

Skills Development for Economic Growth

# SUMMATIVE RESEARCH PUBLICATION



higher education & training

Research

Department: Higher Education and Training REPUBLIC OF SOUTH AFRICA



## **INTRO**DUCTION

Vortex Strategic Alignment (Vortex) has been appointed to conduct an analysis of the research findings and recommendations of research studies commissioned and/or conducted by the W&RSETA in the past five (5) years, and further, to summarise, frame and articulate how the research reports can be used in the W&RSETA to support the implementation of the Strategic Plan (SP) and sector strategic objectives. In total, Vortex was provided 35 unique research reports, for which we produced summaries.

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## ABBREVIATIONS & ACRONYMS

4IR	4th Industrial Revolution
5G	Fifth-Generation Mobile Technologies
ABET	Adult Basic Education and Training
AC	Assessment Centre
ACFTA	Africa Continental Free Trade Agreement
AI	Artificial Intelligence
Alliance	SA Alliance to End Plastic Waste
APP	Annual Performance Plan
APPETD	Association of Private Providers of Education, Training and Development
AQP	Assessment Quality Partner
AR	Augmented Reality
ASC	Amended Senior Certificate
ASPYEE	African Skills Portal for Youth Employment and Entrepreneurship
AU	African Union
AUDA	African Union Development Agency
BCEA	Basic Conditions of Employment Act
СВО	Community-Based Organisation
CDU	Career Development Unit
CEO	Chief Executive Officer
CETC	Community Education and Training College
CGCSA	The Consumer Goods Council of South Africa
CHE	Council on Higher Education
CLC	Community Learning Centres
COMENSA	Coaches and Mentors of South Africa
CPD	Continuous Professional Development
CPUT	Cape Peninsula University of Technology
CSI	Corporate Social Initiative
CV	Curriculum Vitae
DBE	Department of Basic Education
DEL	Department of Employment and Labour
DHET	Department of Higher Education and Training
DSBD	Department of Small Business Development

# ABBREVIATIONS & ACRONYMS CONTINUED

DTI	Department of Trade and Industry
DUT	Durban University of Technology
EC	European Commission
ECD	Early Childhood Development
EFT	Electronic Funds Transfer
ESSA	Employment Services of South Africa
ETDP	Education, Training and Development Practices SETA
ETQA	Education and Training Quality Assurance Body
EU	European Union
FWVA	Food Waste Voluntary Agreement
GDP	Gross Domestic Product
GETC	General Education and Training Certificate
HDI	Historically Disadvantaged Individual
HE	Higher Education
HEI	Higher Education Institution
HET	Higher Education and Training
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HR	Human Resources
HTFV	Hard to Fill Vacancy
ICT	Information and Communication Technology
ILDP	International Leadership Development Programme
ILO	International Labour Organisation
IMF	International Monetary Fund
loT	Internet of Things
ISCO	International Standard Classification of Occupations
ISO	International Organization for Standardization
ΙΤ	Information Technology
L&D	Learning and Development
LAP	Labour Action Programmes
LMI	Labour Market Information
LO	Life Orientation
lra	Labour Relations Act (1995)

# ABBREVIATIONS & ACRONYMS CONTINUED

LURITS	Learner Unit Record Information and Tracking System
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
NDP	National Development Plan
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
NPC	National Planning Commission
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NSA	National Skills Authority
NSC	National Senior Certificate
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NWMS	National Waste Management Strategy
OECD	Organisation for Economic Cooperation and Development
OFO	Organising Framework for Occupations
OH&S	Occupational Health and Safety
OH&SA	Occupational Health and Safety Act
OQF	Occupational Qualifications Framework (a sub-framework of the NQF)
Pact	SA Plastics Pact
PALC	Public Adult Learning Centre
PIVOTAL	Professional, Vocational, Technical and Academic Learning
POS	Point of Sale
PPE	Personal Protective Equipment
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
QMB	Qualifications Management Board of the W&RSETA
QR	Quick Response
RBM	Retail Business Management
REB	Rwanda Education Board
RMDP	Retail Management Development Programme
ROI	Return on Investment

# ABBREVIATIONS & ACRONYMS CONTINUED

RPL	Recognition of Prior Learning
SACPO	South African Public Colleges Organisation
SANCOC	Southern African National Co-operatives Council
SAQA	South African Qualifications Authority
SASMEF	South African Small and Medium Enterprises Federation
SASSETA	Security Sector Education and Training Authority SETA
SDA	Skills Development Act
SDP	Skills Development Provider
SEO	Search Engine Optimisation
SETA	Sector Education and Training Authority
SFCGD	Strategic Framework for Career Guidance Delivery
SHE	Safety, Health and Environment
SHEQ	Safety, Health, Environment and Quality
SLA	Service Level Agreement
SME	Small and Medium Enterprise
SMME	Small, Medium and Micro Enterprises
SP	Strategic Plan
SSC	Self-Service Checkout
SSP	Sector Skills Plan
SST	Self-Service Technology
STEM	Science, Technology, Engineering and Math
SWOT	Strengths, Weaknesses, Opportunities, Threats
TVET	Technical and Vocational Education and Training
UCS	Underhill Corporate Solutions
UIF	Unemployment Insurance Fund
ик	United Kingdom
UoT	University of Technology
VR	Virtual Reality
W&R	Wholesale and Retail Sector
W&RSETA	W&R Sector Education and Training Authority
WIL	Work-Integrated Learning
WSP	Workplace Skills Plan

# DEFINITION OF TERMS

Term	Definition
4IR	The transition of industry and society from labour-intensive manufacturing practices and organisations to online-based services that centre around connectivity, and digital hardware and software.
Artificial intelligence	The ability of a digital computer or computer-controlled robot to perform tasks commonly associated with intelligent beings. The term is frequently applied to the project of developing systems endowed with the intellectual processes characteristic of humans, such as the ability to reason, discover meaning, generalise, or learn from experience.
Augmented reality and virtual reality	Augmented reality adds digital elements to a live view, often by using the camera on a smartphone. Examples of augmented reality experiences include Snapchat lenses and the game Pokémon Go. Virtual reality implies a complete immersion experience that shuts out the physical world. Using VR devices, users can be transported into several real-world and imagined environments.
Automation	The conversion of certain manufacturing and service-oriented processes from requiring human labour to being carried out by machines and digital programmes.
Benchmark	A standard by which performance may be measured and by which we can make comparisons in determining what constitutes good career guidance.
Beneficiary	A person or group of people that receive help or advantage from something.
Brick-and-mortar	The form of the traditional, physical retail outlet as seen in shopping malls, where an in-person exchange is re- quired between the consumer and the retailer.
Career	The sequence and variety of work roles, which one undertakes throughout a lifetime to actualise one's potential. (Source: Hong Kong Education Bureau).
Career counselling	An intensive interactive verbal communication process through which a qualified careers counsellor discusses career and study options with another individual or group.
Career development	A lifelong process of planning one's work future and acquiring the necessary skills to progress.
Career education	The providing of information particular to a career. Career education is not the same as career guidance, but rather a subcomponent of career guidance.
Career guidance	Services intended to assist people, of any age and at any point throughout their lives to make educational, train- ing, and occupational choices, and to manage their careers.
Career information	Information relating to careers, study options, financial aid, study skills, employment opportunities, and any other related information that assists an individual to make an accurate career choice.
Career path	A structured, goal-oriented approach to achieve one's career plan.
Career planning	A scenario planning and goal setting activity that sets out specific tasks to be achieved as part of a process to advance one's career.
Careers 4.0	Industry 4.0 involves digitalising manufacturing and business processes. Industry 4.0 offers a vast breadth of career opportunities in a range of different fields.

## DEFINITION OF TERMS CONTINUED

Term	Definition
Careers Matrix	The Careers Matrix (Updated 05 August 2019) is a document in an MS Excel spreadsheet format, which shows the clustering of skills programmes aligned to OFO occupations.
Cashless	The action of relying largely or entirely on monetary transactions that use electronic means rather than cash.
Casual employees	There is no definition for 'casual' workers in current legislation in South Africa. The Basic Conditions of Employment Act of 1983 referred to casual labourers, but the more recent Act from 1997 does not define this term. When using the term 'casual' in this document, we mean anyone employed part-time or temporarily, within an enterprise.
Consumer	The end-user of a product or service who is willing pay a certain fee for the associated benefit. Consumers are increasingly taking the form of online shoppers in need of digital services and products.
Customer experience	The entirety of the interactions a customer has with a company and its products.
Cybercrime	Criminal activity (such as fraud or theft) committed using a computer, especially to illegally access, transmit, or manipulate data.
Decent work	Decent work is described as, "opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security, and human dignity". Decent Work has subsequently become the organising framework for ILO activities.
Digital applications	A broad term refers to any application software that can be used by a computer, mobile device, or tablet to perform useful tasks.
Digital divide	The economic, educational, and social inequalities between those who have computers and online access and those who do not.
Digital retail marketing	The use of the Internet, mobile devices, social media, search engines, and other channels to reach consumers.
E-commerce	Electronic commerce is a type of business model that lets businesses and individuals buy and sell things over the internet.
Education and Training Quality Assurance Body (ETQA)	The ETQA within the SETA monitors and audits the achievements in terms of standards or qualifications registered on the NQF. The ETQAs accredits providers of education and training.
E-retail	The transition of traditional retail outlets onto online platforms, allowing consumers to conduct their purchases in a virtual environment that requires no physical presence on behalf of the consumer.
External stakeholder	Individuals who have an interest in the decisions or activities of an organisation, but are not responsible for the outcomes of those decisions or activities.
Globalisation	The continual spread of humanity and digital industry that meshes the cultural and societal identities of certain groups into a larger, worldwide group of predominantly urban-dwelling digital users.
Hard to Fill Vacancies (HTFVs)	HTFVs are composed of the W&R scarce and critical skills as identified in the W&RSETA SSP.

# DEFINITION OF TERMS CONTINUED

Term	Definition
Indicium	The Indicium SETA management system is intended for stakeholders to upload the ATR/WSP reports and information on discretionary grant interventions.
Innovation	The creation of a new way of doing something, whether the enterprise is concrete or abstract. It refers to either something new or to a change made to an existing product, idea or field.
Internal stakeholder	Individuals who have an interest in the decisions or activities of an organisation and are responsible for the outcomes of those decisions or activities.
Internet of Things	Refers to a system of interrelated computing devices, mechanical and digital machines provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction.
Job	A set of tasks and duties performed, or meant to be performed, by one person, including for an employer or in self-employment (ISCO 2018).
Machine learning	Machine learning is a method of data analysis that automates analytical model building. It is a branch of artificial intelligence based on the idea that systems can learn from data, identify patterns, and make decisions with minimal human intervention.
Machine-to-machine communication	Machine-to-machine communication, or M2M, is when two machines communicate or exchange data, without human interface or interaction. M2M is now known as the IoT.
Mobile commerce	Mobile shopping or m-commerce, is used by people who use smartphones to identify the best deals, compare products and prices, and order while on the go.
National Qualifications Framework (NQF)	The NQF is the system that records the level of learning achievement arranged in ascending order from 1 to 10.
Occupation	A set of jobs whose main tasks and duties are characterised by a high degree of similarity (International Labour Organisation). Occupations are organised into groups according to skill level and skill specialisation (ISCO 2018).
Occupational qualification	A generic term for all qualifications (and part-qualifications) registered with the QCTO. A qualification that consists of a minimum of 25 credits associated with a trade, occupation or profession. It results from work-based learning, consists of three components (knowledge, practical skills and work experience) and has an external summative assessment.
Omnichannel	A cross-channel content strategy that organisations use to improve their user experience and drive better relationships with their audience across various points of contact (e.g. online, in a physical shop, or by mobile).
Organising Framework for Occupations (OFO)	The OFO is a coded occupational classification system that is a key tool utilised by the Department of Higher Education and Training (DHET) for identification, reporting, and monitoring of skills demand and supply in the South African labour market (DHET website).

# DEFINITION OF TERMS CONTINUED

Term	Definition
Organogram	An organogram shows the management structure of a company, the responsibilities of each department, the relationships of the departments to each other, and the hierarchy of management (Collins Dictionary).
Outsourcing	Outsourcing refers to the process where workers in a standard employment relationship get reduced, especially in a business's non-core services. The point is that a relationship of subcontracting is created between the core business and a contractor or satellite enterprise.
Primary research	The acquisition of insights via the direct contact of and interaction with individuals who are knowledgeable in a particular topic. Consumer panels, in-depth interviews, and online surveys are examples of primary research methods.
Qualifications Man- agement Board of the W&RSETA (QMB)	The QMB serves a quality assurance role for the W&RSETA for 'historical' unit standards-based programmes. Representative members of the W&RSETA sector involved in the recommending which qualifications are approved to become listed on the matrix.
Qualitative data	This type of data is non-statistical and is typically unstructured or semi-structured in nature. This data is not necessarily measured using hard numbers used to develop graphs and charts. Instead, it is categorised based on properties, attributes, labels, and other identifiers.
Quantitative data	This type of data is statistical and is typically structured in nature – meaning it is more rigid and defined. This type of data is measured using numbers and values, which makes it a more suitable candidate for data analysis.
Retail ethnography	Retail ethnography is the study of the behaviour and responses of consumers in a retail environment. It studies the way people react to products and services, their interaction with objects in the retail setting, their speech and emotions, and their experiences during the use of a product or service. It explores the factors which influence these behaviours, practices and reactions, and aims to discover consumer perceptions through the perspective of the consumer.
Secondary research	The acquisition of insights via channels that have reworked, repositioned and republished information that was originally a primary source. Government publications, industry reports and news articles are examples of secondary research sources.
Shared economy	The acquisition of products and services needed by a consumer via a rental or sharing model, instead of purchasing and owning. This is exemplified by peer-to-peer interactions on designated platforms.
Skills	Skills are the expertise or talent needed to do a job or task. Job skills allow you to do a particular job and life skills help you through everyday tasks.
Skills programme	A skills programme is an occupation-based learning programme aimed at building skills, and which incorporates at least one-unit standard. It is registered by a SETA and delivered by an accredited training provider and it leads to a qualification registered on the NQF (PSETA).
Social media marketing	The use of social media websites and social networks to market a company's products and services.
Stakeholder	The International Organization for Standardization (ISO), defines a stakeholder as an "individual or group that has an interest in any decision or activity of an organisation".

Term	Definition	
Subcontracting (Labour) Subcontracting means the contracting out 'non-core services', such as security, merchandising (shelf pack cleaning, to labour brokers or labour agencies. Subcontracting implies an indirect form of employment of by companies through labour brokers. Labour broking or agency labour "is based on the contract whe agency recruit's employees and then places them at the disposal of a user company to perform a task" (Mag 2009).		
Supply chain	A network between a company and its suppliers to produce and distribute a specific product to the final buyer.	
Technology	The application of scientific knowledge to the practical aims of human life or, as it is sometimes phrased, to the change and manipulation of the human environment. Commonly also understood as a manner of accomplishing a task, especially using technical processes, methods, or knowledge.	
Temporary and part-time	The common forms of temporary employment are direct fixed term contracts and temporary employment through specialised agencies (agency labour). In the case of a fixed-term contract, the contract is defined by certain conditions (for example, expiry dates or the finishing of a particular task). Temporary employees are employees who do not have a permanent (open-ended) contract, including participants in special employment programmes (Mathekga, 2009).	

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### STRUCTURE OF THE REPORT

This report first presents the outcomes of the 35 research studies reviewed. This is followed by an analysis of the recommendations and then the findings offered within each report, which have been clustered into the 7 themes described above. The report concludes with a further overarching summary based on the preceding sections. The detailed individual summaries of the 35 research studies are included as annexures.

### OVERALL OUTCOMES OF THE 35 RESEARCH STUDIES

In addition to the research themes outlined above, we have identified six outcomes, as assessed from the 35 research documents reviewed as part of Phase 1 and Phase 2. These outcomes are as follows:

- 1. Understanding Youth Development and Graduate Employability;
- 2. Reviewing the Success of Strategic Projects;
- 3. The Impact of 4IR and Future Skills on the W&R Sector;
- 4. Providing Employer and Employee Support;
- 5. Defining and Understanding Learning Programmes; and
- 6. Improving the Sector's Performance Through Research.

#### **1.1. OUTCOME 1: UNDERSTANDING YOUTH DEVELOPMENT AND GRADUATE EMPLOYABILITY**

Critical to understanding the development of youth, and ensuring graduate employability, the SETA has funded several research studies. The most important of these are the reports addressing various aspects of a career guidance system. Several of the research studies refer to the importance of career guidance, and all the research studies contracted to the PACE Research Institute investigate several aspects of career guidance in detail.

#### In particular, the research documents explore:

- 1. The role of community education and training colleges in increasing employability of the youth and graduates;
- 2. A benchmarking of national and international career guidance practices, which will inform the development of a best practice career guidance approach in the W&R Sector;
- 3. A review and update of the Wholesale & Retail Sector Careers Matrix (which is seen as critical to attracting talent into the Sector, and ensuring that appropriate training providers can deliver against skills needs); and
- 4. A comprehensive analysis of the needs of a host of stakeholders in the W&R Sector. The stakeholder analysis describes several outstanding and creative recommendations that have been made concerning career guidance strategies in the W&R Sector, and these recommendations need to be critically analysed in terms of SETA strategy and the budget available to implement these ideas. Finally, the four reports are knitted into a strategic framework for understanding career guidance in the Sector; usefully set against two theories, which highlight the role of specific stakeholders, as well as the career lifespan of an individual in three contexts (school, tertiary and the workplace).

#### **1.2. OUTCOME 2: REVIEWING THE SUCCESS OF STRATEGIC PROJECTS**

Three (3) impact studies were undertaken to address the levels and nature of success of three important W&RSETA funded projects, which have been in existence for several years. These projects resulted in the training of employees within the Sector and the provision of grants to organisations involved in training individuals up in specific qualifications. The training interventions covered a range of courses from lower to higher educational levels and involved a combination of theoretical instruction and practical experience.

#### The three programmes were as follows:

- The Retail Management Development Programme (RMDP) was offered to specific individuals employed in companies in the Sector. Specifically, those in possession of a National Qualifications Framework (NQF) 5 certificate were given an opportunity to participate in an intensive programme designed to accelerate their career within the Sector. This programme was based in South Africa and intended to recruit candidates to address the demographic profile of management in the Sector.
- 2. Drawing on the pool of beneficiaries of the RMDP, while also focussing on talented management in the W&R Sector in possession of an NQF 7 certificate, an opportunity to participate in an intensive programme designed to accelerate their career within the Sector was offered at a more senior level. The International Leadership Development Programme (ILDP), was also based in South Africa, but provided a global experience (in that an international visit to a relevant economy took place). This project also intended to recruit candidates to transform the demographic profile of management in the Sector.

- The W&RSETA must, according to legislation, allocate funding to applicants who are able to train learners in scarce skill areas. A specific
  project has been implemented to recruit candidates studying towards sector-relevant qualifications, to ensure that the demographic profile
  of the Sector is transformed.
- 4. These programmes are critical to ensuring relevant training occurs in the Sector, and the impact evaluation study conducted gives information on the successes and challenges of the project, to inform future decision-making concerning project planning and funding allocation.

#### 1.3. OUTCOME 3: THE IMPACT OF 4IR AND FUTURE SKILLS ON THE W&R SECTOR

Several research reports dealt with the impact of 4IR, the changing nature of work and the impact of digitisation in the W&R Sector. Of specific importance are the new skills, training and qualification needs which have been brought about by 4IR. These structural changes to the economy, as well as new and developing occupations which need to be catered for and trained in respect of, must be accommodated as a special feature of the W&R Sector's Career Guidance Framework and the planning and funding of training interventions. This impact and work to be done in terms of 4IR is likely to be accelerated due to the need to introduce technology to avoid human contact because of Covid-19, and the research agenda of the SETA and history of research studies conducted to date, needs to be reviewed in line with the implications of Covid-19 in particular, and the future impact of pandemics in general.

A detailed understanding of these developing and future needs will ensure the Sector is prepared to respond to the global changes, and position South Africa competitively in terms of the development of talent within a globally competitive environment.

A multitude of recommendations are made as to how the SETA can prepare the W&R Sector for 4IR, and this will require a careful approach to prioritisation and how funding is allocated.

#### **1.4. OUTCOME 4: PROVIDING EMPLOYER AND EMPLOYEE SUPPORT**

Several specific research studies were conducted to determine the needs of employers in the Sector (however, the issue of small employers cut across most of the research studies).

Three studies were conducted internally by the Research and Innovation Unit at the W&RSETA and described the impact of the Covid-19 crisis of the Sector. The reports also pointed to possible support which could be provided to the Sector, which was affected by several months of reduced or non-existent trading during the strict Lockdown phase in South Africa (which began in March 2020).

The impact of Covid-19 on the W&R Sector is significant. As South Africa comes under strict Lockdown and quarantine directives, consumers in the country are both choosing to, or being legally required to avoid human contact, and South African retailers need to quickly adapt to a new way of doing business and selling products in an innovative manner.

In addition, two reports specifically focussed on employees in the Sector; however, the issues of employees and their future skills needs cut across many reports.

#### **1.5. OUTCOME 5: DEFINING AND UNDERSTANDING LEARNING PROGRAMMES**

Several reports focussed on specific learning programme types, which the SETA sought clarity on. This clarity is important for both the SETA and the Sector and will ensure that W&RSETA is aligning their delivery to a range of interventions available for funding in South Africa. Specifically, the programme types of Mentoring and Work-Integrated Learning (WIL) were reviewed.

In addition, there were several reports which focussed on developing models for the Sector, to ensure that they were able to adopt best practice in education, training, and skills development practices.

#### 1.6. OUTCOME 6: IMPROVING THE SECTOR'S PERFORMANCE THROUGH RESEARCH

In the 35 research reports provided, there were a significant number of reports which addressed topics unrelated to skills development. The topics covered were interesting and topical reviews of areas which the Sector needed to understand better. For example, a review of the importance of source documents to the efficiency of small businesses does not speak to a skills need; however, it does provide relevant information to the Sector on how they can implement more productive business practices.

If circulated to this sector, these reports can improve the overall sector's functioning in that they provide information on topical issues of relevance to the Sector's base of knowledge. This may ultimately result in the implementation of skills development, education and training programmes that will enable sector change in relation to leadership and management within the Sector, as well as programmes that enable growth of Historically Disadvantaged Individual (HDI) training providers.

# **OVERALL FINDINGS OF** THE 35 RESEARCH STUDIES

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The findings of the 35 research studies were assessed and summarised, and these reports have been clustered into 7 (seven) themes, as follows:

- 1. Youth Development and Graduate Employability;
- 2. Impact, Evaluation, and Tracer Studies;
- 3. The 4th Industrial Revolution (4IR) and Future of Work;
- 4. Small and Medium Enterprises (SME) and Informal Traders;
- 5. Employment and Unemployment in the Sector;
- 6. Best Practice in Education, Training and Skills Development; and
- 7. Improving the Sector's Performance through Research.

The findings from each study are summarised and included in a subsection under the specific theme. Once all findings have been presented for the 35 research studies, a thematic summary of the findings is provided. Following the presentation of the findings per seven themes, all findings per theme are again assessed and summarised into a 'meta-summary' of the findings of all 35 research studies.

Detailed summaries of the 35 research studies are presented in the annexures section of this report.

#### 2.1. FINDINGS THEME 1: YOUTH DEVELOPMENT AND GRADUATE EMPLOYABILITY

Findings from 5 research studies are dealt with in this subsection. They are detailed in Table 2 below.

#### Table 2: List of Theme 1 (Youth Development and Graduate Employability) Research Studies

#	Date	Title	Author	
1 Yout	1 Youth Development and Graduate Employability (5 Reports)			
1.1	March 2020	The Role of Community Education and Training Colleges in Increasing Employability	Association of Private Providers of Education, Training and Development (APPETD)	
1.2	July 2020	Benchmarking National and International Career Guidance Practice	PACE Research Institute	
1.3	July 2020	Review and Update of the Wholesale & Retail Sector Ca- reers Matrix	PACE Research Institute	
1.4	July 2020	W&RSETA Stakeholder Analysis	PACE Research Institute	
1.5	July 2020	The W&RSETA Strategic Framework for Career Guidance Delivery (SFCGD)	PACE Research Institute	

# 2.1.1. FINDINGS: THE ROLE OF COMMUNITY EDUCATION AND TRAINING COLLEGES IN INCREASING EMPLOYABILITY

Policy pronouncements suggest high expectations of the Community Education and Training College (CETC) sector in contributing to the needs of youth and adults to expand skills development, training of the unemployed and training of people locked into low-skills jobs.

#### However, the Sector is extremely poorly prepared for these demands for the following reasons:

Community Learning Centres (CLCs) lack their own infrastructure and most centres depend on The Department of Basic Education (DBE) buildings and classrooms, or other Government Departments.

- The current arrangement with one CETC per province responsible for multiple CLC sites, reduces the Sector's reach and quality. In some cases, the distances between these sites inhibits regular visits and interaction, which renders the management of the college ineffective and appears to limit the extent to which the central office can introduce quality assurance mechanisms.
- In general, staff are underprepared for the changing focus of CETCs. Most have a Higher Certificate or Diploma in Adult Basic Education and Training (ABET) in keeping with the purpose of the Public Adult Learning Centre (PALC) system. Certainly, staff are not generally equipped to teach on the Amended Senior Certificate (ASC) or skills programmes.

- 3. Conditions of service of lecturing staff are still uncertain, with most members of staff either employed on fixed-term contracts and part-time contracts, with limited employee benefits, such as pension, Unemployment Insurance Fund (UIF).
- 4. In terms of programme offerings, the traditional mandate of the CETCs (as inherited from the PALCs) is offering the ABET levels (1 4), the General Education and Training Certificate (GETC), and the Amended Senior Certificate (in the absence of an alternative adult matric). Some CETCs also offer rewrites for the National Senior Certificate (NSC).
- 5. Occupational programmes in keeping with the new focus of the CETCs, are being slowly introduced, e.g. sewing, computer literacy and some of the suggested areas, such as Early Childhood Development (ECD) and Home-based Care.
- 6. However, the uptake of the more occupational (skills) programmes is limited, due to the difficulties experienced in attaining accreditation with Sector Education and Training Authorities (SETAs).
- 7. Learners include mostly younger people (between the ages of 18 and 25), with some remaining learners of the previous system of adult learners (36 years and older).
- 8. Lecturers are generally older (40s or older) and are generally underqualified (or incorrectly qualified) for the new demands placed on the CETCs, as it relates to skills programmes. The lack of suitable infrastructure has an adverse impact on the effectiveness of the CETCs. As many of them are housed in schools, classes can only start after 14:00 in the afternoon, regardless of the needs of the learners.

#### 2.1.2. FINDINGS: BENCHMARKING NATIONAL AND INTERNATIONAL CAREER GUIDANCE PRACTICE

#### This study highlighted several examples of best practice at the various stages in the career development process:

- The inclusion of Life Orientation (LO) as a subject in schools means that career education is a part of the curriculum. However, the negative
  perception of LO undermines an important benchmark of good career guidance practice, namely, that career professionals in schools need
  to be highly motivated and appropriately trained.
- 2. TVET colleges have been strengthened and expanded in their capacity to deliver career guidance through a student support model. However, it is still not clear whether career guidance is being delivered consistently and to a high standard as part of student placement.
- Reports indicate that Labour Market Information (LMI) in the form of sector skills information is not reaching colleges and that TVET colleges are working in isolation to employers. The result is that South African institutions are not producing the skills that are needed in the labour market.
- 4. LMI is an important source of information for guidance practitioners, teachers and trainers who support young people in choosing their careers. Similarly, LMI is also important for working adults to steer their careers in the right direction and unemployed people to go back into the labour market by choosing how they can be reskilled.
- 5. The Department of Employment and Labour's (DEL) role overlaps with that of DHET with regards to career guidance and placement of the unemployed (notably youth), yet the systems used by DHET and DEL are not connected. The DEL Employment Services System of South Africa (ESSA) system is used in the registration of work seekers, for identifying vacancies for placement of workers in employment. The DEL also provides psychometric assessments and selection services for placement in learning and work opportunities. This provides a best practice opportunity for cooperation.
- 6. Skills Development Scotland adopted the My World of Work initiative, which provides support for unemployed youth through a cooperative system of intergovernmental support. The service has a built-in career guidance quality review process that allows data to be collected and analysed for young people across all government departments involved in education, training and social support.
- 7. The European Commission (2019) states that, in future, career guidance will support the development of enterprises. Entrepreneurship, therefore, must be included in career guidance services. This can be achieved by connecting career guidance services with various platforms to support start-ups or develop the growth of businesses. This interrelatedness between career guidance and entrepreneurship is reinforced by the Labour Action Programmes (LAP).
- 8. Watts (2013) affirms that there are links between career management, entrepreneurship and self-employment. Ironically, career guidance may emphasise the notion of employment over self-employment. Career guidance systems should provide career and study options that lead to self-employment.
- 9. When employees are aware of a clear career path in the retail sector that they are working in, they stay longer in the same workplace and look for opportunities to advance in the organisation where they are employed. This supports the view that career guidance systems should boost perceived career opportunities by providing clear paths for employees, helping them to move through job titles on a regular progression over time.
- 10. Finally, there is a notable absence of career guidance best practice in Africa. A small number of countries have official policy for career guidance delivery. The absence of skilled practitioners and appropriate resources hinders effective career guidance delivery. South Africa remains the benchmark for career guidance delivery in Africa.

#### 2.1.3. FINDINGS: REVIEW AND UPDATE OF THE WHOLESALE & RETAIL SECTOR CAREERS MATRIX

The primary finding from the research highlighted the changing training landscape in South Africa, due to the introduction of specific occupational qualifications by the Quality Council for Trades Occupations (QCTO). Existing unit standard-based qualifications (sometimes referred to as legacy qualifications) will be replaced by 'occupational qualifications', registered with the QCTO. The skills programmes currently included on the W&RSETA Careers Matrix are made up exclusively of unit standards, which are due to expire in 2023. A restructured Careers Matrix will need to be designed to accommodate this change.

This shift from Education and Training Quality Assurance (ETQA)-registered providers to QCTO-registered training providers will increase the number of providers eligible to develop and provide training for employers aligned to the scope of the W&RSETA. All Skills Development Providers (SDPs) who currently offer unit standard-based training programmes will now apply need to apply to receive accreditation from the QCTO for them to offer full or part-qualifications that have been registered with the QCTO.

The net result of this will be that more providers of occupational qualifications will be able to offer learning programmes in line with the skills priorities of the W&R Sector. Similarly, the current Careers Matrix (2019), which reflects only a small number of occupations represented in the W&R Sector (there are, for example, 1 510 occupation titles on the Organising Framework for Occupations (OFO) framework; however, only 16 of these titles are represented on the W&RSETA matrix), can be broadened to reflect a much wider range of occupations that are more representative of career opportunities in the Sector. This will benefit the W&RSETA by broadening both the range of occupations which they can promote, and with which they can attract talent and new entrants into the Sector, as well as the range of SDPs which are able to train in the qualifications. This broader access to training programmes and SDPs will assist the SETA to address the skills deficits (scarce and critical skills) referred to in the Sector Skills Plan (SSP) as Hard-To-Fill-Vacancies (HTFV).

#### 2.1.4. FINDINGS: W&RSETA STAKEHOLDER ANALYSIS

There are many stakeholders who will benefit from the W&RSETA career guidance service. The entire sector, as well as the individuals working in the Sector, can benefit from a strategic career guidance strategy. Employees from small businesses to large companies and individuals from school-going age to post-retirement are all potential beneficiaries of a well-designed career guidance strategy.

- 1. Negative Narrative Concerning W&R Sector: The most frequently used narrative from across industry stakeholders was that the retail and wholesale industry is not a sector of choice by job market entrants. This is a narrative that the CDU needs to change into one where the Sector is perceived as a preferred sector of employment. The point was made that the current skills matrix represents a small number of careers in the Sector and arguably represents the least appealing careers in the Sector. A career education process should present all career opportunities to attract a strong cohort of graduates into the Sector.
- 2. Terminology Concerning Careers: Career Guidance is a term more commonly used in education settings, whilst career management more so in work settings. The SETA should recognise this distinction in terminology to differentiate its strategy at the different life stages. There seems to be disproportionate attention given to career guidance in educational settings, compared to that provided in the workplace.
- 3. Effectiveness of Workplace-based Training: It was mentioned that Workplace Skills Plans (WSPs) were not reaching their full potential, because their completion was often a rushed process to submit them in time to the SETA. The result is that many employees are sent on training programmes that bear little relevance to their career aspirations and frequently employees drop out of these studies as a result.
- 4. Research: It was reported that several research topics were of interest and need to be explored further, especially those relating to the W&R Sector not being a sector of choice. A theme around research was expanded to ask questions about the personality traits of students who choose retail as their first choice. In addition, there is critical research to do relating to career guidance, bursaries and throughput rates; and the CDU has a strategic role to play in this. The dropout rate of 40% of W&RSETA bursary students reflects an unacceptable level of financial loss, which in real terms suggests that levy payers are not receiving the skills they are funding.
- 5. Future Skills Needs: The Fourth Industrial Revolution (4IR) is having a dramatic impact on Careers 4.0 in the W&R Sector, particularly in Europe, Asia, and America. As 5G technologies become more established in South Africa, so will the adoption of 4IR processes. Careers 4.0 require well-developed cognitive abilities in the Science, Technology, Engineering and Math (STEM) subjects, as well as the cognitive skills required for Digital Literacy.
- 6. Upskilling Small and Emerging Businesses: Flexibility of education is becoming increasingly important as individuals look for recognition for the skills they have learned. The over-regulation of skills programmes might discourage learning rather than encourage it. The acceptance of micro-skills, which are increasingly necessary in a gig-economy must be encouraged with organised employers leading the way. The W&RSETA needs to actively lobby to recognise micro-skilling and micro-credentialing as game-changers for skills development in the wholesale and retail sector.
- 7. Importance of Career Guidance to SETA Outcomes: Subprogramme managers' report that career guidance will qualitatively improve the outcomes of their programme deliverables and stronger regional representation of career guidance is required to support the various SETA subprogrammes.

8. Encouraging Entrepreneurship: The W&R Sector is the easiest sector to enter for entrepreneurs. This is apparent by the country's growing informal sector. The W&RSETA has a critical role to play in encouraging new entrants into the emerging business environment and assisting small businesses to grow. Equally so, the SETA has a role to play in ensuring that start-ups in the Sector can sustain and grow. It is clear from research that small business owners are more likely to sustain and grow when exposed to incubation and mentorship. Research may assist to identify key learning points that can serve as a benchmark of success for future projects of this nature. Entrepreneur development must form part of the CDU research agenda.

#### 2.1.5. FINDINGS: THE W&RSETA STRATEGIC FRAMEWORK FOR CAREER GUIDANCE DELIVERY (SFCGD)

The Strategic Framework for Career Guidance Delivery (SFCGD) framework developed by the PACE Research Institute outlines the context for the delivery of a sector-specific career guidance service for the period 2020-2025. The purpose of the final integrated career guidance and development strategy is to attract talented individuals into the W&R Sector, support them, and ultimately retain them to stimulate sectoral and economic growth.

This SFCGD adopts a dualistic approach that draws upon the Economic Stakeholder Theory (Figure 8) which suggests that the W&RSETA has several key stakeholders, all of whom have identifiable beneficiaries who should benefit from the outputs of the career guidance strategy. The Career Development Life Stage Model (Figure 9) below shows how the career cycle progresses and how career guidance services are required at different stages during that cycle. The figures below explain how the Stakeholder Theory and the Life Stage Model merge when designing a career guidance and development strategy.

#### Figure 1: Example of a Stakeholder Model from a career guidance perspective

EACH BENEFICIARY RECIEVES CAREER (LIFE) STAGE APPROPRIATE CAREER GUIDANCE

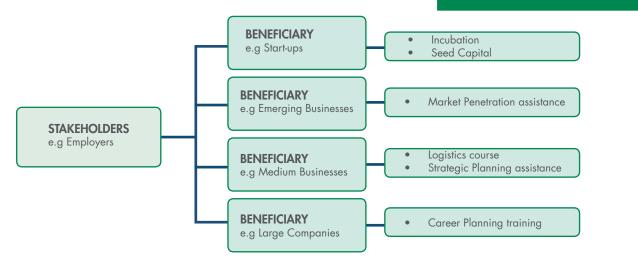
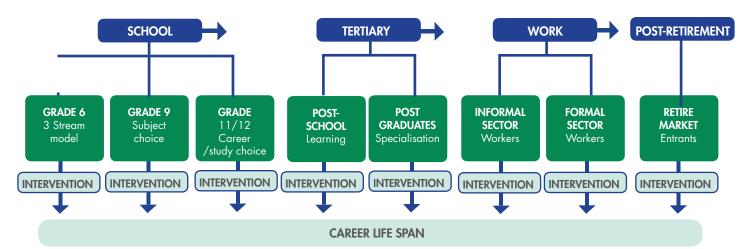


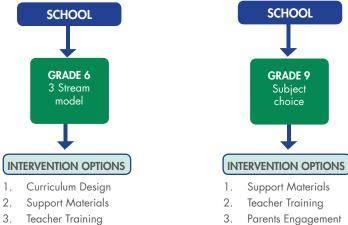
Figure 2: Lifespan Career Guidance Model (South Africa)



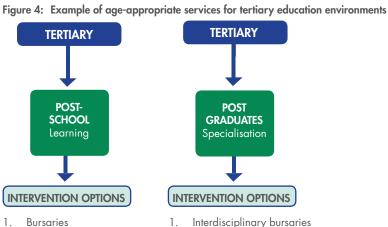
Source: PACE Research Institute (2017)

### **OVERALL FINDINGS OF THE 35 RESEARCH STUDIES** CONTINUED

#### Figure 3: Example of age-appropriate services for schools

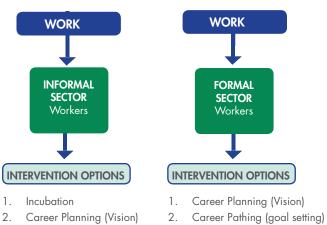


- 4. Sector Information System
- 4. Parents Engagement
- 5. Sector Information System



- 1 Bursaries
- 2. Learnerships
- 3. Internships
- 4. **Aprenticeships**
- 5. Micro credentialing
- Sector Information System 6.
- - Interdisciplinary bursaries
  - 2. **Employability Programmes**
  - 3. Sector Information System





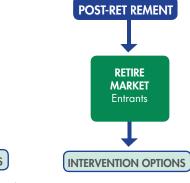
3.

