

CareerJunction **Index**



Executive Summary

July



2010

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About CareerJunction



CareerJunction, an Avusa Media Company, is the leading Online Recruitment solution in South Africa. CareerJunction provides an online service to Recruiters and CareerSeekers and has been at the forefront of technological developments in the Online Recruitment space in South Africa since 1997. CareerJunction is a web service through which Recruiters and CareerSeekers interact in a secure and completely confidential environment. Over 1,000 companies advertise their jobs on CareerJunction and make use of the variety of services which we offer over and above the normal Job Board service.

CareerJunction is the market leader with innovative Online Recruitment products and solutions.

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Chapter 1



Introduction
CJI Job Reports



The CareerJunction Index (CJI) has been established due to a lack of updated and accurate online labour market information in South Africa. The CJI is the first index of its kind that directly monitors the online labour market in South Africa by examining supply and demand trends across all industries. CJI Executive Summary analyses supply and demand of professionals within their relevant industries only.

The CJI data is sourced from the CareerJunction website, where over 1,000 of the country's top recruiters (both agencies and corporate companies) advertise their vacant positions to more than 1 million career seekers. With the Internet becoming an increasingly popular method of finding a job and sourcing candidates for positions, the CareerJunction Index provides HR professionals and recruitment agencies with valuable insights into online labour trends in South Africa.

***Please note:** Some technical terms are used throughout this report. Therefore, please refer to 'Technical Terms' before any further reading.

The CJI provides insights into the online labour market dynamics, including:

- The current online labour market trends;
- Online labour demand trends;
- Online labour supply trends;
- Rising and shrinking industries and occupations;
- The identifying of skill shortages;
- Analysis of labour cycles; and
- The identifying of strategies to alleviate the effect of a decreasing supply of candidates.



The CJI Job Reports provide an in-depth analysis of online labour dynamics for the top industry sectors by examining supply and demand trends. It is the first of its kind in South Africa. CJI Job Reports are released quarterly and are available at a fee from www.cji.co.za

The CJI Job Reports serve as a foundation for potential HR solutions & strategies. It enables recruitment agencies and businesses to focus on specific and relevant occupations when developing their retention strategies.

These reports represent an in-depth market scan of online labour dynamics and provide a full understanding and awareness of some of the following industry trends:

- Difficulty of recruitment
- Over/under supply of online labour
- Skill shortages
- Industry growth
- Shifting & decreasing industries
- Occupations currently high in demand
- Location of online labour demand & supply
- Job level of online labour demand & supply (E.g. Junior Level, Senior Level)
- Market related salary packages

Detailed CJI Job Reports are available quarterly for the following job sectors:

1. Information Technology
2. Financial
3. Engineering
4. Manufacturing, Production & Trades
5. FMCG, Retail & Wholesale
6. Building & Construction
7. Telecommunication
8. Mining
9. Motor
10. Human Resources & Recruitment

* The first nine CJI Job Reports are already available. To purchase please visit: www.cji.co.za

Chapter 2



How It Works

Key Findings

Recruitment Conditions



The CJI represents the ratio of career seekers (supply) per jobs available (demand). The CJI data is sourced from CareerJunction's career seekers (individuals who are registered with complete and searchable resumes and who have been actively using the CareerJunction website in the previous 12 months) and job adverts placed on the CareerJunction website.

The CJI provides three potential scenarios:

CJ Index equals 100

$$\text{CJI} = 100$$

- No changes regarding the potential career seekers per job advert ratio.
- Supply and demand are following the same trend.

The CJ Index is greater than 100

$$\text{CJI} > 100$$

- More job opportunities for potential career seekers.
- Less potential career seekers per job advert.
- Recruitment more difficult, due to less potential career seekers per job advert.

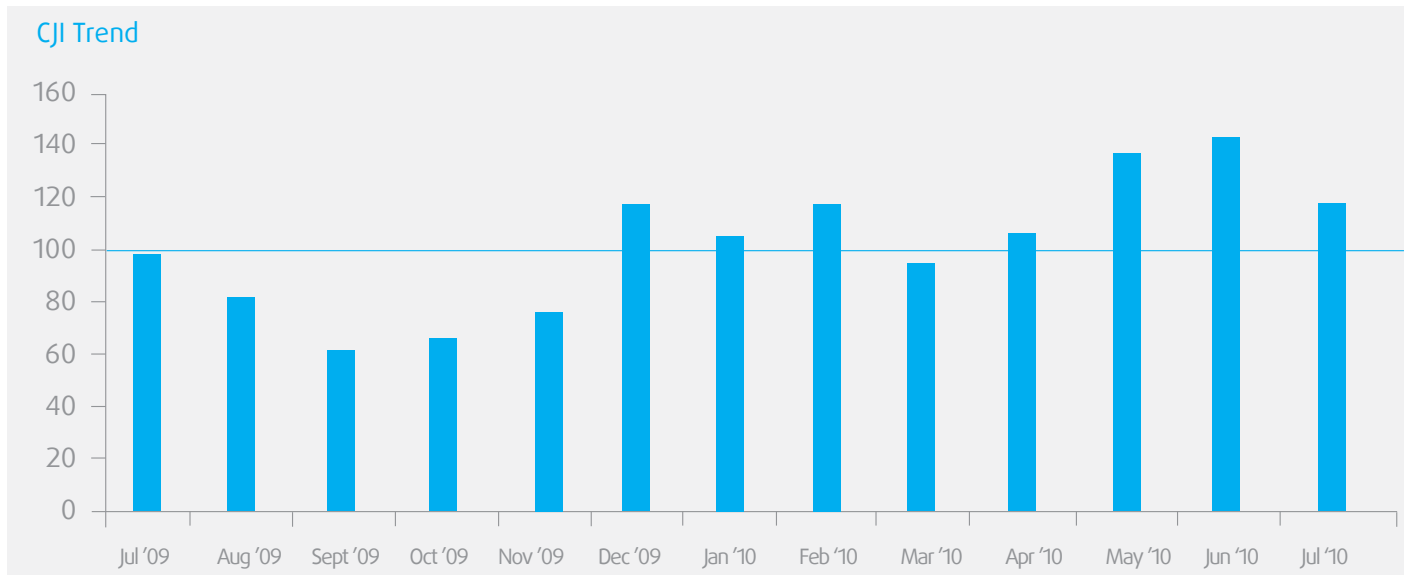
CJ Index is smaller than 100

$$\text{CJI} < 100$$

- Less job opportunities for potential career seekers.
- More potential career seekers per job advert.
- Recruitment less difficult, due to more potential career seekers per job advert.



The graph below provides an overview of the current online employment situation in South Africa by comparing supply and demand trends.



The CJI edged down during July 2010, due to an increase in labour demand. The workforce expanded during July, nevertheless the positioning of the CJI above the 100 mark signals weakening recruitment conditions as growing labour demand limits access to available labour.

The CJI is currently positioned at 114.86 index points, representing a monthly decrease of 30.09 index points. The increase in labour supply during July 2010 comes after a steady decline since March 2010. External findings suggest that the declining trend was attributed to discouraged career seekers who temporarily ended their employment search attempts due to limited employment opportunities. The trend is a global phenomenon and an after effect of the economic downturn and is still ongoing in other parts of the world.

International Outlook into the US Market

Why Everyone Suffers When Job Seekers Give Up

When workers drop out of the labor force, it affects more than the workers themselves.

The number of discouraged workers has skyrocketed over the past year, as job-cutting has slowed but hiring has remained sluggish. "Discouraged" is a Labor Department label for unemployed workers who have looked for jobs over the past year but not in the past month because they've lost hope of finding anything. Last month, there were 1.2 million discouraged workers, some 52 percent more than the 793,000 discouraged workers in June 2009.

