



## JOB OPPORTUNITY INDEX

### REPORT

---

July 2011

## JOB OPPORTUNITIES IN THE WHOLESALE AND RETAIL SECTOR in the South African Labour Market

Head office, Technopark  
Centurion

## Table of Contents

|   |    |
|---|----|
| Executive summary .....                                       | ii |
| List of acronyms.....   | v  |
| 1. Introduction .....   | 1  |
| 2. An overview of the W & R Sector .....                      | 2  |
| 3. An overview of W&RSETA .....                               | 3  |
| 4. Sector skills plan.....                                    | 4  |
| 5. Employment outlook in the W & R sector (July 2011).....    | 5  |
| 6. Most in demand occupational fields.....                    | 6  |
| 7. Key Findings – General overview .....                      | 11 |
| 7.1. An overview of the Second Quarter .....                  | 12 |
| 7.2. Regional skill shortages during the Second Quarter ..... | 15 |
| 7.3. Age profile .....  | 16 |
| 8. Conclusion.....  | 17 |

## Tables

|   |    |
|---|----|
| 1. Employment trends (July 2011) .....  | 5  |
| 2. Job opportunities in the W & R sector, regional trends and skills needs (July 2011)..... | 8  |
| 3. Occupational requirements (July 2011) .....  | 9  |
| 4. Cities with job opportunities in the wholesale and retail sector (July 2011) .....       | 10 |

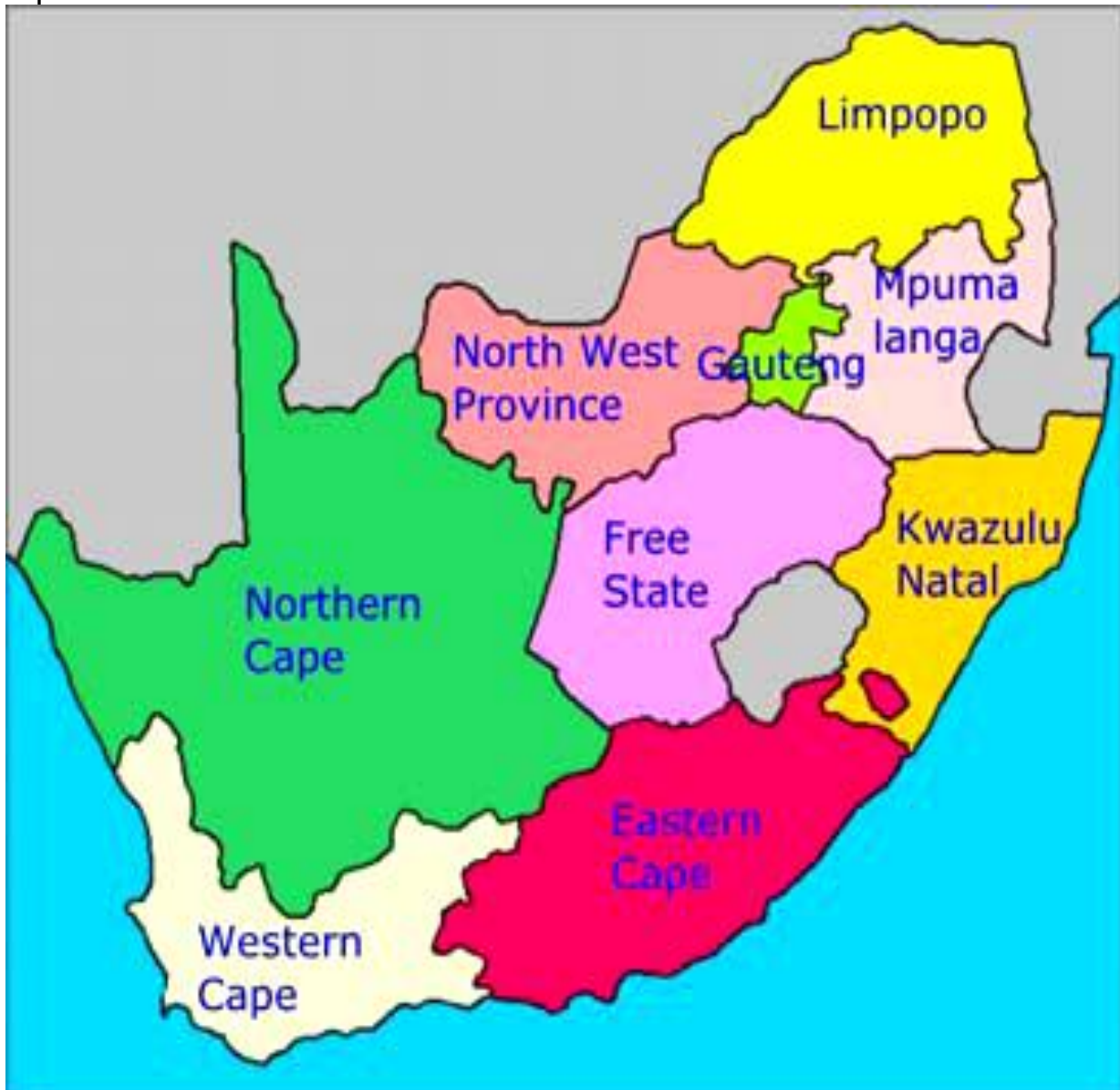
## Figures

|  |    |
|--|----|
| 1. Job opportunities per region (July 2011) .....  | 6  |
| 2. Jobs in most demand (July 2011).....  | 7  |
| 3. Demand trends (amount of job adverts) over the past 25 <sup>th</sup> months .....               | 11 |
| 4. Annual recruitment trends in FMCG, wholesale and retail.....                                    | 12 |
| 5. Occupational fields most in demand in the sector (Second Quarter 2011).....                     | 13 |
| 6. Trends experienced by the various occupational fields in the sector (Second Quarter 2011) ..... | 14 |
| 7. Supply and demand for various job types (Second Quarter 2011) .....                             | 15 |
| 8. Distribution of supply and demand per province (Second Quarter 2011) .....                      | 16 |
| 9. Supply trends age breakdown of potential career seekers (Second Quarter 2011) .....             | 17 |

## Annexure

|  |    |
|--|----|
| A. Salary- level per skills-level .....                        | 19 |
| B. Wholesale & retail businesses in South Africa .....         | 20 |
| C. Wholesale & retail businesses in regions per SIC CODES..... | 21 |
| D. Glossary of terms:.....                                     | 22 |

Map of South Africa and its Provinces



## Executive summary

The global economic uncertainty has stifled South Africa's economic recovery. South Africa is not immune to the impact of the debt crisis in Europe and the US. All economic sectors in South Africa have been affected by the recent economic crisis and more than a million jobs have been lost. South Africa currently boasts one of the highest rates of unemployment in the world.

According to The World Bank Report, South Africa has a huge potential for growth, several factors are, however, hampering investment, including energy supply and skills shortages.<sup>1</sup> The World Bank Report notes that resolving South Africa's high rate of unemployment among the youth, could go some way towards promoting economic growth in the country. The Report calls for bold and creative thinking to secure broad-based growth, and cautions that quick fixes will not produce the dramatic results that are required.

The Fast Moving Consumer Goods (FMCG), Wholesale & Retail (W&R) sector is undergoing massive change: boundaries between wholesale and retail are blurring. Change is being driven by the internationalisation, regionalisation, consolidation and intense price competition, regulation policies, e-commerce, heterogeneous consumer and product trends.

The FMCG, W & R is a key driver in the South African economy and an important contributor to Gross Domestic Product (GDP). The economic downturn has impacted on the W & R sector and employment job figures in South Africa remain lower as a consequence. Skills shortages need to be addressed as a matter of urgency, so as to ensure economic growth, competitiveness and the sector's sustainability.

Skills development is top of the agenda in South Africa. There is consensus among all stakeholders that skills development needs to be driven, since it is an important factor for economic growth and sustainable development. Government, businesses and the main labour union, COSATU have signed a National Skills Accord. Government acknowledges that the improvement in education and skills development are prerequisites for advancing many of the goals of the New Growth Path.

---

<sup>1</sup> The World Bank Report, 2011. New Report Assesses South Africa's Investment Climate.  
[http://siteresources.worldbank.org/NAMIBIAEXTN/Resources/WorldBank\\_Newsletter\\_July\\_2011](http://siteresources.worldbank.org/NAMIBIAEXTN/Resources/WorldBank_Newsletter_July_2011)

The National Skills Accord is a very positive step for the broader skills development landscape. All stakeholders understand their responsibilities and relevance within the skills development landscape, and the importance of ensuring that the skills development interventions translate into real opportunities for all citizens.

The W&RSETA has demonstrated its commitment to South Africa's national skills agenda by focusing on skills development initiatives and building the skills base of both employed and unemployed learners in its sector. Most importantly, the W&RSETA has also identified scarce and critical skills within the sector. The focus of this report is on the job opportunities available in the W & R sector in South Africa. The report looks at vacancies, scarce skills, regional trends in terms of job opportunities, and most in demand occupational fields.

