

To Buy or to Build – determining your talent strategy game plan

Careers in Africa – Talent Agenda Series

November 2015

sagea | SOUTH AFRICAN GRADUATE
EMPLOYERS ASSOCIATION



Overview



As **competition intensifies** and the challenge of **skill shortages persist**, a build strategy might be something to consider...

A global survey of over **1300** CEOs in **68** Countries revealed that **63%** are concerned that they won't be able to find the people with the skills they require to fill positions (PwC 2015)

Current Talent issues:

- **Quality of available talent at time of need;**
- **Culture fit issues;**
- **Reward model out of balance with bringing on in demand skills;**
- **Skill gaps constantly plugged;**
- **Limited prediction of future skill needs;**
- **Leadership gaps is the biggest concern.**

Graduate Unemployment in SA – A much exaggerated problem – Key Findings



The number of degree holders in the labour market has grown from

463 000 in **1995** to
1.1 million in **2011**

5%

of graduates with a University degree (i.e. a Bachelor's degree or higher) are currently unemployed

- Unemployment increases significantly as you move down the educational scale, as follows:
 - Non-degree tertiary qualification – unemployment is at 16%
 - Matriculants – unemployment is at 20%
 - Less than 12 years of schooling – unemployment is at 42%

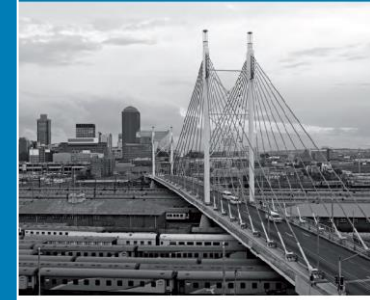
Graduate Unemployment in SA – A much exaggerated problem – Key Findings

- Growth in graduate employment has taken place **mainly in the Private Sector** with graduate opportunities in the public sector dropping by 15% between 1995 and 2011
- White students make up a **declining share of graduates leaving University** each year and by 2011 make up less than half of students graduating.
- **Black graduates account for half** of all graduates in the workforce with their numbers having **tripled from 200 000 in 1995 to 600 000 in 2011**
- **Unemployment for black graduates is 6.7%** which is slightly higher than their white counterparts (2%) . (This has declined from 14% in 2000)
- **Younger graduates are also more likely to be unemployed** than older graduates

Note : The full article can be downloaded at www.cde.org.za

**The SAGEA Employer
Benchmark Survey 2015**

Survey Report



Results from an independent survey of leading employers in South Africa shows that these organisations are set to recruit record numbers of graduates in 2015 & 2016. The SAGEA Employer Benchmark Survey 2015 is based on responses from 93 of the largest and most well known graduate employers in the country. It provides very positive news for students graduating over the next two years and for those looking for their first job after university.

Benchmarking | Key highlights

Graduate vacancies are set to increase by **15.4** per cent

INDUSTRIES OR BUSINESS SECTORS

Vacancy levels have increased in **10** of **11**

INDUSTRIES OR BUSINESS SECTORS



The **ACCOUNTING AND PROFESSIONAL SERVICES FIRMS** were the **largest recruiters**, recording half of all **vacancies in 2015**.

Other major recruiters in 2015 were investment banks or fund managers and FMCG companies.



By job function, the **most vacancies** were found in **audit (TIPP)**, which accounted for more than **two-fifths of total vacancies** available in **2015**.



The **median graduate starting salary** for 2015 was **R180,000**.



The **highest starting salaries** in 2015 were for positions in **investment banking, chemical engineering, law, electrical/electronic engineering and mechanical engineering**. All of these offered median starting salaries of more than **R300,000**.

Benchmarking | Key highlights

The **median number** of applications **PER VACANCY** WAS **58** 

An average of **21%**

of those candidates who submitted applications were successful in reaching the next stage of the selection process. Over half of those who make it through to final-round assessment with an employer were offered a graduate position.

The **UNIVERSITY OF CAPE TOWN**  was voted by employers as having the **best careers service** & also the **best careers fair**.

In an effort to recruit the very best calibre candidates, graduate employers continue to look for engaging ways to interact with students in order to create a dialogue with students and to help them understand each of the opportunities on offer. Most candidates confirmed they owned a smartphone or tablet which has helped ensure that three-quarters of the job hunters in this year's survey used social media as part of their job search.