4

Micro credentialing

Sector Information System

- 3. Career Pathing (goal setting)
- 4. Micro credentialing
- Sector Information System 5.



- 1. Mentorship
- 2. Incubation
- 3. Career Planning (Vision)
- Career Pathing (goal setting) 4.
- 5. Micro credentialing
- Sector Information System 6.



- 2. Support Materials
- 3. Teacher Training
- 4. Classroom Talks
- 5. Exhibitions
- 6. Sector Information System

This strategic framework will provide context and direction for the design of the final integrated career guidance and development strategy for the W&RSETA.

The W&RSETA Career Development Unit (CDU) is issued with an annual strategy determined by the Department of Higher Education and Training (DHET). This strategy is considered by the W&RSETA Board, who set the targets that the CDU is to achieve. The W&RSETA CDU targets schools, as this is where a significant number of prospective entrants into the Sector can be addressed.

#### 2.2. FINDINGS THEME 2: IMPACT, EVALUATION, AND TRACER STUDIES

Findings from 3 research studies are dealt with in this subsection. They are detailed in Table 3 below.

Table 3: List of Theme 2	(Impact Evaluation	and Tracer Studies	Research Studies
TUDIE J. LISI VI THEIHE Z	(impaci, Evaluation,	und mater sidules	Research Stoules

#	Date	Title	Author
2. Im	2. Impact, Evaluation, and Tracer Studies (3 Reports)		
2.1	March 2020	Impact Assessment: International Leadership Development Programme (ILDP)	Underhill Corporate Solutions (UCS)
2.2	March 2020	Impact Assessment: Retail Management Development Programme (RMDP)	UCS
2.3	March 2020	Impact Assessments Study for Development of W&R Quali- fication	W&RSETA

#### 2.2.1. FINDINGS: IMPACT ASSESSMENT: INTERNATIONAL LEADERSHIP DEVELOPMENT PROGRAMME (ILDP)

#### The findings from this study were summarised as follows:

- 1. Demographics: For the period 2015 to 2019, the total number beneficiaries who were selected and participated in the study was 117. For the period of the programme, more men participated as compared with women. In terms of population group distribution, Indian people constituted most participants in the programme, while the bulk of participants were middle-aged. Most participants possessed the minimum of a bachelor's degree and were at the senior management level. Most respondents were from the Gauteng. Only 1% of the beneficiaries who participated in the programme had a disability.
- 2. Relevance: The selection of the countries visited was mainly based on how strong the economy of the country was and how easily the business practices of such a country could be applied in the South African context. Respondents agreed that the international workplaces visited, and their experience of the programme met their expectations, with a few exceptions.
- 3. Effectiveness: Most respondents interviewed agreed that ILDP enhanced their appreciation of the global W&R Sector, they experienced an improvement in leadership skills, encouraged them to be champions for the W&R Sector, enhanced their ability to influence other young leaders and enabled them to operate more effectively in a team.
- 4. Accessibility to Disabled and HDIs: Over time, the programme has become more accessible to black Africans, women, and black women. However, persons with disability did not represent the national percentage of 4%.
- 5. Accessibility Education Level: Since the inception for selection into the ILDP, beneficiaries were expected to have a 3-year bachelor's degree (i.e. NQF 7). In the absence of an NQF 7 qualification, candidates were expected to possess the minimum of a Grade 12 and extensive senior management experience with developed capabilities in the areas of strategy, finance, marketing, sales, operations, leadership, and management. In addition, they were expected to complete various short courses/competency-based programmes to be assessed in terms of Recognised for Prior Learning (RPL) against the NQF. In an endeavour to increase the pool of candidates on the ILDP, the Retail Management Development Programme (RMDP) was developed and launched as a feeder programme in 2012. Since then, the RMDP has been the bridging course for beneficiaries into the ILDP.
- 6. Efficiency: Overall, while most of the respondents agree that the programme was efficient, there was an increase over time of respondents who disagreed and raised concerns about the programme.
- 7. Individual Impact: In general, respondents agreed that they believed they were more effective leaders since completion of the ILDP. Other positive changes were noted, such as their ability to execute previously difficult tasks more efficiently and effectively, achievement of goals and targets in the workplace, that the ILDP learning material was applicable to their day-to-day work routine, that they were more likely to provide greater value to their company and that they were able to transfer the leadership skills learnt through the ILDP to their subordinates and others. Overall, the analysis of the impact of the programmes reveals that the programme had a positive impact. There was a decline in the relevance, effectiveness, efficiency, and impact of the ILDP programme over time. It is noteworthy that satisfaction levels were lowest in 2018/2019.

- 8. Career Advancement: Except for 2018/2019, most respondents indicated an improvement in career prospects.
- 9. Return on Investment (ROI): A formal ROI study was not possible for this research. However, certain costs were mentioned, including the beneficiary salary stipend, leave pay for beneficiaries and the costs of substitute staff required when staff were away on training. Employers interviewed indicated that the time spent away from the workplace affected the everyday operations of the business. However, they also indicated that beneficiaries were more productive and effective in carrying out their duties.'
- 10. Sustainability: The programme was well-received and justified in terms of the relevance, effectiveness, efficiency, and positive impact achieved. Employers reported that the programme is only sustainable if it can respond to the specific needs of the workplace. The beneficiaries were reported to be able to lead companies effectively and engage with their subordinates. The programme enabled the SETA to achieve goals, objectives, and targets. Many programme success stories were relayed. The need for constant revision of the modules to ensure their relevance was however expressed.
- 11. Alignment to NQF: The ILDP was not initially linked to a qualification. The ILDP was not initially linked to a qualification until later efforts linked the process to an NQF 8 qualification. This alignment frustrated participants, as well as employers, and caused conflict between beneficiaries, training providers and programme managers. The need to stabilise the programme's entry requirements and programme accreditation is described.
- 12. Challenges: 1) Poor communication between stakeholders was one of the challenges raised by the study. Most of the beneficiaries indicated that there was poor communication from the SETA on how the programme would run, the application, nomination, registration, and acceptance processes into the programme. 2) The introduction of the accreditation for the programme and selection criteria, caused confusion and conflict. 3) Logistical issues, such as the preparation of travelling documents was noted. 4) The annual commencement of the programme was normally delayed by the SETA, which affected planning for most employers. 5) A change in the training provider caused inconsistencies in the programme delivery.

#### 2.2.2. FINDINGS: IMPACT ASSESSMENT: RETAIL MANAGEMENT DEVELOPMENT PROGRAMME (RMDP)

#### The findings from this study are summarised as follows:

- 1. **Programme Relevance:** The overall score of RMDP relevance was 87.6%, which revealed that the majority found the programme to be relevant. Interviews with beneficiaries and employers further attested to the relevance of the programme, with suggestions being made on course content to be added. These suggested contents included the addition of practical immersions, basic computer skills (the MS Office Suite), focus on entrepreneurship and the introduction of simulations in all courses.
- 2. Effectiveness: The overall effectiveness of the programme as 91.3%.
- Efficiency: The overall efficiency of the programme was 83%, with most beneficiaries ranking the programme as highly efficient. Most
  respondents emphasised that they were satisfied with the entire RMDP.
- 4. Impact: Impact was ranked overall as 89.9% with several testimonials from participants and employers noting that the programme was instrumental in the career development of beneficiaries. Most participants highlighted that the RMDP had met their expectations. There was an improvement in the average number of subordinates per beneficiary (from 37 to 66). The majority also noted that they had advanced in their career since graduating from the programme, with 70% reporting a promotion. Most beneficiaries noted that the programme had resulted in enhanced productivity.
- 5. ROI: Although no quantitative assessment was conducted, it was noted by employers, the W&RSETA staff and the RMDP programme manager, the benefits outweighed the costs. The RMDP is thus considered a worthwhile investment, given that performance improvements are clearly observable.
- 6. Relevance: Beneficiary views on the relevance and impact of the RMDP were significantly different between years. This points to the likelihood of limitations in terms of standardisation of the programme delivery across the years, given that beneficiaries had significantly different programme ratings.
- 7. Quality: Further qualitative assessments of in-depth interview results showed that employers and beneficiaries were of the view that the overall quality of management for the RMDP had declined from 2018. Stakeholders mostly pointed to poor communication, more focus on qualification (theoretical)-driven learning at the expense of content (practical)-driven learning. The changes in entrance criteria likely alienated some previously disadvantaged individuals without the NQF 5 minimum qualification required.
- 8. Sustainability: 85% of employers noted the programme needed regular updates to ensure it remained relevant, e.g. with new trends such as the 4th Industrial Revolution (4IR). Changes in the training provider resulted in a lack of standardisation of course content.
- 9. Replicability: 65% of respondents believed that it was necessary to ensure the course was accredited and linked to a qualification, and that a certification of the learner would act as the basis for further education. The accreditation requirement was imposed after the participants were selected for the programme which meant that several beneficiaries failed to qualify for the International Leadership Development Programme (ILDP) which required a minimum NQF 7 qualification.
- 10. Challenges: 1) Most of the beneficiaries indicated that there was poor communication from the SETA on how the programme would run, the application, nomination, registration, and acceptance processes into the programme. 2) The introduction of the accreditation for the programme and selection criteria caused confusion and conflict. 3) A change in the training provider caused inconsistencies in the programme

delivery. 4) In 2018, selection was conducted through a third party with no involvement of the training provider, resulting in mismatches of required entry criteria into the (now accredited) RMDP. 5) Some beneficiaries (40%) noted that four days of study in a week were not enough for them to sufficiently learn. 6) The current training provider experienced challenges in securing accredited venues for national training, delaying the commencement of 2018 classes in provinces besides Gauteng. 7) 95% of stakeholders indicated that, since 2018, the efficiency in management of the RMDP had declined, and communication had been poorly handled.

#### 2.2.3. FINDINGS: IMPACT ASSESSMENTS STUDY FOR DEVELOPMENT OF W&R QUALIFICATION

Significant quantitative and qualitative findings emerged from the study. They will be dealt with separately in this subsection.

#### The following findings are relevant and derive from the qualitative analysis:

- 1. The W&R Qualification Development Programme is known and understood by stakeholders.
- 2. Concerns exist about the absence of a proactive approach and slow implementation of the programme.
- 3. W&RSETA is not clear enough as to which qualifications must be taken up by its applicants.
- 4. The Qualifications Management Board (QMB) of the W&RSETA members raised that they were not involved in qualification planning and the structure of assessments; and that their engagement with employers is weak and sometimes resulted in non-participation of employers in this programme and the uptake of qualifications in the Sector.
- 5. It was noted, with concern, that an extended period was required for learners to complete the learnership programmes; while other learners were not completing the qualification, dropping out before it was due to be completed.
- 6. The absence of timely assessment and the requirement for self-financing by the training provider and employers was affecting the reporting of learner completions to the W&RSETA.
- 7. W&RSETA administration issues were affecting project implementation. These included late grant payments, slow processing of grant applications, slow processes relating to the verification of learners, inadequate capacity in the Monitoring and Evaluation (M&E) division, and the standardisation of the beneficiary adjudication guidelines preventing recognition of the dynamics of specific provinces.

#### The following findings are relevant and derive from the quantitative analysis:

- 1. According to employers, the most funded qualifications were business (40.8%), customer care (18.4%), finance (10.2%), sales and marketing (8.2%), and business management (8.2%).
- 2. Learners pointed to business management (13%), merchandising (12.2%), retail store management (11.3%), financial management (7.8%), and baking as the top five qualifications sponsored by the W&RSETA.
- 3. Compared to prior years (before 2019), grant holders (61.2%) and learners (37.4%) confirmed that 2019 was the year in which the W&RSETA disbursed the highest amount of grants towards the development of the W&R qualifications. Grant holders and learners agreed that the highest proportion of development qualifications were entirely (100%) completed, followed by significant progress (up to 75%), good progress (25%-50%), and some progress (at least 25%) respectively. 44.9% of the grant holders, reported that their skills have improved, and 36.7% confirmed that their skills had improved significantly. Only 18.4% indicated that their skills set remained unchanged. In terms of the learners, the results are 56.5%, 36.5%, and 6.1% respectively.
- Grant holders listed the Occupational Health and Safety Act (OH&SA) as the most critical legislation for compliance in the Sector, followed by the Skills Development Act (SDA). Legislation concerning food and the Basic Conditions of Employment Act (BCEA) followed in succession of Sector relevance.
- 5. From a legislative perspective, the most important documents were the Sector Skills Plan (SSP), National Skills Development Plan (NSDP), the National Development Plan (NDP) and the OH&SA.
- 6. The lack of funding, the inability of learners to pay fees, and unreliable transport were cited as barriers to completion of training. The implementation challenges reported for the grant holders were poor quality in the delivery of courses and the late issue of certificates. Accredited trainers identified late grant payments and increased non-attendance of learners as problems.
- 7. This project contributed to improved skills, improved business competitiveness, and improved adherence to internal controls. Improvements in career development and compliance with Sector standards and specifications, improved Sector contribution to local economic development, and improved access of women to economic activities were cited as positive outcomes of the training.
- 8. 68% of the accredited training providers that participated in the study confirmed that the project achieved its overall objectives.

#### 2.3. FINDINGS THEME 3: THE 4TH INDUSTRIAL REVOLUTION (4IR) AND FUTURE OF WORK

Findings from 5 research studies are dealt with in this subsection. They are detailed in Table 4 below.

#### Table 4: List of Theme 3 (The 4th Industrial Revolution (4IR) and Future of Work) Research Studies

#	Date	Title	Author	
3 The	3 The 4th Industrial Revolution (4IR) and Future of Work (6 Reports)			
3.1	March 2020	Impact of the 4th Industrial Revolution (4IR) on Employment and Growth in the Wholesale and Retail Sector	Redflank	
3.2	March 2020	The New Skills, Training and Qualification Needs Brought About by the 4th Industrial Revolution in the Retail Sector	The Consumer Goods Council of South Africa (CGCSA)	
3.3	July 2020	New Career Opportunities in the Wholesale & Retail Sector Resulting from 4IR	PACE Research Institute	
3.4	March 2018	E-business Developments and Skills Requirements in the Retail Sector	Cape Peninsula University of Technology (CPUT)	
3.5	March 2018	Occupations Contributing Towards Green Skills Within the W&R Sector of the South African Economy	MBS Projects	

# 2.3.1 FINDINGS: IMPACT OF THE 4TH INDUSTRIAL REVOLUTION (4IR) ON EMPLOYMENT AND GROWTH IN THE WHOLESALE AND RETAIL SECTOR

#### The findings were reported as follows:

- 1. **Partnerships:** Various stakeholders indicated that it would be beneficial to attend conferences and workshops to understand the changes more fully being brought about by 4IR and how best to manage these changes.
- 2. Training at School Level: Stakeholders indicated that it is best to start 4IR training at school level, as opposed to waiting until an individual enters the job market. To achieve this, school curricula should be designed with what the market may require in the next 3 to 10 years.
- 3. Change Management: Numerous stakeholders have cited the need for change management practices to take place to manage the change being brought in by 4IR. The key driver behind this suggestion from stakeholders appears to be that employees will need to buy in to the concept of 4IR technologies to find space for them to still be productively employed. This will require the acquisition of new skills and the mind-set of working with new technologies as opposed to resisting the change.
- 4. Sub-sectoral Focus: The key trends in segments of the Sector, are to be dependent on the size of the employer (small, medium, and large) and what market they target (low, middle, or upper-income markets). As a general trend, employers who target the middle to upper-income markets appear to use and sell 4IR technologies more extensively than other employers.
- 5. Uncertainty of the Impact of 4IR: Stakeholders consulted were of differing views on the impact that 4IR is likely to have on employment. Many stakeholders indicated that, if businesses could utilise 4IR technologies, this will provide them with the opportunity to grow.
- 6. Change from the Top: Whilst it is important to upskill lower occupational categories, a key finding in this report is that there is likely to be a high demand among senior managers for 41R skills and the upskilling in this professional group.
- 7. Impact of Negative External Economic Factors: South Africa is experiencing a general trend of reduced economic activity. This places all sectors at risk of facing a period of reduced expenditure. The retail and wholesale sectors have already experienced a period of reduced activity requiring close management of expenses.
- 8. Inadequacy of Training Programmes: Current training programmes are inadequate where they have limited focus on responding to 4IR. In addition, programmes tend to take too long to develop, whilst change is rapid. Customer service skills and other soft skills are a growing demand of 4IR yet lack consistent and up-to-date translation into training programmes.

# 2.3.2. FINDINGS: THE NEW SKILLS, TRAINING AND QUALIFICATION NEEDS BROUGHT ABOUT BY THE 4TH INDUSTRIAL REVOLUTION IN THE RETAIL SECTOR

#### The findings were reported as follows:

- 1. The Future of Work and the 4IR: Based on the results of this study, there remains a significant degree of uncertainty regarding how the 4IR will disrupt the work environment and the skills that accompany work in the retail sector.
- 2. 4IR and Future Job Losses: Younger and less educated respondents are particularly concerned about the potential of job losses. Older more experienced respondents also feared job losses due to automation. That said, the research shows that AI will primarily be used to supplement and not replace humans, but the general lack of awareness and understanding of what the 4IR will bring will inevitably lead to fears of diminishing job security.
- 3. Automation and AI Replaces More Tasks than Jobs: To some extent, the study found that automation and innovation is likely to see tasks rather than jobs taken over by AI or robotics, which would streamline one's job, but not necessarily replace the entirety of the job.
- 4. 4IR Job Losses Mitigated by New Jobs: It is inevitable that the 4IR is bringing with it various new roles some that are yet to be conceptualised. Hardware specialists, cyber security professionals, and software engineers and programmers will see a definite increase in demand, providing more employment opportunities, particularly in the form of contractual flexible work.
- 5. Flexibility and Adaptability: One of the trends that clearly stands out from the research is that adaptability and flexibility are going to be core elements of the 4IR, pervading all aspects of the future work environment.
- 6. Innovation is Multifaceted: One of the most intriguing insights from the study is that innovation and innovative trends should not be solely viewed as digital technological changes. Innovation in the 4IR is a multifaceted concept that encompasses not only digital technological changes, but also the changes in skillsets and skill needs, as well as changes in how knowledge is acquired and utilised. The way we think, work and analyse is undergoing a fundamental change spurred on by the innovations accompanying the 4IR.
- 7. Human Interaction Remains Imperative: Findings from the study recurrently emphasizes the continued importance of human interaction. Despite significant technological leaps, people still prefer to talk to other people in customer care and sales. While automation will take on various current and new tasks across multiple occupations, the human component will remain a crucial part of the retail sector regardless of the 4IR's innovative changes.
- 8. The South Africa's Education System: Across all three streams of research in this study, one thing is clear and that is that South Africa is not yet ready for the changes the 4IR holds for future skills and the future workplace.
- 9. Education and Upskilling: To this end, it is highlighted that although not all organisations currently have or engage in upskilling programmes, there is a need for more involvement from companies in the drive to prepare workers (current and future) for the 4IR.

#### 2.3.3. FINDINGS: NEW CAREER OPPORTUNITIES IN THE WHOLESALE & RETAIL SECTOR RESULTING FROM 4IR

Fundamental to this report was the emphasis that careers are becoming increasingly specialised, which makes it difficult for organisations to find skills and which complicates learning providers' capacity to adequately prepare students for employment. The implications this holds on workplace training is apparent, but from a career guidance perspective it reinforces the principle that, as organisations become increasingly digitised and reliant on their digital systems, the need for specialised skills will increase and so will their associated occupational titles.

The report highlights a merging of industrial sectors where the line between manufacture, wholesale and retail are becoming increasingly blurred, as 4IR technology blends manufacture, wholesale and retail practices. Advances in technology have resulted in factory processes becoming increasingly automated. This opens digital manufacturing opportunities that can be sold directly to the consumer. Additionally, e-commerce and omnichannel business models have, in many instances, combined the warehousing and retailing environments. Advances such as these result in relationship shifts between manufacturers and customers, which results in new career opportunities.

As these sectors co-join the significance of analytical skills and alternative thinking skills (a subset of creative skills) must not be undervalued. Multidisciplinary environments create opportunities for entrepreneurs and this report provides a start to some of the career opportunities that are becoming increasingly available in the wholesale and retail sector.

As new technologies are integrated into the workplace, the need for related specialised skills will become apparent and businesses will begin to recruit for these positions. This recruitment of Careers 4.0 is already becoming apparent, as businesses are increasingly looking for individuals with specialised social media skills (as opposed to general marketing) or specialised machine learning skills (as opposed to computer programming), for example. The academic impact is that institutions will begin to develop programmes that can address these needs and so, from a career guidance perspective, the elements required to offer career guidance are in place.

Such disruption is likely to require an organisational mind shift with union support that encourages flexible employment contracts, non-traditional qualification types, and a reimagining of occupational titles which currently also originate from the ILO.

The vastness of the W&RSETA warrants the welcoming of the Fifth-Generation (5G) mobile technologies inception into the African markets to facilitate quick and efficient service provision. "5G technologies are expected to yield significant consumer benefits (e.g. assisting the disabled, enabling telemedicine), industrial benefits (e.g. automated processes, increased operational efficiencies, data analytics), and economic benefits (e.g. new revenues, new jobs)", thus opening new career pathways.

The W&RSETA has a leadership role to play regarding the recommendations from this report. Industry regularly talks of a mismatch between the courses that tertiary institutions are teaching and the skills or knowledge that employers are looking for. This mismatch becomes more pronounced during times of innovation, as tertiary institutions have difficulty in pinpointing exactly what they should be teaching and what courses they should be developing and offering.

#### 2.3.4. FINDINGS: E-BUSINESS DEVELOPMENTS AND SKILLS REQUIREMENTS IN THE RETAIL SECTOR

#### The following significant findings emerged from the study (which included a literature review and interviews).

#### The findings from the literature review revealed that:

- Progress in Information Technology (IT) and the internet have changed people's behaviour patterns with regards to shopping, and have contributed to a shrinking of geographical distances, and a soaring pace in informational exchange. People are displaying entirely new behaviours in getting information, communicating, and buying products and services; and, as attention levels shorten, purely informational communication to customers will lose impact. For people and organisations, the choice is not online or offline - buyers prefer to combine different channels.
- 2. Given the privacy and data issues, it is crucial to obtain and handle customers' data properly. Excellence in logistics and the application of innovative forms of payment are important determinants of retailers' success.
- 3. The focus of technology innovation is on multichannel and continuous access to various retail store formats. Customers can choose when to use it, it can be provided almost everywhere, and it offers potential for personalisation and individualisation via location-based services.
- 4. As consumers are willing to exchange privacy for convenience, or entertainment provided through digital applications (apps), the large retailers are all heavily engaged in launching apps. But the strategy to use apps to obtain consumer data is not without risk, especially if people become more concerned about privacy issues.
- 5. Online shoppers have no human contact with retail store staff, in contrast to the online shopper's subconscious desire to engage with online stores that are more sociable and personal, so communication, which is close to classic face-to-face communication, is best option in selling.
- 6. Simply attracting site traffic and new customers is not a sustainable strategy. Customer retention is critical, and the main factors that predict e-loyalty are efficiency and problem resolution.
- 7. The important elements of online customer service include reliability, access, ease of navigation, efficiency, responsiveness, flexibility, assurance, security, aesthetics, and personalisation. Building relationships around these dimensions requires access to data and an in-depth understanding of different online consumers.
- 8. It is recommended that companies include e-procurement in their e-business strategy. E-procurement reduces paperwork and time for queries, and enhances the competitiveness of a business, while reducing costs.
- 9. One recent technological development is mobile shopping or m-commerce, where customers use smartphones to identify deals, compare products and prices, and order while on the go. It is thus essential that retailers have a multichannel offering.
- 10. Viral communication channels can spread information at a rapid rate. It is important to know what is happening in social networks and on social media, and for retailers to be able to react quickly.
- 11. Concerns about internet security are the main reason consumers avoid online shopping. Companies must minimise the risk for their clients.
- 12. E-business creates business opportunities, but the implementation of an e-business strategy also has risks and challenges. Retail staff need to have a whole new set of skills and technical expertise.
- 13. With regards to technology, there are implementation costs and risks, and businesses often do not know what technology to invest in and how much to invest in it. Retailers tend to under-invest in technology.
- 14. In a study among SMEs in the United Kingdom (UK) the companies viewed "security-related issues as their greatest threat, followed by viruses and worms, and credit card fraud". SMEs adopted a 'watching brief' to avoid being trapped in first-mover disadvantages.
- 15. E-business implementation can increase sales, improve customer service, and result in better distribution and cost reduction. It is empowering enterprises to build a greater online presence, enhance their image, target their markets, simplify payment systems, improve internal efficiencies, and engage directly with customers.

16. E-business has forced retailers to address the consumers need for individualisation, use of mobile devices, cost containment, flexibility, speed in logistics and security. It is evident that implementing e-business must be regarded as a strategic goal, and a successful e-business strategy must obey the most important marketing principle: Focus on customers' requirements.

#### The summarised findings from the interviews conducted revealed that:

- 1. Asked if it made sense to differentiate developments on a country or regional level, Africa was cited as an example where the country and regional differences are huge.
- 2. Continued concentration of web-based offers and providers was expected by most interviewees, particularly for general distribution services, such as those found on Booking.com, Amazon and Trivago.
- 3. Opinion is varied on the issue of the protection of data privacy: Half the sample said consumers are losing interest in that issue, while the other half expected changes in the wake of scandals.
- 4. The Internet of Things (IoT) or machine-to-machine communication (M2M) business, which allows machines and technical devices to interact without human interference, is developing alongside developments in sensor technology used in things like virtual shopping experiences or the self-driving car.
- 5. According to most experts, significant changes can already be observed in tourism (travel agencies) and in retailing (e-commerce).
- 6. Online communication facilitates precision and efficiency in communication and interaction, and one of the pacesetters is e-banking, which goes much further than only account- keeping and includes a range of financial services.
- 7. Drivers of innovation include IT giants, such as Google, eBay, Amazon, Microsoft, and Apple, and it is users who slow down the speed of change as they are sometimes reluctant to change their behaviour patterns.
- 8. Today's most important development trends are 3D printing, IoT (or machines), payment systems (including micropayments) and big data, which are the drivers of e-business and e-commerce proliferation.

#### The implications for business were revealed as follows:

- 1. The boundaries between business partners and competitors will become blurred and supply chains will become more complex as additional services are added.
- 2. Profit margins will come under more pressure. Some experts indicate that service and after-sales service are becoming more important as their profit margins are higher.
- 3. The most important challenge is to transfer technological developments and innovations into economically successful applications.
- 4. Some offline trade will vanish. Some aspects, like services, will be affected more and others, like fresh food, less. In countries like South Africa, malls have a strong position and will be able to defend themselves against online competition.
- 5. Not all business will be done online soon, and e-commerce must be considered an additional option for clients, and they will choose what they prefer.
- 6. Mall retailers should focus on their competitive advantages (e.g. atmosphere, personal contact, holistic experience of shopping, and entertainment).
- 7. With technological advances customers can enjoy the shopping experience while sitting on the sofa using data goggles, a flat screen or soon a 3D device. These will attract a specific target group. Retailers may experience increased site visits, but lower conversion rates.
- 8. Operating systems and different technological parameters (e.g. speed of processor, size and resolution of the screen, speed of internet connection) will affect the appearance of a company's communication. Changing customer behaviour requires an adaptation in marketing through offering incentives or improving convenience.
- 9. Online shoppers are increasingly concerned about security issues, and retailers must guarantee their customers security if they want to continue doing business with them, this presents two major challenges:

a) To make processes secure against attacks by cyber criminals using highly qualified and experienced IT security experts; and

b) To convince customers and potential customers that they are safe when doing online business with them, which is a marketing and communication task.

#### The findings relating to skills requirements for the Sector are as follows:

- 1. Retailing is considered one of the industries most affected and influenced by e-business, and, therefore, the challenge to get prepared for this change is huge.
- 2. Retailers will require technological expertise combined with strong administrative capabilities and marketing and sales experience. They will have a growing number of positions for data analysts or people who have the tools and processes, as well as understanding of marketing, sales, and behavioural sciences.
- For management and executive positions in retailing there is a growing demand for university graduates, but in selling (because of cost limitations) university graduates will remain a minority.

- 4. The most important competencies retailers will need are networking, communication, adaptability, flexibility, learning, innovation management, creativity, openness to new approaches and agility.
- 5. The availability of information means an increased need for salespeople to have better knowledge, qualifications, and competencies to avoid well-prepared customers knowing more than sales staff.
- 6. There will be much more competition for qualified employees. This will cause salary levels to rise, at least in developed countries, and retailers will have to provide more training and development programmes to ensure they remain competitive.
- 7. There will be a growing need for new job profiles, such as online marketing manager, online merchandise manager, community manager, social media manager, multichannel manager, mobile marketing manager, Search Engine Optimisation (SEO) manager, digital manager, interactive designer, digital web designer, software developer and cybersecurity manager.

# 2.3.5. FINDINGS: OCCUPATIONS CONTRIBUTING TOWARDS GREEN SKILLS WITHIN THE W&R SECTOR OF THE SOUTH AFRICAN ECONOMY

The green concept is yet at its development stage among enterprises in South Africa. The majority of survivalist to small-sized wholesale and retail enterprises are yet to embrace the opportunities in the green economy. This can be attributed to the unforeseen profitability in venturing into green products, as compared to other conventional products.

- 1. Trade Category and Operational Size Influences on Green Implementation: Trade categories and operational sizes were found to influence the extent of green implementations. Owing to differences in the characteristics of the study population, it seemed necessary to differentiate trade categories and operational sizes of enterprises included in the sample.
- 2. Shared Values for Green Occupations, Skills, and Technologies: The study identified some shared values occurring most among the study population. In terms of green practices, there was a common consensus that there are generally acceptable green practices, such as re-use, recycling, and recovering of materials, equipment or other forms of devices, which are mostly tools for operations.
- 3. Occupational, Skills, and Technological Impact on the Environment: Occupational, skills, and technological impacts on the environment were found to be central to the issues often associated with the green movement.
- 4. Market Influence on Green Practices: Green practices, as well as implementations, were found to be generally regarded as a noble and responsible manner of conducting activities among the study participants. Several market-related factors have the potentials to influence both consumers and firms to adapt to the joint responsibilities of green practices.

#### 2.4. FINDINGS THEME 4: SMALL AND MEDIUM ENTERPRISES (SME) AND INFORMAL TRADERS

Findings from 3 research studies are dealt with in this subsection. They are detailed in Table 3 below.

#### Table 5: List of Theme 4 (Small and Medium Enterprises (SME) and Informal Traders Research Studies

#	Date	Title	Author	
4 Sm	4 Small and Medium Enterprises (SME) and Informal Traders (6 Reports)			
4.1	August 2020	Small Business Survey Report	Research and Innovation Unit, W&RSETA	
4.2	August 2020	Covid-19 Economic Survey	Research and Innovation Unit, W&RSETA	
4.3	August 2020	Report on Informal Traders Telephonic Interviews	Research and Innovation Unit, W&RSETA	
4.4	February 2016	The Nature of Existing and Emerging Co-operatives in the Wholesale and Retail Sector	CPUT	
4.5	July 2015	Towards Effective Work-Integrated Learning in the South African Retail SMME Sector	CPUT	
4.6	July 2015	Strategy Alignment of the South African Retail Sector with the National Development Plan: Vision 2030. A summary	СРИТ	

#### 2.4.1. FINDINGS: SMALL BUSINESS SURVEY REPORT

The South African government introduced a phased Lockdown to protect the economy and reduce the chance of Covid-19 transmission. However, many businesses, especially small businesses, experienced financial and economic pressure.

1. The economic consequences of Covid-19 have been severe for informal traders resulting in loss of income and business closure, and were

#### as follows:

- a) 86.8% of respondents indicated a loss in profits;
- b) 28.1% were unable to provide services to consumers;
- c) 31.6% were unable to operate due to Lockdown regulations;
- d) 21.05% indicated they were unable to purchase stock;
- e) 10.5% of businesses underwent business closure;

#### 2. Many businesses sustained their business during the Lockdown period using the following techniques:

- a) 36.5% used business reserves;
- b) 31.3% used personal savings;
- c) 13.9% obtained business finance;
- d) 1.7% had to shut down;
- e) 16.5% used a variety of methods, e.g. delaying payments, borrowing from a personal network.

#### 3. The use of Personal Protective Equipment (PPE) was implemented and financed as follows:

- a) Business reserves (49.1%);
- b) Personal savings (28.9%);
- c) Unable to fund PPE (15.8%);
- d) Borrowing and loans (6.1%).

#### 4. Most businesses highlighted financial constraints as the main Covid-19 Lockdown challenge. The detail is as follows:

- a) Unable to pay employees and suppliers (25%);
- b) Unable to pay basic operational costs (18%);
- c) Loss of revenue (17%);
- d) Lockdown regulations (15%);
- e) op-up skills required (25%).

#### 5. Staff retrenchment was also reported by businesses. The effect of Covid-19 was described as follows:

- a) Loss in sales (28%) and drop in turnover (25%);
  - b) Loss in profits (23%);
  - c) Retrenchment of staff (19%);
  - d) Unable to pay rent (5%).

#### 6. Respondents indicated the following interventions would assist with mitigating the effects of Covid-19:

- a) Financial support (33%);
- b) Skills Development Programmes (29%);
- c) Relaxation of Lockdown restrictions (19%);
- d) Training on scenario planning (such as pandemics) (10%);
- e) Continuous stakeholder engagement (9%).

#### 2.4.2. FINDINGS: COVID-19 ECONOMIC SURVEY

The W&R Sector is experiencing negative economic impact resulting from the Lockdown regulations imposed to avoid the spread of Covid-19.

- 1. Many respondents to this survey (58% of which are small) experienced complete (31%) or partial (27%) business closure during Lockdown Level 5, decreased turnover and were anticipating retrenchments due to the Covid-19 pandemic and its accompanying disruptions.
- Although it is uncertain as to why, 69% of businesses that experienced a decrease in sales may have experienced such, because of limitations on operational hours and the kind of products that could be sold. Only 4% of respondents indicated that their businesses experienced an increase in sales.
- 3. 94% of respondents indicated their business turnover was below the normal expected range.
- 4. The economic impact of Covid-19 was visible across the W&R Sector. It has been anticipated that the interrupted flow in supply and demand of goods might lead to indirect impacts, such as inability of businesses to pay employees or manage their operational costs. This might be in addition to costs that are associated with Covid-19 prevention and precaution, such as PPE and sanitisers.
- 5. Measures to reduce expenses in the Sector include shortening work hours, reducing staff, pausing recruitment and onboarding students for internships and work-integrated programmes. While 39% of respondents indicated that their businesses have applied for business rescue or relief, the remaining 61% have taken more stringent measures to minimise further financial risk or potentially closing business.

- 6. Due to Covid-19, social distancing and refraining from public spaces has been advised as a precautionary measure for slowing down transmission. As a response, many businesses had to revert to working virtually, with education and training institutions having to include e-learning, telematic studies and blended learning until a more suitable time for face-to-face training. Only 11% of the respondents surveyed believe that the Sector is prepared to begin implementing e-learning or blended learning.
- 7. Only 28% of the respondents consider the socioeconomic impact of Covid-19 on the Sector as a priority research focus for improving Covid-19 interventions, while 49% believe that the use of existing and emerging technological tools to minimise future business disruptions is a priority. Research to be conducted could be focused on how businesses can pivot to meet the demands of the so-called 'new normal' together with the skills required to do this.
- 8. While 50% of respondents indicated that Safety, Health, Environment & Quality training should be a priority it can be assumed that there is a lack of SHE&Q practitioners that can help in managing the impact of the pandemic, as well as planning for the future. SHE&Q training should be prioritised by W&RSETA as a mitigation tool against Covid-19, data shows that 70% of businesses do not see the need to employ a fulltime Safety/Covid-19 Officer. Businesses require employees with SHE skills, but will not have the budget to employ a full-time SHE officer.
- 9. In addition to retrenchments and difficulties paying employees and suppliers, 44% of respondents foresee a decreased workforce size after opening once Lockdown is lifted, and 34% anticipate that the workforce size will remain the same.
- 10. While many businesses might not qualify for loans, business rescue or relief funding, measures, such as reductions in remuneration and benefits, as well as reduction in the casual labour staff complement are being implemented. Some respondents expressed a concern that they might not have the appropriate resources or be eligible to apply for this funding.
- 11. Reskilling seems to the lowest priority for businesses. Businesses are under severe pressure in the short-term and need to make decisions that lead to an immediate reduction in costs. Full qualifications (learnerships) were only considered by 15% of respondents as a relevant intervention for reskilling staff members. Furthermore, 30% of businesses indicated that re-skilling is required, whilst 25% indicated the development of new delivery models will be required, which will also require reskilling.
- 12. The low increase in online and WhatsApp sales growth may be an indication that the Sector does not have the resources and/or the skills to move towards e-commerce, which has been a growing form of shopping, especially during Covid-19.
- 13. Applying for business relief grant or loans from government or private funders can lessen the financial burden for business. Although uncertain as to why, 21% would not apply and 32% are unsure. A concern in this area would be whether businesses know where to look for grants and whether businesses have alternative interventions to consider in cases where they do not qualify for relief grants and loans.

#### 2.4.3. FINDINGS: REPORT ON INFORMAL TRADERS TELEPHONIC INTERVIEWS

Small businesses and informal traders experienced financial and economic pressure because of the Lockdown regulations imposed to avoid the spread of Covid-19. Many respondents experienced a loss of turnover, suspension of operation, declining profits, difficulties in purchasing stock, staff retrenchments and some businesses closed permanently due to the Covid-19 pandemic and its accompanying disruptions.

- Loss of Income and Business Closure: The economic consequences of Covid-19 have been severe for informal traders resulting in loss of income (80%) and business closure (9%). Other effects included informal traders being unable to buy stock (5%), suspension of operations (5%) and the inability to service customers.
- Skills Required: Informal traders overwhelmingly expressed a need for broader management skills to grow their businesses (74%). Other skills required included financial management skills (10%), marketing skills (7%), business management skills (6%) and customer services skills (3%).
- 3. Trust and Confidence in government and its agencies were at a low level, with respondents expressing discontent and research fatigue for being contacted to participate in the research process, whilst the public sector is seen as making unfulfilled promises.

