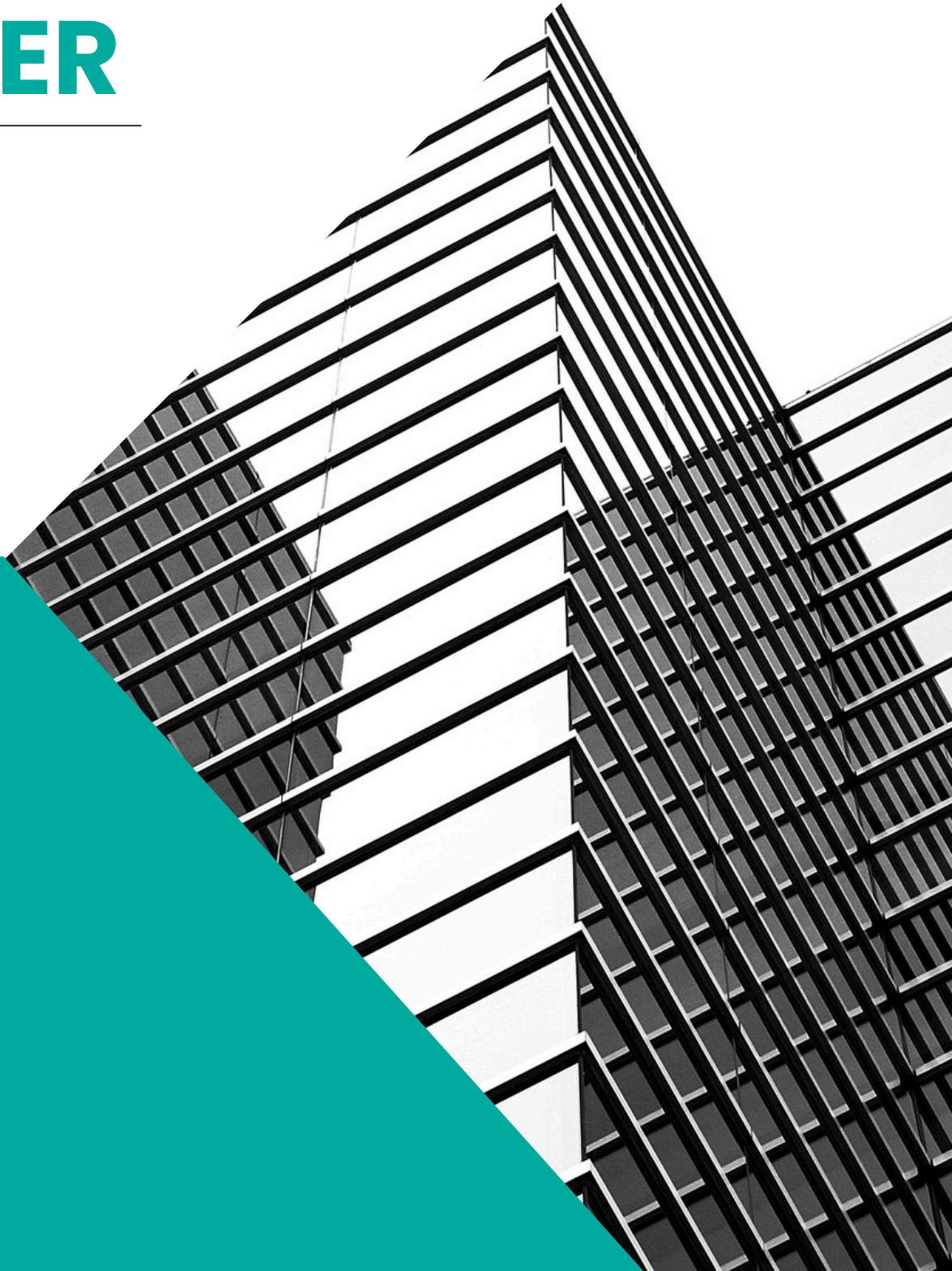


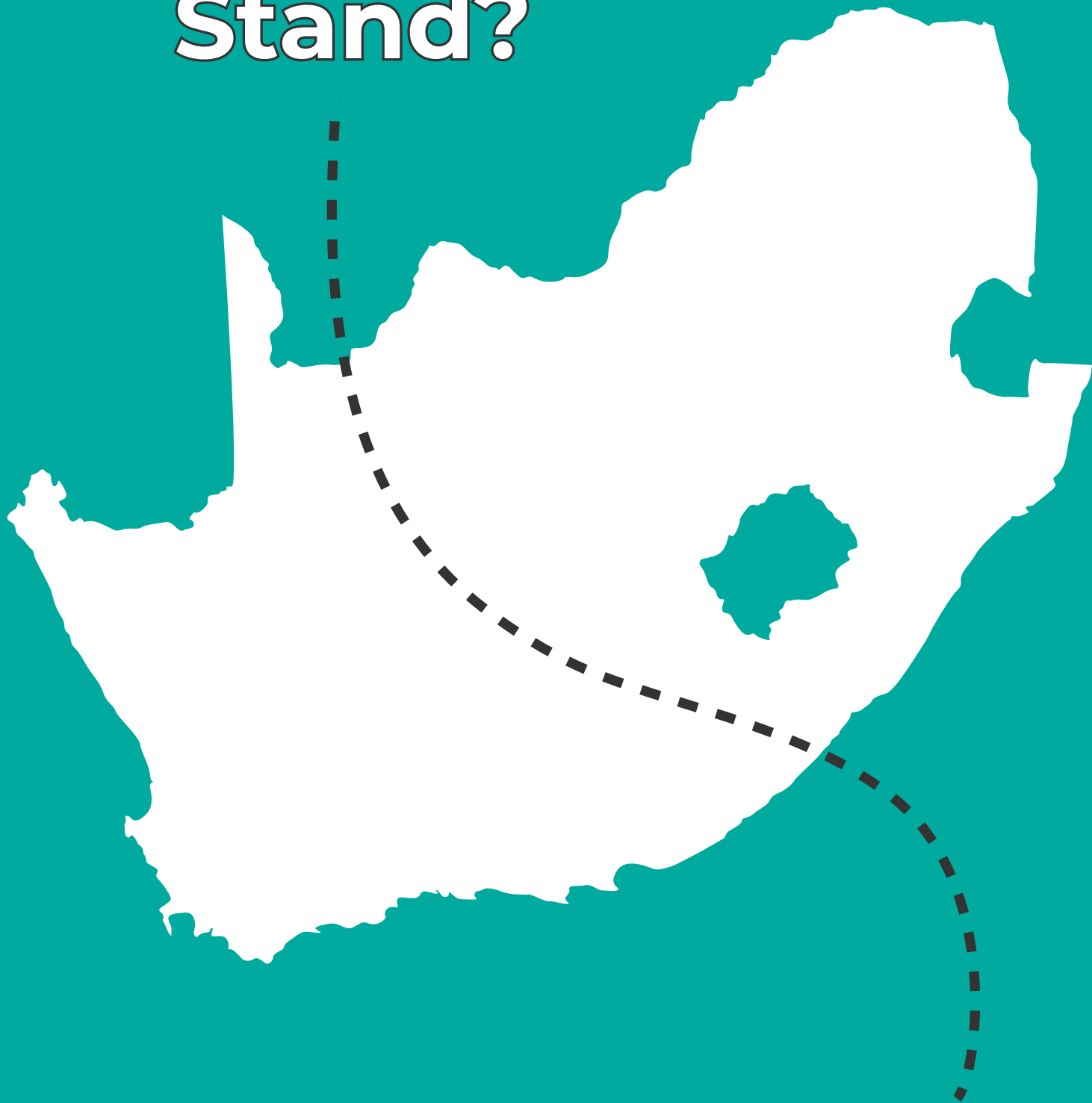


NEWS LETTER

APRIL
2024



South Africa: Where Do We Stand?



Let's find out!

The PwC's Productivity Potential Index (PPI)

Economic progress is driven by productivity, which generates jobs, stimulates innovation, and promotes balanced and fair societal advancement. Yet, South Africa's productivity growth from 2015-2021 was only two-thirds of the worldwide average, placing it 80th out of 170 nations, as per World Bank data.

Improving productivity can lead to a faster GDP growth rate over time. For example, the World Bank forecasts an average real GDP growth rate of 2.6% p.a. for the 25 economies included in The PwC's PPI study