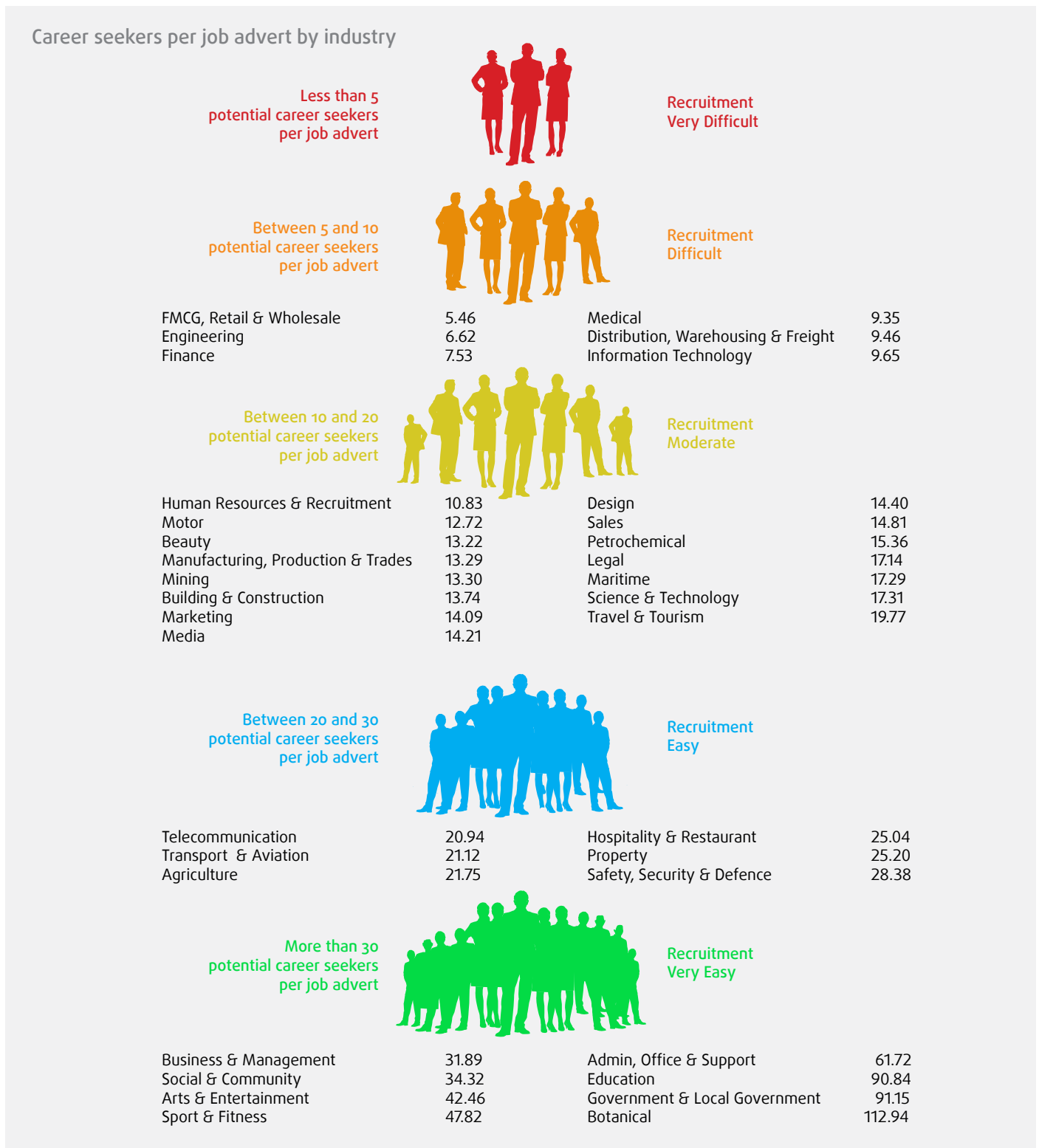
Source: <http://money.usnews.com/money/careers/articles/2010/07/14/why-everyone-suffers-when-job-seekers-give-up.html>



Recruitment Conditions

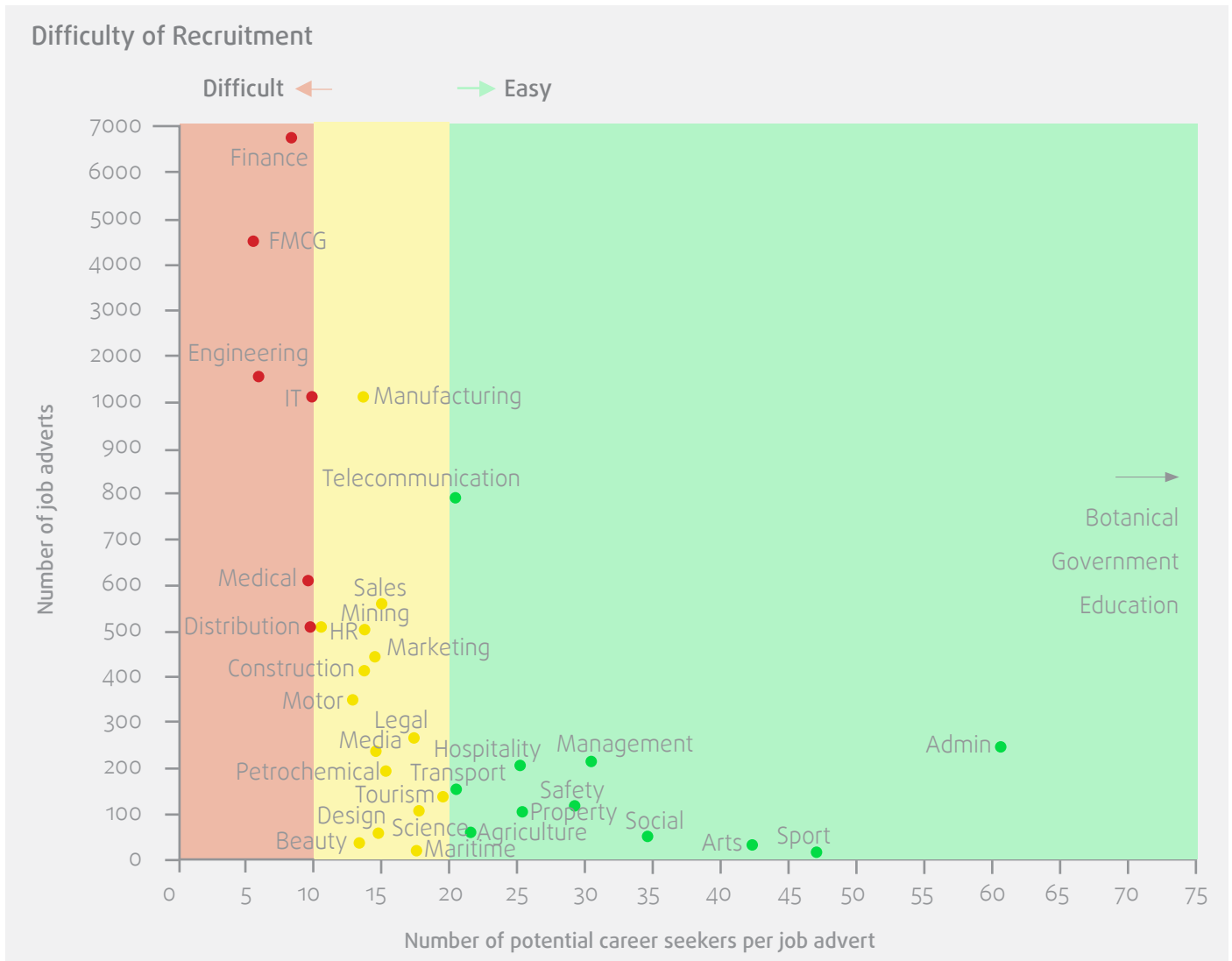
Below is a visual illustration of the current online labour market situation, taking into account the amount of active career seekers and the amount of advertised jobs on the CareerJunction website during the current period.

