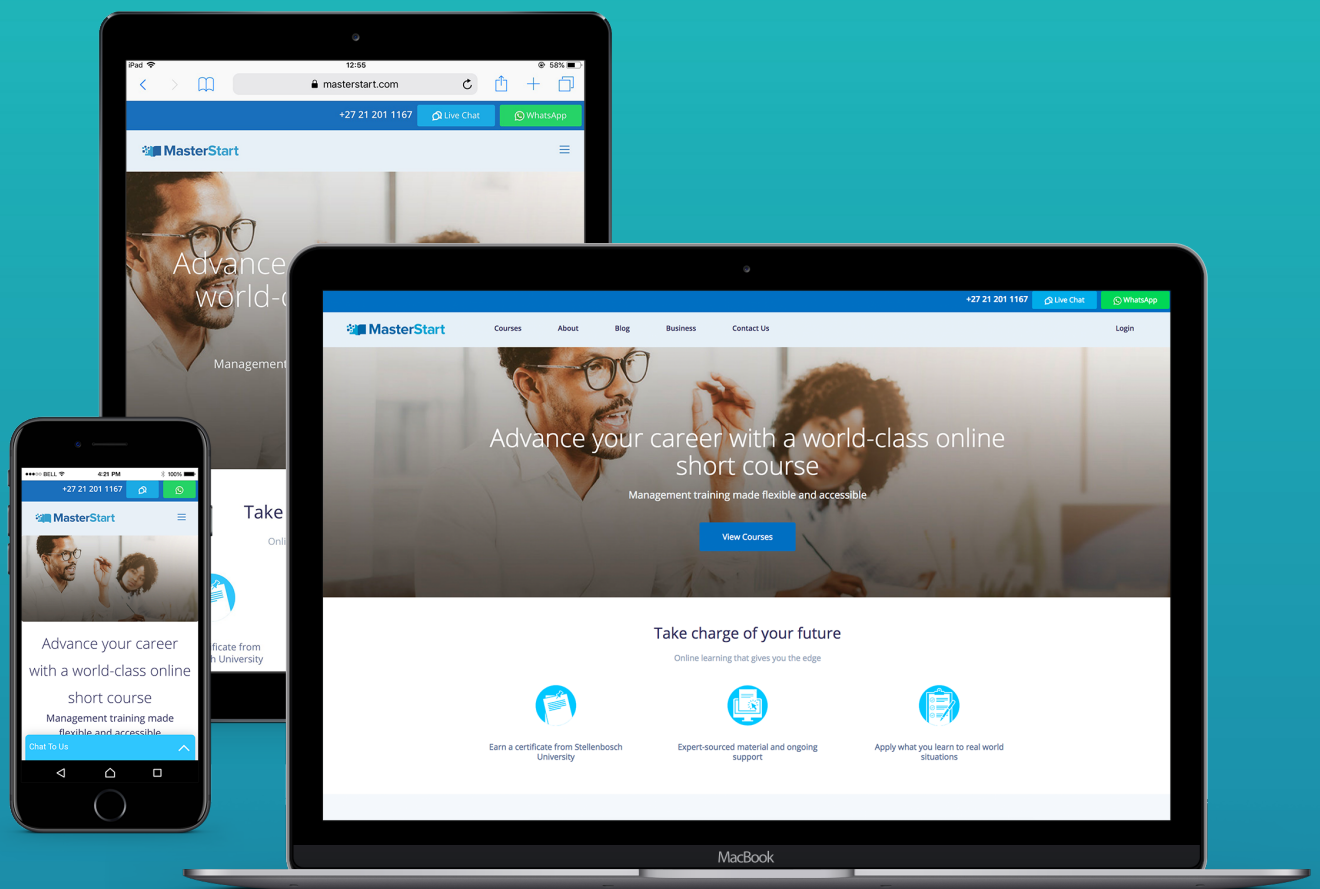




MASTERSTART SOUTH AFRICAN WORKFORCE BAROMETER



Who Are We?

MasterStart provides online learning solutions for academic institutions to assist in building African leaders by connecting the student to university expertise through meaningful learning experiences.