over the next ten years. If each country could elevate their weakest productivity element to match the best performers, the average real GDP growth could increase to 3.5% p.a. for the group.

The PPI is a novel economic measure that uses machine learning to estimate productivity on a country-by-country basis. The PPI report shows that about 40% of a South African worker's productivity is determined by human capital, logistics and institutions. These elements also represent the country's most significant economic hurdles.

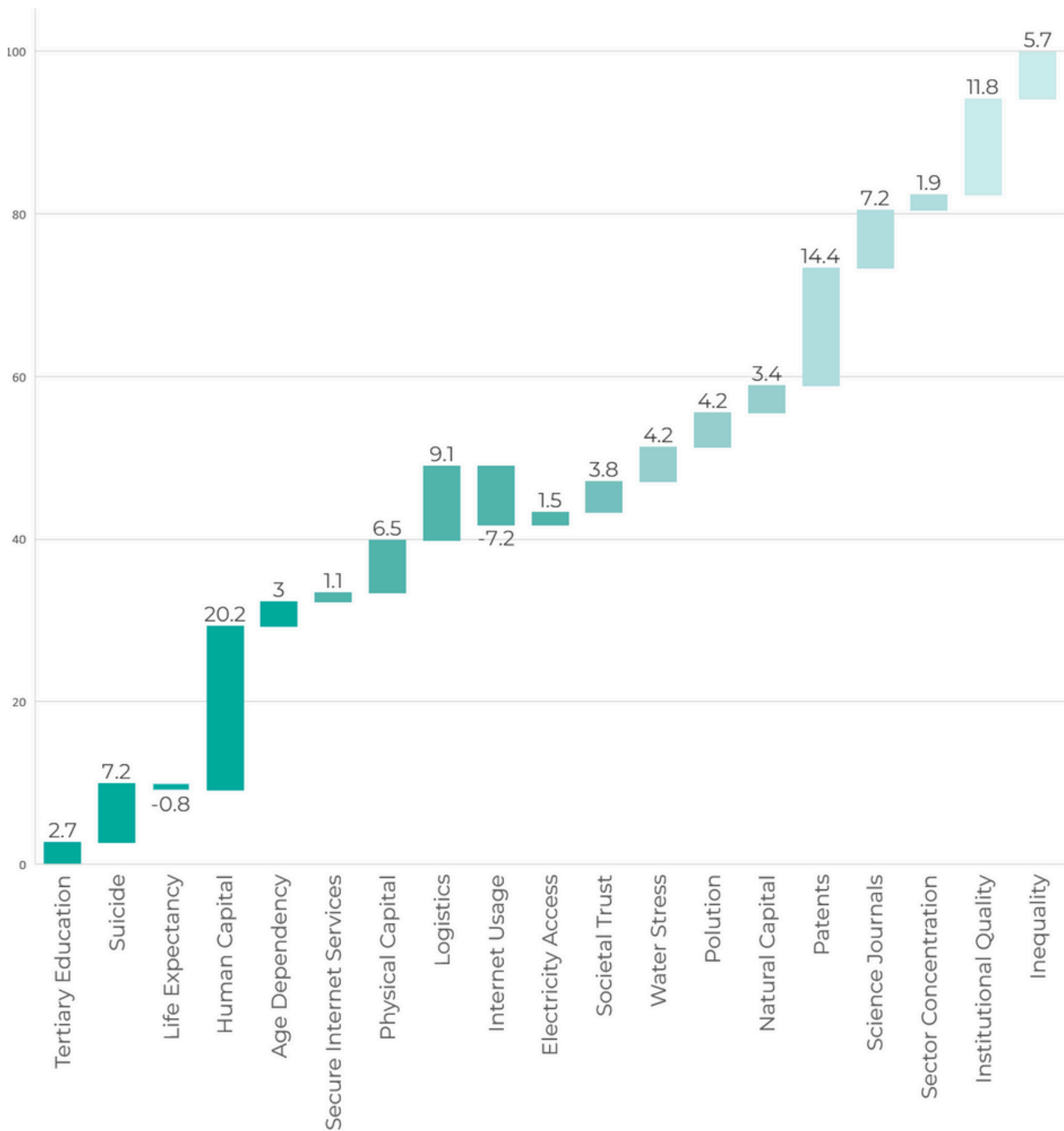
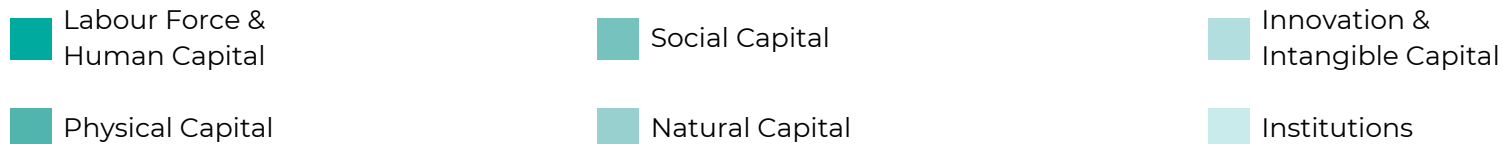
Essentially, South Africa's economy is heavily reliant on productivity elements that are presently underperforming.

