THE EMPLOYABILITY OF COMMERCE GRADUATES IN THE FINANCIAL SERVICES SECTOR

Nozipho Mnyandu

A research report submitted to the School of Governance at the University of the Witwatersrand, Johannesburg in partial fulfilment of the degree of Master of Management in Development & Economics

Supervisor: Professor Pundy Pillay

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ABSTRACT

This research presents an assessment of the employability factors for Commerce graduates in South Africa. From the perspective of a selected sample of Financial Services sector employers (including specialist recruiters), this study sought to understand employer requirements for graduate programmes in the career fields of Asset/Fund/Investment Management (listed and unlisted), Economics Consulting, and Investment Banking (Advisory). Subsequently, the study addressed five research questions: (i) What recruitment strategies are used by Financial Services sector employer organisations to find graduate talent? (ii) What qualifications affect the employability of Commerce graduates in South Africa? (iii) Are work and life experiences valued for the employability of Commerce graduates in South Africa? (iv) What skills determine the employability of Commerce graduates in South Africa? and (v) What labour market discriminatory factors affect the employability of Commerce graduates in South Africa?

Using Pool and Sewell's (2007) well-known employability model, the Career-EDGE model, the study followed this framework in understanding employers' employability factors. Using semi-structured interviews, the data were collected from 14 employers that have graduate programmes. The results showed that: (i) there is a growing use of electronic platforms (such as the corporate website, LinkedIn, Instagram, Facebook, and Twitter) to advertise graduate-programme opportunities; (ii) although postgraduate degrees from certain South African universities prove to be highly advantageous; however, a bachelor's degree from any accredited South African university is a minimum requirement; (iii) some previous work experience (including vacation work) is highly valued by these employers; (iv) from a skills perspective, employers do value transferable skills gained from the university curricula (graduate qualifications), as well as the skills from life experience; and finally, (v) the study showed that labour discrimination does play a role in the selection of graduates. More specifically, most employers have a strong preference for Blacks (Africans, Coloureds and Indians), as well as female graduates.

Keywords: Graduate Employability, Graduate Programme, Financial Services Sector, Employer Perspectives, South Africa

DECLARATION

I, Nozipho Mnyandu, declare that this research report, titled:

The employability of Commerce Graduates in the Financial Services Sector

is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Management (in the field of Development & Economics) in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree, or examination in any other university.

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Signed

Nozipho Mnyandu

25 November 2021

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All thanks go to God, who made this possible, and who gave me strength and wisdom to complete this project.

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Finally, to you ("Thabiza" Mnyandu), may all your dreams come true; and I hope that you live a long life filled with love and happiness.

DEDICATION

This is dedicated to all South African Commerce graduates, who are currently in the job market – some of whom have reached out to me on how to find a job – may these research findings assist you. I pray that you will get a job opportunity in industry; and may all your dreams come true.

This research project was inspired by all of you.

LIST OF ACRONYMS

CA(SA)	Chartered Accountant (South Africa)
DOTS	Decision-making; Opportunity awareness; Transition learning and Self-awareness
CDL	Career Development Learning
EE	Employment Equity
EI	Emotional Intelligence
EQ	Emotional Quotient
FASSET	Finance and Accounting Service Sector Education and Training Authority
FET	Further Education and Training
HEI	Higher Education Institution
HBU	Historically Black University
HDI	Historically Disadvantaged Individual
HET	Higher Education and Training
NSFAS	National Student Financial Aid Scheme
IQ	Intelligence Quotient
IBS	International Business Seminars
PDP	Personal Development Plan
SETA	Sector Education and Training Authority
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
UFH	University of Fort Hare
UFS	University of the Free State
UJ	University of Johannesburg
UKZN	University of KwaZulu-Natal
UL	University of Limpopo
UP	University of Pretoria
UZ	University of Zululand
Wits	University of the Witwatersrand
YES.	Youth Employment Service

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CHAPTER ONE: INTRODUCTION

1.1 Background

In 1994, the new democratic government called for the transformation of higher education institutions ("HEIs"), which subsequently led to more access, participatory outcomes and higher throughput rates, which have led to more graduates in the labour market (Mzangwa & Dede, 2019).

However, even with the high enrolment and graduate numbers, the unemployment rate has also remained high, with an average of 25% since 1994, and peaking at 30,8% in 2020, (Statistics South Africa, 2020). Unemployment is still reported to be on the rise, regardless of the investment by the South African government – for which, education (and skills development) has consistently been one of the top-five priority public-sector expenditures in the last ten years. Nonetheless, this study notes that unemployment represents a key socio-economic challenge, with broader consequences. Through its impact on reducing economic welfare, output, and the gradual erosion of human capital, it mounts up undesirable costs to the economy; hence, the increased priority that is being given to this phenomenon, albeit with less than desirable outcomes.

Given this background, several studies, such as those of Fasset (2019); Lees (2002); Lowden, Hall, Elliot and Lewin (2013); and Sumanasiri, Yajid and Khatibi (2015), which emphasise that employment (or employability) should be the responsibility of the entire job-market ecosystem, which includes graduates, HEIs (through curricula), government, employers (including regulators and professional bodies). Therefore, there should be clear co-ordination between these stakeholders on the required qualifications and on the skills required for job opportunities in the market.

Given this situation, it is therefore, important to assess the level of accountability (of these stakeholders of employability), as it relates to the unemployment crisis. From an economic demand-sector perspective, Mncayi (2016) and Kundaeli (2016) both argue that the oversupply of certain degree subjects in the labour market should be assessed. In other words, the authors imply that students should be studying career fields that are in demand and required by the labour market. More specifically, Ariyawansa (2008) and Mncayi (2016) noted that certain study programmes, such as those of Finance, Accounting and Engineering Sciences, tend to have higher job opportunities than study programmes within Arts, Humanities and the Social Sciences. Understanding this, Kundaeli (2016), therefore, stated that studying the 'wrong' qualification may, in turn, lead to not just unemployment, but also to underemployment.

From an HEI perspective, Mncayi (2016) points out that previously disadvantaged universities (and institutions) or Historically Black Universities ("HBUs") may be seen, as providing sub-standard education; and as such, they may be overlooked by employers in the recruitment process. More specifically, it is said that these HBUs are unable to provide courses in special skills, such as those of Engineering and Sciences; but they tend to focus more on the Humanities and Arts – which, once again, are not often in demand (Mncayi, 2016).

From a government perspective, public expenditures in education and job-creating initiatives need to yield a positive return, in the form of a productive working population. For the South African government, substantial resources have been invested in developing public policies, in order to attempt to close the gap between the unemployed and the labour market. For instance, initiatives, such as the development of Sector Education and Training Authorities ("SETAs"), Technical and Vocational Education and Training ("TVET") colleges and the establishment of additional universities, as well as policies, such as Affirmative Action (or Employment Equity or "EE") and Youth Employment Service ("Y.E.S.") (under the Broad-based Black Economic Empowerment or "BEE" Act) – all serve as examples of government's efforts in creating a productive and employed labour force.

From the above, there are multiple agents (HEIs, government, students, parents, employers), who are responsible for job creation; and continuous efforts are being made to combat unemployment, even though unemployment continues to rise – as is shown by the statistics.

As such, this study sets out to examine employability in South Africa, with a specific focus on Commerce graduates from South African higher education institutions, from the perspective of employers within the Financial Services sector.

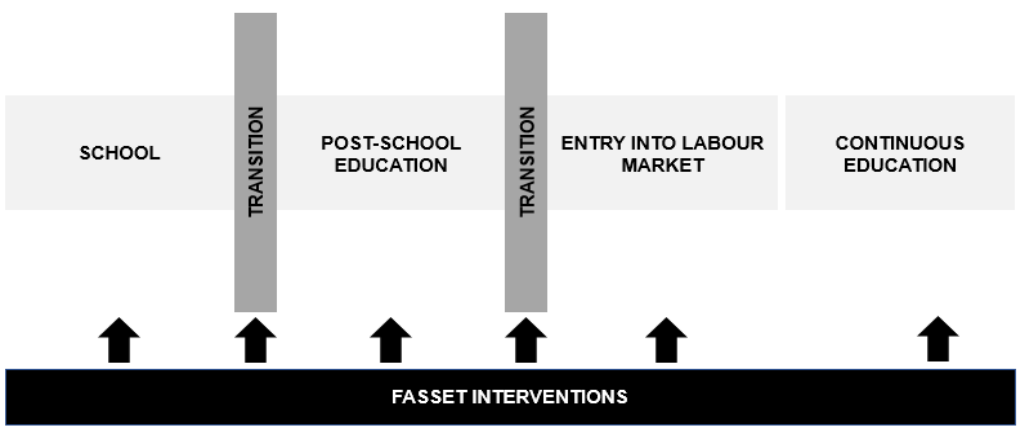
1.2 Finance and Accounting Services Sector Education and Training Authority ("Fasset")

Fasset has a mandate under the Skills-Development Amendment Act to increase the supply of skilled staff in the Financial Services sector. With over 140,000 employees in this SETA, it remains the largest training authority (with people in Finance, Accounting and Auditing) in the country. Fasset's strategic objectives are aligned to national strategy plans, such as the National Skills Development Strategy III (Department of Higher Education and Training, 2013) and the National Development Plan (National Planning Commission Presidency, 2011).

1.2.1 Fasset's routes to employment

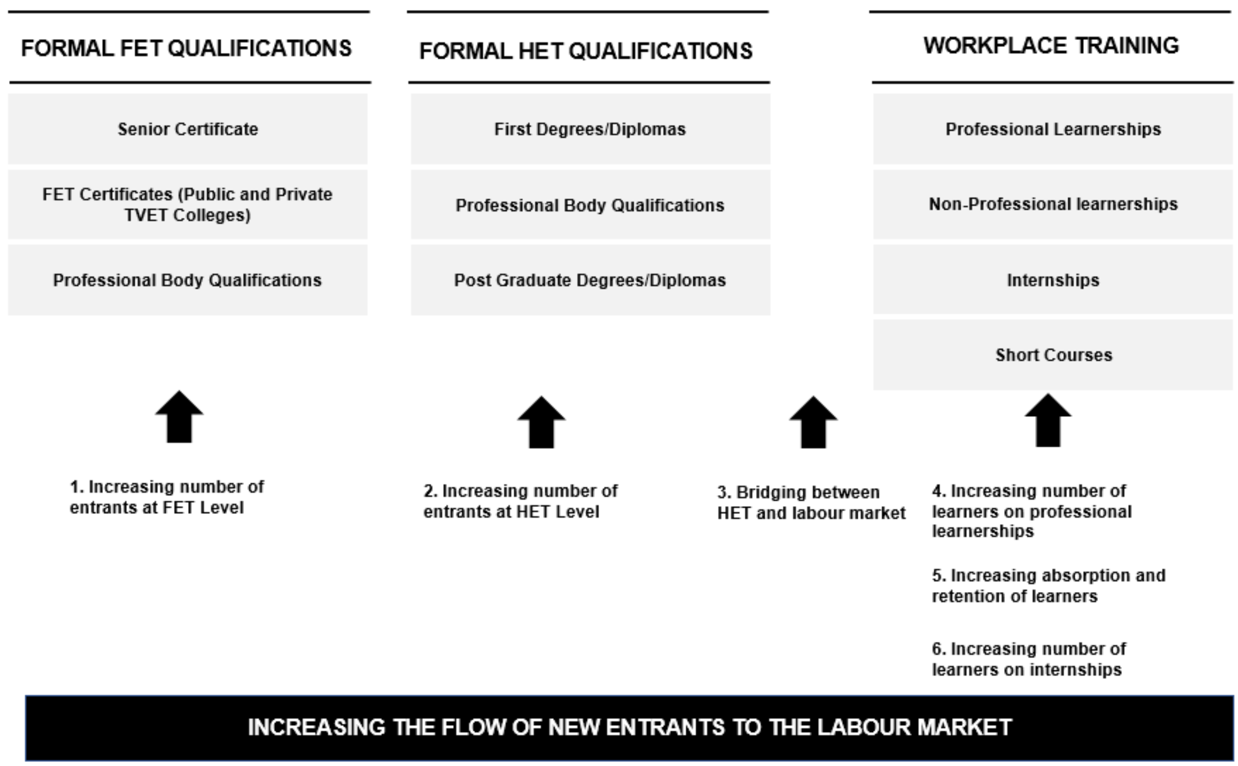
As one of its objectives, Fasset aims to increase the pipeline of labour entrants into the Financial Services sector. Figure 1.1 illustrates how Fasset achieves its development objectives through frequent interventions at each stage of learning, namely (i) secondary education; (ii) higher education and training; (iii) entering the labour market; and (iv) continuous education in the workplace.

Figure 1.1 – Fasset's intervention in the education and skill-formation pipeline



Source: Fasset SSP 2018 – 2023, page 62

Figure 1.2 – Fasset's routes to entry



Source: Fasset SSP 2018 – 2023, page 63

Figure 1.2 illustrates Fasset's six entry routes through which prospective employees can access employment within the Financial Services sector. Fasset does this by firstly, facilitating increased qualifications (at Technical and Vocational Education and Training Colleges ("TVET") and Higher Education and Training ("HET") levels) required by employers (one and two in Figure 1.2). Fasset also facilitates this by partnering with the National Student Financial Aid Scheme ("NSFAS") with bursaries for students, in order to complete their studies. Secondly, Fasset has identified a bridge between schooling or tertiary education and the labour market (three in Figure 1.2).

Fasset also invests in unemployed learners by making them "work-ready"; as employers are typically reluctant to employ new graduates, due to their lack of work experience. The final entry to employment (four, five and six in Figure 1.2) is facilitated by Fasset partnering with Financial Services sector employer organisations, and by providing them with grants to facilitate workplace training, such as on-the-job internships, short courses, learnerships and other professional qualifications.

1.3 The Research problem

The study acknowledges the various efforts made to date (by the multiple stakeholders of employment) to close the gap in the unemployment crisis. However, as mentioned before, better co-ordination between these stakeholders could bridge the knowledge gap of expectations, or that which constitutes employability. In the context of today's South African labour force, there is a large pool of human resources, because of the oversupply of these educated yet unemployed graduates. Subsequently, employers through limited resources, only select those prospective employees with specific attributes (Holmes, 2013).

Therefore, given the strict requirements by these employers, it has become imperative that graduates acquire, or at the very least, be prepared to meet these requirements of employability.

1.4 The Research questions

This study is driven by the need to answer the main research question, namely, what specific attributes determine the employability of Commerce graduates from the perspective of the Financial Services sector employers in South Africa?

Related to the main research question, five secondary questions are explored:

1. What recruitment strategies are used by the Financial Service sector employer organisations to find graduate talent?
2. What qualifications affect the employability of Commerce graduates in South Africa?
3. Are work and life experiences valued for the employability of Commerce graduates in South Africa?
4. What skills determine the employability of Commerce graduates in South Africa?
5. What labour market discriminatory factors affect the employability of Commerce graduates in South Africa?

1.5 The Research purpose

The purpose of this research is to present those factors that influence graduate employability in South Africa, by sampling the opinions of employers in the Financial Services sector. Given the changing needs of this sector, as well as the growing graduate workforce of the country, it has become imperative that graduate training should be in line with the demands of the economy, as well as those of specific employment opportunities within the sector. A mismatch between the demand requirements and the supply of graduates is certain to create economic losses; and it could lead to social instability in the long run.

Therefore, this study hopes to highlight the underlying issues and gaps, and to offer practical remedies that are critical to broader socio-economic well-being. This study's caveat is this: although the purpose is to explore the Fasset's *route three* to employment (Figure 1.2) – by exploring Commerce graduate employability factors within certain career fields from the perspective of Financial Services employers – the purpose is not to assess whether Fasset or any other public policy has proven to be successful, or not. Rather, this researcher has no affiliation with Fasset.