**List of acronyms**

|         |  |
|---------|--|
| CJI     | CareerJunction Index   |
| CPI     | Consumer Price Index   |
| DoE     | Department of Education                                      |
| DoL     | Department of Labour   |
| DWA     | Decent Work Agenda   |
| ESDS    | Employment and Skills Development Service                    |
| ETD     | Education, Training and Development                          |
| FMCG    | Fast Moving Consumer Goods                                   |
| GDP     | Gross Domestic Product                                       |
| GET     | Global Employment Trends                                     |
| KILM    | Key Indicators of the Labour Market                          |
| MDG     | Millennium Development Goals                                 |
| NSA     | National Skills Authority                                    |
| NSDS    | National Skills Development Strategy                         |
| SD      | Skills Development   |
| SDA     | Skills Development Act                                       |
| SSP     | Sector Skills Plan   |
| W&R     | Wholesale and Retail   |
| W&ESETA | Wholesale and Retail Sector Education and Training Authority |
| WSP     | Workplace Skills Plan  |

## 1. Introduction

The global economic uncertainty has stifled South Africa's economic recovery. While the impact may be indirect, South Africa is not immune to the debt crisis within the Eurozone or problems in the US economy. South Africa has one of the highest unemployment rates in the world (i.e. 25.7%)<sup>2</sup>. It is not surprising; therefore, that government is coming under increasing pressure to create employment opportunities.

Government alone cannot deal with the soaring rate of unemployment in the country. A collective effort is required on the part of government, businesses, trade unions and all relevant stakeholders, to reduce high-levels of unemployment. The skills deficit is exacerbated by low levels of productivity in the country as a whole. The skills development agenda is widely supported. There is the recognition that unskilled people need to be upskilled to enable them to operate in a "knowledge economy". Government, businesses and COSATU have signed a National Skills Accord to reinforce the skills development agenda for the country.

Government acknowledges that improvements in education and skills development are prerequisites for advancing many of the goals of the New Growth Path. The National Skills Development Accord is a positive step: government understands businesses interests, and business understands where government needs to go. The explicit political commitment and goodwill on the part of all social partners to skills development is essential if South Africa is to succeed in its quest to alleviate the skills deficit in the medium-to long-term.

This report focuses on job opportunities in July 2011 in the W & R sector in South Africa. The report looks at vacancies, scarce skills, regional trends in terms of job opportunities, and most in demand occupational fields. This is done by tracking newspapers such as The Jobmail, The Sunday Times, The Citizen, The Star, The Business Day, The Pretoria News, The Cape Times, The Herald, The Volksblad, The New Age and The Mail and Guardian. Internet-based research was also conducted, and research bases such as the Career Junction Index were used.

---

<sup>2</sup> Statistics South Africa Quarterly Labour Force Survey. 28 July 2011

The absence of a national labour market information system (LMIS) is a major impediment when conducting labour market analysis/research in South Africa. In the absence of such a database, researchers are compelled to rely on macro analysis of labour market information, diagnostic analysis, prediction trends, inferences and extrapolated data formulate normative judgement on the basis of the weighted market evidence.

## 2. An overview of the W & R sector

The W & R sector is changing rapidly worldwide: boundaries between wholesale and retail are blurring. Changes in the sector are driven by internationalisation, regionalisation, consolidation and intense price competition, regulation policies, e-commerce, and heterogeneous consumer and product trends. Some of these changes have altered the way in which business operates and the types of jobs for which there is a demand.

The W & R sector is one of the most important sectors in terms of value-added and employment in South Africa, and contributes 15% (2010) to the country's GDP, and more than 22% of the employees in South Africa work in the sector.<sup>3</sup> Growth in South Africa's retail sector remains slow and employment opportunities are limited. South African businesses understand the importance of remaining competitive in order to survive within a dynamic and very competitive W & R sector, globally. Irrespective of size, business success is premised on vision, execution, and a powerful, scalable business platform.

The South Africa retail landscape is gaining prominence on the international stage. The South African Competition Commission recently approved Walmart's acquisition of a 51% stake in Massmart, a South African firm, which owns 265 wholesale and retail stores in South Africa and an additional 25 stores in 13 countries in Africa. After the competition authority gave the deal the go ahead,<sup>4</sup> government appealed the decision. Government claims that the appeal decision to allow Wal-Mart to buy control of Massmart is driven and motivated by public interest.

South African retailers such as Shoprite, Pick n' Pay, Spar and Woolworths are highly sophisticated. Whether these retailers will be able to match Walmart's scale, global sourcing network or logistical brilliance<sup>4</sup>, remains to be seen. Walmart's move into South Africa signals a vote of confidence for the

<sup>3</sup> Sector Skills Plan, 2011. Wholesale and Retail Sector: Skills Development for Economic Growth: Pretoria, Centurion. Republic of South Africa, pp6

<sup>4</sup> Business Day, Wal-Mart first attack on price war. 19 June 2011, pp1



South African retail economy and for South Africa as a whole. It is important to note, however, that this move means there is a new competitor on the block. This has lots of pricing and competition implications for the South African retail sector.

Existing retailers will have to compete at a new level. Businesses will need to revisit and assess their models and strategies to better position their businesses. As its market share declines, Pick 'n Pay has been contemplating shedding around 3, 137 jobs. The company argues that the decision to retrench was not made on the basis of Wall-Mart's entry, but was required to ensure the viability of the retail business.<sup>5</sup>

### 3. An overview of the W&RSETA

The principal goal of the W&RSETA is to drive and oversees skills development within the W & R sector. The W&RSETA has demonstrated its commitment to South Africa's national skills agenda by focusing on skills development initiatives and building the skills base for both employed and unemployed learners within its sector. Most importantly, the W&RSETA has identified the scarce and critical skills within its sector.

*Scarce skills*, in the vernacular of Sector Education and Training Authority (SETA), referred to occupations in which there is 'a scarce qualified and experience people, currently or anticipated in the future, either (a) because such skilled people are not available, or (b) because they are available, but do not meet employment criteria.'<sup>6</sup> This shortage might be the due to relative scarcity (i.e. suitable skilled people are available, but do not meet other job requirement such equity consideration, geographic location and replacement demand), or absolute scarce (i.e. there are few people, if any in the country with requisite skills, education and training). *Critical skills*, refers to specific skills within an occupations such as numerical skills, solving problems and communication skills.

The W&RSETA is associated with Economic Sector 27: Wholesale and Retail. The Fifth Edition of the Standard Industrial Classification of All Economic Activities (SIC) published by the Statistical Office of the United Nations is used for classifying the activities of the various wholesale and retail business types (see *annexure B*).

---

<sup>5</sup> Pretoria News, Pick n' Pay to axe up to 3000 staff as market share slides, 11 July 2011, pp6

<sup>6</sup> Sector Skills Plan, 2011. Scarce and Critical Skills in the Wholesale and Retail (W&R) Sector. pp124

#### 4. Sector skills plan

The W&RSETA has been pursuing various skills development programmes in an attempt to improve the current skills crisis within the sector. A closer analysis of all occupational fields within the FMCG, W&R sector; reveals major skills shortages. As work in the FMCG, W & R sector becomes more knowledge-intensive, advanced skilling for senior-level labour such as managers, technicians, procurement, supply chain management and logistics and merchandiser/sale representatives has become of paramount importance.

It is imperative that businesses invest in strategic long-term planning in order to combat a possible skills crisis and to maintain their competitiveness and profitability of their businesses. The skills deficit within the sector places a heavy burden on skills facilitation institutions such as the W&RSETA, which is tasked with ensuring that there is an appropriately-skilled skills pool as well as sufficient numbers of new entrants, wanting to pursue a career path within the W & R sector.

The FMCG, W & R sector plays a critical role in the South African economy. Scarce and critical skills needs need to be addressed as a matter of urgency, not only to ensure the sector's competitiveness, but to enable the sector to contribute to South Africa's economic growth. The top ten of categories of scarce skills in the sector remain<sup>7</sup>:

- retail manager
- retail assistant/buyers
- office cashier
- merchandisers – preferred visual merchandisers\*
- sellers – salesperson/representative\*<sup>8</sup>
- training & development professionals – assessors
- sales & marketing manager
- supply & distribution managers

---

<sup>7</sup> W&R Seta, 2011. Sector Skills Plan (SSP) Report 2011/16. pp132

<sup>8</sup> Note that the star (\*) occupations are not absolute scarce occupations as per the definition, but they are the core to the retail industry and the effective & efficient operation of the business

## 5. Employment outlook in the W & R sector (July 2011)

In July 2011, there were approximately 654 jobs opportunities in the FMCG, W & R sector<sup>9</sup>. This gives credence to the fact that the industry is still suffering from the effects of the economic downturn, and as a consequence, businesses are reluctant to expand their workforce. Recruiters are finding it difficult to source suitable candidates. Job opportunities have decreased by 29.2% month-on-month from the previous month.