- PwC

South Africa's Productivity Growth out of 170 Nations from 2015-2021 as per World Bank Data



Components of the PwC's Productivity Potential Index



A Closer Look: Labour and Human Capital

PwC has expanded this pillar to incorporate three additional factors related to labour and human capital that are not traditionally measured:

- Education
- Health
- Demographics.

20%

South Africa's education system consumes approximately 20% of the fiscal budget, a significant portion relative to the economy's size.

5.8%

of GDP

South Africa's
Education System
Over the Past Decade



5.1%

of GDP

Organisation for
Economic Co-operation
and Development (OECD)

South Africa's Educational ROI as per World Bank research

The average 18 year old South African student is likely to receive 9 years of basic education.

But, if adjusted for education quality ...

These 9 years of basic education equates to merely 5 years of quality education.

South Africa's Most Significant Skills Shortages:

According to the PwC, the country's subpar education outcomes result in a major skills gap. This leads to productivity issues within the labour market. As per the Department of Higher Education and Training, South Africa's most significant skills shortages include:



Most Sought After Skills for the Future Workforce According to the PwC:

Cross-cultural Competency

Virtual Collaboration

Sense Making

Social Intelligence

Adaptive Thinking

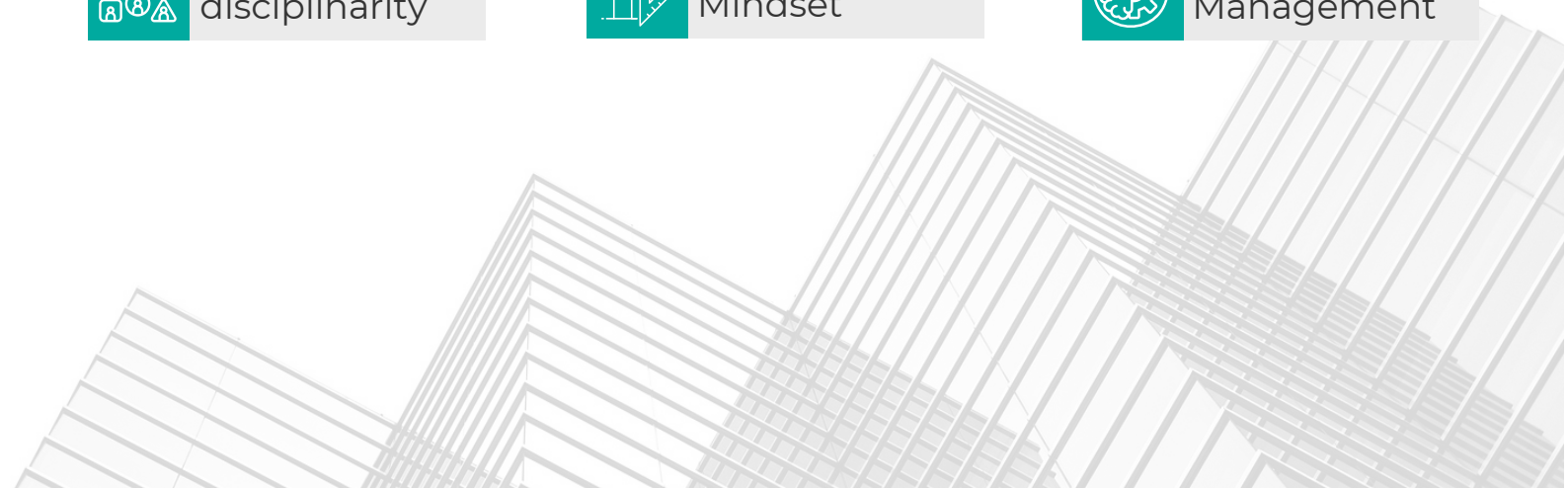
Computational Thinking

New Media Literacy

Trans-disciplinarity

Design Mindset

Cognitive Load Management



Closing the Soft Skills Gap: A Proactive Approach for Employers in South Africa

In the face of a growing soft skills shortage and skills gap in South Africa, your role as an employer is crucial. The rise of digital technology has made your employees who can perform tasks that machines cannot increasingly valuable, The PwC explains. This underscores the importance of soft skills, which are beyond the scope of machine emulation.

