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## THE NEXUS BETWEEN SCARCE SKILL AND EMPLOYABILITY OPPORTUNITY AMONGST GRADUATES OF A SELECTED UNIVERSITY IN SOUTH AFRICA

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### ABSTRACT

Scarce skills and the employability of graduates have been of interest to several scholars, this study was founded on a need to use a methodology that would offer in depth appreciation of the study questions and objectives. The research methodology adopted for the study emanated from a sociological paradigm associated with the belief that organisations are social entities and the reality of scarce skills and employability could be established through interaction with graduates and organisational representatives. Since the present study sought to describe the influence of scarce skills on the employment of graduates from a recent graduate at a selected University in South Africa, the descriptive survey design was deemed appropriate for the study. Evidence from the study suggest that Scarce skills are not university qualifications which are generalised, rather, they are industry specific and they address the needs and wants of particular industries in which graduates seek employment. For this reason the study provided evidence for a need for post-university skills acquisition that attends to the specialized skills required in the industries they wish to work. The study also established that despite the fact that scarce skills are the main factors affecting the employment of graduates in the various industries of their choice, the study found evidence that recruitment and employment processes are facing serious problems related to unfair labour practices and some high degree of subjectivity that is affecting employment.

**Keywords:** Skills, scarce skills, employability, universities.

### INTRODUCTION

The rate of joblessness in South Africa has maintained a steady rise over the years. Statistics South Africa (2020) reported that the rate of graduate unemployment rose from 27% which was recorded by the end of the first quarter to 28% which was recorded in the second quarter of 2018. At present the unemployment rate is considered to be above 30% (Davids, Tengeh & Duffett, 2021) thereby creating a strong case for entrepreneurship and self employment. Consequently, it can be argued that the identification of the factors for graduate employability is essential before the promotion of self employment and entrepreneurship. The present study considered graduates as degree holders and this included those with postgraduate degrees. Graduates who do not find jobs, join the unemployed youths who may have 16-35 years and who are seeking employment. This clearly

point to the need to review graduate unemployment as these graduates mostly fall into the 20-24 age group which coincides with entry into the labour market (Olaniran, 2018). Additionally, effective labour market participation has previously been associated with this age group and higher (Eastern Cape Socio Economic Consultative Council [ECSECC], 2021). Among the youths, the central aim is to start a career through being employed by a reputable organisation. With most of the youth failing to attain this aim, the need for objectives related to self employment and entrepreneurship has become critical. In this study, scarce skills are considered as the qualification requisites of certain job categories characterised by few graduates possessing them (Fakih, Haimoun & Kassem, 2020). The concept of scarcity often arises in respect of new career or job categories where there are few people who are qualified to take such jobs. Employment and employment opportunity is considered in this study to entail all government initiatives that dictate that public institutions should eliminate and remove the tendency to discriminate job seekers based on such criteria as age, race, colour, creed, sex, religion, and disability. The study assumes young graduates as distinctly as individuals with any form of post-high school qualification such as a diploma, technical qualification or degree” (Bowmaker-Falconer & Herrington, 2020).

## LITERATURE REVIEW

### Scarce skills

The argument that the skills gap account for joblessness and poor socio-economic development in South Africa and that the causal factor for low innovativeness among graduates and school leavers (Römgens, Scoupe & Beusaert, 2020) is commonly and widely accepted. As a result, addressing skills deficiencies and shortages has been a major policy goal of recent educational strategic outcomes (Bowmaker-Falconer & Herrington, 2020). However continued lack of success in achieving this objective has led to arguments in favour of promoting self employment and entrepreneurship. The ‘skills gap’ agenda is so popular and generally accepted to the extent that the notion of scarce skills seem to be marginalised and lacking appeal. Some scholars have taken the concept of ‘scarce skills’ to be a discursive agenda. A discursive agenda or practice is often taken to mean ‘the principles and laws associated with how discourse is shaped, principles that determine what can be mentioned and what is not open to talk including those who can speak with authority on certain issues as well as the expectations of who should be listened to (Global Entrepreneurship Monitor [GEM], 2020). In South Africa, the term skills shortage dilemma is associated with a specific interpretation related to the link between learning and the socio-economic environment: one which posit that human talent development can reduce economic marginalisation, economic imbalances and address unemployment as well as determine appropriateness of education and the level at which it effectively addresses market needs. According to the discursive perspective, scarce skills, encourage a specific ‘line of reality’ – which denotes an interpretation of socio-economic truth that is associated with the perceptions, needs and desires of capital. In this study, a reference to ‘scarce skills’ in South Africa has been normalized to such an extent in South Africa that it is no longer questioned: major policies of national policy, position documents, industry reports, economic strategic plans, and well-funded.