Please note that this is not an indication of how many career seekers have applied to positions, but rather the number of potential career seekers who have been active on the CareerJunction website in the previous 6 months.





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



Recruiters currently face difficult to moderate recruitment conditions across most industries in the South African online labour market. A steady increase in labour demand is creating a slightly more challenging recruitment environment. Nevertheless, the growing workforce is shedding some positive light on online recruitment, as more career seekers have become available for placement. Nevertheless, some industries face challenging recruitment conditions.

Industries currently experiencing difficult recruitment conditions includes the Finance; FMCG, Retail & Wholesale; Information Technology; Engineering; Medical and Distribution, Warehousing & Freight industries. The supply pool of talent within these industries is limited to less than 10 potential career seekers per job vacancy. The labour force is also limited within the Manufacturing, Production & Trades; Building & Construction; Motor; Mining and Human Resources & Recruitment industries, however recruitment is currently moderate. Retaining valuable staff is an advisable strategy for employers who seek talent in these sectors, especially in regions where recruitment activity is particularly high, for example Gauteng, the Western Cape and KwaZulu-Natal.

Chapter 3



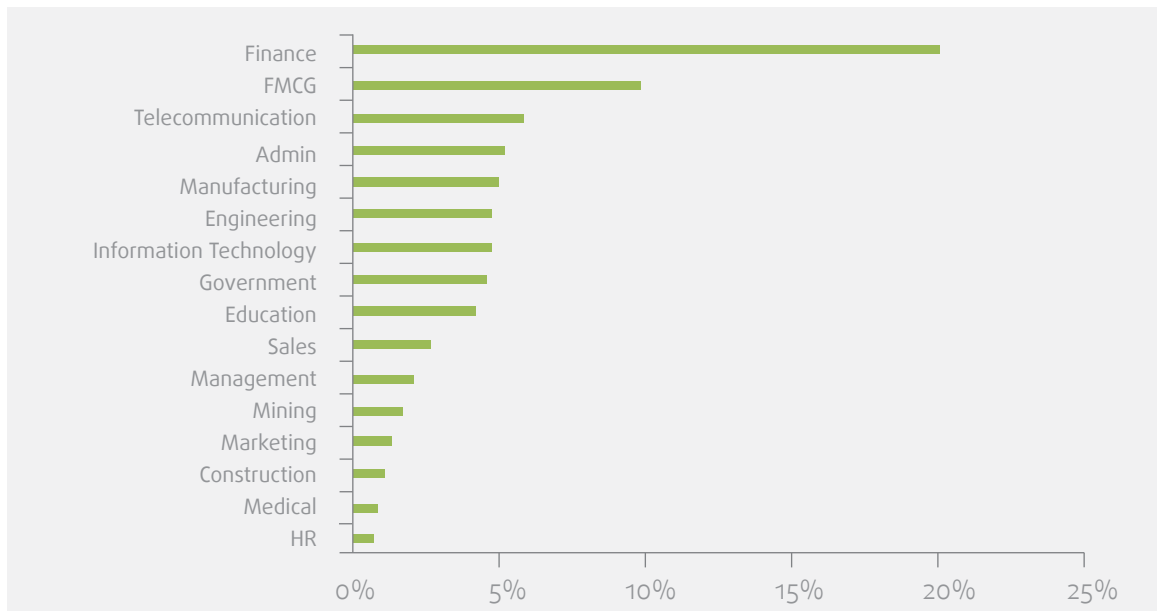
Online Labour Supply

Online Labour Demand

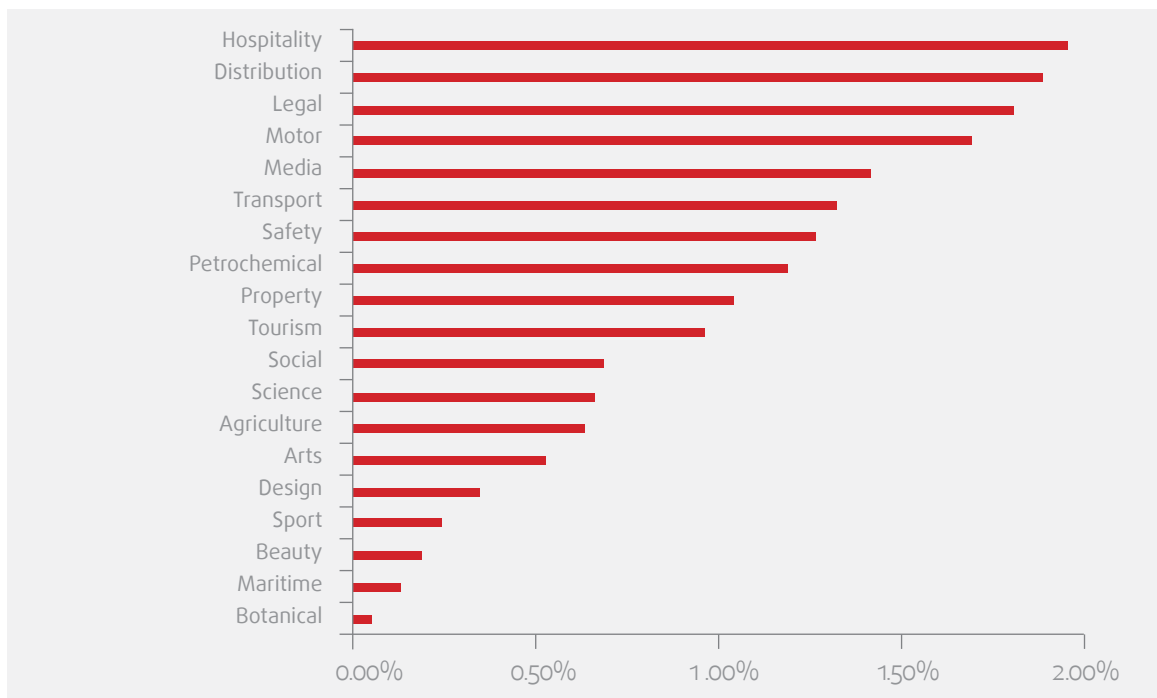


Analysing the volume of active career seekers in the previous 6 month period, provides a general indication of the available labour supply in the online market.

Industries Displaying Major Supply (Supply > 2%)



Industries Displaying Minor Supply (Supply < 2%)



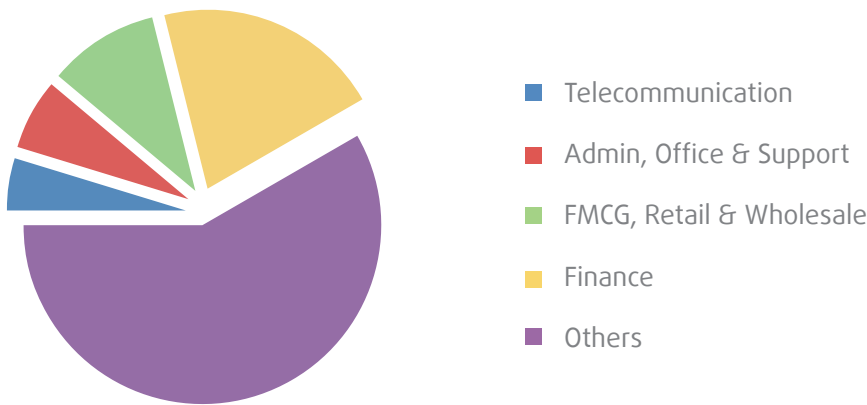
The Finance sector undoubtedly holds the largest workforce in the online job market. Presently, more than 20% of the online workforce belongs to the Finance sector. This is followed by the FMCG, Retail & Wholesale sector, where 9.83% of potential career seekers seek employment. The Telecommunication; Admin, Office & Support; Manufacturing, Production & Trades and Information Technology sectors also display high levels of labour supply. Combined, these sectors constitute a very high proportion of the workforce, while sectors such as Botanical, Beauty and Maritime show very low levels of labour supply.



