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[Special Report]

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Business SA needs to work with education and government to achieve the necessary agility in skills provision. It's not enough just to focus on your own human capital talent pool.

THE LATEST National Master Scarce Skills List for SA, published in 2008, estimated that the country had a critical shortage of nearly 40 000 ICT workers.

Stemming the CIO skills shortage

Skills scarcity is an enterprise-wide phenomenon, from coders to CIOs. But while the former gets a lot of ink, skills shortages at the C-level are not so widely discussed, says Anthea Cillie, senior consultant in executive search, at Cyca. "It is increasingly evident that the organisational role the CIO is called upon to assume is evolving and changing. In part, this is due to advances in technology, new business strategies and environmental demands such as Sarbanes-Oxley. The demand for CIOs is thus growing fast, thanks in part to large companies now requiring CIOs at the strategic as well as the enterprise level, and medium-sized firms now appointing their first CIOs. All of that adds up to a looming CIO shortage."

What are the forces driving up the demand for the CIOs?

- * Realisation that IT is a tool that is the difference between success and failure
- * A clear move to business driving technology rather than the other way around
- * IT is seen in the role of streamlining processes and driving down costs
- * Technologists have had a tendency to run away with the costs, and thus the increased need for an overseer who understands the technology and business sides of the organisation
- * At the executive level, the CIO is in the position to offer strategic direction, yet does so outside of the primary of core business deliverables. As technology is a business enabler, so the role of CIO is support to enabling the strategic imperatives of a business. Research argues that firms would almost always be better off grooming their CIOs internally, but, says Cillie, there are benefits to both internal and external CIO appointments. If they come through the company internally, they add value to the business as they have an insider knowledge of the challenges and opportunities to achieving set goals. On the other hand, an outsider-appointment brings a host of external perspectives from different

SA has been plagued by a skills shortage for many years now, but especially IT skills, with predictions that the real ICT skills shortage in 2009 could be as high as 70 000 practitioners, says Inez van Aswegen, GM of Network IT, a specialist recruitment agency.

"Although much has been done to address this issue, the lack of crucial IT skills in the country are impacting negatively on stimulating economic growth and development that will enhance local business competitiveness in the global marketplace. Furthermore, with the economic downturn, resources allocated towards implementing ICT skills development initiatives are being reduced, as corporations seek methods to drastically cut business costs in light of the tougher operating environment," she adds.

"Companies are taught to put their customers first," admits Emma Blewitt, marketing manager of Tarsus Technologies, one of SA's largest technology distributors. "However, often they forget about investing in their people. Then a downturn strikes and they wonder why they have insufficient skills to keep the business moving, realising only then that they should have been investing in staff capability from the start." Tarsus and sister-company ACT have established their own in-house business training facility, Channel Business College.

"The skills shortage has been hailed as one of the major factors imposing a less-than-favourable impact on our business efficiency (ranked 30th in 2009), our global competitiveness (ranked 48th in 2009), and our economic GDP growth (-2.8% in June 2009)," notes Emile Bosman, HOD: HR Services at Softline VIP.

"Beyond the general skills shortage, we are facing an enormous scarcity of skills in the ICT sector, which is unlikely to slow down in the near future. One of the objectives of the National Master Scarce Skills List is to identify and integrate the skills demands and interventions to address this on a national level. Corporate SA will benefit greatly when industry sector leaders join government in developing the



Emile Bosman, Softline VIP

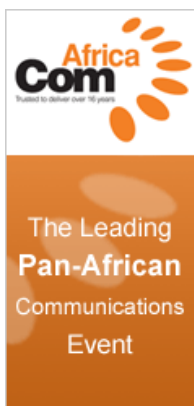


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Issue 207 ::
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businesses, which may infuse new thinking into the role.