## **South African Universities and Scarce Skills**

The need to address the educational inadequacies created by the apartheid government has been associated with the transformation of the entire education system over the past 20 years Prinsloo (2020). Some sections of the literature have suggested that the South African educational system has made great advancement in producing knowledge with very little achievements in respect of skills development (Angel-Urdinola & Gukovas, 2018). Some analysts have suggested that the main thrust of the South African education system has been to ensure adequate impact on the greater population to ensure that the majority attain an education rather than placing focus on entrepreneurship and self employment. South Africa has also taken the challenge to ensure that its universities and educational institutions acquire a regional and global status. As such, there has been greater pressure on South Africa's public and private educational institutions in order to reach a certain level internally, regionally and internationally. The skills development challenge, therefore, is an important priority for national development in South Africa.

## **Entrepreneurship and unemployment**

As provided in Chimucheka (2014), entrepreneurship is considered to a critical component of economical competitiveness, societal development and the reduction of poverty. Omoruyi , Olamide, Gomolemo and Donath (2017) adds that entrepreneurship should be considered not as an optional form of employment but as a prime agenda for entrepreneurial education in emerging economies. In their work on the development of an entrepreneurial university, Amadi-Echendu, Phillips, Chodokufa and Visser (2016) argued that entrepreneurship should be taken university – wide as opposed to a specific Department. In adopting this approach, it is argued that entrepreneurship is a essential in all forms of education. The ultimate position for this argument is that entrepreneurship education should take the centre stage in cases where there is high unemployment as in South Africa. Entrepreneurship means self employment through enterprise formation and small business development. Therefore rather than focusing on getting employed or absorbed in the labour market, entrepreneurship means creating enterprises and employing oneself (Chimucheka, 2014).

## **Methodology**

































The study emanated from the view that educational institutions and workplaces are key social entities that serve important social roles. This premise made it possible to align the study with sociological assumptions. Constructivism asserts that knowledge of the world can be acquired through the acquisition and analysis of multiple social realities. This study was founded from the assertion that reality is complex and can only be understood through the adoption of multiple philosophical positions that allows its assessment from different and varied angles. When the above imperatives are considered in relation to this study which sought to investigate the employability and the scarce skills challenge in South Africa, the general position to be taken is that the concepts of interest are social elements to be understood through social immersion and interactions. In addition, the assessments required to understand graduate employability and scarce skills require multiple lenses to foster the different perspectives, opinions and experiences of people who play different societal roles. It was believed that that this would foster holistic and

comprehensive appreciation of the phenomena under study thereby promoting the generation of valid and reliable conclusions. . Since the present study sought to describe the influence of scarce skills on the employment of graduates from a recent graduate at a selected University in South Africa, the descriptive survey design was deemed appropriate for the study. Descriptive surveys are further classified into questionnaire and interview survey methods. Qualitative designs often adopt qualitative data collection methods that includes-interviews and open ended questionnaires. The phenomenon investigated in this study involved the graduates of a selected University. In determining the population for the study, it was held that graduates of the selected university who had sought employment but failed to get it were more suited to answer the research questions than those who simply graduated and got the employment or did not look for employment. students who graduated at the universities in the previous years but who decided to go for higher degrees such as the Masters and Doctorate degrees were likely to provide important information for the study. When considered in this study, the population of the study were all the students who graduated from the selected university previously and are currently registered and studying for higher degrees (Masters and Doctorates). However, since this became too broad and too wide beyond manageability it was important to provide some limitations. The study then focused on the students who graduated from the university in 2018 and 2019 and studying for higher degrees at present. The sampling frame was the list of the alumni or former graduates of a selected university. In selecting a university on which to base the study, the researcher relied on the convenience sampling strategy. Computer generated random numbers were used to select 350 participants for the study. An unstructured questionnaire which involved open-ended questions was the main data collection instrument used for this study.

