

SKILLS GAP SURVEY

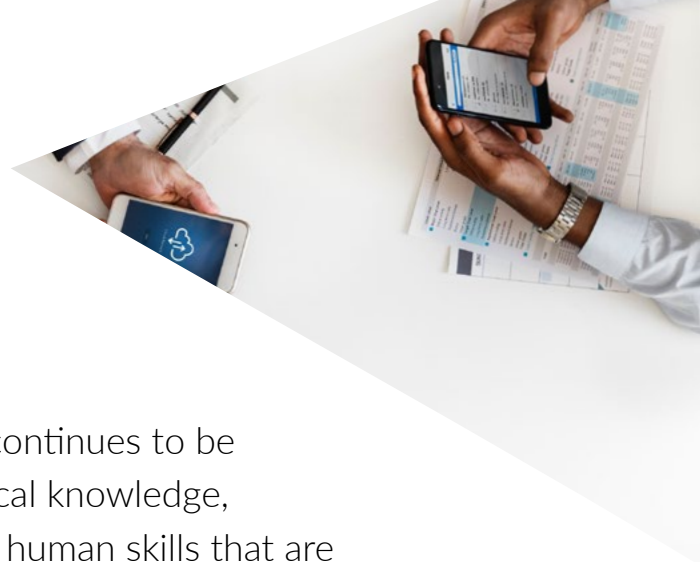
A Pilot Study

2020



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About Red & Yellow

Established in 1994, Red & Yellow's purpose continues to be equipping students with not only the theoretical knowledge, but also the practical know-how and uniquely human skills that are becoming increasingly critical in this tech-pervasive age.

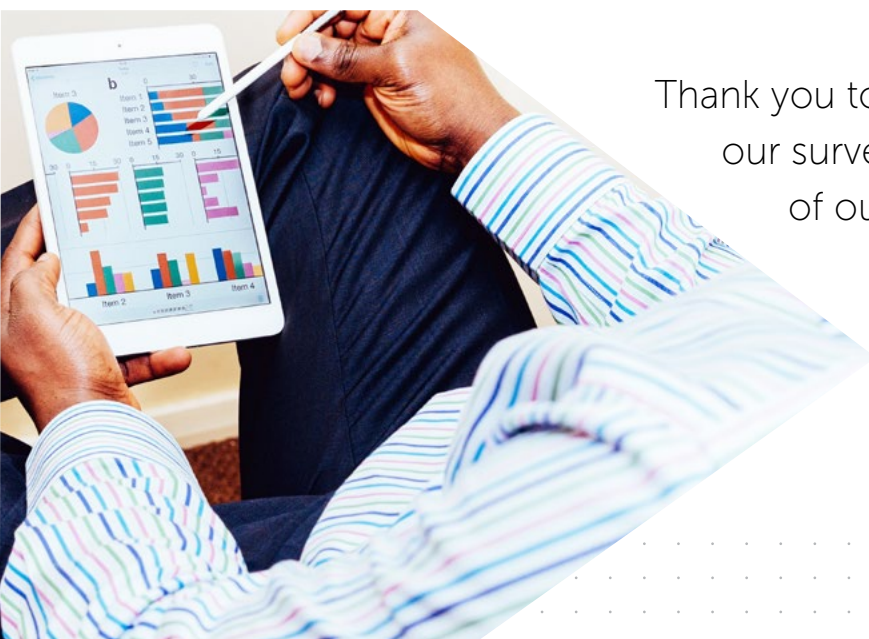
Key to this is an ongoing relationship with industry to ensure our education keeps pace with the 'real world', and what we teach is applicable and future-focused.

The Red & Yellow Skills Gap Pilot Study

In 2019, Red & Yellow conducted a pilot study into the skill gaps identified by South African employers.