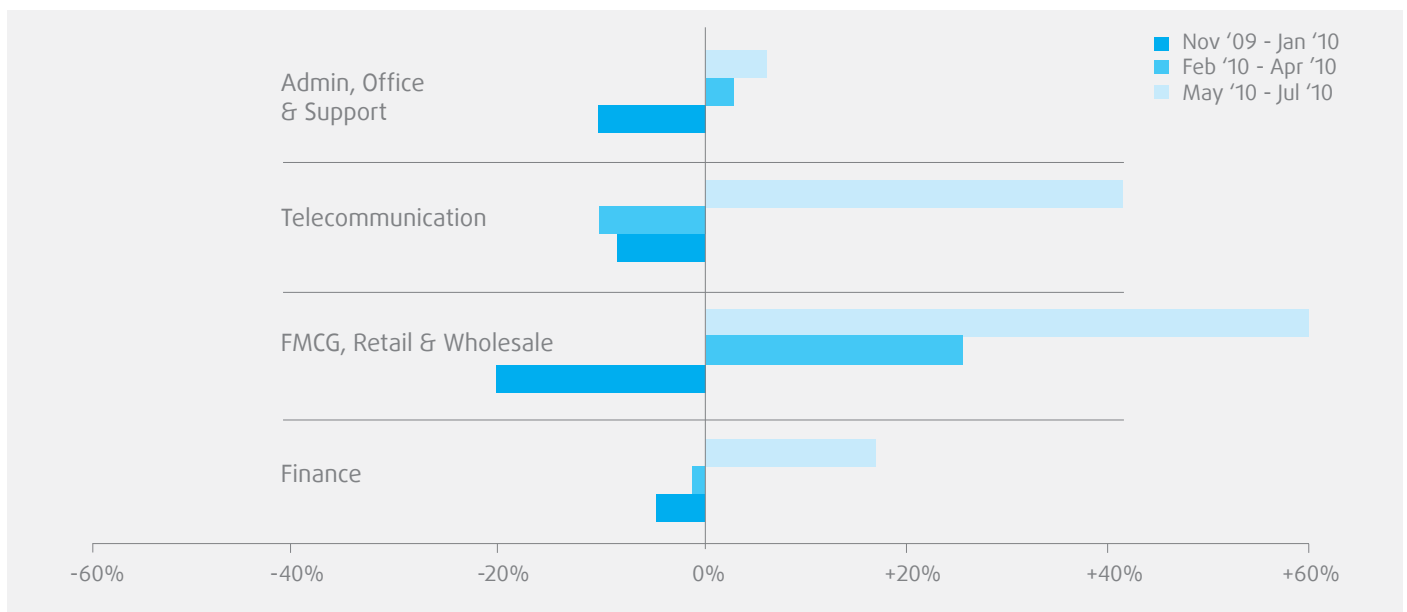
Online Labour Supply

The pie chart below displays the leading industries (industries with the highest volume of supply) in the online labour market in terms of available labour.

Online Labour Supply	Percentage
Admin, Office & Support	5.81%
Telecommunication	6.46%
FMCG, Retail & Wholesale	9.83%
Finance	20.15%
Others	57.75%



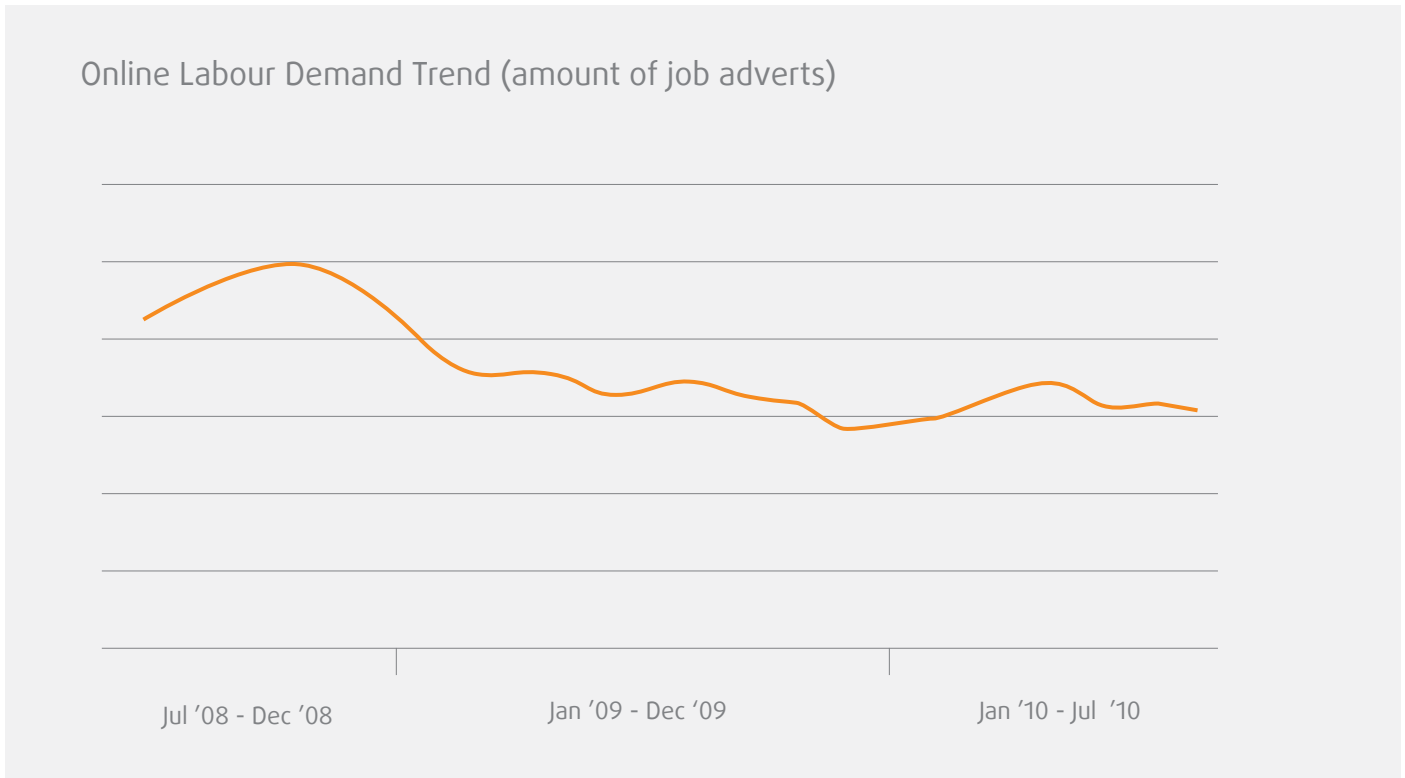
The graph below represents the supply trends experienced by the leading industry sectors in the previous 12 months:



The workforce in FMCG, Retail & Wholesale industry has expanded significantly over the last 12 months. Moderate increases are evident within the Telecommunication and Finance industries during this period. The Admin, Office & Support industry on the other hand displays a year-on-year decrease in labour of 3.7%.



The demand of online labour force reflects the number of posted job adverts over a 28 month period.



