

# Research reveals over half of SA labour force affected by skills mismatch

A report published today by global management consultancy Boston Consulting Group (BCG), WorldSkills Russia and energy company Rosatom has identified new ways for governments and employers to address the growing skills crisis and boost economies.



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The report, *Mission Talent – Mass Uniqueness: A Global Challenge for One Billion Workers*, has been presented at the World Skills Conference 2019 in Kazan, Russia, as concerns increase around the world about how to address the dramatic shift in employment caused by new technologies and business models, as well as rapid and continuing urbanisation.

The skills mismatch already impacts over 50% of employers. By 2030, 1.4 billion workers will not have the right skills for their jobs. A third of all existing professions are expected to change by 2035 with the expansion of IT, AI and robots. According to a recent IMF study, because of the increasing gap between the skills of the current global workforce and the skills businesses need to adapt to technological and market changes, 6% of the world's GDP, or \$5 trillion, is lost every year.

The research assessed the conditions affecting the skills mismatch in around 30 countries including the US, India, Russia and South Africa. Employment systems that were more “human-centric” were found to show both lower levels of skills mismatch and higher productivity. For example, the US which has a highly human-centric system, has a skills mismatch that impacts less than a third of the workforce and one of the highest levels of productivity of the countries assessed. Meanwhile South Africa, which was classified as a labour workforce exporter, had a skills mismatch of over 50% and the lowest productivity.

The report found that adopting a more human-centric approach to human capital development could accelerate GDP growth in a given country by between 0.5% and 2%. The recommended approaches to delivering this address three priorities: workforce capabilities, motivation and access to training.

To improve the workforce capabilities, the authors of the study recommended development of educational and training programmes in co-operation with employers, and to improve the training of teachers and personalised teaching aids. To address employee motivation, the best strategic solutions are promoting the benefits of personal development and installing a system of incentives.

The researchers also found the best solutions to encourage access to opportunities were the development of domestic demand, increasing the talent available locally, and maintaining adequate supply and demand balance in the labour market.

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