We wanted to know:

- a** who you're hiring
- b** why you're hiring them
- c** your thoughts on hiring new graduates
- d** what skills graduates need to succeed in the workplace



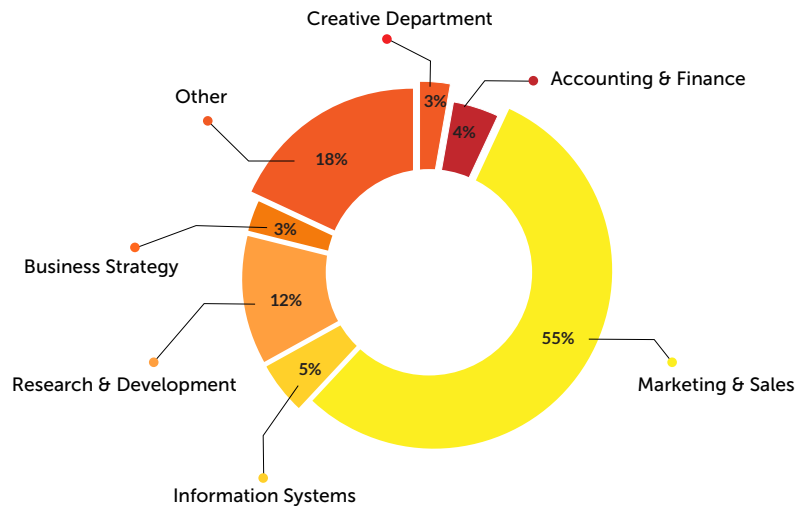
Thank you to those that took part in our survey, here's a brief overview of our sample.

DEMOGRAPHICS

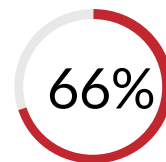
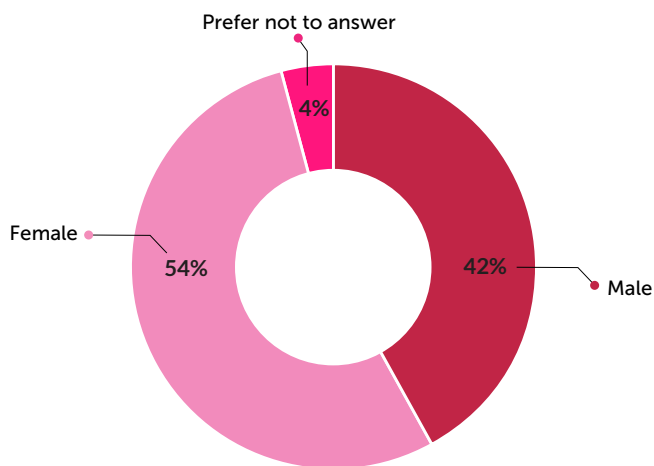
The pilot study had total of **67** valid responses.

A majority of the respondents primary job function was in Marketing and Sales, with nearly 46% of respondents being employed at their current company for between 0 – 2 years.

Roughly 27% of the sample has been employed at their current company for 3 – 5 years and the remaining 27% had been employed at the company for above 6 years.



IDENTIFIED GENDER OF RESPONDENTS



of the sample do **not** belong to any professional organisations or bodies.

The sample had a slight female bias, with 54% identifying as female, 42% identifying as male and 4% opting to not identify their gender.

The females in our sample were mostly top-level management, while the males mostly held middle management positions.