The SAGEA Candidate Insights Survey 2015

Survey Report



Produced by High Plans Research

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Competition for high-calibre candidates remains very high. The 2015 SAGEA Candidate Insights project engaged with 2,169 new or future employees. Results indicated that while candidates made an average of five or six applications, three-fifths were in the envious position of being able to choose between multiple job offers. While most employers received in excess of 1,700 applications for their positions, many still claimed there was a shortage of candidates with the right employability skills and qualifications

Benchmarking | Key highlights

The most popular destination
FOR CANDIDATES WAS
 **AUDITING**

The five universities with the
highest attendance levels



ACCOUNTED FOR
THREE-FIFTHS
OF ALL SURVEY PARTICIPANTS.

25%



had worked
with their new
employer prior
to joining as a
graduate.



THREE-FIFTHS of candidates confirmed they started
RESEARCHING graduate **EMPLOYERS** prior to their
FINAL YEAR of university.



CANDIDATES made an average of **6** applications.



EMPLOYERS' own websites, university careers fairs,
people in industry and campus events were the most widely
used sources of information when **JOB HUNTING**



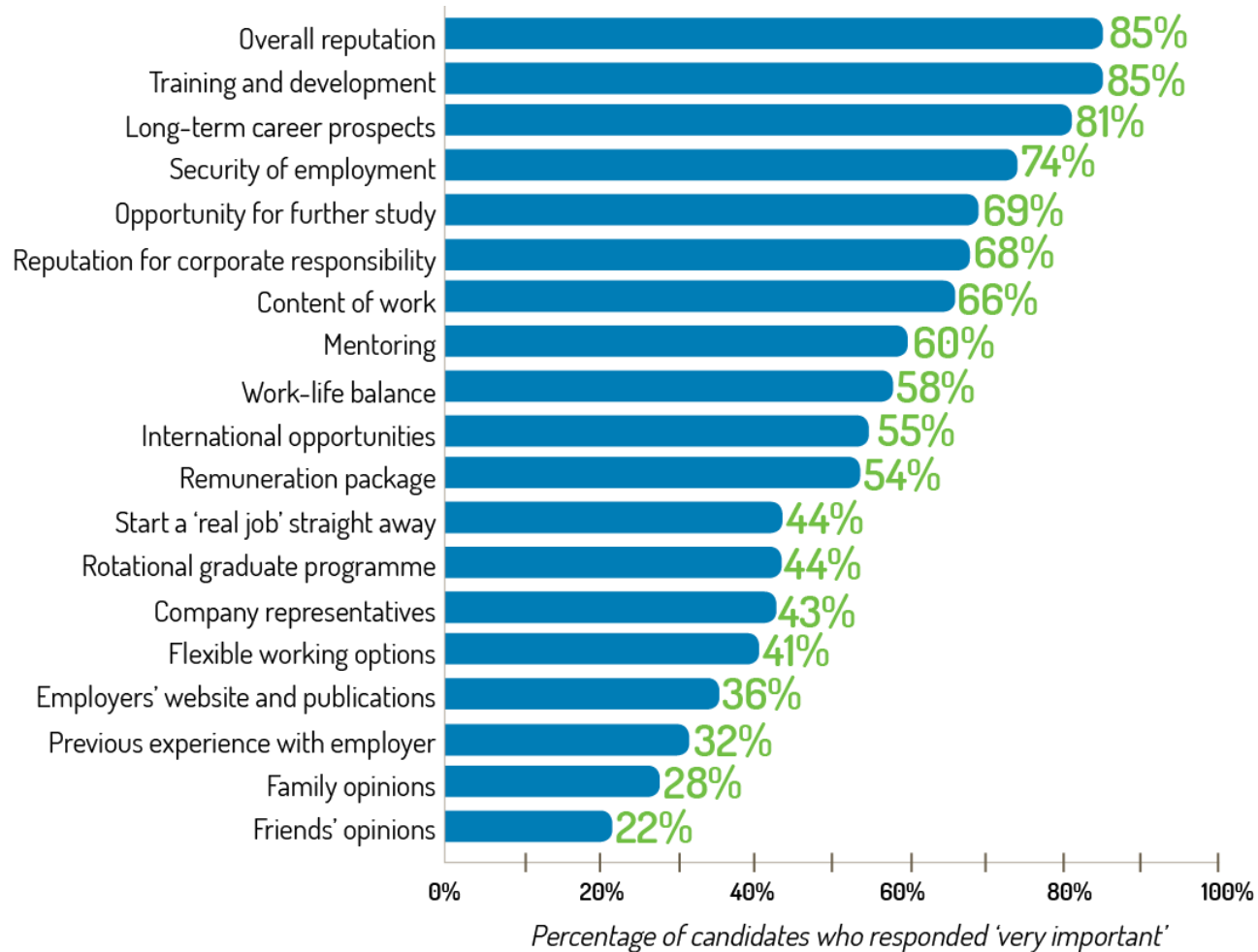
TRAINING & DEVELOPMENT, the organisations'
reputation and long-term career prospects were the most
important factors when deciding who to apply to, and which
job offer to accept.