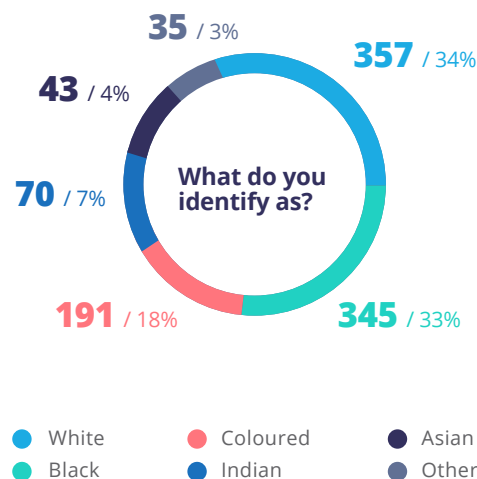
MasterStart's online short courses are built in partnership with the University of Stellenbosch Business School Executive Development.

www.masterstart.com

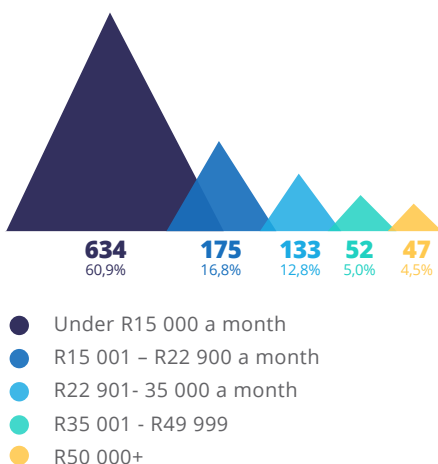
The Research Sample

Total sample 1041

Method: online survey
(all respondents digitally active)

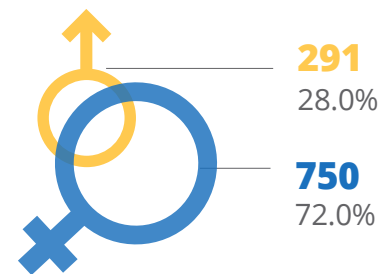


What is your personal income before tax?

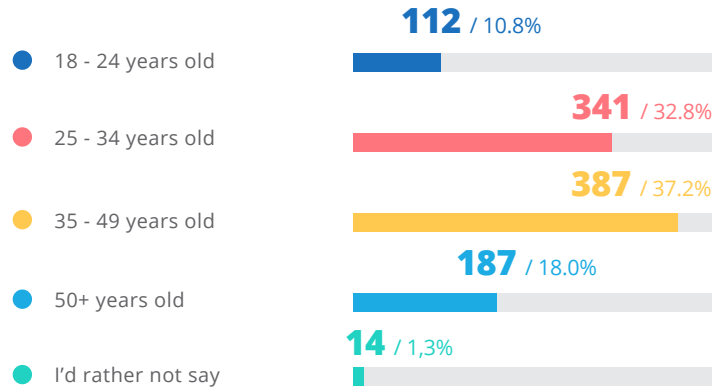


What is your gender?