CURRENT LEVEL OF MANAGEMENT

Junior Management

Male 32.1% Female 36.1%

Middle Management

Female 46.4% Male 19.4%

Senior Management

Male 21.5% Female 44.5%

HIGHEST LEVEL OF EDUCATION

Matric Pass

Female 28.60% Male 25.70%

Post-matric Diploma

Male 14.30% Female 25.70%

University Degree

Male 25.00% Female 34.30%

Post-graduate Qualification

Female 28.60% Male 14.30%

Masters Degree

Female 3.50% Male 0%

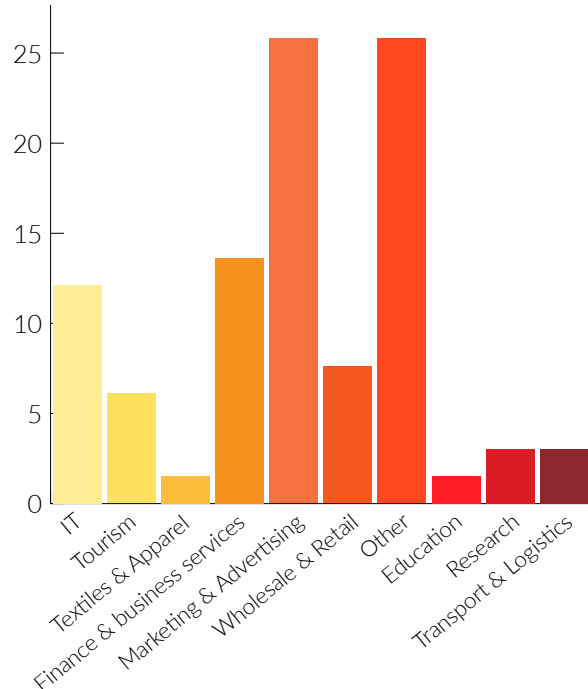
The organisations our respondents work for

A majority of respondents (n=17) were employed in the marketing and advertising industry, followed by the finance/business industry (n=9) and the IT industry (n=8). 17 respondents identified their employer industry as 'other', listing the agriculture, telecommunications, publishing, medical, aviation and events management industries.

17% worked for micro firms (<10), 34% of respondents worked for small firms (10 – 50 employees), 23% worked for medium-sized firms (50 – 500) and 17% for large firms (500 – 5000) and the remaining 9% worked for enterprises (>5000).

Of the firms represented in the study, 47% have been operating for 5-20 years, while 35% have been operating for more than 20 years with the remaining firms in operation for less than 5 years.

RESPONDENT'S INDUSTRY OF EMPLOYMENT
(presented in percentages)



Employers top two priorities

Respondents were asked which best described their company's top two current priorities.

1

- Improve innovation** (39%)
- Gain market share** (18%)
- Expand to emerging markets** (12%)
- Cut expenses** (10%)
- Deliver new products or services** (9%)

2

- Improve marketing impact** (20%)
- Recruit and retain talent** (14%)
- Improve customer loyalty** (11%)
- Cut expenses** (11%)
- Gain market share** (8%)

Evaluating current employees



Respondents were most satisfied with current employees...

- Teamwork skills
- Subject knowledge
- Communication skills
- Technical skills



Respondents were most dissatisfied with current employees...

- Negotiation skills
- Persuasion skills
- Leadership skills
- Mindfulness abilities

How do you recruit?

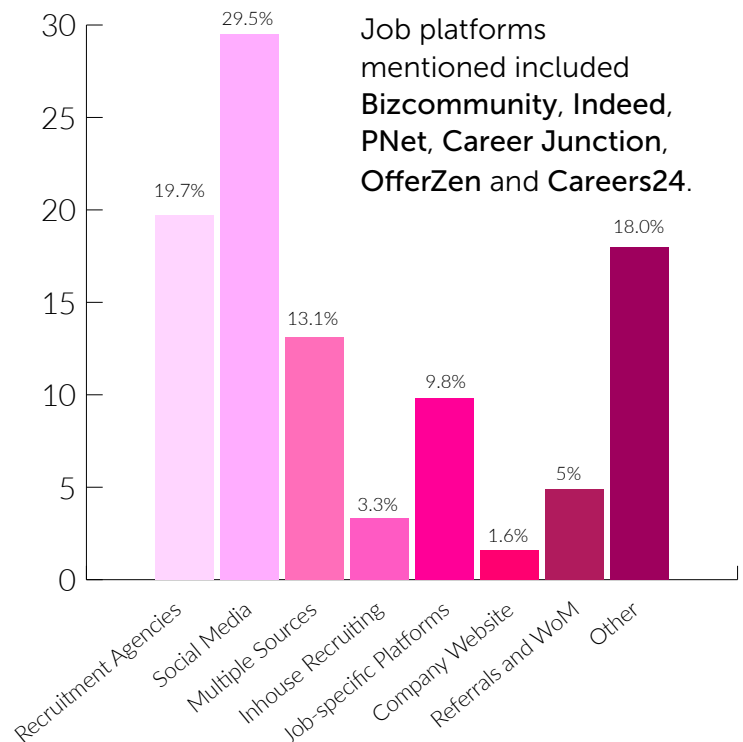
Of those that selected a single method, 30% **used social media platforms** to recruit candidates. **LinkedIn** and **Facebook** were identified as the two top platforms to use.