1.6 The Research objectives

This study is guided by the main research objective, namely, to identify the attributes that South African Financial Services employers look for in Commerce graduates. Related to this main objective, four research objectives are explored:

a) To identify the recruitment strategies used by the Financial Services sector employer organisations, in order to obtain graduate talent;
b) To identify the qualifications that are required for graduates to gain employability;
c) To identify work and life experiences that are required for graduates to gain employability;
d) To identify skills that are required for graduates to gain employability; and
e) To identify labour discriminating factors (such as age, race, gender) used by the Financial Services sector employer organisations, in order to obtain talented graduates.

CHAPTER TWO: THE LITERATURE REVIEW

2.1 Defining employability

Employability was defined by Hillage and Pollard (1998) as the ability to find work and to retain it. Huang, Richards, and Willox (2019) explained that other broader definitions of employability (greater than job acquisition) exist. These include, firstly, a set of key attributes that a prospective employee brings that would contribute to the functioning of the employer's organisation. Examples of such key attributes include skills, such as teamwork, communication and leadership. Secondly, Huang et al. (2019) also explained that the third factor of employability lies in the ability of the employment seeker to find a satisfying job.

Examples of key indicators for this would include rewarding compensation, more responsibility in the job function and professional growth and achievement. Knight and Yorke (2002) emphasised that the generic concept of general employability is very complicated, and not just a skills-based concept; and as such, it is different from the concept of graduate employability.

Against this background, Yorke (2006: p.8) defines graduate employability as "…a set of achievements - skills, understanding and personal attributes - that make graduates more likely to gain employment and to be successful in their chosen occupations, which should benefit themselves, the workforce, the community and the economy…". Therefore, Yorke (2006) defined employability as: (i) being greater than mere job acquisition; (ii) a set of achievements, such as ambition, and academic performance, which are more likely to bring the graduates closer to employment that is not necessarily guaranteed; and (iii) whose professional satisfaction affects not only the graduate, but also the greater community and the economy also (Yorke, 2006).

Therefore, using Yorke's (2006) definition, employability comprises the skills, factors, and attributes that a graduate possesses, in order to create a bridge for employment, whether in the short term or in the long term. For this study, this concept will be used to define graduate-employability characteristics for South African Commerce graduates, who possess a qualification from a South African HEI, and have little or no working experience, but are currently looking for employment.

2.2 Conceptual framework: employability models

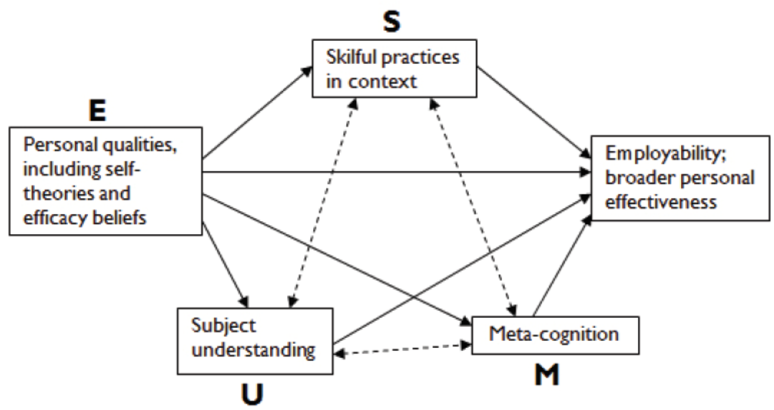
As seen in the studies of Anas and Hamzah (2017); Harry, Chinyamurindi, and Mjoli (2018); Kundaeli (2016); Romgens, Scoupe and Beausaert (2019), as well as those of Symington (2012) – who have suggested various conceptual models for defining employability; these models include Fugate and Kinicki's Employability Model, CareerEdge, Understanding, Skills, Efficacy beliefs and Metacognition (USEM) Employability Model, the Bridgstock Employability Model and the JET Employability Model. Although, the above-mentioned models are not exhaustive, the following section analyses the most commonly researched graduate-employability models, namely USEM and CareerEdge.

2.2.1 Understanding, Skills, Efficacy beliefs and Metacognition (USEM) Model

The USEM model is one of the most widely accepted and cited models for understanding employability. Originally developed by Knight and Yorke (2004), the model was developed "in an attempt to put thinking about employability on a more scientific basis, partly because of the need to appeal to academic staff on their own terms, by referring to research evidence and theory" (Knight & Yorke, 2004: p.37).

The model (Figure 2.1) assumes four inter-related factors of employability, namely: (i) An understanding of the relevant subject matter, and how organisations work; (ii) Skillful practices of academic, employment and life generally; (iii) Efficacy beliefs of the employee's self-concept, self-confidence and development; and (iv) Meta-cognition, reflecting self-awareness, and how to reflect on learning.

Figure 2.1: The USEM Model



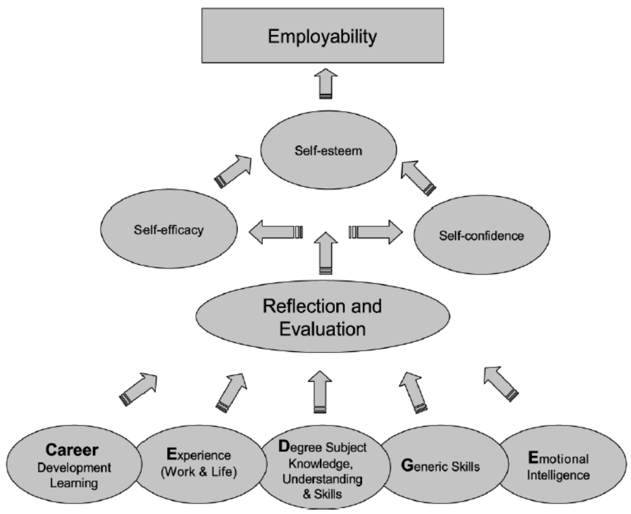
Although the model has been seen in the studies of Anas and Hamzah (2017); Archer and Chetty (2013); Shivoro, Shalyefu and Kadhila (2017); as well as in the studies of Soares Dias, Monteiro and Proença (2017), it has its limitations. The reasons cited for its shortcomings include: the fact that it is very theoretical; and lacks evidence; and it is less understood – to such an extent that non-experts, such as parents and students cannot use it to explain employability (Brent, Sanger & John, 2012; Cole & Tibby, 2013; Pool & Sewell, 2007 and Sumanasiri, Yajid & Khatibi, 2015).

2.2.2 The CareerEDGE Model

In response to the shortcomings experienced by the USEM Model, Pool and Sewell (2007) developed what is now known as the most widely used graduate employability model, called CareerEDGE (Figure 2.2 below). Its premise is founded on the ability to explain the concept of employability to non-experts, such as students and their parents; whereas previous models have typically focused on academics within higher educational institutions. According to Sumanasiri et al. (2015), the model still encompasses all the elements of the USEM Model; however, the CareerEDGE model presents a much-needed, more simplistic view of how to think about the employability process. According to Figure 2.2, the model describes the employability-enhancing factors, such as: career-development learning, work experience, degree-subject knowledge, understanding and skills, generic skills, emotional intelligence, self-efficacy, self-esteem and self-confidence.

Furthermore, Huang, Richards and Willox (2019) noted that reflection and evaluation are necessary for turning the above factors into employability. Furthermore, Pool and Sewell (2007) advised that should any of the factors mentioned above be absent, this would negatively contribute to the graduate's employability.

Figure 2.2: The CareerEDGE Model of Employability



Although the model provides the principles on how employability can be achieved, the CareerEDGE model has limitations, as pointed out by Soares et al. (2017). In their assessment, these authors found that "...the CareerEDGE Model cannot be fully applied to the students. …Also, this model has too many dimensions, which the academic cannot evaluate…" (Soares et al., 2017: p.7). On the contrary, when comparing this model with the USEM Model, the authors praised it and contended that "…the USEM Model has shown a lot of potential; but the level of adequacy for this kind of analysis is far ahead than of the CareerEDGE Model ..." (Soares et al., 2017: p.7).

2.3 The Empirical literature

Considering the above conceptual framework, this section discusses the empirical literature, when using the CareerEDGE model, as the employability model of choice for this study.

2.3.1 The empirical literature related to the degree of subject knowledge, understanding and skills (Research Question Two)

Pool and Sewell (2007) emphasized that degree-subject knowledge, understanding and skills are central to the CareerEDGE framework. Moreover, the better qualified the individual is, the better positioned they are to accessing more job opportunities. Finally, Pool and Sewell (2007) also mentioned that since degree-qualification credentials are only available to employers (because they may not know the candidate personally or professionally), employer organisations will more probably base their recruitment decisions on the academic credentials presented to them.

Sumanasiri et al. (2015) established that there is a strong relationship between employability and the actual learning activities in a university-degree programme. These views are also shared by those of Pollard et al., (2015); Lowden et al. (2013) and Lourens and Fourie-Malherbe (2017) – who also found that academic credentials, such as a degree do improve a candidate's chances of getting employment. Moreover, Oluwajodu et al. (2015) illustrate that advanced qualifications, such as postgraduate degrees, could improve a candidate's chances of being employed.

However, it has been said that a qualification is just the first "tick in the box", and that the importance of excellent academic results also contributes to the graduate's employability. For example, in the study of Lowden et al. (2013), when interviewing employers, a respondent said: "… candidates have to have a minimum of 100 UCAS points…,which shows they've got a brain up there…" whilst others were cited: "…you have to have something different (not just a degree) and it might still be a Class 1 Honours, but it's still got to be something different..." (Lowden et al. 2013: p.12,13). Understanding this, Lourens and Fourie-Malherbe's (2017) caveat is that not all students may be capable of academic excellence, as required.

For instance, some students especially those from disadvantaged backgrounds, may be academically challenged; and therefore, they may take longer to complete a qualification, owing to poor schooling; and as such, “employers need to take a broader view of prospective employees than just their academic records” (Lourens & Fourie-Malherbe, 2017: p.41).

In terms of institutional preferences, a South African study by Oluwajodu et al. (2015) found that employers typically visit the University of Cape Town (“UCT”), the University of Johannesburg (“UJ”), the University of Pretoria (“UP”), the University of the Witwatersrand (“Wits”) and the University of KwaZulu-Natal (“UKZN”) for their career roadshows, as well as exhibitions, because of their reputation and the quality of their education. Similarly, in a study by Lourens and Fourie-Malherbe (2017), some employers preferred recruiting from specific HEIs in South Africa – although their names were not disclosed – this was because “it is rare that these students [from the other institutions] stack up against those from the seven we’ve identified” (Lourens & Fourie-Malherbe, 2017: p.43).

Other employers also cited: “if I can choose only 5 candidates to interview, I would prefer to choose the candidates from the more established institutions, like UCT and Stellenbosch” (Lourens and Fourie-Malherbe, 2017: p.43). According to BusinessTech (2019), these above-mentioned universities also fall into the global world rankings; and they are considered to be the best in providing employment opportunities.

Unfortunately, according to Oluwajodu et al. (2015), HEIs, such as the University of Fort Hare (“UFH”), the University of Zululand (“UZ”), the University of the Free State (“UFS”) and the University of Limpopo (“UL”) tend to have the highest unemployment rates (based on their study sample of surveyed unemployed graduates); and this was partly due to the fact that these HBUs do not have career exhibitions; and therefore, they get minimal traction from employers, in terms of graduate recruitment.

From the above, a clear relationship exists between the type of HEI that a student attends and the ability of students to find employment soon after the completion of their studies. Firstly, it may be true that some students experience challenges or delays in finding employment, given that not enough marketing efforts have been made by the employers to seek students from such HEIs; and consequently, these job seekers may not be aware of certain job opportunities in the labour market. Secondly, these Career Services (within HEIs) also offer advice for CV writing, on how to conduct mock interviews, develop strategies for job-searching opportunities, for instance, electronic platforms, such as LinkedIn. Therefore, graduates that come from HEIs that do not have access to these Career Services, are seen to be less equipped in terms of job-seeking strategies.

Understanding this, Mncayi (2016), however, argued that graduates should not think that it is the qualification alone that makes them more employable; and that they (the graduates) remain unemployed for longer periods, because they may believe that it is only their qualification that is required by prospective employers. Similarly, Harry et al. (2018) suggested that the university is to be perceived as the gateway to access jobs; however, it does not actually guarantee employment; but it only increases the chances of being employed.

The above literature has shown that higher education (and the brand/type of HEI attended) does contribute to a graduate's chances of finding employment. Finally, whilst acknowledging that academic qualifications may not necessarily guarantee employment (as seen in the literature review), the CareerEDGE model to be used in this study recognises that possession of a formal tertiary qualification is simply one of the multiple factors that can account for employability.

2.3.2 The empirical literature related to work and life experience (Research Question Three)

According to Pool and Sewell (2007), work experience is greatly valued by employer organisations; and graduates who possess work experience, tend to be more employable than those without. Pool and Sewell (2007) also stated that experience can either be work-related (gained through part-time work or on a voluntary basis), or the life experiences possessed by the graduate.

In assessing whether previous work experience is a determining factor in securing employment, Trapp, Banister, Ellis, Latto, Miell and Upton (2011) found that prior work experience is beneficial to future job prospects and further career development. On the same note, the study of Lowden et al. (2013: p.13) showed similar results; as one employer respondent stated that "one of the reasons why I would pick somebody with a bit of experience, is that it's not necessarily for the technical skills; but it is that extra maturity – the life skills – and they've had at least some experience of working with somebody in a working environment, rather than in a university environment…Students tend to be used to having things set for them, prepared for them, not having to think for themselves…" (Lowden et al., 2013: p.13). These views are also shared by Knight and Yorke (2003), who found that, in addition to previous work experience, entrepreneurship modules, career advice and a portfolio/record of achievement could also enhance the chance of being employed.

In terms of whether life experiences and skills bring value to the workplace, another employer in the study of Lowden et al. (2013) mentioned that they prefer a mature student "…who has worked for a couple of years before doing a degree, I would count the two years as experience… I think they're going to have more of those life skills and more of a standing (in a manufacturing environment)" (Lowden et al., 2013: p.13).

From the above, it may be true that graduates with prior (life and work) experience will be slightly older by the time they secure a permanent entry-level position. Therefore, it may be that employers actually prefer older graduate candidates for their graduate programme. This is supported by the study of Oluwajodu et al. (2015), who found that South African employers prefer slightly older graduates than younger ones; because "they (the younger graduates) are assumed to be inexperienced and immature to face the challenges of the working world…and older graduates have acquired additional skills beyond those linked to the degree itself" (Oluwajodu et al.,2015: p.7).

However, the existing literature is not clear on whether related work experience (related to the graduate's field of study) is important, or simply general previous working experience. For example, this may apply in the case of working at a retailer, or as a waitress; because a graduate could not secure employment in the desired fields (also called 'under-employment').

2.3.3 The empirical literature related to Generic Skills (Research Question Four)

According to Pool and Sewell (2007), core skills, key skills or transferable skills, collectively known as generic skills, are quite important to employers, when assessing employability. These generic skills supplement the student's studies; and they are transferable not only at the HEI level, but also in the greater workplace. According to Pool and Sewell (2007), the most common generic skills required from graduates include: imagination/creativity, adaptability/flexibility, the willingness to learn, independent working/autonomy, working in a team, the ability to manage others, the ability to work under pressure, good oral communication skills, communication in writing for varied purposes/audiences, numeracy, attention to detail, time management, assumption of responsibility and for making decisions, planning, coordinating and organizing ability; and the ability to use new technologies (Pool & Sewell, 2007: p. 282).

