Skills shortage a paradox

Technology is the single biggest driver for the skills shortage globally, says Landelahni Business Leaders.

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Johannesburg, 6 Oct 2009

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Technology has emerged as the single biggest driver of the skills shortage globally. The South African telecoms industry contributes 7% to the GDP, which is the same contribution made by the mining industry.

This is according to the 2009 Telecommunications Sector Research Report, released last week by Landelahni Business Leaders. The report, which started compiling research from January this year, estimates the SA telecoms sector is worth R99 billion and is growing at 14% a year.

“We are only seeing the tip of the iceberg,” says Sandra Burmeister, Landelahni CEO. She explains that new technologies are appearing at a faster rate than the skills coming in that is needed to support it. This is exacerbated in the telecommunications and IT sectors, which are seen as a spur to economic growth.

“Technology is the single biggest driver for the skills shortage globally, because it causes this redundancy of skills every three years due to the rate of changing technology. It creates this paradox, of high unemployment and a massive skills shortage.”

Emerging technologies

Burmeister says ICT is progressing at an exponential rate, with no indications of slowing down, despite the downturn.

“The fact is that massive investments have been made in broadband technology, such as the undersea fibre-optic Seacom cable, and that it needs to be maintained with additional skills, which SA doesn't have. The rate of change of technology means an ongoing traction of suitably skilled individuals in new technologies.”

According to Landelahni, SA has trained 5 305 telecoms engineers between 2005 to 2007, averaging 1 400 per annum.

Long-term investment

The industry is not proactive enough in investing in ICT graduates via bursary programmes, Burmeister says, and companies are mostly taking a reactive approach by training their existing employees out of necessity. While it's cheaper to train in-house than to train from scratch, the industry has reached a point where it's rotating the skills among telecoms players.

“The top telecoms skills are sitting at the age group of between 50 to 55 years, and these skills are going to be exiting the market in the next five years. Skills that entered the telecoms space, specifically, are aging, and I think it's important for the industry to start investing into that pipeline now, because business continuity is going to depend on it.”

She adds: “While we will continue to see an increase of retired and offshore contractors and foreign nationals to run key projects, and hopefully act as coaches and mentors to new recruits, a more planned approach will assist in guarding against short-term delivery at the expense of skills investment.

“The skills challenge is not over and will continue to be a challenge for the next 10 years, at least, since many South African and other African telecoms infrastructure projects will need to be rolled out, maintained or upgraded.”

Unequipped graduates

Lindsey Mc Donald, analyst from Frost and Sullivan, says a lot of new graduates are coming into the industry with inadequate skills: “We are seeing a lot of baseline graduates coming through, but not enough sufficient specialised people. It means companies are poaching skills from other companies, because the necessary skills aren't coming into the market quickly enough. If we don't change the way we approach the situation, it's going to get worse. It's time to turn around and look for help from further afield. We are facing a skills shortage that we cannot fill.”

Last month, communications minister Siphiwe Nyanda blamed the shortage of ICT skills on the downturn in the economy, disillusionment with course content, lack of information on employment opportunities, and the perception that ICT courses are difficult: “Hence recruitment campaigns and a concerted attempt to distribute reliable information about ICT careers and courses are crucial to dispel these perceptions,” he explained. He added that the department has initiated a number of policy interventions to stimulate growth within the ICT industry.

According to the Development Indicators 2009 report, released by the Presidency two weeks ago, while science and technology graduates are increasing, the levels are not enough to deal with current economic concerns.