#### 2.4.4. FINDINGS: THE NATURE OF EXISTING AND EMERGING CO-OPERATIVES IN THE WHOLESALE AND RETAIL SECTOR

#### The following significant findings emerged from the study:

- The study has identified the development of co-operatives in South Africa with emphasis on the enlightened post-1994 legislative environment, and concludes that the legislative environment is well-defined and conducive to the development of co-operatives. What is not well-defined is the distinction and accuracy of the type and number of co-operatives.
- 2. The literature has suggested that most co-operatives reside in the agricultural sector, but these determinations have been geographically localised according to the study examined. The status of co-operatives in the W&R Sector, specifically, is inconclusive.
- 3. Sixty-two percent of co-operatives reside in the three most populous provinces of the country: KwaZulu-Natal, Gauteng and the Eastern Cape (2012). Literature proposes that this is the result of political expediency, rather than entrepreneurial spirit. It is important to note that more than 80% of registered co-operatives had neglected to submit their financial returns and are considered, therefore, to be failed co-operatives.
- 4. The assessment framework in this study was derived from international best practice as described in both local and international literature. The framework was identified around four themes evident from the literature. These themes are legislative arrangements, management and infrastructure arrangements, training and skills issues, and marketing issues.

- 5. Possible interventions were identified in the literature and tested. These range of interventions consisted of: a) Training in financial management for co-operative members;
  - b) Training in marketing for co-operative members;
  - c) Training in product specific technical issues for co-operative members;
  - d) Training in product specific technical issues for co-operative staff;
  - e) Technical support centres with extension officers;
  - f) Expert financial managers/consultants to maintain financial records for co-operatives;
  - g) Centralised marketing facilities to promote and distribute co-operatives;
  - h) Business hubs with offices and factories to provide infrastructure to co-operatives;
  - i) Training in the philosophy, nature and substance of co-operatives; and

j) A business management qualification, which includes all aspects of business management for co-operative members; and Increase in the amount of financial loans and grants available.

\* Since publication of this research, this data has changed. The most populous provinces in South Africa are Gauteng, KwaZulu-Natal and the Western Cape.

#### 2.4.5. FINDINGS: TOWARDS EFFECTIVE WORK-INTEGRATED LEARNING IN THE SOUTH AFRICAN RETAIL SMME SECTOR

#### The following significant findings emerged from the study:

- 1. SMME Participation in WIL: Available data indicates that most retail business WIL activities of South African Universities of Technology (UoT) and Technical and Vocational Education and Training (TVET) colleges involve large retailers. SMMEs are not participating significantly in retail student workplace internship programmes.
- 2. Stakeholder Consensus Perceptions and Attitudes to WIL: There is stakeholder consensus regarding the value of well-planned, integrated and implemented student WIL with retail SMMEs, in terms of practical skills development, employability and career scope in the Sector. There is not consensus regarding criteria and modalities for WIL effectiveness, processes for coordinating academic and SMME workplace learning outcomes; and strategies for cost-effective synergies between vocational education institutions, learning governance agencies, including the Department of Higher Education and Training (DHET), Council on Higher Education (CHE) and the Quality Council for Trades and Occupations (QCTO), corporates and SMME workplace mentoring. Reflecting this diversity of WIL perceptions, a seasoned stakeholder has described South African WIL policy and implementation as "vigorously contested terrain".
- 3. Academic Staff and Work Placement Officers: Almost all academic and work placement staff recognise the value of career-relevant WIL, in its various modalities. Concerns expressed relate to the current diversity of approaches and the need for consensus on a defined WIL framework, which will be credible for employers and students alike; and challenges of time management for SMME workplace assessment and quality assurance of learning.
- 4. Students: All students surveyed are eager to gain relevant workplace experience and employable skills, towards a recognised qualification. Most expressed preference for their WIL within a well-known, large business where they will gain good practical exposure; and be able to show this 'reputable business' experience on their CVs. In this context, few students believe that SMMEs will meet these 'competence' and 'employability' criteria.
- 5. SMME Retailers and Trade Associations: Many SMME respondents recognise the value, which they themselves gained from good workplace experience; and want to help 'make a difference' in their communities, as well as improve the profile of their business, by developing competent young talent. Adequate time for WIL duties in small or micro enterprises is frequently identified as a 'major constraint' to coach a student; regional SMME co-operatives and financial support should, therefore, be built into WIL policy, to achieve viable workplace learning.
- 6. DHET and SETA Management and Learning and Development (L&D) Practitioners: Most DHET and SETA executive management, as well as several independent L&D practitioners, are aware of the current diversity of the current of WIL interpretations; and support the need for a national WIL policy and regulatory framework. Proposals from Retail Sector educational institutions are urgently needed for discussion, especially relating to:

a) Curriculum constraints;

- b) Capacity-building of SMME co-operatives for WIL support; and
- c) Funding of competent regional WIL mentors.

The literature insights and survey findings conclude that for WIL in SMMEs to succeed, economic sustainability and entrepreneurial management skills need to be strengthened, supported by collaborative WIL processes and effective workplace mentorship strategies.

# 2.4.6. FINDINGS: STRATEGY ALIGNMENT OF THE SOUTH AFRICAN RETAIL SECTOR WITH THE NATIONAL DEVELOPMENT PLAN: VISION 2030. A SUMMARY

#### The research found that:

- Most respondents supported a 'top five' list of societally inclusive NDP: 1) nation-building and social cohesion; 2) fighting corruption (70%);
   3) economy and employment (60%); 4) South Africa in the region and the world; and 5) health care for all.
- 2. 64% of respondents most highly aligned with the 'top five' strategy themes were from corporates and their franchisees; while 36% were from independent retailers and traders. 'Active citizenry' is most evident in major companies, which have the institutional capability and budget and are in regional cooperatives or national business associations. Rural retailers (independents and co-operatives) were seldom well-informed about or aligned with NDP strategies.
- 3. While many respondents recognised their importance, their 'active citizenry' commercial strategies were focused on community relations, customer centricity and sales promotion initiatives and they seldom rated them as core to their business plans.
- 4. Over 70% of respondents indicate awareness of, or support for, environmental issues, while over 25% do not see it as their strategic priority.
- 5. The 'bottom five' strategy alignment 'gaps' for the Sector included 1) economic infrastructure; 2) building safer communities (almost 60%); 3) inclusive rural economy; 4) building a capable and developmental State; and 5) social protection. This ranking depicts the 'business as usual' perspective in that these NDP themes and objectives are 'capable State' governmental accountabilities and are not 'active citizenry' imperatives for their profit-driven W&R business plans. These strategies were "government's job, not ours: that is why we pay taxes". These included 'capable State' accountabilities, such as zero emission building standards, inclusive urban spatial planning, cost-efficient public transport services, early childhood development, basic education standards, crime prevention and State staff competence.
- 6. The W&R Sector concerns relate to: 1) The nature, authority and competences of a 'capable, developmental State'; 2) The leadership accountabilities and management approaches for achievement of clearly defined, shared W&R Sector socioeconomic developmental objectives; and 3) The practicalities of businesses, unions and government working towards an agreed Retail Sector Charter.
- 7. The typical NDP alignment incentive for South African W&R enterprises emerging from the study is the opportunity to make sustainable profits through community visibility, customer loyalty, sales promotion and expense controls.
- 8. Evidence of W&R governance strategies towards building a 'capable State' is low, especially for independent SMMEs and informal traders, for whom survival is the driving motivation.
- 9. The strength of NDP strategy alignment and commitment to sectoral implementation of these themes varied greatly within the Sector. Evidence of NDP alignment in Corporate Social Investment (CSI) projects, and by 'active citizenry' involvement of W&R business leaders in business chambers, Retail Sector associations and/or national business federations include the following: Retailers Unite against HIV/AIDS Initiative; Sustainable Retailers Forum; Southern Africa Food Laboratory Project; Southern African Sustainable Cotton, Textile and Apparel Cluster; and Retail Council and Consumer Goods Council of South Africa seminars.
- 10. Several executives, however, said their business plans include commitment to social investment.
- 11. 50% of respondents indicated that the building of a 'capable, developmental State' is not applicable to their business plans. Respondents had reservations about State authority, roles, red tape and accountability for service standards.
- 12. The range of responses reflects the diversity of culture, household disposable income and living standards measures, the market concentration of major companies, high expectations of State support amongst emerging traders; and the lack of W&R 'active citizenry' collaborative commitment to 'A Plan for All'.
- 13. Several role-players commented that few of the NDP's 13 strategy themes, 75 objectives and 119 proposed action steps have direct alignment with their commercial strategies to meet the profit and pricing expectations of investors and customers.
- 14. One managing director of a national retail chain said: "We are a retail commercial business and serve many stakeholders, who expect commercial results."
- 15. But many have adopted business strategies aimed at promoting transformation through employment equity, staff wellness, skills development, anti-corruption policies, social responsibility and community development initiatives, which will increase brand visibility and sales.

# 2.5. FINDINGS THEME 5: EMPLOYMENT AND UNEMPLOYMENT IN THE SECTOR

Findings from 2 research studies are dealt with in this subsection. They are detailed in Table 6 below.

#### Table 6: List of Theme 5 (Employment and Unemployment in the Sector) Research Studies

#	Date	Title	Author
5	Employment and Unemployment in the Sector (2 Reports)		
5.1	March 2021	Casualisation of Labour in the South African Retail Sector	CPUT
5.2	June 2015	Retail's Contribution To, and Strategies For, Job Creation and Retention	CPUT

# 2.5.1. FINDINGS: CASUALISATION OF LABOUR IN THE SOUTH AFRICAN RETAIL SECTOR

# The findings of this research indicate the following:

- 1. Casualisation is introduced for several reasons. These include economic crisis, demand for talent, information technology developments, as well as labour market deregulation.
- 2. There are challenges with casual labour in the various countries. Some of these challenges are also experienced within the W&R Sector in South Africa. One of the growing trends is the growth of casual labour in recent years. This was mainly due to structural change according to industry, such as privatisation, reduction in unionisation and an increased incidence of casual employment in new workplaces and firms.
- A concern raised was that wages of casual workers are not earning enough for them to support their families. These workers, therefore, complement their income by having alternative jobs in the informal sector or other cash-generating activities, which can lead to exhaustion, work-related accidents, and a poor work-life balance.
- 4. There is an increased demand for casual labour during certain peak seasons, e.g. staff and Black Friday.
- 5. There were also negative factors affecting the employment of casual workers, such as technological changes and the need for training and qualifications. These can be mitigated through the training of casual labourers on the new technologies to increase their chances of continuous employment, or even permanent employment.

### 2.5.2. FINDINGS: RETAIL'S CONTRIBUTION TO, AND STRATEGIES FOR, JOB CREATION AND RETENTION

- The findings are an indication of the multifaceted and dynamic challenges facing the Retail Sector locally and internationally. The global changes have a rippling effect on the Retail Sector in South Africa and the shift from permanent jobs to casualisation and contract employees is a possible and viable solution. The union influence is also another influencing factor, as casual and contract jobs are mostly distributed by labour brokers in South Africa.
- The study also revealed the volatility of the Retail Sector when there are unprecedented developments, such as economic meltdown, the Sector is forced by prevailing circumstances to shed jobs and this results in retrenchments and job losses and reduces any previous gains in employment.
- 3. The influence of technology is a key factor affecting jobs in the Retail Sector, with threats to the number of people employed and a change in work due to online shopping, e- commerce and e-marketing. Traditional brick-and-mortar stores, warehousing and transport logistics are all areas, which will be affected by changes in technology and the customer's needs.
- 4. Empowerment and transformation in the Retail Sector is imperative, as the Sector reflects a workforce in need of transformation at several occupational levels.

# 2.6. FINDINGS THEME 6: BEST PRACTICE IN EDUCATION, TRAINING AND SKILLS DEVELOPMENT

Findings from 4 research studies are dealt with in this subsection. They are detailed in Table 7 below.

#### Table 7: List of Theme 6 (Best Practice in Education, Training and Skills Development) Research Studies

#	Date	Title	Author
6	Best Practice in Education, Training and Skills Development (4 Reports)		
6.1	March 2020	Mentoring Model Using Retail Retirees to Develop Skills of New Retail Managers	CPUT
6.2	April 2019	How to Design and Harness the Value of Workplace Learning in Wholesale and Retail	Dedosa Consulting, DUT
6.3	March 2019	Decolonization and its Application to Existing RBM Programmes: The Power of Indigenous Knowledge	СРИТ
6.4	March 2016	A Model to Operate and Use a Retail Store for Workplace Experience and Research on the Cape Peninsula University of Technology Campus in Cape Town	CPUT

# 2.6.1. FINDINGS: MENTORING MODEL USING RETAIL RETIREES TO DEVELOP SKILLS OF NEW RETAIL MANAGERS

#### The following significant findings emerged from the study:

- 1. Mentoring plays a role in talent management and is a reliable tool for people development, in a general sense.
- 2. However, the nature of mentoring, its current scope and its application in companies may not be clearly understood as it is highly probable that there is definitional confusion between the concepts of mentoring and coaching.
- Thus, there exists scope for developing the concept, purpose and goals of mentorship as a practice, allied to coaching, but with its own clear purposes and goals. For this to happen, there needs to be a collaborative approach by stakeholders across the Retail Sector, educational institutions and professional bodies.
- 4. An appropriate model needs to be positioned as a specific peer-learning directed model that includes a defined structure and roles between stakeholders and mentors. Its success is predicated on the ability to promote the idea that retired retail employees are an invaluable resource that need to be nurtured.
- 5. Such retirees are vital to the Sector as a means of developing talent, not only of new recruits and junior management, but also a resource for young entrepreneurs who intend to start up a retail business.
- 6. A mentorship model needs to be developed and positioned as a peer-learning directed model that includes a defined structure and clear roles between stakeholders, mentors and mentees. This model for mentoring should be the most suitable for large, medium and small retailers. Any mentorship model should focus on the mentoring needs of smaller retailers and the research suggested that the majority (80%) of retailers would prefer to use retired employees, as opposed to external mentors.
- 7. It is conceptualised that such a model will be implemented in a one-on-one fashion, delivered by an experienced mentor to their mentee, making use of digital communication tools. This is seen to ensure the greatest benefit for mentors and mentees.
- 8. The proposed model, therefore, calls on professional bodies and the W&RSETA to form an alliance to promote the use of retired mentors in the Sector.

# 2.6.2. FINDINGS: HOW TO DESIGN AND HARNESS THE VALUE OF WORKPLACE LEARNING IN WHOLESALE AND RETAIL

- 1. A substantial number of retail workers are younger than twenty-five years and consequently have little or no prior work experience. They view their jobs as temporary positions, a chance to earn some money while in school, or while they try to find a better job. Frontline and entry-level workers experience one of the highest labour turnover rates in the economy (approximately 65 percent).
- he amount of training for entry-level and frontline retail employees varies, but is widely considered to be minimal. Industry insiders acknowledge the problematic cycle of disinterest and disinvestment in this group of employees. Due to high levels of turnover, employers build turnover costs into their costing model and, therefore, limit investment in the largest segment of their workforce.

- 3. Frontline retail career pathways (which are generally entry-level positions) differ from entry-level positions due to the significantly skewed ratio the entry-level and frontline staff as compared with managerial staff. The number, as well as turnover of this group of staff, has resulted in the absence of a sector-wide strategy for career progression and the qualifications and credentials relating to this. As a result, both employers and employees report that it is more difficult to identify career potential in the retail industry.
- 4. Additionally, and due to the impact of the 4th Industrial Revolution (4IR), the future of retail is uncertain. Brick-and-mortar retailers must place an ever-greater emphasis on customer experience, to differentiate themselves from and compete with online retailers, and the continuing innovation and automation in all areas of retail, will result in the number and type of employees changing.
- 5. It was found that in designing a workplace training model and harnessing the success of this model of training requires that, 1) leadership mobilise internal and external commitment to the training delivery method; 2) the organisation embraces a culture of advancing staff and developing clear career pathways; 3) encouraging employees to learn and providing positive support for learning in the workplace is the most effective way of guaranteeing organisational change.
- 6. In designing a successful workplace learning programme, certain factors were identified as relevant. These include, 1) a flexible and accessible learning model should be developed; 2) more time off is needed for staff to participate in learning programmes; and 3) the programme must meet the needs of both the employer and employee.
- It was also noted that successful workplace learning experiences in retail must be bolstered by a formal mentorship programme for participants using external partners, such as Technical Vocational Education and Training (TVET) Colleges and Higher Education Institutions (HEIs).
- 8. It was also found that constant monitoring and evaluation of the learning programme should be conducted to determine if adjustments are required and celebrate successes where appropriate.

# 2.6.3. FINDINGS: DECOLONISATION AND ITS APPLICATION TO EXISTING RBM PROGRAMMES: THE POWER OF INDIGENOUS KNOWLEDGE

#### The following significant findings emerged from the study:

- There have been strong moves by students to 'decolonise' education since the advent of the "Rhodes Must Fall Movement" in 2015. Furthermore, two decades into the new South Africa, the RBM curriculum is still based primarily on Western knowledge and thinking, mainly from retail theory and practices developed in the United States and taught from American textbooks.
- A comprehensive analysis of published literature revealed that the curriculum that is currently being used for teaching and learning in local institutions is largely based on Western epistemologies, which are primarily the works of American and European academics and philosophers.
- 3. The study found that most of the curriculum recipients do not identify with the current curriculum as it is divorced from their lived experiences, including their culture, language, values and beliefs. The study also founded that indigenous knowledge systems were largely overlooked in the process of developing the current curriculum.

# 2.6.4. FINDINGS: A MODEL TO OPERATE AND USE A RETAIL STORE FOR WORKPLACE EXPERIENCE AND RESEARCH ON THE CAPE PENINSULA UNIVERSITY OF TECHNOLOGY CAMPUS IN CAPE TOWN

#### The following significant findings emerged from the study:

- 1. This study comprised a comprehensive literature survey and interviews concerning Work Integrated Learning (WIL), with emphasis on approaches to workplace experience, and what is required by the retail industry and the retail programmes. The target group for the study were retail lecturers at CPUT, five major retailers based in the Western Cape who participated in this project and who are knowledgeable experts from retail chain groups and five others who are experts in work integrated learning and or retail.
- 2. The result is a model that structures the practical operational, supervisory and management experience that students will be getting during their study period. The model also specifies possible research areas for students, staff, the retail industry and other experts. The model further outlines how the retail store must be jointly managed by all participating parties to ensure operational efficiency and the achievement of the experience and research objectives. The development of a workplace experience model for retail students to gain experience by working on a retail store on an academic campus can be seen in the retail logbook developed.

### Certain issues were identified in the research study:

- The question of how WIL can bridge the gap between practical work experience and academia and ensure that students at a retail store situated on an academic campus are able to gain workplace experience, and use the store for research purposes, leads to further questions on the nature of the skills development legislation and its terminology.
- 2. The limitations of the logbook are dictated by the size of the retail store and just how much can be done to give the student a truly authentic learning experience.

- 3. The development of a model for the establishment, management and running of the store requires buy-in from retailers. Retailer participation, flexibility and enthusiasm for the project is key to ensuring that the project is a success. Incorporating the research component into the logbook is key to introducing the research component to students.
- 4. Although the type of research may be limiting due to the specific target market and the practical limitations within the store, students are introduced to informal research practices.
- 5. A model to operate and use a retail store for workplace experience and research on the CPUT campus was developed. This model included the following objectives:

a) Objective 1: Develop a workplace experience model for retail students to gain experience by working in the retail store at CPUT campus.

- b) Objective 2: Develop a model for using the store for research purposes.
- c) Objective 3: Develop a model for the establishment, management and running of the store.

### 2.7. FINDINGS THEME 7: IMPROVING THE SECTOR'S PERFORMANCE THROUGH RESEARCH

Findings from 10 research studies are dealt with in this subsection. They are detailed in Table 8 below.

# Table 8: List of Theme 7 (Improving the Sector's Performance through Research) Research Studies 2.7.1. FINDINGS: WASTAGE: ITS EFFECT ON GREEN RETAIL AND ITS ROLE IN SOCIOECONOMIC IMPROVEMENT AND FOOD

#	Date	Title	Author
7	Improving the Secto	or's Performance through Research (10 Reports)	
7.1	March 2020	Wastage: Its Effect on Green Retail and its Role in Socioeco- nomic Improvement and Food Security	CPUT
7.2	February 2020	A Study to Determine the Optimal Tenant Mix in Shopping Centres	Professor Hoosen Rasool, Durban Univer- sity of Technology (DUT)
7.3	February 2020	Ethnography as a Competitive Advantage in Retail: A Study of How Ethnographic Research is Used in Food Courts in Shopping Malls	Professor Hoosen Rasool and Yumna Rasool, DUT
7.4	March 2018	Evaluation on Customer Centricity in South African Retail Business Strategy and Processes	UCS
7.5	August 2018	The Influence of Internal Control Activities used by Sole Trader South African Small, Medium and Micro Retail Enter- prises Operating in Cape Town and the Attainment of their Key Financial Objectives	CPUT
7.6	August 2018	Source Document Usage and the Financial Sustainability of South African Small, Medium and Micro Retailers	CPUT
7.7	March 2020	Status and Challenges of Automation in the South African Retail Sector, including Automated, Self-Service Checkouts	СРИТ
7.8	August 2016	Financing for SMME Start-ups, and Expansion for Estab- lished SMMEs, in the Retail Sector	CPUT
7.9	April 2020	The Changing Face of the South African Retail Industry through Social Media Marketing, Changes, Growth Oppor- tunities, Challenges and Impacts on Retail	CGCSA
7.10	August 2017	Profiles of African Countries with Most Potential for SA Retailers' Expansion into Africa	CPUT

#### **SECURITY**

There was a total of 241 respondents.

#### The findings from the survey were as follows:

- 1. Management of Company's Paper and Plastic Waste: There was an even split between retailers that do their own waste management (64), that appoint their own waste management company (63) and those that use a municipal waste management service (59). A significant number of retailers (34) noted a combination of the above options. There were only 10 mentions of retail centres or landlords managing waste and another nine mentions of 'other'. This included informal collectors, 'bakkie' collectors, dropping off their own waste at drop-off centres, and one retailer that donated waste to a local school, most of which can also be categorised as 'own waste management'.
- 2. Management of Company's Food Waste: Seventy-two respondents reported that they utilise municipal waste management services to dispose of their food waste, 55 respondents manage their own food waste, 35 have appointed a waste management company, and six rely on their retail centre for food waste management. Nineteen respondents utilise a variety of food waste management options (mostly a combination of own waste management and municipal/appointed company). The graph below provides details on which waste management companies are used by respondents.
- Appointed Waste Management Companies: Most respondents use Do not Waste and Interwaste to manage their waste, followed by Interwaste, EnviroServ, Averda and WastePlan. 'Other' includes Echo Waste, Lothlorien Recycling, Waste-Mart, Why Waste, Remade Recycling, The Waste Group, EcoCycle, and ECO Services.
- 4. Companies Implementing Waste Reduction Initiatives: One-hundred and thirty-one respondents (54%) are implementing waste reduction initiatives. Seventy-six respondents (31.5%) are not implementing waste reduction initiatives, while 34 (14%) are not sure if their company is implementing waste reduction initiatives. Many of the retailers that were surveyed had initiatives that fall under the waste principles of 'reduce, reuse, recycle'. The survey showed that of the 131 retailers that said they are implementing waste reduction initiatives, 47.3% have 'recycle' initiatives in their businesses. Some recycling initiatives include:
  - a) Plastic, paper, cardboard, glass and pallets recycling,
  - b) Colour coded bins in offices,
  - c) Setting recycling targets,
  - d) Spent oil and recycling of water,
  - e) Recyclable plastic bags, and
  - f) Asset Recovery and Recycling (ARR) initiatives.

Of the 131 respondents who are implementing waste reduction initiatives, 16.0% focused on 'reuse' within their businesses. Reuse initiatives included the reuse of A4 paper in retailer offices, packaging is reused for internal storage and distribution where possible. Many of the 'reduce' initiatives outlined by retailers were in the reduction of paper usage in offices. Other retailers said they encourage customer reuse by providing reusable carrier bags. 10.7% of retailers specifically mentioned the adoption of technologies that would minimise the need for printing and creating a culture and business environment of little to no printing through electronic alternatives. Moreover, 8.4% of retailers' reduction initiatives included packaging reduction in the following ways:

- a) Using less plastic and bubble wrap,
- b) Selling in glass and instituting a deposit return scheme for glass,
- c) Unpackaged procurement,
- d) Removing plastics straws, and
- e) No plastic carrier bags.

Other packaging initiatives were biodegradable packaging and products for customers and loose format fruits and vegetables to reduce the need for packaging. The survey results show that of the 131 respondents, 7.6% of waste reduction initiatives are donations of surplus food. Moreover, 9.2% of retailers reported that their food is composted or sold/donated to farmers for animal feed. One retailer also added that slightly damaged vegetables are peeled and processed for the deli (prepared food) and for all their meat products, the final bones and shavings are sold off.

#### Some waste initiatives that were mentioned less frequently include:

- a) Research and development currently being conducted to understand the composition of the waste and potential solutions;
- b) Initiatives targeted at suppliers where they are required to use recyclable packaging when supplying raw materials;
- c) Clothing bank initiatives; and
- d) Heat recovery from generators.

- 5. Companies Implementing Education Programmes and/or Awareness Campaigns: Most respondents (145/62%) are not implementing education or awareness campaigns for waste reduction, whereas 76 (33% of respondents) are implementing campaigns, and 12 (5% of respondents) do not know whether they are implementing campaigns. Of the 76 retailers that said they are implementing education or awareness campaigns, 52.6% of retailers have staff training/education initiatives, as well as internal recycling initiatives, such as colour-coded/separate recycling bins. Other ways retailers said they encourage and educate internal and external stakeholders is through reporting in sustainability reports and monthly departmental reporting. Furthermore, one retailer revealed that apart from training staff, they also train their suppliers and collaborate with them to discover innovations for improvement. 13.2% of the 76 respondents said they have public awareness campaigns. Of the 76 respondents, 9.2% of retailers reported that they have company policies on waste reduction which they adhere to.
- 6. Companies Implementing Green Building Initiatives: One hundred and twenty-eight respondents are implementing green building initiatives, which equates to 55% of respondents. Ninety-one (40% of respondents) are not implementing green building initiatives, and 14 (6%) were not sure if they were or were not. Many of the initiatives employed by retailers are focused on monitoring and reducing energy and water consumption levels. The 128 retailers who said they are implementing green building initiatives have the following initiatives in their respective businesses:

a) Lights – 16.4% of respondents said they use LED lights, low-voltage lamps, motion sensor lights or natural light.

b) Water – 12.5% of respondents said they have implemented water saving programmes, such as installing flow restrictors on taps. Some retailers also mentioned that they introduced disposable crockery to reduce dishwashing. A considerable number of respondents (21.9%) had green initiatives that focused on sustainable water usage. Most retailers revealed that they collect rainwater, others have boreholes, grey water tanks, do not use drinking water to flush toilets, but rather use underground water, or reuse water from air conditioners for flushing.

c) Energy – Many respondents (37.5%) reported that they are using renewable energy in their businesses, such as solar energy (while others were still investigating solar energy), and one retailer is also composting to obtain energy and using a heat pump for heating water. Three of these retailers sell renewable energy products.

d) Improved insulation, extra green space (trees), drip irrigation in gardens and irrigation at night to allow percolation of the water and eco-friendly roofs.

e) Upgrading their equipment (energy efficient fridges, low consumption dishwashers), switching off unnecessary equipment and slow starting other equipment for power usage optimisation.

- f) Using eco-friendly cleaning products.
- 7. Top 2 Reasons for Implementing Green Initiatives: The main reasons that retailers decided to implement the above green initiatives are pressure from conscious consumers (70) and other responses that all spoke to the values of the retailer (50). An even number of retailers mentioned legislation (25), global head office directive (23) and efficiencies (especially electricity) and cost saving (23). General pressure from the industry was noted 17 times, followed by pressure from suppliers and producers (11). A significant number of retailers responded 'other' with no explanation.
- 8. Companies Who Have Waste Reduction Targets: Most retailers (74,3%) said that they do not have waste reduction targets, with only 20% noting that they do have targets. Just over 5% of retailers said they were not sure if their organisation has waste reduction targets.
- 9. Companies with Specific Targets for Waste Reduction: Paper, electricity and plastic targets are the most common targets in place (approximately 15% of all respondents), followed by water and food targets. Greenhouse gases/carbon footprint targets are much less common with only ten respondents implementing this target.
- 10. Company Champions for Target Setting: Many targets are set at the store level (it is unknown how many of these are franchises and how many of these retailers only have one store). This number is followed closely by national head office, with 13 responses. Five respondents stated that their targets were set globally. Those who specified 'other' included departmental targets and regional targets.
- 11. Challenges in Implementing Green Initiatives: The availability of waste reduction options was mentioned most frequently as a challenge to implementing green initiatives (69 mentions), followed by insufficient government support (60), consumer preferences (51), insufficient money for initiatives (38) and supplier preferences (31). The least mentioned challenges were obstructive legislation (18) and low priority for the company (15). 'Other' responses included the lack of landlord willingness.
- 12. Government Support Required: Retailers were asked what kind of government support they think could help drive green retailing. The responses have been summarised below:

a) Financial support – most retailers (24.6%) identified financial support from the government as a key support mechanism. Financial support includes offering incentives/rebates for businesses to recycle, ban plastics and reduce plastic usage, manufacture solar components and other green initiatives. Other schemes that were noted are subsidies for plastic pellet crushers and other equipment, and reduced taxes for green initiatives.

b) Policy – several policy instruments were suggested by 24.6% of respondents. These included structural policy to reduce reliance on coal power, government ban on plastic and unnecessary packaging, tax on emissions, a carbon tax, taxing individuals for waste harsher punishment for dumping, fines for littering, introduce fines for excessive use of water and power, enforce already existing laws, introduce laws for recycling and waste management. Related to policy, one stakeholder emphasised the importance of minimising bureaucracy.

c) Municipality – 16.7% of respondents highlighted municipalities' role in facilitating waste reducing and increasing recycling rates. Suggestions for municipality included increasing the number of recycling points, for example, more bins in malls, establish more recycling centres, collect recyclables in suburbs, peri-urban and rural areas, increase the number of municipal dump sites and expand other recycling initiatives. Similarly, some respondents pointed out that waste infrastructure is lacking in SA. Therefore, increasing access to recyclers and waste drop off sites is critical, or the government can provide support to private companies to do waste management in rural areas. One retailer noted that there needs to be a complete restructuring of waste collection and operation.

d) Awareness – survey findings show that 17.5% of retailers believe that the government needs to be active in building public awareness and educating the public on waste matters through advertising campaigns and clean ups for example.

e) Other suggestions for the government to support retail waste reduction included collaboration, regular inspections and monitoring, research and testing to prove concepts, as well as setting minimum standards for the industry alongside robust road maps and targets.

f) Other retailers noted that the government should not be taking the lead in the waste industry; they argue that the government has other more critical areas to focus on, such as efficient power supply. Another suggested that recycling should remain in the private sector. Furthermore, one retailer argued that the government is not equipped to solve issues pertaining to waste in the retail sector. They went on to suggest that the retail industry should start using standard-sized packaging that can be reused for multiple products, and discounting companies that provide recycled packaging.

#### The findings from the interviews were as follows:

- 1. Challenges in Retail Waste Reduction: Findings from stakeholder consultation suggest that there appears to be misalignment in the industry amongst the various role-players in the waste and retail sectors. There is also a lack of data, which is a major gap that exists in the SA waste industry in both food and packaging waste in the retail sector. Furthermore, a lack of an industry standard for measuring waste and setting targets means that it is difficult to obtain an aggregated view of retail waste. Additionally, waste targets tend to be broad and do not have a roadmap to achieving those targets. From the viewpoint of the African continent, there is inconsistency in policy and regulations, which is important for South African (SA) retailers as they continue to expand across the continent. For example, the implications for retailers to consider when trading in countries with plastic bans.
- 2. Specific Topics Addressed Include: 1) Food Waste: Challenges and Drivers, and 2) Plastic and Paper Packaging Waste: Challenges and Drivers.
- 3. Institutional and Retail Initiatives: There are three significant institutional initiatives that are currently in the process of being developed, all of which will be implemented within the 2020 year. This includes the Food Waste Voluntary Agreement (FWVA), the South African Alliance to End Plastic Pollution in the Environment, and the South African Plastics Pact. All these initiatives are supported by a variety of stakeholders, including national government (i.e. The Department of Trade and Industry (DTI) and DEFF), industry associations (i.e. SAPRO, Consumer Goods Council SA (CGCSA) and PlasticsSA), sustainability organisations (i.e. The Waste and Resource Action Plan (WRAP), a UK-based organisation and WWF), and industry across the supply chain, including farmers, producers, manufacturers, distributors, retailers, and recyclers. The relationships between these stakeholders and each of the initiatives are also addressed.
- 4. Retailer Initiatives: Globally and locally, there are numerous initiatives aimed at reducing packaging and food waste being driven by organisations and retailers. Many of these are further unpacked in the report. However, during the stakeholder engagement process, several such initiatives were highlighted, which are particularly relevant to the research.
- 5. Global Retailer Initiatives: Although not directly retailer-driven, during consultation with WRAP, several particularly relevant initiatives were pointed out, which were initiated with major support from retailers and provide some key insight for retailers within South Africa.

a) WRAP started a campaign called Love Food Hate Waste, which although primarily focusing on reducing food waste within households, has implemented several initiatives with support from retailers.

b) During other stakeholder engagement, it was noted that within the EU, lots of retailers are enforcing strict guidelines on manufacturers to enhance the use of recyclable materials and develop alternatives, such as compostable packaging. This has an impact on SA manufacturers and exporters who export fresh produce to Europe, as they need to comply with such guidelines. Additionally, retailers are sending their food waste to a distribution centre where it gets consolidated before being sent to charities.

c) Another initiative of retailers that was identified during consultation relates to stock control, which if done ineffectively, results in the spoilage of food and creation of food waste. Albert Heijn, the largest Dutch supermarket, recently started testing plastic-free fruit and vegetable displays within 1 540 of their stores with the help of dry-misting technology from Contronics. This technology uses a mist to reduce the surface temperature of fresh produce displays, while reducing energy requirements.

d) Some other initiatives noted by stakeholders includes 'Approved Foods', which sells food that is near or just past its best-before date (but still perfectly fit for human consumption) at discounted rates; 'Food Too Good To Go' (as mentioned in Section 2.3.1), which connects mainly cafes and restaurants with customers who want to purchase food before it is disposed; 'Smart Meters', which uses AI technology to assess food waste in the kitchen and determine if it is preparation waste or plate waste, and quantifies this (both in terms of volume and value); and a similar system from 'Winno' which reports on what is wasted, the value/cost of this waste, and the environmental impact/cost.

# OVERALL FINDINGS OF THE 35 RESEARCH STUDIES CONTINUED

6. South African Retailer Initiatives: Within the South African retailer landscape, various activities are being initiated to reduce packaging and food waste. Although a number of these are being driven by organisations/institutions (such as DEFF, CGCSA, WWF, PackagingSA, PlasticsSA, etc.), retailer support has been significant, and stakeholders have highlighted the good progress being made by major retailers in the country. In addition to the institutional initiatives, it was highlighted during engagement that PackagingSA is currently developing guide-lines for design for recycling, while CSIR has developed food waste and prevention guidelines for South Africa under DEFF; all which assist retailers to understand the type of initiatives and programmes that can drive to waste reduction within retail/distribution.

One such programme that has emerged from the DEFF guidelines is the establishment of a 'green grading council', to which retailers have agreed to roll-out a standardised labelling system, for example, it was noted that items that are not recyclable will have a red dot on the packaging to ensure easy identification of non-recyclable products (and hopefully lead to increased pressure on brands from consumers).

In terms of retailer initiatives, one stakeholder noted that Checkers and Shoprite have started marking down food when they reach sell-by date. They also noted that there has been an increase in ready cooked food within retail stores, which reduces food wastage as food nearing its best-before/sell-by-date is used to make prepared food items. In addition to this, there has been a significant increase in retailers donating food to food banks and charities, such as Food Forward and The Salvation Army.

Another initiative identified, although not directly attributed to retailers, is that suppliers (farmers and manufacturers) are requesting that unsold produce be returned to them by the retailer so that they can gauge what wastage is occurring, rather than leaving disposal of such produce to the retailers.

7. Socioeconomic Impact of Waste on Livelihoods: The primary data collected points to two main ways in which waste management and recycling can impact on the livelihoods of South Africans. Firstly, waste provides an opportunity for job creation and income, and contributes to the economy through the creation of new value chains, from collection through to the manufacture of new products. However, the ability of the recycling industry to create employment relies heavily on enhanced collection and recycling rates. Secondly, the lack of proper waste management will result in diminished health and wellbeing of people due to a poor environment.

Findings suggest that a well-established recycling and alternatives industry has the potential to create even more formal employment along the value chain in on-site sorting, transportation of recycling to material recovery facilities, baling and outbound transport. Respondents acknowledge that waste pickers (mostly informal) earn an income through the waste sector and form an integral part of the recycling industry, and suggest that developing the SA recycling industry, through private and public partnership, will enable the integration of waste pickers into the formal waste sector.

Improving waste management is good for both the economy and the health and wellbeing of people. Respondents argued that waste is synonymous with air, water and soil pollution, which can have a negative impact on other industries, such as agriculture and tourism. Therefore, issues, such as plastic pollution need to be addressed in a country like SA. However, respondents also argue that waste management needs to be done by municipalities, and industry can focus on other aspects, such as recycling.