Soft skills, including communication, problem-solving, and teamwork, are essential for your productive workforce. Ideally, these skills should be nurtured from primary or secondary education levels, highlighting the urgent need for curricula and teaching methodologies that are backed by industry insights.

Once you understand your human resource capacity and capability requirements, it's time for you to take a proactive and integrated approach.

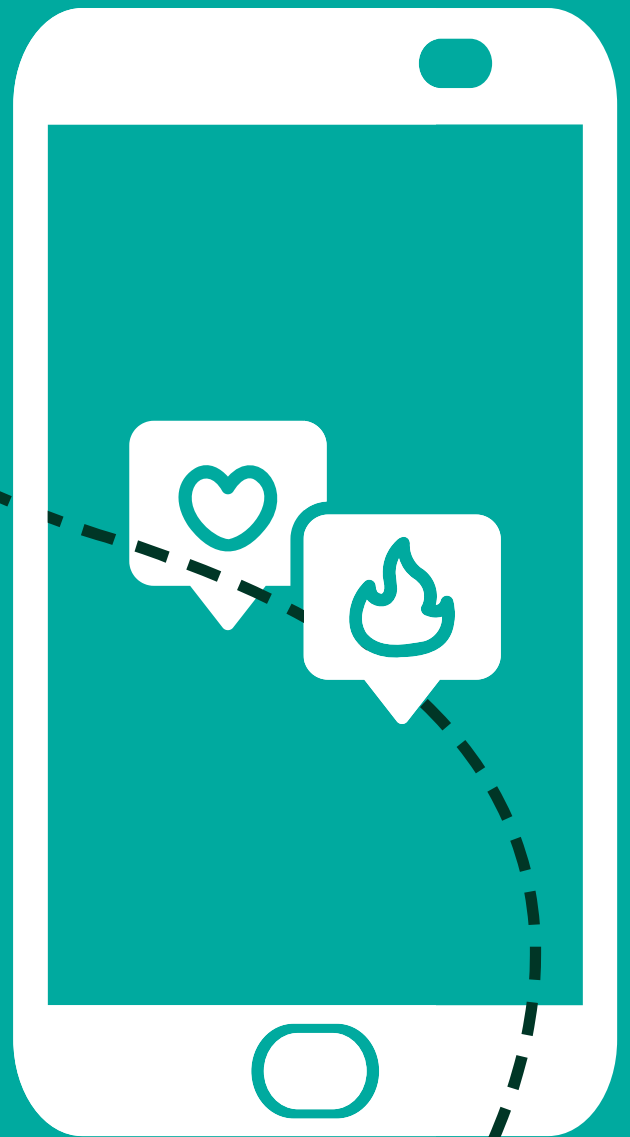
Here are some strategies that you can implement:

- **Workplace Training:** You can offer regular training programs focused on developing soft skills. This could include workshops, seminars, or even online courses.
- **Mentorship Programs:** Establishing mentorship programs within your organization can help your employees learn from experienced colleagues and develop their soft skills in a practical, hands-on manner.
- **Collaboration with Educational Institutions:** You can collaborate with schools and universities to provide real-world insights that can be incorporated into the curriculum. This can help students understand the importance of soft skills in the workplace from an early stage.
- **Promoting a Culture of Continuous Learning:** Encouraging a culture that values continuous learning can motivate your employees to improve their soft skills. This can be achieved through incentives like learning allowances or recognition for skills development.
- **Hiring for Potential:** Instead of focusing solely on hard skills during the recruitment process, you can also consider a candidate's potential to develop the necessary soft skills.
- **Upskilling Programs:** You can develop your existing workforce through upskilling programs. These programs can help your employees enhance their soft skills and adapt to the changing work environment.

By taking these steps, you can not only address the current skills gap but also contribute to a more resilient and adaptable workforce in the future. Remember, the development of soft skills is a continuous journey, and every step taken is a step towards a more productive and harmonious workplace.

Let's make soft skills a vital element in your recruitment and HR endeavors.

What's trending?



Let's find out!

South African Employment Highlights:

-4% Hiring activity decreased by -4%, compared to February 2023.

-1% Recruitment activity decreased by -1% when compared to February 2022.

PNET -

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

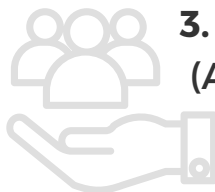
1. Payroll & Wages
(Finance)



2. Personal Assistant
(Admin, Office & Support)



3. Client / Customer Support
(Admin, Office & Support)



4. Nursing / Professional
Care Giving (Medical & Health)



5. Representative /
Sales Consulting (Sales)





Manufacturing & Assembly

- This sector saw a **+13%** increase in hiring activity when compared to February 2023.
- Recruitment activity saw a significant surge in November 2023. Apart from this spike, the hiring activity has been consistent.



Building & Construction

- This sector saw a **+14%** increase in hiring activity when compared to February 2023.



Architecture & Engineering

- This sector saw a **+14%** increase in hiring activity when compared to February 2023.