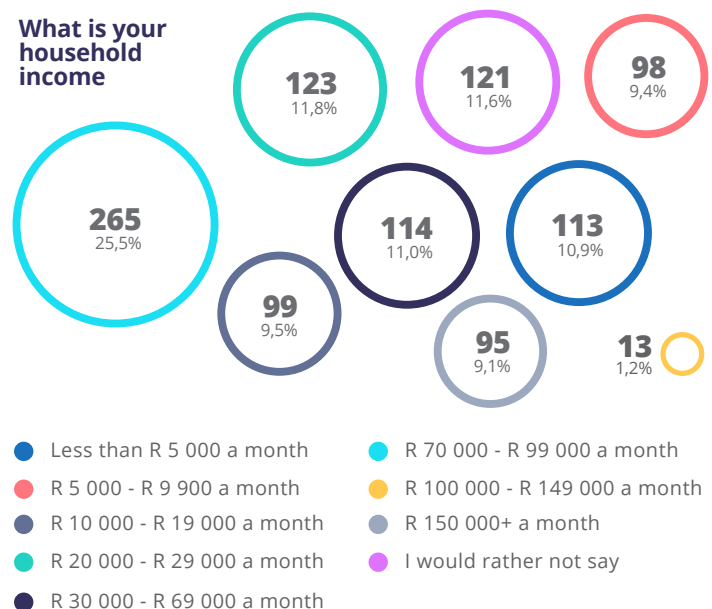
- Female
- Male



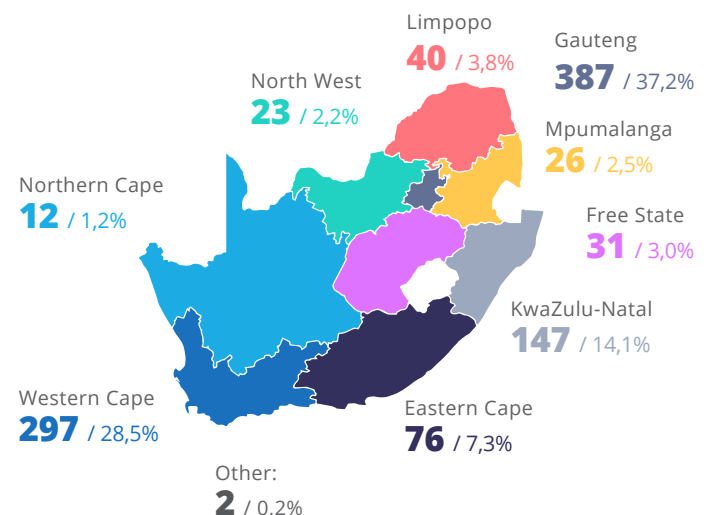
How old are you?



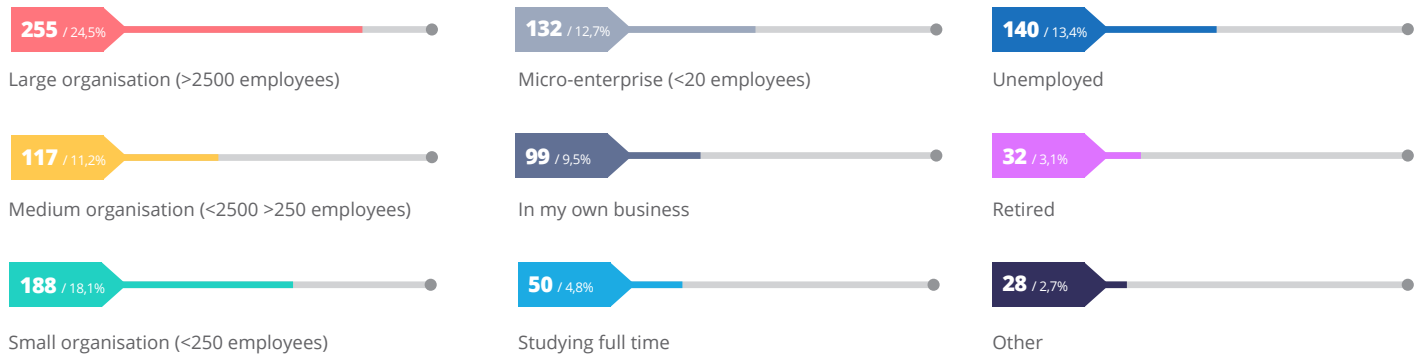
What is your household income



Which province do you live in?



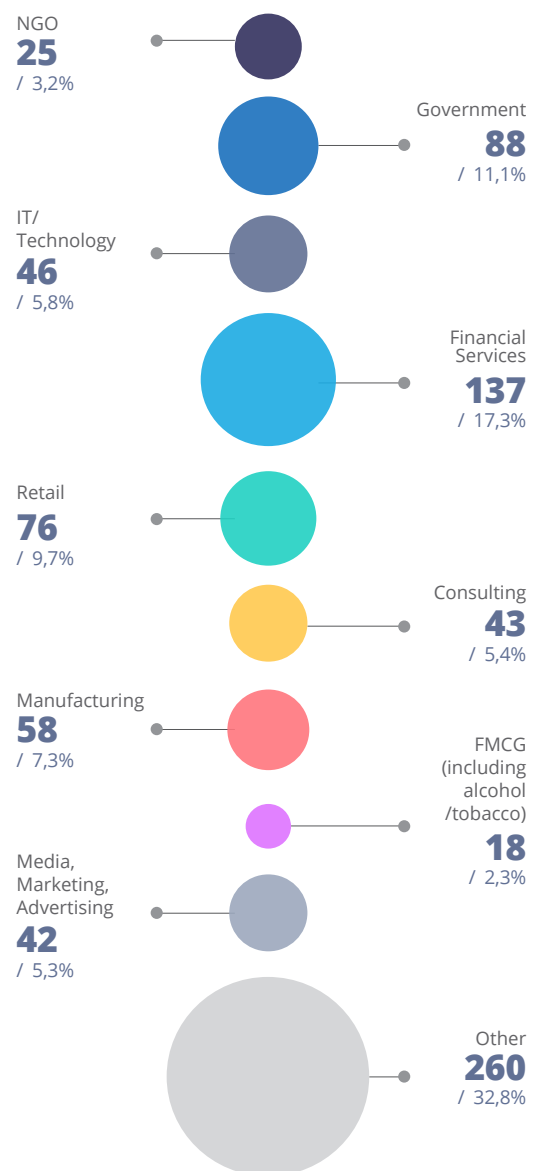
Where do you currently work?