# 2.7.2. FINDINGS: A STUDY TO DETERMINE THE OPTIMAL TENANT MIX IN SHOPPING CENTRES

- In South Africa, approximately 2000 formal shopping centres exist, which ranging from 1000m<sup>2</sup> to 170000m<sup>2</sup>. These centres represent >23
  million m<sup>2</sup> of an estimated 37 million m<sup>2</sup> of all retail facilities. With such major investments in shopping centres, it is no surprise that there are
  considerable efforts by developers and shopping centre management to find the 'elusive' optimal tenant mix.
- 2. Many studies have been done to establish the optimal tenant mix of a shopping centre. Currently, there are no universally agreed models or formulae that can be applied for maximum success. Establishing an optimal tenant mix is not an exact science. It is an art, craft and has some science, but it is not a science. Determining the optimal tenant mix can be an intricate and complicated process without any guarantee of success.
- 3. Based on an extensive literature review, case study analysis and interviews with experts in the local shopping centre industry, the study developed a user-friendly, stepwise approach, applying relevant theoretical underpinnings, to determine an optimal tenant mix, instead of a mathematically proven formula or econometric model, which are questionable and complicated. This model is included in the report.
- 4. The Law of Retail Gravitation states that customers are willing to travel longer distances to larger retail centres given the higher attraction they present to customers.
- 5. As the industry evolves, there will be a continued effort to diversify the tenant base and add non-traditional tenant concepts. Two-thirds of consumers do more than 'just shop' at the mall; they elect to eat a meal, watch a movie, socialise or have fun. As consumer behaviours shift, so too will the offerings at malls shift; this needs to happen attract new, in-demand brands, and add value to the property.
- 6. Trends are set by consumers; thus the foundation of any property management programme should be rooted in understanding the consumer. Mall owners and retailers need to know the market, analyse sales data and consider historical retail trends. It is also imperative to look at how technology is changing the world and forecast how it can be leveraged to optimise the shopper experience and drive demand.

7. The customer segment, and their placement on the Living Standards Measure (LSM) will drive the nature of stores in malls. For example, stores, such as Boxer, which serve lower LSM shoppers are not typically found in shopping malls. Their products are not suited for higher-income shopping malls, given that the rental costs are higher. Generally, low-cost shops are found outside shopping malls because rentals are much lower. Township mall tenants tend to serve the middle to high LSM.

# 2.7.3. FINDINGS: ETHNOGRAPHY AS A COMPETITIVE ADVANTAGE IN RETAIL: A STUDY OF HOW ETHNOGRAPHIC RESEARCH IS USED IN FOOD COURTS IN SHOPPING MALLS

- The study employed mixed-methods research, which included a literature review of ethnographic research methods, observation of customer behaviours in a food court, interviews with shopping centre managers and food court patrons, and a case study of the Sandton City Shopping Centre Food Court. A food court is chosen since it captures the sight, sound, sensory, touch and taste behaviours of customers in an interactively confined space.
- 2. Retail ethnography is the study of the behaviour and responses of consumers in a retail environment. It studies the way people react to products and services, their interaction with objects in the retail setting, their speech and emotions, and their experiences during the use of a product or service. It explores the factors which influence these behaviours, practices and reactions, and aims to discover consumer perceptions through the perspective of the consumer.
- 3. Retail ethnography can be successfully utilised to enhance the emotional connections of consumers with brands. This type of study is partic ularly useful to retailers to investigate purchasing trends, consumer perceptions and behaviour, and to determine current and future demands of consumers. Consequently, retailers can take the necessary measures to address challenges, fill niches in the market, or merely gain a competitive edge using relevant findings of the studies.
- 4. It is advised that, although retail ethnography can produce reliable results, it should not be used as an exclusive research method. Other market research should be integrated with a retail ethnographic study for greater reliability and improved representation.
- 5. There is a substantial body of knowledge to indicate that the use of retail ethnography can increase customer loyalty, grow market share, and the profitability of enterprises. Retail ethnography is very widely used by large retailers and shopping malls. However, it is not employed by other retail types, although it can be a powerful tool for improving retail outcomes.
- 6. In a tough trading environment with the hyper-competition, retailers and shopping mall owners are doing everything possible to 'keep their heads above water'. Hence, there is a need for innovations relating to customer experience, which will contribute to the better overall experience in food courts. Retail marketers should investigate customer experiences in the retail environment and their influence on shopping behaviour. To exceed customer's expectations, shopping mall owners should develop and implement customer experience management strategies.
- 7. The findings from interviews with experts in the field reveal that much can be done by retailers of all sizes to improve the overall retail experience with the application of simple ethnographic research.
- 8. There is an agreement that the food courts in shopping centres are an important element in the overall customer retail experience. Conveniences, such as charging stations, lockers, large interactive screens for sports and kids play areas are becoming a necessity. In shopping centres attracting middle to high income, there is also a move towards healthy eating options and green spaces.
- 9. Shopping centres utilise a variety of methods to evaluate the performance of tenants and the success of the food courts, which includes turnover of tenants; trading density (square metre multiplied by turnover); monitoring through social media; and mystery shopper feedback.
- 10. The most common approach to determine tenant mix is to monitor the type of tenants that trade well through market research. This gives the centre and indication of shopper preferences.
- 11. Food courts are competing with restaurants in the centre and online food delivery to your doorstep. Therefore, it increases the pressure on shopping centres to compete for customers and create memorable retail experiences.
- 12. The findings reveal that retailers should consider many aspects to improve the customer retail experience, such as the density of customers in the catchment area, location, safety and security, layout, product quality, design, product mix, pricing, atmosphere, aesthetics, market research and parking.
- 13. The study concludes that ethnography can be used very effectively as a tool to gain a competitive advantage in the retail market. It can be applied by all retail types.

# 2.7.4. FINDINGS: EVALUATION ON CUSTOMER CENTRICITY IN SOUTH AFRICAN RETAIL BUSINESS STRATEGY AND PROCESSES

#### The following significant findings emerged from the study:

- 1. Market spaces: There is classification of market spaces amongst the retailers through market segmentation. Definitions of market space were given by retailers from a customer segment. The outcomes of the responses are customer-based showing inclination towards customer centricity.
- 2. Targeting practices: Retailers use targeting practices to track the customers' needs desires and wants using mass targeting strategies. A significant shift from product-centric to customer-centric strategy was observed from the findings as indicated by the high percentage of respondents who agreed to designing of products and services to target market segments. This strategy ensures interaction between the retail and customer exploiting feedback of specific customers. The retailers understudy used the segmentation approach, which allows for viewing market spaces through segments. Targeting practices provide the retailers with information on customers and allows the information to be analysed and used accordingly to target the market. Customers can engage with the retailers on the desired products and services. There is a deepened relationship with customers ensuring a strong customer base. Majority of retailers acknowledged to having regular customers.
- 3. Customer centricity: The study determined that most emerging retailers and SMEs are employing various strategies of customer centricity to ensure customer retention. Some of the strategies being employed are customising products and services based on customer needs, customising products and services to target specific individuals based on their needs, mass targeting, holding frequent meetings with employees to identify future needs of their customers. In addition to this, other strategies, which are being used involves monitoring of direct interactions with the customer to improve services, engaging customers on desired products and building and deepening of relationships with the customers. The existence of customer centricity amongst the retailers in their strategy and processes to suit individual needs has also been confirmed by high levels of customer satisfaction amongst the customers leading to loyalty and trust of retailers. Most customers also indicated that they would recommend their retail outlets to friends and relatives, because of loyalty.
- 4. Business unit collaboration: Business unit collaboration does exist within the departments of a retailer. The flow of information relating to customers, across departments, were found to be existing in most retailers. Sharing of information across departments and customer insights across the retailer creates improvements in products and services and maximises customer value across departments.
- 5. Collaboration between wholesalers and retailers: It was found that little or no collaboration existed between the wholesalers and retailers. The lack of flow of information was not ideal, as the two groups form part of retail value chain system. Only 32.9% or retailers indicated that share information with wholesalers.
- 6. Satisfaction: A high level of customer satisfaction is likely to result in loyalty, word-of-mouth referral and customer retention. Most retailers are driven by customer activities and processes in their strategy rather than company processes and activities, this alignment is towards a truly customer centred approach.
- 7. Trust: High levels of customer trust are likely to lead to more purchases by customers, thereby ensuring retailer sustainability.

Research was also conducted on how the respondents viewed the SETA. Several recommendations in relation to this (add on) element are provided below. The study found that emerging retailers and SMEs continue to face skills shortages in managing their businesses, such shortages then affect the sustainability of the business.

# 2.7.5. FINDINGS: THE INFLUENCE OF INTERNAL CONTROL ACTIVITIES USED BY SOLE TRADER SOUTH AFRICAN SMALL, MEDIUM AND MICRO RETAIL ENTERPRISES OPERATING IN CAPE TOWN AND THE ATTAINMENT OF THEIR KEY FINANCIAL OBJECTIVES

- From the results of this study, it is apparent that, although sampled SMMEs made use of internal control activities to an above-average extent, not all internal control activities deployed had a positive influence on the attainment of their key financial objectives. Only two key internal control activities were found to have a statistically significant influence on the attainment of key financial objectives of sampled SMMEs.
- 2. The results showed that safeguarding of assets had a statistically significant, moderately strong, negative influence on the attainment of key financial objectives of the sampled SMMEs. Although it cannot be confirmed by the data (a possible avenue for further research), it is highly probable that some sampled SMMEs may just mimic other business entities in relation to internal control activities pertaining to safeguarding of assets, without assessing the real need for these activities. For example, although the use of security guards is a 'nice to have', it is not necessarily a 'must have' as, without proper justification, employment of such an activity may cause sampled SMMEs to haemorrhage money. Furthermore, it could be that such controls do not focus on improving profit, but do reduce the risk of losses and so, unless there are actual losses through, for example, theft, the investment in these control activities is not seen as having a positive relationship to the profit objective.

- 3. Regarding the second statistically significant internal control activity, the results showed that segregation of duties had a statistically significant, moderately strong, positive influence on the attainment of the key financial objectives of the sampled SMMEs. Regardless of whether sampled SMMEs merely copied this internal control activity from other businesses, it appears that this internal control activity is effective in assisting these business entities to achieve their key financial objectives. Furthermore, although it may not be known whether segregation of duties does contribute to achieving the key objectives, the respondents certainly believe it is important to have different employees authorising, recording and executing transactions.
- 4. A possible reason as to why the other factors and items were not found to be statistically significant can be attributable to the informal nature of these business entities. This is supported by the fact that documents were sometimes used to support transactions, sometimes proper authorisation activities were performed (proper authorisation), and sometimes independent checks were performed. Another possibility is that these business entities were relatively small in nature rendering limited need for the foregoing internal control activities.
- 5. Although not all internal control activities were found to have a statistically significant influence on the attainment of key financial objectives of sampled SMMEs, it may be that these business entities made use of other, customised internal control activities that replace document usage and independent checks, and which were not considered in this study

# 2.7.6. FINDINGS: SOURCE DOCUMENT USAGE AND THE FINANCIAL SUSTAINABILITY OF SOUTH AFRICAN SMALL, MEDIUM AND MICRO RETAILERS

#### The following significant findings emerged from the study:

- From the research conducted, it was apparent that the sustainability of sampled SMMEs was above average and that source documents were reasonably used when transactions occurred. Regardless of this, it was found that the use of source documents did not have any statistically significant influence on the sustainability of sampled South African SMMEs.
- Thus, it appears that the 'status quo' of document usage, particularly within a South African SMME dispensation, may be outdated. This may be attributable to inter alia the use of information communications technology and/or the achievement of environmental objectives (e.g. using paper sparingly). However, this renders opportunity for further research to be conducted.

# 2.7.7. FINDINGS: STATUS AND CHALLENGES OF AUTOMATION IN THE SOUTH AFRICAN RETAIL SECTOR, INCLUDING AUTOMATED, SELF-SERVICE CHECKOUTS

#### The following significant findings emerged from the study:

- 1. There have been several ground-breaking technologies that are beginning to reshape the nature of customers' interactions and transform how shoppers' experience the shopping journey. The focus of this paper is on the current availability and use of Self-Service Checkouts (SSC) in South Africa, and its potential impact on customer service and consumer attitudes.
- 2. The research is significant, as the retail industry has undergone major transformation in terms of how technology has redefined how customers interact with retail stores and the nature of the overall shopping experience. The popularity of online shopping and the latest advances in retail technology (retail automation) has witnessed the introduction of omnichannels (a cross-channel content strategy that organisations use to improve their user experience and drive better relationships with their audience across various points of contact, e.g. online, in a physical shop, or by mobile), thereby creating new avenues for building customer loyalty by offering consumers a range of innovative consumer experiences.
- 3. Self-Service payment points have become ubiquitous worldwide, even though opinion is divided as to their benefits and efficacy.
- 4. The research revealed that consumers do not register the issue of job losses as problematic. The research did not probe any further as to the attitudinal reasons for this outcome. However, this finding does support the conclusion arrived at that this issue is possibly exaggerated as an obstacle to the introduction of Self-Service Technology (SST).

# 2.7.8. FINDINGS: FINANCING FOR SMME START-UPS, AND EXPANSION FOR ESTABLISHED SMMES, IN THE RETAIL SECTOR

- Though ample funding opportunities may be available to these business entities, access to finance may not be the only growth obstacle for small retailers in South Africa, but is a serious concern as access to available financing opportunities for South African small retailers is still limited.
- 2. Numerous aspects inherent to small retailers can be mentioned that limit their ability to access available finance. One of them is that small retailers often lack the financial knowledge that would make it easier for them to access available finance. This concerns the general financial abilities of small retailers, as well as their knowledge about available finance.

- 3. Banks need to be responsible lenders and therefore, when it comes to granting credit, they impose many requirements. Especially new retail businesses that do not have a track record of at least 12 months, if not 18 months of trading, face problems to meet bank standards. It is almost impossible to get finance from the banks if the business is a start-up and the entities' owners cannot offer personal securities.
- 4. The chances for successful credit application depend heavily on available information about prior business success (e.g. financial statements, track record of the owner). The future perspectives of the business and the personal capabilities of the business owner are still less relevant for a successful processing.
- 5. Alternative financial institutions and governmental support agencies play an important role in financing small retailers. The processes of the latter organisations still leave room for improvement.
- 6. Small retailers heavily depend on the goodwill of their suppliers to grant them attractive terms for payment.
- 7. Overall, the findings shed some interesting light on the barrier of 'access to finance'. In core, there are small signals that, if financial institutions and governmental agencies just make money easier available for South African SMME retailers, it may not result in further growth of the national economy of South Africa but in economic chaos. In the same vein, SMMEs' management often lack the financial knowledge to make the right business decisions. Hence it may be the case that since these business entities (in general) do not have proper paper trails, they are regarded as risky to many financial institutions.

# 2.7.9. FINDINGS: THE CHANGING FACE OF THE SOUTH AFRICAN RETAIL INDUSTRY THROUGH SOCIAL MEDIA MARKETING, CHANGES, GROWTH OPPORTUNITIES, CHALLENGES AND IMPACTS ON RETAIL

- 1. Technology is Changing the Face of Retail in South Africa: Technological innovations are transforming the way business is conducted and how retail operators respond to consumers' main need for convenience. Digitisation is creating new expectations among consumers, which entails the ability of retailers to provide meaningful and immersive shopping experiences. Resultantly, consumers are more interested in an omnichannel shopping experience, which combines online and in-store aspects; with 60% of the surveyed consumers indicating that they use a combination of online and in-store shopping methods.
- 2. South African Consumers are still Interested in Traditional Forms of Retail: Despite the rise of digital shopping channels, South African consumers continue to rely on brick-and-mortar retailers. Over a third of the surveyed consumers shop in-store, as compared to about 8% who solely shop online. Moreover, around 76% of South African consumers visit a shopping mall at least once a week, while the surveyed consumers who shop online do so less frequently, either on a monthly (54.7%) or annual basis (29.6%). Only 13% shop online weekly.
- 3. The use of Artificial Intelligence (AI), Augmented Reality (AR)/Virtual Reality (VR) and the Internet of Things (IoT) is not yet Widespread among Retailers in South Africa: While certain retailers have been remodelling their digital or physical stores to include aspects of technology (e.g. AI, the IoT, AR and VR), the deployment of these innovative approaches has been limited and, generally, unavailable to customers across South Africa - Only 10% of the surveyed consumers have used AR and VR to assist with their shopping, compared to an overwhelming 80% who have not. Moreover, consumers are, generally, not ready for this scale of technological innovation, and do not think AR/VR would be factors that will attract them to a store.
- 4. Consumers want Value Differentiations, they want Omnichannel Shopping Experiences: The growth of online shopping is not detached from consumers' appraisal of their satisfaction with in-store experiences. Male consumers use both online and in-store channels more frequently than females and are 1.4 times more likely to use online shopping. Females prefer to shop in-store to circumvent the difficulties associated with returns and exchanges of unwanted or unfitting items purchased online. Younger consumers also prefer online shopping compared to older individuals, but would visit a brick-and-mortar store for experiential reasons, i.e. to match their online experience with the touch and feel aspect of in-store shopping or to interact with store assistants.
- 5. Different Categories of Consumers Choose Instore or Online Retail Channels for Varied Reasons: 65% of the surveyed shoppers continue to use in-store shopping, because they believe it is more personalised. Over half of those who shop online do so because they feel this method is more convenient (52.6%). Both reasons suggest that shopping is no longer just an activity but an experience, one that consumers wish to be immersive, enjoyable and comfortable.
- 6. Social Media Marketing is More Effective than Traditional Marketing: Digital marketing is being used more commonly than ever. Approximately 70% of the surveyed consumers were regularly exposed to digital marketing, mostly through Facebook. 74% of the surveyed consumers and 72.7% of retail experts maintain that digital marketing is more effective than traditional marketing channels, particularly marketing that is done through YouTube and podcasts. Social media marketing also influences consumers' shopping decisions, particular among young millennials.
- 7. The use of Digitally mined Consumer Data is a Game-changer for Digital Marketing: An overwhelming majority of retail experts believe that the most important trend that will potentially become a game-changer for digital marketing in the retail space is the ability of retailers to use digitally mined consumer data to enhance customer experience and increase the personalisation of products.
- 8. South Africa is Making Positive Progress in the Adoption of Cashless Transaction Applications: The use of Quick Response (QR) linked payment apps is a rising trend across South Africa. Consumers are increasingly using mobile banking applications as their preferred cashless service. 77.3% of the surveyed consumers use mobile banking apps, 55.4% use tap-and-go services. Other QR-enabled payment options, such as Masterpass, scan and pay, SnapScan and Zapper are also growing in prominence.

- 9. Consumers have Mixed Feelings about the Effectiveness of Current E-commerce Services: Most consumers believe that current e-commerce services successfully cater to all their digital needs (47.8%). However, close to a third (29.2%) of the surveyed consumers were unsure about whether this method of transaction was effective, and about a quarter (23%) were convinced that e-commerce was not effective at all, which resulted in their reservation toward online shopping and overall negative feelings of safety when shopping online.
- 10. Cyber Fears Threaten the Move Toward a Cashless Society: While online risks are a growing concern for shoppers, awareness and education around cybersecurity is limited in South Africa around 40% of the surveyed consumers were unaware and indifferent about their online safety. There is a significant negative relationship between cyber awareness and the use of cashless services; such that the more aware consumers are about the risks involved in online shopping, the less likely they are to engage in frequent online shopping or in the use of cashless services.
- 11. Crime/Cybercrime in South Africa is a Significant Factor that is Pushing the Move towards Cashless Retailing: There is an association between the role that both consumers and retailers anticipate a move towards cashless retailing will play in reducing crime in the country. Crime or cybercrime is the biggest factor that consumers and retailers think is pushing South Africa's move toward cashless retailing. The use of cashless services contributes to general feelings of online safety among consumers 48.6% of the surveyed consumers who use cashless services indicated feeling safer, and 36.5% indicated they felt unsafe when shopping online.
- 12. EFT Fraud is the most Prevalent Form of Cybercrime in South Africa: While Electronic Funds Transfer (EFT) is one of the primary methods of choice for low-value payments in South Africa, EFT fraud continues to grow in sophistication and prevalence 61.3% of the surveyed consumers have been victims of EFT fraud.
- 13. The Shared Economy is Having a Positive Impact of South Africa's Economy: Consumers and retailers alike are increasingly acknowledging the value and impact of the shared economy 71.3% of the surveyed consumers and 90.9% of the sampled retail experts believe that shared economy businesses like Airbnb and Uber are having a positive impact of South Africa's economy. Over two thirds of surveyed consumers and more than 75% of the surveyed experts, in tandem with the interviewed professionals, indicated that traditional businesses could benefit from such innovative models, and that it was especially important and essential for them to explore ways of expanding into the shared economy. It is, however, not clear how to isolate the benefits of a shared economy in the retail industry; specifically, which is an area that should be investigated further.

# 2.7.10. FINDINGS: PROFILES OF AFRICAN COUNTRIES WITH MOST POTENTIAL FOR SA RETAILERS' EXPANSION INTO AFRICA

- Many factors have been discussed and suggested as possible drivers that promote retail businesses' expansion into African markets. Several studies, as discussed in the review of literature, have noted progress in governance and political progress in many African countries. Thus, there is documented evidence in the literature that shows the transition towards better administration and democracy, coupled with political stability in most countries in Africa, albeit the fragility of peace treaties observed in a few others.
- 2. Similarly, with the advent of the new political dawn, better governance and return to democracy, there are also signs of a large wave of urban growth as many people, especially the young, migrate from rural to urban areas in search of job opportunities and better living standards. Urban growth is argued to spur huge social, economic and environmental changes, which also present opportunities for firms expanding into those markets that are experiencing the new wave in urban growth.
- 3. In addition to the general rise in urban populations, evidence from prior research and archival data from large international organisations, such as the International Monetary Fund (IMF), World Bank and African Bank, also show that there is a growing middle-class in Africa. The emergence of the middle-income group suggests a general rise in the spending power on consumer goods and services in Africa. This also signals a general rise in income growth. Similarly, evidence in prior studies as discussed in the literature review section shows that the population dynamics in Africa are also skewed towards the young. Thus, the demographic changes show that the population in African countries consists of a larger, younger and more affluent population, which is argued to drive consumption.
- 4. Furthermore, with the advent of the use of technology in shopping and related services, that is virtual shopping, evidence in prior studies and other sources show an escalating digital connectivity across African countries, albeit with varying levels of technological progress and penetration. However, the escalating digital connectivity has led to higher internet and mobile penetration in some countries, most notably in the urban areas, where most of the people use a mobile (cell phone), or have access to broadband or mobile internet, or both. This is especially an important infrastructural development and strategic move in Africa, given that there is now a considerable move from the traditional brick-and-mortar shops to virtual platforms that allow people to buy goods and services in the comfort of their homes and offices. In a similar vein, due to technology and various platforms, such as WhatsApp and the complementary marketing tools that accompany these platforms, consumers are becoming more informed, many of whom are now seeking greater convenience in their shopping.

- 5. Other studies suggested that evaluation of Gross Domestic Product (GDP) growth is also important when considering expansion beyond borders. Although a high growth rate in GDP could be considered as an indication of rapid growth and a potential investment destination, the warning in extant studies is that making decisions on that basis only could prove to be catastrophic, as some countries could be growing from an extremely low base. Furthermore, evidence in prior studies shows that ignoring countries with low growth rates could also be problematic in that some of these economies could be the most established markets, such as South Africa, Kenya or Egypt.
- 6. South African companies have made investment decisions based on the assessment of opportunities, as opposed to risks and the requirements and approach to mitigating the risks. The risks that South African companies have faced when choosing to invest in the rest of Africa include:
  - a) Differences in language and business cultures;
  - b) Difficulties in making the choice of local partners;
  - c) Weak state of the private sector in some of the countries;
  - d) Weak state institutions;
  - e) Lack of market information;
  - f) Difficulties with obtaining work permits;
  - g) Non-payment of contracts;
  - h) Onerous requirements for operating licenses;
  - i) The high costs of tendering for contracts and the required security for people and assets.
- 7. We found that political factors, particularly political stability and policy certainty, constitute one of the most important factors to consider. The state of the economy, competitiveness, ease of doing business, market size, availability of reliable infrastructure, and the dispersion and penetration of Information and Communication Technologies (ICT) also came is invaluable factors to consider as well. Finally, the socio-cultural milieu of the individual countries also played an important role. These vary from language, ethnic makeup, religious beliefs and practices, rural-urban 'divides', population age, literacy levels, and gender and other social dynamics.
- 8. In addition to a consideration of the various factors that could impact decision-making in evaluating business investment opportunities in Africa, there is also an additional decision that needs to be made in terms of models that could be used as entry strategies. Once potential destination(s) have been identified, firms will now have a choice between various models, each of which is considered based on its merits and demerits. For instance, firms could choose to enter a partnership with the locals, respect local knowledge and understand the local environment, consider local product ranges and the distribution channels and making sure that the products are tailored to the tastes and preferences of the local people, rather than bringing goods from the domestic country, which is often a mistake that many firms make when expanding into another country. Similarly, firms should know the characteristics of their customers in their host country, as well as their life-styles, also considering the inflexibility some regions might have in terms of what they could consume.
- 9. On the other hand, firms should demonstrate knowledge of the local distribution channels and networks within their chosen market destination. If a firm chooses to offer domestic products in a foreign market, the firm should not enter the market in full swing, but rather start small and expand output over time, as this would give it enough time to understand the market and respond to its needs accordingly. This also allows the firm to build brand and product acceptance before it can be launched in full swing.
- 10. Furthermore, firms wishing to expand beyond domestic boundaries need to consider various investment decisions after the target destination(s) and other factors have been considered. In this category, firms have a range of alternatives to choose from. First, the firm could choose to establish its own outlets, enter a joint venture, or acquire a shareholding in an existing business, all depending on the individual characteristics of the market it is penetrating. Considerations should also be taken to account about the outlook of the industry in terms of customer behaviour, and the use of traditional brick-and-mortar outlets or virtual or cybernetic models.
- 11. In terms of financing, firms may consider equity partnerships, as the firm will be able to benefit from local knowledge; reach the consumers sooner, as it will be able to utilise existing networks; address empowerment issues and be closer to its market. Care should be taken here, as an equity partnership could result in problems, particularly if business practice and ethics do not converge and if there is a risk of a possibility of funding disputes. Other firms enter foreign markets based on large contracts, privatisation, and the drag effect, as explained in the review of literature.
- 12. The countries under consideration were ranked from 1 to 6 based on a categorical scrutiny, after considering the SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis for each country and the other factors that were discussed in the study. Based on this ranking, this current study shows that the ranking of the countries, from best to worst stand as follows: Rwanda, Ethiopia, Uganda, Gabon, Cameroon and Zimbabwe. These are the rankings as we stand, but this could change depending on circumstances beyond what this study could predict owing to the uncertainty about the future.



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**OVERAL RECOMMENDATIONS** OF THE 35 RESEARCH STUDIES The recommendations of the 35 research studies were assessed and summarised, and these reports have been clustered into 7 (seven) themes, as follows:

- 1. Youth Development and Graduate Employability;
- 2. Impact, Evaluation, and Tracer Studies;
- 3. The 4th Industrial Revolution (4IR) and Future of Work;
- 4. Small and Medium Enterprises (SME) and Informal Traders;
- 5. Employment and Unemployment in the Sector;
- 6. Best Practice in Education, Training and Skills Development; and
- 7. Improving the Sector's Performance through Research.

The recommendations from each study are summarised and included in a subsection under the specific theme. Once all the recommendations have been presented for the 35 research studies, a thematic summary of the recommendations is provided. Following the presentation of the recommendations per 7 themes, all recommendations per theme are again assessed and summarised into a 'meta-summary' of the recommendations of all 35 research studies.

Detailed summaries of the 35 research studies are presented in the annexures section of this report.

# 3.1 RECOMMENDATIONS THEME 1: YOUTH DEVELOPMENT AND GRADUATE EMPLOYABILITY

Recommendations from 5 research studies are dealt with in this subsection. They are detailed in Table 9 below.

#### Table 9: List of Theme 1 (Youth Development and Graduate Employability) Research Studies

#	Date	Title	Author
1 You	th Development and	l Graduate Employability (5 Reports)	
1.1	October 2019	The Role of Community Education and Training Colleges in Increasing Employability	Association of Private Providers of Educa- tion, Training and Development (APPETD)
1.2	July 2020	Benchmarking National and International Career Guidance Practice	PACE Research Institute
1.3	July 2020	Review and Update of the Wholesale & Retail Sector Careers Matrix	PACE Research Institute
1.4	July 2020	W&RSETA Stakeholder Analysis	PACE Research Institute
1.5	July 2020	The W&RSETA Strategic Framework for Career Guidance Delivery (SFCGD)	PACE Research Institute

# 3.1.1. RECOMMENDATIONS: THE ROLE OF COMMUNITY EDUCATION AND TRAINING COLLEGES IN INCREASING EMPLOYABILITY

The recommendations are as follows:

- 1. Skilling of Lecturing Staff: There should be an extremely serious endeavour to reskill and upskill the CETC lecturing staff, to cope with the aspirational demands of government and society in terms of skills development and the enhancement of employability.
- 2. Support Programme Development and Accreditation: Educational and administrative support for the development of new programmes and accreditation of those programmes, to be rendered by the SETA.
- 3. Identify Workplaces for Placement: The SETA should assist with the identification of workplaces and facilitating liaison between the colleges and the workplace in keeping with local needs and the local economy.

# 3.1.2. RECOMMENDATIONS: BENCHMARKING NATIONAL AND INTERNATIONAL CAREER GUIDANCE PRACTICE

This review has highlighted several practices that would be beneficial to the design and implementation of the W&RSETA Career Guidance Strategy.

1. Include Career Guidance in Employer Human Resource (HR) Strategy: Research has shown that when employees have a clear career path stay longer in their place of work rather than look for opportunities elsewhere. The SETA might consider introducing career pathing systems for levy-paying organisations and career guidance training for HR staff to have a deeper knowledge of career planning practices.

- Ensure Quality LMI: LMI is an essential source for guidance practitioners, teachers, and trainers who support young people and adults in choosing or steering their careers. SETA Sector Skills Plans and other relevant publications information must be made available to career guidance practitioners, teachers, trainers and, of course, career decision-makers.
- 3. Education on Entrepreneurship: Research highlighted that entrepreneurs with a longer period of exposure to entrepreneur education tend to be more successful entrepreneurs or tend to earn higher salaries if in employment. The W&RSETA should consider, including a dedicated entrepreneurship module into their support materials for the wholesale and retail school curriculum subject.
- 4. Personalisation of Career Guidance Platform: The introduction of technology into the workplace has led to digital or online career guidance methods that assist employers to adjust to the changing world of work. Online career guidance instruments are more effective when they are used in conjunction with other methods of career guidance, to cater for a diverse workforce. The W&RSETA might consider, including some personalisation into their career guidance platform.
- 5. Encourage Employer Participation in Career Guidance: The importance of employers getting more involved in the career education process might encourage the SETA to develop a Role-Model series that includes videos from successful entrepreneurs, managers, and employees on working in the W&R Sector.
- 6. Host Stakeholder Workshops on Employment Services System of South Africa (ESSA): ESSA contains data on unemployed citizens. The W&RSETA could host stakeholder workshops, during which the benefits of the ESSA system regarding placements for learnerships, temporary employment, and permanent employment, is presented to them.
- 7. Involvement in Local and International Career Guidance Community: Membership with career guidance associations, subscriptions to journals, and participation in regional and international career guidance conferences is crucial to ensuring that the W&RSETA remain at the forefront of career guidance and human capital development practices in the Sector.

### 3.1.3. RECOMMENDATIONS: REVIEW AND UPDATE OF THE WHOLESALE & RETAIL SECTOR CAREERS MATRIX

This review has highlighted several practices and recommendations that would be beneficial to the review and update of the Careers Matrix:

- 1. Update the 2019 Careers Matrix: The matrix is current with respect to the ETQA qualifications, but needs to be updated to reflect replacement QCTO qualifications as they are registered; this applies to both W&RSETA qualifications and other relevant learning programmes which may fall into another ETQA. It is recommended that the number of careers on the matrix should be expanded and the sub-sectors should be separated in the matrix configuration, i.e. wholesale (warehouse) split from retail (store). The Head Office should also be represented as separate from warehouse and store (see an example of how this can be done in Appendix 2, attached).
- 2. Registration of New Occupations: Some careers that are represented in the revised Careers Matrix are not registered occupational titles on the Organisational Framework for Occupations (OFO) and, as such, have no OFO code. This will hinder the SETA's capacity to fund qualifications and learnership programmes. A process should be put in place with DHET to fast-track the registration of new occupational titles on the OFO. New and emerging occupations should be added to the matrix reflecting the e-retail environment and 4IR technologies to promote the Sector and create excitement amongst aspiring retailers and employees.
- 3. Registration of Occupations, Learning Programmes and Assessment Centres (ACs): Learning providers for the W&RSETA need to be encouraged to become accredited for occupational training programmes and to register themselves as ACs for these programmes. SDPs may be reluctant to invest in developing and accrediting themselves to provide replacement occupational programmes for which learners cannot be assessed. This is important because an occupational opportunity cannot be promoted without a linked and attainable qualification. Learning programmes that meet the HTFV and scarce skills needs of the Sector should be prioritised.

#### 3.1.4. RECOMMENDATIONS: W&RSETA STAKEHOLDER ANALYSIS

As the objective of this report was to determine the needs of stakeholders in the Sector, a significant number of recommendations were received, many of which were both creative and outstanding. These recommendations follow below:

# **A. EXTERNAL STAKEHOLDERS**

#### **1. ORGANISED EMPLOYERS**

#### 1.1. Small Business

- 1.1.1. Provide mentors and coaches to small and emerging businesses who request such services.
- 1.1.2. Expose small business owners to new product and retail opportunities.
- 1.1.3. Set up a small business incubator to guide start-ups through their initiation period.
- 1.1.4. Provide small business owners information on seminars and micro-courses.

#### 1.2. Medium Business

- 1.2.1. Provide information on Micro-skilling and Micro-credentialing opportunities relating to Careers 4.0 and scarce skills.
- 1.2.2. The SETA can set up a mobile Outplacement Programme to assist businesses who need to retrench staff.
- 1.2.3. Develop a Career Pathing System for businesses to help their employees do career planning.

#### 1.3. Big Business

- 1.3.1. Provide information on Micro-skilling and Micro-credentialing opportunities relating to Careers 4.0 and scarce skills.
- 1.3.2. The SETA can set up a mobile Outplacement Programme to assist businesses who need to retrench staff.
- 1.3.3. Develop a Career Pathing System for businesses to help their employees do career planning.
- 1.3.4. Train HR practitioners in Career Guidance, so they may provide career management services to employees.
- 1.3.5. Business to be more involved in career education programmes at schools.

#### 2. ORGANISED LABOUR

#### 2.1. Union Leadership

- 2.1.1. Train Shop Stewards on the "strategic value of career guidance", so they may work together with HR and line management to promote employee development.
- 2.1.2. Develop a Career Pathing System for businesses to help their employees do career planning.

#### 2.2. Retired Employees

- 2.2.1. Introduce pre-retirement programmes.
- 2.2.2. Train retired retailers as coaches and mentors for small and emerging businesses.
- 2.2.3. Pair retirees and younger entrepreneurs to start their own small business.

#### 2.3. Retrenchees

- 2.3.1. The SETA can set up a mobile Outplacement Programme to assist businesses who need to retrench staff.
- 2.3.2. Provide information on Micro-skilling and Micro-credentialing opportunities relating to Careers 4.0 and scarce skills.
- 2.3.3. Provide information on how to start a business.

#### **3. EDUCATION & TRAINING PROVIDERS**

### 3.1. Schools

- 3.1.1. Design and provide Curriculum Support Materials for school learners who are taking the newly introduced school subject: Wholesale and Retail.
- 3.1.2. Design and distribute wall posters that promote careers in the W&R Sector to school and college classrooms.
- 3.1.3. Train Wholesale and Retail subject teachers to offer classroom-based career education programmes.
- 3.1.4. Train 1 or 2 Provincial Life Orientation Subject Advisors in each province as accredited Career Guidance Practitioners.
- 3.1.5. Do school talks on careers in the W&R Sector.
- 3.1.6. Provide bursaries to school learners who excel in the Wholesale & Retail school subject through an MOU to access the Learner Unit Record Information and Tracking System (LURITS).
- 3.1.7. Encourage businesses to participate in career awareness days, such as Career Dress-Up Day and 'Take a Girl Child to Work' Day.
- 3.1.8. Provide school learners with access to the W&RSETA skills matrix through various online platforms.

#### 3.2. Community Colleges

- 3.2.1. Assist community colleges to identify courses that are sector appropriate and appealing to the youth.
- 3.2.2. Assist community colleges to identify Micro-skilling and Micro-credentialing courses that they can offer to assist the W&R Sector.

#### 3.3. TVET Colleges

- 3.3.1. Design and distribute wall posters that promote careers in the W&R Sector to school and college classrooms.
- 3.3.2. Set up a small business incubator to guide start-ups through their initiation period.

#### 3.4. Universities

- 3.4.1. Set up a small business incubator to guide start-ups through their initiation period.
- 3.4.2. Offer interdisciplinary postgraduate bursaries (optional 4IR-related).
- 3.4.3. Increase (fund) the number of W&R exchange students as they serve as influencers of others choosing a career.

### 3.5. Online Providers

3.5.1. Research and develop a database of online courses from reputable institutions on skills relevant to the W&R Sector.

# 3.6. Workplace

- 3.6.1. Research and develop a comprehensive database of corporate in-house training programmes to inform education providers.
- 3.6.2. The SETA may consider a training centre that trains learners or graduates on company-specific software processes, so that they can be work-ready.

# 3.7. Private Education Providers

3.7.1. Research and develop a comprehensive database of corporate in-house training programmes to inform education providers.

#### 4. COMMUNITY CENTRES AND SERVICES

### 4.1. Unemployed Youth

4.1.1. Sign MOU with the Department of Employment and Labour, so that the SETA can build linkages between the ESSA system and employers for learnership recruitment.

#### 4.2. Unemployed Graduates

- 4.2.1. Pair unemployed graduates with retirees to serve as coaches and mentors.
- 4.2.2. Set up a small business incubator to guide start-ups through their initiation period.

#### 4.3. Rural-based People

- 4.3.1. Train parents and ex-teachers to offer a community career guidance service to schools and community centres.
- 4.3.2. Host career guidance sessions at schools and community centres in rural areas.
- 4.3.3. Set up a WhatsApp sector-specific Career Education group for rural parents and youth to access through various online platforms.

# 4.4. Stokvels

4.4.1. Did not respond to request for an interview.

#### 4.5. Parents

4.5.1. Provide Career Guidance sessions for parents to inform them of opportunities for their children in the retail sector (link to Khetha Radio show or Rural Development initiatives).