Lourens and Fourie-Malherbe (2017) do acknowledge that employers have preferred skills and personality traits, in addition, to graduates' theoretical foundation (or qualification). These views are also shared by Archer and Davison (2008); Gowsalya and Kumar (2015); Harry et al. (2018); Nofemela (2013); Ntsizwane, Swanepoel and Barkhuizen (2013); Oluwajodu et al. (2015); Sumanasiri et al. (2015) and Wickramasinghe and Pereira (2010), who also found that certain skills enhance the prospects of graduates finding employment.

Related to Financial Services, the Bank SETA's top identified scarce skills include complex problem-solving, critical thinking and technical (job-specific) skills. Similarly, Fasset's (2019) SSP survey showed that Financial Services-sector employers cited the following skills gaps in new entrants: "…The ability to apply theoretical knowledge in practice, and to think in an integrated manner…critical-thinking skills (also referred to as analytical or problem-solving skills)…business-communication skills and the ability to dress and behave in a professional manner, as well as self-confidence...." (Fasset, 2019: p.39).

Furthermore, Oluwajodu et al. (2015) arguec that such skills are important in the workplace; as they are job-related; and they supplement academic-related skills – which students should already possess.

Other studies, such as those of du Preez, van der Merwe and Swart (2019); Lisa, Hennelova, Newman (2020); Nofemela (2013); Rasul, Ismail, Rajuddin and Rauf (2010) and Wickramasinghe and Pereira, (2010) highlight the five skills required by employers in different respective industries. These are ranked in order of priority, with (i) being the most important.

- Sri Lankan Computer-Science employers: (i) problem solving; (ii) positive attitude towards work; (iii) teamwork; (iv) learning skills and (v) self-confidence (Wickramasinghe & Pereira, 2010).
- Slovakian employers: (i) the willingness to take on extra work; (ii) responsible access to work; (iii) morale and ethical behaviour; (iv) learning from feedback and (v) flexibility, or the ability to adapt to change (Lisa et al., 2020).
- Malaysian Manufacturing employers: (i) basic skills, such as (reading, writing, numeracy, listening, speaking); (ii) thinking (creative thinking or innovation, decision-making, problem-solving, seeing things in the mind's eye, knowing how to learn and reasoning ability); (iii) resource-management (management of time, money, materials and facility resources, human resources and risks); (iv) informational (the ability to acquire and the evaluation of information and the use of computers to process information), as well as (v) interpersonal skills (teamwork; the ability to teach others; knowing how to serve clients or customers; leadership; the ability to negotiate and working with cultural diversity) (Rasul et al., 2010: p. 55-58).
- South African Consumer Science employers: (i) communication; (ii) time-management; (iii) problem-solving; (iv) leadership and (v) teamwork (du Preez et al., 2019).
- South African employers including Petrochemical, Pharmaceutical, Food, Nuclear, Government, Research and Retail industries: (i) time management; (ii) the ability to identify problems; (iii) the ability to investigate problems; (iv) the ability to analyse problems and (v) numeracy and quantitative literacy (Nofemela, 2013).

Understanding the requirements of financial services and banking-sector employers, Fasset notes that skills formation starts at the school level, which continues throughout post-school education and entry into the labour market. Furthermore, Fasset also says that skills development must go on in the form of continuous education in the workplace, as a means of staying abreast with any changes at work (See Figure 1.1) (Fasset, 2019: p.62).

2.3.4 Empirical literature related to Emotional Intelligence (Research Question Four)

Pool and Sewell's (2007) study defines emotional intelligence ("EI") as "the capacity to reason about emotions…to enhance thinking. It includes the ability to accurately perceive emotions, to access and generate emotions, so as to assist thought…, so as to promote emotional and intellectual growth" (Pool & Sewell, 2007: p.283). Alternatively put, Segal, Smith, Robinson and Shubin (2019) define EI (emotional intelligence) or emotional quotient, "EQ") as "the ability to understand, use, and manage one's own emotions in positive ways to…communicate effectively, to empathize with others, to overcome challenges and to defuse conflict situations" (Segal et al., 2019: p.1).

This study draws on the model created by Goleman (1998), in explaining the component elements of EI. These are defined as:

a) Self-Awareness, which includes emotional self-awareness, accurate self-assessment, self-confidence, recognising how one's behaviour affects others, and paying attention to how others influence one's own emotional state;
b) Self-management, which includes the ability to handle conflict, to get along with others, self-control, trustworthiness, conscientiousness, adaptability, achievement drive and initiative, as well as the ability to express ideas and information clearly;
c) Social Awareness, which includes empathy, social orientation, picking up the mood in the room, hearing what another person is actually saying, and organisational awareness; as well as:
d) Relationship management, which includes developing others, the ability to influence others, communication, conflict management, leadership, change catalyst, building bonds, teamwork and collaboration (Gayathri & Meenakshi, 2013; Riopel, 2020).

According to Pool and Sewell (2007), EI studies have shown that candidates with high levels of EQ are able to motivate themselves and others, in order to build stronger relationships with others and overall, to enjoy career success, when compared to those with low EQ (Pool &

Sewell, 2007: p.284). Furthermore, the authors state that EI can be taught academically, at an early stage.

Gayathri and Meenakshi (2013) states that in so far as technical skills and a strong intelligence quotient ("IQ") are prerequisites for employability, it is EQ skills that assist the individual to retain the job. Furthermore, the author affirms that skills, such as "good interpersonal, social and team-building skills" (Gayathri & Meenakshi, 2013: p.7), can enhance the individual's capabilities in the workplace (through interaction with co-workers and related parties); and it can lead to success. Alternatively, IQ and other technical skills cannot function in isolation, or in guaranteeing the individual's success. Furthermore, Cotrus, Stanciu and Bulborea (2012) contend that EI skills actually contribute 80% and IQ only 20%, in terms of success in the workplace.

To support this, a study by Jameson, Carthy, McGuinness and McSweeney (2016) surveyed 500 employers within various industries on the importance of graduates' social and emotional competencies. Their findings, based on Goleman's (1998) EI framework, showed that motivation, teamwork, communication, a positive outlook and adaptability, were the top five EQ skills that employers sought, as the most important skills for graduates to possess in the workplace. Comments cited by employers in the study were: "…(graduates must be able to) recognize their own emotions, and know how to deal with them (relating to emotional self-awareness)…graduates need to learn how to receive feedback and how to deal with disappointment (relating to communication and cultural awareness), as well as the ability to attain, maintain and change one's level of arousal appropriately for a task, or a situation (relating to self-regulation)…" (Jameson et al., 2016: p.521).

On the contrary, Pathak, Shankar and Tewari (2018) found that when testing for the relationship between EI and the employability of IT professionals, elements, such as awareness, self-regulation and social skills showed statistically positive (except for empathy) but insignificant results.

In the context of South Africa, there is very little research evidence to assess EI and its impact on employability from an employer's perspective. However, the South African study of Beukes (2010) found that EI can contribute to employability attributes. These attributes included communication, creative learning, the ability to manage one's own emotions, and goal-driven behaviour, amongst others.

2.3.5 The empirical literature related to self-confidence, self-esteem and self-efficacy (Research Question Four)

According to Pool and Sewell (2007), there is a correlation between self-efficacy, self-confidence and self-esteem (or the three "Ss") and employability attributes.

Turner (2014) defines self-confidence as the manifestation of self-esteem and self-efficacy. In other words, self-confidence is an individual's sense of perceived capability, or competence. Self-confidence can be measured and observed by other persons (Pool & Sewell, 2007). Also, according to Kirkpatrick and Ellis (2004), self-confidence can inspire self-promotion tactics, which increase the employability attributes of individuals. These self-promotion tactics largely include explicit non-verbal behaviour and the verbal statements, which individuals use when speaking about qualities and achievements that bolster their employability, their appeal, or their attributes in recruitment interviews (Bolino et al., 2008).

The significance of self-confidence cannot be overstated. For example, although technical skills and other types of capital are appreciated greatly by most employers, they are often ignored during the recruitment process. Instead, prioritized factors include professionalism, dynamism, sociability, interpersonal skills and credibility (Lepistö & Ihantola, 2018). Therefore, self-confidence enhances credibility and the value of other types of capital, thereby widening the employability appeal (Williams et al. 2016).

In addition, according to Donald, Baruch and Ashleigh (2017), high self-confidence improves the self-perceived employability. Pool and Sewell (2007) argue that the level of self-confidence is not permanent; and it can be improved through practice. On how to boost self-confidence, the study of Lowden et al. (2013) found that internships and some work-based placements have a positive impact on students' level of self-confidence and skills. Nonetheless, the studies of Beaumont (2016), Chammaa (2017), Coetzee (2019), Kundaeli (2016) and Qenani (2014) agree that self-confidence does have a positive impact on one's employability.

Potgieter (2012) defines self-esteem as the feeling of self-worthiness. The author continues to explain that self-worth is determined by two key components, personal self-worth, and peer, or social, self-esteem. Potgieter and Mawande (2017) argued that there exists an association between self-esteem and employability attributes. Coetzee (2019) and Potgieter (2014) and Potgieter (2012) further maintained that persons with high levels of self-worth have positive employability, or a greater chance of getting gainful employment than those lacking it. Moreover, Beeftink, Van Eerde, Rutte, and Bertrand (2012) stressed that persons with high levels of self-esteem persons are highly valued in organisations; because they have a high productivity in completing tasks more effectively, in a bid to meet the organisation's goals.

Rollins and Valdez (2006) define self-efficacy as a person's capability or perceived ability to perform tasks in an attempt to achieve the set goals. Chow, Wong, and Lim (2019) state that a person's efficacy beliefs emanate from three essential sources, namely: vicarious experience, mastery experience, and social persuasion. The first, refers to the experience gained, when an individual emulates personal role models (Chow et al., 2019). Secondly, mastery emanates from a person's past achievement in accomplishing tasks in the past – which confirms their ability. Thirdly, social persuasion occurs when other individuals recognize and acclaim a person's ability to perform a particular task, thereby enhancing their confidence.

A study by Potgieter (2012, p.10) analysed the link between self-esteem and the employability of postgraduate business students in South Africa; and it was found that "self-esteem has a considerable positive relationship with employability attributes." In the paper's conclusion, Potgieter (2012) argued that employability attributes are greatly influenced by the meta-competencies i.e., the 3Ss as in the CareerEDGE model.

2.3.6 Labour market discrimination (Research Question Five)

In assessing the employability of Commerce graduates, this study made use of the CareerEDGE model. In addition, this study also explores the discriminatory factors that impact the employability of candidates. For the sake of simplicity, labour market discrimination is defined as the discrimination of workers, based on race, gender, ethnicity, language, religion, beauty, obesity and other prejudices.

In other words, these prejudices can lead to wage and income disparity – even though it is for the same job. Because of this, certain groups, such as black people, may be treated less favourably than the members of other groups. Finally, another very closely related concept to this is favouritism or nepotism. According to Salamanca and Feld (2016), favouritism is the positive treatment relative to a group or person, whilst discrimination is a negative treatment of that group or person.

2.3.6.1 Economic models of discrimination

Various models exist for explaining labour market discrimination. The most common are taste-based discrimination, Lazear's long-term incentive contracts, statistical discrimination, implicit discrimination and unconscious discrimination, as seen in the studies of Balsa and McGuire (2001); Bryson and Chevalier (2014); Guryan and Charles (2013); Neumark (2018); Neumark and Stock (1997); Oaxaca (2007) and Thijssen (2016). For the purposes of this study, only taste-based and statistical discrimination will be discussed; since most of the empirical work on labour discrimination has focused on these two models.

2.3.6.1.1 Taste-based discrimination

The taste-based discrimination theory of Becker (1971) maintains that people have less favourable attitudes towards certain ethnic minorities. These attitudes typically come from three sources, namely: employers, employees, or customers. For example, employers may be less likely to hire minorities. Although this theory provides an explanation for the existence of discrimination, it is not clear as to why this occurs (Thijssen, 2016). According to Thijssen (2016), these biases occur from psychological and sociological background and grooming. The factors, which can lead to this kind of discrimination, include: “strict parenting styles, which eventually would be projected onto outgroups…personal dispositions, or (negative) socialisation experiences of hirers, as well as competition over scarce resources between ethnic groups, which increases the feelings of ethnic threat and prejudice” (Thijssen, 2016: p.3-4).

These examples provide for both individual-level and group-level explanations of ethnic bias.

2.3.6.1.2 Statistical discrimination

According to Thijssen (2016), this statistical-discrimination theory was developed in response to taste-based discrimination; and it was founded upon uncertainties that employers were faced with during the hiring process. Put differently, there is imperfect information between employers and employees. Because of this, employers then had to “develop efficient ways to minimize the risk of making wrong hiring decisions” (Thijssen, 2016: p.5). Furthermore, the author states that, for employers, the risk of hiring the wrong employee has significant cost implications. For example, hiring costs may include search and training costs, as well as dismissal costs, in the event of termination of employment.

By understanding this, Thijssen (2016) suggests that social-category membership is then considered to be a method, which may be used to infer information about candidates. This is done by firstly, employers discriminating against candidates, who are minorities, as employers may be of the belief that they are less qualified or reliable; and therefore, they may be less productive. Secondly, the role of inter-ethnic attitudes is important in some of the economic decision-making by employers. Thirdly, in the absence of limited information, employers may rely on statistics to reach hiring decisions.

2.3.7.1 Empirical literature related to labour market discrimination

In a South African study, Malindi (2017) set out to explore the imperfect wage gap between South African Black and White men, by using the statistical discrimination of South African employers, based on race, age, and the level of education. A study by Malindi (2017) found that imperfect information exists, thereby contributing to the income gap between Black and White men in South Africa. More specifically, the study found that: firstly, Blacks and less-educated men are more likely to be hired: (i) without a written contract; (ii) on a temporary basis; and (iii) to face lower wages – owing to the uncertainly regarding their level of productivity. As an indicator for productivity, Malindi (2017) showed that schooling is an important predictor of future earnings.

The author stated that with “tertiary schooling qualifications, employers are able to use information about the quality of the tertiary institution, or the degree, in order to distinguish between workers” (Malindi, 2017: p.21); and consequently, there is greater uncertainty (and wage disparities) for Black men with more education (or tertiary education). The study’s findings were similar to those of Li and Miller (2013), who also found the gender-wage gap to be smaller for the more highly educated labour market than for the Australian labour graduate market.

In another South African study, the results were also found to be similar to those of Malindi’s (2017) study. Burger and Jafta (2006), set out to explore the post-1994 racial wage differential. In their empirical study, the authors sought to explain labour discrimination in three different features of the employment process, namely: employment, occupational attainment, and wage determination. Their results showed that firstly, affirmative action has had a very small impact (when using the Juhn-Murphy-Pierce decomposition methodology) on a small group of Black workers, in terms of the narrowing of the wage gap. This was limited to wages at the top of the wage distribution. Secondly, their results showed that affirmative action had no effect on the racial-employment group. Similar to the findings of a study by Malindi (2017), the authors noted that skills (and education) are an important factor in determining wages; and as such, improving the quality offered at historically Black schools could be a first step in narrowing the productivity gap.

However, Burger and Jafta (2006) cautioned that although this suggestion may be an attempt to narrow the quality of educational differences between population groups, the labour market may, however, evaluate differently the skills and the productivity of the different groups. This argument was also supported by Bhorat, Lilenstein, and Oosthuizen (2017), who also argued that "not all youths benefit from tertiary education in the same way…African graduates are less likely to be employed than other graduates…potentially due to a persistence of racially based employment decisions; since African individuals of the same institutional background still find it harder to find employment than similar counterparts from another race group" (Bhorat et al., 2017: p.14).