Recruitment agencies were the second most used method of recruiting.

A number of respondents identified that they made use of **multiple sources** in attempts to recruit candidates, this was often a combination of recruitment agencies and social media.

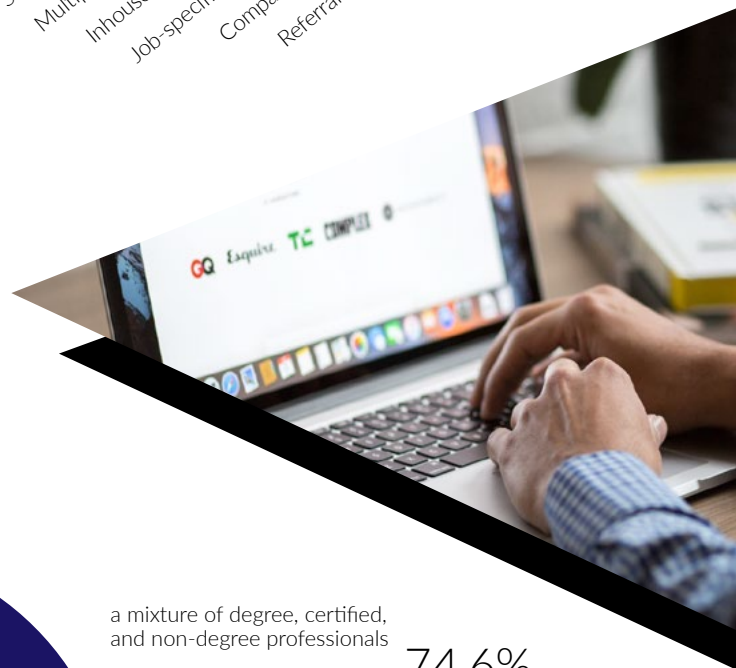
In the category 'other' respondents most often mentioned using the **internet** to source candidates and using their own data pool of candidates.

Interestingly, very few respondents identified using their company website as a means to recruit candidates.

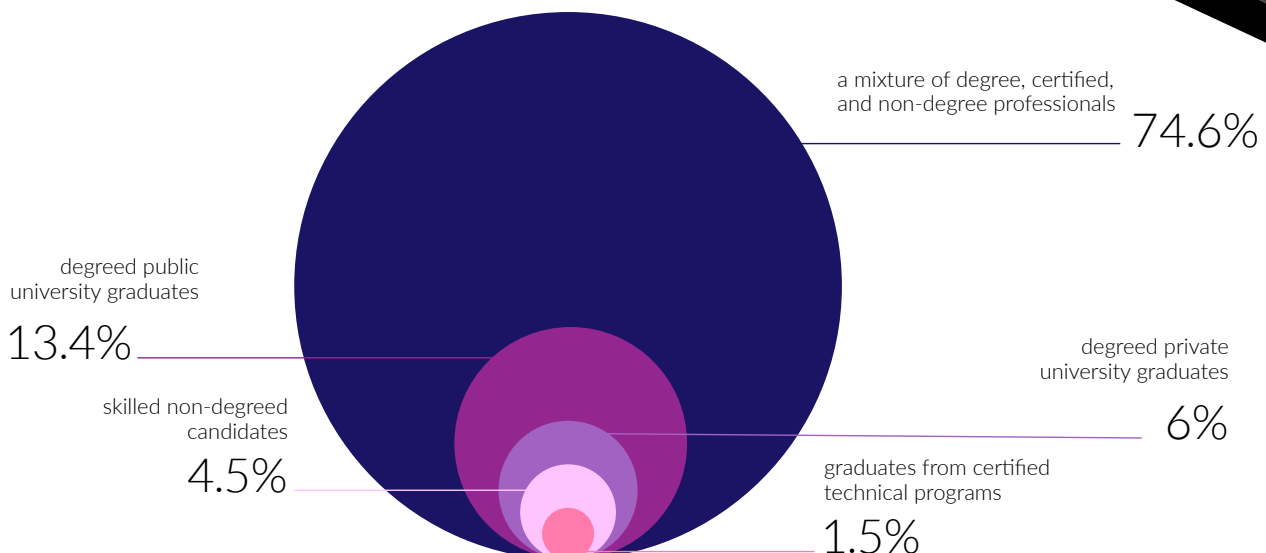


Who are you recruiting?