#### 4.6. CBOs, NGOs, NPOs, Churches, Libraries, Community Centres

4.6.1. Train career guidance practitioners to provide career guidance in these community services.

#### 5. GOVERNMENT

#### 5.1. Department of Basic Education

5.1.1. Sign an MOU with DBE to distribute curriculum support materials for the Wholesale and Retail subject.

5.1.2. Sign an MOU with DBE to train provincial LO subject advisors.

### 5.2. Department of Employment & Labour

- 5.2.1. Sign an MOU with the Department of Employment and Labour, so that the SETA can build linkages between the ESSA system and employers for learnership recruitment.
- 5.2.2. Secure a regular time slot during the DEL employability training for unemployed, to promote opportunities in the W&R Sector.

### 5.3. Department of Higher Education

- 5.3.1. Lobby the DHET to encourage all SETAs to give more input into SETA career guidance targets.
- 5.3.2. Provide career guidance sessions for parents to inform them of opportunities for their children in the retail sector (link to Khetha Radio show or Rural Development Initiatives).
- 5.3.3. The W&RSETA Career Development Unit should have a career guidance research agenda and collaborate with DHET in their research, so that the DHET can also benefit.
- 5.3.4. W&RSETA Career Development Strategy should assist in growing the national Entrepreneur base.
- 5.3.5. Improve career guidance delivery through technology and digital platforms.
- 5.3.6. Contribute to the training of additional Career Guidance Practitioners.

#### 5.4. Municipalities

3.4.1. Still awaiting a meeting request response from them.

#### 5.5. Other SETAs

- 5.5.1. Evaluate whether to participate in projects or outreach programmes with other SETAs.
- 5.5.2. Lobby the DHET to encourage all SETAs to give more input into SETA career guidance targets.

# **B. INTERNAL STAKEHOLDERS**

# 1. THE W&RSETA BOARD (SETA)

- 1.1. Research into the personality characteristics of graduates who have successfully transitioned into self-employment versus others who have not.
- 1.2. Research into the personality characteristics of people who choose to study retail and complete their studies.
- 1.3. Think Tank to investigate micro-credentialing in retail and linkages with the NQF and Careers 4.0.
- 1.4. Organisations can initiate systems that allow employees to have more control over their learning and development.
- 1.5. Organisations as corporate citizens can play a more active role in changing the "Last Sector of Choice" narrative about the Sector.
- 1.6. Design a sector-specific outplacement programme (online) that organisations can draw upon to assist their employees when retrenchments are unavoidable.
- 1.7. Develop an integrated online career guidance system (including career pathing) to allow employees to become 'custodians over their career'.
- 1.8. Employees should be allowed to apply directly to the SETA for bursaries.
- 1.9. Career pathing systems so employees can control their career development.
- 1.10. Retail Readiness courses do not always have to be accredited and can be provided by CET colleges. Career guidance is to make small businesses aware of these programmes.
- 1.11. Initiate a sector education programme that shows the Sector off as being a preferred sector for career opportunities.

#### 2. W&RSETA HR DEPARTMENT

2.1. Develop a Career Pathing System for employees (once structure redesign is complete).

### **3. REGIONAL OFFICES**

3.1. Train one accredited career guidance practitioner per province to conduct SETA work.

#### **4. BURSARIES UNIT**

- 4.1. Career Development Unit to play a greater strategic role in the awarding of bursaries, so that the dropout rate of bursaried students is reduced.
- 4.2. Pre-assessment of bursary applicants.
- 4.3. Provide bursary information through various online platforms.

### **5. DISABILITIES UNIT**

5.1. Train several disabled individuals as career guidance practitioners

#### 6. SMALL & EMERGING BUSINESSES AND ENTREPRENEURSHIP UNIT

- 6.1. Provide mentors and coaches to small and emerging businesses who request such services.
- 6.2. Provide small business owners with information on seminars and micro-courses.

#### 7. RURAL DEVELOPMENT UNIT

- 7.1. Train rural TVET coordinators to offer a career education and guidance service.
- 7.2. Link up with Khetha radio programme.

# 8. W&RSETA CAREER GUIDANCE STRATEGY PROJECT TEAM

- 8.1. W&RSETA Career Development Unit to take responsibility for the Career Development Research Agenda within the SETA.
- 8.2. Think Tank to investigate Careers 4.0 in more detail.
- 8.3. Career Development Unit to participate in regional and international career guidance conferences and symposiums to stay abreast of career development practices that will benefit the Sector.
- 8.4. Research whether there is a relationship between those taking W&R curriculum subjects at school and those enrolling for W&R courses post-school.
- 8.5. Research whether pupils at school who take the W&R subject apply for post-school studies in the field.
- 8.6. Research into the personality characteristics of graduates who have successfully transitioned into self-employment versus others who have not.
- 8.7. Career information systems that promote the Sector should be made available to school learners and university/college students.

# 3.1.5. RECOMMENDATIONS: THE W&RSETA STRATEGIC FRAMEWORK FOR CAREER GUIDANCE DELIVERY (SFCGD)

This Report 5 serves as a summary of all recommendations contained within reports 1-4 (the findings and recommendations of these reports will be dealt with elsewhere in this report). There are 9 themes that have emerged, each with several recommendations. The 9 themes described in more detail below will provide direction to the design of the career guidance strategic plan.

- Conduct Specific Research: There are a plethora of research topics that would greatly benefit the Sector. A significant number of these topics are well-suited to action research and an adhoc action research Think Tank that is set up occasionally based on research needs would contribute to a well-conceived career guidance strategy.
- Promote the Sector Through Career Education: The W&R Sector is not a sector of choice by job market entrants. This is a narrative that
  the Career Guidance Unit needs to change to one where the Sector is perceived as a preferred sector of employment. A career education
  process should represent all career opportunities to attract a strong cohort of graduates into the Sector.
- 3. Create an Integrated Online Career Guidance System: An online career guidance system should not only consider the traditional school-aligned data sets, such as careers, bursaries, and study courses, but should also consider career planning and pathing systems, which are relevant to employees who want to advance their careers and employers who want to retain their trained staff.
- 4. Support Entrepreneurs and Small Businesses: There were many outstanding recommendations as to how the SETA can contribute towards this. Recommendations, such as linking retirees with graduates, financially incentivising small business owners to attend courses, setting up of sector-specific business incubators, and conducting research into the characteristics of successful retail entrepreneurs, have been made. Entrepreneur development must form part of the CDU research agenda.
- 5. Train Career Practitioners: Career guidance must be provided by accredited career guidance practitioners. Whilst schools currently account for the largest proportion of career guidance taking place, a recommendation has emerged to have suitably qualified career guidance professionals in the workplace to assist employees.
- Fund Workplace Readiness Training: Research should be conducted to assist the SETA in setting up a software and technology training centre (potentially at TVET colleges) where graduates and prospective employees can receive training that better prepares them for entry into the workplace.
- 7. Fund W&RSETA Continuous Professional Development (CPD): The W&RSETA should establish a sector specific CPD programme, to facilitate lifelong learning in the W&R Sector by identifying and recognising micro-skills and micro-credentials, which meet the needs of the Sector.
- 8. Ensure Bursary Throughput Rate Improves: The dropout rate of 40% of W&RSETA bursary students reflects an unacceptable level of financial loss (estimated at R90 million per annum for the W&RSETA alone). Research concerning improving throughput rates of bursary recipients

### 3.2. RECOMMENDATIONS THEME 2: IMPACT, EVALUATION, AND TRACER STUDIES

Recommendations from 3 research studies are dealt with in this subsection. They are detailed in Table 10 below.

#### Table 10: List of Theme 2 (Impact, Evaluation, and Tracer Studies) Research Studies

#	Date	Title	Author		
2 Imp	2 Impact, Evaluation, and Tracer Studies (3 Reports)				
2.1	March 2020	Impact Assessment: International Leadership Development Programme (ILDP)	Underhill Corporate Solutions (UCS)		
2.2	March 2020	Impact Assessment: Retail Management Development Programme (RMDP)	UCS		
2.3	March 2020	Impact Assessments Study for Development of W&R Quali- fication	W&RSETA		

### 3.2.1. RECOMMENDATIONS: IMPACT ASSESSMENT: INTERNATIONAL LEADERSHIP DEVELOPMENT PROGRAMME (ILDP)

#### To improve the programme, the following recommendations were offered:

- 1. Selection Targets: The SETA should, therefore, develop a quota system to ensure fair representation of women, people with disability and other provinces in the programme.
- 2. Review Programme Material: There is a need to constantly revise the course content to reflect the dynamic and constantly changing work and sector environment.

- 3. Continuation of the Programme: It is recommended that the programme should be strengthened, improved and continued, as it enhances the socioeconomic status of the beneficiaries and employers.
- 4. Communication: The SETA should improve its communication strategies from inception to completion of the programme. This should include clear programme criteria, and feedback on reasons for successful and unsuccessful applications to the programme.
- 5. Online Training: Online courses should be introduced to relieve the requirement for participants to be away from their workplaces. An online training programme would enable beneficiaries to complete coursework.
- 6. Selection Criteria: The SETA must set strict standards for selection and adhere to these standards.
- 7. Standardisation of Course Content: The course content should be standardised to eliminate and SDP-related related variations.
- 8. Annual Impact Evaluation: Findings of the study indicated that more than half of the respondents in 2018/2019 indicated that their career prospects and advancement remained unchanged. It is, therefore, recommended that impact evaluations be conducted annually to determine whether the programme has achieved its objectives and, if not, address the root cause immediately.

### 3.2.2. RECOMMENDATIONS: IMPACT ASSESSMENT: RETAIL MANAGEMENT DEVELOPMENT PROGRAMME (RMDP)

Considering the challenges identified, stakeholders put forward several key suggestions relating to the entrance into the RMDP, course content and structure, logistics and impact. Key suggestions included the need for improved communication from the SETA, the involvement of training providers in the selection of beneficiaries and the need to implement a bridge between the RMDP and the ILDP.

- Streamlining the Entrance Process: The SETA should streamline the entrance process for the RMDP to ensure that programme objectives are clearly met. The training provider should be directly involved in the selection of beneficiaries. The time lag between acceptance of beneficiaries into the RMDP and commencement of training should be minimised.
- 2. Enhancing Content and Delivery: The standards, course content and processes for the RMDP should be made uniform even with a training provider changes. The training provider should initiate consultations with employers and successful beneficiaries immediately after closure of the selection processes, to establish the programme length and confirm dates. A bridging programme between the accredited RMDP and ILDP should be developed and implemented.
- 3. Streamlining Logistical and Administration Processes: The overall logistical process must be enhanced, which includes announcements to stakeholders and handling queries, such as beneficiaries' failure to attend certain classes.
- 4. Enhancing Impact: The SETA should conduct regular evaluations of beneficiaries of the programme, which will allow the SETA to closely monitor successes concerning equity and transformation in the Sector.

# 3.2.3. RECOMMENDATIONS: IMPACT ASSESSMENTS STUDY FOR DEVELOPMENT OF W&R QUALIFICATION

### The recommendations were as follows:

- 1. Review of W&RSETA Regulation and Legislation: There were strong views expressed regarding the current legislation. Some proposals put forward, including active engagement of the Sector with W&RSETA to work around potential changes to certain criteria for grant approval.
- 2. Raising Awareness: It was recommended that the W&RSETA should intensify information sharing of the legislation and the SETA's grant offerings with its stakeholders. The Sector awareness of the advantages of gaining a qualification is low.
- 3. Review of Grant Application Process: To secure a more efficient qualification development procedure, the application process should be automated.
- 4. Review of the W&RSETA Grant Assessment Process and Adjudication Matrix: It is recommended that the W&RSETA should introduce multidisciplinary teams to appraise applications (financial, institutional, social, technical, risk and legal). There should be different matrices for different sector projects, i.e. small, medium and large projects, and an explanation should be included in the matrix to explain the reason for allocating a particular score or decision.
- 5. Review of Project Implementation Support: During the implementation phase of projects, the W&RSETA should institutionalise the provision of technical support to beneficiaries who require it. This will increase project success and sustainability. Entrepreneurship training and associated support was recommended for applicants from small businesses.
- 6. Review Project Monitoring and Evaluation Capacity: The capacity of W&RSETA for monitoring and evaluation should be enhanced. The W&RSETA should develop an approach to monitor projects (perhaps on a sample basis) given the magnitude of projects funded and managed by the W&RSETA. The monitoring of projects should be planned at prior to grant approval. The number of projects to be approved should also be informed by the monitoring and evaluation capacity of the W&RSETA.

# 3.3. RECOMMENDATIONS THEME 3: THE 4TH INDUSTRIAL REVOLUTION (4IR) AND FUTURE OF WORK

Recommendations from 5 research studies are dealt with in this subsection. They are detailed in Table 11 below.

#### Table 11: List of Theme 3 (The 4th Industrial Revolution (4IR) and Future of Work) Research Studies

#	Date	Title	Author	
3 The	3 The 4th Industrial Revolution (4IR) and Future of Work (6 Reports)			
3.1	March 2020	Impact of the 4th Industrial Revolution (4IR) on Employment and Growth in the Wholesale and Retail Sector	Redflank	
3.2	March 2020	The New Skills, Training and Qualification Needs Brought About by the 4th Industrial Revolution in the Retail Sector	The Consumer Goods Council of South Africa (CGCSA)	
3.3	July 2020	New Career Opportunities in the Wholesale & Retail Sector Resulting from 4IR	PACE Research Institute	
3.4	August 2018	E-business Developments and Skills Requirements in the Retail Sector	Cape Peninsula University of Technology (CPUT)	
3.5	March 2018	Occupations Contributing Towards Green Skills Within the W&R Sector of the South African Economy	MBS Projects	

# 3.3.1. RECOMMENDATIONS: IMPACT OF THE 4TH INDUSTRIAL REVOLUTION (4IR) ON EMPLOYMENT AND GROWTH IN THE WHOLESALE AND RETAIL SECTOR

#### To support delivery against this need, the following recommendations were offered:

- 1. Partnerships: The W&RSETA continue to arrange stakeholder forums where sector-specific updates are provided, and knowledge is shared amongst stakeholders. The SETA can act as the catalyst for stakeholders to learn from each other as to how they are managing the impact of the 4IR. Cooperation with other SETAs, government departments and targeted global partnerships can assist in learning about best practices.
- 2. Training at School Level: The W&RSETA should share its findings with the Department of Basic Education (DBE) to assist in structuring school curricula to account for job market requirements, insofar as this relates to 4IR.
- 3. Change Management: In addition to equipping employees with technical skills required to manage 4IR technologies, focus is also given to training employees on change management.
- 4. Focus on Affected Sub-sectors: W&RSETA should focus on segments that are already experiencing the impact of 4IR technologies, for example, stakeholders across segments indicated that a major impact of 4IR will be on customer service. Customers will expect to have their queries resolved much faster and will expect more convenience when dealing with the retail and wholesale sector.
- 5. Uncertainty Surrounding 4IR: There is a need to educate stakeholders on the employment possibilities that new technologies make available. The W&RSETA should consider undertaking roadshows to schools to educate learners regarding new career paths within the Sector.
- 6. Upskilling Senior Staff: Senior employees and business owners will require 4IR-related upskilling and reskilling to leverage 4IR technologies and cascade these skills down to other occupational groups. Senior employees are often the drivers of the change management process that is required, and thus need to be trained in new technologies.
- 7. Impact of Negative External Economic Factors: The use of 4IR technologies provides opportunities for growth through increasing sales by reaching previously inaccessible markets (for example, through online shopping and drone delivery), which can also reduce costs and wastage through more efficient practices.
- 8. Inadequacy of Training Programmes: Improve the consultative processes for updating or developing courses by accelerating the process to include interested parties and improve the time it takes to update or develop programmes.

# 3.3.2. RECOMMENDATIONS: THE NEW SKILLS, TRAINING AND QUALIFICATION NEEDS BROUGHT ABOUT BY THE 4TH INDUSTRIAL REVOLUTION IN THE RETAIL SECTOR

Through an extensive analysis of literature, combined with survey and interview data collected from consumers and retail experts, the following recommendations are proposed for the retail sector and for the CGCSA:

- 1. Increase and Improve Upskilling and Training Programmes: The lack of upskilling and training programmes available to employees presented as a key finding throughout the research. The following is, therefore, recommended:
  - a) The retail sector should aggressively stress the need for upskilling and in-house training programmes.
  - b) Programmes should be specialised toward specifically-needed skills within the various retail sectors.
  - c) Training should cover not just skills, but also increasing awareness and knowledge around 4IR and technological disruptions relating to their specific industries.
- 2. Public, Private Collaboration Across Education Spheres: In addition to the need for internal skills development programmes, there is a growing need for collaboration across the public and the private sectors to create a competent workforce, well-prepared for the workplace.
- 3. Place Emphasis on Professionals' Skillsets and Knowledge: Current and predicted skills shortages should be actively communicated across the Sector, job portals and to private and public education institutions, for there to be a clear understanding of these needs and to guide efforts to close the gaps.
- 4. Communication within Organisations: The power of innovative new technologies should be incorporated into the regimes of organisations and communicated effectively. This could lead to a decrease in fear associated with 4IR associated change, such as automation leading to job losses. 70% of consumers have a fear of job losses relating to automation, whereas less than 25% of retail experts shared that fear, showing a disjunction between perceptions of consumers and retail experts.
- 5. Actively Implement New and Innovative Ways of Working: The concept of the future of work is becoming synonymous with new modes of work, including the growing trends towards flexible working hours, continuous learning, web-based freelancing, side-hustling and remote-based work. Companies that neglect their potential will likely get left behind by those who choose to grab opportunities presented by 4IR with open arms.
- 6. Prioritise Training and Upskilling Programmes: W&RSETA should prioritise the conceptualisation, development and rollout of training and upskilling programmes that can be made available across the Sector. It was found, during the research, that more than half (59%) of retail respondents feel that there should be more skill development workshops held, and this is something that the W&RSETA can help to address in the short to medium-term.
- 7. 4IR-related Developments National and Global: It is important for the W&RSETA, CGCSA and its members to stay abreast of relevant developments and international best practices to help guide the way forward.
- 8. Advocacy for Technological Innovation on 4IR-related Skills: As part of the CGCSA's advocacy work, the organisation could lead efforts to encourage and guide technological innovation across the Sector through white papers, events, policy development etc. The CGCSA is well-positioned to help facilitate South Africa's retail sector into the 4IR and should do so in collaboration with as many of its members/ stakeholders as possible, advocating for a sector that openly welcomes the changes associated with the 4IR.
- 9. Graduates Required to Fill Skills Gaps: Emphasis should be placed on the need for graduates skilled in needed fields, such as security and fraud prevention software, given the current increase in online activity. Cisco South Africa has emphasised that there currently exists a shortage of cybersecurity professionals. The research indicates that many organisations are lacking training programmes within this field.
- 10. Conduct Additional Research to Further Inform the Sector on 4IR and Other Key Topics: Following from the current study, there are several other important research topics that could be explored by the W&RSETA to deepen its understanding of the complexities of the 4IR and the future workplace.

# 3.3.3. RECOMMENDATIONS: NEW CAREER OPPORTUNITIES IN THE WHOLESALE & RETAIL SECTOR RESULTING FROM 4IR

### In respect of this report however, the following recommendations were made that relate specifically to the W&RSETA Career Guidance Strategy:

- 1. As new occupations emerge, they will need to be included onto the OFO, so that the SETA can fund training and learnerships.
- 2. Set up a Think Tank to further investigate Careers 4.0 in the context of micro-skills and micro-credentialing for purposes of recognition (accreditation).
- 3. Launch a career education programme in the form of career directories, posters, and online platforms that introduce Careers 4.0 in the W&R Sector.
- 4. Increase interdisciplinary post-graduate bursary funding relevant to the W&R Sector.
- 5. Research the impact of 5G technologies on job creation in the W&R Sector.

The recommendation is that the W&RSETA establish an adhoc Think Tank (comprising business and education providers) that considers this report as a departure point to agree on the relevance of occupations deemed to be new occupations, assign appropriate naming conventions to new W&R occupations agreed upon for OFO classification, and rank-order the skills required over the medium-term to enter these new occupational titles, so that tertiary institutions can develop recognised qualifications and micro-credentials that can be taught.

### 3.3.4. RECOMMENDATIONS: E-BUSINESS DEVELOPMENTS AND SKILLS REQUIREMENTS IN THE RETAIL SECTOR

#### The recommendations were as follows:

- 1. The SETA must be aware of the following issues when crafting a sector strategy with regards to preparing the Sector for the impact of e-commerce on both the quantity and quality of employees in the Sector:
- 2. Little research has been done on future e-business skills requirements for employees in the retail and wholesale industry. An intervention may be needed here.
- 3. The demand for qualified experts in e-commerce is significant and the requirements are challenging. More and more retail chains, particularly in clothing and fashion, have a growing demand for employees with a university degree. But there are very few universities that offer programmes in e-commerce with a retail focus. The W&RSETA could interact with academic partners to include this curriculum focus.
- 4. The competition among retailers for e-commerce experts is going to increase, and the required qualification level is going to rise.

# 3.3.5. RECOMMENDATIONS: OCCUPATIONS CONTRIBUTING TOWARDS GREEN SKILLS WITHIN THE W&R SECTOR OF THE SOUTH AFRICAN ECONOMY

The W&R Sector is positioned to grow in the path towards green transformation. Following the narratives contained in the literature and empirical findings, recommendations for policy and practice are, therefore, presented:

- 1. Recommendation for Institutional Policy Coherence: A unified policy framework that supports green strategies across occupations in the W&R Sector is required. It will be in the best interests of W&RSETA that the wholesale and retail enterprises follow suit in ensuring that green ideologies are given adequate expressions. The existence of different levels of national green policies has been supportive of the development of an environmentally friendly economy. However, it is equally imperative that all sectors of the economy take a unified strategic route in the implementation of the green occupation, skills, and technologies.
- 2. Recommendation for Innovation Capacity Development: A collaborative strategy among a broad network of stakeholders in the W&R Sector is required. Much can be achieved through skills and technology innovation within the Sector. The W&RSETA must be positioned in terms of policies and strategies in the development of local entrepreneurs with creative attributes that are needed in areas that resonate green potential. This strategy could provide support in building innovative capacity that accelerates the implementation of green skills and technologies.
- 3. Recommendation for Adaptive Local Knowledge System: The study considers the imperatives of harnessing the local knowledge system that has the potential to support the green skills implementation strategy. Green practices are oftentimes identified with environmentally friendly cultural values of society. Curricular development that takes into consideration the state of the local knowledge system required to drive the green movement. Greening local skills and technological tools are a necessary approach for adaptation and must form a key strategic component of W&RSETA.
- 4. Inclusive Green Policy Framework Along Trade Categories and Operational Sizes: The study identified the need for an inclusive green policy framework that can address the peculiarity of trade categories of the wholesale and retail operations. This may have the tendency to strengthen the commitments on both sides. The sizes of these enterprises should be taken into consideration when crafting green policies, as the capacity for implementation in terms of resources may vary among enterprises.

### 3.4. RECOMMENDATIONS THEME 4: SMALL AND MEDIUM ENTERPRISES (SME) AND INFORMAL TRADERS

Recommendations from 6 research studies are dealt with in this subsection. They are detailed in Table 12 below.

#### Table 12: List of Theme 4 (SME and Informal Traders) Research Studies

#	Date	Title	Author		
4 Sm	4 Small and Medium Enterprises (SME) and Informal Traders (6 Reports)				
4.1	August 2020	Small Business Survey Report	Research and Innovation Unit, W&RSETA		
4.2	August 2020	Covid-19 Economic Survey	Research and Innovation Unit, W&RSETA		
4.3	August 2020	Report on Informal Traders Telephonic Interviews	Research and Innovation Unit, W&RSETA		
4.4	February 2016	The Nature of Existing and Emerging Co-operatives in the Wholesale and Retail Sector	CPUT		
4.5	July 2015	Towards Effective Work-Integrated Learning in the South African Retail SMME Sector	CPUT		
4.6	February 2016	Strategy Alignment of the South African Retail Sector with the National Development Plan: Vision 2030. A summary	CPUT		

### 3.4.1. RECOMMENDATIONS: SMALL BUSINESS SURVEY REPORT

As part of increasing employment and skills development opportunities, there is a need to support small businesses within the Sector to manage the impact of Covid-19. The respondents indicated that the Sector needs to provide financial support and more funding for specific skills development programmes and ensure continuous stakeholder engagement.

# 3.4.2. RECOMMENDATIONS: COVID-19 ECONOMIC SURVEY

It is imperative for W&RSETA to find suitable priorities to focus on that can support businesses in the Sector in mitigation against Covid-19, several recommendations were made:

- 1. Embracing Technology: The growth in importance of technology as a method of training staff, as well as an alternative to 'brick and mortar' was suggested. New models of training, such as elearning and blended learning, and in the sale of goods, the creation of e-commerce platforms was a means to trade.
- 2. Application for Financial Relief: Struggling businesses should consider applying for business rescue and relief funding.
- 3. SHE&Q Training: This should be prioritised by W&RSETA as a mitigation tool against Covid-19.

# 3.4.3. RECOMMENDATIONS: REPORT ON INFORMAL TRADERS TELEPHONIC INTERVIEWS

#### Informal traders and small businesses provided the following recommendations to assist them in dealing with the impact of Covid-19:

- 1. Funding PPE: As part of increasing employment and skills development opportunities, there is a need to support small businesses and informal traders within the Sector to manage the impact of Covid-19, which may include the funding of PPE or the distribution of information concerning Covid-19 business relief.
- 2. Funding Skills Development Initiatives: The respondents indicated that the Sector needs to provide financial support and more funding for specific skills development programmes and ensure continuous stakeholder engagement.

# 3.4.4. RECOMMENDATIONS: THE NATURE OF EXISTING AND EMERGING CO-OPERATIVES IN THE WHOLESALE AND RETAIL SECTOR

#### The recommendations were as follows:

- 1. The proposed interventions were identified, and a framework was proposed for the integration of co-operatives into the larger Wholesale and Retail Sector. Area for further research were identified to further develop the Sector. For example, further research could determine the alternative ways in which small-scale farmers may reach their markets.
- 2. This project proposes an intermediary to fulfil some of the marketing functions, which will enable primary producers to become mainstream participants. The nature or form of these proposed intermediaries in ideal form is unknown. From formal mainstream supermarkets to alternative food markets to direct distribution, the alternatives present interesting and exciting possibilities. This opens several possibilities for further research to try to identify the most appropriate route to follow.
- 3. This project required that the findings of the research underpin a proposal for a framework for integrating co-operatives into bigger wholesale and retail markets. The distance between the current position of co-operatives and that of the existing wholesale and retail trade may be called the 'interventions gap'. The W&RSETA should consider the skills development interventions presented and consider which package is most appropriate.'

# 3.4.5. RECOMMENDATIONS: TOWARDS EFFECTIVE WORK-INTEGRATED LEARNING IN THE SOUTH AFRICAN RETAIL SMME SECTOR

#### The recommendations were as follows:

 W&RSETA: Report Endorsement and Mobilisation: W&RSETA executive management reflected endorsed the need to strengthen SMME retail business management and financial literacy, building effective WIL mentorship, practical skills learning and student employability outcomes. To this end, it is recommended that:

a) Policy documents, including SMME Funding and Skills Support Policy, South African Public Colleges Organisation (SACPO) 'Hire Power' (2014) small business placement programme proposals and HET/ TVET 'School of Excellence' learning strategies should be reviewed and updated, where appropriate.

b) Implementation of recommendations towards enhanced WIL policy and processes should be led by W&RSETA management and board representatives, to define and mobilise capacity criteria for WIL placement with competent medium and small retailers, within the Sector Skills Plan (SSP) priorities and regulatory frameworks.

c) Throughout the phases of HET and TVET consensus around policy and process review and mobilisation towards enhanced quality and quantity of WIL within SMMEs, W&RSETA executive management and board representatives of retail employer organisations should play a facilitative role, towards collaborative achievement of the socioeconomic transformation vision of the NDP and National Skills Development Strategy (NSDS) III vocational learning outcomes.

2. HET and TVET Institutions: Strategies for Effective WIL with Retail SMMEs: Noting that this research and evaluation topic was initiated during a progress review of the W&RSETA QMB, it is recommended that the findings and strategies should be considered by a purposive group of HET and TVET retail vocational educators, to optimise the validity and synergy of this position paper. Agenda items for a W&RSETA-led review of Effective WIL with Retail SMMEs should include:

a) WIL stakeholder survey findings and SMME placement priorities, for shared clarity.

b) A shared understanding of WIL/Co-operative Education policy and processes; supported by HET/TVET evaluations of their institutional WIL effectiveness with retail SMMEs, for placement strategy criteria.

c) SMME 'due diligence' capacity criteria, Department of Small Business Development (DSBD) and Southern African National Co-operatives Council (SANCOC)/South African Small and Medium Enterprises Federation (SASMEF) developmental insights, towards increasing WIL placement numbers with learning quality assurance.

d) Agreement on HET and TVET institutional steps, based on the SACPO 'Hire Power' (2014) programme proposal: Including enhancement of WIL strategies with retail SMMEs, for consideration by SETA, DHET and /or DSBD management.

e) Given the cross-sectoral implications of effective WIL with SMMEs, it will be appropriate for W&RSETA recommendations to be referred to a SETA Chief Executive Officer (CEO) Forum, for collective endorsement and engagement with DHET and National Skills Authority (NSA) thought-leaders.

#### 3. DHET: WIL Policy, Processes and SMME Capacity-building Strategies Review:

a) DHET officials are aware of WIL policy and process stakeholder dissonance; leading to the recent DHET/NSA WIL Workshop, which was the platform for a range of stakeholder commissions to debate the way forward towards more socioeconomically effective national strategies for WIL and workplace competence.

b) The DHET Chief Director: WIL has undertaken to submit enhanced WIL policy, process and funding infrastructure recommendations to the HET Minister soon. It will, therefore, be opportune for well-defined policy and process inputs from the SETA CEOs Forum and HET/TVET stakeholder engagements to be tabled with DHET executive management, for collaborative consideration

#### 4. DSBD, SMME and Co-operatives Capacity and Competence Support, for WIL Effectiveness:

a) Many stakeholders highlighted the fundamental need for SMME retailers to be capacitated for effective workplace learning and skills development outcomes, for aspirant WIL students to become employable in this volatile business sector. The policy review process underway within the DSBD has also been noted; and discussions with the chairperson of the Parliamentary Portfolio Committee on Small Business Development have indicated a readiness for policy enhancement proposals. SANCOC and SASMEF leadership have interacted with DSBD officials, striving to build commitment to co-operative SMME developmental strategies, including small business incubators and twinning with corporates.

b) Once the steps recommended earlier are achieved, SANCOC and SASMEF role-players could engage with W&RSETA, DSBD and Coaches and Mentors of South Africa (COMENSA) leadership, to define SMME capacity norms, funding and regulatory policies for business management competence, with incentives for effective WIL mentorship capacity and quality assurance.

c) Dependent on the policy and process outcomes of the DHET/NSA WIL Workshop, the regulatory framework may require further research, for effective organisational pairing, mentoring partnerships and WIL implementation in retail SMMEs.

# 3.4.6. RECOMMENDATIONS: STRATEGY ALIGNMENT OF THE SOUTH AFRICAN RETAIL SECTOR WITH THE NATIONAL DEVELOP-MENT PLAN: VISION 2030. A SUMMARY

#### The recommendations were as follows:

- 1. The report findings will provide an agenda for consideration of the W&R Sector's NDP alignment and stimulate W&R engagement with National Planning Commission (NPC) to optimise NDP opportunities and minimise the regulatory framework.
- The CPUT work together with mandated leaders of W&R business associations and federations, convene a Sector Strategy Forum to put in place steps to build a W&R Sector leadership network committed to co-operative support for cost-effective, inclusive implementation of relevant NDP strategies.
- 3. The Sector increases its active citizenry awareness, trust and collaboration within Proudly South Africa, where just three W&R businesses are members. They also recommended that the Sector participate in public-private partnership forums to share information and discuss priorities.

### 3.5. RECOMMENDATIONS THEME 5: EMPLOYMENT AND UNEMPLOYMENT IN THE SECTOR

Recommendations from 2 research studies are dealt with in this subsection. They are detailed in Table 13 below.

#### Table 13: List of Theme 5 (Employment and Unemployment in the Sector) Research Studies

#	Date	Title	Author	
5 Emp	5 Employment and Unemployment in the Sector (5 Reports)			
5.1	March 2020	Casualisation of Labour in the South African Retail Sector	CPUT	
5.2	June 2015	Retail's Contribution To, and Strategies For, Job Creation and Retention	CPUT	

### 3.5.1. RECOMMENDATIONS: CASUALISATION OF LABOUR IN THE SOUTH AFRICAN RETAIL SECTOR

We have reviewed and included the research, as per the requirement of W&RSETA. However, the Labour Relations Amendment Act came into operation on 1 January 2015 and placed significant restrictions on the use of 'non-standard' employees, including fixed-term and part-time contracts (which covers the terms casual and temporary workers).

#### The recommendations were as follows:

- The research produced findings and recommendations that will guide and influence the decision-makers within the Wholesale and Retail Sector by highlighting the status of casualisation of labour in the Retail Sector, evaluating the impact of casualisation of labour on the Retail Sector, as well as identifying the skills needs of casual labour in retail.
- 2. The key findings indicate a need to increase casual labour to improve employment in the country and in the Retail Sector. The following could be considered to support this, such as new account drives, festive holidays and an increase in workload.
- 3. It was suggested that these special consumer event days could be extended through marketing campaigns, they will contribute positively to the employment of casual labourers in the wholesale and Retail Sector and thus reducing unemployment in the country.
- 4. The W&R Sector should implement mechanisms to retain casual staff, such as improved prospects of career advancement, creating learning and development opportunities and providing competitive benefits to casual labours and the provision of fair compensation.

# 3.5.2. RECOMMENDATIONS: RETAIL'S CONTRIBUTION TO, AND STRATEGIES FOR, JOB CREATION AND RETENTION

These following recommendations flow from the literature, as well as interviews with stakeholders.

- 1. Foster a Relationship with the SMME Sector: To create more jobs across the Sector, the Retail Sector must foster a relationship with the SMME sector to access a large pool of labour. There is a need for radical transformation in the Sector, especially in management positions to ensure a more efficient and effective supply chain strategy and implementation to improve pricing and value to customers.
- 2. Small Business Employment Strategy: The Retail Sector must develop a workable strategy to develop Small Businesses to grow employment opportunities. The W&RSETA must assist by developing programmes. Some of these can include: 1) Facilitated coordination of small businesses to overcome scale barriers that exist in the market. Combined buying and negotiating will assist small firms to gaining competitive advantages that would otherwise not be available to individual small enterprises. 2) A shared services centre would benefit retailers to access a skill set that may be missing in a small business environment. These skills may include management and leadership, financial-related skills, including tax, compliance with government regulations and/or ICT and social media. 3) Facilitate business linkages between small and large retailers so that they may learn from each other to improve performance. 4) Reduce requirements of small businesses in terms of labour legislation, bureaucracy, and other matters of compliance.
- 3. Link to Relevant Government Departments: The W&RSETA in conjunction with the DTI should investigate a programme whereby local retailers can connect with local manufacturers. The nature of the programme will need to be investigated further but the process could include: 1) Identifying priority sectors within manufacturing; 2) Identifying criteria for participation (manufacturers and retailers); 3) Articulate and model incentives; and 4) Implementation.
- 4. Address Youth Unemployment: The Retail Sector must develop a viable and workable strategy of developing Youth Employment. A holistic approach will need to be undertaken that takes advantage of several interventions, including: 1) Pre-work programmes at school; 2) Encouraging entrepreneurial thinking; and 3) Internships and learnerships linked to defined career paths. It is important for employers and learners in the Sector for career pathways to be developed and communicated to the Sector.
- 5. Prioritise Learnerships: Learnerships should be prioritised by the W&RSETA and advocated to enterprises in the Sector, and the Sector should work closely with educational institutions, in creating a pipeline of labour into the Sector.
- 6. Keep Abreast of Changes in Technology: Job losses and new opportunities may occur, because of technological developments in the Sector. W&RSETA must remain up-to-date in terms of the nature and evolution of skills needs in the Sector. In addition to ensuring that the supply of labour into the Sector have the requisite skills to deal with changes in retail due to technology, so too should upskilling of entry-level and unskilled employees in the Sector be encouraged.
- 7. Monitoring and Evaluation of Interns: Successful monitoring of new entrants and interns in the Sector can assist in mining talent, and ensuring staff are developed in respect of achieving transformation on the Sector. Retailers should be able to recruit interns from a database, which could be maintained by W&RSETA.
- 8. Further Research: It is recommended that the W&RSETA or the DTI investigate the nature of retail space environment in South Africa. More especially, the role of large malls on buying behaviour, the impact and cost of rental expenses and the impact of these malls on small retailers in South Africa. Programmes to encourage the development of small retailers may be limited in their effectiveness, if there are difficulties in access to suitable retail space.
- 9. Emphasis on Business Ethics: The role of business ethics should be prioritised, particularly for new entrants to the Sector. A suitable programme should be offered to all learners.

The study has shown that a comprehensive and viable strategy, which is actionable is crucial for alleviating unemployment in the Sector, especially youth unemployment. The usage of different integrated strategies and methods by the Retail Sector and W&RSETA are an important factor in finding solutions to reduce unemployment through offering the youth entrepreneurial opportunities in the Sector.

### 3.6. RECOMMENDATIONS THEME 6: BEST PRACTICE IN EDUCATION, TRAINING AND SKILLS DEVELOPMENT

Recommendations from 4 research studies are dealt with in this subsection. They are detailed in Table 14 below.

#### Table 14: List of Theme 6 (Best Practice in Education, Training and Skills Development) Research Studies

#	Date	Title	Author
6 Bes	t Practice in Educatio	on, Training and Skills Development (4 Reports)	
6.1	March 2020	Mentoring Model Using Retail Retirees to Develop Skills of New Retail Managers	CPUT
6.2	April 2019	How to Design and Harness the Value of Workplace Learn- ing in Wholesale and Retail	Dedosa Consulting, DUT
6.3	March 2019	Decolonization and its Application to Existing RBM Pro- grammes: The Power of Indigenous Knowledge	CPUT
6.4	March 2016	A Model to Operate and Use a Retail Store for Workplace Experience and Research on the Cape Peninsula University of Technology Campus in Cape Town	CPUT

# 3.6.1. RECOMMENDATIONS: MENTORING MODEL USING RETAIL RETIREES TO DEVELOP SKILLS OF NEW RETAIL MANAGERS

# The recommendations were as follows:

- 1. The research recommended that W&RSETA develop a model for mentorship, for application in the Sector.
- 2. This model, and the steps to be followed in developing it, is outlined in detail in the research report and will require: 1) a quantification of the need for the programme; 2) the most appropriate structure and content of a programme; 3) the development of partnerships with educational institutions, training providers and professional associations concerned with mentoring and coaching; and 4) compilation of a database of suitably qualified mentors; the development of a qualification or certification for mentors.
- 3. The W&RSETA are to determine their appetite and budget for the funding of this project, both in terms of development of the programme and funding its implementation in the Sector.