Other studies, such as those of Blau and Kahn (2017); Duguet, Petit and Petit (2005); Jessen and Kluve (2019); Meara, Pastore and Webster (2020); Neumark (2002) and Petit and Duguet (2007), have explored the gender-wage gap, as well as discrimination according to gender. For example, the literature showed that "for higher-skill jobs, with higher turnover costs, there is evidence of lower callbacks (for an interview) for women aged 25; and for a single woman, there is evidence of discrimination against women with child-bearing responsibilities" (Neumark, 2018: p.836).

From a gender wage-gap perspective, the literature shows that employers may discriminate by paying female employees lower wages than their male counterparts; more importantly, the recent literature explores the number of factors explaining this gender gap. The cited reasons include part-time work and thus, working fewer hours, which, subsequently pay lower wages; parenthood (wages for parents are higher than those for non-parents); unionisation (higher wages are associated with those employees that are unionised); education, skills and work experience (higher wages and income are associated with more schooling and education, improved skills and more experience in the labour market) (Blau & Kahn, 2017; Meara, Pastore & Webster, 2019).

Other studies, such as those of Baert and Verhofstadt (2015); Baert (2018); Bendick, Jackson and Romero (1997); Drydakis (2011); Lahey (2008); Rooth (2009) and Ruffle and Shtudiner (2015) have explored other discriminatory factors, such as age, beauty and looks, criminal-record background, disability, sexual orientation and obesity, as determinants of employability. In the case of age, the literature shows "strong evidence against older workers, and strong evidence of discrimination against older males, but not against older females" (Neumark, 2018: p.834). According to Neumark (2018), older workers typically find difficulty in attaining new employment; nevertheless, they can earn more; because they have more experience. In the case of obesity and looks (beauty), the literature shows that "obesity plays a greater part in jobs requiring customer contact; and there are fewer callbacks for obese applicants from recruiters…callback rates for attractive candidates are one-third higher (for both men and women)" (Neumark, 2018: p.835). Neumark (2018) explains that obesity is typically associated with unattractiveness and higher levels of absenteeism.

In the case of other prejudices, for example for sexual orientation, there is "evidence of hiring discrimination against lesbians and gays…substantially lower callback rates for gays and lesbians/queer women); and in some cases, no difference in wages of jobs for both gays and straights" (Neumark, 2018: p.836). In the case of disability, the literature demonstrates "evidence consistent with hiring discrimination against the disabled…lower callback rates for the disabled, and even more so among less-qualified applicants" (Neumark, 2018: p.837).

Lastly, in terms of anonymous applications, Krause, Rinne and Zimmerman (2012) and Behaghel, Crepon and Le Barbanchon (2015) found that "anonymization does not increase the level of interviewing for women and minorities…" (Neumark, 2018: p.837).

Chapter Two Summary

This chapter has reviewed the literature relating to the employability factors. Overall, the study found that the concept of employability is globally a topical theme, amongst researchers and academics, as shown by the vast amount of literature available on certain aspects of this topic. However, there is limited research on South African graduates' individual employability factors, in general. Furthermore, the study found that a number of employability models attempt to explain employability factors. However, this study chose the CareerEDGE model; as it has a well-diversified and comprehensive list of factors that can explain a candidate's employability. The CareerEDGE model identifies nine key success individual factors or elements, namely self-efficacy, self-esteem, self-confidence, reflection and evaluation, career-development, learning, work and life experience, generic skills, emotional intelligence and degree subject knowledge, understanding and skills – that candidates, ideally need to possess, in order to gain employment. Associated with this, the study also reviewed the local and international literature of these nine elements and their influence on employability. Finally, to complement the CareerEDGE employability model, this study also assessed the literature relating to labour market discrimination (and favouritism); as the researcher felt that this was not captured by the CareerEDGE model; and yet, it is a very relevant factor for assessing employability.

Overall, the chosen employability model and the literature review were fundamental in answering the five research questions for the study:

1. What recruitment strategies are used by financial service-sector employer organisations to obtain graduate talent?
2. What qualifications affect the employability of Commerce graduates in South Africa?
3. Are work and life experiences valued for the employability of Commerce graduates in South Africa?
4. What skills determine the employability of Commerce graduates in South Africa?
5. What labour market discriminatory factors affect the employability of Commerce graduates in South Africa?

CHAPTER THREE: THE RESEARCH METHODOLOGY

3.1 The research approach

Research methods and approaches can typically be categorised as either qualitative, quantitative, or mixed-method research. Firstly, qualitative methods typically require textural data or words; while quantitative methods involve numerical data, when responding to research questions (Williams, 2007). Secondly, quantitative methods primarily rely on statistical techniques to solve the identified problem (Daniel, 2016). Finally, mixed-method research includes data that are both numerical and textural, in answering the research question.

According to Williams (2007), the mixed-method approach draws on the strengths of both qualitative and quantitative methods – with the objective of providing a holistic analysis. An example of mixed-methods is one that uses closed-ended questions to collect the numerical data. Table 3.1 illustrates the differences between qualitative and quantitative methods.

Table 3.1 Quantitative versus qualitative research

Qualitative research	Quantitative research
Aim is to understand the meaning of phenomena or features in detailed description	Aim is to classify and count features using statistical models to predict and test hypotheses
Words (written and spoken) used as data and the researcher is the data-collecting instrument	Numbers used as data and tools as questionnaires or equipment are used to collect numerical data
Data are more in-depth or 'rich' and 'thick' but obtained from fewer participants (or cases)	Data is less in-depth (or shallow) but more broad data across a large number of cases
Theory generating and inductive (by researcher)	Theory testing and deductive (by statistical methods)
May take longer to complete because it is interpretative	Fairly quick to complete because there is a formula
Findings are detailed and comprehensive	Findings are precise and numerical
Subjective: phenomenon viewed from the perspective of the researcher	Objective: researcher is less detached and less impartial

Source: Braun and Clarke (2013), DeFranzo (2011), Mafuwane (2011) and Streefkerk (2019)

Understanding that this study's objective is to understand Financial Services sector employers' views and perceptions about graduates' credentials, as determinants for their employability, a qualitative approach by using a case study, was deemed appropriate for this study.

3.2 Sampling

3.2.1 Sampling procedure

The purpose of this study is to assess the employability of Commerce graduates from the employers' perspective; and as such, the sample data comprised South African employers in the Financial Service sectors, and more specifically, employers within the specialisation of Asset/Fund/Investment Management (listed and unlisted), Economics, Consulting and investment-banking companies were selected to participate in the study. Although some of these employers have a presence internationally, the study focused on the local-office employability factors.

Furthermore, to supplement the insights from employers, the study also invited recruitment agencies within the Financial Services sector that often recruits graduates on behalf of the Financial Services sector employer organisations in the specialisations mentioned above. For the purposes of this study, the first will be referred to as employers, and the latter as recruiters.

The purposeful sampling method was used, which comprises a non-probability, or non-random sampling technique. According to Palinkas et al. (2015), the researcher selected individuals or groups that are well-informed, knowledgeable or experienced, with a particular interest, and who can communicate their experiences in a manner that is well understood. Furthermore, personal judgement is used to determine which research participants should be invited to assist in answering the research questions or the objectives. However, Dudovskiy (2016) noted that this sampling method suffers from limited generalisability of the research findings; as the researcher typically uses their own judgement, when selecting the appropriate sample to be used (Sharma, 2017). Nonetheless, this method was used; as there are a limited number of primary data sources (within the Financial Services sector) that could contribute to the study.

Understanding the above, the target sample (from both employers and recruitment agencies) was selected, on the basis that those individuals would be able to provide insights into their graduate-recruitment strategies, and how they acquire the best talent for their (i) firm(s) (for employer representatives) and (ii) for their clients (for recruiters). This would be based on employer (and client) requirements, which might include, but are not to be limited to skills, competencies and qualifications (Foley, 2018; Oluwajodu et al., 2015).

3.2.2 Sample size

According to Latham (2014), and Braun and Clarke (2013), the appropriate sample size for a study depends on the data saturation. Braun and Clarke (2013) define this as “the point at which additional data would fail to generate any new information” (Braun & Clarke, 2013: p.55). The authors also give a guide of between 15 and 30 interview participants, as the most common sample size used; and that anything over 50 would be considered a very large sample size. Similarly, Latham (2014) recommends between 12 and 15 interview participants. On the contrary, Onwuegbuzie and Collins (2007) recommend between three and five participants for case study research. Subsequently, a total of 14 interviews were conducted for the study, comprising two interviews with recruitment agencies, and 12 employers within the afore-mentioned fields.

Moreover, these 14 participants were interviewed individually (with only one company having two participants), therefore, a total of 14 individual responses were received.

Although, this sample size is well above the case-study sample size benchmark (from Onwuegbuzie and Collins, 2007), this study sought a bigger sample, in order to ensure greater data quality, without necessarily reaching data saturation. Moreover, the study also ensured that maximum variation was employed, thereby ensuring a well-diversified group of participants, in terms of age, gender, experience, education and organisation (Kim, Sefcik & Bradway, 2016).

Finally, in selecting the target sample size, the following criteria were used:

(i) Employers that are operating within the South African Financial Services sector, and specifically within the fields of Asset/Fund/Investment management, Economics Consulting and Investment Banking. Moreover, their representatives (interviewees) have experience in recruiting graduates for the firm;

(ii) Recruiters are used, who have extensive experience in recruiting Commerce graduates, specifically within the fields of Asset/Fund/Investment management, Economics Consulting and Investment Banking;

(iii) Employers that have a graduate or internship or analyst programme in South Africa. This excludes employers seeking trainees to join as part of their SAICA Chartered Accountancy ("CA(SA)") articles, or any other professional programmes. For this study, these programmes will be collectively referred to as the graduate programme.

3.3 Data collection – Interviews

3.3.1 Semi-structured interviews

In research, interviews can be used to solicit views, feelings and perspectives on a research topic, from any one research participant at a time. According to Mack et al. (2005), "(in an interview) researchers engage with participants by posing questions in a neutral manner, listening attentively to participants' responses, and asking follow-up questions and probes based on those responses…they do not lead participants, according to any preconceived notions, neither do they encourage participants to provide particular answers by expressing approval or disapproval of what they say" (Mack et al., 2005: p.29).

Braun and Clarke (2013) and Zojceska (2018) categorise three types of interviews that can take place; these are namely: (i) structured interviews: where questions are predetermined (often common in quantitative research); (ii) unstructured interviews: an interview, in which the questions are not predetermined or prepared in advance; and the conversation is merely free-flowing, with no specific set questions for the participants; and (iii) semi-structured interviews: these are interviews where the questions are set by the researcher; but the participants can raise issues not anticipated by the researcher.

According to Braun and Clarke (2013), these are the most common type of interviews in qualitative research. For this study, semi-structured interviews were conducted; and the participants could raise any new related issues relating to each question asked. Appendix C provides the list of the interview questions.

Finally, virtual one-on-one interviews were conducted over a period of six weeks during the months of August and September 2020, through Microsoft Teams, Zoom and Google Meet, in order to provide flexibility for both the researcher and the participants. Also, because of COVID-19 lockdown regulations, the researcher and most of the participants were working remotely – thereby allowing for virtual interviews to be conducted at any location.

3.4 The process of data analysis

According to Braun and Clarke (2013), qualitative data can be analysed by using interpretive phenomenological, thematic analysis, grounded theory, discourse analysis, narrative analysis, framework analysis, and documentary analysis.

For this study, the inductive-thematic analysis was used, because of its ability to capture experiences and perceptions by employers and recruiters from the Financial Services sector. Also, the research findings were (based on the data received from the interviews); and Chapter Four stems from employers and recruiters, rather than being based on theories or evidence; and therefore, this helps to avoid any bias relating to the researcher's pre-existing beliefs on the phenomenon (Braun & Clarke, 2006; 2013). Finally, in processing qualitative-data analysis, Maher, Hadfield, Hutchings and de Eyto (2018) noted that the data can be processed either manually or by using software packages, such as CAQDAS and NVivo.

Although, these authors noted the benefits of using the latter, the researcher opted to manually process the interview data, as a means of staying closer to the data.

In processing the data from the interviews, the researcher followed the following steps in processing the interview data. Although guidance was sought from the steps of Braun and

Clarke (2013) in coding and analysing the data from the interviews, the researcher did not follow these directly; because the data were manually coded; and therefore, certain steps were omitted. The following steps were followed as part of the data analysis: Step one: all audio and video interviews were transcribed by using Read-Aloud software into Microsoft Word. Step two: Braun and Clarke (2013) advised that, after transcribing into the text, the researcher should read and re-read again the data, in order to gain familiarity therewith. Subsequently, this was performed; and if something interesting was found, the researcher would highlight certain texts of the data (Step three). Step four: key patterns or themes were sought by re-reading the interviews – question by question.

In other words, patterns were identified by reading and highlighting each interview question across different participants, in order to keep track of any patterns. Step five: these themes were then refined and arranged meaningfully. Step six: Braun and Clarke (2012) and Israelstam (2012) advised that the write-up process and the analysis of the findings should occur at this point. In this phase, the researcher should also analyse how these findings link to the research problem, the research objectives, the research question and the literature. For this study, this step comprises Chapter Four.

3.5 The Quality of the study, or the trustworthiness thereof

Various criteria exist for assessing a good qualitative research report. Braun and Clark (2013) suggested that there is a difference between criteria and techniques, when judging the quality of the report. The first, are referred to as the standards to be upheld during the research process; while the latter are the methods to be applied in producing a good qualitative report (Braun & Clarke, 2013: p.278).

3.5.1 Reliability and validity

Interchangeably is used with replicability, or with repeatability. Braun and Clarke (2013) define reliability as the ability for a different researcher to generate consistently similar results, when using the current study's methodology. However, Golafshani (2013) noted that although the researcher may actually demonstrate the study's repeatability, and thus its reliability, it is possible that the instrument itself that is used in the research process, may not be valid. On the other hand, Braun and Clarke (2013) suggested that validity can be branched into four categories. Firstly, there is construct validity, as defined by Golafshani (2013). This author considered whether the data-collection instrument used in the study would allow the researcher to “hit the bull’s eye of the research project”, by measuring “what it was intended to measure”, and helping to answer the study’s research question(s) (Golafshani, 2013: p. 599). Secondly, internal validity is interested in whether the study’s results are truly caused by the study’s variable(s), rather than by other factors. Thirdly, external validity refers to whether the study’s results can be generalized to a broader population.

Finally, ecological validity assesses whether the study’s context of data collection accurately resemble the real world. Braun and Clarke (2013) noted that ecological validity only is the most relevant to qualitative research; since the others are valid for quantitative research. In addition to reliability and validity, transferability, dependability and confirmability are also common in establishing the trustworthiness of research (Shenton, 2004; Connelly, 2016; Moon, 2016)..

3.5.1.1 Member checking

This technique involves checking the study’s results with the research participants. This may include sharing a draft report to selected research participants, as a means of confirming the authenticity of the output. Braun and Clarke (2013) noted that with this technique, the participants play a more active role in research; as they are given the opportunity to correct any misalignments in the interpretation of the data collected during the data-collection process.

3.5.1.2 Triangulation

This technique involves using two or more data-collection methods to “obtain confirmation of the findings through the convergence of different perspectives” (Mafuwane, 2011: p.92). This is typically referred to as data triangulation. Two other methods of triangulation can occur; firstly, methodological triangulation can occur when a researcher uses both qualitative and quantitative methods in the same study; and researcher triangulation occurs, when a study can use multiple researchers in the research process.