Job Sectors That Experienced Increased Hiring Activity

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

PNET -

Sector Statistics - Finance

EE Candidates

79.5%

Candidates in Gauteng

60.7%

Willing to Relocate

43.8%

Tertiary Qualification

48.5%

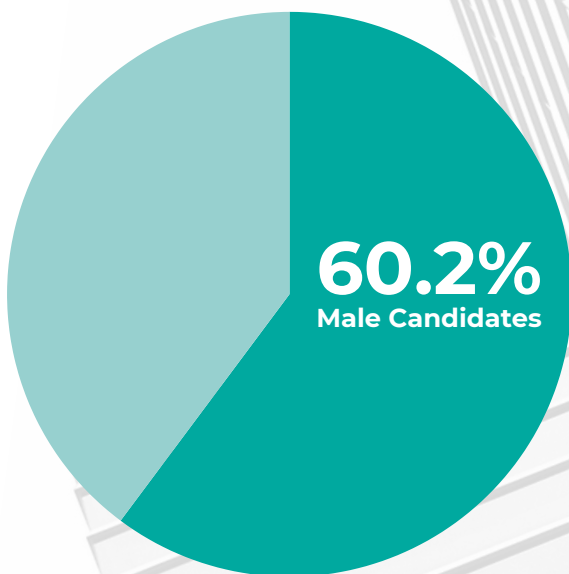
Market-related monthly salaries (CTC) for TOP 3 in demand roles

Bookkeeper R20 000 - R25 000

Payroll Admin R19 842 - R24 779

Creditors Clerk R15 000 - R19 318

Male Finance Candidates



4 Years 8 Months

The Average Stay of Finance Candidates in Their Roles

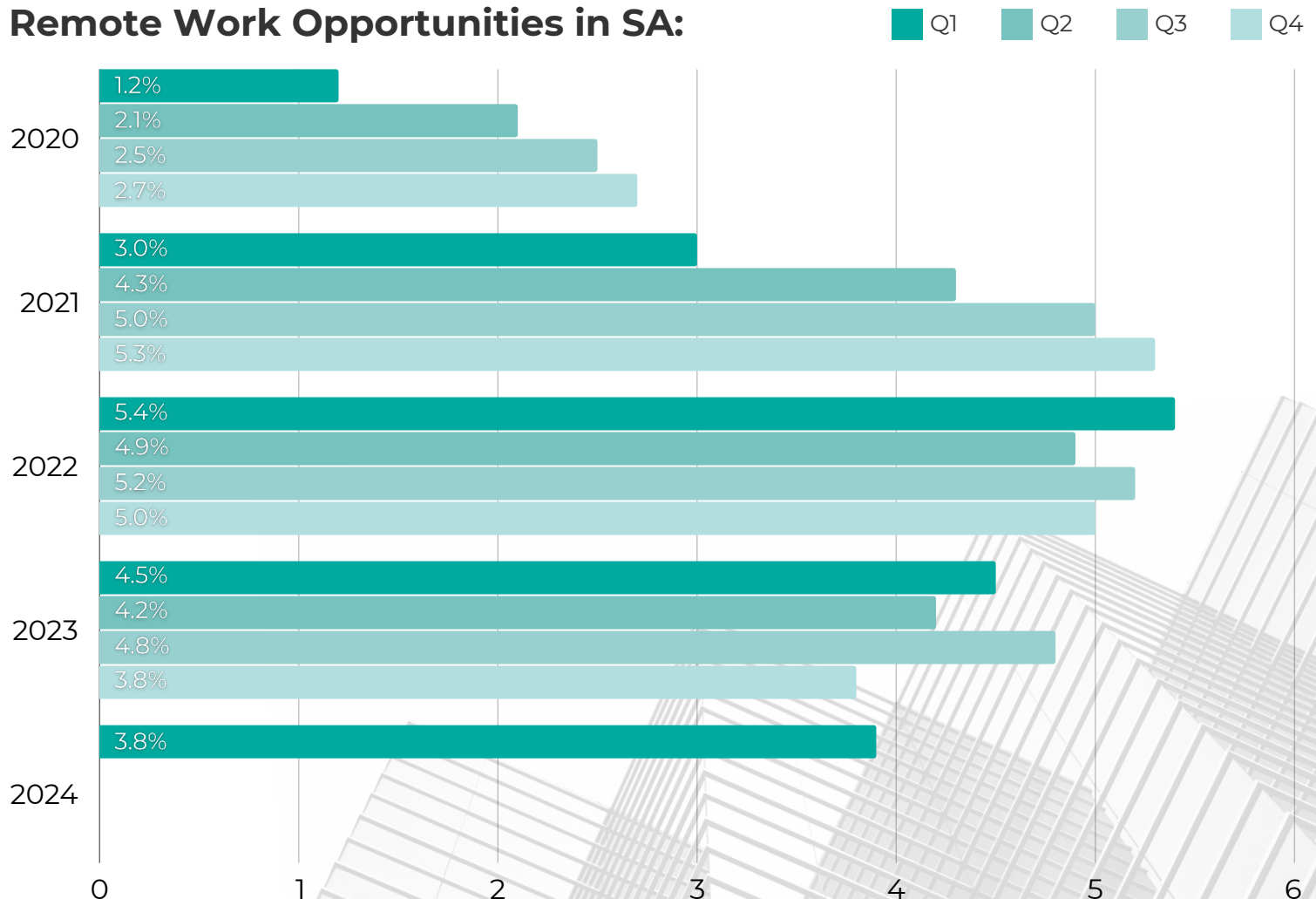
South Africa's Remote Work Opportunities:

A study conducted by Pnet revealed an interesting trend in the South African job market. The research, which focused on job vacancies offering remote or hybrid work options, found that despite the majority of jobs not offering these options, there's a steady increase in remote job opportunities.

Before the initial lockdown in March 2020, remote work opportunities were scarce, accounting for just **1.2%** of all jobs. However, the lockdowns triggered a significant rise in these opportunities.

Even though the Covid-19 pandemic has since subsided, about **4%** of all current job opportunities in South Africa now offer the flexibility of remote work. This indicates a lasting shift in the employment landscape towards more flexible work arrangements.