# 3.6.2. RECOMMENDATIONS: HOW TO DESIGN AND HARNESS THE VALUE OF WORKPLACE LEARNING IN WHOLESALE AND RETAIL

#### The recommendations were as follows:

- 1. Creating a sector and organisational culture that focusses on workplace learning is an important change, which needs to occur in enterprises in the W&R Sector.
- 2. Workplace learning is deemed to be relevant, appropriate, and prioritised by the SETA, however its status of being under-utilised and implemented in an informal manner needs to be addressed.

# 3.6.3. RECOMMENDATIONS: DECOLONISATION AND ITS APPLICATION TO EXISTING RBM PROGRAMMES: THE POWER OF INDIGENOUS KNOWLEDGE

### The recommendations were as follows:

- 1. The study recommends that for the current curriculum to be decolonised, there is need to involve all key stakeholders in the curriculum development process, especially the students.
- 2. The other recommendations are that preference should be given to indigenous knowledge systems and the use of African writers and African languages in teaching and learning.
- 3. The literature review and the findings from the data analysis suggest several strategies that can be implemented to decolonise the RBM curriculum of the higher education sector in South Africa.

# 3.6.4. RECOMMENDATIONS: A MODEL TO OPERATE AND USE A RETAIL STORE FOR WORKPLACE EXPERIENCE AND RESEARCH ON THE CAPE PENINSULA UNIVERSITY OF TECHNOLOGY CAMPUS IN CAPE TOWN

### The recommendations were as follows:

- 1. A final model was not recommended in the research, and it appears that this is still something to be determined.
- The research process indicated that there were significant issues involved in the operationalisation of the concept, as well
  as conflicting opinions concerning how it could best achieve the goals of WIL while maintaining proper organisation and
  financial management.

### 3.7. RECOMMENDATIONS THEME 7: IMPROVING THE SECTOR'S PERFORMANCE THROUGH RESEARCH

Recommendations from 10 research studies are dealt with in this subsection. They are detailed in Table 15 below.

#### Table 15: List of Theme 7 (Improving the Sector's Performance through Research) Research Studies

#	Date	Title	Author		
7 Im	/ Improving the Sector's Performance through Research (5 reports)				
7.1	March 2020	Wastage: Its Effect on Green Retail and its Role in Socioeco- nomic Improvement and Food Security	CPUT		
7.2	February 2020	A Study to Determine the Optimal Tenant Mix in Shopping Centres	Professor Hoosen Rasool, Durban University of Technology (DUT)		
7.3	February 2020	Ethnography as a Competitive Advantage in Retail: A Study of How Ethnographic Research is Used in Food Courts in Shopping Malls	Professor Hoosen Rasool and Yumna Rasool, DUT		
7.4	March 2018	Evaluation on Customer Centricity in South African Retail Business Strategy and Processes	UCS		
7.5	March 2019	The Influence of Internal Control Activities used by Sole Trader South African Small, Medium and Micro Retail Enter- prises Operating in Cape Town and the Attainment of their Key Financial Objectives	CPUT		
7.6	August 2016	Source Document Usage and the Financial Sustainability of South African Small, Medium and Micro Retailers	CPUT		
7.7	March 2020	Status and Challenges of Automation in the South African Retail Sector, including Automated, Self-Service Checkouts	CPUT		
7.8	August 2016	Financing for SMME Start-ups, and Expansion for Estab- lished SMMEs, in the Retail Sector	CPUT		
7.9	April 2020	The Changing Face of the South African Retail Industry through Social Media Marketing, Changes, Growth Oppor- tunities, Challenges and Impacts on Retail	CGCSA		
7.10	August 2019	Profiles of African Countries with Most Potential for SA Retailers' Expansion into Africa	CPUT		

# 3.7.1. RECOMMENDATIONS: WASTAGE: ITS EFFECT ON GREEN RETAIL AND ITS ROLE IN SOCIOECONOMIC IMPROVEMENT AND FOOD SECURITY

This research report's aim is to identify what is currently being done by the retail sector to reduce wastage and develop guidelines to assist South African retailers to adopt a more sustainable, green approach to wastage.

#### The recommendations in this section were proposed by retailers:

- 1. Collaboration between retailers and suppliers to amplify retail waste reduction, as well as collaboration with other relevant role-players, such as shopping centre managers and cross industry collaboration.
- Some retailers said that consumers and the industry in a broad sense require a mindset change to zero waste and improved waste management. One retailer suggested introducing boxes in-store for waste, for instance. Coupled with this is a need to discourage heavy consumption and incentivise behaviour change.
- 3. Building awareness and educating customers in-store and through various media channels, as well as educating suppliers.
- 4. Recycling initiatives for retailers include more focus on separation at source, and increase recycling collection points (more bins for recycling).
- 5. In terms of plastic and packaging, retailers recognise that the industry needs alternatives to plastic. Some suggested the industry should simply stop using plastic, reduce or eliminate single-use plastics (and containers), ban plastic straws and outlaw plastic bottles, while others suggested environmentally friendly packaging and recyclable packaging. Relating to the supply chain, some retailers suggested initiating a ban on plastic netting and shrink wrap and requesting delivery in reusable boxes and insisting on less packaging from your suppliers. Retailers may choose not to sell products, which do not have recycling options. From the consumer perspective, recommendations included a ban on plastic carrier bags (i.e. stop supplying plastic bags in store), offering a discount to customers who bring their own bags, replace plastic carrier bags with paper bags, encourage the use of boxes as opposed to plastic carrier bags, encourage customers to bring their own packaging and bottles.
- 6. Recommendations for retail office spaces were to reduce the amount of paper used by going digital or using electronic invoicing and slips, to have recycle bins and educate staff on recycling and other green initiatives. In the food sector this will also include teaching staff how to handle food in a manner that generates the least waste.
- 7. Recommendations for food waste is to streamline/limit unnecessary bylaws for food processing, donate surplus food to those in need or to pig farms, compost food waste, adopt scientific methods to determine sell by and best before dates, sell fruit and vegetables in loose format, and finally, have more regular food waste collections.
- 8. From a strategic viewpoint, the recommendation is for retailers to appoint a sustainability champion to drive green initiatives. Furthermore, the agenda for green practices should be driven by senior management with clear targets.
- 9. Other recommendations for retailers were to collect rainwater, build roof gardens to keep buildings cool, use more natural lighting in building designs, deliver in full trucks to decrease pollution and carbon footprint, improve procurement and ordering systems by adopting just-in-time delivery for instance, use local suppliers to shorten product travel distances, and use solar power (supported by improved access to financing for solar power)

Various recommendations for retailers were noted by interviewees. The predominant recommendation centred on understanding and considering waste across the entire chain (from growers through to consumers and even post-consumers). It is important for retailers to collaborate and work with existing structures, initiatives, pacts, etc., to find sustainable solutions. Specific recommendations related to this theme included:

- Retailers should use their platform to educate the customer (so they make better decisions). This includes creating more in-store facilities to return recyclables, providing information on how to reduce food waste on packaging and providing recipes to encourage use of produce, so that it is not wasted (for example, recipes for when fresh produce is reaching its best before date).
- Retailers should design their packaging for its 'end of life', i.e. consider what will happen to the packaging after the product is consumed. It was recommended that retailers join Packaging SA and other producer organisations, so that whole-of-industry solutions to waste can be created. When retailers come up with solutions in a silo, they could end up doing more harm than good for the product value chain.
- 3. Finally, it was recommended that retailers measure their waste as thoroughly as possible. National policy on food waste and a national champion to support this, with a central portal for reporting, is essential for monitoring the reductions over time.

# 3.7.2. RECOMMENDATIONS: A STUDY TO DETERMINE THE OPTIMAL TENANT MIX IN SHOPPING CENTRES

#### The recommendation was as follows:

1. During the research, questions and statements that were pertinent to tenant mix were raised that did not form part of the study and further research is recommended.

# 3.7.3. RECOMMENDATIONS: ETHNOGRAPHY AS A COMPETITIVE ADVANTAGE IN RETAIL: A STUDY OF HOW ETHNOGRAPHIC RESEARCH IS USED IN FOOD COURTS IN SHOPPING MALLS

#### The recommendations were as follows:

- 1. An easy-to-use toolkit that consists of non-formal, cost and time-efficient ethnographic research methods is developed to better understand customers and their shopping experiences.
- 2. It is recommended that retailers should employ ethnography in their settings.
- 3. Furthermore, retailers should be offered training and development in ethnography.

# 3.7.4. RECOMMENDATIONS: EVALUATION ON CUSTOMER CENTRICITY IN SOUTH AFRICAN RETAIL BUSINESS STRATEGY AND PROCESSES

#### The recommendations are as follows:

- 1. Collaboration: Collaboration between wholesalers and retailers, as well as other stakeholders, is limited and there is a need to improve on this. Both within the organisation as well as between the stakeholders; this will ensure the best customer experience.
- 2. Provide More Training to the Sector: W&RSETA is called on to improve their skills development initiatives and support by training retail employees on customer care, communication skills and marketing skills.
- 3. W&RSETA Accessibility and Visibility: There is a need for the W&RSETA to become more visible to its members, irrespective of the location, type or size of the enterprise.

# 3.7.5. RECOMMENDATIONS: THE INFLUENCE OF INTERNAL CONTROL ACTIVITIES USED BY SOLE TRADER SOUTH AFRICAN SMALL, MEDIUM AND MICRO RETAIL ENTERPRISES OPERATING IN CAPE TOWN AND THE ATTAINMENT OF THEIR KEY FINANCIAL OBJECTIVES

#### The recommendations were as follows:

- 1. Since this study had a relatively small sample due to it being essentially exploratory, a further study with a large sample may well produce more statistically meaningful results.
- 2. A study to ascertain the effectiveness of customised internal control activities in South African SMMEs on the attainment of their key financial objectives is suggested, since the study did not consider the possibility of different, customised controls used by the respondents.
- 3. A qualitative, exploratory study to identify the additional factors that influence the financial performance, i.e. factors accounting for the unexplained 83% of the variance identified by the regression analysis in this study

# 3.7.6. RECOMMENDATIONS: SOURCE DOCUMENT USAGE AND THE FINANCIAL SUSTAINABILITY OF SOUTH AFRICAN SMALL, MEDIUM AND MICRO RETAILERS

#### The recommendation was as follows:

1. It is recommended that a qualitative study be conducted to obtain an in-depth understanding of owners/managers attitudes towards source document usage and to how well and effectively they are implemented.

# 3.7.7. RECOMMENDATIONS: STATUS AND CHALLENGES OF AUTOMATION IN THE SOUTH AFRICAN RETAIL SECTOR, INCLUDING AUTOMATED, SELF-SERVICE CHECKOUTS

#### The recommendations were as follows:

- 1. Further in-depth research is required to arrive at a realistic assessment and judgement about the significance of potential job losses as a barrier to the introduction of SSCs.
- 2. The implementation of self-checkouts in South Africa, therefore, needs to be preceded by a thorough analysis of the following factors: a) The social and economic landscape in the regions where it is intended to implement SSCs;

b) A willingness to positively engage and negotiate with opposition to SSCs, including with labour organisations, activists and Non-Governmental Organisations (NGOs);

c) To move beyond speculation regarding job losses and to evaluate the actual financial benefits to the organisation and the communities in which it conducts its business;

d) From the feedback provided by the consumer survey, there is a willingness by consumers to engage with new retail technologies; ande) There have been many innovations that the retail industry worldwide seems to be struggling to come to terms with. Therefore, it will be important to monitor how the Retail Sector in South Africa will evolve and cope with these challenges of the new technologies.

# 3.7.8. RECOMMENDATIONS: FINANCING FOR SMME START-UPS, AND EXPANSION FOR ESTABLISHED SMMES, IN THE RETAIL SECTOR

The study recommended additional research in this area. This future research could focus on the following areas:

- 1. Small retailers' ability to access available finance depends on their knowledge about available finance and their general financial abilities.
- Small retailers' ability to access available finance depends on their abilities to build up and maintain relationships with the financial community and with suppliers.
- 3. Small retailers' ability to access available finance depends on their attitude towards growth.
- 4. The effectiveness and efficiency of programmes initiated by governmental agencies influence small retailer's ability to access available finance.

# 3.7.9. RECOMMENDATIONS: THE CHANGING FACE OF THE SOUTH AFRICAN RETAIL INDUSTRY THROUGH SOCIAL MEDIA MARKETING, CHANGES, GROWTH OPPORTUNITIES, CHALLENGES AND IMPACTS ON RETAIL

The following recommendations are proposed for the Retail Sector and for the W&RSETA.

### **Recommendations for the Retail Sector:**

- Increase collaboration between online and brick-and-mortar retailers to provide omnichannel shopping experiences and curb cyber fears: Innovative partnerships should be developed between online and brick-and-mortar operators to improve post-purchases support and fast problem solving with customers.
- 2. Improve the security of payment methods through partnerships with Fintech firms: It is important that online retailers evolve their payments architecture to allow for a more affordable, open, safe, reliable and trusted ecosystem.
- 3. Adopt in-store technologies to introduce non-homogenous shopping experiences: Because of the emerging demands for immersive, fun and experiential in-store experiences, brick-and-mortar retailers are encouraged to integrate AI-empowered navigation apps in stores, which help shoppers identify the desired items in a guided and entertaining way.
- 4. Harness the power of digital media to provide targeted services: Using social media platforms to engage this cohort of consumers will inform retailers about the products that they should or should not develop and how they can market them to attract a larger pool of customers.
- 5. Harness the power of digital media for consumer data mining: Retailers are thus encouraged to invest in their social media strategies and in the acquisition of other digital technologies to promote consumer data gathering and to structure product delivery according to consumers' personal needs and their shopping trends.

#### Recommendations for the W&RSETA:

- 1. Increase awareness and education around cybersecurity: Awareness campaigns to educate shoppers about the risks and threats related to online retail and which empower them with strategies to protect themselves from these threats, are required.
- 2. Encourage non-competitive data sharing between businesses: As a membership body that facilitates lobbying and collaboration between multiple industry players, the CGCSA can establish systems that allow non-competitive information sharing between its members to allow less resourced businesses access to non- competitive information from their peers. This could be key to ensuring that all members stay up-to-date with consumer trends even when they are unable to mine this data themselves.
- 3. Conduct more information campaigns to educate the public about the benefits of e-commerce: Increased educational campaigns that inform the average population about what the move toward cashless retailing entails and how this could be beneficial to them and to the country's economy at large. These campaigns could focus on emphasising the success of e-commerce avenues in enhancing customer experience and safety.
- 4. Investigate the relationship between crime and cashless retailing in South Africa: Although these results suggest that there is a positive relationship between people's perception of cashless retailing and crime reduction, there is a need for future research to explore the nature of this correlation and to alienate the specific aspects of cashless retailing that could be driving the correlation between crime and cashless transactions.
- 5. Investigate the role of the shared economy: Further research could look to elucidate the role that the shared economy could play in ensuring the stability of the South African economy, particularly after the forecasted impacts of a potential economic recession caused by Lockdown measures to contain the spread of the Covid-19.

6. Investigate success stories of shared economy businesses: Further research into the success stories of shared economy businesses in the country will, therefore, be necessary to inform the industry about the prospects of this method in the context of South Africa and how it can be harnessed to support the survival of small businesses.

# 3.7.10. RECOMMENDATIONS: PROFILES OF AFRICAN COUNTRIES WITH MOST POTENTIAL FOR SA RETAILERS' EXPANSION INTO AFRICA

#### The recommendations were as follows:

- A shortcoming of this study was the fact that it was based on desktop research on secondary literature. Future research could consider more qualitative approaches, such as interviews with both investors (from SA) to capture their experiences on the continent thus far, as well as interviews and focus groups with key players in the host countries to get a sense of their experiences of South African retail investments in their countries and the impact thereof.
- 2. The literature presented in this section of the study points to a continent that presents enormous possibilities and opportunities for foreign direct investments, in the Retail Sector. At the same time, it also points to several other factors which present risks, around which potential investors will have to carefully navigate. A clear understanding and appreciation of the political economies of the individual (country) and regional markets should inform any investment decisions on whether to invest in them.



This subsection will summarise the findings, development areas, positive findings and/or recommendations/areas for improvement per theme.

## 4.1. SUMMARY OF FINDINGS, RECOMMENDATIONS/AREAS FOR IMPROVEMENT THEME 1: YOUTH DEVELOPMENT AND GRADUATE EMPLOYABILITY

#### 4.1.1. THEME 1: SUMMARY OF FINDINGS

#### **CETCs:**

- 1. The CETC sector is historically geared to ABET; and
- 2. Occupational programmes, in keeping with the new focus of the CETCs, are being slowly introduced.

#### Careers:

- 3. The W&R Sector is the easiest sector to enter for entrepreneurs; new entrants should be encouraged to enter and assisted to grow;
- 4. More focus is given to career guidance in educational settings, as compared to workplace career management. However, both are important;
- 5. South Africa remains the benchmark for career guidance delivery in Africa. Few African countries have such career guidance systems;
- 6. The SFCGD identified several key stakeholders, who have identifiable beneficiaries who should benefit from the outputs of the career guidance strategy;
- 7. As the career cycle progresses, different career guidance services will be required at different stages; and
- 8. The shift from ETQA-registered providers to QCTO-registered providers will increase the number of providers eligible to develop and provide training, aligned to the scope of the W&RSETA.

#### 4.1.2. THEME 1: AREAS FOR IMPROVEMENT

#### CETCs:

- 1. The CETC sector requires new infrastructure and upgrading of facilities;
- 2. Lecturing staff in the CETC sector are underqualified, making the extension of qualifications in this sector difficult; and
- 3. The uptake of more occupational (skills) programmes by CETCs is limited, due to the difficulties experienced in these institutions attaining accreditation.

#### Careers:

- 4. W&RSETA Careers Matrix (2019) reflects a small number of occupations and needs to be updated;
- 5. The W&R Sector is not a sector of choice for students and new entrants;
- 6. 'Career Guidance' is a term more commonly used in education settings, whilst 'Career Management' is used more in work settings. The SETA should recognise this distinction in terminology to differentiate its strategy at the different life stages of the beneficiary;
- 7. WSPs were not reaching their full potential and many employees are sent on training programmes from which they drop out, or which bear little relevance to their career aspirations;
- 8. Careers 4.0 requires well-developed cognitive abilities in the STEM subjects, as well as the cognitive skills required for Digital Literacy;
- 9. The acceptance of micro-skills (especially in small and emerging businesses), which are increasingly necessary in a gig-economy, must be encouraged with organised employers leading the way;
- 10. The negative perception of LO undermines the need for career professionals to be motivated and trained;
- 11. It is unclear as to whether career guidance is being delivered to the appropriate standard as part of TVET student placement;
- 12. LMI is not reaching TVET colleges, resulting in a supply of skills not needed in the labour market;
- 13. The DEL role with regards to registering work seekers overlaps with that of DHET with regards to career guidance and placement of the unemployed, yet the systems used by DHET and DEL are not connected. DEL system providing good practice in psychometrics and selection. A cooperative system of intergovernmental support is needed;
- 14. When employees are aware of a clear career path in the Sector, they stay longer in the same workplace and look for opportunities to advance in the organisation where they are employed. Career guidance systems should boost perceived career opportunities by providing job title pathways; and
- 15. Entrepreneurship is important and must be included in career guidance services and study options that lead to self-employment.

#### Education and Skills Supply:

- 16. The dropout rate of bursary students is 40%; and
- 17. 4IR is impacting on future careers in W&R Sector, requiring new a skill set to be identified and trained.

#### 4.1.3. THEME 1: RECOMMENDATIONS

#### **CETCs:**

- 1. Upskill lecturing staff at CETCs;
- 2. Assist CETCs to accredit CETC programmes; and
- 3. Source workplaces for CETC learner placement.

#### **Career Guidance:**

- 4. Implement a SETA Career Guidance Strategy which includes;
  - Career guidance in employer HR Strategies;
  - Quality LMI;
  - Education on entrepreneurship;
  - Personalisation of Career Guidance Platform;
  - Encourage employer participation in career guidance;
  - Host stakeholder workshops on the ESSA, and
  - Involvement in local and international career guidance community.
- 5. Update W&R Sector Careers Matrix and Career Pathways where only a small number of occupations are represented;
- Register new occupations on the OFO Framework. Some careers are not registered occupational titles on the OFO and have no OFO code. This hinders the SETA's capacity to fund qualifications and learnership programmes;
- 7. Learning Programmes and ACs need to be encouraged to become accredited for occupational training programmes, and to register themselves as ACs;
- 8. Promote the Sector through career education events;
- 9. Create an integrated online Career Guidance System; and
- 10. Train career practitioners.

#### Education and Skills Supply:

- 1. Support entrepreneurs and small businesses through training initiatives;
- The W&RSETA needs to actively lobby to recognise micro-skilling and micro-credentialing as game-changers for skills development in the Sector;
- 3. Fund workplace readiness training; and
- 4. Establish a multi-stakeholder approach to ensure that complex problems, cutting across several stakeholder groups can be implemented.

#### **Future Research:**

- 1. Review the needs and recommendations of stakeholders in the Sector in terms of the research reports falling into this section and determine which can be implemented; and
- 2. Several research topics need to be explored further especially those relating to the W&R Sector not being a sector of choice, career guidance, bursaries and throughput rates, and entrepreneur development.

## 4.2. SUMMARY OF FINDINGS, RECOMMENDATIONS/AREAS FOR IMPROVEMENT THEME 2: IMPACT, EVALUATION, AND TRACER STUDIES

#### 4.2.1. THEME 2: POSITIVES

- 1. The Sector is generally aware of available grants and funding;
- 2. There is evidence of uptake of qualifications by employers, training providers and learners;
- 3. The training providers that participated confirmed that the project achieved its overall objectives;
- 4. Funded programmes are impactful, effective, lead to improvement of skills and career advancement;
- 5. These projects contributed to improved skills, improved business competitiveness, and improved adherence to internal controls; and
- 6. Improvements in career development and compliance with Sector standards and specifications, improved Sector contribution to local economic development, and improved access of women to economic activities were cited as positive outcomes of the training.

#### 4.2.2. THEME 2: AREAS FOR IMPROVEMENT

- 1. There is an under-representation of black people in management and executive positions in the Sector;
- 2. The SETA did not administer processes, funding applications, learner applications or verify learners to the expected level of efficiency;
- 3. An extended period was required for learners to complete the learnership programmes; while other learners were not completing the qualification dropping out before it was due to be completed; and

4. The absence of timely assessment and the requirement for self-financing by the training provider and employers negatively affecting learner completion.

#### 4.2.3. THEME 2: RECOMMENDATIONS

- 1. Review the W&RSETA regulations and policies to ensure relevant criteria for approval of projects, funding and learners;
- 2. The issue of accredited as compared with non-accredited training and NQF-registered qualifications needs to be addressed;
- 3. Initiate awareness programmes around SETA offerings to ensure the uptake is more successful;
- 4. Improve administration and processing of projects, grants and learners;
- 5. Provide beneficiary support to ensure successful completion;
- 6. Ensure course content is relevant; and
- 7. Enhance SETA M&E capacity to measure projects and ensure that improvement areas are communicated back into the project cycle.

## 4.3. SUMMARY OF FINDINGS, RECOMMENDATIONS/AREAS FOR IMPROVEMENT THEME 3: THE 4TH INDUSTRIAL REVOLUTION (4IR) AND FUTURE OF WORK

#### 4.3.1. THEME 3: TRENDS

- 1. The SETA has begun to explore the impact of 4IR and Careers 4.0 on the future of work;
- 2. As a general trend, employers who target the middle to upper-income markets appear to use and sell 4IR technologies more extensively than other employers;
- 3. Stakeholders are of differing views on the impact that 4IR is likely to have on employment. Many stakeholders indicated that if businesses could utilise 4IR technologies, it would provide them with the opportunity to grow;
- 4IR is bringing in various new roles some that are yet to be conceptualised. Hardware specialists, cyber security professionals, and software engineers and programmers seeing a definite increase in demand, providing more employment opportunities, particularly in the form of contractual flexible work;
- 5. There is likely to be a high demand among senior managers for 4IR skills upskilling in this professional group; and
- 6. The importance of human interaction will remain despite significant technological leaps, people still prefer to talk to other people in customer care and sales.

#### 4.3.2. THEME 3: AREAS FOR IMPROVEMENT

- 1. South Africa is experiencing a general trend of reduced economic activity. This places all sectors at risk of a period of reduced expenditure negatively impacting 4IR uptake;
- 2. 4IR innovation is a multifaceted concept that encompasses not only digital technological changes, but also the changes in skillsets and skill needs, as well as changes in how knowledge is acquired and utilised;
- 3. There is uncertainty regarding how 4IR will disrupt the work environment and the skills that accompany work in the Sector;
- 4. Training and communication are required to understand the changes more fully, and how best to manage these changes;
- 5. 4IR training should commence at a school level, as opposed to waiting until an individual enters the job market;
- 6. Employees need encouragement and processes to buy-in to the concept of 4IR technologies to find space to still be productively employed. This will require the acquisition of new skills and the mind-set of working with new technologies, as opposed to resisting the change;
- 7. AI will primarily be used to supplement and not replace humans, but the general lack of awareness and understanding of what 4IR will bring will inevitably lead to fear of diminishing job security;
- 8. Current training programmes are inadequate and have limited focus on responding to 4IR. In addition, programmes tend to take too long to develop, whilst change is rapid;
- 9. Customer service skills and other soft skills are a growing in demand, yet there is not consistent and up-to-date translation into training programmes;
- 10. Not all organisations currently have or engage in upskilling programmes. There is a need for more involvement from companies in the drive to prepare workers (current and future) for 4IR;
- 11. Retailers require technological expertise combined with strong administrative capabilities and marketing and sales experience, e.g. data analysts, marketing, sales and behavioural sciences experts;
- 12. Competition for qualified employees will increase. This will cause salary levels to rise, and retailers will have to provide more training and development programmes to ensure they remain competitive;
- 13. The lack of upskilling and training programmes available to employees in the field of 4IR is a major obstacle for the Sector and initiatives need to be embarked upon to upskill, e.g. in-house training programmes, collaboration across the public and the private sectors;
- 14. W&RSETA to arrange stakeholder forums where sector-specific updates are provided, and knowledge is shared amongst stakeholders. The SETA can act as the catalyst for stakeholders to learn from each other as to how they are managing the impact of the 4IR;
- 15. The W&RSETA should consider undertaking roadshows to schools to educate learners regarding new career paths within the Sector;

- 16. Cooperation with other SETAs, government departments and targeted global partnerships can assist in learning about best practices;
- 17. The W&RSETA should share its findings with the DBE to assist in structuring school curricula to account for job market requirements;
- 18. In addition to equipping employees with technical skills required to manage 4IR technologies, focus must be given to training employees on change management and emotional intelligence;
- 19. W&RSETA should focus on segments that are already experiencing the impact of 4IR technologies, for example, customer service and the need for speed in guery resolution;
- 20. Update the Career Guidance Strategy to address the Sector's training needs in relation to 4IR;
- 21. New occupations will need to be included onto the OFO, so that the SETA can fund training and learnerships in these areas; and
- 22. Senior employees and business owners require 4IR-related upskilling and reskilling to leverage 4IR technologies and cascade these skills down to other occupational groups.

#### 4.3.3. THEME 3: RECOMMENDATIONS

- 1. Improve the consultative processes for updating or developing training courses by accelerating the process to include interested parties, and improve the time it takes to update or develop programmes;
- 2. Communicate current and predicted skills shortages across the Sector, job portals, and to private and public education institutions; and
- 3. Actively implement new and innovative ways of aligning to trends towards flexible working hours, continuous learning, web-based freelancing, side-hustling and remote-based work.
- 4. The W&RSETA has a leadership role to play:
  - Advocate for technological innovation on 4IR-related skills, encourage and guide technological innovation across the Sector through white papers, events, policy development, etc;
  - Increase interdisciplinary post-graduate bursary funding relevant to the W&R Sector. There are very few universities that offer
    programmes in e-commerce with a retail focus. The W&RSETA should interact with academic partners to broaden this curriculum focus;
  - Set up a Think-Tank to further investigate Careers 4.0 in the context of micro-skills and micro-credentialing for purposes of recognition (accreditation); and
  - There are several important research topics that could be explored by the W&RSETA to deepen its understanding of the complexities of the 4IR, e.g. future skills requirements and 5G technologies.

## 4.4. SUMMARY OF FINDINGS, RECOMMENDATIONS/AREAS FOR IMPROVEMENT THEME 4: SMALL AND MEDIUM ENTERPRISES (SME) AND INFORMAL TRADERS

#### 4.4.1. THEME 4: FINDINGS

#### **Co-operatives:**

- 1. Co-operatives remain popular in South Africa, especially in the agricultural sector. The status of co-operatives in the W&R Sector, specifically, is not well understood; and
- 2. Sixty-two percent of co-operatives registered in the three most populous provinces of the country: KwaZulu-Natal, Gauteng and the Eastern Cape;

#### Work Integrated Learning:

- 3. SMMEs generally recognise the value, which they themselves gained from good workplace experience; and want to help 'make a difference' in their communities, as well as improve the profile of their business, by developing competent young talent; and
- 4. Almost all academic and work placement staff recognise the value of career-relevant WIL.

#### Covid-19:

- 5. Many businesses began to work and train virtually, with education and training institutions having to include e-learning, telematic studies and blended learning until a more suitable time for face-to-face training emerged; and
- 6. The use of PPE was implemented and self-financed

#### 4.4.2. THEME 4: AREAS FOR IMPROVEMENT

#### **Co-operatives:**

- 1. More than 80% of registered co-operatives had neglected to submit their financial returns and are considered, therefore, to be failed co-operatives;
- 2. Possible interventions for co-operatives include training in financial management, the theory of co-operatives, marketing, product specific technical issues, and qualifications in business management; and

 Resources required include technical support centres, consultants to assist in the finances, centralised marketing facilities to promote co-operatives, business hubs with offices and factories to provide infrastructure, and an increase in the amount of financial loans and grants available.

#### Work Integrated Learning:

- 4. SMMEs are not participating significantly in retail student workplace internship programmes, unlike larger retailers;
- 5. There is no consensus regarding WIL. The South African WIL policy and implementation is a 'vigorously contested terrain'. Concerns expressed relate to the current diversity of approaches and the need for consensus on a defined WIL framework, which will be credible for employers and students alike; and challenges of time management for SMME workplace assessment and quality assurance of learning; and
- 6. Students do not believe that SMMEs will meet the 'competence' and 'employability' criteria for training in WIL and preferred to serve their WIL at a 'reputable' business.

#### COVID-19:

- 7. The economic consequences have been severe resulting in loss of income and business closure;
- 8. Reskilling seems to the lowest priority for businesses. Businesses are under severe economic pressure in the short-term, and need to make decisions that lead to an immediate reduction in costs;
- 9. Trust and confidence in government and its agencies is low, with discontent and research fatigue, whilst the public sector is seen as making unfulfilled promises;
- 10. Many businesses sustained their business during the Lockdown period using business reserves, personal savings, obtained business finance, business rescue;
- 11. To reduce expenses, companies shortened work hours, reduced staff, implemented salary cuts and paused recruitment and onboarding of students for internships and work-integrated programmes;
- 12. Specific interventions would assist with mitigating the effects of Covid-19: Financial support, skills development programmes, training on scenario planning (such as pandemics) and continuous stakeholder engagement; and
- 13. SHE&Q training should be prioritised by W&RSETA as a mitigation tool against Covid-19 and future similar events.

#### NDP Alignment:

- 14. Many companies have adopted business strategies aimed at promoting transformation through employment equity, staff wellness, skills development, anti-corruption policies, social responsibility and community development initiatives, which will increase brand visibility and sales;
- 15. Rural retailers (independents and co-operatives) were seldom well-informed about or aligned with NDP strategies;
- 16. Commercial strategies (community relations, customer-centricity and sales promotion) were rated as more important than the NDP's core pillars;
- 17. Most study respondents supported a 'top five' list of societally inclusive NDP pillars: 1) Nation-building and social cohesion; 2) Fighting corruption (70%); 3) Economy and employment (60%); 4) South Africa in the region and the world; and 5) Health care for all;
- 18. The 'bottom five' strategy alignment 'gaps' for the Sector included 1) Economic infrastructure; 2) Building safer communities (almost 60%);
  3) Inclusive rural economy; 4) Building a capable and developmental State; and 5) Social protection;
- 19. While many respondents recognised its importance, their 'active citizenry' commercial strategies were focused on community relations, customer centricity and sales promotion initiatives, and they seldom rated them as core to their business plans;
- 20. Most companies are aware of, or support, environmental issues;
- 21. W&R Sector concerns relate to 1) The nature, authority and competences of a 'capable, developmental State'; 2) The leadership accountabilities and management approaches for achievement of clearly defined, shared W&R Sector socioeconomic developmental objectives; and 3) The practicalities of businesses, unions and government working towards an agreed Retail Sector Charter; and
- 22. The typical NDP alignment incentive for South African W&R enterprises is the opportunity to make sustainable profits through community visibility, customer loyalty, sales promotion and expense controls.

#### 4.4.3. THEME 4: RECOMMENDATIONS

#### **Co-operatives:**

- 1. Develop a framework for the integration of co-operatives into the larger W&R Sector;
- 2. Conduct research on topics of relevance, e.g. how small-scale farmers may reach their markets;
- 3. Develop and fund targeted skills development interventions certain proposed by study for consideration;

#### Work Integrated Learning:

4. W&RSETA must lead WIL initiatives – develop Sector policy and processes.

#### Covid-19:

- 5. As part of increasing employment and skills development opportunities, there is a need to support small businesses within the Sector to manage the impact of Covid-19;
- Stakeholder engagement and funding for specific skills development programmes is needed; 6.
- Fund new models of e-training, such as e-learning and blended learning, and in the sale of goods and the creation of e-commerce platforms; 7. 8. SHE&Q training should be prioritised by W&RSETA as a mitigation tool; and
- 9. Support small businesses and informal traders within the Sector to manage the impact of Covid-19, which may include the funding of PPE or the distribution of information concerning Covid-19 business relief.

#### NDP Alignment:

- 10. Create an agenda for consideration of the W&R Sector's NDP alignment;
- 11. Stimulate W&R engagement with NPC to optimise NDP opportunities and minimise the regulatory framework;
- 12. Work with CPUT and mandated leaders of W&R business associations and federations convene a Sector Strategic Forum to put in place steps to build a W&R Sector leadership network, committed to cost-effective, inclusive implementation of relevant NDP strategies;
- 13. Increase trust and collaboration within Proudly South Africa, where just three W&R businesses are members; and
- 14. Participate in public-private partnership forums to share information and discuss priorities.

#### 4.5. SUMMARY OF FINDINGS, RECOMMENDATIONS/AREAS FOR IMPROVEMENT THEME 5: EMPLOYMENT AND UNEMPLOYMENT IN THE SECTOR

#### 4.5.1. THEME 5: FINDINGS

- 1. There is an increased demand for casual labour during certain peak seasons, e.g. staff and Black Friday;
- Global changes have had a rippling effect on the Retail Sector in South Africa and the shift from permanent jobs to casualisation and contract 2. employees is a possible and viable solution;
- Casualisation is introduced for several reasons economic crisis, demand for talent, information technology developments, as well as labour 3. market deregulation;
- 4. Union influence is a factor, as casual and contract jobs are mostly distributed by labour brokers in South Africa;
- The wages of casual workers are reportedly not enough for them to support their families. These workers, therefore, complement their income 5. by having alternative jobs in the informal sector or other cash-generating activities, which can lead to exhaustion, work-related accidents, and a poor work-life balance;
- 6. A deteriorating economic climate forces the Sector to shed jobs, and this results in retrenchments and job losses and reduces any previous gains in employment;
- The influence of technology is a key factor affecting jobs in the Retail Sector, with threats to the number of people employed and a change 7. in work due to online shopping, e- commerce and e-marketing. Traditional brick-and-mortar stores, warehousing and transport logistics are affected by changes in technology and customer's needs;
- 8. Small retailers often lack financial knowledge to enable them to access finance;
- Empowerment and transformation in the Retail Sector is imperative, as the Sector reflects a workforce in need of transformation at several 9. occupational levels;

#### 4.5.2. THEME 5: RECOMMENDATIONS

#### **Casual Labour:**

- Increase casual labour to improve employment in the country and in the Retail Sector new account drives, festive holidays and an increase 1. in workload:
- Special consumer event days could be extended through marketing campaigns they will contribute positively to the employment of casual 2. labourers in the W&R Sector and thus reducing unemployment;
- The W&R Sector should implement mechanisms to retain casual staff improved prospects of career advancement, creating learning and 3. development opportunities, and providing competitive benefits and fair compensation; and
- The role of business ethics should be prioritised, particularly for new entrants to the Sector. A suitable programme should be offered. 4.

#### Job Creation and Retention:

- 5. Foster a relationship and develop a strategy with the SMME sector to access a large pool of labour, especially the youth;
- 6. Offer pre-work programmes at school, encouraging entrepreneurial thinking, and internships and learnerships linked to defined career paths;
- The W&RSETA must assist small businesses by developing programmes aimed at combined buying and negotiating, shared services centres, 7. facilitation of business linkages between small and large retailers, reduced legislative and compliance requirements for small businesses;

- 8. Learnerships should be prioritised by the W&RSETA and advocated to enterprises in the Sector and educational institutions, towards creating a pipeline of labour for the Sector;
- 9. W&RSETA must remain up-to-date in terms of the nature and evolution of skills needs in the Sector;
- 10. Successful monitoring of new entrants and interns in the Sector can assist in mining talent, and ensuring staff are developed. Retailers should be able to recruit interns from a database, which should be maintained by W&RSETA; and
- 11. It is recommended that the W&RSETA or the DTI investigate the nature of retail space environment in South Africa. Programmes to encourage the development of small retailers may be limited in their effectiveness, if there are difficulties in accessing suitable retail space.