Finally, using triangulation assists the researcher in getting closer to the 'truth' of the phenomenon (Braun & Clarke, 2013). For this research, the study performed data triangulation by using the data from the employers' (interviews) and the literature review.

3.5.1.3 Thick description

Morrow (2005) and Mafuwane (2011) showed that this technique is concerned with giving rich detailed descriptions of the research setting, the participants (and their experiences), but also of the contexts, in which those experiences occurred. The purpose of this technique is to give other readers a feeling, or a close enough experience of the research process that took place, as described in the study (Mafuwane, 2011: p.94). For this research, the study described in detail the methodology and the techniques that were implemented in this study. These include: (i) interview questions and their purpose; (ii) the sampling procedure and the sample inclusion/exclusion criteria used; (iii) sample size of the employers and of the recruiters; (iv) how the interview data were analysed to collect the findings; and (v) how the research study ensured the validity and the credibility of the findings.

In addition to member-checking, triangulation and thick description; peer reviews, unobtrusive measures, contradictory evidence and comparison methods have been cited, as additional techniques to ensure the trustworthiness of a study (Anderson, 2010; Mafuwane, 2011; Wagner et al. 2012).

3.6 Ethical considerations

The question of ethics arises when a research study uses responses from individuals, or organisations, with the objective of collecting those responses (data) and sharing the research results with third parties. Therefore, prior to conducting the interviews, permission and clearance were obtained from the University, to commence the interviews and to conduct the entire study. Furthermore, in conducting the study, University-ethical guidelines and principles were used for conducting the interviews; and these were maintained throughout the study.

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3.6.1 Consent and confidentiality

Firstly, consent was obtained beforehand from the potential research participants prior to the interviews taking place. Other participants had to seek permission from the senior members of staff, to participate on behalf of the company. This was mostly in the case of employer representatives that participated. Appendix A shows the consent form that was shared (prior to the interview); and it had to be signed by the interviewees, who participated in the study. Secondly, confidentiality was assured to the participants; in that, their names, or the employers they represented, were to be kept in the strictest confidence. This was used to ensure that the participants were open, and that the responses were honest; since some of the questions could be viewed as embarrassing or sensitive (Ong & Weiss, 2000).

Chapter Three Summary

This chapter has analysed the appropriateness of qualitative research, as a research methodology to meet this study's objectives. Furthermore, the case study approach was selected, as being the most appropriate research approach in assessing this study's employability of Commerce graduates within the Financial Services sector. Subsequently, 14 research participants, who met the sample's selection criteria, were then identified – using the purposeful sampling technique – as the recommended sample size. Using semi-structured interviews for the data-collection method; inductive thematic analysis was then applied in analysing the data collected from the interviews. Chapter Four presents the findings from these interviews.

CHAPTER FOUR: ANALYSIS OF THE RESULTS

4.1 Financial Services sample profile

The researcher conducted 14 interviews. Of these interviews, two (14%) of the interview participants were specialist Financial Services recruiters who head-hunt mostly on behalf of Asset and Fund Management (listed and unlisted investments) and Investment Banking, or Advisory firms. Moreover, the other 12 (86%) of the interview participants held titles, such as Executive Directors, CEOs, Recruitment Assistants, Talent Attraction Specialists, who were responsible for graduate recruitment for their employers.

4.1.1 Recruiters

Each recruiter had experience, on average, of over five years in recruiting Commerce graduates for their respective clients, mostly in investment banking and fund-management firms. Furthermore, the recruiters' firms are well-established, over ten years; and in most cases, some of these recruitment agencies also have a presence internationally. Although these recruiters are specialists in their fields, they noted that they typically receive fewer mandates from clients relative to experienced hires, as companies may not use placement services for junior roles. Nonetheless, these recruiters had valuable insights to add to the study's objectives.

4.1.2 Employers

For most of these organisations, the staff size is over 20 employees (including operational staff), with the smallest company having a headcount of less than 10. As with recruiters, these sample employers are well-established firms, with most operations spanning well over 10 years. For opportunities to young talent, or for graduates with little or no experience, these employers host graduate opportunities in the form of vacation ("vac") work, internships and graduate programmes. These typically span from one week (mostly in vacation work) to three years. Moreover, these opportunities for some firms are not mutually exclusive. For instance, some companies may host vacation work and internships (or graduate programmes) simultaneously, or internships and graduate programmes concurrently, and not necessarily one or the other.

Related to this, one employer noted that they recruit graduates (for the graduate programme) through their vacation-work programme; therefore, if a candidate does not get selected for the vacation-work programme, they do not get an opportunity to be shortlisted for the final graduate programme. Finally, most employers noted that these opportunities have been running for over five years, with some newer opportunities being offered in the last year or two, owing to (i) the demand by graduates or business needs; and (ii) participation in the Y.E.S. programme.

Finally, these employers stated that they typically take between 1 and 30 graduates (across all business divisions) in a year. However, for front-office positions, such as junior-Investment bankers (including junior analysts and junior deal-makers), junior equity-analyst trainees, these employers usually take up to 10 individuals. These numbers differ between various sized organisations, with the smaller sized companies hiring a smaller number of graduates. Also, these employers stated that the intake per year is not always consistent; because it is mostly dependent on business needs and on the budget.

For future graduate-intake numbers, some employers mentioned that because of the COVID-19 pandemic, they expect to accept less graduates in the year 2021; while other companies have completely halted their graduate-recruitment process for the year; and they plan on having no graduate programme for the year of 2021.

4.2 Research findings and analysis relating to Question One: *What recruitment strategies are used by Financial Services sector employer organisations to procure graduate talent?*

For this research question, the participants responded to questions 9.1 to 9.5 in Appendix C.

Overall, the findings were that employers typically use mixed-method research when marketing their graduate opportunities. Moreover, five common methods of finding graduate talent were cited, namely, (i) marketing through electronic formats, such as their company website, LinkedIn and other social-media platforms, such as Instagram, Facebook and Twitter; (ii) marketing by approaching HEIs directly. Typically, key stakeholders of HEIs would include Departments or faculty members (including Heads of Departments); (iii) Career-Service Units; (iv) the use of recruitment agents; and finally, (v) word-of-mouth and other methods. Regarding the second and third, employers had this to say:

> "*We do company presentations – on a normal day (before COVID) and currently, we rather do the economics/finance groups or classes. It's very difficult for us to then host an exhibition at a career fair (because) they are quite general … And so, it doesn't really make sense for us to then participate in a general career fair; because the students will think that [company's name not disclosed] might consider their profiles. So, consequently, we touch base specifically with people within the faculty, for those reasons.*"

> *"We wouldn't typically attend a career fair on campus, but we do try and have a campus presence. So, whether that's through a class presentation, any work that we can sort of do, as [company's name not disclosed] as a brand, but very targeted. So, when we do presentations on campus, it's very targeted to the skills and qualifications that we're looking for…(through Careers Services) we were able to get in touch with some professors; and actuarial science Departments (we get) in touch with the HOD, to say, 'we're looking to recruit some of your students, what can we do on campus? What would you give us?'*

For the above, employers also noted that for class presentations and career fairs, not all HEIs would be visited (Section 4.3.2 discusses HEI preferences by employers). Furthermore, other employers also mentioned that since they prefer graduates with some work experience; therefore, visiting HEIs, is not suitable for them (Section 4.5.1 discusses the work experience required for the graduate programme). Therefore, these employers would rely primarily on LinkedIn and recruiters to source the required talent.

When it comes to using recruitment agencies, employers and recruiters had this to say:

> *"If we need to reach out to agents to get us graduates … At least we don't want to filter these (applications from the candidates) …We don't want to go through the task of receiving two or three hundred applications; and we would then have to go through them (recruitment agents)…."*

'They (recruitment agents) were able to give us good-quality candidates… some of them specialise in this… and then they come to them (the graduates) and they tend to screen them straight away."

"They (investment banks) struggle (to find graduates); because they're trying to fill in too many different roles through their in-house recruiters, who are more generalised; whereas working with us (recruiters), we know exactly what they are looking for … and banks acknowledge that they (internally) cannot bring in the same calibre that we would bring as agents; as we have strong relationships with the candidates."

From the above, it is clear that employers have a strong online presence, with most placements being made from online applications. The researcher also noted the growing popularity of LinkedIn, as a job-marketing tool. The study found that most employers not only use it to market graduate opportunities, but also to share information about the organisation's developments and events.

Furthermore, understanding COVID-19 and the restrictions on travel and physical interactions (for example, attendance at career fairs) – employers have noted that it is now more than ever that opportunities will most likely be advertised online, even post-COVID-19 – understanding the cost implications. According to Oluwajodu et al. (2015), Banking human resource managers noted that the costs attributable to career exhibitions (and career awareness programmes) was about R180,000 per graduate. This excluded the cost, or the salary and training, per graduate. Once again, the researcher noted that this cost reference applies to the Banking-sector graduates, not necessarily to all the Financial Services firms.

Although this study's sample were not explicitly asked about their costs of career exhibitions (including salaries for graduates), the researcher is convinced that employers may be motivated to limit campus visits, understanding the enormous expenditure attributable thereto.

This study's results are also consistent with the findings of Kroeze (2015), who acknowledges the rise in the use of social media for screening and selection in recruitment processes. The author also advises employers on the use of electronic platforms: "hiring managers should build their LinkedIn networks; and they should use them, as a source of employee referrals…develop a corporate Facebook page for branding purposes…remain open to learning about new applications that would increase social's viability, as a recruitment tool…keep in mind that there are legal issues associated with misusing social-media tools for recruitment" (Kroeze, 2015: p.10). Finally, employers and recruiters also provided advice (including job-seeking strategies) to young job seekers who hope to work within the Financial Services sector (in the industries mentioned in Section 3.2.1). This advice is outlined in Appendix A..

4.3 Research findings and analysis related to Question Two: *What qualifications affect the employability of Commerce graduates in South Africa?*

For this research question, the participants responded to questions 10.1 and 10.7 in Appendix C.

4.3.1 Education and educational level

Overall, most employers and recruiters stated that the minimum educational requirements for their graduate programmes is a bachelor's degree, and for others, a postgraduate degree. In the sample, no employers would accept a diploma qualification. Therefore, employers do not seek undergraduate qualifications from Technikons, or from any University of Technology. Nonetheless, employers and recruiters had this to say regarding education (and the specialisation) required for their graduate programmes:

> *"We are definitely not looking at somebody with a diploma. As a minimum, a master's degree. So, it must either be a Financial degree or a Law degree."*
>
> *"We're not hung up on postgrad or Honours; but sometimes they do add value, because I think that at Honours level or higher, people have started doing dissertation-type work, they've critically thought about what they're doing…There's a critical thinking aspect …but the minimum requirement is an undergrad."*
>
> *"We look specifically for postgraduate students currently doing Financial Engineering, or IT, or Financial Modelling, Financial Mathematics or Corporate Finance …And the reason for that is because the undergraduate has a lot of theory-based material; whereas postgraduate students are exposed more to thinking outside the theory, and more about the application of what they study. So, they're just a little bit of a step ahead, compared to the undergraduate students."*

In addition, some employers also sought candidates with some work experience and professional qualifications. More specifically, they required qualified Chartered Accountants and attorneys – both of which had served and completed their respective articles. Therefore, the minimum educational requirements, for these employers, would be an Honours degree for the CA(SA) and a four-year degree for the LLB programme – coupled with completed articles – thereby, making the entry requirements slightly higher. On the contrary, for those employers that had Y.E.S. programmes, they also required a minimum of a bachelor's degree; and they did not have sufficiently high standards, relative to others. These employers sought a bachelor's degree, as a minimum; since the objective is to close the gap in unemployment for those graduates, who are currently unemployed.

Understanding that these employers operate within the Financial Services sector, it was quite interesting that some of the employers also sought non-traditional Finance/Investment qualifications, such as Engineering or Computer Science, cited for their problem-solving and mathematical abilities.

> "*Traditionally it was a far more-narrow focus… I think that you will find that people with an Engineering background are taught to think differently, to process information differently…we are really looking at degrees that teach people to be problem-solvers, especially within the advisory space."*

> *"We look for typical finance qualifications…but we are seeing quite a lot of preference for Data Science degrees in Analytics, or Data Science, or Computer Science…So, if somebody has studied maybe Accounting 1 or 2, but has also majored in Computer science, it's also a good degree within the Financial Services, because again it bridges the understanding of Investments, but with a coding ability."*

> *"One thing about Engineering guys, is the fact that they have already been equipped to create...(In terms of modelling), they're really good at modelling already… thinking outside the box. Whereas, I think Finance students are more textbooks, we do this, the way that it's been said, or the way it's been done. So, the Engineering guys also come with a certain type of skill, which in collaboration, can really make a great team."*

In addition to graduates possessing a qualification relevant for the graduate programme, employers also emphasised the importance of academic performance, as a prerequisite.

“*With the high unemployment rate, employers are generally becoming a lot more fussy, when it comes to (academic) results … we now can screen up to 400 applications, and cut down to 250; then you've got to cut down further; because now only two positions are available. And we say, okay, let's look at the Honours and Masters guys with an average of 70%...because the South African unemployment landscape is changing, there is definitely a shift in how we are looking at graduates from a postgraduate level; from this perspective, as well as well as from the perspective of their results.”*

Moreover, most employers mentioned that they require a minimum of 65% in terms of academic performance, with some requiring a minimum of 70% for most modules, if not for all. This also includes “no failures” in the academic transcripts. Additionally, other employers cited that they would look for stellar performance in major modules relevant to the graduate programme, such as corporate finance, and investment analysis, rather than minor modules, such as marketing, for example. Another common response to academic performance was consistency. Employers also require students to have maintained this excellent performance consistently throughout all their academic years, including in matric/Grade 12.

Furthermore, the researcher noted that employers also consider the completion of a degree in the minimum time, as a part of academic performance. Therefore, if the degree completion time is three years, students are expected to have been finished by that time, without any outstanding modules, nor supplementary exams; since this is a reflection of their performance. Although this was the consensus shared by most employers, some employers also argued that they would engage with the candidates, to understand why the student had not completed his/her degree on time.

“I think there is also something to be said for maybe like 50%.... it’s great to have someone who has an exceptional profile. I think that for people, who come from disadvantaged backgrounds, for example, they may not necessarily have the tools and equipment that they need, in order to be successful in their academic careers So, we need to take into consideration those kind of psychosocial influences, which they may have had, that could impact on their academic performance.”

4.3.2 HEI preference

In addition to minimum qualifications obtained by graduates, employers were also asked whether their preference for specific academic institutions, from which the degree was obtained, mattered. Employers noted that they like qualifications (in no particular order) from the University of Cape Town, the University of Witwatersrand, the University of KwaZulu Natal, Stellenbosch University, the University of Pretoria, and the North West University. Nonetheless, employers were overall very open to receiving applications from all HEIs.

> *"We recruit from all the universities…post adverts on all universities. We do career fairs and roadshows at UCT and at the University of Zululand. It is really important for us to make sure we have a footprint, or, as you know, exposure at all universities."*

> *"We tend to get more applications from the top five/six universities, but we will look at applications from all backgrounds…So, the University of Limpopo, we look at it with the same lens as we would have looked at UCT. We do find sometimes that somebody from a University of Limpopo or the University of Zululand especially, you start thinking about how they communicate. But we would look at all applications, provided they meet our minimum requirements."*

For those employers who preferred certain HEIs, several reasons were cited. Firstly:

> *"In deals specifically, I think there is always going to be, at least for now, a leaning towards your more proven universities, but that's because the university has proven itself. I think it's less about the candidate, as much as it is about the reputation of the university."*

Secondly, other employers mentioned that certain academic institutions provide specific degrees and curricula relevant to their graduate programmes.