Permanent employment is the preferred type of employment among businesses, which employ within the FMCG, W & R sector, followed by contract and part-time employment. Recruiters presently face challenging conditions for the recruitment of permanent staff and contract staff, due to the limited pool of career seekers available for these types of positions. Table 1 provides a summary of the contract type of job opportunities available in the FMCG, and W & R sector:

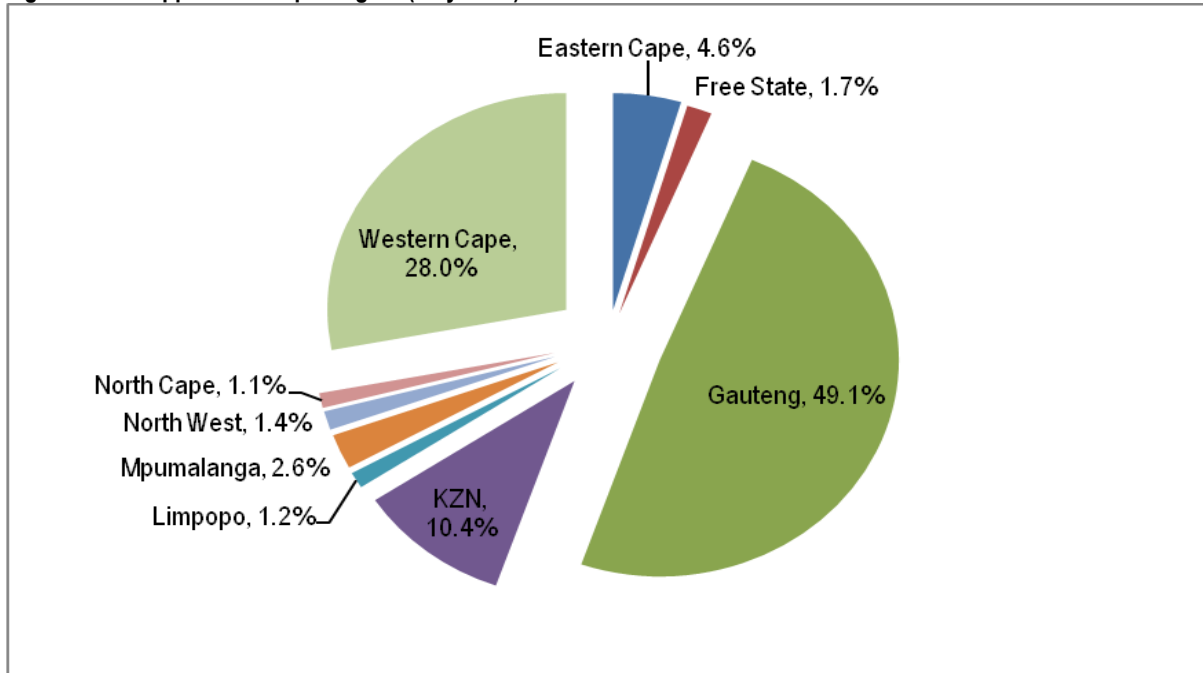
**Table.1: Employment trends (July 2011)**

| Contract Type | Number of jobs |
|---------------|----------------|
| Permanent     | 610            |
| Contract      | 28             |
| Part- time    | 16             |
| Temporary     | 0              |
| Total         | 654            |

The 93.3% of the jobs opportunities are on permanent contract, followed by contract and part-time with 4.3% and 2.4% respectively. Gauteng, Western Cape and KwaZulu-Natal are the leading provinces. These are also the provinces where the majority of FMCG, W & R businesses are located. Most provinces are currently experiencing a challenging recruitment environment.

However, Gauteng is leading with 49.1% of job opportunities, followed by Western Cape and KwaZulu-Natal with 28% and 14.4% respectively. The pie chart below reflects regional percentage of job distribution opportunities.

<sup>9</sup> CareerJunction & Careerjet, 2011. Online jobs Index. Available at: <http://www.careerjet.co.za/jobs-retail-wholesale.html>. [Accessed on 25 July 2011].

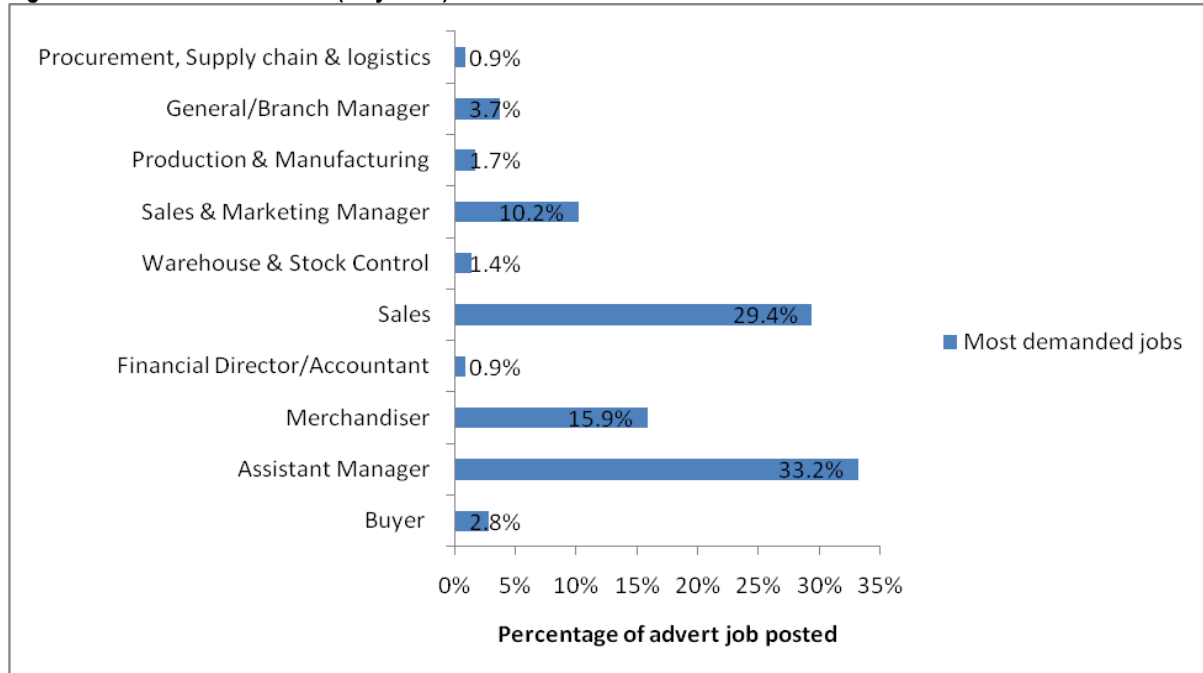
**Figure 1: Job opportunities per region (July 2011)**

Source: Own calculations from CJI & Careerjet Index (2011)

## 6. Most in demand occupational fields

The Career Job Index (CJI) for the FMCG, W & R is currently sitting above 100 index points. This means that there are more job opportunities for potential career seekers, but fewer potential career seekers per job advert. This makes recruitment more difficult.

Gauteng, Western Cape and KwaZulu-Natal are the leading provinces where FMCG, W & R businesses are located. Demand for jobs in these provinces is highest. Figure 2 provides an overview of the trends experienced by the various occupational fields, in which skills are in high demand.

**Figure 2: Jobs in most demand (July 2011)**

Source: Own calculations from CJI & Careerjet (2011)

There is a high demand for skilled and senior-level FMCG, W & R professionals. Almost 40% of the posted job adverts require a skilled and more senior-level labour force. This presents a major challenge for the growth and competitiveness of the sector as the skills deficit remains a serious challenge for the sector.

There is a high demand for the following skills: branch/store manager, merchandiser, retail assistant manager, sales representative and merchandiser as well as sales & marketing manager. There is a correlation between these skills, and the W&RSETA's scarce skills profile.

