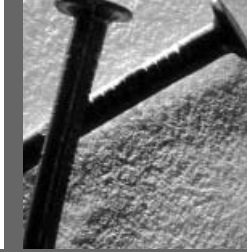# Chapter 4: Employer satisfaction

Botshabelo Maja and Simon McGrath

Introduction

College responsiveness to industry is a two-way street. It is not enough to be critical of the failings of colleges in this respect. Instead, it is also important to analyse the role of industry in the relationship. As well as the graduate survey reported in Chapter 3, therefore, it was important to survey employers. In this chapter, we report on the employer survey and relate it to broader debates about South African industry's attitudes towards skills development.

Employer profile

Employer business activity and size

Both employers reached by the survey and their employees cluster in a small set of sectors. As Figure 4.1 illustrates, 34 per cent of employers are in the manufacturing and engineering sector and ten per cent in energy. Seventy per cent of employees fall under only three Sector Education and Training Authorities (SETAs): local government and water (37 per cent); wholesale and retail (20 per cent) and manufacturing and engineering (13 per cent).

This is not surprising in a number of ways. Manufacturing and engineering, of course, is the most relevant SETA to the core work of technical colleges, and we have already seen the predominance of engineering graduates in the responses reported in Chapter 3. Energy and water traditionally have been high volume training providers, as have other government-related technical sectors. Finally, it can be imagined that many of those entering into wholesale and retail are among the business graduates of colleges.[1]

### Technical college awareness among employers

Given the sectoral profile of the employers, it is not surprising that there is a good basic awareness of colleges amongst those surveyed. Eighty-three per cent of employers surveyed indicated an awareness of technical colleges located in their area. Of these employers, eight per cent, however, could not provide the name of the college concerned. Importantly, 61 per cent of employers seemed not only to be aware of colleges in their immediate vicinity but also had some form of contact with specific colleges. Almost 60 per cent of employer-college contact was evenly divided between monthly and semester contact, with the rest spread across yearly, weekly, and daily contact. Most employer-college contact (52 per cent) was initiated by employers. Colleges on the other hand were responsible for initiating 16 per cent of the contact they currently have with employers, with about eight per cent of contact having emerged though industry bodies and other related committees.

Technical college contact

Most contact between employers and technical colleges is of a long-standing nature. Forty-six per cent spans a period of over ten years and 16 per cent has existed for between five and ten years. Twenty-six per cent of employers reporting contacts were

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1 Chapter 3, however, cautions us about equating occupation with sector.