### 4.6. SUMMARY OF FINDINGS, RECOMMENDATIONS/AREAS FOR IMPROVEMENT THEME 6: BEST PRACTICE IN EDUCATION, TRAINING AND SKILLS DEVELOPMENT

#### 4.6.1. THEME 6: FINDINGS

Mentoring and Workplace Learning:

- 1. Mentoring plays a role in talent management and is a reliable tool for people development; and
- 2. Workplace Learning plays a role in career pathways and is a reliable tool for people development.

#### 4.6.2. THEME 6: AREAS FOR IMPROVEMENT

#### Mentoring:

- 1. The nature of mentoring, its current application in companies, may not be clearly understood there is confusion between the terms ' mentoring' and 'coaching';
- 2. Any mentorship model should focus on the mentoring needs of smaller retailers who would prefer to use retired employees, as opposed to external mentors;
- 3. An ideal mentorship model will be implemented in a one-on-one fashion, delivered by an experienced mentor to their mentee, making use of digital communication tools;
- 4. An appropriate peer-learning directed model must be developed that includes a defined structure, and roles between stakeholders and mentors; and
- 5. Professional bodies and the W&RSETA must form an alliance to promote the use of retired mentors.

#### Workplace Learning:

- 6. Most retail workers are younger than 25 and consequently have little or no prior work experience. They view their jobs as temporary positions, a chance to earn some money while in school, or while they try to find a better job;
- 7. There is an absence of a sector-wide strategy for career progression, and the qualifications and credentials for entry-level and frontline retail employees;
- 8. Due to high levels of turnover (65%), employers build turnover costs into their costing model and, therefore, limit investment in the largest segment of their workforce;
- Due to the impact of 4IR, the future of retail is uncertain. Brick-and-mortar retailers must place an ever-greater emphasis on customer experience, to differentiate themselves from and compete with online retailers, and continuing automation will result in the number and type of employees changing;
- In designing a successful workplace training model 1) leadership must mobilise internal and external commitment to the training delivery method; 2) the organisation must embrace a culture of advancing staff and developing clear career pathways; 3) employees must be encouraged to learn and provide positive support for learning in the workplace;
- 11. Relevant factors include 1) a flexible and accessible learning model should be developed; 2) more time off is needed for staff to participate in learning programmes; and 3) the programme must meet the needs of both the employer and employee;
- 12. Successful workplace learning experiences in retail must be bolstered by a formal mentorship programme for participants using external partners, such as TVETs and HEIs. M&E of the learning programme should be conducted to determine if adjustments are required and celebrate successes where appropriate; and
- 13. An example of WIL has been piloted at CPUT (the establishment and operation of a retail store on campus) and significant feedback from this exercise has been documented in the research.

#### Decolonise Education:

14. The RBM curriculum is still based primarily on Western knowledge and thinking, mainly from retail theory and practices developed in the United States and taught from American textbooks. Indigenous knowledge systems were largely overlooked in the process of developing the current curriculum; and

15. Learners do not identify with the current curriculum, as it is divorced from their lived experiences, including their culture, language, values and beliefs.

#### 4.6.3. THEME 6: RECOMMENDATIONS

#### Mentoring:

1. W&RSETA develop a model for mentorship, for application in the Sector – a proposal for such a model is outlined in detail in the research report.

#### Workplace Learning:

- 2. Create a sector and organisational culture that focusses on workplace learning; and
- 3. While workplace learning is deemed to be relevant, appropriate, and prioritised by the SETA, it is status underutilised and is implemented in an informal manner. This needs to be addressed through the development of a formal model to be implemented in the Sector.

#### **Decolonise Education:**

- 4. The current curriculum should be reviewed there is need to involve all key stakeholders in the curriculum development process, especially the students; and
- 5. Preference should be given to indigenous knowledge systems and the use of African writers, and African languages in teaching and learning.

## 4.7. SUMMARY OF FINDINGS, RECOMMENDATIONS/AREAS FOR IMPROVEMENT THEME 7: IMPROVING THE SECTOR'S PERFORMANCE THROUGH RESEARCH

#### 4.7.1. THEME 7: FINDINGS

While these reports have limited relevance to the SETA Board's mandate of deciding on and targeting skills development in the Sector, the research is of significant relevance to the Sector and contains important information which can enhance the knowledge base of the Sector.

#### 4.7.2. THEME 7: RECOMMENDATIONS

- 1. Develop frameworks and models for the Sector, where applicable;
- 2. Develop toolkits that will directly benefit W&RSETA members; and
- 3. Distribute the research to the Sector and other stakeholders, as such studies represent both CPD and best practice.

## AND GRADUATE EMPLOYABILITY (5 REPORTS)

This consolidated report includes a review of the findings and recommendations of 35 research studies, as well as a summary of the findings and recommendations.

The research summaries included in the appendices, as well as the summary findings and recommendation sections in the body of this report, were used to inform the 2nd Board Research Workshop.

#### **ANNEXURES THEME 1:** YOUTH DEVELOPMENT AND GRADUATE EMPLOYABILITY (5 REPORTS)

#	Date	Title	Author				
1 You	1 Youth Development and Graduate Employability (5 reports)						
1.1	March 2020	The Role of Community Education and Training Colleges in Increasing Employability	Association of Private Providers of Educa- tion, Training and Development (APPETD)				
1.2	July 2020	Benchmarking National and International Career Guidance Practice	PACE Research Institute				
1.3	July 2020	Review and Update of the Wholesale & Retail Sector Careers Matrix	PACE Research Institute				
1.4	July 2020	W&RSETA Stakeholder Analysis	PACE Research Institute				
1.5	July 2020	The W&RSETA Strategic Framework for Career Guidance Delivery (SFCGD)	PACE Research Institute				

#### ANNEXURE 1: THE ROLE OF COMMUNITY EDUCATION AND TRAINING COLLEGES IN INCREASING EMPLOYABILITY

#### 1. Introduction

The W&RSETA appointed the Association of Private Providers of Education, Training and Development (APPETD) to undertake research in respect of the Role of Community Education and Training Colleges (CETCs) in Increasing Employability.

#### 2. Outcomes

- 1. The report included the following two outcomes:
- 2. An assessment of the extent to which CETCs enhance the employability of its graduates; and
- 3. The development of a set of recommendations in terms of strategies and plans that the W&RSETA can put in place to enhance support to the Sector.

#### 3. Findings

Policy pronouncements suggest high expectations of the CETC sector in contributing to the needs of youth and adults to expand skills development, training of the unemployed and training of people locked into low-skills jobs.

However, the Sector is extremely poorly prepared for these demands for the following reasons:

- 1. Community Learning Centres (CLCs) lack their own infrastructure and most centres depend on Department of Basic Education (DBE) buildings and classrooms or other government departments.
- 2. The current arrangement with one CETC per province responsible for multiple CLC sites, reduces the Sector's reach and quality. In some cases, the distances between these sites inhibits regular visits and interaction, which renders the management of the college ineffective and appears to limit the extent to which the central office can introduce quality assurance mechanisms.
- In general, staff are underprepared for the changing focus of CETCs. Most have a Higher Certificate or Diploma in Adult Basic Education and Training (ABET) in keeping with the purpose of the Public Adult Learning Centre (PALC) system. Certainly, staff are not generally equipped to teach on the Amended Senior Certificate (ASC) or skills programmes.

- 4. Conditions of service of lecturing staff are still uncertain, with most members of staff either employed on fixed-term contracts and part-time contracts, with limited employee benefits, such as pension, Unemployment Insurance Fund (UIF).
- In terms of programme offerings, the traditional mandate of the CETCs (as inherited from the PALCs) is offering the ABET levels (1 4), the General Education and Training Certificate (GETC) and the Amended Senior Certificate (in the absence of an alternative adult matric). Some CETCs also offer rewrites for the National Senior Certificate (NSC).
- 6. Occupational programmes in keeping with the new focus of the CETCs, are being slowly introduced, e.g. sewing, computer literacy and some of the suggested areas, such as Early Childhood Development (ECD) and Home-based Care.
- 7. However, the uptake of the more occupational (skills) programmes is limited, due to the difficulties experienced in attaining accreditation with Sector Education and Training Authorities (SETAs).
- 8. Learners include mostly younger people (between the ages of 18 and 25), with some remaining learners of the previous system of adult learners (36 years and older).
- 9. Lecturers are generally older (40s or older) and are generally underqualified (or incorrectly qualified) for the new demands placed on the CETCs, as it relates to skills programmes.
- 10. The lack of suitable infrastructure has an adverse impact on the effectiveness of the CETCs. As many of them are housed in schools, classes can only start after 14:00 in the afternoon, regardless of the needs of the learners.

The recommendations are as follows:

- 1. Skilling of Lecturing Staff: There should be an extremely serious endeavour to reskill and upskill the CETC lecturing staff, to cope with the aspirational demands of government and society, in terms of skills development and the enhancement of employability.
- 2. Support Programme Development and Accreditation: Educational and administrative support for the development of new programmes and accreditation of those programmes, to be rendered by the SETA.
- 3. Identify Workplaces for Placement: The SETA should assist with the identification of workplaces and facilitating liaison between the colleges and the workplace in keeping with local needs and the local economy.

#### ANNEXURE 2: BENCHMARKING NATIONAL AND INTERNATIONAL CAREER GUIDANCE PRACTICE

#### 1. Introduction

The W&RSETA appointed PACE Research Institute to conduct research on benchmarking best national and international practices in the field of career guidance and systems.

#### 2. Outcomes

The benchmarking research was conducted to establish best practices in career guidance internationally, regionally and nationally. The 'Benchmarking' report highlighted several practices that would be beneficial to the design and implementation of the W&RSETA Career Guidance Strategy.

#### 3. Findings

This study highlighted several examples of best practice at the various stages in the career development process:

- The inclusion of Life Orientation (LO) as a subject in schools means that career education is a part of the curriculum. However, the negative
  perception of LO undermines an important benchmark of good career guidance practice, namely, that career professionals in schools need
  to be highly motivated and trained.
- 2. TVET colleges have been strengthened and expanded in their capacity to deliver career guidance through a student support model. However, it is still not clear whether career guidance is being delivered consistently and to a high standard as part of student placement.
- Reports indicate that Labour Market Information (LMI) in the form of sector skills information is not reaching colleges and that TVET colleges are working in isolation to employers. The result is that South African institutions are not producing the skills that are needed in the labour market.
- 4. LMI is an important source of information for guidance practitioners, teachers and trainers who support young people in choosing their careers. Similarly, LMI is also important for working adults to steer their careers in the right direction and unemployed people to go back into the labour market by choosing how they can be reskilled.
- 5. The Department of Employment and Labour's (DEL) role overlaps with that of DHET with regards to career guidance and placement of the unemployed (notably youth), yet the systems used by DHET and DEL are not connected. The DEL ESSA system is used in the registration of work seekers, for identifying vacancies for placement of workers in employment. The DEL also provides psychometric assessments and selection services for placement in learning and work opportunities. This provides a best practice opportunity for cooperation.

- 6. Skills Development Scotland adopted the My World of Work initiative, which provides support for unemployed youth through a cooperative system of intergovernmental support. The service has a built-in career guidance quality review process that allows data to be collected and analysed for young people across all government departments involved in education, training and social support.
- 7. The European Commission (2019) states that, in future career guidance will support the development of enterprises. Entrepreneurship, therefore, must be included in career guidance services. This can be achieved by connecting career guidance services with various platforms to support start-ups or develop the growth of businesses. This interrelatedness between career guidance and entrepreneurship is reinforced by the Labour Action Programmes (LAP).
- Watts (2013) affirms that there are links between career management, entrepreneurship and self-employment. Ironically, career guidance may
  emphasise the notion of employment over self-employment. Career guidance systems should provide career and study options that lead to
  self-employment.
- 9. When employees are aware of a clear career path in the retail sector that they are working in, they stay longer in the same workplace and look for opportunities to advance in the organisation where they are employed. This supports the view that career guidance systems should boost perceived career opportunities by providing clear paths for employees, helping them to move through job titles on a regular progression over time.
- Finally, there is a notable absence of career guidance best practice in Africa. A small number of countries have official policy for career guidance delivery. The absence of skilled practitioners and appropriate resources hinders effective career guidance delivery. South Africa remains the benchmark for career guidance delivery in Africa.

This review has highlighted several practices that would be beneficial to the design and implementation of the W&RSETA Career Guidance Strategy.

- 1. Include Career Guidance in Employer Human Resource (HR) Strategy: Research has shown that when employees have a clear career path stay longer in their place of work rather than look for opportunities elsewhere. The SETA might consider introducing career pathing systems for levy-paying organisations and career guidance training for HR staff to have a deeper knowledge of career planning practices.
- Ensure Quality LMI: LMI is an essential source for guidance practitioners, teachers, and trainers who support young people and adults in choosing or steering their careers. SETA Sector Skills Plans and other relevant publications information must be made available to career guidance practitioners, teachers, trainers and, of course, career decision-makers.
- 3. Education on Entrepreneurship: Research highlighted that entrepreneurs with a longer period of exposure to entrepreneur education tend to be more successful entrepreneurs or tend to earn higher salaries if in employment. The W&RSETA should consider, including a dedicated entrepreneurship module into their support materials for the wholesale and retail school curriculum subject.
- 4. Personalisation of Career Guidance Platform: The introduction of technology into the workplace has led to digital or online career guidance methods that assist employers to adjust to the changing world of work. Online career guidance instruments are more effective when they are used in conjunction with other methods of career guidance, to cater for a diverse workforce. The W&RSETA might consider, including some personalisation into their career guidance platform.
- 5. Encourage Employer Participation in Career Guidance: The importance of employers getting more involved in the career education process might encourage the SETA to develop a Role-Model series that includes videos from successful entrepreneurs, managers, and employees on working in the W&R Sector.
- 6. Host Stakeholder Workshops on Employment Services System of South Africa (ESSA): ESSA contains data on unemployed citizens. The W&RSETA could host stakeholder workshops during, which the benefits of the ESSA system regarding placements for learnerships, temporary employment, and permanent employment, is presented to them.
- 7. Involvement in Local and International Career Guidance Community: Membership with career guidance associations, subscriptions to journals, and participation in regional and international career guidance conferences is crucial to ensuring that the W&RSETA remain at the forefront of career guidance and human capital development practices in the Sector.

#### ANNEXURE 3: REVIEW AND UPDATE OF THE WHOLESALE & RETAIL SECTOR CAREERS MATRIX

#### 1. Introduction

The W&RSETA appointed PACE Research Institute to conduct a review and update of the W&R Sector's Careers Matrix.

#### 2. Outcomes

This report forms part of a bigger study and addresses how the current W&RSETA Careers Matrix can be improved and made more accessible as a tool for career guidance delivery to W&RSETA stakeholders.

#### 3. Findings

The primary finding from the research highlighted the changing training landscape in South Africa, due to the introduction of specific occupational qualifications by the Quality Council for Trades Occupations (QCTO). Existing unit standard-based qualifications (sometimes referred to as legacy

qualifications) will be replaced by 'occupational qualifications', registered with the QCTO. The skills programmes currently included on the W&RSETA Careers Matrix are made up exclusively of unit standards, which are due to expire in 2023. A restructured Careers Matrix will need to be designed to accommodate this change.

This shift from Education and Training Quality Assurance (ETQA)-registered providers to QCTO-registered training providers will increase the number of providers eligible to develop and provide training for employers aligned to the scope of the W&RSETA. All Skills Development Providers (SDPs) who currently offer unit standard-based training programmes will now apply need to apply to receive accreditation from the QCTO for them to offer full or part-qualifications that have been registered with the QCTO.

The net result of this will be that more providers of occupational qualifications will be able to offer learning programmes in line with the skills priorities of the W&R Sector. Similarly, the current Careers Matrix (2019), which reflects only a small number of occupations represented in the W&R Sector (there are, for example, 1510 occupation titles on the Organising Framework for Occupations (OFO) framework; however, only 16 of these titles are represented on the W&RSETA matrix), can be broadened to reflect a much wider range of occupations that are more representative of career opportunities in the Sector. This will benefit the W&RSETA by broadening both the range of occupations which they can promote, and with which they can attract talent and new entrants into the Sector, as well as the range of SDPs which are able to train in the qualifications. This broader access to training programmes and SDPs will assist the SETA to address the skills deficits (scarce and critical skills) referred to in the Sector Skills Plan (SSP) as Hard-To-Fill-Vacancies (HTFV).

#### 4. Recommendations

This review has highlighted several practices and recommendations that would be beneficial to the review and update of the Careers Matrix:

- 1. Update the 2019 Careers Matrix: The matrix is current with respect to the ETQA qualifications, but needs to be updated to reflect replacement QCTO qualifications as they are registered; this applies to both W&RSETA qualifications and other relevant learning programmes, which may fall into another ETQA. It is recommended that the number of careers on the matrix should be expanded and the sub-sectors should be separated in the matrix configuration, i.e. wholesale (warehouse) split from retail (store). The Head Office should also be represented as separate from warehouse and store (see an example of how this can be done in Appendix 2, attached).
- 2. Registration of New Occupations: Some careers that are represented in the revised Careers Matrix are not registered occupational titles on the Organisational Framework for Occupations (OFO) and, as such, have no OFO code. This will hinder the SETA's capacity to fund qualifications and learnership programmes. A process should be put in place with DHET to fast-track the registration of new occupational titles on the OFO. New and emerging occupations should be added to the matrix reflecting the e-retail environment and 4IR technologies to promote the Sector and create excitement amongst aspiring retailers and employees.
- 3. Registration of Occupations, Learning Programmes and Assessment Centres (ACs): Learning providers for the W&RSETA need to be encouraged to become accredited for occupational training programmes and to register themselves as ACs for these programmes. SDPs may be reluctant to invest in developing and accrediting themselves to provide replacement occupational programmes for which learners cannot be assessed. This is important because an occupational opportunity cannot be promoted without a linked and attainable qualification. Learning programmes that meet the HTFV and scarce skills needs of the Sector should be prioritised.

#### ANNEXURE 4: W&RSETA STAKEHOLDER ANALYSIS

#### 1. Introduction

The W&RSETA appointed PACE Research Institute to conduct a Stakeholder Analysis for the W&RSETA.

#### 2. Outcomes

This report presents the recommendations that stakeholders and their beneficiaries made regarding the type of career guidance they believed would be most useful to them when provided by the W&RSETA Career Development Unit (CDU).

The outcomes from Phase 1 (Research Phase) of this project were positive. Despite the challenges posed by Covid-19 in terms of travel bans and social distancing, the recommendations received from stakeholders and beneficiaries regarding the career guidance practices they would like to see proved valuable. The project team held face-to-face interviews in the Western Cape, Eastern Cape, Northern Cape, and Limpopo. The richness of data collected is apparent in the recommendations made by stakeholders. There is a wide range of recommendations made, but so too, there are several themes that are beginning to emerge:

#### 3. Findings

There are many stakeholders who will benefit from the W&RSETA career guidance service. The entire sector, as well as the individuals working in the Sector can benefit from a strategic career guidance strategy. Employees from small businesses to large companies and individuals from school-going age to post-retirement are all potential beneficiaries of a well-designed career guidance strategy.

- 1. Negative Narrative Concerning W&R Sector: The most frequently used narrative from across industry stakeholders was that the retail and wholesale industry is not a sector of choice by job market entrants. This is a narrative that the CDU needs to change into one where the Sector is perceived as a preferred sector of employment. The point was made that the current skills matrix represents a small number of careers in the Sector and arguably represents the least appealing careers in the Sector. A career education process should present all career opportunities to attract a strong cohort of graduates into the Sector.
- 2. Terminology Concerning Careers: Career Guidance is a term more commonly used in education settings, whilst career management more so in work settings. The SETA should recognise this distinction in terminology to differentiate its strategy at the different life stages. There seems to be disproportionate attention given to career guidance in educational settings, compared to that provided in the workplace.
- 3. Effectiveness of Workplace-based Training: It was mentioned that Workplace Skills Plans (WSPs) were not reaching their full potential, because their completion was often a rushed process to submit them in time to the SETA. The result is that many employees are sent on training programmes that bear little relevance to their career aspirations and frequently employees drop out of these studies as a result.
- 4. Research: It was reported that several research topics were of interest and need to be explored further, especially those relating to the W&R Sector not being a sector of choice. A theme around research was expanded to ask questions about the personality traits of students who choose retail as their first choice. In addition, there is critical research to do relating to career guidance, bursaries and throughput rates; and the CDU has a strategic role to play in this. The dropout rate of 40% of W&RSETA bursary students reflects an unacceptable level of financial loss, which in real terms suggests that levy payers are not receiving the skills they are funding.
- 5. Future Skills Needs: The Fourth Industrial Revolution (4IR) is having a dramatic impact on Careers 4.0 in the W&R Sector particularly in Europe, Asia, and America. As 5G technologies become more established in South Africa so will the adoption of 4IR processes. Careers 4.0 require well-developed cognitive abilities in the STEM subjects, as well as the cognitive skills required for Digital Literacy.
- 6. Upskilling Small and Emerging Businesses: Flexibility of education is becoming increasingly important as individuals look for recognition for the skills they have learned. The over-regulation of skills programmes might discourage learning rather than encourage it. The acceptance of micro-skills, which are increasingly necessary in a gig-economy must be encouraged with organised employers leading the way. The W&RSETA needs to actively lobby to recognise micro-skilling and micro-credentialing as game-changers for skills development in the wholesale and retail sector.
- 7. Importance of Career Guidance to SETA Outcomes: Subprogramme managers' report that career guidance will qualitatively improve the outcomes of their programme deliverables and stronger regional representation of career guidance is required to support the various SETA subprogrammes.
- 8. Encouraging Entrepreneurship: The W&R Sector is the easiest sector to enter for entrepreneurs. This is apparent by the country's growing informal sector. The W&RSETA has a critical role to play in encouraging new entrants into the emerging business environment and assisting small businesses to grow. Equally so, the SETA has a role to play in ensuring that start-ups in the Sector can sustain and grow. It is clear from research that small business owners are more likely to sustain and grow when exposed to incubation and mentorship. Research may assist to identify key learning points that can serve as a benchmark of success for future projects of this nature. Entrepreneur development must form part of the CDU research agenda.

As the objective of this report was to determine the needs of stakeholders in the Sector, a significant number of recommendations were received, many of which were both creative and outstanding. These recommendations follow below:

#### A. EXTERNAL STAKEHOLDERS

#### **1. ORGANISED EMPLOYERS**

#### 1.1. Small Business

- 1.1.1. Provide mentors and coaches to small and emerging businesses who request such services.
- 1.1.2. Expose small business owners to new product and retail opportunities.
- 1.1.3. Set up a small business incubator to guide start-ups through their initiation period.
- 1.1.4. Provide small business owners information on seminars and micro-courses.

#### 1.2. Medium Business

- 1.2.1. Provide information on Micro-skilling and Micro-credentialing opportunities relating to Careers 4.0 and scarce skills.
- 1.2.2. The SETA can set up a mobile Outplacement Programme to assist businesses who need to retrench staff.
- 1.2.3. Develop a Career Pathing System for businesses to help their employees do career planning.

#### 1.3. Big Business

- 1.3.1. Provide information on Micro-skilling and Micro-credentialing opportunities relating to Careers 4.0 and scarce skills.
- 1.3.2. The SETA can set up a mobile Outplacement Programme to assist businesses who need to retrench staff.
- 1.3.3. Develop a Career Pathing System for businesses to help their employees do career planning.
- 1.3.4. Train HR practitioners in Career Guidance, so they may provide career management services to employees.
- 1.3.5. Business to be more involved in career education programmes at schools.

#### 2. ORGANISED LABOUR

#### 2.1. Union Leadership

2.1.1. Train Shop Stewards on the "strategic value of career guidance", so they may work together with HR and line management to promote employee development.

2.1.2. Develop a Career Pathing System for businesses to help their employees do career planning.

#### 2.2. Retired Employees

2.2.1. Introduce pre-retirement programmes.

- 2.2.2. Train retired retailers as coaches and mentors for small and emerging businesses.
- 2.2.3. Pair retirees and younger entrepreneurs to start their own small business.

#### 2.3. Retrenchees

- 2.3.1. The SETA can set up a mobile Outplacement Programme to assist businesses who need to retrench staff.
- 2.3.2. Provide information on Micro-skilling and Micro-credentialing opportunities relating to Careers 4.0 and scarce skills.
- 2.3.3. Provide information on how to start a business.

#### **3. EDUCATION & TRAINING PROVIDERS**

#### 3.1. Schools

3.1.1. Design and provide Curriculum Support Materials for school learners who are taking the newly introduced school subject: Wholesale and Retail.

3.1.2. Design and distribute wall posters that promote careers in the W&R Sector to school and college classrooms.

3.1.3. Train Wholesale and Retail subject teachers to offer classroom-based career education programmes.

3.1.4. Train 1 or 2 Provincial Life Orientation Subject Advisors in each province as accredited Career Guidance Practitioners.

3.1.5. Do school talks on careers in the W&R Sector.

3.1.6. Provide bursaries to school learners who excel in the Wholesale & Retail school subject through an MOU to access the Learner Unit Record Information and Tracking System (LURITS).

3.1.7. Encourage businesses to participate in career awareness days, such as Career Dress-Up Day and 'Take a Girl Child to Work' Day.

3.1.8. Provide school learners with access to the W&RSETA skills matrix through various online platforms.

#### 3.2. Community Colleges

3.2.1. Assist community colleges to identify courses that are sector appropriate and appealing to the youth.

3.2.2. Assist community colleges to identify Micro-skilling and Micro-credentialing courses that they can offer to assist the W&R Sector.

#### 3.3. TVET Colleges

3.3.1. Design and distribute wall posters that promote careers in the W&R Sector to school and college classrooms.

3.3.2. Set up a small business incubator to guide start-ups through their initiation period.

#### 3.4. Universities

3.4.1. Set up a small business incubator to guide start-ups through their initiation period.

3.4.2. Offer interdisciplinary postgraduate bursaries (optional 4IR-related).

3.4.3. Increase (fund) the number of W&R exchange students as they serve as influencers of others choosing a career.

#### 3.5. Online Providers

3.5.1. Research and develop a database of online courses from reputable institutions on skills relevant to the W&R Sector.

#### 3.6. Workplace

3.6.1. Research and develop a comprehensive database of corporate in-house training programmes to inform education providers.

3.6.2. The SETA may consider a training centre that trains learners or graduates on company-specific software processes, so that they can be work-ready

#### 3.7. Private Education Providers

3.7.1. Research and develop a comprehensive database of corporate in-house training programmes to inform education providers.

#### 4. COMMUNITY CENTRES AND SERVICES

#### 4.1. Unemployed Youth

4.1.1. Sign MOU with the Department of Employment and Labour, so that the SETA can build linkages between the ESSA system and employers for learnership recruitment.

#### 4.2. Unemployed Graduates

4.2.1. Pair unemployed graduates with retirees to serve as coaches and mentors.

4.2.2. Set up a small business incubator to guide start-ups through their initiation period.

#### 4.3. Rural-based People

- 4.3.1. Train parents and ex-teachers to offer a community career guidance service to schools and community centres.
- 4.3.2. Host career guidance sessions at schools and community centres in rural areas.

4.3.3. Set up a WhatsApp sector-specific Career Education group for rural parents and youth to access through various online platforms.

#### 4.4. Stokvels

4.4.1. Did not respond to request for an interview.

#### 4.5. Parents

4.5.1. Provide Career Guidance sessions for parents to inform them of opportunities for their children in the retail sector (link to Khetha Radio show or Rural Development initiatives).

#### 4.6. CBOs, NGOs, NPOs, Churches, Libraries, Community Centres

4.6.1. Train career guidance practitioners to provide career guidance in these community services.

#### **5. GOVERNMENT**

#### 5.1. Department of Basic Education

5.1.1. Sign an MOU with DBE to distribute curriculum support materials for the Wholesale and Retail subject.

5.1.2. Sign an MOU with DBE to train provincial LO subject advisors.

#### 5.2. Department of Employment & Labour

5.2.1. Sign an MOU with the Department of Employment and Labour, so that the SETA can build linkages between the ESSA system and employers for learnership recruitment.

5.2.2. Secure a regular time slot during the DEL employability training for unemployed, to promote opportunities in the W&R Sector.

#### 5.3. Department of Higher Education

5.3.1. Lobby the DHET to encourage all SETAs to give more input into SETA career guidance targets.

5.3.2. Provide career guidance sessions for parents to inform them of opportunities for their children in the retail sector (link to Khetha Radio show or Rural Development Initiatives).

5.3.3.M The W&RSETA Career Development Unit should have a career guidance research agenda and collaborate with DHET in their research, so that the DHET can also benefit.

5.3.4. W&RSETA Career Development Strategy should assist in growing the national Entrepreneur base.

5.3.5. Improve career guidance delivery through technology and digital platforms.

5.3.6. Contribute to the training of additional Career Guidance Practitioners.

#### 5.4. Municipalities

5.4.1. Still awaiting a meeting request response from them.

#### 5.5. Other SETAs

5.5.1. Evaluate whether to participate in projects or outreach programmes with other SETAs.

5.5.2. Lobby the DHET to encourage all SETAs to give more input into SETA career guidance targets.

#### **B. INTERNAL STAKEHOLDERS**

#### 1. THE W&RSETA BOARD (SETA)

1.1. Research into the personality characteristics of graduates who have successfully transitioned into self-employment versus others who have not.

1.2. Research into the personality characteristics of people who choose to study retail and complete their studies.

1.3. Think Tank to investigate micro-credentialing in retail and linkages with the NQF and Careers 4.0.

1.4. Organisations can initiate systems that allow employees to have more control over their learning and development.

1.5. Organisations as corporate citizens can play a more active role in changing the "Last Sector of Choice" narrative about the Sector.

1.6. Design a sector-specific outplacement programme (online) that organisations can draw upon to assist their employees when retrenchments are unavoidable.

1.7. Develop an integrated online career guidance system (including career pathing) to allow employees to become 'custodians over their career'.

1.8. Employees should be allowed to apply directly to the SETA for bursaries.

1.9. Career pathing systems so employees can control their career development.

1.10. Retail Readiness courses do not always have to be accredited and can be provided by CET colleges. Career guidance is to make small businesses aware of these programmes.

1.11. Initiate a sector education programme that shows the Sector off as being a preferred sector for career opportunities.

#### 2. W&RSETA HR DEPARTMENT

2.1. Develop a Career Pathing System for employees (once structure redesign is complete).

#### **3. REGIONAL OFFICES**

3.1. Train one accredited career guidance practitioner per province to conduct SETA work.

#### **4. BURSARIES UNIT**

4.1. Career Development Unit to play a greater strategic role in the awarding of bursaries, so that the dropout rate of bursaried students is reduced.

- 4.2. Pre-assessment of bursary applicants.
- 4.3. Provide bursary information through various online platforms.

#### **5. DISABILITIES UNIT**

5.1. Train several disabled individuals as career guidance practitioners.

#### 6. SMALL & EMERGING BUSINESSES AND ENTREPRENEURSHIP UNIT

- 6.1. Provide mentors and coaches to small and emerging businesses who request such services.
- 6.2. Provide small business owners with information on seminars and micro-courses.

#### 7. RURAL DEVELOPMENT UNIT

- 7.1. Train rural TVET coordinators to offer a career education and guidance service.
- 7.2. Link up with Khetha radio programme.

#### 8. W&RSETA CAREER GUIDANCE STRATEGY PROJECT TEAM

8.1. W&RSETA Career Development Unit to take responsibility for the Career Development Research Agenda within the SETA.

8.2. Think Tank to investigate Careers 4.0 in more detail.

8.3. Career Development Unit to participate in regional and international career guidance conferences and symposiums to stay abreast of career development practices that will benefit the Sector.

8.4. Research whether there is a relationship between those taking W&R curriculum subjects at school and those enrolling for W&R courses post-school.

8.5. Research whether pupils at school who take the W&R subject apply for post-school studies in the field.

8.6. Research into the personality characteristics of graduates who have successfully transitioned into self-employment versus others who have not.

8.7. Career information systems that promote the Sector should be made available to school learners and university/college students.

#### ANNEXURE 5: THE W&RSETA FRAMEWORK FOR CAREER GUIDANCE DELIVERY (SFCGD)

#### 1. Introduction

This report (also known as Report 5) serves as a summary of the combined outcomes and recommendations resulting a larger project addressing career guidance. The reports completed as part of this phase were:

- 1. Report 1: Benchmarking best National and International practices.
- 2. Report 2: Key roles of internal and external stakeholders.
- 3. Report 3: W&R Sector Careers Matrix.
- 4. Report 4: New career opportunities within the W&R Sector (4IR).
- 5. Report 5: Career Guidance and Development Strategic Framework.

#### 2. Outcomes

The W&RSETA appointed PACE Research Institute to undertake develop a Strategy Framework for Career Guidance Delivery.

#### 3. Findings

This framework developed by PACE outlines the context for the delivery of a sector-specific career guidance service for the period 2020 -2025. The purpose of the final integrated career guidance and development strategy is to attract talented individuals into the W&R Sector, support them, and ultimately retain them to stimulate sectoral and economic growth.

This SFCGD adopts a dualistic approach that draws upon the Economic Stakeholder Theory (Figure 8), which suggests that the W&RSETA has several key stakeholders, all of whom have identifiable beneficiaries who should benefit from the outputs of the career guidance strategy. The Career Development Life Stage Model (Figure 9) below shows how the career cycle progresses and how career guidance services are required at different stages during that cycle. The figures below explain how the Stakeholder Theory and the Life Stage Model merge when designing a career guidance and development strategy.

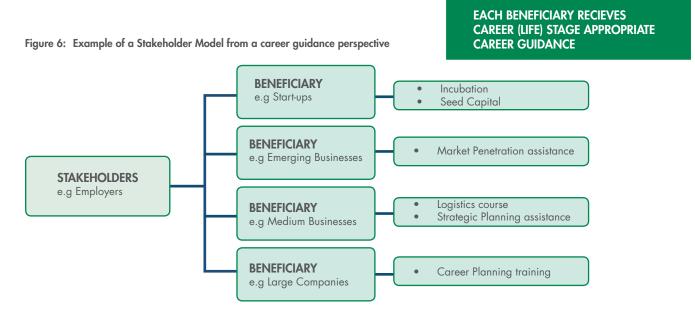


Figure 7: Lifespan Career Guidance Model (South Africa)

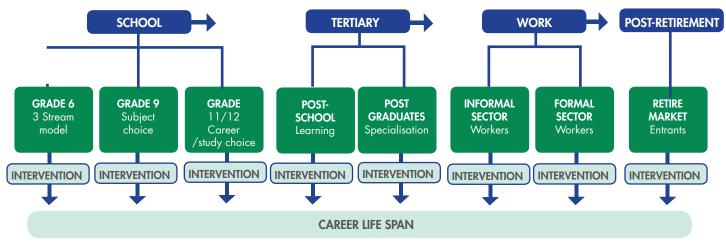
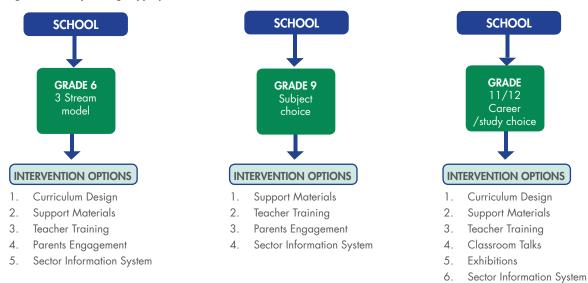
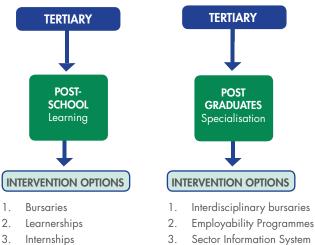


Figure 8: Example of age-appropriate services for schools



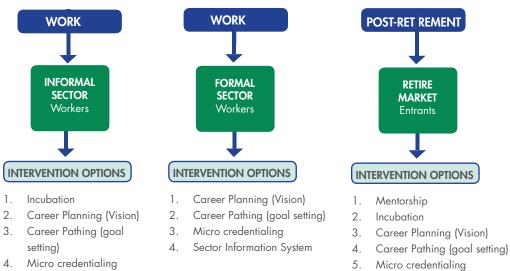
Source: PACE Research Institute (2017)

#### Figure 9: Example of age-appropriate services for tertiary education environments



- 4. Aprenticeships
- Micro credentialing 5.
- Sector Information System 6.

#### Figure 10: Example of age-appropriate services for work environments



Sector Information System 5

6. Sector Information System

This strategic framework will provide context and direction for the design of the final integrated career guidance and development strategy for the W&RSETA.

The W&RSETA Career Development Unit (CDU) is issued with an annual strategy determined by the Department of Higher Education and Training (DHET). This strategy is considered at W&RSETA Board, who set the targets that the CDU is to achieve. The W&RSETA CDU targets schools as this is where a significant number of prospective entrants into the Sector can be addressed.

This Report 5 serves as a summary of all recommendations contained within reports 1-4 (the findings and recommendations of these reports will be dealt with elsewhere in this report). There are 9 themes that have emerged, each with several recommendations. The 9 themes described in more detail below will provide direction to the design of the career guidance strategic plan.