Table 2: Job opportunities in the wholesale &amp; retail sector, regional trends and skills needs (July 2011)

| Occupations Advertised                | OFO Code Link                               | OFO Codes | Eastern Cape | Free State | Gauteng | KZN | Limpopo | Mpumalanga | North West | Northern Cape | Western Cape |
|---------------------------------------|---|-----------|--------------|------------|---------|-----|---------|------------|------------|---------------|--------------|
| Buyer                                 | Junior/Perishables/<br>Pharmaceutical Buyer | 639201    | 2            |            | 10      | 6   |         |            |            |               |              |
| Assistant Manager                     | Retail Assistant Manager                    | 142103    | 6            | 8          | 95      | 23  | 2       | 3          | 4          | 5             | 62           |
| Merchandiser                          | Visual Merchandiser                         | 343203    | 16           |            | 32      | 18  |         |            |            |               | 38           |
| Financial Director/Accountant         | Accountants                                 | 221101    |              |            | 15      |     |         |            |            |               |              |
| Sales                                 | Sales Representative                        | 3339903   | 6            |            | 99      | 15  | 6       | 7          | 5          | 2             | 52           |
| Warehouse & Stock Control             | Warehouse Manager                           | 132404    |              |            | 9       |     |         |            |            |               |              |
| Sales & Marketing Manager             | Sales & Marketing Manager                   | 131102    |              | 3          | 37      | 5   |         | 7          |            |               | 15           |
| Production & Manufacturing            | Manufacturing Manager                       | 132101    |              |            | 11      |     |         |            |            |               |              |
| General/Branch Manager                | General Manager/Branch Store Manager        | 1421      |              |            | 13      | 2   |         |            |            |               | 10           |
| Procurement, Supply Chain & Logistics | Supply and distribution Manager             | 133601    |              |            |         |     |         |            |            |               | 6            |

Table 3: Occupational requirements (July 2011)

| Occupations Advertised                | OFO Code Link                                | OFO Codes | Experience           | Educational requirements                       | Special requirements   | Salary/wages |            | Frequency |
|---------------------------------------|--|-----------|----------------------|--|--|--------------|------------|-----------|
|                                       |  |           |                      |  |  | From:        | To:        |           |
| Buyer                                 | Junior/Perishable s/<br>Pharmaceutical Buyer | 639201    | 1 years experience   | Matric and equivalent post qualification/NQF 2 | Forecasting, budgeting, staff management, buying, product & industry knowledge, interactive buyer or supplier merchandiser | R 35,000     | R45,000    | 18        |
| Assistant Manager                     | Retail Assistant Manager                     | 142103    | 2 years experience   | Matric and equivalent post qualification/NQF 2 | Budgeting skills, ability to manage staff performance  | Negotiable   |            | 217       |
| Merchandiser                          | Visual Merchandiser                          | 343203    | 1 years experience   | Matric and relevant post qualification         | Have a passion for sales & good communication skills & experience in marketing   | R9,000       | R12,000    | 104       |
| Financial Director/Accountant         | Accountants                                  | 221101    | 3-5 years experience | BCom Accounting plus qualified CA              | CA (SA) – SAICA, hands-on financial control or audit   | -            | -          | 6         |
| Sales                                 | Sales Representative                         | 3339903   | None/ experience     | Matric and equivalent post qualification       | Good communication skills & a passion for sales  | R45,000      | R50,000    | 192       |
| Warehouse & Stock Control             | Warehouse Manager                            | 132404    | 2-3 years experience | Matric and equivalent post qualification       | Strong leadership skills, planning & organising & communication skills   | Negotiable   | Negotiable | 9         |
| Sales & Marketing Manager             | Sales & Marketing Manager                    | 131102    | 1-3 years experience | Matric and diploma/ degree in marketing        | Experience in consumer insights, marketing and market research   | R200,000     | R240,000   | 67        |
| Production & Manufacturing            | Manufacturing Manager                        | 132101    | 3-5 years experience | Matric and equivalent post qualification       | Strong leadership skills, planning & organising & communication skills   | Negotiable   | Negotiable | 11        |
| General/Branch Manager                | General Manager/Branch Store Manager         | 1421      | 3-5 years experience | Matric and equivalent NQF 4                    | Previous hand-on experience on retail management, proficient in MS Office (Word, Excel & Outlook), planning & budgeting    | Negotiable   | Negotiable | 24        |
| Procurement, Supply Chain & Logistics | Supply and Distribution Manager              | 133601    | 1-2 years experience | Matric and equivalent post qualification/NQ2   | Good planning & communication skills, experience in supply chain & distribution management                                 | Negotiable   | Negotiable | 6         |

Table 4: Cities with job opportunities in the wholesale and retail sector (July 2011)

| Eastern Cape   | Free State   | Gauteng        | KZN              | Limpopo     | Mpumalanga | North Cape | North West    | Western Cape  |
|----------------|--------------|----------------|------------------|-------------|------------|------------|---------------|---------------|
| East London    | Bloemfontein | Alberton       | Durban           | Pietersburg | Nelspruit  | Kimberley  | Potchefstroom | Cape Town     |
| Port Elizabeth |              | Bedfordview    | Pietermaritzburg |             | Witbank    |            | Rustenburg    | Somerset West |
|                |              | Benoni         |                  |             |            |            |               |               |
|                |              | Boksburg       |                  |             |            |            |               |               |
|                |              | Brakpan        |                  |             |            |            |               |               |
|                |              | Carltonville   |                  |             |            |            |               |               |
|                |              | Centurion      |                  |             |            |            |               |               |
|                |              | Germiston      |                  |             |            |            |               |               |
|                |              | Johannesburg   |                  |             |            |            |               |               |
|                |              | Kempton park   |                  |             |            |            |               |               |
|                |              | Krugersdrop    |                  |             |            |            |               |               |
|                |              | Midrand        |                  |             |            |            |               |               |
|                |              | Nigel          |                  |             |            |            |               |               |
|                |              | Pretoria       |                  |             |            |            |               |               |
|                |              | Randfontein    |                  |             |            |            |               |               |
|                |              | Sasolburg      |                  |             |            |            |               |               |
|                |              | Springs        |                  |             |            |            |               |               |
|                |              | Vanderbijlpark |                  |             |            |            |               |               |
|                |              | Vereeniging    |                  |             |            |            |               |               |
|                |              | Westoniria     |                  |             |            |            |               |               |
| 30             | 11           | 321            | 78               | 8           | 17         | 9          | 7             | 183           |

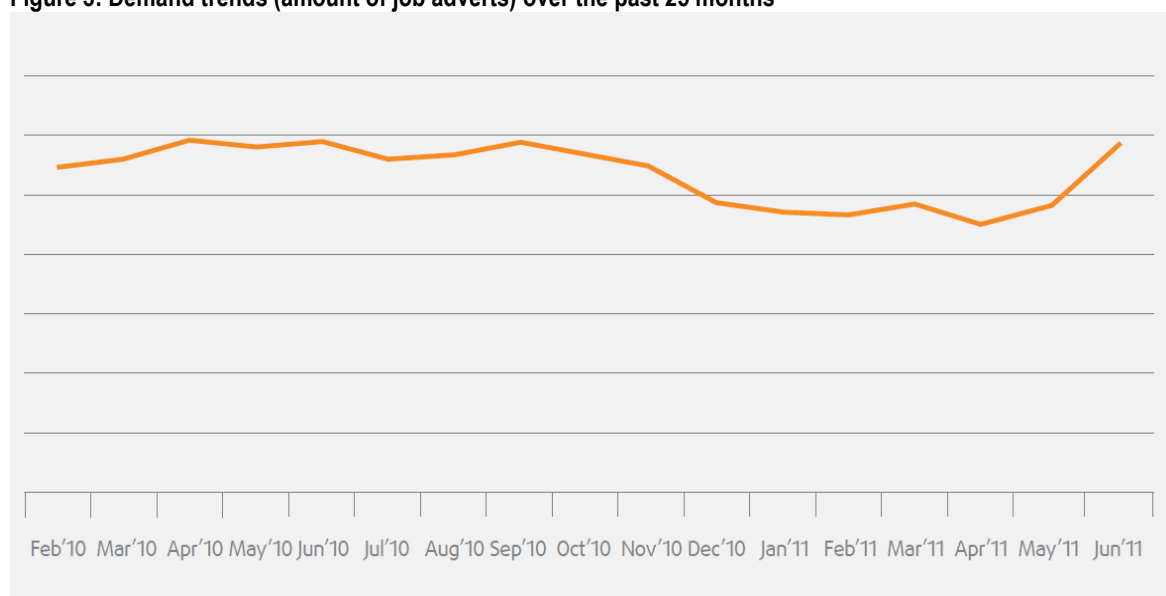


## 7. Key Findings – General overview

South Africa has a very high unemployment rate. The unemployment rate increased by 0.7% between Quarter One (25%) and Quarter Two (25.7%).<sup>10</sup> Some experts contend that the South African labour laws have suppressed job creation. However, the general consensus is that the roots of the crisis lie in structural factors such as low education levels, mismatches between the kind of jobs available and workers' skills, and considerable distances between population centers and areas where businesses are located.

The Career Junction Index increased in June 2011. The index is currently positioned at 116.71 index point.<sup>11</sup> The positioning of the online index above the 100 mark indicates more challenging recruitment conditions, as a result of fewer potential career seekers per job advert. In other words, while potential career seekers have more employment opportunities, recruiters have fewer candidates available for placement. Employment prospects were better in June 2011 (1583 job opportunities) compared to July 2011 (654 job opportunities). However, due to the increasing demand for labour, job search activity is expected to pick up. Figure 3 provides a broader view of demand trends in terms of what has happened in the last 25<sup>th</sup> months in the sector.