When recruiting, employers do not appear to have a distinct preference for specific educational qualifications when hiring skilled employees – suggesting instead that they hire a mixture of degree, certified and non-degree professionals.



We prefer to hire:



Trying to find the **right** employees

56%

of respondents stated that they experience difficulty in recruiting skilled employees



We wanted to find out more and these were the

TOP 3 REASONS for the difficulties:

- 1 The experience versus qualification conundrum was noted – where suitable candidates may not have the right experience, or those with the right experience lacked the technical qualifications.
- 2 A shortage of candidates with technical know-how of the industry.
- 3 A lack of basic interpersonal skills and professional communication was also noted as an issue with recruiting skilled employees.

Training **new** employees

85%

of respondents stated that they have to offer training to new employees, regardless of their position in the firm

The training provided largely consists of technical, hard skills required. However the importance of soft, interpersonal skills cannot be neglected, with 29% of respondents stating that both hard and soft skills are taught in training and a further 21% suggesting that new employees require only soft skill training.

The types of training offered to new employees varied greatly and depends on the job description and level of seniority.

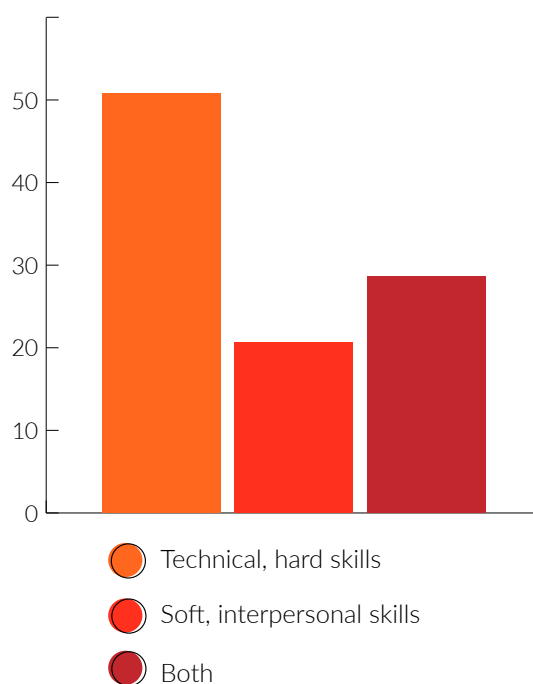
The most often cited training for new employees pertained to hard skills, specifically the use of company-specific systems, software and processes. Specific technical product knowledge was also an important area of training.

Respondents suggested that training was required in

- **basic communication etiquette,**
- **teamwork,**
- **client communication,**
- **negotiation skills** and
- **public speaking**

This training is typically in the form of online courses, workplace mentors, corporate IP and general onboarding and induction processes.

TRAINING REQUIRED FOR NEW EMPLOYEES

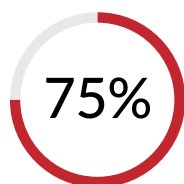


Hard skills such as **HTML5, CSS, Microsoft Suite, Facebook Ads Manager, Adobe XD & digital training** were mentioned.

Soft skill training often focused around the **company culture** and **workplace environment**.

Hiring new grads | Are they valuable?

Respondents indicated that they were open to hiring new graduates with no work experience with



stating that they would hire new graduates

When hiring new graduates 36% of respondents indicated that grads did have the relevant skills to succeed in the firm. 28% felt that graduates did not have the required skills to succeed in the firm. The remaining 36% were unsure.



Hiring new grads | What sets them apart?

An open-ended question asked respondents the

TOP 3 SKILLS

they look for when assessing potential candidates.