## **Findings**

The responses provided in respect to the open ended questions followed a thematic analysis procedure. The thematic analysis of qualitative data that was conducted resulted in codes from the responses as depicted in Figure 1. Quantitative content analysis was conducted to infer key contents of the qualitative data. The qualitative analysis of data started with immersion in the data to understand it before creating in-vivo codes for the data. The in-vivo codes were then classified into categories and their frequencies were considered to establish the strengths of each code

**Figure 1: Content analysis codes**

	Count	% Codes	Cases	% Cases
 Awareness of skill inadequacies				
 Further study	3	2.1%	2	4.0%
 Lack industry skills	4	2.8%	4	8.0%
 Skill based salary systems	2	1.4%	2	4.0%
 Industry skills requirement (missing)				
 Specialised technological (CAMAS)	6	4.2%	6	12.0%
 Skills possessed				
 Managerial (strategic planning)	10	7.0%	7	14.0%
 Payroll	1	0.7%	1	2.0%
 Accounting	1	0.7%	1	2.0%
 socio-cultural skills	9	6.3%	6	12.0%
 Basic technological	7	4.9%	7	14.0%
 Create employment opportunities				
 Experience	13	9.1%	11	22.0%
 Interview skills	6	4.2%	3	6.0%
 Qualifications	2	1.4%	2	4.0%
 In-service learning - industry links	4	2.8%	4	8.0%
 Labour brokers and employment agencies	6	4.2%	6	12.0%
 Skills	5	3.5%	5	10.0%
 Skills Shortage				
 Skills are dynamic	3	2.1%	3	6.0%
 University education inadequate	11	7.7%	11	22.0%
 Demand for scarce skills	3	2.1%	3	6.0%
 Solution to the scarce skills problem				
 Self learning	3	2.1%	3	6.0%
 Cover skills gap - study and work	2	1.4%	2	4.0%
 Scarce skills introduced at university entry level	9	6.3%	9	18.0%
 Create a skills based curriculum in universities	9	6.3%	8	16.0%
 Labour market challenges				
 Unfair recruitment practices (bribery)	16	11.2%	9	18.0%
 Socio-cultural barriers-langauge	6	4.2%	5	10.0%
 Competition in the labour market	2	1.4%	2	4.0%