Figure 4.1: Percentage of companies and employees by Sector Education and Training Authority (SETA)
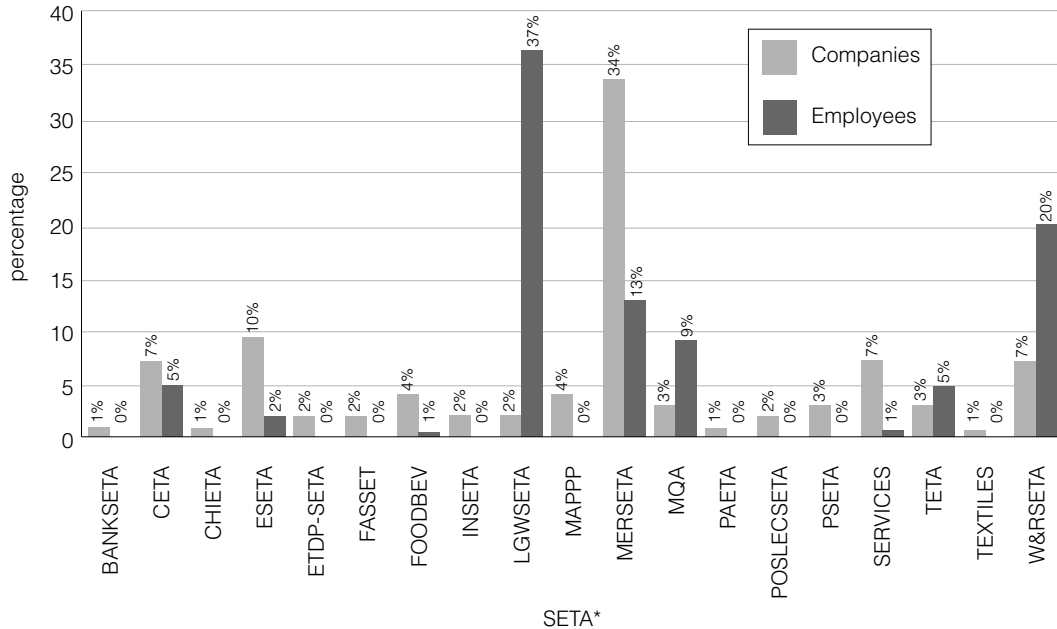
*SETA names in full are as follows:
BANKSETA Banking; CETA Construction; CHIETA Chemical Industries; DIDTETA Diplomacy, Intelligence, Defence and Trade & Industry; ETDP-SETA Education, Training and Development Practices; ESETA Energy; FASSET Financial and Accounting Services; FIETA Forest Industries; FOODBEV Food and Beverages; HWSETA Health and Welfare; INSETA Insurance; ISETT Information Systems (IT), Electronics and Telecommunication Technologies; LGWSETA Local Government, Water and Related Services; MAPPP Media, Advertising, Publishing, Printing and Packaging; MERSETA Manufacturing, Engineering and Related Services; MQA Mining; PAETA Primary Agriculture; POSLECSETA Police, Private Security, Legal and Correctional Services; PSETA Public Services; SERVICES Services; SETASA Secondary Agriculture; TETA Transport; TEXTILES Clothing, Textiles, Footwear and Leather; THETA Tourism and Hospitality; W&RSETA Wholesale and Retail.

involved in apprenticeships with colleges. Worryingly, minimal employer-college contact seems to have been initiated in the last two years. Moreover, the case study visits to colleges, reported in Chapter 5, indicate that the employer-college contacts tend to have emerged through racially-exclusive networks. Thus, there is a danger that relationships are long-standing in a negative sense, suggesting little innovation and current passion. How the nature of industry-college links will play itself out in the contexts of merged colleges and employment equity remains a concern.

Approximately half of the reported contact between employers and colleges was formal, reflected either in contracts or schemes of association. The three principal types of contact between employers and technical colleges were employers providing input on training for colleges; colleges providing training for employer staff; and employers providing apprenticeships to college students. However, the apprenticeship system is currently being replaced by learnerships. It is not clear that employers' historical involvement in colleges through apprenticeships will be reinvented in learnerships.

There are two main contributory factors here. First, employer-college relationships around apprenticeship developed over a long time period and around a model that was culturally understood by both sides, but learnerships are a new and poorly understood notion, especially for employers, and do not arise out of their traditional work practices. Second, the lack of co-operation between the Departments of Education and Labour around learnerships has served to limit public college uptake of such awards to date.

Employer satisfaction levels

Employer satisfaction with technical colleges

Overall, the survey found high employer satisfaction levels with colleges. Eighty-three per cent of employers indicated that they were either satisfied or very satisfied with the contact established with technical colleges. Seventy-three per cent of employers were satisfied with technical college courses in general. Thus, a picture initially emerges of a system that is working.

Naturally, things are not that simple. Whilst employer satisfaction levels were the highest with regard to the relevance of graduates' course content to business needs, most employers also regarded the competency of college lecturers as satisfactory. The extent to which college courses balance theory and practice seemed, comparatively, to be the least satisfactory element of graduate courses, though it also satisfied a high percentage of employers (Figure 4.2).