Remote Work Opportunities in SA:

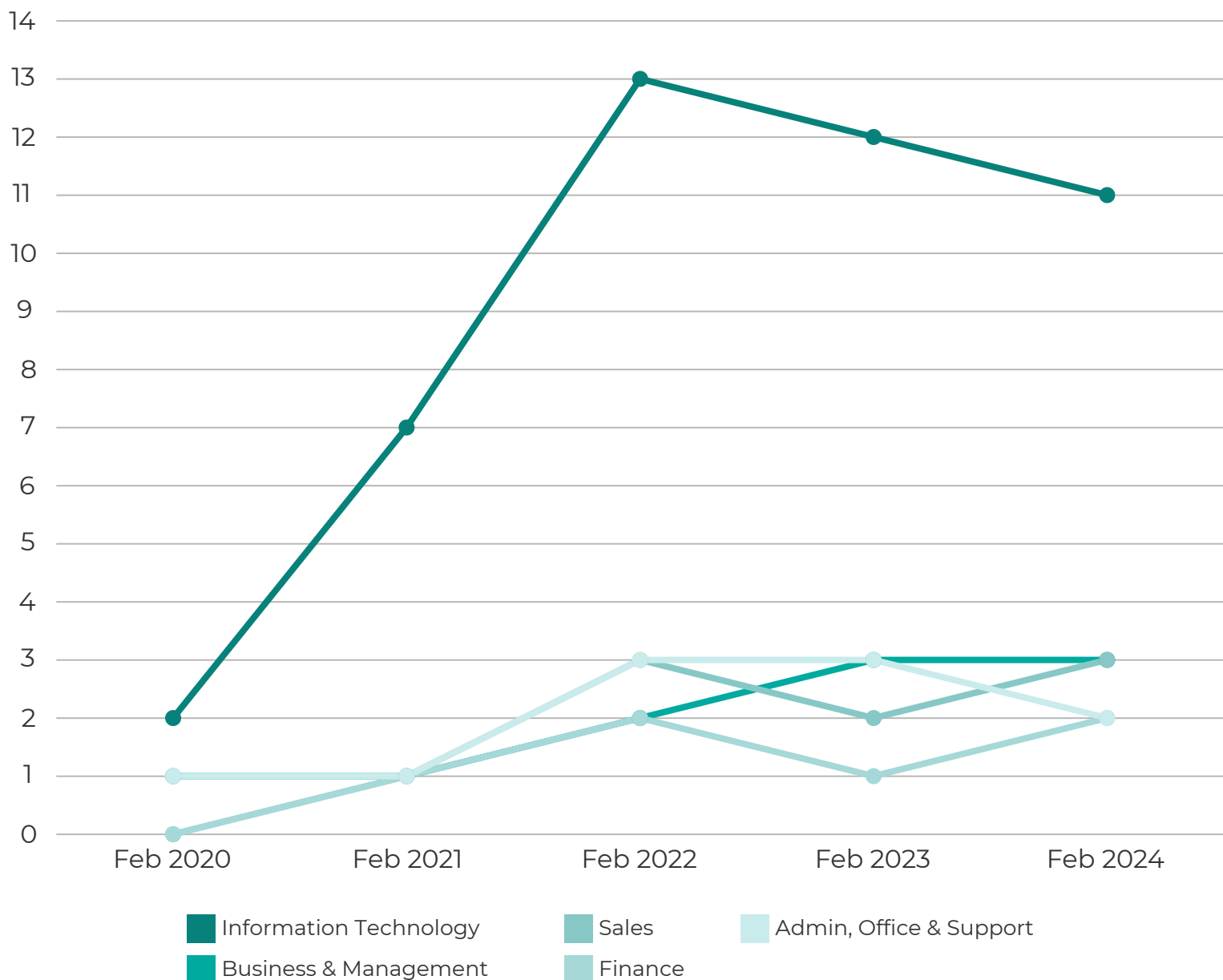


TOP 5 Job Sectors Offering Remote Work Opportunities

According to PNet, the IT sector has been leading the remote work trend, a movement further accelerated by the Covid-19 pandemic. Other sectors such as **Business & Management, Sales, Finance and Admin, Office & Support** have also adapted to this trend.