> "*I'd put North West University at the top … in my general recruitment of 10 years, North West is highly regarded, particularly in the Statistics, Data and Mathematics fields."*

> *"…It does sometimes differ regarding degrees. If you think about it, the Risk degree courses at UCT and North West University are both very strong."*

> *"Most of our Corporate Finance Advisory students we get specifically at the University of Pretoria; because they have a tailor-made postgraduate programme that speaks specifically to advisory…. and UJ. So, we'd have class presentations there."*

Thirdly, other employers responded that HEI preference was based on the location of the organisation.

> *"Our office space is largely in Cape Town; and for that reason, we have been more successful with Capetonian universities. It hasn't been an intention of ours; but we have seen more applications from UCT and UWC for our programme."*

Fourthly, some employers were quite specific that they look for graduates, from historically black universities, as a means of empowering them; as they (the graduates) have fewer opportunities, when compared to other graduates from non-HBUs. In addition, one recruiter mentioned that most employers may not necessarily prefer candidates from HBUs, except for candidates with excellent results (academic distinctions). Slightly related to this, another employer mentioned that a key trend is students changing universities, for example, doing an undergraduate degree at an HBU; and then enrolling for a postgraduate degree at UCT or Wits University. This was also admired by employers; since it shows adaptability and the need for students to improve themselves, as well as their profile.

Finally, some employers responded that their selection of graduates is also made on the basis of their *alma mater*, in other words, if the business-unit managers or senior dealmakers went to Wits University or UCT, for example, they would also have a bias towards candidates from those universities.

However, the researcher noted that although a bachelor's degree from a top academic tertiary institution, coupled with excellent academic performance, is preferred by employers, a number of factors go into the selection process, before a final offer is made to the graduate. These factors mostly include understanding the student's personal story and character, as opposed to judging by the degree qualification as the sole determinant for employment. For instance, one employer said:

> *"Personally, I don't care about the degree that a person holds… okay…whether its History, Geography, Mathematics, Economics, Finance, whatever. I have to talk to you…when I'm talking to you, what I look for is the analytical ability of the person, the way you think economically, to see the big picture, your views…Sometimes you speak to these university graduates; and it's like, my goodness, how did this person graduate*

from the university? Therefore, I need to really engage with them and understand their profile."

The above opinion was shared by many employers, in that, qualifications, academic performance may get the graduate through the initial screening process, and even the initial interview rounds; but this may not actually guarantee graduate employability – at least not for these employers and recruiters in the study's sample. Therefore, multiple factors – during the various interview processes – are considered by the employers and the recruiters, resulting in the employability of a graduate.

Subsequently, the remaining sections 4.5 and 4.6 below discuss some of these skills, qualities, and characteristics that employers look for from students seeking such opportunities within the Financial Services sector.

The relevant research findings are similar to those of Harry et al. (2018), Mncayi (2016), Oluwajodu et al. (2013), Pollard, Hirsch, Williams, Buzzeo, Marvell, Tassinari, Bertram, Fletcher, Artess, Redman and Ball (2015); Lowden et al. (2013) and Lourens and Fourie-Malherbe (2017).

4.4 Research findings and analysis relating to Question Three: *What skills determine the employability of Commerce graduates in South Africa?*

For this research question, the participants responded to questions 12.1 and 12.4 in Appendix C.

Appendix D was adapted from the list of Pool & Sewell, (2007) most common employability skills. Overall, the results showed that employers and recruiters valued the following, as their top five skills, namely: willingness to learn, self-confidence, working in a team, good communication skills (oral and written) and attention to detail. In addition to the list given, employers and recruiters also added problem-solving, resourcefulness, resilience and dealing with adversity, as being valuable skills. Regarding the latter, these employers and recruiters had this to say:

> *"My biggest one that we look for is resilience – the ability to bounce back from disappointment. If somebody only ever got A's in matric and firsts, and lived at home with mom and dad; and then walked into their first job… that's also not necessarily a good thing; because they are going to face a situation with which they might not be able to cope, when they hit the working world. Whereas somebody who's had to grow up in the Eastern Cape, got a bursary, moved down to Cape Town on their own – to me, this has shown resilience. Perhaps even lost a friend, failed a course, redid it, and did it well. That shows a certain amount of resilience."*

> *"High levels of resilience, high levels of adaptability and high levels of accountability. Because as a graduate, you've got to be willing to learn and work hard, and to be willing to take direction … willing to fail and ask for help…I mean, emotional intelligence would come…It's something that you learn, and for which you get coaching, and you might not have it at (the age of) 21 or 22."*

As to which skills were non-negotiable versus teachable in the workplace, prior to graduates joining the organisations, the responses varied. Nonetheless, employers and recruiters had this to say*:*

> *"The willingness to learn is, I think, definitely a non-negotiable … It's also what we look for in the interview process… you need to come here (the organisation) wanting to learn… Although some will learn faster than others. Our training is definitely centred around working under pressure … just pushing through during the tough times."*

> *"…Lack of accountability for me is non-negotiable. So, you need to be able to say, 'this was my task. I couldn't speed through it; it was my fault. I will do better next time' …being able to take leadership for whatever you have been tasked with, and then running with it. Even when you see the absence of a leader, being able to step into that role, and executing what you need to do, or what needs to be done. So, I think the leadership aspect is not something that comes naturally for everyone. So, I would say, that one for me, cannot be taught."*

> *"So, time management is a big one for me. So, I tell you, 'the meeting starts at 9 am', and then you come at 9.15 am… then I know, okay, this person is not serious. So, time management is non-negotiable."*

Other employers also responded that some of these skills are interlinked; and it may not be as easy as selecting one.

"Somebody may be super smart, but they could lack self-confidence, that could be a problem; because in the real world, they may go into analysis paralysis; because they can't come up with their own view, or their own answer. So, you have to look at the combination. So, it's very difficult to say that they haven't done well in the interviews or psychometrics, unless you put it in context."

The above results are similar to the findings of Kundaeli (2016); Nofemela (2013); Ntsizwane et al. (2013) and Sumanasiri et al. (2015). Employers also stated that because a lot of these skills are tested by using the above-mentioned methods, employers do not necessarily see value in graduates getting perfect scores or perfect answers in assessments and interviews; but even more so, it is about how candidates get to the answer and the level of reasoning (and logic) that is applied, when thinking about the solution. Also, for those employers who did not have work experience, as a prerequisite, they mentioned that technical skills (for example, advanced Excel modelling) were not necessarily required, as a minimum; since the company would be willing to train for these skills, once they join the organisation. Finally, although this study's objectives seek to understand the desirable skills required by employers, the researcher did not ask employers, as to who is actually responsible for teaching these students these skills.

Nonetheless, Kundaeli (2016) and Ntsizwane et al. (2013) acknowledge that HEIs mostly contribute to these graduate skills, in preparation for the workplace. Furthermore, Lees (2002) emphasizes the importance of HEIs and the role they play in employability, and overall in life-long learning.

4.5 Research findings and analysis relating to Question Four: *Are work and life experience valued for the employability of Commerce graduates in South Africa?*

For this research issue, the participants responded to questions 11.1 to 11.8 in Appendix C.

4.5.1 Work experience

Overall, most employers do not require prior work experience, before joining their graduate programmes. Less than three employers mentioned that prior work experience (preference for some related experience) was a prerequisite for their programme; whilst the rest were happy to hire graduates freshly out of university, with limited work-place training. Nonetheless, when asked whether they prefer a graduate with some work experience (whether related or non-related), most employers were indifferent; but they cited some of the valuable benefits of hiring graduates with some work experience – but they noted that work experience was not a prerequisite for the graduate programme. On this issue, the employers had this to say:

> *"We would look at most, at six months' work experience and not more…you see, it becomes difficult for them to relate to this other group (those with no work experience)…they are older…they struggle to integrate into the grad group, which is a very big thing for us, they need to build a sense of community amongst themselves as well."*
>
> *"We are open to it (candidates with work experience)…I think someone, who has at least a few months to a year of experience. You can see the confidence that comes through. You can see the ability to speak to the application of tools, as opposed to just a theory, right. You can see the confidence and their ability to collaborate and work, not just in a silo on their own… they hit the ground running, as well as in terms of fitting in; it's not a totally new world. In an interview, they also might ask the right questions, becoming a two-way interview…'is it also the right organisation for me?' So, for me, graduates are very green in that they are also trying to please…because graduates are thinking "I just need a job.''*
>
> *"There's absolutely an appreciation (for graduates with work experience)…there are core transferable skills, such as communication skills, for example, or how to be a good professional, or dealing with difficult people…teamwork, and being able to work with management…it's not to say that it completely discounts those that don't have that kind of experience; because you may find that even though someone might not necessarily have worked before… colleagues would be willing to invest some time in teaching them…So its beneficial; but it is not really a requirement."*

In addition to previous formal work experience, some employers cited the value of holiday jobs or vacation work, or for having participated in a previous graduate programme. With the first, employers mostly leaned more towards corporate-related experience, for example, interning during the June and December holidays, at a boutique corporate finance, or asset-management firm.

4.5.2 Life experience

Employers were also asked about a candidate's personal characteristics, or the type of background that employers seek for their graduate programme. Also linked to this, employers were also asked about their culture fit, and the characteristics they look for in graduates to ensure alignment with the corporate values of the organisation. Employers had this to say:

> *"Because we are specifically targeting people from disadvantaged backgrounds, we would ask if they were involved in a community programme, for example. There's also something to be said about the person's character…do they display a positive attitude? Are they respectful and professional; because they're not only going to be working with our colleagues internally, but they might also be seconded to field work, for example."*

> *"I need humility…. someone with an analytical mind… I want somebody who will be able to withstand the pressure; because we are not going to accept whatever you say (in an Investment Committee). We will test you and your investment thesis…we try to poke holes in your thinking. We talk (during the interview) and we realise, okay, this person is crumbling; then you know that, he's not fit to be in this company."*

> *"Because we work with other people's savings…we look for responsible individuals, who show discipline, who show commitment… we value teamwork. But that's always difficult to assess; because when it's a grad, you will only be able to see those (characteristics) once they have joined the company."*

> *"We want well-rounded people (an element of balance;) and yes, you went to a good university; and you've done a degree, which is awesome; but we want more. Those who might have done some kind of volunteer work at church, for example – it shows that that individual is well-rounded; and that they can manage more than just academic pressure. This is also important; because we have offices outside South Africa – global exposure."*

> *"We value sports, arts and culture, that's a very big one, because that's the kind of environment that we operate in. So, we want the sort of people aligned to our culture. So, if this person's done any sort of sports or cultural activities, we look for them. We also look for somebody who's adaptable and is flexible. Somebody who is creative or innovative…they really want to work, not just for an investment bank, but really want to work for (company's name not disclosed). With the graduates, you can almost always tell that two people have got the same qualification, but in everything else, you can always tell who wants it more."*

> *"I have met somebody who has been through incredibly tough times and endured hardships; and they've come to where they are… that tenacity, perseverance, resilience, that being able to emotionally handle yourself throughout your university career. I've also seen that it's only the students who have struggled and come from disadvantaged*

backgrounds that do well in an environment like advisory or deals; because it's a huge struggle emotionally and mentally, not just for the company, but for themselves as well."

The results above are similar to those found in the studies of Farouq and Adilovic (2014) and Lucas and Hanson (2014). Although some of these personal qualities are also skills themselves, Farouq and Adilovic (2014) acknowledged that these personal qualities represent a different kind of skills that are not job-specific skills. Furthermore, the authors noted that these personal qualities should be used to a candidate's advantage, whether for employability, or for personal development.

4.6 Research findings and analysis relating to Question Five: *What labour market discriminatory factors that can affect the employability of Commerce graduates in South Africa?*

For this research question, participants responded to questions 13.1 to 13.6 in Appendix C.

4.6.1 Recruitment process and strategy conducted by employers.

To assess the level of labour discrimination that exists in the recruitment process of these graduate programmes, employers were asked firstly, about the number of stakeholders involved in the decision-making (including final selection) of graduates to be awarded the job opportunity. Overall, most employers seek different views and opinions from various stakeholders (within the organisation), before a graduate is given a final offer. Furthermore, some employers also make use of psychometric testing and other assessments (including reference checks) to complement the decision making process. Therefore, the recruitment process for these employers can range between two and eight rounds of interviews and assessments, before a final offer is made to a graduate.

Regarding their recruitment process and the tools used, employers and recruiters had this to say:

"The human resources team would be involved. I do the screening, HR interviews and psychometrics. I also work with my manager to have a second view; and perhaps I would

ask 'okay, but why don't we also consider this person?' Or 'are there other profiles that may be missing that we can actually include in this; since we need to expand?' Then we would begin to involve business stakeholders for panel interviews. There are still biases. The psychometrics and other assessments, which would then provide a very useful and powerful tool for the objectivity of the whole process."

"In the first interview, it would be an Associate; and they give us very comprehensive feedback, as to whether we should send the candidate to the next round. Thereafter, they would meet with the Principal. If the Principal and Associates approve, we give them a case study. If they make it there, they then meet with the Head of Corporate Finance."

"To ensure consistency, we use the same interview guide, interview panel and scoring system throughout the interviews. Then there's obviously quite regulated scoring through the assessments as well. So, the graduates with the highest ratings are the ones who would potentially then receive an offer. Obviously, as a Financial Services institution, every one of our processes is audited. both internally and externally. I think what's critical is that you have the same questions and scoring for every single person who comes to an interview."

The results above are similar to the findings of Patterson and Lane (2007), Ozyer and Akyuz (2018) and Rehman (2012), which show those organisations that use various methodologies in the hiring progress. The recruitment tools cited in the literature include assessment centres, ability tests, structured interviews, panel interviews, behaviour-based interviews, psychometric tests, work samples. Moreover, Ozyer and Akyuz (2018) also noted that although various methods are available, organisations and management must decide on which method is appropriate for each job.

Understanding this argument, the researcher noted that some employers have less recruitment processes compared to other organisations. For instance, some organisations only conduct face-to-face interviews with various stakeholders of the business; and with those candidates that do not have to undergo any external psychometric or additional tests. For these employers, this was either unnecessary or costly to the firm; since various structured interviews would be sufficient in determining the right candidate for the graduate programme. However, Ozyer and Akyuz (2018) argued that some of these external tests make hiring managers more confident about the recruitment process. This is because psychometric testing determines behavioural attributes and personality traits that cannot be determined during interviews – when compared with education, skills or experience.

Nonetheless, Reddy (2016) and Srivastav (2020) warn against the shortcomings of using external psychometric tests. Firstly, the candidates can give false or fake answers. According to Srivastava (2020, p.1), “there’s a great chance that a candidate, who wants the job will do their homework before appearing for the test. They can alter their responses to bring out the results desired by the organisation.” Secondly, the results may be inaccurate – where the psychometric test labels the candidate as an introvert; but they are, in fact, extroverts. Therefore, again, this can be misleading in terms of the candidate’s profile. Finally, job-seekers can be nervous (for personal reasons or time pressures) during these assessments; and they can fumble and panic in the process.

4.6.2 Labour discriminatory factors affecting graduates

As indicated earlier, employers perform multiple rounds of assessments, in order to evaluate whether the candidate’s profile meets the requirements of the graduate programme. Subsequently, the study sought the need to understand the level of labour discrimination that might occur – during the recruitment process – in determining the employability of the graduates. Thus, the researcher introduced the concept of anonymous applications to employers; and whether these are performed by employers in selecting graduates. By definition, anonymous applications typically involve the removal of the applicant’s name, address, gender, nationality, picture, age, marital status and other personal information from their CV or resume, when applying for a job (Behaghel, Crepon & Le Barbanchon, 2010).