**Figure 3: Demand trends (amount of job adverts) over the past 25 months**



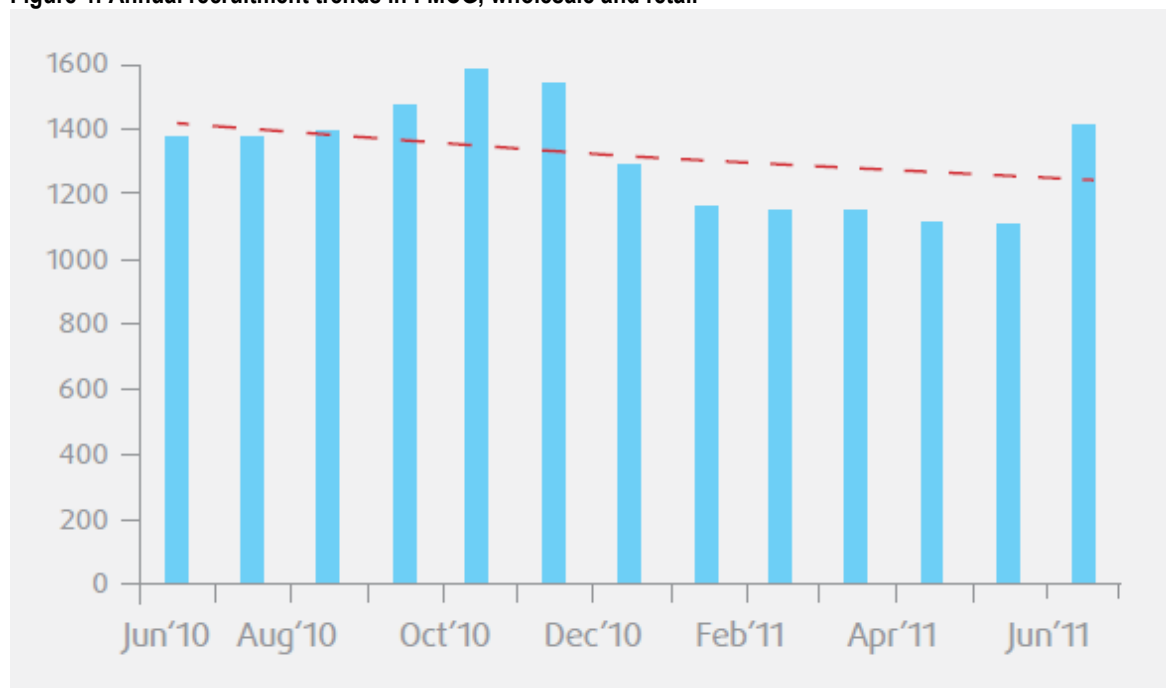
Source: Career Junction Index (2011)

<sup>10</sup> Statistics South Africa Quarter Labour Force Survey July 2011

<sup>11</sup> Career Junction Index, June Report 2011. Cape Town, Republic of South Africa, pp15

The sector is still experiencing difficult conditions: these are expected to remain unchanged for the foreseeable future. Recruitment activity picked up during the month of June 2011. However, recruiters are struggling to find certain professionals with adequate skills. Figure 4 reflects annual recruitment activities in the FMCG, W & R sector.

**Figure 4: Annual recruitment trends in FMCG, wholesale and retail**



Source: Career Junction Index (2011)

The FMCG, W & R and Manufacturing, Production & Trade sectors were greatly affected by the economic downturn. However, the FMCG, W & R sector is now showing evidence of stabilising. Demand for labour increased in June 2011.

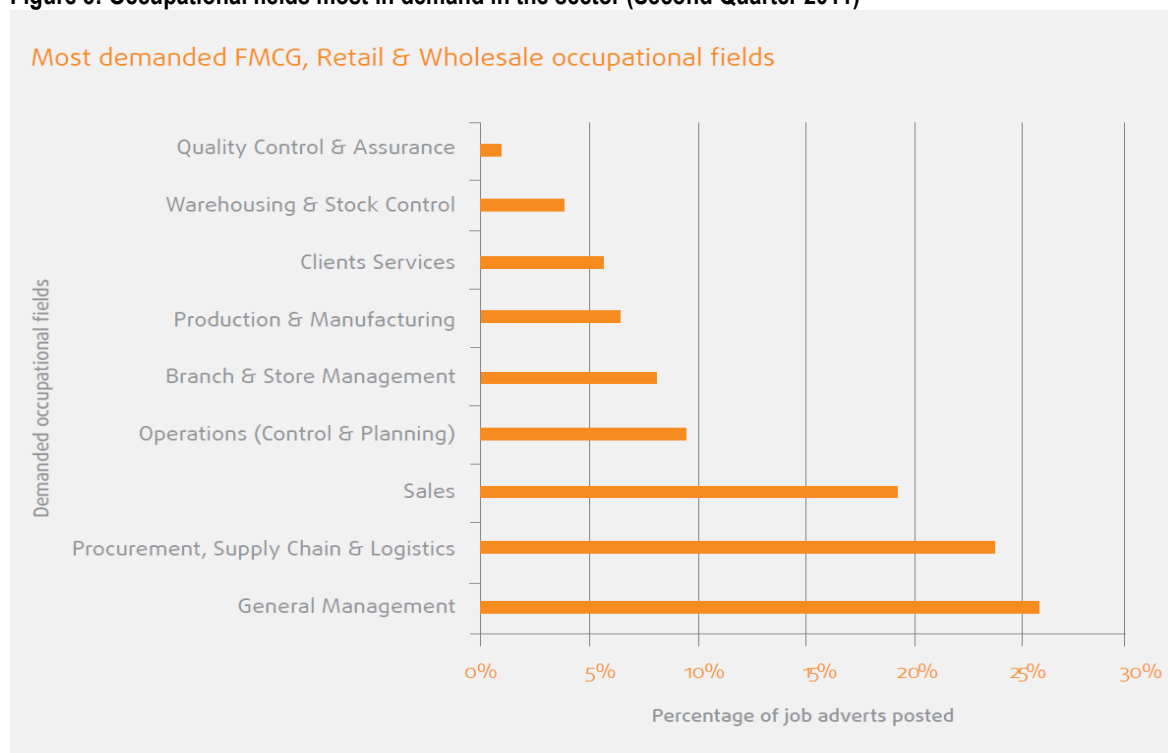
### 7.1. An overview of the Second Quarter

Recruitment conditions were moderate in the 2<sup>nd</sup> Quarter of 2011. The CJI for FMCG, W & R sector is currently positioned at 84.26 index points, signalling easing recruitment conditions and therefore, greater access to available labour<sup>12</sup>. Demand for labour decreased by over 12% over the last six months. The supply of labour has increased by 4% during this period.

<sup>12</sup> Ibid2

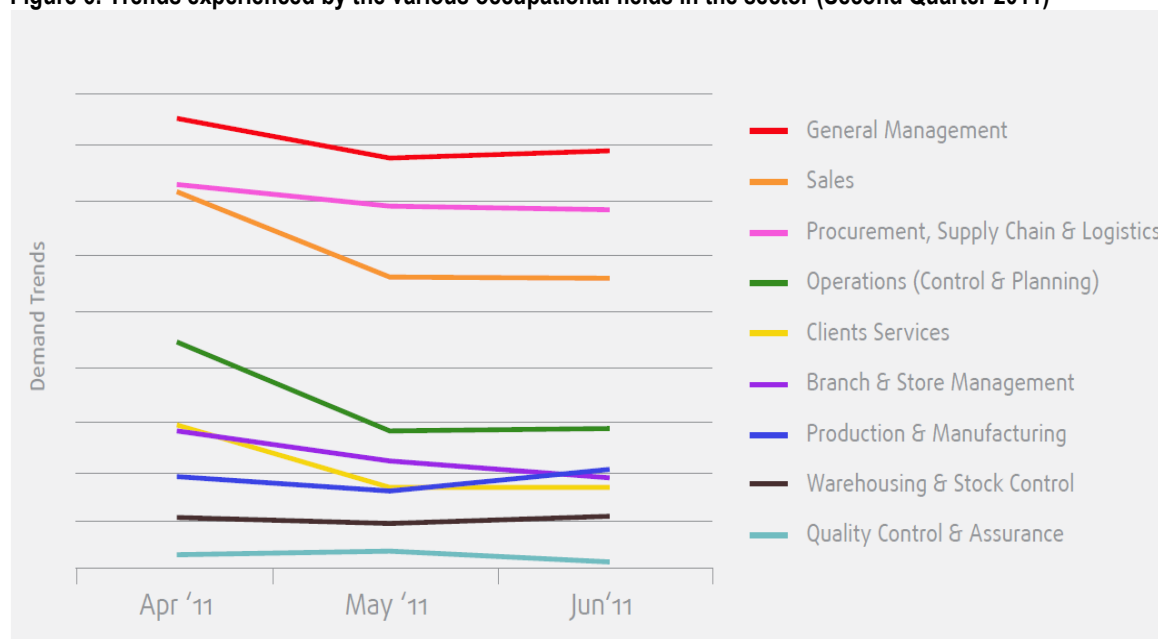
The Career Junction Report, "...ranks the FMCG, Retail & Wholesale industry in the 3<sup>rd</sup> (supply) and the 4<sup>th</sup> (demand) positions. The industry comprises just over 7% of online job advertising as well as job search activity in the online job market."