What is your highest qualification?



What industry are you in?





Just **23.8%** of South Africans are extremely confident that their current skills will see them employed in 10 year's time.

What is the mood among South Africa's workforce? How do we feel about the longevity of our careers? Do we feel equipped to evolve our skills and stay relevant? Is political and economic uncertainty taking its toll? Are we concerned that artificial intelligence may replace us?

To gauge how South Africans feel about the rapidly changing world of work, MasterStart – a leading online provider of executive short courses in Africa – commissioned research house imagineNATION Alliance to survey a diverse sample of over 1000 people. The goal was to take the collective temperature of South Africans to assess how they are feeling about employment prospects against the backdrop of the economic climate, technological advancements and other factors.

The survey found that the overriding sentiment amongst our workforce is one of worry. Most respondents believed the job environment was tougher now (July 2018) than 10 years ago. **The pace of change has changed. And our workforce is worried it won't keep up.**

The findings reveal a workforce that's looking for ways to **future-proof** itself. With Industry 4.0 a global hot topic, South Africa's workforce is highly aware of artificial intelligence but doesn't currently count it as the biggest threat to job retention.

This research summary report sets out the top 10 key findings from the survey.

TOP 10 FINDINGS

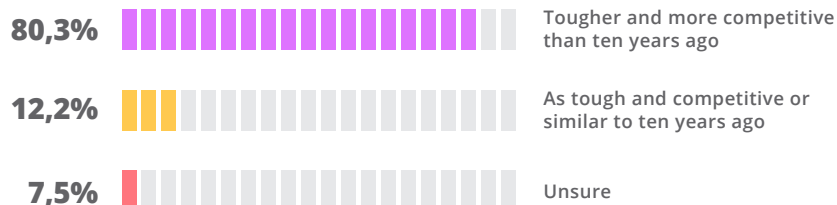


1. More than 80% of the sample believed the job environment was tougher at the time of the research (July 2018) than it had been 10 years ago

Breaking this down into industry, 92.9% of those in the media, marketing and advertising industry found conditions tougher, 87.9% of those in manufacturing found it tougher and nearly 87% of those in financial services found the same.

In terms of age:

- 85.6% of 50+ year olds found it tougher
- 83.5% of 35-49 year olds
- 76% of 25-36 years olds



Why? The core reasons cited were:

An economy under pressure:

- Corruption
- Politics
- Debtors not paying

Competition on all fronts:

- Too many applicants but not enough jobs
- People hanging onto their roles for longer
- Increased competition
- Bribery and corruption in getting qualifications and jobs

Fewer employment opportunities:

- A larger population
- Less work (according to Stats SA, 83 000 formal jobs were lost from Sept 2016 to Sept 2017)
- Retrenchment
- Demographics (race/gender/region/age) and qualifications and experience were all seen as opportunity-limiting factors

Rapid change and lots of pressure:

- Companies are expecting more for less
- Rapid technological change is forcing businesses to invest in technology continuously
- Frequent management changes
- People competing against tech which can jeopardise jobs

"In recent decades, employees have often been replaced with computers. This could explain why the jobs we lose in a recession don't seem to return anymore: The positions became obsolete."

Female 25-35 years old, 15k-22k / Transport, Diploma, Gauteng

"When a company loses an employee, the duties of that employee are shared amongst other employees. Companies hire flexible workers just to save on perks, leaving the flexi worker working for years without perks."

Female, Degree, Healthcare, 35-49 years, >15k PI, Gauteng



Andrew Johnston, CEO of MasterStart, says:

“Individuals can make a big impact on their own employability by ensuring their skills remain as relevant and nimble as possible. It is also key that big corporates invest in building flexible, robust workforces that are able to adjust to changing environments and find solutions to thrive and grow in the face of challenges like technological change and national issues.”

