

What can we really celebrate this Youth Month?

By <u>Dr Sydwell Shikweni</u> 24 Jun 2019

South African youth, aged between 15 and 24, are the most vulnerable in our labour market with the unemployment rate among this age group representing 55.2% of the population, according <u>Statistics South Africa</u>.



Dr Sydwell Shikweni, Merchants' transformation director

Even though the unemployment of graduates within this group increased by 11.4%, it is still lower than those with other education levels, indicating the necessity for education as a critical aspect for improving young people's prospects for seeking and securing employment. It further illustrates the lack of job opportunities available among young people, especially those with little or no work experience and graduate qualifications.

However, access to education and the right to basic education, as set out in Section 29 of the Constitution, is often mired by numerous social and economic challenges the youth faces – resulting in drop outs.

An <u>Africa Check study</u> last year found that despite the 2017 matric pass being 75.1%, of the 1,155,629 pupils who started Grade 1 in 2006, only 34.7% obtained a matric pass in 2017. In addition, just 40% of 20-year-old respondents in the 2014, 2015 and 2016 General Household Surveys said they had matric. For many young South Africans, factors such as needing to find work to support their families, a lack of funding to continue their education, alcohol and drug addiction, as well as teen pregnancies, prevent them from finishing school.

With June being a significant month to celebrate the youth, many may be scratching their heads and perhaps wondering: what is there to celebrate, really?

The private sector does play a necessary role in alleviating some of these challenges and when their corporate social investment (CSI) efforts tie back to their business strategy, there can be both sustainable and impactful change. In a recent survey by <u>Trialogue</u>, companies contributed an estimated R9.7 billion towards CSI in South Africa last year. The education sector remained the most popular, with 92% of surveyed companies providing support.

Existing education initiatives bearing fruit

A commitment to education and supporting the youth to complete school and qualify for a Matric forms part of the key strategic drivers of Merchants' CSI initiatives. As such, our organisation supports four schools each year through the Columba Leadership Programme, resulting in a total of 115 direct beneficiaries per year and 1,800 indirect beneficiaries. What the programme enables is a 91% retention level of learners staying in school from grades 10 to 12, with 75% successfully transitioning to further studies, work or volunteering, and 73% entering formal leadership positions. Merchants is most involved by providing time, resources and monetary investment towards the coaching programme. The programme is aimed at unlocking the potential of South Africa's youth from underprivileged communities by equipping them with critical thinking, problem-solving and communication skills.

Programmes such as these can have positive knock-on effects for communities and the schools too: participant schools report a reduction in disciplinary incidents, absenteeism, improvements in learner behaviour, and rates of school attendance. Educators also testify to being more adept at working collaboratively with learners as partners for change, and learners become accepted as part of the leadership of the school and as role models for their peers. Furthermore, 95% of parents reported a sustained change in their children's behaviour.

Through the programme, learners gain insight into how the Merchants business operates and can network with staff from all levels to better understand the advantages of completing their schooling.

Industry supporting youth employment

As a leading customer management partner operating in the business process outsourcing (BPO) industry, Merchants falls within a sector critical to increasing youth employment. While some may argue contact and call centres are dying due to technological advancements and not considered an effective means to create long-term careers, this is not necessarily the case.

In 2017 alone, contact centres created approximately 228,600 jobs, according to the 2018 BPESA Business Process Services Key Indicator Report. The Department of Trade and Industry continues to acknowledge the importance of the BPO sector in creating jobs, stimulating foreign direct investment in the sector and has recently announced a revised Global Business Services incentive for the sector. In addition, the business requirement to deliver the right customer experience is becoming increasingly necessary, as people still want to interact with people, and use technology as an enabler to deliver effective customer experience. Customers want great products and are willing to pay premium prices for great service experiences - up to 16%, according to PwC.

Our business has also committed to ensuring 40% of the people we employ are made of up of impact workers. Impact workers are those aged between 18 and 25 years, who come from disadvantaged backgrounds, who are either first time job seekers or who have been unemployed for a period of 12 months.

While many organisations are contributing to CSI initiatives, not all are geared towards offering long-term and meaningful employment, especially in an economic environment where the GDP's contraction is at levels not seen since 2009. However, by providing our youth with the right foundation through improved education and developing industries, such as BPO, we may just be able to find something to celebrate this Youth Month.

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