers 3,0 M
- Have other reasons for not searching 0,9 M

Employment Status Distribution: A Glimpse into South Africa's Working Age Population of 41,2 million

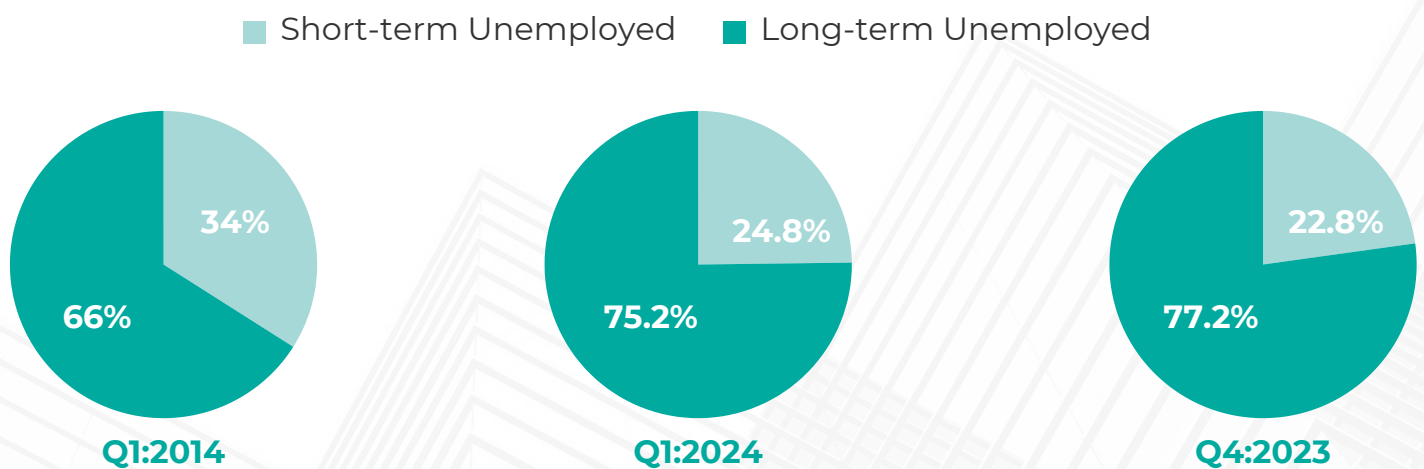


Employment Status: The Proportion of Those in Long Term vs. Short Term Employment Over The Last Decade



*Long term unemployment –unemployed for a year or longer

The Proportion of Those in Long-term Unemployment Increased From 66,0% in Q1:2014 to 75,2% in Q1:2024