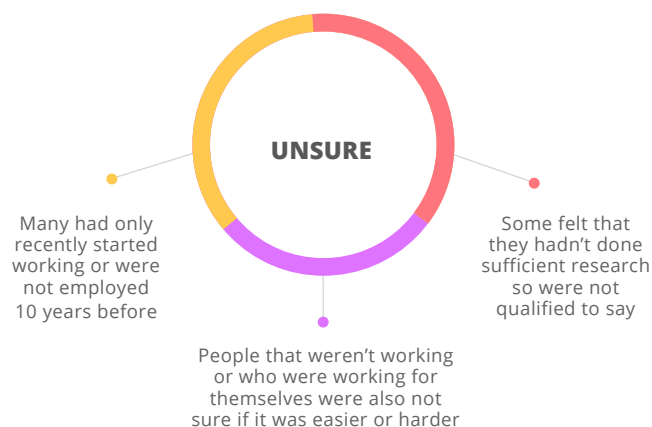
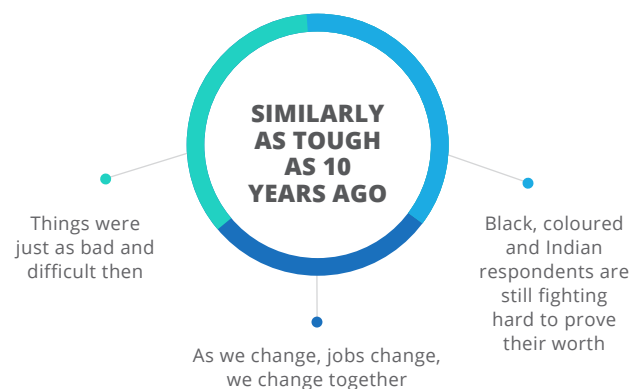
2. Age was cited most often by people as a barrier to future employment

Older respondents aged 50+ were understandably most concerned by age (76%), they were also the group most worried by BEE (40%), gender (28%) and race (53%), while being less concerned by AI (6%) and RPA (10%).

- 18-24 year olds were most worried about lacking skills (**60%**), RPA (**31%**) and race (**29%**).
- 25-34 year olds were worried about capability gaps, plus race (**64%**), and RPA (**23%**).
- While 35-49 year olds cited age as worry number one (**43%**), followed by race (**35%**) and lack of skills (**31%**).

"I was retrenched at the end of 2015 and even with extensive experience of over 10 years I am struggling to find a permanent job, because companies would rather pay younger people less and train them."

Female, Diploma, Financial Services,
35-49 years, 22k-35k PI, Gauteng



Consultants tended to be less worried about any of the factors influencing job retention and those in financial services were the group most concerned by RPA. Those in media and retail professions worried most about a lack of skills. And gender was most concerning for those in media and IT.



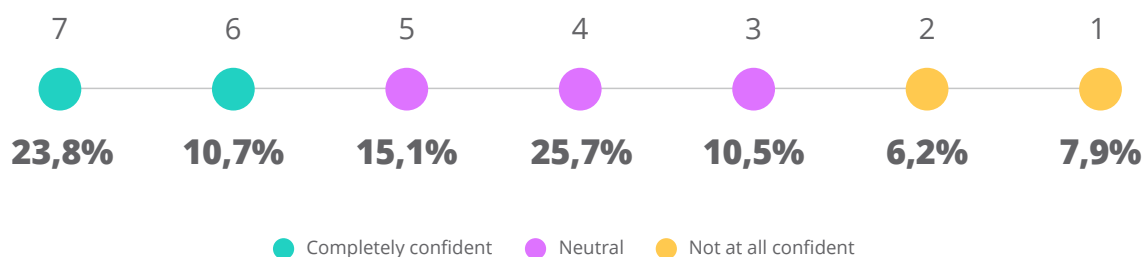
3. Nearly half of respondents (49%) felt they had been held back because they did not have the requisite skills to do their jobs

Lack of skills required for the role was the third largest concern for the whole sample, in terms of ability to retain positions at work. In fact, nearly half the sample felt they'd been held back because of not having the requisite skills to do their jobs. Johnston said these findings meant that bridging capability gaps quickly was a major priority in South Africa.

4. People in IT and tech are far more secure that their skills will remain relevant

A full 30% of respondents in the IT and tech fields felt completely confident their skillsets would stand up to the 10 year test. The same couldn't be said for other industries. Just 12% of people in media and marketing felt extremely confident their capabilities would remain relevant. The majority didn't feel secure.