Furthermore, Rinne (2018) and Neumark (2018) noted that, also known as blind recruitment practices, are increasingly becoming popular in developed markets, as a means of reducing discriminatory barriers for disadvantaged and minority groups. However, the existing literature has shown mixed results in this area; and studies have noted that anonymous applications may not necessarily be the ‘silver bullet’ when removing discrimination. For instance, the study of

Behaghel et al. (2010) found that removing personal information did not affect the interviews, neither did the job offers received by minority candidates.

Nevertheless, employers were asked about whether the applications received were typically anonymous; and whether job offers could be made by using blind applications. The researcher admits that this was the most confusing, yet an interesting concept, to employers; and some of their responses were:

> "*No. How can you join the company anonymously? It's a human service industry. We need to talk… see you. We need that touch. I want to greet you. We fly people from Cape Town to Johannesburg to interview them. So, there's no excuse for anonymous employment. We don't do that…and I think no company is going to do that.*"

> *"Interesting question! Because I'm going to be doing virtual interviews now, mostly video. So, there have been instances, in which we have not seen the candidate… But I've interacted with them…interviewed them telephonically…So yes, there were the tricky instances. We have never, at times, seen a person until their commencement date."*

Overall, the study found that all employers would know about the person's initial personal characteristics during the initial screening stage, and well before the final job offer is made. Therefore, the researcher believes that discrimination and bias are likely to exist during the recruitment process. In assessing this, employers were asked, specifically, whether factors, such as race, gender, age, looks, languages spoken, and/or written disabilities, sexual orientation, ethnicity, criminal record, and credit checks influenced the employability of any graduates. The sections below discuss these results.

4.6.2.1 Race and gender

Employers and recruiters had quite a lot to say about race and gender, as the determinants of a graduate's employability:

> *"Generally, black women are preferred. But they (the employers) would also look at a white female. But sometimes it's an unconscious bias, as well. Because sometimes there is that underlying belief that a man could do the job better…they are not going to fall pregnant and take maternity leave…you know (women) being traditional caregivers and*

taking care of children etc…so some of them are doing that (hiring black women) to tick the EE boxes…more statistically."

"I think we discriminate against men (laughs)… we just want black (Indian, African and Coloured) females….."

"Our clients (names not disclosed)…give us money to manage (as an asset manager). And when we get the money, they ask 'there are a lot of men. Why is that?'… The percentage of women is so low…So going forward, we need to bring in more women."

"We have BEE targets according to the regulation (BEE good codes of governance) …we have a huge transformation agenda that's happening, or that's kicked off about a year or so ago. We are guided by our EE targets, as well as perhaps there are not enough females in the specific business unit. And so, we would use the young talent portfolio, as a way to bring in young females."

Understanding the above, employers suggested that employment equity is the biggest practical challenge in implementing anonymous applications. Because of policies such as BEE, most employers now deliberately seek applications from historically disadvantaged individuals ("HDIs"), or from under-represented groups for their graduate programme. Although this may be true from the perspective of employers, however, the researcher cannot conclude whether HDI graduate candidates get invited more to interviews; or whether they get offered the job opportunity more often – compared to non-HDI candidates for such graduate programmes. With the latter, most employers shared the sentiment that they would look for all-rounder graduates that meet the requirements of the graduate programme, including being a great fit for the organisation – therefore, being a black graduate candidate alone in itself, may not automatically guarantee a place in the graduate programme.

4.6.2.2 Age

Most employers said that they would look for graduates between 20 and 30 years of age; because they consider this to be the appropriate age for a candidate to enter a graduate programme. For older candidates, they would ask as to why the candidate that is slightly older would want to join a graduate programme. Furthermore, employers and recruiters typically found that older graduates were usually those that had just completed postgraduate degrees, such as a PhD full-time, or they were changing careers. However, as one employer has previously stated:

> *"it's not ideal that somebody older than about 28, or 29 comes into the graduate programme…it becomes difficult to integrate them into the greater graduate group; but never in my personal experience have I ever discriminated against this fact."*

Employers were not necessarily asked whether they preferred an older or a younger graduate. However, employers commented that older graduates tend to be more mature; and they have higher EQ. These, and similar sentiments were the same when employers were asked about candidates with some work experience – since they also tend to be older. This is similar to the results of Oluwajodu et al. (2015). Also, another employer noted that they do not generally see many older graduate applicants; because older candidates want a permanent job, as opposed to a training opportunity with a limited tenure, such as these graduate programmes offer.

Also, Kunene (2018) supports the argument that employers may lean towards younger graduates; because they may have lower salary expectations, mostly because of their limited work experience.

Overall, employers in the sample had mixed views; and the researcher cannot conclude what the age is (whether the candidate is older or younger); and this may increase the employability of a graduate.

4.6.2.3 Languages

Employers noted that English was a prerequisite and mandatory; as it is the global language of business. However, graduates that can read, write or speak other additional languages may be at an advantage; because some clients and offices may be based in African countries, where English is not the predominant language. Therefore, the knowledge of multiple languages might save the company costs, by not hiring a translator. Another employer also mentioned that:

> *"It's also just the cultural awareness, that comes in with being able to speak someone else's language as well. It shows their higher level of emotional intelligence, because they've gone out to learn a different language and understand a different culture."*

Nonetheless, the researcher notes that employers did not show any bias towards single-language speakers.

4.6.2.4 Criminal and credit checks

When the researcher asked employers, as to whether criminal and credit checks had been performed for the graduates applying for a graduate programme, the researcher noted that almost all employers checked for these – except for one. This is not surprising; as these checks are quite common; and they are standard procedures used in recruitment processes by many South African employers. Other checks used by employers include employment history, bank verification, ID verification, academic and matric qualifications, fraud listing, citizenship verification – amongst many other issues (HR Pulse, 2020).

For criminal checks whose red flag was raised against the graduate candidate's profile, surprisingly, many employers in the study did not discriminate against these. Instead, they would try and understand why it (the flag) exists to begin with.

On the contrary, two employers said, in this situation – no matter how small or how old (the flag in the criminal record) – they would not hire the graduate. The most common reasons for this were, firstly, certain clients require the employer's staff to have clean credit and criminal records, as well as an understanding of the nature of the business (of the organisation) being conducted. Therefore, coming into the organisation, candidates would need to have to have a clear criminal background. Secondly, some employers are asset managers; and therefore, a credit or criminal record, in their view, is definitely unfavourable.

In addition, Professional Sourcing (2018) noted that "if a criminal record is found and related to the job function, the person needs to perform, for example, an arrest for fraud and embezzlement, the candidate should not be given a position in the banking, or in the financial sector" (Professional Sourcing, 2018: p.1). The findings are similar to those of Neumark (2018), who also provided evidence of discrimination by employers against job seekers with a criminal background. In addition, when Pager (2003) compares the severity of discrimination by race, black candidates with criminal backgrounds had fewer call-back rates by 71%, compared to whites, who had 50%. Nonetheless, the majority of employers may consider candidates, if the criminal background flag is very old; then it is not in any way related to the job.

Finally, on credit checks, HR Pulse (2020) acknowledges that for "organisations, like banks, financial institutes, brokerages and credit providers, the relevance is heightened; since fraud and theft are often a huge risk…therefore, they need honest and responsible employees, who represent minimal threats to the organisation's well-being" (HR Pulse, 2020: p.1). On this issue, one employer stated that:

> *"We have moved away (from credit checks), because of the new regulations; so, if somebody is not working in a role that requires them to work with money, we don't do credit checks anymore."*

This employer is referring to the National Credit Act, which requires a candidate's credit status, when applying for a job that requires the handling of cash and/or finances. These may be job functions, such as book-keeping, cash flow and budgeting. Therefore, these employees need to have a healthy relationship with money (HR Pulse, 2020). Nonetheless, many employees still check for these; and they may not necessarily discriminate against a candidate. For example, one employer stated that:

> *"…(on credit checks)… it's around your financial obligations. And sometimes being in South Africa, you might have been unemployed for a length of time; and that's why you have fallen into bad credit…"*

Another employer surprisingly said that they would consider because it may be an indicator of responsibility and perhaps, resilience. In other words, indebtedness may show that they are either providing for themselves, or for their family.

4.6.2.5 Salary gap discrimination

To determine whether salary (or wage) discrimination exists, the study found mixed views. Firstly, for employers that seek graduates with some experience, the salaries offered – to two candidates joining simultaneously – are not the same. Employers said this is because the two graduates bring a different set of skills to the organisation; and furthermore, their current salary's basic cost might also be different. Furthermore, one recruiter admitted that:

> *"In fact, we once placed in a role, a woman and the other was a guy … and they got different offers (man got paid more)…it was like that is so typical…I believe she was more qualified than he was…"*

In addition, other employers admitted that graduates may not always get the same salary. This is because the organisation's salaries are a function of the revenue of the business unit. In other words, some business units generate more revenue than others; and consequently, the salary becomes a reflection of the remuneration offered to the graduates. For other employers, front-office graduates tend get paid more than intermediate, or back-office graduates. For the latter, the "practical reasons" for the discrepancy in graduate salaries was made clear. However, for the former (front office graduate), although experience and education were cited as the reason for the pay gap, the researcher is convinced of an unexplained bias that still exists in some of these organisations.

These results are similar to those of Corbett and Hill (2012), who also found graduate salary/wage discriminations in their studies.

Secondly, for other employers, graduate salaries are the same across the entire organisation; and therefore, any graduate joining at the time would be offered the same salary. This same salary would to be offered to all joining graduates, including those that are older and more experienced graduates, who may potentially have to take a pay cut; because they are joining the organisation for the very first time. The study notes that employers were not asked how much graduates get paid; but the intention was to understand whether all graduates get paid the same amount.
On other discrimination factors, such as sexuality, disability, ethnicity, employers were not as opinionated. However, on beauty and looks, employers care more about how graduates present

themselves for the face-to-face interviews – being well-groomed, neat, and dressed appropriately – rather than how they look physically.

Chapter Four Summary

Using the methodologies described in Chapter three, the study found the following results in line with the study's research questions:

1. *Research question one: What recruitment strategies are used by the Financial Services sector employer organisations to obtain graduate talent?*

The study found evidence that employers use various recruitment tools to get talent, with the larger organisations using more varied tools, when compared with smaller organisations. Furthermore, employers are increasingly relying on electronic platforms to source talent for their graduate programmes; and this is expected to be an ongoing trend in the future.

2. *Research question two: What qualifications affect the employability of Commerce graduates in South Africa?*

The study found that firstly, employers prefer bachelor's degrees (coupled with a certain grade average) from universities, as a minimum qualification required for their graduate programme – with a few preferring postgraduate degrees, as an advantage. Secondly, employers are now open to non-finance degree specialisations, citing the skills that these add to the workplace. Finally, although most employers accept graduate programme applications from all universities in South Africa, only a handful of universities are cited for having an excellent brand and reputation; and consequently, these are highly valued by the employers.

3. *Are work and life experience valued for the employability of Commerce graduates in South Africa?*

The study found that most employers do not require work experience, as a prerequisite for their graduate programmes. For students and graduates that already have some work experience, this is highly advantageous; but it is not necessarily a requirement. For life experience, employers seek certain critical personal qualities that render graduates more employable.

4. What skills determine the employability of Commerce graduates in South Africa?

Because many students do not have formal jobs at the time of joining the organisation for the graduate programme, employers place a strong emphasis on the skills from their university-based degrees and curriculum, as opposed to strong technical skills, that can be learned on the job.

5. What labour market discriminatory factors affect the employability of Commerce graduates in South Africa?

The study found that labour discrimination exists in the graduate-recruitment process. Evidence was found that employers have a strong preference for graduate applications from South African graduates with a focus on firstly, historically disadvantaged individuals, and secondly, on female candidates – in response to the employment-equity policies.

Finally, employers were also asked what were their top-employment factors, which they thought are important for employability in their graduate programmes. Figure 4.1 illustrates the most common response from employers and recruiters.

Figure 4.1: Employability factors for Commerce graduates in South Africa

CHAPTER FIVE: CONCLUSION

The purpose of this research study was to investigate the factors that influence graduate employability in South Africa, from the perspective of employers within the Financial Services sector. Whilst focusing on South African Financial Services employers within Asset/Fund/Investment management (listed and unlisted), Economics Consulting and Investment Banking (Advisory), the study had five main objectives, namely:

- To identify the recruitment strategies used by the Financial Services sector employer organisations to obtain graduate talent;
- To identify the qualifications that are required for graduates to gain employability;
- To identify the work and life experiences that are required for graduates to gain employment;
- To identify the skills that are required for graduates to gain employment; and
- To identify the labour discrimination factors that are (such as age, race, gender) used by the Financial Services sector employer organisations, in order to obtain graduate talent.

A summary of the answers to the five research questions is provided below.

5.1.1 What recruitment strategies are used by the Financial Services sector employer organisations to find graduate talent?

Traditionally, employers would source graduates directly by visiting HEIs (faculties, class presentations, careers services); however, many employers argue that it may not be possible to have a physical presence in every HEI in South Africa; but rather now, they should aim to have a digital presence, owing to the constraints, such as time and financial resources. Also, in line with this, there is a growing presence of use by employers of electronic formats, such as LinkedIn, Instagram, Facebook, and Twitter – in addition to their company website – in receiving the graduate profiles advertised on these platforms. Based on these findings, the researcher believes that employers are, to a certain extent, aiming to be more inclusive (and transparent) in their search for graduates for their graduate programmes.

5.1.2 What qualifications affect the employability of Commerce graduates in South Africa?

The study found that academic excellence is highly valued by these employers. For instance, a formal bachelor's degree from an accredited South African university, coupled with a minimum grade percentage, is typically required – with some employers requiring a postgraduate (Honours and above), as a minimum requirement. The findings also showed that the employers in these fields are now, more than ever, accepting applications from non-traditional financial disciplines, such as Engineering and Computer Science, for example. However, there is still a bias towards certain HEIs (as expressed by employers in the interview process) and the researcher believes that graduates from those select HEIs have a greater probability of being employed, after completing their qualifications.

5.1.3 Are work and life experiences valued for the employability of Commerce graduates in South Africa?

In terms of whether prior work experience was sought by these Employers, the study found that most employers seek new graduates with limited work experience, or graduates with a maximum of one-years previous experience in most cases. In addition, short-term experience, such as vacation work and winter school internships (related to the field of work), were also highly valued by employers; and some employers typically build a pipeline from those who participated in the Winter/Summer programme (assuming that the organisation has a Winter/Summer internship) for eligibility into their next graduate programme.

From the researcher's perspective, perhaps it is true that graduates need to have had a previous job (and thus, some form of work experience), before getting a full-time opportunity, in the form of a graduate programme.

Whether or not a graduate's personal life experience (or the personal background story of a graduate) is a factor in the employability of graduates, it was interesting to hear that almost all employers are very interested in the personal qualities of candidates; as these can be used as indicators for future performance; and also, how well-aligned the graduate is to the culture and values of the employer’s organisation.

5.1.4 What skills determine the employability of Commerce graduates in South Africa?

This study investigated a wide variety of skills; and it explored whether, or not, these contributed to a graduate’s employability. Most employers shared a consensus that because graduates have limited work experience, technical skills would be learned on the job; and therefore, these skills would not necessarily be required before joining. However, the study found that most employers sought softer skills that complement technical skills. Examples of these include – in no particular order – the willingness to learn, resilience, adaptability, team-orientation, resourcefulness, a problem-solving mentality, and analytical skills. Although many of the skills are learnt from the university’s curricula and transferred to the organisation, personal qualities, or the life experiences of a graduate, are also a representation of the graduate’s skills, and they are also much appreciated by the employers.