However, though most employers seemed satisfied with the relevance of the graduates' course content to business needs, they also indicated that such relevance is an area that still warrants some improvements. Forty-two per cent of employers felt improvements

Figure 4.2: Employer satisfaction levels with courses taken by college graduates
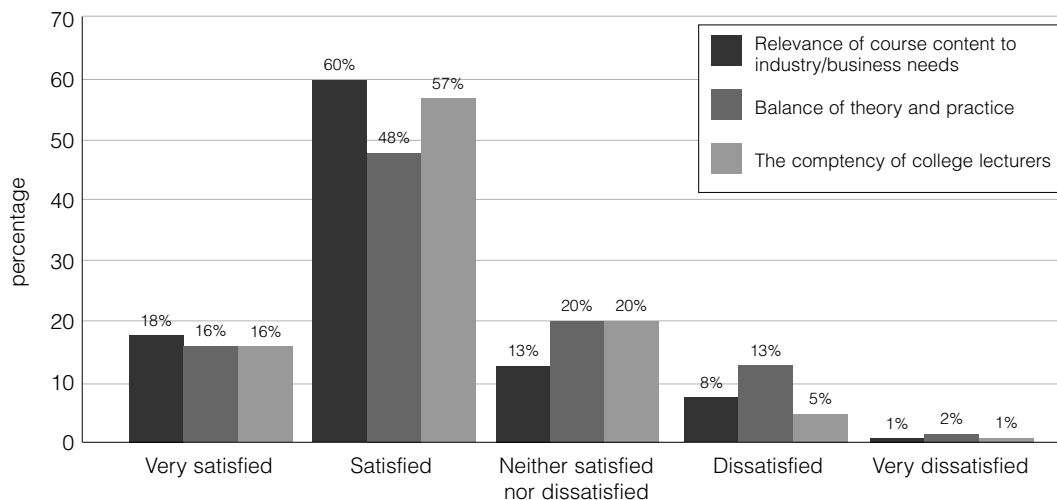
with regard to relevance were needed within college course content; 24 per cent felt that the balance of theory and practice needed to improve; and nine per cent indicated that the competency of college lecturers needed to improve.

Employer satisfaction with graduate work skills

Most of the employers surveyed seemed to value employees' positive attitude towards work, practical job skills, and problem-solving skills the most. These are the kinds of skills employers viewed as extremely important in their working environments. Oral communication skills, a professional approach to work, the ability of employees to use their initiative and work with minimal supervision, the ability to adapt to changes in the workplace, and the ability to use current technology in the workplace are some of the work skills employers regarded as very important. Interestingly, only about half of employer respondents gave high priority to computer skills. This is largely in line with graduates' views, which place the importance of computer skills below other key skills and attitudes. It may also reflect accurately the more traditional mass production settings in which many graduates will find work.

When looking at the graduates' work skills, there were a number of areas employers felt could still improve. The most important work skill here was the graduates' problem-solving abilities (66 per cent). This is an area employers rate as being extremely important, one in which graduates emerging from technical colleges still need to improve. The other two skills employers felt needed to improve most were practical job skills and the ability of graduates to use their initiative (both 59 per cent). These issues seem to be of considerable importance for the conceptualisation of future curricular development for FET colleges.

Overall, employers seemed satisfied with the work skills of technical college graduates in their employ. More than 70 per cent of employers were generally satisfied with the skills learned by their employees through courses offered by technical colleges. In spite of the conventional critique of colleges as not providing more general work-oriented skills (cross-field critical outcomes in NQF language), employers reported high levels of satisfaction with several of these generic skills. Sixty-three per cent were satisfied or very satisfied with graduates' team-working skills, and 61 per cent with communication skills.

Nonetheless, a large majority of employers felt that colleges should offer more work experience or work placements as part of the training they offer; should invite employers to make inputs into their course content; and should provide more practical job skills. All of these points relate to a sense that practical skills were less well developed than the more academic elements of the traditional college curriculum. It should be remembered that the development of such skills was traditionally the responsibility of the employer rather than the college and has only become an issue as the old link between college and employment has broken down.