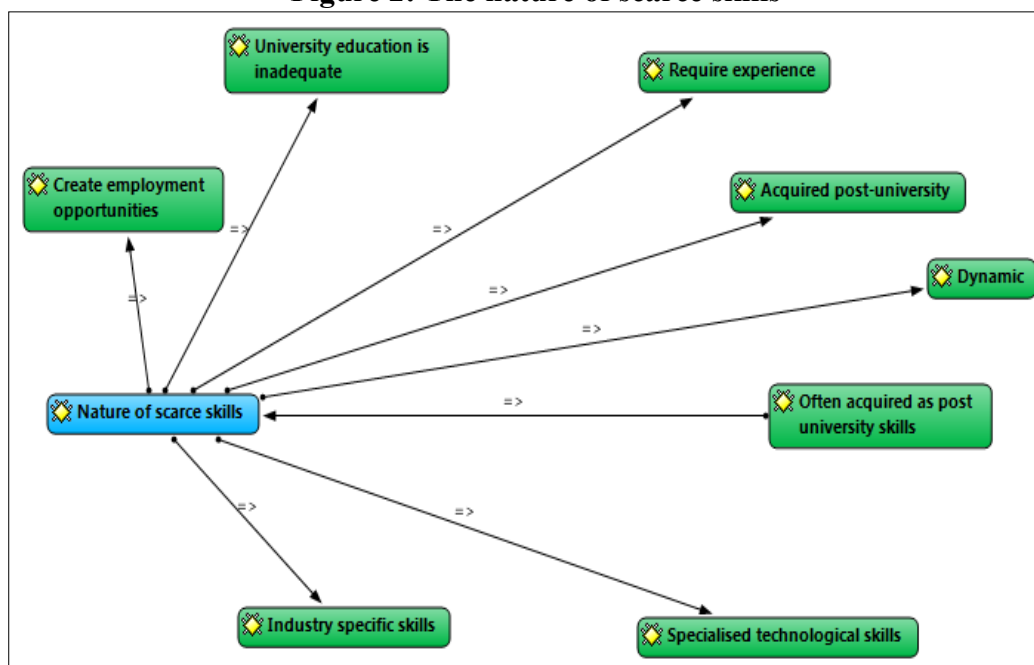
When Table 1. above is considered, it can be found that unfair labour market practices characterized by bribery seemed to be the most popular challenge from the qualitative analysis of data with a frequency higher (11.2%) than all other codes. It appears that unfair recruitment practices whether real or perceived seemed to have been observed by a large number of the respondents. These results echo the South African Board of People Practice [SABPP] (2016) which forecast that significant changes in the world of work will result in mobile phone based recruitments which is likely to be based on relationships and other criteria which may not be necessarily qualifications. These seem to suggest that despite the essential need for graduates to possess academic skills and competencies, networking skills and competencies seem to be getting criticality as a key to employment. Another in-vivo code with high frequency was the essential role of experience. It was found that respondents indicated that they failed to get employment due to a lack of the required experience even though most of them indicated that they had undergone experiential or practical learning. Ismail and Mujuru (2020), pointed that employment issues should be analysed from the supply side as well as the demand side which include the issue of

experience. In order to ensure labour market effectiveness and increase graduate employability, there is need for both supply side and demand side intervention. The provision of skills required for employability is one issue that require the cooperation of both demand side and supply side partners (Ismail & Mujuru, 2020). As such it is essential for employers and universities to ensure that the experience requirement is meet. Concepts such as work based learning seem to be important. Therefore, this study seem to impress literature perspectives from previous studies which asserts the need for work based learning in universities. It appears that there is need for a change in the way work-based learning is being practiced in South Africa given that it is an issue that seems to be failing to provide desirable results over the years (Botha & Bigginoti, 2016). The qualitative analysis also demonstrated that the graduates felt that they were mainly being equipped with administrative and managerial skills as opposed to technical skills which the employers seem to want. Graduates also generally felt that the skills that they got were inadequate in preparing them for the world of work.