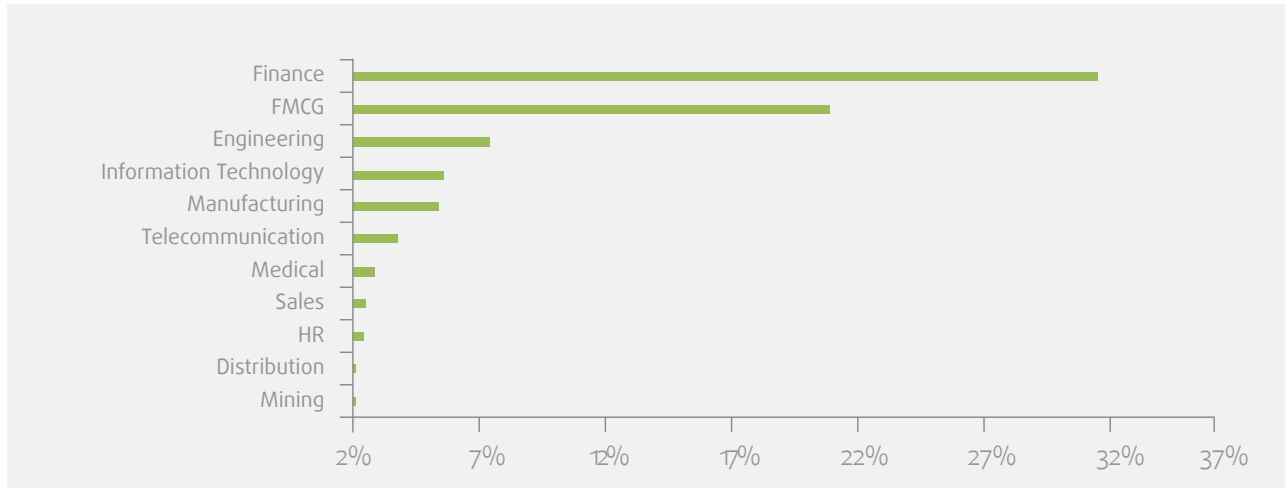
Online labour demand has fallen sharply since July 2008. The contraction for this period is marked at 12%, reflecting the impact of the economic downturn on the online job market. The downward trend in labour demand was interrupted during December 2009, with a steady quarter-on-quarter incline. An overall increase in labour demand during 2010 suggests that a slow but sustained economic recovery is underway.



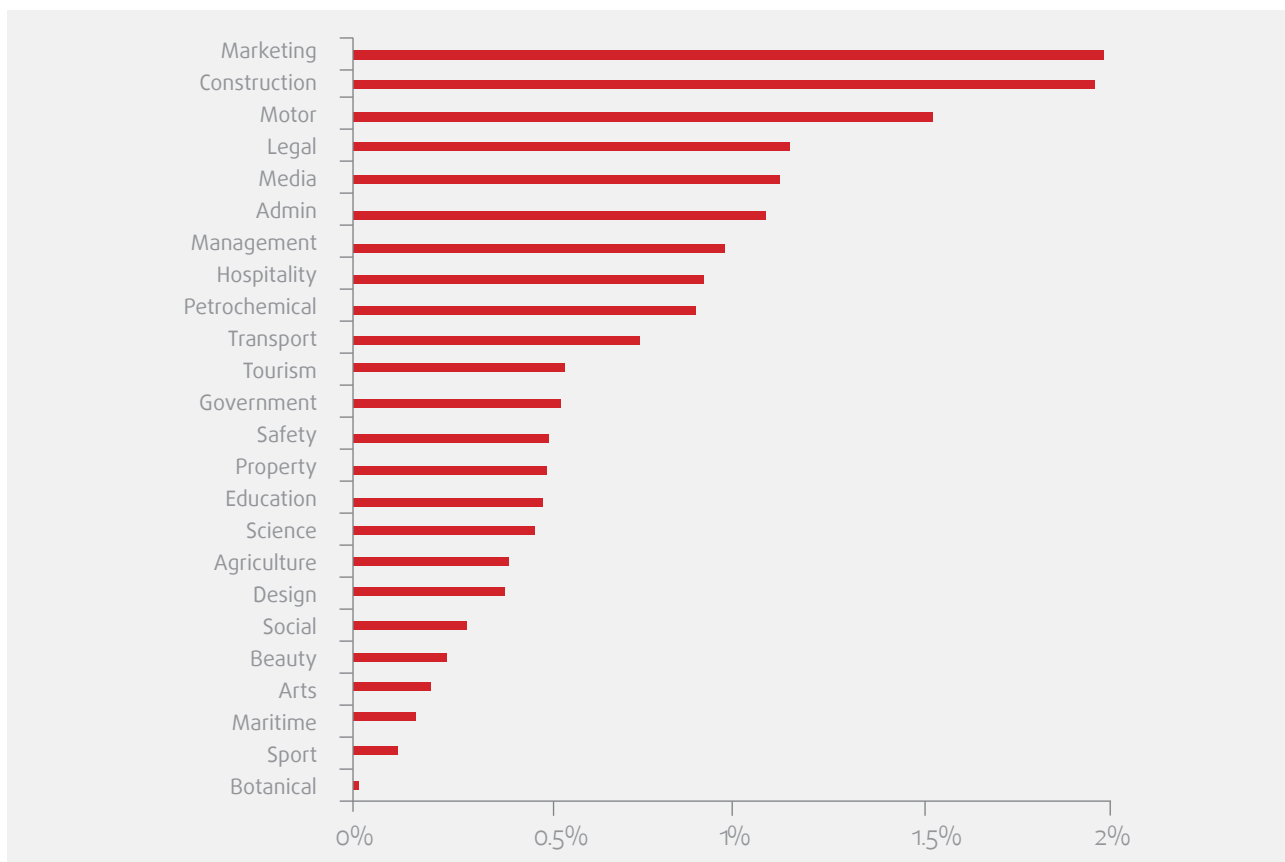
Online Labour Demand

The graphs below indicate industries in terms of major and minor demand (jobs being advertised within specific industry sectors).

Industries Displaying Major Demand (Demand > 2%)



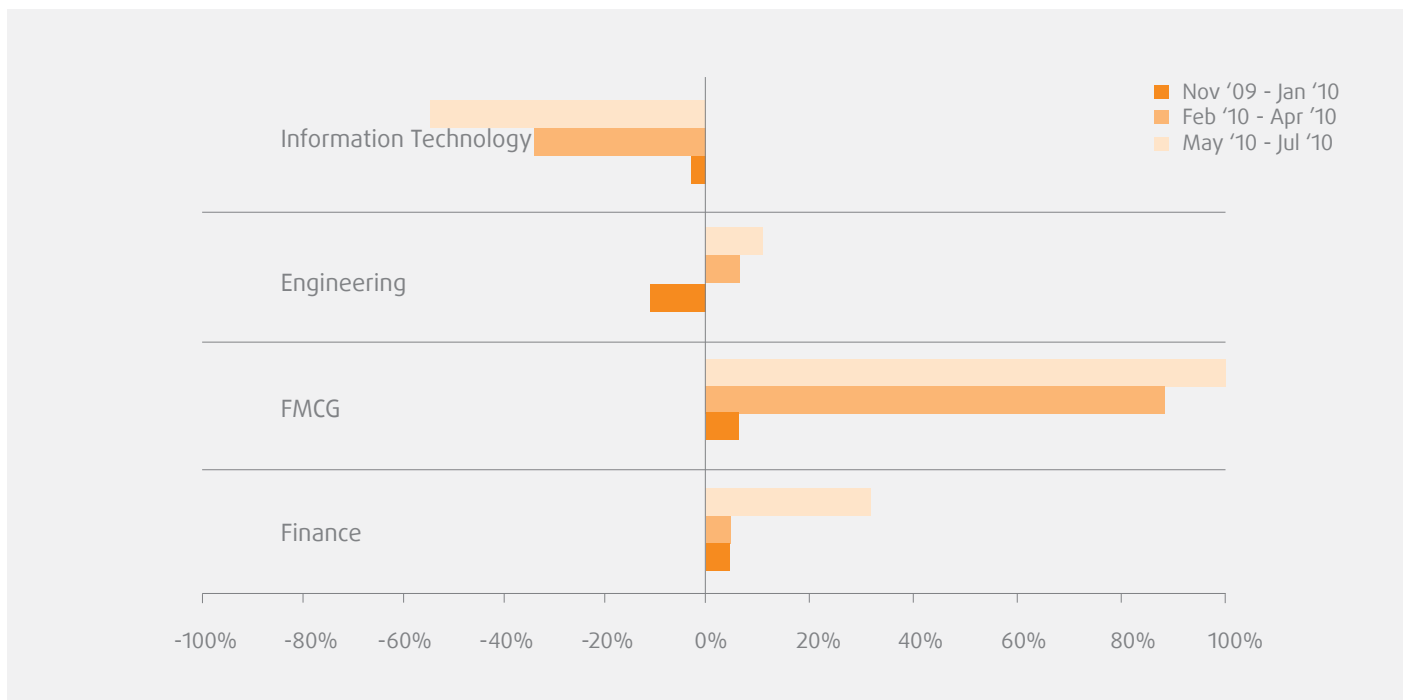
Industries Displaying Minor Demand (Demand < 2%)