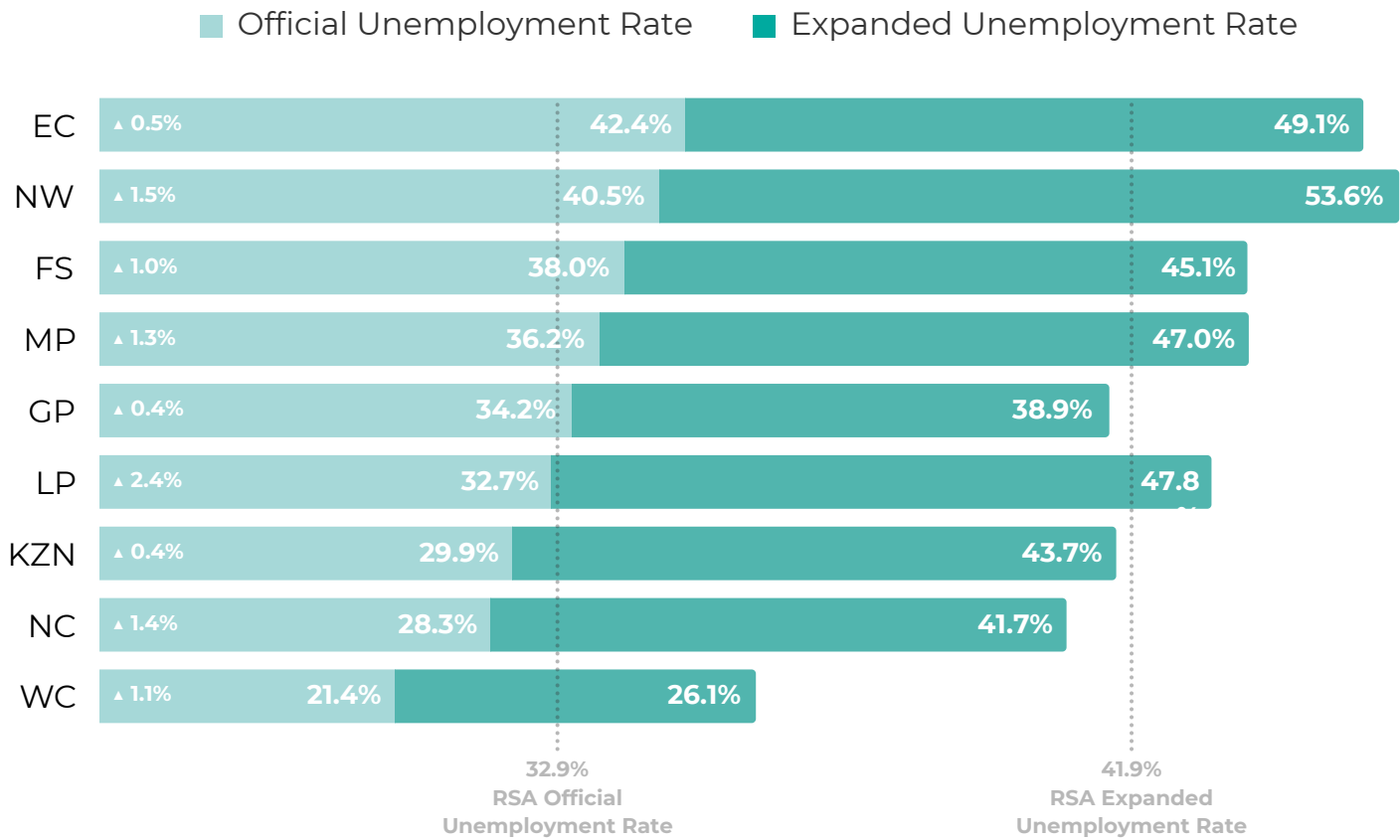
Tapping into Long-Term Unemployment: A Win-Win Strategy

The high rate of long-term unemployment presents a unique opportunity for employers.

- This group represents a diverse talent pool with a wide range of skills and experiences. Employers can find candidates who may not have been considered in traditional hiring processes.
- Many government programs offer financial incentives to employers who hire long-term unemployed individuals, making it a cost-effective hiring strategy.
- Studies suggest that once employed, these individuals often show higher levels of loyalty and lower turnover rates, leading to reduced recruitment costs.
- Hiring from this group can enhance a company's reputation as a socially responsible employer.

Employers can seize these opportunities through outreach programs, training, mentorship, and flexible hiring practices. This approach benefits both the company and the community.

Provincial Unemployment Rate: Official vs Expanded for Q1:2024 and Quarter on Quarter Increase



Leveraging High Unemployment Regions: A Win-Win Strategy

Operating in provinces with high unemployment or those experiencing a significant increase in unemployment can offer several unique opportunities for employers:

- These regions often have a large number of job seekers, providing a broad and diverse talent pool. This allows employers to tap into a variety of skills and experiences that might be harder to find elsewhere.
- Governments often provide incentives such as tax breaks, subsidies, or grants to businesses that create jobs in areas with high unemployment. This can significantly reduce the cost of expanding operations or starting new projects in these regions.
- By creating jobs in high unemployment areas, businesses can play a crucial role in revitalizing the local economy. This not only improves the company's image but also fosters a positive relationship with the community, which can lead to a more dedicated and loyal workforce.