**Figure 5: Occupational fields most in demand in the sector (Second Quarter 2011)**



Source: Career Junction Index (2011)

General/store/branch management skills, followed by procurement, supply chain & logistics and sales skills were the most demanded occupational fields during the second quarter. Quality control & assurance and warehousing & stock control are marked as the occupations least in demand; each constitutes less than 3% of overall online labour demand. Despite the relatively low demand for production & manufacturing and client service skills, recruitment is the most challenging. Figure 6 provides an overview of the trends experienced by the various occupational fields in high demand:

**Figure 6: Trends experienced by the various occupational fields in the sector (Second Quarter 2011)**

Source: Career Junction Index (2011)

Fluctuations in demand for labour were minimal during the Second Quarter of 2011. Overall job advertising has decreased by over 12% from 1<sup>st</sup> Quarter 2011 to 2<sup>nd</sup> Quarter 2011. When narrowing this down into occupation-specific trends, the fields of operations (control & planning) and client services appear to have contributed to the declining trend. On the other hand, increases in job advertising were experienced in the fields of production & manufacturing and warehousing & stock control.

The CJI analysis of demanded job levels reveals a lack of skills of various occupational fields in the FMCG, W & R sector.<sup>13</sup> Skilled and senior-level labour displays high levels of demand. However; the supply of these professionals is limited across most related occupations within the sector.

There is an over-supply of entry and junior-level labour. The limited supply of skilled and senior level professionals creates a competitive and challenging environment for recruiters. This phenomenon is particularly evident within Gauteng, the Western Cape and Northern Cape. The following FMCG, W & R related occupations show evidence of skills gaps<sup>14</sup>:

<sup>13</sup> Career Junction Index, May Report 2011. Cape Town, Republic of South Africa, pp19

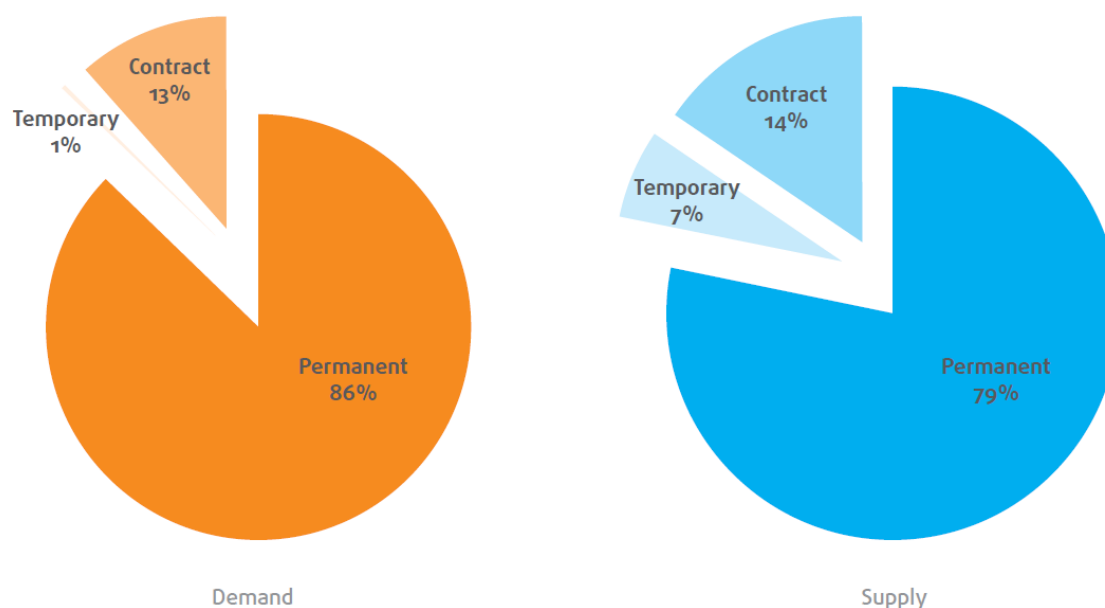
<sup>14</sup> Ibid2

- production & manufacturing
- quality control & assurance
- warehousing & stock control
- branch & store management
- client services
- general management

## 7.2. Regional skill shortages during the Second Quarter

Many provinces are currently experiencing a shortage of various skills sets. Gauteng, Western Cape and KwaZulu-Natal are the provinces where the majority of FMCG, W & R businesses are located. Figure 7 illustrates the supply and demand rates for various job types within the FMCG, W & R sector.

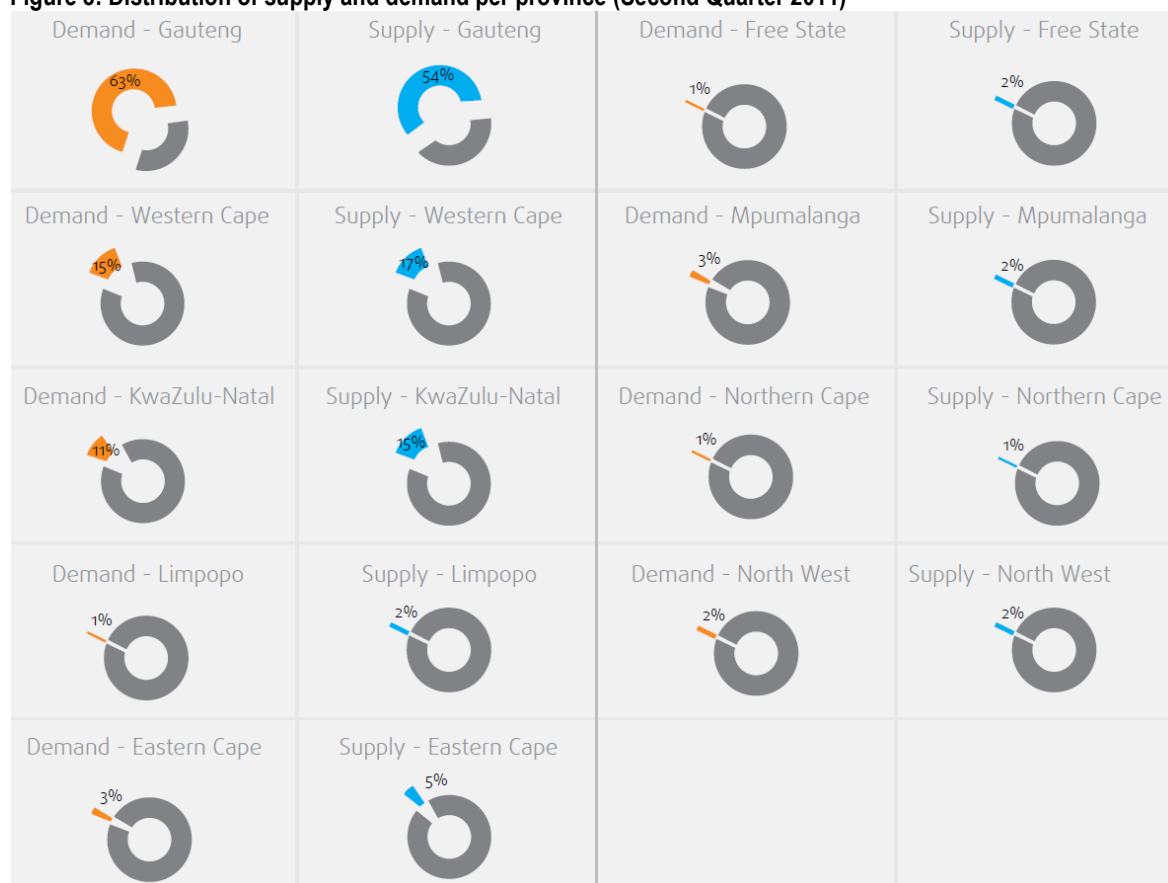
**Figure 7: Supply and demand for various job- types (Second Quarter 2011)**



Permanent employment is the preferred type of employment among businesses, followed by contract employment. Despite the relatively even distribution of labour supply and demand for contract and permanent employees, the limited supply of these professionals makes placement somewhat challenging. A significant oversupply of temporary staff is evident. Employers, who struggle to find suitable talent, should consider offering temporary employment as an alternative recruitment solution. The graphs below illustrate the demand and supply of online labour across all provinces. A

comparative breakdown per province assesses the availability of online labour supply to meet the online labour demand.

