

Resignation season is coming: Are you prepared?

By [Gary Silbermann](#)

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A quick glance at global unemployment rates will routinely reveal that South Africa has the highest jobless population in the world. Digging a little deeper, one will find that unemployed graduates make up an alarmingly large cohort of jobless youth, with one in three struggling to find work. This is an unsustainable situation considering that hiring managers at companies around the country are struggling to fill vacancies — and it is about to get far worse. Between February and April, the number of resignations is expected to surge for the usual resignation season.



Gary Silbermann, co-founder and innovation director at One Degree

This, read against the backdrop of the often-cited skills shortage, especially in technology roles, makes for an uncomfortable paradox because crucial unfilled vacancies hamper growth and innovation, and in a low-growth environment, more jobs can't be created and so the cycle continues.

There's a way to end the vicious cycle of a low-growth business environment hamstrung by unfilled posts, but to better understand the solution we need to better understand the problem.

Predictable uptick

Let's start with the predictable spike in resignations during the first quarter of every year, which is often prompted by disappointment in bonus payouts or the absence thereof, salary increases that don't meet expectations, disagreeable performance reviews and companies failing to live up to their targets and innovation promises.

This happens every year and instead of being reactive, hiring managers should preempt the resignation season and plan for it. This is seldom done. Instead, recruitment drives peak shortly after financial year end and everyone is fighting for a limited pool of talent. The increased competition drives offers higher and pushes frustration over the edge.

It takes more or less 50 days on average to recruit a new permanent employee. If we consider that there are between 250 and 260 working days in an average year, this means that up to 20% of the productive time in the year is spent trying to fill one permanent vacancy. That's bad enough but if we consider that the average tenure in this day and age for permanent employees is 1.5 years with an attrition rate of 15%, hiring managers are constantly against the ropes.

This is bad for business. Growth momentum is disrupted and businesses cannot accurately forecast because they have not filled crucial roles. These unfilled roles stretch existing teams which hampers productivity.

It is clear to see that the knock-on effect is far more significant than the disillusionment caused by the optics of empty desks. Innovation and performance suffers and when this happens, repeat business is under threat. In an environment where the country needs businesses to create jobs, the reality on the ground is that the staffing problem - which will spike over the next three months - prevents any meaningful growth from occurring.

The reality is that businesses all want to grow and create jobs. They all want to help solve the unemployment crisis. However, the most pressing issue right now is finding the skills to perform crucial tasks at hand – now. This absolutely must be addressed and it must be done before the resignation season starts poking holes in the vessel and letting even more water in.



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Contract market

When the job market cannot serve up new permanent employees quick enough, the alternate market is the smart solution. It allows businesses to avoid downtime and mitigates against lost momentum. Because roles can be filled quickly, productivity won't deteriorate, it will improve.

Independent contractors fill the gaps and mop up unfinished work. They mitigate against over-stretching permanent employees, they ensure faster delivery and they bring fresh skills and perspectives into the business. Some might argue that they charge a premium; there's nothing wrong with this because skilled contractors are specialists that need to perform and deliver value to secure their next role.

However, businesses that believe they're more expensive than hiring permanent staff have not calculated the real cost of leaving posts vacant for extended periods: the loss of money and opportunities, compromised momentum and innovation, missed deadlines and potential lost contracts, recruitment and onboarding costs, and much more, far outweigh engaging a contractor.

An independent contractor, engaged on productivity metrics, will always yield more value to the business and if he or she doesn't, then the role is redundant. When a business no longer wishes to engage with a contractor, they simply end the contract with no regulatory roadblocks or reputational concerns.

Modern marketplace

However, not all “marketplaces” for independent contractors are equal. Firstly, the old paradigm of needing to engage with a specialist company that does the search on your behalf and places and manages the talent, has been well and truly disrupted. Businesses cannot afford to waste more time, spend unnecessary fees and rely on second or third degree placements.

Modern platforms have revolutionised independent contractor staffing - instantly connecting companies and independent contractors on terms that suit both parties. In other words, the business chooses when they want them to start, how long they want them to work for, whether they prefer online or on-premise engagement, and much more.

There really is no need to be stuck in the old paradigm, and if they act now, businesses can start ending the vicious cycle of trying to keep up with resignations and being stuck in low-growth holding patterns. They can pre-empt and buffer against resignation season and they can finally capitalise on opportunities without the fear and burden of vacant positions. This is how industries start growing and creating new jobs for graduates.

ABOUT THE AUTHOR

Gary Silbermann, Co-Founder and Innovation Director at [<https://onedegree.io/> One Degree].

One Degree is a disruptive digital hiring platform that has been developed in response to the needs of the emerging gig economy, remote working, and the radical flexibility requirements in the contemporary job market.

Our mission is to match employers directly with high-quality, experienced independent tech contractors, creating valuable, direct connections. Leveraging disruptive, purpose-built technology, we simplify and accelerate the recruitment process, enabling businesses to find the right talent, at the right time, at the right cost, and for the right duration. For skilled tech contractors, we serve opportunities directly to you based on your skills, rates, and availability, promoting a fluid and flexible work-life balance.

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