

Future of transformation - beyond BEE



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Providing employment is no longer just about providing a pay cheque. Around the world, employers have realised that their employees want to work for a business involved in, and making a contribution to, the major social issues of the day.



Leanne Emery, chief marketing & client officer at the Youth Employment Service

Similarly, there is increasing importance being placed on environmental, social and governance (ESG) strategies and the United Nations' Sustainable Development Goals (SDGs) by investors and consumers. Many are choosing where, and what to buy, based on an organisation's transformation, socio-economic and environmental impact.

Through the work we do at the Youth Employment Service (YES), it has become evident to us that consumers and investors are beginning to see transformation as a catalyst to help solve the country's socio-economic problems. Many corporates are realising the associated benefits these strategies can have on their businesses.

Host placement models, which see corporates sponsor jobs in communities where young people work in various high impact sectors such as education, healthcare and technology, allow businesses to capacitate under-resourced sectors at a community level. As the world shifts to place more value on the way businesses contribute to society, companies are joining the movement and rethinking the status quo.

The latest official data (<u>Stats SA Q3 2021</u>) reflects that two out of every three young people (under 35 years) in South Africa are unemployed, and rising to three out of four in the under-25s bracket. If they cannot find employment or hope for themselves and their families, what does that foreshadow for the country's future? We are sitting on a powder keg of civil dissatisfaction.

Transformation matters now more than ever

Transformation is about intentional inclusivity – opening up the economy to those who have historically been shut out. B-BBEE legislation was implemented as a vehicle to effect socio-economic and structural change within the private and public sectors, as well as in the broader communities they operate in. It's one of the methods through which a business can begin to transform.

True macro transformation, however, goes beyond B-BBEE, beyond the office and beyond the micro-environment – requiring holistic, collaborative systems thinking in order to be achieved.

So, what is the solution?

Employing people in the mainstream or traditional job market is one option, but it is limited.

The other is for corporates to sponsor jobs for young people in under-capitalised communities in jobs that make a real difference.

For corporate South Africa, this type of sponsorship is not just a transformation tick-box exercise. Creating youth jobs in sectors that build economic, social and environmental stability in communities is a social imperative and a matter of future economic survival for corporate South Africa.

Interventions like YES that incentivise business to sponsor work opportunities for youth, allows young people to break free of the experience trap where they can't find work without experience and vice versa. Having experience on a CV and a reference letter, makes young people three times more employable and allows them to become beacons of hope in families and communities.

Many countries across the world are running similar programmes, because there is an understanding that youth employment is crucial to the future well-being of a society.

According to the <u>Organisation for Economic Co-operation and Development</u> (OECD), an international organisation that works to build better policies for better lives, several countries around the world have introduced new and innovative schemes to get young people into jobs.

These include Australia, Austria, France, Germany, Ireland, New Zealand, Switzerland and the UK, where incentive schemes for hiring or retaining apprentices were introduced.

In Germany, the federal government set up a "secure apprenticeships" scheme to financially support small and medium sized enterprises.

In Chile, employment subsidies targeting young workers were introduced, while in Italy, employers receive hiring subsidies when they hire anyone not in employment, education or training aged under 36 on a permanent basis.

The South African unemployment crisis is a multi-faceted complex one, with immense challenges from gender-based violence to low economic growth and a lack of access to quality education, infrastructure and services, which will all require systematic long-term structural reform. However, as we build long term strategies, crucial is the acceleration of immediate interventions that incentivise the private sector to create opportunities for youth at scale, while uplifting communities.

We have seen over 1,800 corporate partners uplift communities and help co-create a better South Africa for all, but we need more like-minded businesses to join the movement. We cannot leave another generation behind.

ABOUT LEANNE EMERY

Leanne Emery is the Chief Marketing and Client Officer (CMCO) at the Youth Employment Service (YES), a business-driven NPO that works to tackle youth unemployment in South Africa. Within her role, she is responsible for managing all marketing and client operations.

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