**Figure 8: Distribution of supply and demand per province (Second Quarter 2011)**

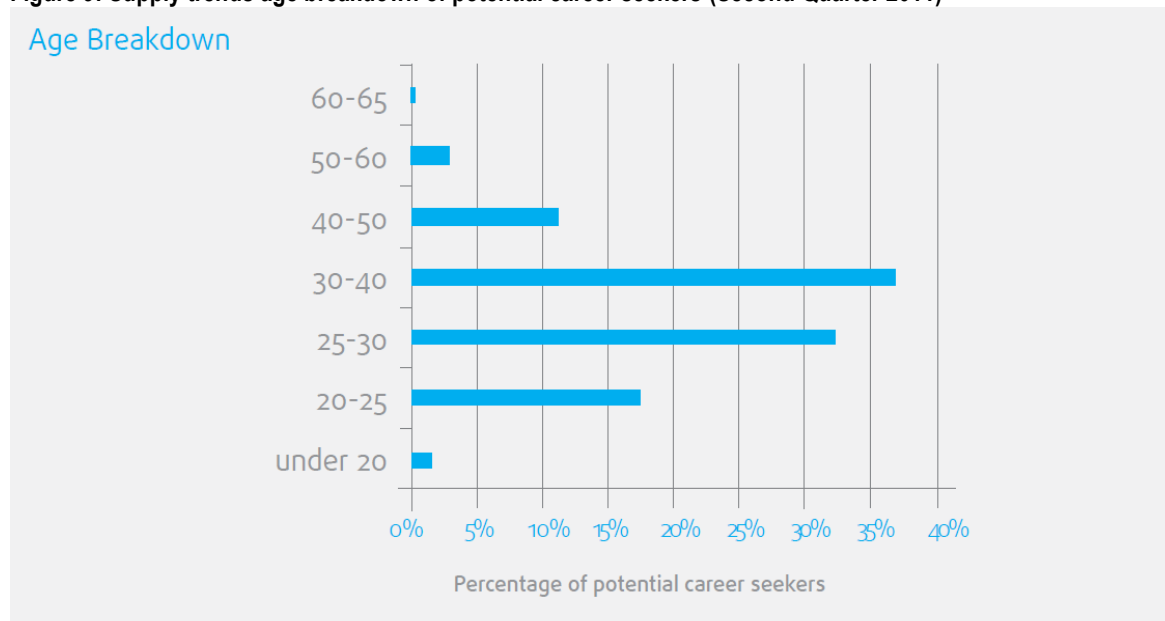


Source: Career Junction Index (2011)

The analysis of online labour supply and demand provides the positioning for each province, based on the average number of potential career seekers available per job advert. Integrating the number of job adverts and the number of potential career seekers per job advert, reflects the online labour supply, versus demand per province.

### 7.3. Age profile

The age profile of the online labour supply provides valuable information regarding the supply of younger, future generations. Age may also be used as an indication of professional expertise and skills.

**Figure 9: Supply trends age breakdown of potential career seekers (Second Quarter 2011)**

Source: Career Junction Index (2011)

There is an abundance of professionals between the ages of 20 and 50. Supply of professionals older than 50 and younger than 65, is much lower. The high volume of professionals “between the ages of 20 and 25 suggests that there is a large talent pool of less-experienced candidates.”<sup>15</sup> These could potentially be used in areas where an access to intermediate-level candidates is limited. This could be done by training and up-skilling professionals to the required skills- level.

## 8. Conclusion

South Africa is not immune from the debt crisis in the Eurozone and problems in the US: the global economic uncertainty has stifled South Africa’s economic recovery. South Africa’s unemployment rate is currently one of the highest in the world (i.e. 25.7%). It is not surprising therefore, that government is under increasing pressure to create employment opportunities.

The skill deficit in various sectors remains a challenge. According to the World Bank Report, South Africa has considerable potential for growth. However, several factors are hampering investment, including energy supply and skills shortages. The latter, creates pressure on the skills development facilitators such as W&RSETA to accelerate delivery.

<sup>15</sup> Career Junction Index, May Report 2011. Cape Town, Republic of South Africa, pp33

The June CJI increased to the 116.71 index point, signalling more job opportunities for potential career seekers, but fewer potential career seekers per job advert. Recruiters are finding it difficult to find suitable candidates. Due to an increasing demand for labour, job search activity is expected to pick up. In July 2011, there were approximately 654 job opportunities in the W&R sector. Placement options are restricted to skilled and senior level staff.

By monitoring the labour (i.e. supply & demand) within various skill-level categories, training facilitators such the W&RSETA can obtain additional insights into current skills shortages and skills over-supply. This process also provides an opportunity to reflect on the W&RSETA's interventions, functioning and performance, in terms of its ability to meet NSDS III objectives.

---

*Skills deficits in the W&R sector place a heavy burden on e skills development facilitators such as the W&RSETA to rapidly address this phenomenon. The greening economies will also affect skills demands within the sector.*

---

The imbalance of supply and demand within the various skill level categories creates difficult recruitment conditions for HR professionals and recruiters. The undersupply of certain skills becomes evident in the following occupational fields:

- production & manufacturing
- quality control & assurance
- warehousing & stock control
- branch & store management
- client services
- general management



## Annexure A

## Salary-level per skills-level

|                                       | Junior Level | Skilled Level | Senior Level | Management Level | Executive Level |
|---------------------------------------|--------------|---------------|--------------|------------------|-----------------|
| Branch & Store Management             |              |               |              |                  |                 |
| From                                  | ---          | R 13,567.13   | R 12,740.74  | R 16,645.24      | ---             |
| To                                    | ---          | R 15,887.45   | R 16,468.75  | R 23,248.67      | ---             |
| Procurement, Supply Chain & Logistics |              |               |              |                  |                 |
| From                                  | R 11,848.96  | R 23,860.73   | R 28,201.67  | R 39,230.16      | ---             |
| To                                    | R 14,989.81  | R 29,082.70   | R 34,451.26  | R 48,658.97      | ---             |
| Operations (Control & Planning)       |              |               |              |                  |                 |
| From                                  | ---          | R 21,212.15   | R 24,390.35  | R 32,442.98      | ---             |
| To                                    | ---          | R 25,933.38   | R 33,212.96  | R 40,563.49      | ---             |
| Production & Manufacturing            |              |               |              |                  |                 |
| From                                  | ---          | R 22,746.03   | R 30,773.81  | R 32,861.11      | ---             |
| To                                    | ---          | R 29,628.79   | R 35,092.60  | R 43,111.11      | ---             |
| Client Services                       |              |               |              |                  |                 |
| From                                  | ---          | R 18,196.67   | R 26,363.64  | R 33,803.92      | ---             |
| To                                    | ---          | R 22,324.82   | R 30,818.18  | R 40,715.69      | ---             |
| Quality Control & Assurance           |              |               |              |                  |                 |
| From                                  | ---          | R 13,520.83   | R 20,571.43  | ---              | ---             |
| To                                    | ---          | R 17,312.50   | R 26,333.33  | ---              | ---             |
| Sales                                 |              |               |              |                  |                 |
| From                                  | R 5,771.43   | R 17,713.05   | R 22,234.52  | R 27,083.33      | ---             |
| To                                    | R 11,687.50  | R 19,859.25   | R 29,736.11  | R 33,556.71      | ---             |
| Warehousing & Stock Control           |              |               |              |                  |                 |
| From                                  | ---          | R 16,370.37   | R 18,106.06  | R 27,800.00      | ---             |
| To                                    | ---          | R 20,351.85   | R 24,591.67  | R 31,400.00      | ---             |
| General Management                    |              |               |              |                  |                 |
| From                                  | R 12,904.76  | R 28,404.20   | R 33,892.95  | R 33,121.75      | R 62,012.82     |
| To                                    | R 18,239.58  | R 37,207.51   | R 37,063.15  | R 42,647.26      | R 83,000.00     |

Source: Career Junction Index (2011)

## Annexure B

## Wholesale and retail businesses in South Africa

| <i>SIC Code</i>  | <i>SIC_Code_Description</i>  |
|------------------|--|
| <b>Wholesale</b> |  |
| 61000            | Wholesale and commission trade, except for motor vehicles and motor cycles                             |
| 61100            | Wholesale trade on a fee or contract basis   |
| 61220            | Wholesale trade in food, beverages and tobacco   |
| 61310            | Wholesale trade in textiles, clothing & footwear   |
| 61391            | Wholesale trade in household furniture requisites & appliances   |
| 61392            | Wholesale trade in books & stationery  |
| 61393            | Wholesale trade in precious stones, jewellery and silverware   |
| 61394            | Wholesale trade in pharmaceuticals, toiletries & medical equipment                                     |
| 61420            | Wholesale trade in metal & metal ores  |
| 61430            | Wholesale trade in construction materials, hardware, plumbing & heating equipment                      |
| 61501            | Office machinery and equipment including computers   |
| 61509            | Other machinery  |
| 61901            | General wholesale trade  |
| 61909            | Other wholesale trade n.e.c.   |
| <b>Retail</b>    |  |
| 62000            | Retail trade; except of motor vehicles and motor cycles; repair of personal and household goods        |
| 62110            | Retail trade in non-specialised stores with food; beverages and tobacco predominating                  |
| 62190            | Other retail trade in non-specialised stores   |
| 62201            | Retail trade in fresh fruit & vegetables   |
| 62202            | Retail trade in meat & meat products   |
| 62203            | Retail trade in bakery products  |
| 62204            | Retail trade in beverages (bottle stores)  |
| 62209            | Other retail trade in food; beverages and tobacco n.e.c.   |
| 62321            | Retail trade in men's and boy's clothing   |
| 62322            | Retail sale of used motor vehicles   |
| 62323            | Retail trade by general outfitters & by dealers in piece goods, textiles, leather & travel accessories |
| 62324            | Retail trade in shoes  |
| 62330            | Retail trade in household furniture appliances; articles and equipment                                 |
| 62340            | Retail trade in hardware, paints & glass   |
| 62391            | Retail trade reading matter and stationery   |
| 62392            | Retail trade in jewellery, watches & clocks  |
| 62393            | Retail trade in sports goods & entertainment requisites  |
| 62399            | Retail trade by other specified stores   |
| 62400            | Retail trade in second-hand good in stores   |
| 63122            | Retail sales of used motor vehicles  |
| 63311            | Sales of tyres   |
| 63500            | Retail sales of automotive fuel  |