Interestingly, 29% of people with trade and technical qualifications were extremely confident their skills would keep them employed in 10 year's time; only 17% of those with some college qualification could say the same. There's clearly much to be said for expanding opportunities for young people to accrue trade and technical training. In general only 23.8% of working South Africans are completely confident their skills will survive the 10 year test.



Future-proofing your skills

Johnston says:

"It's an astounding statistic that just 23.8% of our workforce feel completely confident their current skills will guarantee them employment in 10 years' time.

This low confidence in current skill-sets suggests that people have high awareness of the unprecedented pace of change and need for nimbleness and adaptability.

To ensure our young people, especially, have the best possible chance of gainful employment, we have to introduce alternative adult education programmes that are easily accessible online, in 'snackable', bite-sized pieces. The easier we can make it for people to access continuous learning materials, the better off our country will be.

Conversely, a lot of it is up to corporates. Providing ongoing executive-level education grooms great leaders and provides turn-key or customised solutions to bridge big capability gaps to foster greater efficiency, productivity and profitability. Companies that provide opportunities for employees to learn may have a greater chance of talent attraction and retention.

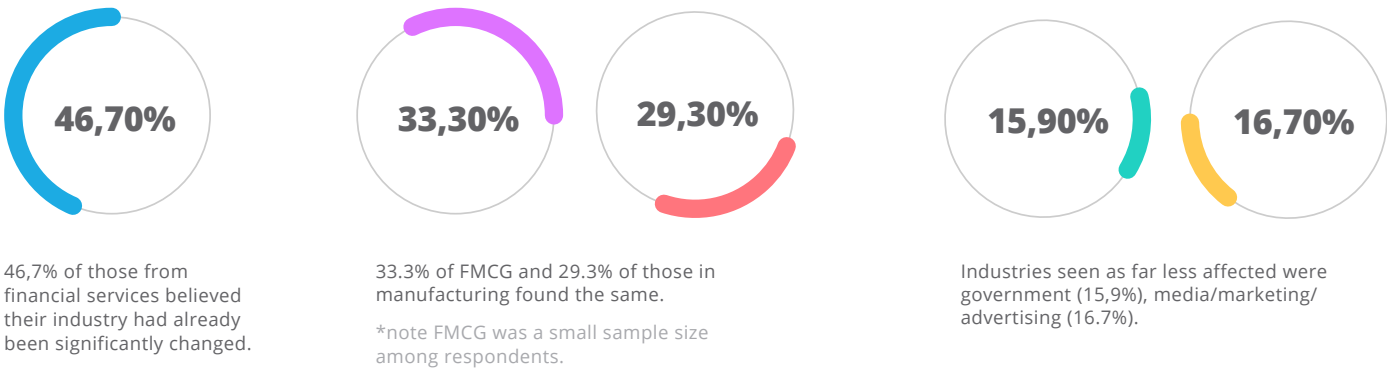
One thing is for certain: continuous learning opportunities are the best way to future-proof our workforce."

5. Close to 50% of people surveyed said technology had already changed their industry. But most haven't yet seen or felt the influence of AI and RPA



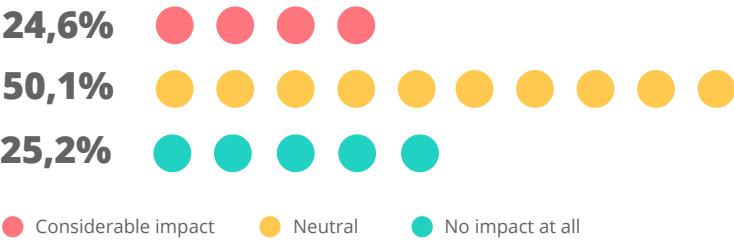
6. Nearly a quarter (23,7%) of respondents felt their industry had already been impacted by artificial intelligence or robotic automation

Of the 23.7% of respondents who believed their industries had been impacted by AI and robotics:



When asked if their industry had been subjected to any change due to the implementation of artificial intelligence or robotic process automation, nearly 2% did not know what these terms meant.

However, when it came to the likely future impact of AI and robotics on jobs, the views were quite diverse.