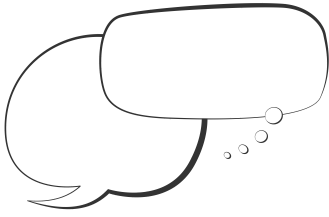
- 1 **Technical skills that pertain to the field:** such as Google Analytics and coding
- 2 **Skills that indicate the ability to be part of a team:** teamwork, communication, leadership, social intelligence, exposure to diverse cultures, emotional intelligence
- 3 **Skills that indicate a forward-thinking nature:** innovativeness, growth mindset, adaptability, resilience.

Hiring new grads | How do you know if they've got the X factor?

- **CVs and reference checks** appear to be the baseline check to see if a candidate is suitable for a position.
- **Interviews** are still commonly used to interact with the candidate and discuss their experience.
- Many respondents discussed the inclusion of **assessments/tasks** to test the skills of the candidate.
- The final point seems to be identifying the X factor, this was referred to as the 'ahh point', that showcases one's personality, trying to identify their fit with the team and a **'gut feel'** of whether they'd suit the position. Others discussed the **pursuit of passion** and discovering what candidates are passionate about outside of work hours.

X FACTOR

Hiring new grads | What are the issues?



There were **two key issues** identified with hiring graduates without any work experience.

Respondents identified a stark **difference between theoretical knowledge** taught at tertiary institutions and **practical knowledge**

“Digital platform knowledge is lacking with marketing graduates from the traditional universities.”

“*I think there is still a gap between the theory and practical.*”

“*Universities do not cover all the skills necessary for a digital marketing environment.*”

“They have all the theory down but they battle on the practical implementation.”

Respondents recognised a **lack of soft, interpersonal skills** and basic workplace etiquette

“They had the technical skills but lacked the interpersonal skills such as working in a team.”

“*They are not work-ready and lack professional etiquette.*”

“*...at the same time their workplace, communication and interpersonal skills are lacking.*”

“Critical thinking skills are often not there. Basic knowledge on how to write an email politely not present.”

Hiring new grads

Respondents were asked to evaluate the importance of several attributes for new graduates entering the workplace.

Note:

1 = strongly disagree with the importance

5 = strongly agree with the importance

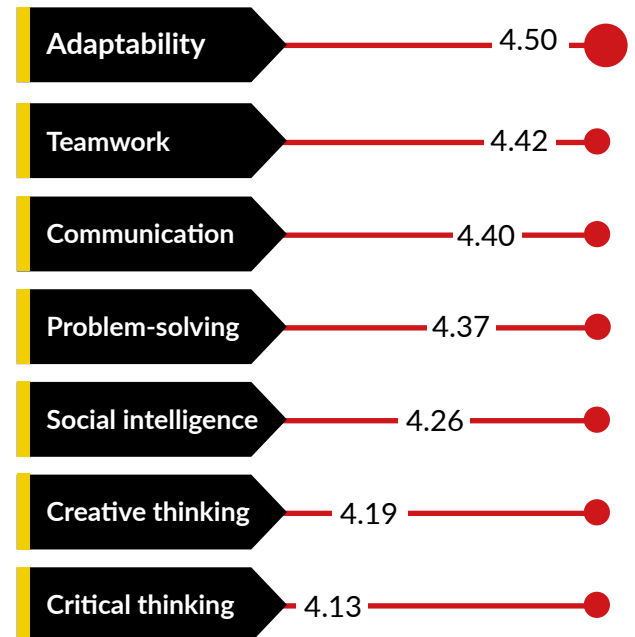
The results show that the top skills deemed most important for new graduates entering the workforce are soft skills, specifically adaptability, teamwork, communication and problem solving. These uniquely human skills have already been identified as key characteristics guiding the recruitment of new graduates.

Additional insights:

Females selected adaptability as the most important attribute, whereas males jointly selected teamwork and communication as the most important attribute. Those with differing levels of education also selected different attributes as the most important for workplace success.

