

Continued success

filling the
skills gap

FOLLOWING FIRTH
DECEMBER 2023

South Africa's dismal unemployment statistics have been sitting at around the 30% mark for a decade, with the latest figures indicating that 31,9% of people in the country are sitting at home without work. In other words, in the third quarter of 2023, South Africa had 7.8 million persons who were without work, looking for work and available to work. According to Stats SA, 5.9 million of those were in long-term unemployment and 1.9 million in short-term unemployment.

The youth are the hardest hit, with 58% of those aged 15-24 being unemployed, and 38,3% of those aged 25-34 years. This stands to reason, as many experts believe that the country's leading cause of unemployment is inadequate education and training for specific job roles.

South Africa has nearly 26 000 schools, 400 000 teachers and close to 13-million learners. Unfortunately, out of 23 471 public schools, 20 071 have no laboratory, 18 019 have no library, while 16 897 have no internet, 239 have no electricity, and 37 have no sanitation facilities at all.



Richard Firth, CEO of MIP Holdings, says that it's no wonder that South Africa's youth are struggling to enter the job market after school in light of these statistics. "About one million South Africans write matric exams every year. About 150 000 pass at a level that is acceptable to universities. But there's only space for 70 000. What becomes of all the school leavers who don't go to university?"

He adds that the government has successively dropped the final pass rate. For some subjects it is now as low as 30%. Last year, learners were given an extra 5% allowance for up to three subjects. There's a huge a gap between what the high school system produces and what the higher education system expects, Firth points out.





“Firstly, learners in the final year of high school are allowed to pass with at least 50% in four subjects, a minimum of 40% for home language, at least 30% in the language of learning and teaching and at least 30% for one other subject. This is a poor system because it produces students whose academic outcomes aren’t strong enough to allow them to properly transition into higher education. Universities have foundation programmes that are designed to assist students who don’t meet entrance requirements, but with the limited numbers they can accommodate, and the very poor matric results we see every year, there seems to be no light at the end of the tunnel for the scourge of youth unemployment,” Firth says.

For years, MIP has actively been trying to help previously disadvantaged school leavers to not only find employment, but to develop skills that can benefit the country in the long term. The company’s three-year paid internship has seen hundreds of graduates achieving proficiency in programming, with almost a 100% absorption rate within MIP or in technology companies allied to MIP’s business, many of those joining MIP in a full-time capacity after completing the programme.

MIP accepts interns based on their successful navigation of a carefully designed logic and aptitude test. Once the candidate has completed the test, they are interviewed and selected based on a number of criteria, including their willingness to learn. Firth says it's important to note that as the education system reduces the barrier to the "perceived" barrier to entry, so private enterprises are forced to create mechanisms to sift through bad grades. This is a lose-lose situation for the youth and completely out of line for the objectives of a country's education system, he points out.

"The fact that we require no previous experience or skills has made our internship extremely popular, and in the process, we are finding that there are many young people who have the aptitude to enter the technology sector who were never effectively introduced to this type of work. This proves not only that our approach is working, but that there is room for other organisations, or even government, to put more effort into training people up in these types of jobs," says Firth.



In fact, he says that 550 candidates attended this MIP's largest internship intake event in Gauteng to try their hand at the software engineering skills test. "We have now successfully trained more than 500 software engineers with a 99.9% absorption rate. Those candidates that were not absorbed into MIP were placed with other great tech companies," he explains.

"This has enabled MIP to achieve a solid BBBEE level 1 rating by ensuring that more than 90% of the candidates were black – doing what BBBEE was originally intended to do, increasing the number of previously disadvantaged people as a percentage of our total workforce. Today, MIP has a workforce that is 55% black and 33% female, and as more young people pass through our internship programme, these numbers will continue to grow. Unfortunately, this also raises a real conundrum. As the economy shrinks, so does the need, appetite and budget that allows us to grow the number of interns for the technology industry," Firth concludes.



RICHARD FIRTH

*CHAIRMAN & CEO, MIP
HOLDINGS*