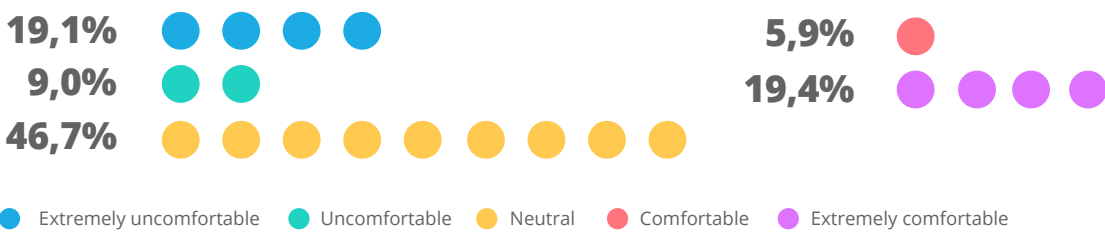
Glossary:

Artificial Intelligence (AI): Intelligence demonstrated by machines

Robot Process Automation (RPA): "an emerging form of business process automation technology based on the notion of software robots or artificial intelligence workers." Wikipedia

7. Fewer than 20% of working South Africans were completely comfortable sharing their workload with robots or having processes automated by AI

Asked whether they were comfortable sharing their workload with robots or having processes automated by artificial intelligence, the levels of comfort were diverse.



Perhaps surprisingly, the highest level of unease about sharing a workplace with robots was among 18-24 year olds. This could be attributed to the fact that youngsters embarking on a career didn't believe they had deep enough skills to 'compete' with intelligent tech.

The second most uncomfortable group comprised those age +50 – less surprising perhaps.

\$15-trillion:

how much AI could boost the global GDP by 2030

30%:

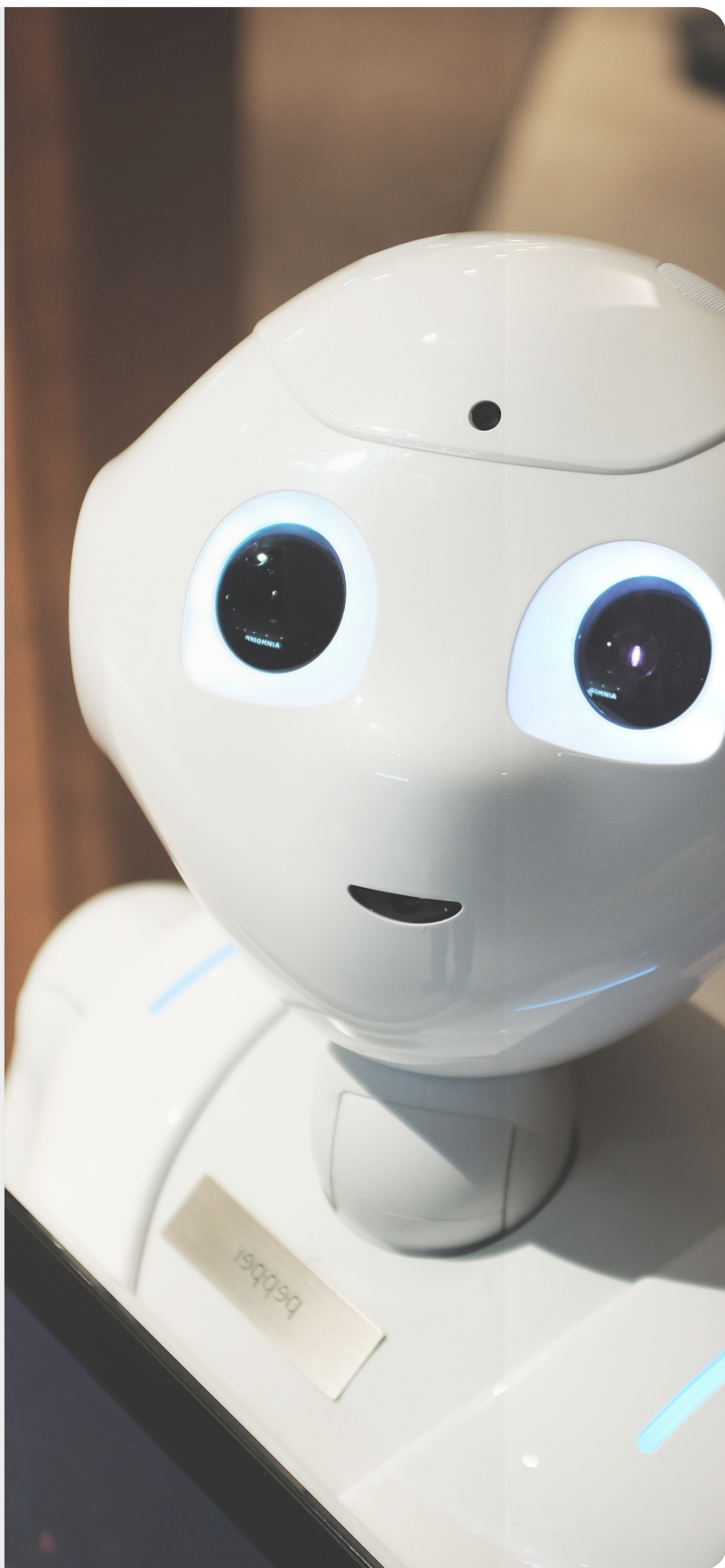
of jobs could be at risk by the mid-2030s, due to automation