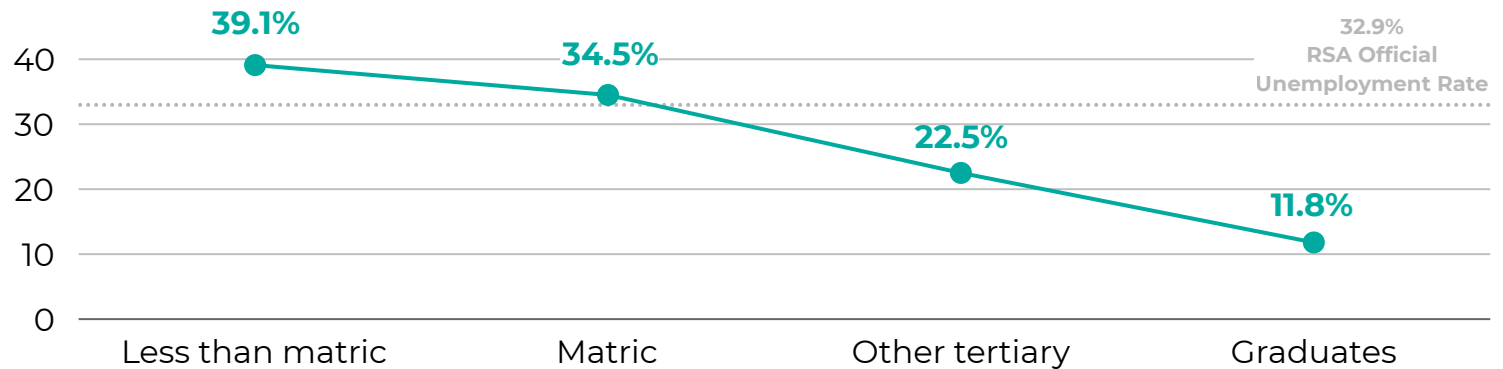
To make the most of these opportunities, employers can:

- **Forge Local Partnerships:** Collaborate with local government agencies, non-profits, and educational institutions to identify potential candidates and provide them with the necessary training.
- **Invest in Training Programs:** Many job seekers in these areas may have been out of work for a while and could benefit from training programs to update their skills.
- **Promote Inclusive Hiring:** Consider candidates based on their potential rather than their employment history. This can help to uncover hidden talents who may have been overlooked by traditional hiring practices.

Unemployment Status: South African Unemployment Rate by Education Level in Q1:2024

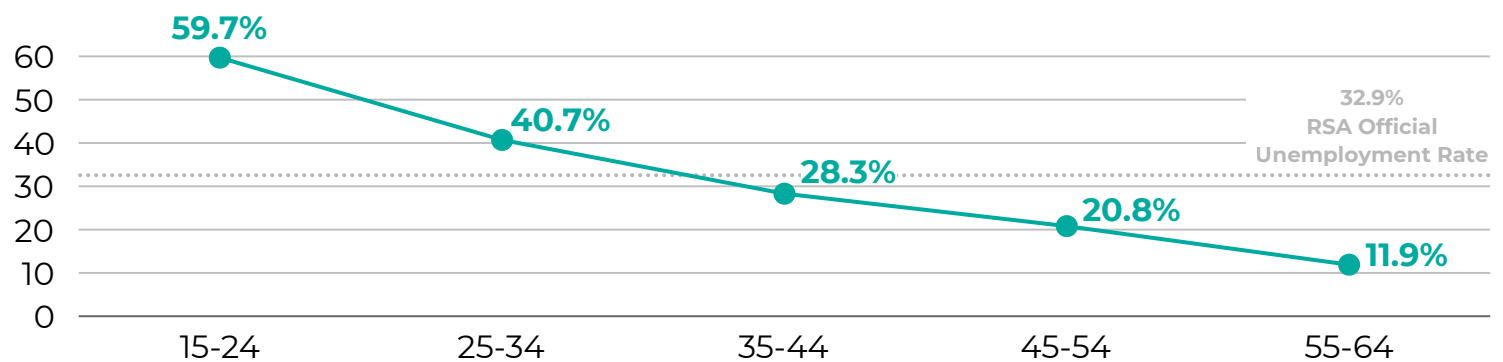
Graduate unemployment rate increased by 2,3 percentage points to 11,8% in Q1:2024 compared to 9,6% in Q4:2023.

Those with matric and less than matric remain vulnerable with an unemployment rate of 34,5% and 39,1% respectively which are higher than SA official unemployment rate.



Unemployment Status: South African Unemployment Rate by Working Age Group in Q1:2024

Youth aged 15-24 years and 25-34 years continue to have the highest unemployment rates at 59,7% and 40,7% respectively.



Harnessing the Potential of Young, Less-Educated Job Seekers

Employers can find several opportunities in targeting unemployed individuals aged 15-34 with matric or less:

- This demographic often brings fresh perspectives, adaptability, and eagerness to learn.
- Employers may benefit from programs encouraging youth and less-educated employment.
- Hiring from this group enhances a company's social responsibility profile.

Employers can utilize these opportunities through apprenticeships, on-the-job training, and partnerships with educational institutions for skill development. This approach can lead to a vibrant, diverse workforce and positive community impact.

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