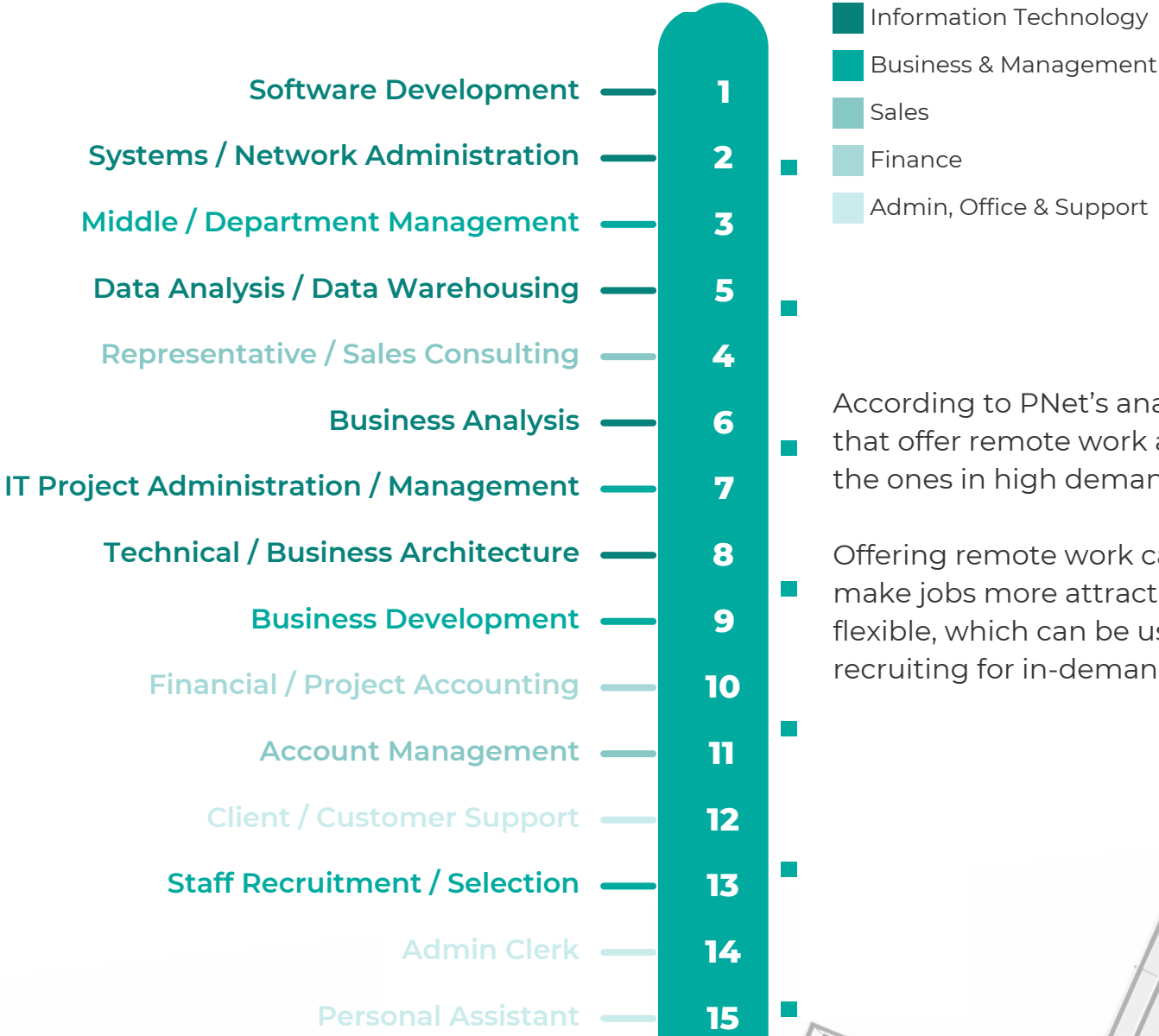
PNet's data reveals that about 11% of all IT jobs are now remote, demonstrating a rapid growth between 2020 and 2021. Other sectors have seen a slower growth, with remote opportunities settling at around 2% to 3%. This highlights the increasing acceptance of remote work across various sectors.

The Amount of Growth in Remote Opportunities Offered by These 5 Sectors Over the Last Five Years:



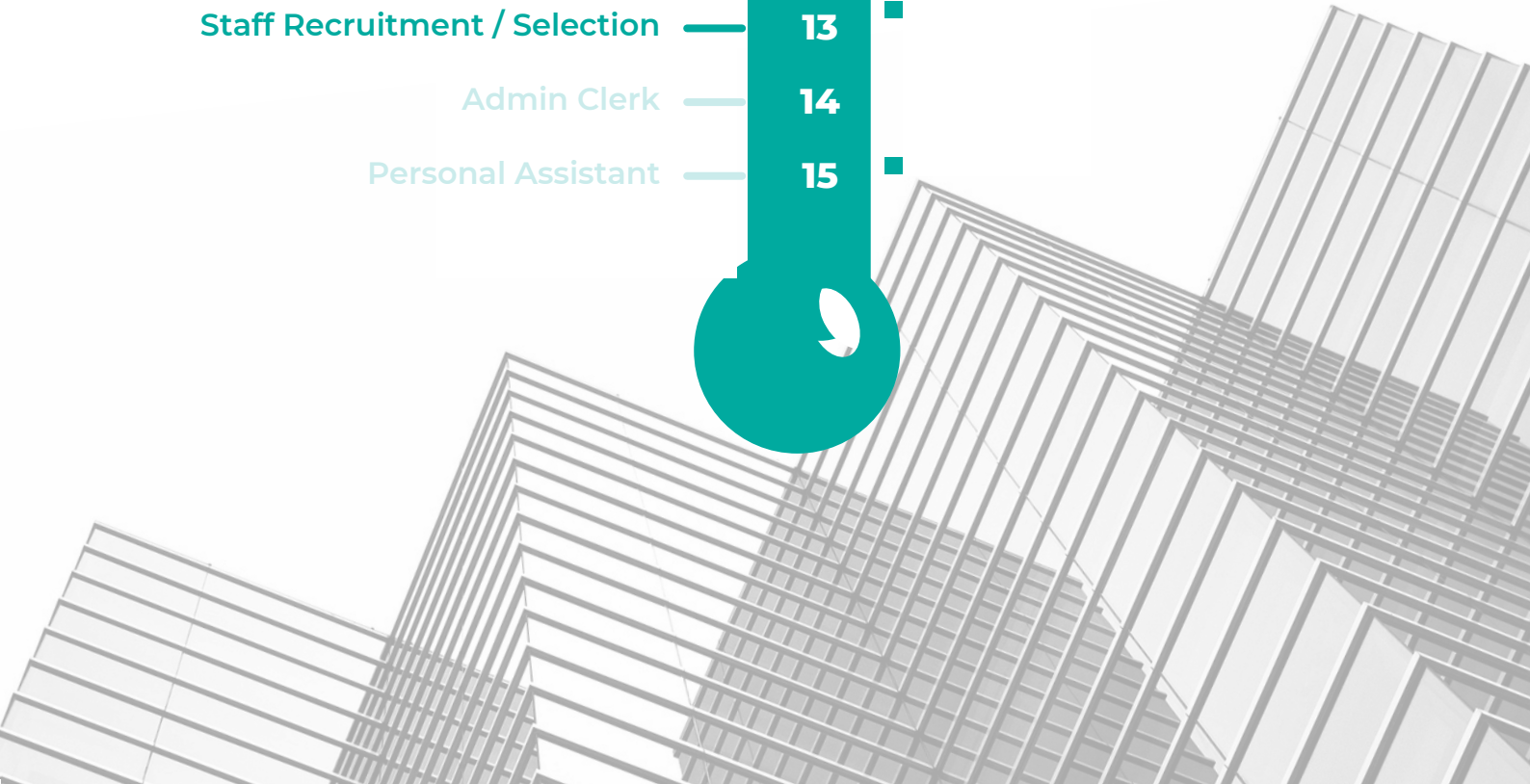
TOP 15 Remote Job Roles

PNet’s analysis of remote job opportunities over the last six months, found that the following 15 professions offer the most remote job opportunities:



According to PNet’s analysis, jobs that offer remote work are also the ones in high demand.

Offering remote work can help make jobs more attractive and flexible, which can be useful in recruiting for in-demand skills.



Remote Work: Bridging Skills Gap, Role Suitability, Work Models, and Challenges

According to PNet's studies, remote work is solidifying its place in South Africa's job market, particularly within the IT sector. However, the country faces a skills gap, attributed to factors such as inadequate education and training, emigration of skilled professionals, and the pace of technological advancements.

To mitigate this, PNet suggests enhancing education and training, establishing innovation hubs, retaining talent, and fostering collaborations between academia and industry. Offering remote work, which provides flexibility and an appealing work environment, can be a strategic approach in recruiting for high-demand skills.

How Remote Work Arrangements can Help Bridge the Skills Gap:

- ➔ Remote work eliminates geographical boundaries, allowing employers to hire talent from anywhere in South Africa, and even the world. This significantly expands the pool of potential candidates.
- ➔ With a wider talent pool, employers have access to a diverse range of skills and experiences, which can bring innovative ideas and perspectives to the company.
- ➔ Remote work offers flexibility, this can help attract highly skilled individuals who value work-life balance.
- ➔ The flexibility and convenience of remote work can lead to higher job satisfaction, potentially reducing turnover and helping retain skilled employees.
- ➔ Companies that offer remote work may have a competitive advantage in attracting top talent, especially in industries where certain skills are scarce.
- ➔ Studies have shown that remote workers can be more productive, which can be beneficial for roles that require high levels of focus and specialised skills.
- ➔ Remote work can lead to cost savings on office space and other resources, which can be redirected towards attracting and retaining skilled employees.

Wondering if it's even an option? **Questions to Ask Yourself to Determine if a Role Could be Performed Remotely:**

Task Independence:

Can the tasks associated with the role be completed independently without frequent face-to-face interaction?

Technology Dependence:

Can the tasks be performed using digital tools and technology? Are there necessary resources available online?

Communication:

Can the role's communication requirements be effectively handled through virtual platforms (emails, video calls, etc.)?

Performance Measurement:

Can the performance of the role be measured based on output or results rather than hours worked?

Security and Confidentiality:

Can the role handle sensitive information securely in a remote setting?

Collaboration:

If the role involves teamwork, can the team collaborate effectively in a virtual environment?

Training and Support:

Can any required training and support be provided remotely?

Role Criticality:

Is the physical presence of the role critical to business operations or customer service?

Policy Compatibility:

Are there existing corporate policies that might hinder remote work?

Management Support:

Is there support from management for remote work? Are managers trained to handle remote teams effectively?



"One of the secret benefits of hiring remote workers is that the work itself becomes the yardstick to judge someone's performance."

- Jason Fried

Comparing Fully Remote and Hybrid Work Models: Key Differences and Considerations

	Fully Remote Work	Hybrid Work
Location	Employees split their time between working from home and working in the office.	Employees work entirely from home or another location outside the office.
Flexibility	High. Employees have the freedom to work from anywhere.	Moderate. Employees have some flexibility, but still need to come into the office on certain days.
Collaboration	Mostly virtual. All meetings and collaborations happen online.	Mix of virtual and in-person. Some meetings and collaborations happen in the office.
Office Space	Not required. Companies can save on office space and related costs.	Required, but potentially less space is needed as not all employees are in the office at the same time.
Recruitment	Can recruit from anywhere, allowing access to a wider talent pool.	Can recruit from a wider area than traditional work, but may still be limited by commuting considerations.
Employee Interaction	Less opportunity for spontaneous interactions and socializing.	More opportunity for face-to-face interactions and socializing.
Work-Life Balance	Can be better due to no commute and greater flexibility, but boundaries between work and personal life may blur.	Can offer a good balance by providing flexibility and separation between work and home.

Know What You're Getting Yourself in to: **Understanding Common Challenges in Remote Work**

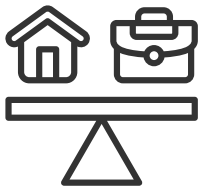


Communication:

Without face-to-face interaction, misunderstandings can occur more easily. It's also harder to convey tone and non-verbal cues through digital communication.

Isolation:

Remote workers may feel isolated or disconnected from their colleagues, which can impact morale and collaboration.



Work-Life Balance:

When home becomes the workplace, it can be difficult to separate work time from personal time, leading to overwork or burnout.

Distractions:

Working from home can come with its own set of distractions, like household chores or family responsibilities, which can impact productivity.



Technology Issues:

Dependence on technology means that any technical issues or internet connectivity problems can disrupt work.

Team Building:

Building a strong team culture and fostering relationships can be more challenging in a remote setting.



Performance Management:

It can be more challenging to monitor and manage performance when employees are working remotely.

Remember, while these challenges exist, they can be managed and mitigated with the right strategies and tools.

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