That's according to PwC's report on how automation will impact jobs, which analysed 200 000 jobs in 29 countries to understand prospective challenges posed by automation – plus the benefits.

Johnston says, "PwC suggests that fully-fledged digital enterprises will use intelligent, connected technologies and data to fuel ongoing actionable insights that'll shift the way organisations operate. Businesses that achieve the power-duo of people and machines working seamlessly together will have a significant advantage as Industry 4.0 comes into full force.

From a South African perspective, most survey respondents indicated they are aware of AI and RPA and some have already felt the effects of automation in their industries. Here, we delve into some of the key insights on how our workforce is feeling when it comes to all things AI."

PEW Research interviewed 1 896 experts on whether they think AI and robotic devices will have displaced more jobs than they've created by 2025. 48% SAID YES: they believe big numbers of both blue and white collar workers will be displaced, rendering masses of people unemployable. BUT 52% SAID NO: These experts believe human ingenuity will find ways to create new jobs.



8. Almost everyone (95%) believed that lifelong learning would help them remain relevant in their careers



And **80%** plan to study sometime in the future.

9. Self-enrichment is the main motivator for most people to study



A full 66% of respondents cited self-enrichment as the number one reason to keep learning. This was followed by the desire to get further and be promoted (54%) and the desire to keep up-to-date with industry-related tech changes (41%).

People who had already studied listed the following as the 'big gains':

Tangible results:

like a salary increase, promotion, skills (to be more marketable), more experience and more opportunities.

Higher performance:

like better knowledge, keeping up-to-date, better understanding of the way the workplace works, faster completion of tasks, and having to employ fewer people as they had the skills themselves.

Better motivation and soft skills:

like being better at dealing with people, the ability to explain concepts to clients, and overall improved communication skills.

You gain a better understanding of the business environment and its structures. Seeing the bigger picture. Better technical and people skills.

Male, Diploma, Legal, 35-49years, <15k PI, Western Cape

10. Online learning has gained traction with 58% of people seeing themselves studying online in future

In just a relatively short time, online learning appears to have gained massive momentum globally. This is backed up by studies that suggest at least 50% of all classes will be delivered online by 2019, and, as a whole, the e-learning market is set to exceed the \$200-billion mark by 2024, according to Global Market Insights. The MasterStart research revealed that South Africans gravitated to a hybrid learning approach, with snackable videos and mixed media all popular forms of digesting content.

Johnston says,

"People are looking to future-proof their careers through the constant learning of new hard and soft skills that'll entrench the flexibility necessary to manage the breakneck pace of the workplace and ensure sustained relevancy. Given the competitiveness of the market – which will only increase with the rise of automation – having a sought-after skillset is the best way to guarantee ongoing job retention. This means using learning to get to grips with AI and RPA in order to build efficiencies and one's overall value-add. It's clear our workforce is worried. So we need to give people every opportunity to upskill themselves to bolster their resilience through renewed confidence in their capabilities."



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About imagineNATION Alliance

imagineNATION Alliance is a Cape Town based research business that has been in operation since 2001. The business believes that solid data and insights give brands the strategic edge. Distilling and clearly articulating findings is as important as uncovering fresh insight. Reports are designed to present both data and insights in a compelling and powerful manner, and recommendations are strategic and based on a solid understanding of how to grow strong brands and businesses. imagineNATION Alliance conducts online research through the national ovatoyou panel and platform. Both ovatoyou and imagineNATION Alliance are SAMRA members. Clients include Cipla, Clicks, Nando's, Spree, Twisp, Nedbank and Virgin Active.