

Graduates' pay

With globalisation, new labour legislation, a diversified workforce and technological development, both private companies and government are challenged to stay relevant and competitive. The economy could be stifled if the shortages of highly skilled professionals are not addressed.

There will be an increase in demand for highly skilled human resources and a decrease in demand for unskilled human resources. A World Bank paper, *South Africa - Labor Markets - Adjustments and Inequalities*, points out that:

- the South African government is paying the unskilled too much in its attempt to narrow the gap with other sectors;
- the government is paying highly skilled employees too little;
- government salaries for professionals, by occupation, are much lower than private sector salaries;
- government salary increases have been below the inflation rate for several years.

The Human Sciences Research Council (HSRC) conducted a survey in 1997 that examined remuneration. Since the Civil Service Commission calculates basic salaries in central and provincial government annually, the assumption is that salary levels for the various occupations in the government sector are the same in the nine provinces.

The HSRC survey showed that graduates' remuneration did not vary much between the private sector and semi-government

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institutions. This was confirmed by World Bank research. Self-employed graduates earned the highest median income, but in most of the occupations there was not that big a difference between the private and the self-employed sectors.

At a national level there is not a major difference in median incomes in occupations in the semi-government, private and self-employed sectors (especially when the median number of years of work experience is kept in mind).

Pay at provincial level

The nine provinces in the country vary in regard to wealth creation and this influences income levels. It is thus only fair to compare provincial government with the private sector in the different provinces. The figures used are from HSRC surveys that were conducted with graduates.

The most recent of these surveys was published in 1998 and reflects the national occupational income of graduates as at March 1997.

Median income indicates the point where 50% of persons in the specific occupation category receive less and 50% receive more than the income indicated.

Median income package (Rands) according to occupation and employer sector, 1997: Full time (permanent and temporary)

Occupation	Government			Semi-government			Private			Self employed		
	Ex	N	Median Package	Ex	N	Median Package	Ex	N	Median Package	Ex	N	Median Package
Mechanical engineer	19	17	172 800	8	86	165 900	8	145	181 000	26	40	201 000
Architect	13	7	147 300	23	8	155 700	6	41	107 800	23	123	153 700
Quantity surveyor	21	11	183 400	17	8	175 700	9	51	129 000	22	80	180 000
Medical practitioner	7	116	160 700	12	11	171 000	16	42	200 000	18	477	180 000
Medical specialist	19	116	237 200	20	28	277 300	18	29	347 000	22	344	300 000
Dentist	11	14	200 200	-	-	-	8	14	135 000	18	214	135 000
Nurse	16	30	60 600	12	11	65 300	12	50	58 400	-	-	-
Teacher (incl head of dept)	11	548	80 700	11	6	70 400	11	69	72 000	-	-	-
Advocate	17	13	180 000	-	-	-	-	-	-	18	55	230 000
Religious occupations	18	11	91 200	-	-	-	17	438	120 000	14	6	87 000
Legal officers	9	20	121 200	12	22	169 500	10	65	189 500	11	10	200 000
Psychologist	12	48	106 900	15	33	140 000	11	18	170 000	16	92	115 800
Social worker	7	44	63 900	7	13	60 800	6	65	47 100	22	6	48 100
Accountant (CA)	11	8	190 600	14	29	232 200	10	290	222 100	21	263	250 000

Ex = Median year's work experience

N = Number of people in category

Package = Median income package

Methodology

Remuneration is a key factor in human resources management. Since 1971 the HSRC has undertaken regular surveys of the occupational incomes of graduates. The most recent of these surveys was published in 1998 and reflects the national occupational income of graduates as at March 1997. Eighteen per cent of the economically active graduates who took part in the survey were employed in the government, 18% were employed in semi-government, 43% were employed in the private sector and 21% were self-employed.

To determine the gap between the government and private sector pay levels the private and self-employed sectors were grouped together and the government was compared with the private sector in the different provinces for the purpose of this article:

- *Government sector* refers to those employed by central government or provincial

administration. The government sector *excludes* semi-government.

- The *private sector* is a combination of the self-employed sector and the private sector given in Table 1.

Occupations to be included in the article were selected according to the number of respondents in the specific occupation. If there were less than six respondents in a particular occupation, the occupation was excluded, as the reliability of information from less than six respondents is questionable.

'Income package' refers to the total income package and includes salary plus fringe benefits such as pension, medical aid, transport or petrol allowance, entertainment allowance, housing and other fringe benefits, such as the employer's contribution towards clothing, telephone, insurance premiums, study aids, subsidised purchases and cafeteria facilities.

Conclusion

There were no major differences in the incomes of those in the self-employed sector, the private sector and the semi-government sector. The gap in income was more between occupations in the government service and the private sector (self-employed and semi-government sector figures were grouped together with those in the private sector for the purpose of this article).

Government pay levels were below those of the private sector, although this was not the case in all occupations or in all the provinces. The following graduates earned higher median packages in the government sector: dentists, teachers, social workers, quantity surveyors and attorneys. The following graduates earned more or less the same median pay package in the government and the private sector: supplementary medical occupations (radiographers, physiotherapeutic, occupational and related therapeutic occupations), veterinarians, professional nurses, architects, town and regional

planners, psychologists, those in art, sport and entertainment occupations, authors and related occupations.

Gauteng as the richest province, paid the highest median pay packages in most of the occupations.

Occupations in which graduates earned a lower median pay package in the government than in the private sector in most of the provinces were: natural science occupations, computer science occupations, medical specialists and practitioners, pharmacists, engineers, agricultural occupations, advocates, personnel and management services, economic occupations, accountants (those with a CA as well those without a CA), auditors and internal auditors. As a result of a difference in pay packages between the government and the private sector, the government could lose employees to the private sector. ★

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