### Summary of results

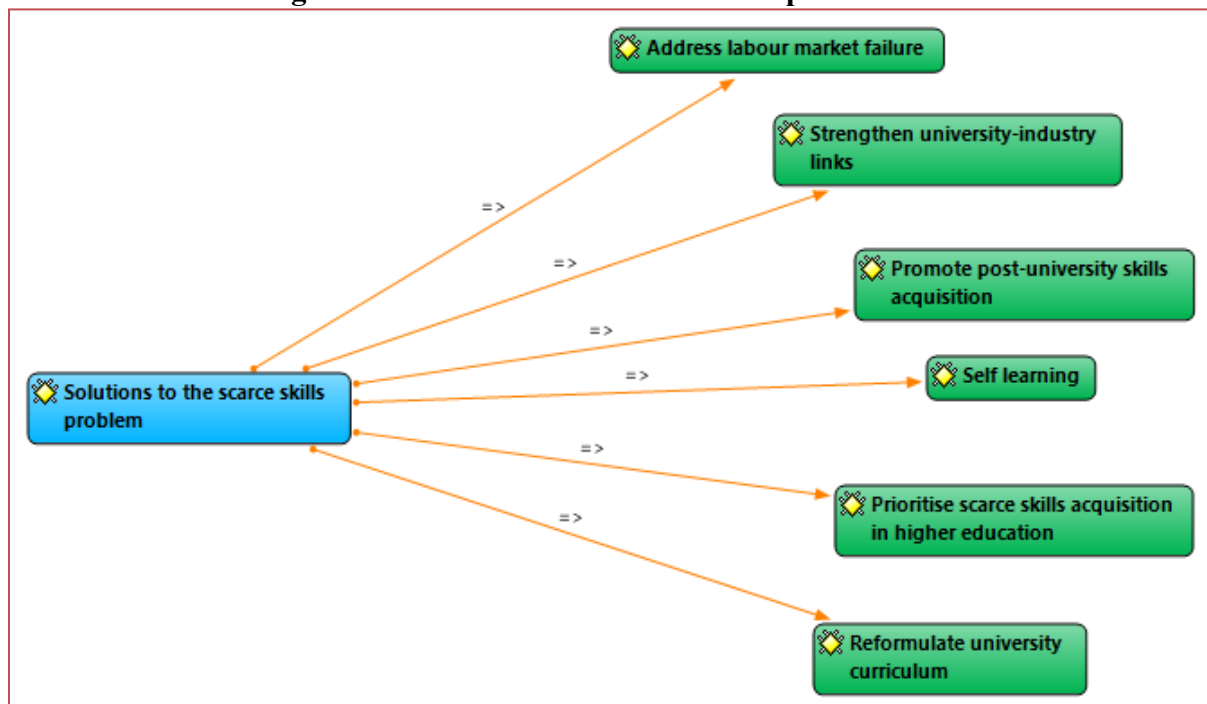
This study was formulated to address the following research objectives: (1) investigate which skills are scarce among university graduates, (2) determine how scarce skill and employment opportunity relate to each other and (3) determine which skills are prioritised for graduate employment. The study provided evidence that scarce skills are usually industry driven and comprise of specialized and context specific technologies and knowledge domains. It was observed that scarce skills often require experience and university education alone is inadequate and there is need for post-university further education that is specifically directed at the acquisition of scarce skills. The nature of scarce skills is as shown in Figure 2.

Figure 2: The nature of scarce skills



In consideration of Figure 2 which shows the nature of scarce skills, it is clear that scarce skills are those industry specific and specialized skills that tend to be the sources of competitive advantage for an industry or sector. It appears that university qualifications are generalized and do not attend to specific skills that address the needs and wants of particular industries in which they later seek employment. For this reason the study provided evidence for a need for post-university skills acquisition that attends to the specialized skills required in the industries they wish to work. The study also found that despite the fact that scarce skills are the main factors affecting the employment of graduates in the various industries of their choice, it appears that recruitment and employment processes are facing serious problems related to unfair labour practices and some high degree of subjectivity that is affecting employment. There was evidence that employment is now also being influenced by other factors such as networking and relationships among graduates and employers. It also appears that some degree of nepotism could be influencing the employment of graduates. A number of graduates indicated that they know people who got employed because of their links with the managers. This demonstrates how desperate the graduate employment situation has become in South Africa. The respondents who participated in this study also provided some possible solutions to the employment predicament that they are facing. Some of these solutions are shown in Figure 3. Graduates called upon universities to prioritise the acquisition of scarce skills in higher education through strong links with industry and addressing labour market failure to ensure recruitment and selection of employment that is based on ability, skills and talent. There is also a need to reformulate the University education curriculum for it to address the need for industry skills.

**Figure 3: Solutions to the scarce skills problem**



## CONCLUSION

The study was formulated to inquire into the influence of scarce skills on the employability of graduates in South Africa. In other words, it was formulated to explore the nature of the unemployment challenge in South Africa with specific focus on scarce skills. Unemployment is a contemporary challenge in the South African labour market which greatly strengthens the cycle of poverty and inequality. There were indications from the study that a number of graduates know people who got employed because of their links with the managers. This demonstrates how desperate the graduate employment situation has become in South Africa. The respondents who participated in this study also provided some possible solutions to the employment predicament that they are facing. Graduates called upon universities to prioritise the acquisition of scarce skills in higher education through strong links with industry and addressing labour market failure to ensure recruitment and selection of employment that is based on ability, skills and talent. There is also a need to reformulate the University education curriculum for it to address the need for industry

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