Online labour demand is remarkably high in the Finance industry. The Finance industry currently accounts for more than 30% of online recruitment activity. This is followed by the FMCG, Retail & Wholesale industry where the level of labour demand is currently measured at 20.46%. The Engineering; Information Technology; Manufacturing, Production & Trades and Telecommunication industries also account for a large percentage of online labour demand while industries such as Botanical and Sport & Fitness display very little hiring activity.



The graph below represents the demand trends experienced by the leading industry sectors (industries with the highest levels of demand) in the previous 12 months.



An increasing labour demand trend is evident across the Finance; FMCG, Retail & Wholesale and Engineering industries for the previous 12 months. Demand for FMCG, Retail & Wholesale professionals as well as Finance professionals increased substantially during this period. The Engineering industry saw a moderate increase in hiring activity of 3.41% during the previous 12 months. The Information Technology industry experienced a significant year-on-year decrease in recruitment activity, signalling easing recruitment conditions for HR professionals.

Skills shortages are currently evident within various industry sectors. Hence, despite the large labour force in these sectors, recruiters are struggling to find certain professionals with adequate skills. For more on this, visit www.cji.co.za to see the newly released CJI Job Reports based on the first quarter of 2010.

Chapter 4



Industry Trends

Conclusion

Potential Solutions



The graph below illustrates supply and demand trends experienced by all industry sectors over a 6 month period, where the first 3 months' data are compared to the next 3 months' data.

	Index	Supply Trend		Demand Trend		Potential career seekers per job advert	
Distribution, Warehousing & Freight	142.21	6.6%	+	51.7%	+	9.46	Less than 10 potential career seekers per job advert
FMCG, Retail & Wholesale	120.78	97.1%	+	138.0%	+	5.46	
Finance	113.90	16.3%	+	32.5%	+	7.53	
Engineering	99.30	11.0%	+	10.3%	+	6.62	
Medical	96.27	6.0%	+	2.0%	+	9.35	
Information Technology	84.35	-48.9%	-	-56.9%	-	9.65	
Science & Technology	203.86	-5.7%	-	92.2%	+	17.31	Between 10 and 30 potential career seekers per job advert
Travel & Tourism	171.96	18.4%	+	103.7%	+	19.77	
Transport & Aviation	149.61	4.2%	+	55.8%	+	21.12	
Design	137.55	12.8%	+	55.1%	+	14.40	
Motor	130.03	2.2%	+	32.8%	+	12.72	
Media	129.73	4.5%	+	35.6%	+	14.21	
Human Resources & Recruitment	126.84	5.7%	+	34.1%	+	10.83	
Property	125.94	14.8%	+	44.6%	+	25.20	
Marketing	125.07	13.9%	+	42.4%	+	14.09	
Telecommunication	123.17	41.2%	+	73.9%	+	20.94	
Petrochemical	122.81	17.5%	+	44.4%	+	15.36	
Manufacturing, Production & Trades	119.63	0.2%	+	19.9%	+	13.29	
Building & Construction	119.05	10.9%	+	32.1%	+	13.74	
Legal	117.75	18.7%	+	39.8%	+	17.14	
Mining	106.44	23.9%	+	31.9%	+	13.30	
Sales	97.78	11.8%	+	9.3%	+	14.81	
Safety, Security & Defence	94.86	29.9%	+	23.2%	+	28.38	
Maritime	93.07	-24.8%	-	-30.0%	-	17.29	
Agriculture	89.25	23.2%	+	10.0%	+	21.75	
Hospitality & Restaurant	80.56	14.8%	+	-7.5%	-	25.04	
Beauty	80.28	23.5%	+	-0.8%	-	13.22	
Sport & Fitness	448.63	17.4%	+	426.6%	+	47.82	More than 30 potential career seekers per job advert
Social & Community	254.06	-2.7%	-	147.3%	+	34.32	
Admin, Office & Support	112.81	6.1%	+	19.7%	+	61.72	
Arts & Entertainment	104.92	11.3%	+	16.7%	+	42.46	
Education	104.68	6.3%	+	11.3%	+	90.84	
Business & Management	100.21	25.2%	+	25.5%	+	31.89	
Government & Local Government	79.73	12.1%	+	-10.6%	-	91.15	
Botanical	32.79	30.4%	+	-57.3%	-	112.94	

A 6 month analysis of the online labour market in South Africa reveals an overall increase in online labour supply and demand. Recruiters currently face difficult recruitment conditions in the Finance; FMCG, Retail & Wholesale; Information Technology; Engineering; Medical and Distribution, Warehousing & Freight industries. The supply pool of talent is limited to less than 10 potential career seekers per job vacancy within these industries.

Increasing labour demand suggests that a slow but sustained market recovery is underway. This is putting pressure on recruiters to find suitable staff. Thus, businesses are encouraged to calculate their long-term labour requirements and implement effective staffing solutions where necessary.



Conclusion

The CJI is currently positioned at 114.86 index points, depicting a monthly decrease of 30.09 index points. Recruiters are experiencing weakening recruitment conditions in the online job market as demand for labour continues to grow.

The following industries are currently experiencing an undersupply of labour.

- Finance
- FMCG, Retail & Wholesale
- Information Technology
- Engineering
- Medical
- Distribution, Warehousing & Freight

The Finance sector remains at the top of the online job market in terms of labour supply and demand volumes. Upon analysis of labour demand and supply trends within leading industry sectors (industries with the highest levels of online demand and supply) for the previous 12 months, notable increases are evident. The FMCG, Retail & Wholesale sector represents the highest increase in active career seekers as well as the highest growth in labour demand for the previous 12 months.

Upon a 6 month analysis of labour supply and demand across all industries, most industries experienced an increase in labour demand and supply. Growing demand for labour aggravates recruitment conditions within various industry sectors. Therefore, it is essential for businesses to understand their future labour requirements and implement the necessary retention and recruitment strategies.

Further CJI research for specific industries reveals skills shortages within various leading industry sectors. These are putting additional pressure on companies and recruiters who are struggling to find the right talent. The latest CJI Job reports, released by CareerJunction provide an in-depth snapshot of online labour dynamics and recruitment solutions within the various sectors based on the fourth quarter of 2009 and the first quarter 2010.

Some of the biggest concerns at the moment include an imbalance of labour supply and demand across certain occupational fields, job types as well as across skill level categories in these professions. The imbalance of supply and demand for skilled professionals is a major concern, particularly within certain occupational fields where recruiters are struggling to find suitable talent and in some cases businesses are forced to participate in nationwide skills programmes in order to train and up-skill less experienced professionals.