CIOs need to come out of the technology environment and have sound business knowledge and acumen. Cillie says the key skills a top CIO needs to hone are:

- * Intellectual horsepower: Analysis of trends in the specific sector and industry
- * Strategic thinking: Vision with the ability to execute for creating efficiencies, strategically understand the competitive space; where the business needs to go, and how to do it
- * Selling ideas to business to demonstrate the value to the business
- * Building teams to deliver results

"Due to the ever-changing demands and composition of the workforce, corporate SA needs to work more closely with education and government partners in achieving the necessary agility in skills provision. It's not enough just to focus on and protect individual businesses' human capital talent pool," Bosman concludes. Alfie Hamid, Area Academy Manager for Cisco Systems, believes the country's IT skills shortage can be attributed to a lack of training at grassroots levels. "Secondary education is failing to provide the adequate technology and computer literacy education that is required to meet the entry requirements of universities. And tertiary education is not taking the appropriate measures to match the curriculum with the market demands.

"Moreover, universities are implementing outdated modules and learning material, and their prehistoric approach is creating a huge unemployment gap. It is essential that the universities evolve their outdated and archaic methods and structures to support the future of technology within South Africa. Apart from providing theory, universities need to become industry training academies."

If strategies are not put in place to assist the transition from the current education models to a new model within the context of the IT industry, the unemployment gap will continue to grow, with the shortage of networking graduates escalating. Companies, like Cisco, are able to provide the content that is expensive to create, needs to be continuously updated, and must be delivered by trained teaching professionals, he says.

Training in SA telecoms

The recent Landelahni Business Leaders 2009 Telecommunications Sector Survey found:

- * African graduate numbers have grown almost 400% since 1995, and show a steady upward trend.
- * With training of black staff, the telecoms sector is only ahead of the all-industry average in the top management space.
- * Regarding female staff training, the telecoms industry is behind the all-industry average on all levels
- * However, the telecoms industry is significantly ahead of the all-industry average of training in general on all levels except professional and mid-management

private sector initiatives, what is government doing about the skills shortage? Part of its answer is the Sector Education and Training Authority (Seta) system, which has had little success and come under much criticism.

The ISETT Seta, in its 2007/08 annual report, announced it had received levy income of R277.705 million during the year, an improvement of 14.1% over the R243.434 million the previous year. It said it had "successfully expensed R139.081 million on mandatory grants, a slight improvement on last year where the Seta expensed R137.766 million". During the financial year, ISETT Seta says it entered 1 404 unemployed youths into learnership programmes. "These 1 404 learners advanced to level five as part of further training, and most of them will complete their training in the new financial year. Thereafter, they will be placed in different companies and also in government departments and local municipalities," the annual report continues. The question remains: Is this value for our money?

Of course, there are industry and government partnerships. Just this month, ISETT Seta announced that its three-year, R35 million programme in partnership with Microsoft SA has funded 1 750 student internships in the IT and related industries since April 2007. Microsoft facilitates the process of entry-level employment by recruiting candidates through its S2B Portal (www.student2business.co.za), where unemployed university and university of technology graduates are able to register. Microsoft has also established an extended academy to cater for unemployed youth with only a Matric certificate, but who qualify in other respects for the programme.

These successes aside, Ziaan Hattingh, MD of IndigoCube, maintains the most expedient answer to the apparent lack of genuine skills development remains in the hands of those with the greatest vested interest: individual companies and their training providers.

skills pool in the face of the current economic recession."

Alfie Hamid, Cisco Systems

He adds that the shortage of critical skills in the ICT sector is driving a surge in salaries, as companies struggle to meet the demand for qualified staff. South African talent and skills are being headhunted on an international level through the offering of lucrative salary packages. This presents a major concern not only for the ICT industry, but the country as a whole. The reduction of the inflow of graduates into the ICT sector is a further concern.

"The development and retention of skilled employees is a key strategy for employers in the war for talent in the local and global market. Talent management and retention strategies and programmes must, therefore, be a top priority for corporate SA's human resource and executive management if they are to prevent a meltdown of operational capacity."

[Editors Letter]

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Ziaan Hattingh, IndigoCube

Cisco launched its Networking Academy programme internationally in 1998, opening its first local academy in the same year. The South African academies now produce 5 000 graduates each year, the majority of whom are absorbed by Cisco, its partners, customers and even competitors. "For example, those who graduate from Cida City Campus go to Dimension Data; those from Nelson Mandela Metropolitan University go to Telkom. The graduates help us to empower the channel; more than 90% of the students are placed upon graduation," Hamid points out. But, in addition to such