5.1.5 What labour market discriminatory factors affect the employability of Commerce graduates in South Africa?

In understanding whether labour discrimination practices exist for these employers, the study found that almost all employers seek graduates in line with employment equity practices. In other words, employers typically seek graduates from under-represented groups, such as HDIs (Africans, Coloureds and Indians), as well as the emphasis of more females into their graduate programmes. For other labour discrimination factors, such as age, language, sexuality, disability, beauty/looks, salary gaps – the views were often mixed; or employers were often indifferent.

5.2 The research project's limitations

The main area of the study was to explore the employability factors of Commerce graduates, from the perspective of employers within the Financial Services sector. The research was limited in four ways. Firstly, the study was based on the perspective of South African Financial Services companies (as employers), that specialise in Asset/Fund/Investment Management (listed and unlisted), Economics Consulting and Investment Banking (Advisory). Therefore, the findings may not necessarily be generalisable to other sectors (or career paths) in South Africa, or internationally. Secondly, the study used a sample of 14 companies; and to others, this may be viewed as a very small sample. Thirdly, the employability factors identified by these employers, relate to the employability factors for Commerce graduates for their graduate programmes; and they may not necessarily apply to employability factors for candidates with extensive work experience. Finally, the research relied on qualitative methods exclusively, through the interviews conducted with the participants; the research findings and outputs are, therefore, based on the researcher's interpretations of the interview-data results obtained from the participants.

5.3 Future research

As a result of the research findings, potential areas for further research could include, firstly, replicating the study to other sectors in South Africa, and not just to Financial Services. Secondly, future studies could also explore the perspectives from other stakeholders of employability, such as HEIs (faculties) and even graduates themselves, in understanding how they define employability characteristics – since the current study focuses on employer requirements, specifically. Thirdly, future studies could also explore the phenomenon, when using a combination of quantitative and mixed methods, as opposed to qualitative methods only, as a means of achieving methodological triangulation.

Finally, future studies could also focus on one of the elements of the CareerEDGE model; and in detail, these studies could explore its impact on employability, as well as other considerations relating to it. For instance, the degree of subject knowledge, understanding and skills in the framework, could also be explored even further by investigating the relevance of certain university curricula for skills in the workplace, as well as improving the quality of HBUs (by providing specialised courses and getting more government funding and support).

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APPENDICES

APPENDIX A: ADVICE FROM EMPLOYERS AND RECRUITERS TO GRADUATES

Employers and Recruiters were also asked to provide advice to graduates, in order to avoid any common pitfalls or mistakes during the recruitment process, which might result in graduates not making the final selection. They had this to say:

> *"I absolutely encourage them to continue applying at [firm's name not disclosed] because it might not necessarily have been their performance, but rather their capacity."*
>
> *"So sometimes, just the structure of the CV is a bit disturbing and not appetising… I think two pages is good, a good number (for a CV). I would like to see (in a CV) some of the activities and the initiatives, in which you would have been involved…maybe tutoring…community work. People don't include information that might actually score them a place in the recruitment process. Um, and then in terms of motivational letters, this irritates me, where graduates, and sometimes people summarize what is on their CV; and then, they include that in their motivation. And that's not the purpose of a motivational letter. The purpose of a motivational letter is to talk about things that might not necessarily be in their CV; and for them to put forward an argument as to why I should continue to consider them for the recruitment round… to differentiate themselves from other candidates."*
>
> *"And then also people don't follow the application process; as it has been communicated; so, they will attach the five times in which they were supposed to attach the CV or ID, as an attempt to replace their motivational writing sample and their transcripts. And it irritates me; because you will find it in their CV; but then I must now go and source this information, even though there was a place for them to do that. It shows that you cannot follow instructions…and it's those small behaviours that people discount or disregard during the recruitment process that are so absolutely important."*
>
> *" People need to check the spelling-error format; since it's your document, put some effort into, the way you send your stuff…show me that you have applied some thought into it...there was this element of excellence that was applied, when you were doing your CV; because you're trying to market yourself to me. Keep it professional."*
>
> *"So, when I start; and you come with a covering letter and a CV; and I see these grammatical errors, it tells me that attention-to-detail is not your thing. Sometimes, you read sentences; and it's like, oh my goodness, 'how did this person write his/her thesis? how did he graduate? I put a lot of question marks there… they need to proofread their CV's, and to proofread their covering letters'"*

“Somebody will write to you on LinkedIn…they write three sentences. Yeah, I don't entertain those kinds of things. So, it creates a different impression. You need to be very, very clear on whatever you want to do. You cannot chat like that with me; I am not your friend.”

“Keep applying. You need to make LinkedIn your best friend... it does have certain opportunities. You see, LinkedIn allows you to be creative… So, you'll really say that you’re a graduate currently looking for new opportunities. You can follow a partner from (company’s name not disclosed) in a business unit that you want to specifically work for. And crossing fingers that the partner is quite active on LinkedIn. You can comment on their work, write articles about what you think, and about what they said. So, you’re exposing yourself; and maybe it really, really works well for you. Your personal branding is really the key at this stage.”

“Your CV shouldn't be too long; and make sure that all your contact details are on the LinkedIn profile... your working number and another number of somebody close, or your mother, or someone like that. If you want to put a picture, you can; but, if you don't, that's also fine. Make sure your, your CV is one page and that there's a bit of colour in it. And if you wanted to put a covering page, you can, nobody really reads a long covering page, unless there's something specific; but rather put a short summary at the top of one page of your CV.”

“And if you do an application, don't forget to add your transcript; because you're a graduate. Everybody wants to see your transcripts.”

“…around CV’s. So, a concise two pages maximum must include a summary of who you are; and what you've got to offer, rather than going into great detail. One applicant put through a case study on a stock, that really impressed us… you've got to think how you're going to make yourself different; and stand out from the rest; because there's huge competition for these graduate programmes and just for jobs, in general.”

“I don't think there's any excuse for any grammatical errors on the CV; because we've got technology that can help us with it; but I would not completely eliminate them. But it would be like not paying attention to detail, warning lights, if somebody was submitting something with spelling errors, or grammatical errors.”

“If someone was to send me a video clip of themselves, I mean, that would really just stand out amongst the others; since nobody's ever done that. I think that's where we’re moving to. Candidates need to be unique, show something that someone else doesn't have. For example, take the initiative of calling somebody after you've submitted your CV, in order to follow up, and to take the initiative… I mean, if someone's getting 200 applications a day, yours has got to stand out. Do check out other job portals, such as Glassdoor, Careers 24, PNET… in addition to LinkedIn and Facebook…”

"Sometimes the photos (in the CV) are terrible... very sexy photos... they look like they're going out for a night on the town. Is that the best way to present yourself? If I'm looking at a thousand CV's, you'll need to be memorable. So, everything that you do when you are part of the recruitment process, pay attention; since even the way you treat the receptionist when you arrive, is important."

"Being late for an interview and you don't explain, or you don't apologise…all of those things are important for graduates to know."

"I think another mistake is sending out blankets, non-specific applications and covering letters "To Whom It May Concern", or Dear Sir, when actually I'm not even a man. So, I think the attention to detail around the application form is probably where a lot of graduates mess up unintentionally. I would also challenge some of the graduates to really think about their career; and the way they want to apply, before just randomly sending it out to everybody with the same covering letter."

"I would definitely use LinkedIn and use my university's career services; because the ones that I've interacted with, they are actually really good; and probably they are quite under-utilized. And then a big thing for graduates is networking. I realise that not everybody has that network, but my advice to a graduate is to tap into your network, even if it's a second cousin's network; that's often a way graduates get a foot in the door. Another thing that happens is some graduates get multiple offers; and then they'll accept all of them; and then they would not really know how to renege on an offer. And it leaves a very bad taste in the company's mouth…because some graduates are almost desperate, and they will apply for everything."

;"So, the biggest mistake that we've picked up is that, especially for a brand, such as ours they quickly read up on the internet, a day before the interview; and then they get very confused and they think we are (company's name not disclosed) a private bank. And then when we start asking them, what can you tell us about (company not disclosed)? Why have you applied to our graduate programme? And they start telling us about our private bank, you know; that's a bit upsetting; because it means you haven't done your research properly; because if you had, you would understand that we're not a private bank…we are an investment bank…it becomes evident that the graduates are just not doing enough research on organisations."

APPENDIX B: RESEARCH INTERVIEW PARTICIPANT'S COVERING LETTER

20 August 2020

My name is Nozipho Mnyandu, a master's student specializing in Development and Economics at the School of Governance, University of the Witwatersrand. My research dissertation titled: *The employability of Commerce graduates in the Financial Services sector* is being undertaken in part-fulfilment of the master's degree programme.

This research aims to contribute to the existing body of knowledge, by exploring employers' perceptions of the graduates' qualifications, when applying for entry-level positions, such as internships and graduate programmes in Financial Services organisations.

As such, your consent is requested for participating in the interview.

Your responses will be treated with confidentiality and respect. We also hope that your answers are true and honest. Your participation in this research is greatly appreciated.

The research has been approved by the university's Human Research Ethics Committee.

If there are further questions relating to this research, please do not hesitate to contact me at Noziphomnyandu@gmail.com, or 0670702466, or my supervisor, Professor Pundy Pillay at Pundy.Pillay@wits.ac.za or 0836431100 .

Warm regards,
Nozipho Mnyandu

Research topic:

The employability of Commerce graduates in the Financial Services sector

- I hereby agree to participate in the research study. I further understand the research objectives, as informed by the researcher, Nozipho Mnyandu.

- I also understand that the information I have provided, including the employer organisation, will remain confidential; and it will not be disclosed.

- I agree that my participation is of my own free will; and I am not under duress.

- I understand that my responses must be honest.

…………………………………..   …………………………………..

Participant's signature   **Date**

APPENDIX C: INTERVIEW QUESTIONS FOR RESEARCH PARTICIPANTS

SECTION A: UNDERSTANDING THE PARTICIPANT AND THE EMPLOYER

I. The participant

1. Company's name:
2. Current job title:
3. How long have you been recruiting within the Financial Services sector? Please state number of years or range.
4. How long have you been in recruitment, specifically, focusing on the recruitment of Commerce graduates?
   - ☐ 0 – 2 years
   - ☐ 3 – 5 years
   - ☐ More than 5 years

II. The participant graduate/internship programme *(for employers)*

5. What opportunities are available, in your firm/organisation for entry-level employees with less than 2 years' experience (or for graduates)?
6. In which career fields are you seeking these graduates? (e.g., Economics, Investments?)
7. State for how long this opportunity (e.g., internship, graduate programme, learnership) has been offered at your firm? Please state the number of years.
8. How many graduates do you typically look for in each particular year? Please state the number or the range.

SECTION B: RECRUITMENT STRATEGIES USED TO FIND TALENT

9.1 Marketing tools: for your graduate programme, what primary tools do you use to obtain graduate talent?

9.2 Marketing tools: for your graduate programme, do you have any other alternative methods, or tools for obtaining graduate talent? If so, what are they?

9.3 Are there some marketing tools that are preferred to others?

9.4 Career-service units: Do you have a relationship with Higher Education Institutions' Career-service units? If so, please explain the nature of your relationship?

9.5 Graduate recruitment hiring stages: what recruitment stages does a graduate candidate typically go through, in order to get placement in your graduate programme?

SECTION C: QUALIFICATIONS REQUIRED

10.1 For your graduate programme, is a degree, or a diploma, or a postgraduate qualification preferred? If so, which and why?

10.2 How do you assess, during recruitment, whether a graduate candidate has knowledge and understanding of her/his degree?

10.3 For your graduate programme, do you think that certain degrees offer the requisite skills for your graduate programme? In other words, are there certain academic degrees that are superior to others, in terms of value?

10.4 Are the qualifications obtained outside Higher Education Institutions (e.g. independent education providers) valued by employers? For example, CFA, CAIA, FRM. If so, why?

10.5 For your graduate programme, does better academic performance count? If so, why?

10.6 What academic scores would you typically look for, and why?

10.7 For your graduate programme, do you have a specific preference for any Higher Education Institution, when looking for graduate talent?

SECTION D: WORK AND LIFE EXPERIENCE

11.1 Work experience: for your graduate programme – does previous work experience play a role in the recruitment of a graduate? If so, what kind of previous work experience is required for the above-mentioned graduate or internship programme?

11.2 Work experience: if you prefer hiring a graduate with some experience, what are some of the benefits of hiring a graduate with experience?

11.3 Work experience: for your graduate programme, would you consider someone with no prior work experience?

11.4 Work experience: apart from the above already mentioned, do you have any other insights regarding the relevance of work experience for the graduate programme?

11.5 Life experience: for your graduate programme:are there specific life-experiences that you look for?

11.6 Life experience: how do you define the ‘Cultural Fit’ of your organisation?

11.7 Life experience: how do you test the ‘Cultural Fit’ during the recruitment process?

11.8 Life experience: apart from those already mentioned, do you have any other insights regarding the relevance of life-experiences for the graduate programme?

SECTION E: SKILLS

12.1 Using Appendix D, please rank the top 5 skills that you desire from a graduate?

12.2 Are there any other skills not mentioned in Appendix D that you value?

12.3 Of the skills that you have identified and ranked, which of these do you feel can be taught (in the workplace); and which, do you feel are non-negotiable (required)?

12.4 Of the top 5 skills that you have identified, how can graduates demonstrate these during the hiring process?

SECTION F: LABOUR DISCRIMINATION FACTORS

13.1 Who is typically involved in the final selection of graduates for your internship/graduate programme?

13.2 How does the company ensure that the graduate recruitment process is fair in the selection of candidates?

13.3 Are there any company policies or guides relating to the recruitment of graduates? If so, what do they state regarding the recruitment of graduates?

13.4 Are the following factors important when selecting a graduate? Please state Yes or No

- ☐ Race?
- ☐ Age?
- ☐ Looks?
- ☐ Languages spoken?
- ☐ Disabilities?
- ☐ Sexual orientation?
- ☐ Gender?

- Ethnicity?
- Criminal background?
- Financial record clearance?
- Disability?

13.5 Do all graduates (that joined at the same time) receive the same stipend, or income, or salary?

13.6 Does the company accept anonymous graduate applications?

SECTION G: OTHER

14.1 In the event that a candidate did not get selected for your graduate programme, what advice can you offer her/him?

14.1 What common mistakes do you often see regarding graduate applications, or how they present their credentials to your employer organisation?

14.2 What other advice can you give to graduates, as to how they can easily assess job opportunities relating to these fields (for example, economics, investments)?

14.3 In summation, please rank, in order of priority, when assessing graduate applications to be considered for hire:

- University Name / Brand
- Qualification type: Degree vs postgraduate degree
- Academic results
- Previous work and/or life experience
- Skills offering (technical and non-technical)
- Historically disadvantaged individuals/Affirmative action/Employment equity
- Gender (Male vs Female)
- Nationality (South African vs. Non-South African)
- Age
- Other (not mentioned here)

APPENDIX D: GENERIC SKILLS

- Imagination/creativity
- Adaptability/flexibility
- Willingness to learn
- Independent working/autonomy
- Working in a team
- Ability to manage others
- Ability to work under pressure
- Good oral communication
- Communication in writing for varied purposes/audiences
- Numeracy
- Attention to detail
- Time management
- Assumption of responsibility (leadership) and for making decisions
- Planning, coordinating and organising ability
- Ability to use new technologies
- Emotional Intelligence
- Self-efficacy
- Self-confidence
- Self-esteem