## Annexure C

## Wholesale and retail businesses per region in SIC CODES

| SIC Code         | Number of Enterprise per SIC Code | Eastern Cape | Free State | Gauteng North | Gauteng South | KZN  | Limpopo | Mpumalanga | Northern Cape | North West | Western Cape |
|------------------|-----------------------------------|--------------|------------|---------------|---------------|------|---------|------------|---------------|------------|--------------|
| <b>Wholesale</b> |                                   |              |            |               |               |      |         |            |               |            |              |
| 61000            | 837                               | 73           | 42         | 294           | 80            | 65   | 37      | 67         | 7             | 34         | 138          |
| 61100            | 275                               | 27           | 19         | 88            | 12            | 58   | 9       | 2          | 8             | 6          | 46           |
| 61220            | 1795                              | 192          | 78         | 768           | 91            | 299  | 61      | 100        | 24            | 46         | 136          |
| 61310            | 1593                              | 95           | 81         | 560           | 72            | 209  | 59      | 91         | 36            | 60         | 330          |
| 61391            | 724                               | 67           | 32         | 296           | 39            | 94   | 34      | 38         | 13            | 14         | 97           |
| 61392            | 471                               | 29           | 19         | 162           | 12            | 96   | 17      | 28         | 5             | 14         | 89           |
| 61393            | 231                               | 41           | 8          | 82            | 11            | 29   | 13      | 8          | 4             | 6          | 29           |
| 61394            | 738                               | 99           | 17         | 297           | 35            | 94   | 20      | 44         | 7             | 26         | 99           |
| 61420            | 350                               | 40           | 24         | 139           | 10            | 28   | 21      | 32         | 6             | 10         | 40           |
| 61430            | 1599                              | 140          | 75         | 605           | 66            | 260  | 59      | 118        | 14            | 33         | 229          |
| 61501            | 1050                              | 61           | 51         | 415           | 49            | 132  | 33      | 62         | 12            | 28         | 207          |
| 61509            | 788                               | 78           | 56         | 266           | 19            | 93   | 44      | 10         | 25            | 169        | 28           |
| 61901            | 6538                              | 484          | 371        | 2888          | 319           | 1211 | 261     | 462        | 112           | 200        | 230          |
| 61909            | 1836                              | 223          | 112        | 608           | 53            | 223  | 75      | 108        | 66            | 70         | 298          |
| <b>Retail</b>    |                                   |              |            |               |               |      |         |            |               |            |              |
| 62000            | 3456                              | 399          | 213        | 1220          | 127           | 479  | 208     | 242        | 34            | 78         | 456          |
| 62110            | 751                               | 29           | 78         | 297           | 20            | 85   | 72      | 45         | 10            | 25         | 90           |
| 62190            | 491                               | 33           | 33         | 179           | 13            | 81   | 34      | 46         | 5             | 15         | 52           |
| 62201            | 1898                              | 131          | 69         | 643           | 62            | 387  | 104     | 140        | 38            | 51         | 273          |
| 62202            | 1894                              | 123          | 91         | 644           | 70            | 223  | 74      | 144        | 32            | 53         | 440          |
| 62203            | 288                               | 13           | 17         | 104           | 11            | 47   | 9       | 16         | 3             | 9          | 59           |
| 62204            | 380                               | 29           | 26         | 147           | 14            | 56   | 17      | 2          | 9             | 71         | 9            |
| 62209            | 685                               | 84           | 48         | 182           | 9             | 90   | 37      | 57         | 22            | 32         | 124          |
| 62311            | 1501                              | 122          | 108        | 419           | 54            | 228  | 81      | 118        | 48            | 62         | 261          |
| 62321            | 363                               | 13           | 23         | 138           | 13            | 51   | 13      | 30         | 7             | 9          | 66           |
| 62322            | 1591                              | 94           | 70         | 610           | 50            | 277  | 61      | 96         | 31            | 56         | 246          |
| 62323            | 2074                              | 132          | 131        | 757           | 88            | 342  | 98      | 121        | 41            | 49         | 315          |
| 62324            | 438                               | 26           | 18         | 145           | 13            | 81   | 17      | 42         | 8             | 17         | 71           |
| 62330            | 500                               | 31           | 25         | 177           | 23            | 82   | 19      | 36         | 5             | 12         | 90           |
| 62340            | 701                               | 40           | 37         | 227           | 33            | 135  | 30      | 50         | 14            | 26         | 109          |
| 62391            | 3273                              | 254          | 161        | 1078          | 117           | 530  | 176     | 254        | 46            | 79         | 578          |
| 62392            | 528                               | 50           | 20         | 198           | 18            | 71   | 24      | 40         | 15            | 14         | 78           |
| 62393            | 1515                              | 100          | 56         | 509           | 54            | 353  | 42      | 123        | 12            | 38         | 228          |
| 62399            | 1613                              | 88           | 42         | 305           | 18            | 607  | 265     | 179        | 6             | 16         | 87           |
| 62400            | 640                               | 42           | 47         | 204           | 30            | 92   | 30      | 73         | 5             | 27         | 90           |
| 63122            | 5441                              | 356          | 275        | 1850          | 227           | 816  | 210     | 319        | 140           | 202        | 1046         |
| 63310            | 1968                              | 109          | 99         | 587           | 71            | 360  | 109     | 127        | 58            | 95         | 353          |
| 61210            | 16                                | 5            | 0          | 5             | 1             | 0    | 1       | 1          | 1             | 0          | 2            |
| 63500            | 3430                              | 361          | 204        | 1251          | 118           | 429  | 175     | 241        | 63            | 77         | 511          |

## Annexure D

### Glossary of terms

|                                      |  |
|--------------------------------------|--|
| <b>Career Junction Index (CJI)</b>   | A numerical scale used to compare relative changes of online labour supply and demand. It represents shifts and trends of the overall “potential career seekers per job advert” ratio comparing the current three month period to the previous three month period. The CJI point of 100 is used as a reference number indicating changes over time.  |
| <b>CJI equals 100</b>                | No changes regarding the potential career seekers per job advert ratio. Supply and demand are following the same trend   |
| <b>CJI is greater than 100</b>       | More jobs opportunities for potential career seekers and less potential seekers per job advert. Recruitment is more difficult, due to less potential career seekers per job advert.  |
| <b>CJI is smaller than 100</b>       | Fewer job opportunities for potential career seekers and more potential seekers per job advert. Recruitment is less difficult, due to more potential career seekers per job advert   |
| <b>Career seekers</b>                | Individuals who are actively using their career seeker accounts to search for career opportunities on the CareerJunction website. All career seekers considered in this research are registered with complete and searchable resumes and have been actively using the CareerJunction website during the previous 12 months.  |
| <b>Career seekers per job advert</b> | <p>Less than 5 potential career seekers per job advert; means recruitment is very difficult.</p> <p>Between 5 and 10 potential career seekers per job advert; means recruitment is difficult.</p> <p>Between 10 and 20 potential career seekers per job advert; means recruitment is moderate.</p> <p>Between 20 and 30 potential career seekers per job advert; means recruitment is easy.</p> <p>More than 30 potential career seekers per job advert; means recruitment is very easy.</p> |
| <b>Demand</b>                        | Measures the need of online labour to fill vacancies advertised on the CareerJunction website.   |
| <b>Industry/sector</b>               | Represents an industry, which specifies the employment environment of businesses, e.g. the Finance Industry, FMCG, Retail and Wholesale industry.  |
| <b>Job adverts</b>                   | Posted vacancies on the CareerJunction/Careerjet website or newspapers by recruiters. Indicates the position to be filled within a certain organisation/industry   |

|   |   |
|---|---|
| <b>Occupational field</b>               | Refers to a specific occupational group, which summarises specific skills within a profession   |
| <b>Online labour market</b>             | The market in which workers compete for jobs and employers compete for workers by means of the Internet.  |
| <b>Profession/professional field(s)</b> | Refers to a vocation requiring knowledge of some department of learning or science, e.g. FMCG, Retail & Wholesale and Finance.  |
| <b>Potential career seekers</b>         | Career seekers whose occupation and professional industry match the current demand.   |
| <b>Recruiters</b>                       | Businesses, employers, organisations or individuals who advertise vacancies through the CareerJunction/Careerjet website or newspapers  |
| <b>Supply</b>                           | Measures the level and composition of available online labour based on the number of career seekers in the CareerJunction database. Adjustments are applied to the online labour supply data to remove seasonal fluctuations. |