For more on this, please visit www.cji.co.za.



The following are recommendations to aid recruitment agencies as well as corporate companies during the time of the economic slow-down.

1. Train permanent staff to appropriate skill level.
2. Consider outsourcing/contracting.
3. Introduce flexible working hours.
4. Create more diverse positions.
5. Maintain competencies in recruiting and selection, performance management, retention policies, and other practices that support the ability to keep good workers.
6. Continue with employee training and development.
7. Attract graduates, they are ideal for future promotional opportunities when the market stabilises.
8. Use development & retention programs instead of lucrative packages to attract and retain employees.
9. Target schools and universities (offer bursaries and internships) - especially where years of education and specialised training is required for certain occupations.
10. Become an employer of choice through benefits, training and progression opportunities.

It is highly recommended that companies continue their training efforts in order to avoid skill shortages at a later stage, when economic conditions stabilise.

Chapter 5



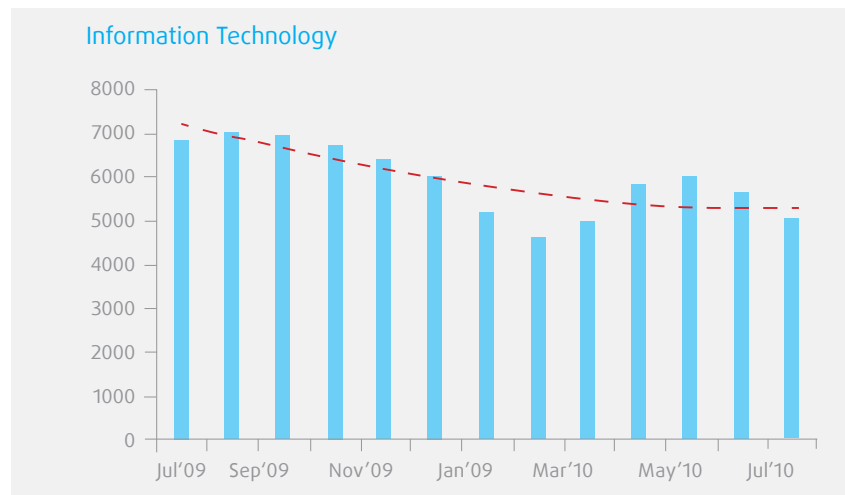
Annual Trending Analysis



This chapter of the CJI takes an in-depth look at the demand trends experienced by the top 10 industry sectors in the South African online labour market in the previous 12 months.

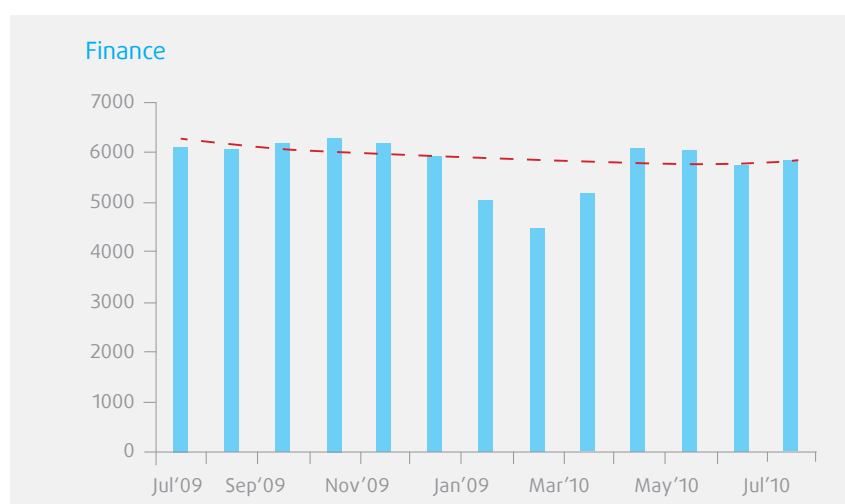
Below are visual illustrations of the volume trends of job adverts published on the CareerJunction website in the previous 12 months.

Information Technology



The Information Technology industry represents one of the biggest annual declines in labour demand. Since July 2009, hiring activity has slowed down by 27%.

Finance

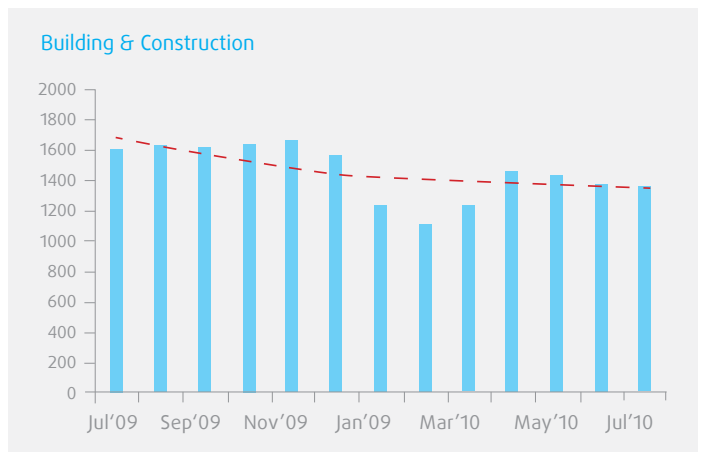
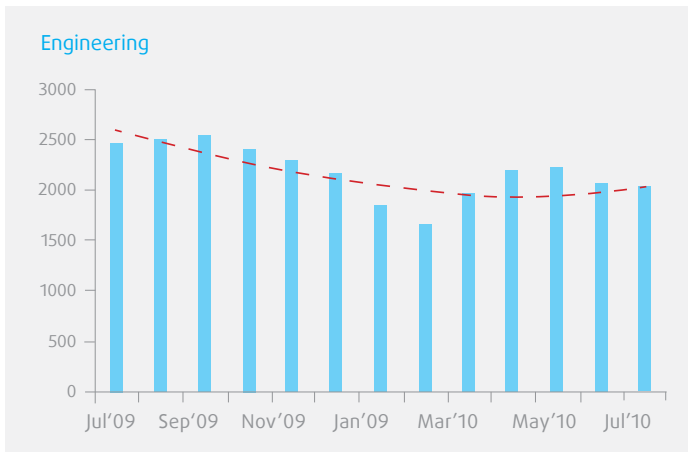


Labour market trends seem to have stabilised in the Finance industry since July 2009. After a significant drop in labour demand at the beginning of the year, demand for Finance professionals has picked up again. The annual increase in labour demand is measured at 11%.



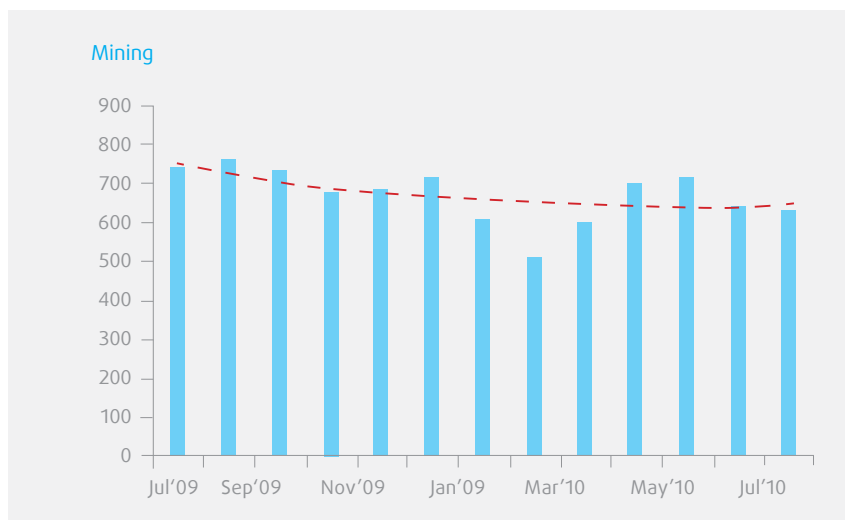
Annual Trending Analysis

Engineering and Building & Construction



Demand for labour has decreased significantly in the Engineering and Building & Construction industries over the past 12 months. However, a growing trend is evident since January 2010. Demand for Engineering professionals has picked up by 11% during this period, followed by the Building & Construction industry where demand for labour has increased by 3%.