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Some thoughts: Employers of Choice

'Very important' factors when applying



Influence and decisions: Employers of Choice

Top 5:

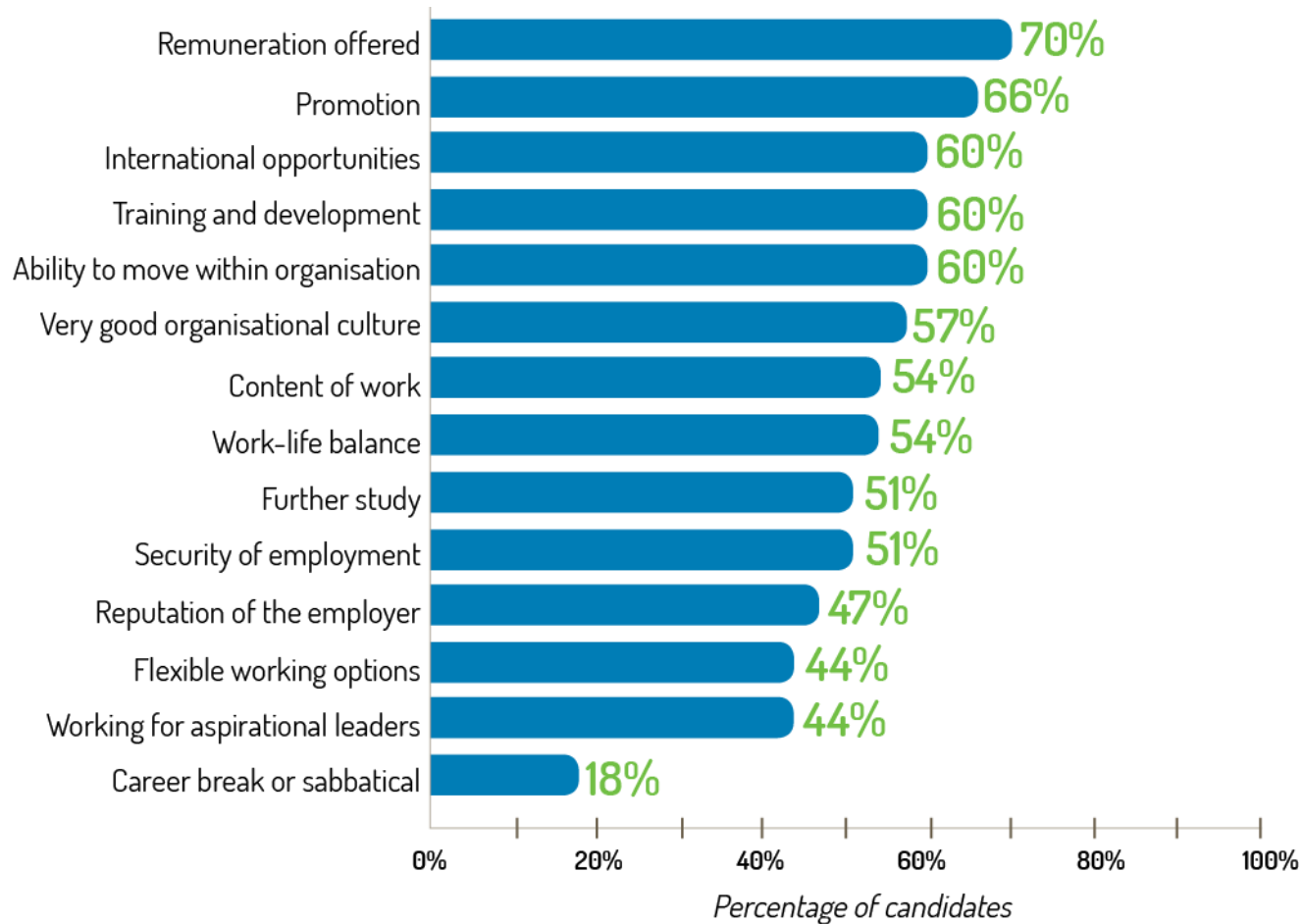
- Overall reputation
- Appeal of products, services or brand
- Quality of opportunities
- Multinational organisation

Since when:

- 51% before University



Factors leading to candidate staying longer with employer



Key considerations for a Build Strategy

Like all good things, building talent takes time

- Securing the investment needed upfront

Ability to teach new skills

- A strong internal talent development system must be in place

Be prepared to manage ideas and new ways of working

- Is your organisation ready for the next generation of workers



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