Employer responsiveness

As was reported in Chapter 2, response rates to this survey were low when the effort expended is considered. From the graduate survey, 753 employers were identified by name. After an initial phase of contacting employers, instruments were sent to 642 enterprises. Yet, at the end of the process only 130 were completed and returned.

Thus, the employer survey raises the very important question of employer responsiveness. The notion of employer responsiveness in this regard relates both to the lack of employer interest in completing the survey and the lack of awareness about qualification levels of graduates in their employ. This raises two other potentially serious implications, which this study did not look at explicitly. The first relates to general conditions of employment. How do these employers recruit and how do they reach employment agreements with these graduates without ascertaining their worth and possible skills and rewards? Second, if graduate employment does not take into consideration qualification level, then the debate about college responsiveness becomes fruitless. For colleges to be responsive they will increasingly require employers also to be responsive, participate in and understand the education and training agenda of the country.

Understanding the responses

In both this and the previous chapter, we have seen that there are high levels of satisfaction with colleges, from both graduates and employers. How does this relate to the high levels of unemployment amongst college graduates, and the apparent reluctance of employers to employ them? Clearly, the story is far more complicated than these survey responses indicate.

The first question to arise is whether the answers generated are in some way unreliable. Clearly, both employers and graduates chose to respond to a questionnaire. However, it is not apparent that there is a particular embedded bias in the responses to those who are happiest with the performance of colleges. It seems important, therefore, to take our analysis further regarding what their relative satisfaction means.

It can be argued that colleges are performing relatively well and that the main problem lies with the labour market. There appears to be some merit in this argument. The employers surveyed tell a generally positive story about the perceptions of staff competence, programme relevance and learning attainment. However, we need to go further in developing an explanation of the issue. For instance, the low employer response rate and the largely historical nature of their linkages to colleges may point to a basic complacency of employers regarding what they want from training and from colleges in particular. This merits further consideration.

However, again this is only a partial explanation. It seems plausible that the employers that responded to the questionnaire are typical of those technically-oriented firms that made most use of the old system and who still see merits in such a response. They cannot be assumed to be representative of a larger group of employers who did not return the questionnaire, or the even greater population of firms that had no relationship at all with the college system.

Technical colleges were established to play the central role in developing crucial intermediate skills for the economy (Chisholm 1992; McGrath 1996). Their responsiveness in meeting this challenge has to be understood in the light of the multiple transformations that demand for intermediate skills has experienced since the technical college model was first established.

The greatest challenge to the development of intermediate skills by technical colleges was mounted in the last quarter of the twentieth century. The most important structural shift in the South African economy and labour market in the late apartheid era was the rise of the African semi-skilled and skilled workforce as the dominant stratum of the working class (Kraak 2003a). Although a new generation of black colleges was established to meet new skills needs, especially in the 1980s, these institutions were never as strongly enmeshed as older white colleges were in social and economic networks that promoted college responsiveness.

By this time, whites had largely shifted into the service sector and into professional occupations. This had the effect of weakening the old connections between white colleges and artisanal work.

In the 1980s, the growing privatisation orientation of the state also had the effect of undermining the historical over-training of state enterprises. This provided a further blow to colleges' articulation with the apprenticeship system.

Colleges' responsiveness is also shaped by overall employer attitudes towards training. There is considerable evidence of a long-standing problem of poor employer attitudes towards training in South Africa (Kraak 1994; McGrath 1996). Research by the HSRC for nearly two decades has found ample evidence of such problems. For instance, in 1991, the HSRC and the National Training Board (NTB) reported that:

- There was a lack of commitment among many employers to train.
- Many employers were production oriented. They felt that training employees meant that less production would take place.
- A lack of awareness among employers of the benefits of training made them reluctant to send workers for training.
- Employers had problems in identifying the actual training needs in their companies.
- When employers evaluated training, they often thought it had been ineffective because they confused training and what it was worth with issues related to poor management, supervision and planning.
- It was possible to poach trained workers from other companies, thus making some employers reluctant to train their own workers.
- In many companies, the development of human resources enjoyed a low priority (NTB/HSRC 1991: 111–112).