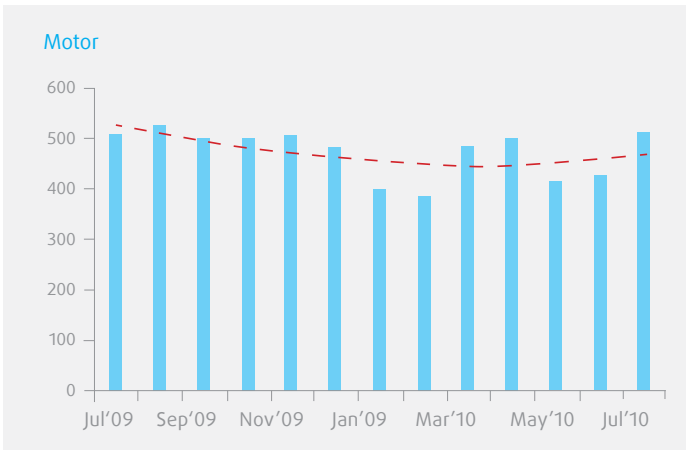
Mining



The Mining industry experienced an annual decrease of 14% in labour demand. However, since the beginning of the year, hiring activity has picked up by 7%.

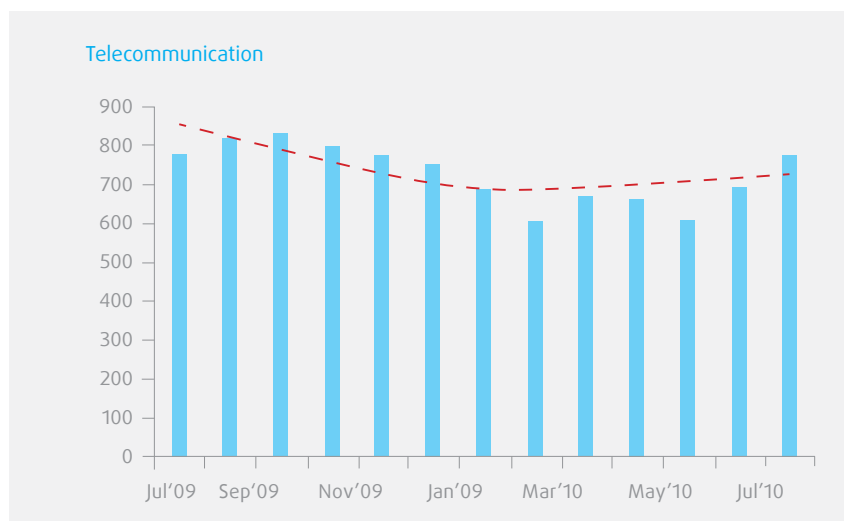


Motor and Human Resources & Recruitment



A stabilising labour demand trend is evident for both the Motor and Human Resources & Recruitment industries for 2010. Current levels of labour demand mirrors those measured 12 months ago. After a dip at the beginning of 2010, demand for Human Resources & Recruitment and Motor professionals has increased by more than 25%.

Telecommunication

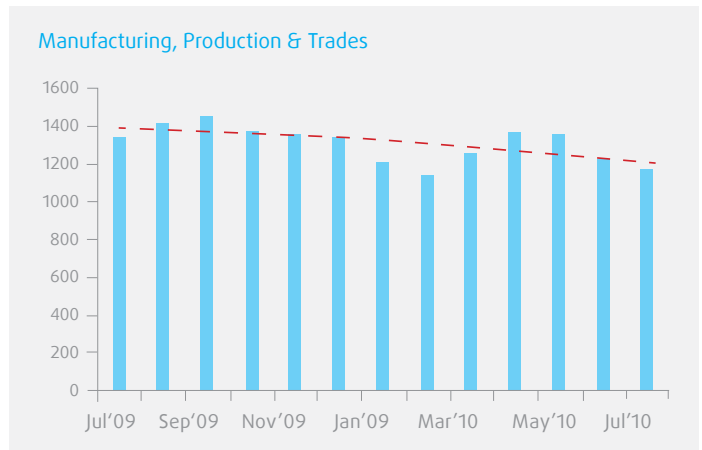
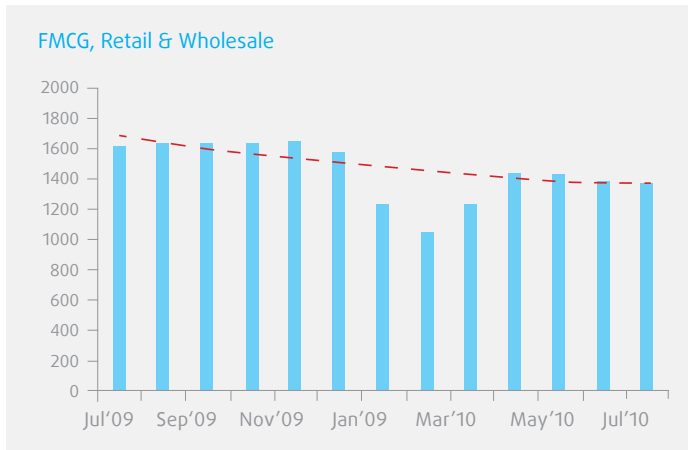


Demand for Telecommunication professionals has reached the same level as a year ago. Since January 2010, labour demand has increased by 12%.



Annual Trending Analysis

FMCG, Retail & Wholesale and Manufacturing, Production & Trades



The FMCG, Retail & Wholesale and Manufacturing, Production & Trades sectors experienced an annual decrease in labour demand of more than 10%. Hiring activity seems to have stabilised in the FMCG, Retail & Wholesale industry since May 2010. However, the labour demand trend in the Manufacturing, Production & Trades industry is uneven for 2010. Since January 2010, demand for Manufacturing, Production & Trades professionals has decreased by 4%.

Chapter 6



Technical Terms



CareerJunction Index (CJI)

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 CJ Index points are used as a reference number indicating changes over time.

CareerJunction Index per industry

Illustrates current developments of the “potential career seeker per job advert” ratio for specific industries. It measures the combination of occupation and industry provided by the online labour supply compared to the demanded within that specific industry.

Career seekers

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 been using the CareerJunction website in the previous 12 months.

Demand

Measures the need of online labour to fill vacancies advertised on the CareerJunction website. The posted job adverts on CareerJunction are used as the basis to identify the level and composition (regarding occupation and industry) of online labour demand. Adjustments are applied to the online labour demand data to remove seasonal fluctuations.

Industry

Represents an industry which specifies the employment environment of businesses, e.g. the Finance Industry, FMCG and so forth. The categorical industry division of online labour demand is specified by the job advertised by the recruiter. Determining the industry rating, by frequency and relevancy for career seekers, identifies the specific industries relevant to the labour supply. There are 35 industry classifications.



Job adverts

Posted vacancies on the CareerJunction website by recruiters. Indicates the position to be filled within a certain organisation/industry.

Online labour market

The market in which workers compete for jobs and employers compete for workers by means of the internet.

Recruiters

Businesses, employers, organisations or individuals who advertise vacancies through the CareerJunction website.

Supply

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.