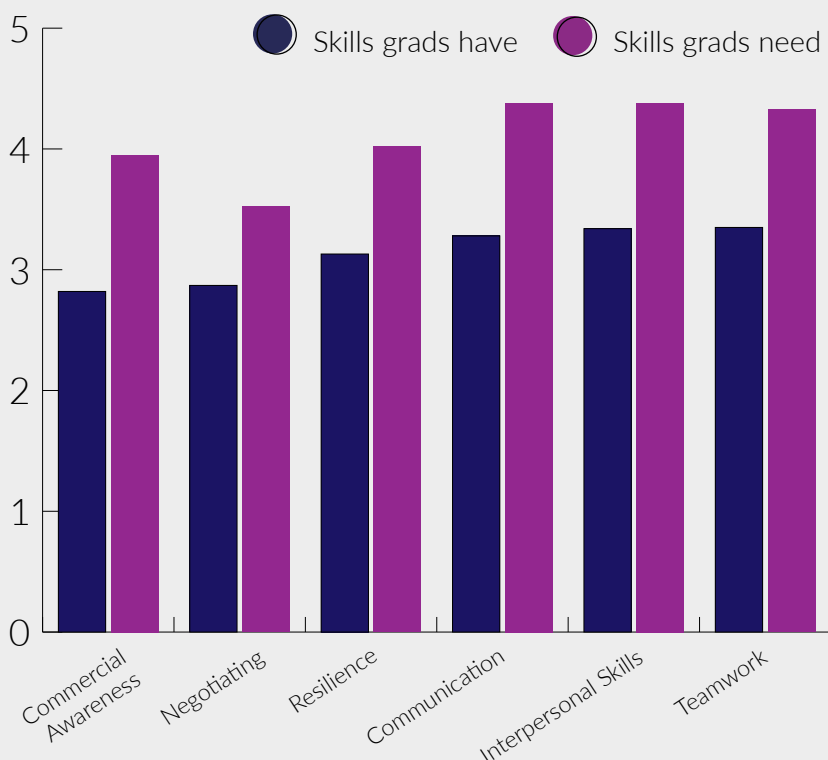
Attribute

Mean value



What skills they have and what skills they *need*

SKILLS REQUIRED AND SKILLS EXHIBITED



Respondents were given a finite list of attributes and were asked to identify the skills that new graduates entering the workplace **should** have, and then to identify the skills that these graduates actually **do** have.

The results indicate stark differences between the skills that graduates need and the skills that they possess.

Statistically significant differences exist between the skills grads need and the skills they possess for every identified skill – suggesting that they possess significantly lower levels of the skill than required.

What does all of this **tell us?**

1 Higher education institutions need to **foster soft, interpersonal skills**, as they are deemed to be the most important for workplace success.

2 There is currently a **significant gap between the skills that graduates need and the skills that they possess** for basic skills such as commercial awareness, negotiation, resilience, communication, interpersonal skills and teamwork.

3 *With the changing world of work, we've seen a shift from hard, technical skills to **soft, uniquely human skills** that's driving career success. The technical aspects can be learnt on the job, while the soft skills are assumed to exist.*

What does all of this ***tell us?***

4

Two main challenges exist when hiring graduates: first the **chasm between theory and practice** is not being bridged and second, **a lack of interpersonal skills** negatively affects the workplace environment.

5

With the number 1 business priority being to **improve innovation**, employers are looking for candidates who are **future-forward thinkers**, valuing adaptability, innovativeness and resilience.

If you want to keep your teams on top of their game and ensure they are skilled with what is necessary for future success - let's have a conversation. We can help!

Give us a call on 0872 273 283

Research and insights compiled by:



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Caitlin is a senior lecturer at the Red & Yellow Creative School of Business, Cape Town, an adjunct lecturer at the University of Cape Town and has taught marketing across several institutions in South Africa, fueled by the passion to drive change in this country's education. She holds a BBusSci in Marketing, BCom Hons in Finance and a MBusSci in

Marketing, and is currently pursuing a PhD in Industrial Marketing at the Luleå University of Technology, Sweden. Her research interests include hybrid entrepreneurship, sustainable and resource-constrained consumption as well as the dynamic use of social media for good.



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