In 2000, the HSRC found that many employers still were not serious about training. Indeed, they recorded a 78.8 per cent fall in formal sector training since 1986 (Kraak, Paterson, Visser & Tustin 2000). The HSRC painted a picture in which the traditional providers of training had reduced their commitment without this being offset by the involvement of new actors. In a more recent HSRC study, Badroodien (2003b) calculates that only 11 per cent of employees are receiving any kind of formal training. Moreover, he raises serious questions about the likely quality and duration of much of this.

In other recent papers, we take this analysis further (Kraak 2003a and b; McGrath 2003). We argue that South Africa suffers from a low-skills regime in which employer reluctance to train is only a small part of a broader set of factors across the economy, politics and society that results in an undervaluing of skills and their development. Moreover, the

pattern of apartheid development led to a polarisation of skills with the crucial intermediate level being seriously neglected.

One manifestation of the problem for colleges stems from their over-dependence on provision of engineering courses. Eighty-two per cent of the graduates surveyed were in engineering courses.[2] Steyn and Daniels (2003) paint a picture of overall decline in the engineering sector. This then impacts negatively on demand for skills in engineering-related disciplines. Given the structural shifts in engineering towards an emphasis on higher skills components, it is inevitable that the decline in demand impacts particularly negatively on the colleges as providers of relatively lower level engineering skills.

It may be argued that this is a very clear example of college unresponsiveness. It appears that colleges have not done enough to take the market's signals about engineering seriously and have not channelled students into new skills areas. For instance, Chapter 3 shows that less than one per cent of graduates had qualifications in the growing and economically important hospitality sector. However, the fault here does not lie entirely with colleges. Moving to new programme areas has not been made easier by the slowness of curricular reform post-1994, or by the challenges that exist in getting employers to play an active role in developing new partnerships. The massive changes in skills development policy, for example, learnerships and the levy-grant system, have inevitably contributed to employer passivity in this regard as employers wait to see how the new system operates.

It is likely that a different picture would have emerged if employers in sectors such as hospitality had been surveyed on what colleges were capable of providing for them. The slowness of curricular reform brings with it a danger that public colleges will not develop new partnerships with growing sectors but that employers and SETAs will by-pass them and go to private providers. In this sense, employer's responsiveness to their own skills needs might act to by-pass a policy-led unresponsiveness of colleges.

Conclusion

Those employers who responded to the survey were largely positive in the aggregate about colleges' quality and relevance. Seventy-three per cent declared themselves to be satisfied or very satisfied with overall provision. The majority were also favourable about specific areas such as the theory-practice balance, relevance, core work skills development and staff competence.

However, this rosy picture needs to be carefully qualified. The response rate to the survey was very low and many employers were unaware that they had college graduates in their employ. Those who did respond were often from amongst the traditional end users of colleges in the parastatal engineering fields. Overall, the survey seems to fit within the broader analysis of the low skills problem of South African industry.

Links were often elderly and based in an apprenticeship system and a racial settlement that are things of the past. Few employers appeared to be proactive about the new skills development system that was coming into existence at the time of the survey.

2 Although this is significantly higher than Powell and Hall's (2002) overall figure of 54 per cent for enrolments in 2000 in the same programmes, it is apparent that engineering does predominate in many colleges (for example College A, according to Chapter 5, has almost 80 per cent engineering students across its programmes) and that too few colleges offer a wide enough range of full course options to their students.

Although the majority were positive about the colleges' roles in skills development, there were clearly areas of concern. Forty-one per cent raised concerns about relevance and 24 per cent identified an imbalance between theoretical and practical elements of college programmes. Employers also wanted colleges to do more about core work skills such as problem solving, whilst nearly all of them identified work experience as a major problem. There appears to be a complacency and conservatism at work in much of what we find in the employer responses. Without strong pressure from either employers or students, as is suggested by this and the previous chapter, colleges may be expected to be slower to address the problem of low graduate employment.