- 1. Conduct Specific Research: There are a plethora of research topics that would greatly benefit the Sector. A significant number of these topics are well-suited to action research and an adhoc action research Think Tank that is set up occasionally based on research needs would contribute to a well-conceived career guidance strategy.
- 2. Promote the Sector Through Career Education: The W&R Sector is not a sector of choice by job market entrants. This is a narrative that the Career Guidance Unit needs to change to one where the Sector is perceived as a preferred sector of employment. A career education process should represent all career opportunities to attract a strong cohort of graduates into the Sector.
- 3. Create an Integrated Online Career Guidance System: An online career guidance system should not only consider the traditional school-aligned data sets, such as careers, bursaries, and study courses, but should also consider career planning and pathing systems, which are relevant to employees who want to advance their careers and employers who want to retain their trained staff.
- 4. Support Entrepreneurs and Small Businesses: There were many outstanding recommendations as to how the SETA can contribute towards this. Recommendations, such as linking retirees with graduates, financially incentivising small business owners to attend courses, setting up of sector-specific business incubators, and conducting research into the characteristics of successful retail entrepreneurs, have been made. Entrepreneur development must form part of the CDU research agenda.
- 5. Train Career Practitioners: Career guidance must be provided by accredited career guidance practitioners. Whilst schools currently account for the largest proportion of career guidance taking place, a recommendation has emerged to have suitably qualified career guidance professionals in the workplace to assist employees.
- 6. Fund Workplace Readiness Training: Research should be conducted to assist the SETA in setting up a software and technology training centre (potentially at TVET colleges) where graduates and prospective employees can receive training that better prepares them for entry into the workplace.
- 7. Fund W&RSETA Continuous Professional Development (CPD): The W&RSETA should establish a sector specific CPD programme, to facilitate lifelong learning in the W&R Sector by identifying and recognising micro-skills and micro-credentials, which meet the needs of the Sector.
- 8. Ensure Bursary Throughput Rate Improves: The dropout rate of 40% of W&RSETA bursary students reflects an unacceptable level of financial loss (estimated at R90 million per annum for the W&RSETA alone). Research concerning improving throughput rates of bursary recipients should form part of the CDU research agenda.
- 9. Establish Linkages through Partnerships: It was recommended that the CDU coordinate activities with other stakeholders who share overlapping mandates. These may include government departments, other SETAs, partnerships with regional and international career development bodies and linkages with professional career guidance associations.

# AND TRACER STUDIES (3 REPORTS)

#	Date	Title	Author		
2	Impact, Evaluation, and Tracer Studies (3 reports)				
2.1	March 2020	Impact Assessment: International Leadership Development Programme (ILDP)	Underhill Corporate Solutions (UCS)		
2.2	March 2020	Impact Assessment: Retail Management Development Programme (RMDP)	UCS		
2.3	March 2020	Impact Assessments Study for Development of W&R Quali- fication	W&RSETA		

#### ANNEXURE 6: IMPACT ASSESSMENT: INTERNATIONAL LEADERSHIP DEVELOPMENT PROGRAMME (ILDP)

#### 1. Introduction

The W&RSETA appointed Underhill Corporate Solutions (UCS) to conduct an Impact Assessment of the International Leadership Development Programme (ILDP).

#### 2. Outcomes

The main objective of this study was to determine the impact of the ILDP for the period of 2015-2019. In doing so, key issues, such as relevance, efficiency, effectiveness, impact, sustainability and replicability of the programme, were examined.

Specifically, the research aimed to determine the extent to which the ILDP is achieving its intended objectives and to assist the W&RSETA to have a clear understanding of the ILDP project benefits and/or organisational benefits for beneficiaries in relation to:

- 1. The upskilling of the existing managers within the W&R Sector.
- 2. Assist businesses to increase business rewards and their bottom line.
- 3. Broaden manager's knowledge and skills to facilitate growth to top management.
- 4. The existence of career acceleration and succession of beneficiaries towards senior/executive management over the past five years.
- 5. Evaluation of the programme, including the theoretical knowledge components, in support of the beneficiaries and exposure and relevance to and in the work succession.
- 6. Attainment and outcome against the SETA's SSP and relevant scarce skills identified over the past five annual SSPs.

#### 3. Findings

#### The findings from this study were summarised as follows:

- 1. Demographics: For the period 2015 to 2019 the total number beneficiaries who were selected and participated in the study was 117. For the period of the programme, more men participated as compared with women. In terms of population group distribution, Indian people constituted most participants in the programme, while the bulk of participants were middle-aged. Most participants possessed the minimum of a bachelor's degree and were at the senior management level. Most respondents were from the Gauteng. Only 1% of the beneficiaries who participated in the programme had a disability.
- 2. Relevance: The selection of the countries visited was mainly based on how strong the economy of the country was and how easily the business practices of such a country could be applied in the South African context. Respondents agreed that the international workplaces visited, and their experience of the programme met their expectations, with a few exceptions.
- 3. Effectiveness: Most respondents interviewed agreed that ILDP enhanced their appreciation of the global W&R Sector, they experienced an improvement in leadership skills, encouraged them to be champions for the W&R Sector, enhanced their ability to influence other young leaders and enabled them to operate more effectively in a team.
- 4. Accessibility to Disabled and HDIs: Over time, the programme has become more accessible to black Africans, women, and black women. However, persons with disability did not represent the national percentage of 4%.
- 5. Accessibility Education Level: Since the inception for selection into the ILDP, beneficiaries were expected to have a 3-year bachelor's degree (i.e. NQF 7). In the absence of an NQF 7 qualification, candidates were expected to possess the minimum of a Grade 12 and extensive senior management experience with developed capabilities in the areas of strategy, finance, marketing, sales, operations, leadership, and management. In addition, they were expected to complete various short courses/competency-based programmes to be assessed in terms of Recognised for Prior Learning (RPL) against the NQF. In an endeavour to increase the pool of candidates on the ILDP, the Retail Management Development Programme (RMDP) was developed and launched as a feeder programme in 2012. Since then, the RMDP has been the bridging course for beneficiaries into the ILDP.

- 6. Efficiency: Overall, while most of the respondents agree that the programme was efficient, there was an increase over time of respondents who disagreed and raised concerns about the programme.
- 7. Individual Impact: In general, respondents agreed that they believed they were more effective leaders since completion of the ILDP. Other positive changes were noted, such as their ability to execute previously difficult tasks more efficiently and effectively, achievement of goals and targets in the workplace, that the ILDP learning material was applicable to their day-to-day work routine, that they were more likely to provide greater value to their company and that they were able to transfer the leadership skills learnt through the ILDP to their subordinates and others. Overall, the analysis of the impact of the programmes reveals that the programme had a positive impact. There was a decline in the relevance, effectiveness, efficiency, and impact of the ILDP programme over time. It is noteworthy that satisfaction levels were lowest in 2018/2019.
- 8. Career Advancement: Except for 2018/2019, most respondents indicated an improvement in career prospects.
- 9. Return on Investment (ROI): A formal ROI study was not possible for this research. However certain costs were mentioned, including the beneficiary salary stipend, leave pay for beneficiaries and the costs of substitute staff required when staff were away on training. Employers interviewed indicated that the time spent away from the workplace affected the everyday operations of the business. However, they also indicated that beneficiaries were more productive and effective in carrying out their duties.'
- 10. Sustainability: The programme was well-received and justified in terms of the relevance, effectiveness, efficiency and positive impact achieved. Employer's reported that the programme is only sustainable if it can respond to the specific needs of the workplace. The beneficiaries were reported to be able to lead companies effectively and engage with their subordinates. The programme enabled the SETA to achieve goals, objectives, and targets. Many programme success stories were relayed. However, the need for constant revision of the modules to ensure their relevance was expressed.
- 11. Alignment to NQF: The ILDP was not initially linked to a qualification. However, later efforts linked the programme to an NQF 8 qualification. This alignment frustrated participants, as well as employers, and caused conflict between beneficiaries, training providers and programme managers. The need to stabilise the programme's entry requirements and programme accreditation is described.
- 12. Challenges: 1) Poor communication between stakeholders was one of the challenges raised by the study. Most of the beneficiaries indicated that there was poor communication from the SETA on how the programme would run, the application, nomination, registration, and acceptance processes into the programme. 2) The introduction of the accreditation for the programme and selection criteria, caused confusion and conflict. 3) Logistical issues, such as the preparation of travelling documents was noted. 4) The annual commencement of the programme was normally delayed by the SETA, which affected planning for most employers. 5) A change in the training provider caused inconsistencies in the programme delivery.

#### To improve the programme, the following recommendations were offered:

- 1. **Selection Targets:** The SETA should, therefore, develop a quota system to ensure fair representation of women, people with disability and other provinces in the programme.
- 2. Review Programme Material: There is a need to constantly revise the course content to reflect the dynamic and constantly changing work and sector environment.
- 3. Continuation of the Programme: It is recommended that the programme should be strengthened, improved and continued, as it enhances the socio-economic status of the beneficiaries and employers.
- 4. **Communication:** The SETA should improve its communication strategies from inception to completion of the programme. This should include clear programme criteria, and feedback on reasons for successful and unsuccessful applications to the programme.
- 5. Online Training: Online courses should be introduced to relieve the requirement for participants to be away from their workplaces. An online training programme would enable beneficiaries to complete coursework.
- 6. Selection Criteria: The SETA must set strict standards for selection and adhere to these standards.
- 7. Standardisation of Course Content: The course content should be standardised to eliminate and SDP-related related variations.
- 8. Annual Impact Evaluation: Findings of the study indicated that more than half of the respondents in 2018/2019 indicated that their career prospects and advancement remained unchanged. It is, therefore, recommended that impact evaluations be conducted annually to determine whether the programme has achieved its objectives and, if not, address the root cause immediately.

## ANNEXURE 7: IMPACT ASSESSMENT: RETAIL MANAGEMENT DEVELOPMENT PROGRAMME (RMDP) – OUTCOMES, FINDINGS AND RECOMMENDATIONS

#### 1. Introduction

The W&RSETA appointed Underhill Corporate Solutions (UCS) to conduct an Impact Assessment of the Retail Management Development Programme (RMDP).

#### 2. Outcomes

This study sought to conduct an impact assessment of the RMDP on stakeholders in the W&R Sector between 2015 and 2019. **3. Findings** 

#### The findings from this study are summarised as follows:

- Programme Relevance: The overall score of RMDP relevance was 87.6%, which revealed that the majority found the programme to be
  relevant. Interviews with beneficiaries and employers further attested to the relevance of the programme, with suggestions being made on
  course content to be added. These suggested contents included the addition of practical immersions, basic computer skills (the MS Office
  Suite), focus on entrepreneurship and the introduction of simulations in all courses.
- 2. Effectiveness: The overall effectiveness of the programme as 91.3%.
- 3. Efficiency: The overall efficiency of the programme was 83%, with most beneficiaries ranking the programme as highly efficient. Most respondents emphasised that they were satisfied with the entire RMDP.
- 4. Impact: Impact was ranked overall as 89.9% with several testimonials from participants and employers noting that the programme was instrumental in the career development of beneficiaries. Most participants highlighted that the RMDP had met their expectations. There was an improvement in the average number of subordinates per beneficiary (from 37 to 66). The majority also noted that they had advanced in their career since graduating from the programme, with 70% reporting a promotion. Most beneficiaries noted that the programme had resulted in enhanced productivity.
- 5. Return on Investment (ROI): Although no quantitative assessment was conducted, it was noted by employers, the W&RSETA staff and the RMDP programme manager, the benefits outweighed the costs. The RMDP is thus considered a worthwhile investment, given that performance improvements are clearly observable.
- 6. Relevance: Beneficiary views on the relevance and impact of the RMDP were significantly different between years. This points to the likelihood of limitations in terms of standardisation of the programme delivery across the years, given that beneficiaries had significantly different programme ratings.
- 7. Quality: Further qualitative assessments of in-depth interview results showed that employers and beneficiaries were of the view that the overall quality of management for the RMDP had declined from 2018. Stakeholders mostly pointed to poor communication, more focus on qualification (theoretical)-driven learning at the expense of content (practical)-driven learning. The changes in entrance criteria likely alienated some previously disadvantaged individuals without the NQF 5 minimum qualification required.
- 8. Sustainability: 85% of employers noted the programme needed regular updates to ensure it remained relevant, e.g. with new trends such as the 4th Industrial Revolution (4IR). Changes in the training provider resulted in a lack of standardisation of course content.
- 9. Replicability: 65% of respondents believed that it was necessary to ensure the course was accredited and linked to a qualification and that a certification of the learner would act as the basis for further education. The accreditation requirement was imposed after the participants were selected for the programme, which meant that several beneficiaries failed to qualify for the International Leadership Development Programme (ILDP), which required a minimum NQF 7 qualification.
- 10. Challenges: 1) Most of the beneficiaries indicated that there was poor communication from the SETA on how the programme would run, the application, nomination, registration, and acceptance processes into the programme. 2) The introduction of the accreditation for the programme and selection criteria, caused confusion and conflict. 3) A change in the training provider caused inconsistencies in the programme delivery. 4) In 2018, selection was conducted through a third party with no involvement of the training provider, resulting in mismatches of required entry criteria into the (now accredited) RMDP. 5) Some beneficiaries (40%) noted that four days of study in a week were not enough for them to sufficiently learn. 6) The current training provider experienced challenges in securing accredited venues for national training, delaying the commencement of 2018 classes in provinces besides Gauteng. 7) 95% of stakeholders indicated that since 2018, the efficiency in management of the RMDP had declined, and communication had been poorly handled.

Considering the challenges identified, stakeholders put forward several key suggestions relating to the entrance into the RMDP, course content and structure, logistics and impact. Key suggestions included the need for improved communication from the SETA, the involvement of training providers in the selection of beneficiaries and the need to implement a bridge between the RMDP and the ILDP.

- 1. Streamlining the Entrance Process: The SETA should streamline the entrance process for the RMDP to ensure that programme objectives are clearly met. The training provider should be directly involved in the selection of beneficiaries. The time lag between acceptance of beneficiaries into the RMDP and commencement of training should be minimised.
- 2. Enhancing Content and Delivery: The standards, course content and processes for the RMDP should be made uniform even with a training provider changes. The training provider should initiate consultations with employers and successful beneficiaries immediately after closure of the selection processes, to establish the programme length and confirm dates. A bridging programme between the accredited RMDP and ILDP should be developed and implemented.
- 3. Streamlining Logistical and Administration Processes: The overall logistical process must be enhanced, which includes announcements to stakeholders and handling queries, such as beneficiaries' failure to attend certain classes.
- 4. Enhancing Impact: The SETA should conduct regular evaluations of beneficiaries of the programme, which will allow the SETA to closely monitor successes concerning equity and transformation in the Sector.

#### ANNEXURE 8: IMPACT ASSESSMENTS STUDY FOR DEVELOPMENT OF W&R QUALIFICATION

#### 1. Introduction

This report covers the Impact Assessment Study (2019/2020) of the W&R Qualification Development Programme. Timnet Management Consulting (Pty) Ltd South Africa conducted the study.

One of the W&RSETA's main functions is to ensure the development of relevant and current qualifications that meet the needs of the W&R Sector and are aligned to the requirements of the QCTO. The W&RSETA has established the Qualification Management Body (QMB), which comprises companies, representatives from organised labour, private training providers, as well as TVET colleges and universities to facilitate the qualifications development for the Sector.

#### 2. Outcomes

This study provides an overview of the key findings emerging from the 2019/2020 impact assessment study on the development of W&R qualifications.

#### 3. Findings

Significant quantitative and qualitative findings emerged from the study. They will be dealt with separately in this subsection.

#### The following findings are relevant and derive from the qualitative analysis:

- 1. The W&R Qualification Development Programme is known and understood by stakeholders.
- 2. Concerns exist about the absence of a proactive approach and slow implementation of the programme.
- 3. W&RSETA is not clear enough as to which qualifications must be taken up by its applicants.
- 4. The Qualifications Management Board (QMB) of the W&RSETA members raised that they were not involved in qualification planning and the structure of assessments; and that their engagement with employers is weak and sometimes resulted in non-participation of employers in this programme and the uptake of qualifications in the Sector.
- 5. It was noted, with concern, that an extended period was required for learners to complete the learnership programmes; while other learners were not completing the qualification, dropping out before it was due to be completed.
- 6. The absence of timely assessment and the requirement for self-financing by the training provider and employers was affecting the reporting of learner completions to the W&RSETA.
- 7. W&RSETA administration issues were affecting project implementation. These included late grant payments, slow processing of grant applications, slow processes relating to the verification of learners, inadequate capacity in the Monitoring & Evaluation (M&E) division, and the standardisation of the beneficiary adjudication guidelines preventing recognition of the dynamics of specific provinces.

#### The following findings are relevant and derive from the quantitative analysis:

- 1. According to employers, the most funded qualifications were business (40.8%), customer care (18.4%), finance (10.2%), sales and marketing (8.2%), and business management (8.2%).
- 2. Learners pointed to business management (13%), merchandising (12.2%), retail store management (11.3%), financial management (7.8%), and baking as the top five qualifications sponsored by the W&RSETA.
- 3. Compared to prior years (before 2019), grant holders (61.2%) and learners (37.4%) confirmed that 2019 was the year in which the W&RSETA disbursed the highest amount of grants towards the development of the W&R qualifications. Grant holders and learners agreed that the highest proportion of development qualifications were entirely (100%) completed, followed by significant progress (up to 75%), good progress (25%-50%), and some progress (at least 25%) respectively. 44.9% of the grant holders, reported that their skills have improved, and 36.7% confirmed that their skills had improved significantly. Only 18.4% indicated that their skills set remained unchanged. In terms of the learners, the results are 56.5%, 36.5%, and 6.1% respectively.
- 4. Grant holders listed the Occupational Health and Safety Act (OH&SA) as the most critical legislation for compliance in the Sector, followed by the Skills Development Act (SDA). Legislation concerning food and the Basic Conditions of Employment Act (BCEA) followed in succession of Sector relevance.
- 5. From a legislative perspective, the most important documents were the Sector Skills Plan (SSP), National Skills Development Plan (NSDP), the National Development Plan (NDP) and the OH&SA.
- 6. The lack of funding, the inability of learners to pay fees, and unreliable transport were cited as barriers to completion of training. The implementation challenges reported for the grant holders were poor quality in the delivery of courses and the late issue of certificates. Accredited trainers identified late grant payments and increased non-attendance of learners as problems.
- 7. This project contributed to improved skills, improved business competitiveness, and improved adherence to internal controls. Improvements in career development and compliance with Sector standards and specifications, improved Sector contribution to local economic development, and improved access of women to economic activities were cited as positive outcomes of the training.
- 8. 68% of the accredited training providers that participated in the study confirmed that the project achieved its overall objectives.

#### 4. Recommendations

#### The recommendations were as follows:

- 1. Review of W&RSETA Regulation and Legislation: There were strong views expressed regarding the current legislation. Some proposals put forward, including active engagement of the Sector with W&RSETA to work around potential changes to certain criteria for grant approval.
- Raising Awareness: It was recommended that the W&RSETA should intensify information sharing of the legislation and the SETA's grant
  offerings with its stakeholders. The Sector awareness of the advantages of gaining a qualification is low.
- 3. Review of Grant Application Process: To secure a more efficient qualification development procedure, the application process should be automated.
- 4. Review of the W&RSETA Grant Assessment Process and Adjudication Matrix: It is recommended that the W&RSETA should introduce multidisciplinary teams to appraise applications (financial, institutional, social, technical, risk and legal). There should be different matrices for different sector projects, i.e. small, medium and large projects, and an explanation should be included in the matrix to explain the reason for allocating a particular score or decision.
- 5. Review of Project Implementation Support: During the implementation phase of projects, the W&RSETA should institutionalise the provision of technical support to beneficiaries who require it. This will increase project success and sustainability. Entrepreneurship training and associated support was recommended for applicants from small businesses.
- 6. Review Project Monitoring and Evaluation Capacity: The capacity of W&RSETA for monitoring and evaluation should be enhanced. The W&RSETA should develop an approach to monitor projects (perhaps on a sample basis) given the magnitude of projects funded and managed by the W&RSETA. The monitoring of projects should be planned at prior to grant approval. The number of projects to be approved should also be informed by the monitoring and evaluation capacity of the W&RSETA.



#	Date	Title	Author			
3 The 4th Industrial Revolution (4IR) and Future of Work (5 Reports)						
3.1	March 2020	Impact of the 4th Industrial Revolution (4IR) on Employment and Growth in the Wholesale and Retail Sector	Redflank			
3.2	March 2020	The New Skills, Training and Qualification Needs Brought About by the 4th Industrial Revolution in the Retail Sector	The Consumer Goods Council of South Africa (CGCSA)			
3.3	July 2020	New Career Opportunities in the Wholesale & Retail Sector Resulting from 4IR	PACE Research Institute			
3.4	March 2019	E-business Developments and Skills Requirements in the Retail Sector	Cape Peninsula University of Technology (CPUT)			
3.5	March 2018	Occupations Contributing Towards Green Skills Within the W&R Sector of the South African Economy	MBS Projects			

## ANNEXURE 9: IMPACT OF THE 4TH INDUSTRIAL REVOLUTION (4IR) ON EMPLOYMENT AND GROWTH IN THE WHOLESALE AND RETAIL SECTORP)

#### 1. Introduction

The W&RSETA appointed Redflank to research the Impact of the 4th Industrial Revolution (4IR) on Employment and Growth in the W&R Sector.

#### 2. Outcomes

Many stakeholders consulted with indicated that training and education are key to both protecting jobs and taking advantage of 4IR to grow businesses and the economy. There appears to be a recognition that 4IR will impact the type of jobs available and the labour force (both skilled and unskilled) will need to be trained in preparation for this.

#### 3. Findings

#### The findings were reported as follows:

- 1. **Partnerships:** Various stakeholders indicated that it would be beneficial to attend conferences and workshops to understand the changes more fully being brought about by 4IR and how best to manage these changes.
- 2. Training at School Level: Stakeholders indicated that it is best to start 4IR training at school level, as opposed to waiting until an individual enters the job market. To achieve this, school curricula should be designed with what the market may require in the next 3 to 10 years.
- 3. Change Management: Numerous stakeholders have cited the need for change management practices to take place to manage the change being brought in by 4IR. The key driver behind this suggestion from stakeholders appears to be that employees will need to buy in to the concept of 4IR technologies to find space for them to still be productively employed. This will require the acquisition of new skills and the mind-set of working with new technologies as opposed to resisting the change.
- 4. Sub-sectoral Focus: The key trends in segments of the Sector are to be dependent on the size of the employer (small, medium, and large) and what market they target (low, middle, or upper-income markets). As a general trend, employers who target the middle to upper-income markets appear to use and sell 4IR technologies more extensively than other employers.
- 5. Uncertainty of the Impact of 4IR: Stakeholders consulted were of differing views on the impact that 4IR is likely to have on employment. Many stakeholders indicated that, if businesses could utilise 4IR technologies, this will provide them with the opportunity to grow.
- 6. Change from the Top: Whilst it is important to upskill lower occupational categories, a key finding in this report is that there is likely to be a high demand among senior managers for 4IR skills and the upskilling in this professional group.
- 7. Impact of Negative External Economic Factors: South Africa is experiencing a general trend of reduced economic activity. This places all sectors at risk of facing a period of reduced expenditure. The retail and wholesale sectors have already experienced a period of reduced activity requiring close management of expenses.
- 8. Inadequacy of Training Programmes: Current training programmes are inadequate where they have limited focus on responding to 4IR. In addition, programmes tend to take too long to develop, whilst change is rapid. Customer service skills and other soft skills are a growing demand of 4IR yet lack consistent and up-to-date translation into training programmes.

To support delivery against this need, the following recommendations were offered:

- 1. Partnerships: The W&RSETA continue to arrange stakeholder forums where sector-specific updates are provided, and knowledge is shared amongst stakeholders. The SETA can act as the catalyst for stakeholders to learn from each other as to how they are managing the impact of the 4IR. Cooperation with other SETAs, government departments and targeted global partnerships can assist in learning about best practices.
- 2. Training at School Level: The W&RSETA should share its findings with the Department of Basic Education (DBE) to assist in structuring school curricula to account for job market requirements, insofar as this relates to 4IR.
- 3. Change Management: In addition to equipping employees with technical skills required to manage 4IR technologies, focus is also given to training employees on change management.
- 4. Focus on Affected Sub-sectors: W&RSETA should focus on segments that are already experiencing the impact of 4IR technologies, for example, stakeholders across segments indicated that a major impact of 4IR will be on customer service. Customers will expect to have their queries resolved much faster and will expect more convenience when dealing with the retail and wholesale sector.
- 5. Uncertainty Surrounding 4IR: There is a need to educate stakeholders on the employment possibilities that new technologies make available. The W&RSETA should consider undertaking roadshows to schools to educate learners regarding new career paths within the Sector.
- 6. Upskilling Senior Staff: Senior employees and business owners will require 4IR-related upskilling and reskilling to leverage 4IR technologies and cascade these skills down to other occupational groups. Senior employees are often the drivers of the change management process that is required, and thus need to be trained in new technologies.
- 7. Impact of Negative External Economic Factors: The use of 4IR technologies provides opportunities for growth through increasing sales by reaching previously inaccessible markets (for example, through online shopping and drone delivery), which can also reduce costs and wastage through more efficient practices.
- 8. Inadequacy of Training Programmes: Improve the consultative processes for updating or developing courses by accelerating the process to include interested parties and improve the time it takes to update or develop programmes.

## ANNEXURE 10: THE NEW SKILLS, TRAINING AND QUALIFICATION NEEDS BROUGHT ABOUT BY THE 4TH INDUSTRIAL REVOLUTION IN THE RETAIL SECTOR

#### 1. Introduction

The W&RSETA appointed The Consumer Goods Council of South Africa (CGCSA) to research the new skills, training and qualification needs brought about by the 4th Industrial Revolution in the W&R sector.

#### 2. Outcomes

South Africa's retail sector is steadily transitioning into the 4th Industrial Revolution (4IR), and the associated changes that come with disruptive and advancing technologies, and an evolving workforce. The required skills and modes of working are evolving and will continue to do so, and the responsibility of ensuring that the workforce has the requisite skillsets is no longer just that of education institutions – it is essential that employers also play their part.

#### 3. Findings

#### The findings were reported as follows:

- 1. The future of Work and the 4IR: Based upon the results of this study, there remains a significant degree of uncertainty regarding how the 4IR will disrupt the work environment and the skills that accompany work in the retail sector.
- 2. 4IR and Future Job Losses: Younger and less educated respondents are particularly concerned about the potential of job losses. Older more experienced respondents also feared job losses due to automation. That said, the research shows that AI will primarily be used to supplement and not replace humans, but the general lack of awareness and understanding of what the 4IR will bring will inevitably lead to fears of diminishing job security.
- 3. Automation and AI Replaces More Tasks than Jobs: To some extent, the study found that automation and innovation is likely to see tasks rather than jobs taken over by AI or robotics, which would streamline one's job, but not necessarily replace the entirety of the job.
- 4. 4IR Job Losses Mitigated by New Jobs: It is inevitable that the 4IR is bringing with it various new roles some that are yet to be conceptualised. Hardware specialists, cyber security professionals, and software engineers and programmers will see a definite increase in demand, providing more employment opportunities, particularly in the form of contractual flexible work.
- 5. Flexibility and Adaptability: One of the trends that clearly stands out from the research is that adaptability and flexibility are going to be core elements of the 4IR, pervading all aspects of the future work environment.
- 6. Innovation is Multifaceted: One of the most intriguing insights from the study is that innovation and innovative trends should not be solely viewed as digital technological changes. Innovation in the 4IR is a multifaceted concept that encompasses not only digital technological changes, but also the changes in skillsets and skill needs, as well as changes in how knowledge is acquired and utilised. The way we think, work, and analyse is undergoing a fundamental change spurred on by the innovations accompanying the 4IR.

- 7. Human Interaction Remains Imperative: Findings from the study recurrently emphasises the continued importance of human interaction. Despite significant technological leaps, people still prefer to talk to other people in customer care and sales. While automation will take on various current and new tasks across multiple occupations, the human component will remain a crucial part of the retail sector regardless of the 4IR's innovative changes.
- 8. The South Africa's Education System: Across all three streams of research in this study, one thing is clear and that is that South Africa is not yet ready for the changes the 4IR holds for future skills and the future workplace.
- 9. Education and Upskilling: To this end, it is highlighted that although not all organisations currently have or engage in upskilling programmes, there is a need for more involvement from companies in the drive to prepare workers (current and future) for the 4IR.

Through an extensive analysis of literature, combined with survey and interview data collected from consumers and retail experts, the following recommendations are proposed for the retail sector and for the CGCSA:

- 1. Increase and Improve Upskilling and Training Programmes: The lack of upskilling and training programmes available to employees presented as a key finding throughout the research. The following is, therefore, recommended:
  - a) The retail sector should aggressively stress the need for upskilling and in-house training programmes.
  - b) Programmes should be specialised toward specifically needed skills within the various retail sectors.

c) Training should cover not just skills, but also increasing awareness and knowledge around 4IR and technological disruptions relating to their specific industries.

- 2. Public, Private Collaboration Across Education Spheres: In addition to the need for internal skills development programmes, there is a growing need for collaboration across the public and the private sectors to create a competent workforce, well-prepared for the workplace.
- 3. Place Emphasis on Professionals' Skillsets and Knowledge: Current and predicted skills shortages should be actively communicated across the Sector, job portals and to private and public education institutions, for there to be a clear understanding of these needs and to guide efforts to close the gaps.
- 4. Communication within Organisations: The power of innovative new technologies should be incorporated into the regimes of organisations and communicated effectively. This could lead to a decrease in fear associated with 4IR associated change, such as automation leading to job losses. 70% of consumers have a fear of job losses relating to automation, whereas less than 25% of retail experts shared that fear, showing a disjunction between perceptions of consumers and retail experts.
- 5. Actively Implement New and Innovative Ways of Working: The concept of the future of work is becoming synonymous with new modes of work, including the growing trends towards flexible working hours, continuous learning, web-based freelancing, side-hustling and remote-based work. Companies that neglect their potential will likely get left behind by those who choose to grab opportunities presented by 4IR with open arms.
- 6. Prioritise Training and Upskilling Programmes: W&RSETA should prioritise the conceptualisation, development and rollout of training and upskilling programmes that can be made available across the Sector. It was found, during the research, that more than half (59%) of retail respondents feel that there should be more skill development workshops held, and this is something that the W&RSETA can help to address in the short to medium-term.
- 7. 4IR-related Developments National and Global: It is important for the W&RSETA, CGCSA and its members to stay abreast of relevant developments and international best practices to help guide the way forward.
- 8. Advocacy for Technological Innovation on 4IR-related Skills: As part of the CGCSA's advocacy work, the organisation could lead efforts to encourage and guide technological innovation across the Sector through white papers, events, policy development etc. The CGCSA is well-positioned to help facilitate South Africa's retail sector into the 4IR and should do so in collaboration with as many of its members/ stakeholders as possible, advocating for a sector that openly welcomes the changes associated with the 4IR.
- 9. Graduates Required to Fill Skills Gaps: Emphasis should be placed on the need for graduates skilled in needed fields, such as security and fraud prevention software, given the current increase in online activity. Cisco South Africa has emphasised that there currently exists a shortage of cybersecurity professionals. The research indicates that many organisations are lacking training programmes within this field.
- 10. Conduct Additional Research to Further Inform the Sector on 4IR and Other Key Topics: Following from the current study, there are several other important research topics that could be explored by the W&RSETA to deepen its understanding of the complexities of the 4IR and the future workplace.

#### ANNEXURE 11: NEW CAREER OPPORTUNITIES IN THE WHOLESALE & RETAIL SECTOR RESULTING FROM 4IR

#### 1. Introduction

The W&RSETA appointed PACE Research Institute to conduct research into new career opportunities in the Wholesale & Retail Sector resulting from 4IR.

#### 2. Outcomes

This report makes suggestions as to the type of careers that the W&R Sector might need in the short to medium-term. Many careers, however, remain undefined in terms of occupational titles, because of the emerging nature of technology, which underpins the career. The report suggests

both traditional and alternative routes of entry are fundamental to providing a comprehensive career guidance service. This report has, therefore, followed an approach that investigates current innovative practices in the retail sector to avoid speculation, so that career decisions based on this information is actual.

#### 3. Findings

Fundamental to this report was the emphasis that careers are becoming increasingly specialised, which makes it difficult for organisations to find skills and which complicates learning providers' capacity to adequately prepare students for employment. The implications this holds on workplace training is apparent, but from a career guidance perspective it reinforces the principle that, as organisations become increasingly digitised and reliant on their digital systems, the need for specialised skills will increase and so will their associated occupational titles.

The report highlights a merging of industrial sectors where the line between manufacture, wholesale and retail are becoming increasingly blurred as 4IR technology blends manufacture, wholesale, and retail practices. Advances in technology have resulted in factory processes becoming increasingly automated. This opens digital manufacturing opportunities that can be sold directly to the consumer. Additionally, e-commerce and omnichannel business models have, in many instances, combined the warehousing and retailing environments. Advances, such as these result in relationship shifts between manufacturers and customers, which results in new career opportunities.

As these sectors co-join the significance of analytical skills and alternative thinking skills (a subset of creative skills) must not be undervalued. Multidisciplinary environments create opportunities for entrepreneurs and this report provides a start to some of the career opportunities that are becoming increasingly available in the wholesale and retail sector.

As new technologies are integrated into the workplace, the need for related specialised skills will become apparent and businesses will begin to recruit for these positions. This recruitment of Careers 4.0 is already becoming apparent as businesses are increasingly looking for individuals with specialised social media skills (as opposed to general marketing) or specialised machine learning skills (as opposed to computer programming), for example. The academic impact is that institutions will begin to develop programmes that can address these needs and so, from a career guidance perspective the elements required to offer career guidance are in place.

Such disruption is likely to require an organisational mind shift with union support that encourages flexible employment contracts, non-traditional qualification types, and a reimagining of occupational titles, which currently also originate from the ILO.

The vastness of the W&RSETA warrants the welcoming of the Fifth Generation (5G) mobile technologies inception into the African markets to facilitate quick and efficient service provision. "5G technologies are expected to yield significant consumer benefits (e.g. assisting the disabled, enabling telemedicine), industrial benefits (e.g. automated processes, increased operational efficiencies, data analytics), and economic benefits (e.g. new revenues, new jobs)", thus opening new career pathways.

The W&RSETA has a leadership role to play regarding the recommendations from this report. Industry regularly talks of a mismatch between the courses that tertiary institutions are teaching and the skills or knowledge that employers are looking for. This mismatch becomes more pronounced during times of innovation as tertiary institutions have difficulty in pinpointing exactly what they should be teaching and what courses they should be developing and offering.

#### 4. Recommendations

#### In respect of this report however, the following recommendations were made that relate specifically to the W&RSETA Career Guidance Strategy:

- 1. As new occupations emerge, they will need to be included onto the OFO, so that the SETA can fund training and learnerships.
- 2. Set up a Think Tank to further investigate Careers 4.0 in the context of micro-skills and micro-credentialing for purposes of recognition (accreditation).
- 3. Launch a career education programme in the form of career directories, posters, and online platforms that introduce Careers 4.0 in the W&R Sector.
- 4. Increase interdisciplinary post-graduate bursary funding relevant to the W&R Sector.
- 5. Research the impact of 5G technologies on job creation in the W&R Sector.

The recommendation is that the W&RSETA establish an adhoc Think Tank (comprising business and education providers) that considers this report as a departure point to agree on the relevance of occupations deemed to be new occupations, assign appropriate naming conventions to new W&R occupations agreed upon for OFO classification, and rank-order the skills required over the medium-term to enter these new occupational titles, so that tertiary institutions can develop recognised qualifications and micro-credentials that can be taught.

#### ANNEXURE 12: E-BUSINESS DEVELOPMENTS AND SKILLS REQUIREMENTS IN THE RETAIL SECTOR

#### 1. Introduction

The W&RSETA appointed CPUT to undertake this study on e-business developments and skills requirements in the Retail Sector. E-business, or the use of web-based applications to support economic transactions, is changing the way people buy products and the way companies do business. Retailers have a huge challenge in constantly adapting to rapid change.

#### 2. Outcomes

The focus of the study is on all kinds of processes which are related to seller-buyer interaction.

The study also aimed to explore the impact of developments on the Retail Sector with regards to skills requirements and staff expertise.

#### 3. Findings

The following significant findings emerged from the study (which included a literature review and interviews).

#### The findings from the literature review revealed that:

- Progress in Information Technology (IT) and the internet have changed people's behaviour patterns with regards to shopping, and have contributed to a shrinking of geographical distances, and a soaring pace in informational exchange. People are displaying entirely new behaviours in getting information, communicating, and buying products and services; and, as attention levels shorten, purely informational communication to customers will lose impact. For people and organisations, the choice is not online or offline – buyers prefer to combine different channels.
- 2. Given the privacy and data issues, it is crucial to obtain and handle customers' data properly. Excellence in logistics and the application of innovative forms of payment are important determinants of retailers' success.
- 3. The focus of technology innovation is on multichannel and continuous access to various retail store formats. Customers can choose when to use it, it can be provided almost everywhere, and it offers potential for personalisation and individualisation via location-based services.
- 4. As consumers are willing to exchange privacy for convenience, or entertainment provided through digital applications (apps), the large retailers are all heavily engaged in launching apps. But the strategy to use apps to obtain consumer data is not without risk, especially if people become more concerned about privacy issues.
- 5. Online shoppers have no human contact with retail store staff, in contrast to the online shopper's subconscious desire to engage with online stores that are more sociable and personal, so communication, which is close to classic face-to-face communication is best option in selling.
- 6. Simply attracting site traffic and new customers is not a sustainable strategy. Customer retention is critical, and the main factors that predict e-loyalty are efficiency and problem resolution.
- 7. The important elements of online customer service include reliability, access, ease of navigation, efficiency, responsiveness, flexibility, assurance, security, aesthetics, and personalisation. Building relationships around these dimensions requires access to data and an in-depth understanding of different online consumers.
- 8. It is recommended that companies include e-procurement in their e-business strategy. E-procurement reduces paperwork and time for queries, and enhances the competitiveness of a business, while reducing costs.
- 9. One recent technological development is mobile shopping or m-commerce, where customers use smartphones to identify deals, compare products and prices, and order while on the go. It is thus essential that retailers have a multichannel offering.
- 10. Viral communication channels can spread information at a rapid rate. It is important to know what is happening in social networks and on social media, and for retailers to be able to react quickly.
- 11. Concerns about internet security are the main reason consumers avoid online shopping. Companies must minimise the risk for their clients.
- 12. E-business creates business opportunities, but the implementation of an e-business strategy also has risks and challenges. Retail staff need to have a whole new set of skills and technical expertise.
- 13. With regards to technology, there are implementation costs and risks, and businesses often do not know what technology to invest in and how much to invest in it. Retailers tend to under-invest in technology.
- 14. In a study among SMEs in the United Kingdom (UK) the companies viewed "security-related issues as their greatest threat, followed by viruses and worms, and credit card fraud". SMEs adopted a 'watching brief' to avoid being trapped in first-mover disadvantages.
- 15. E-business implementation can increase sales, improve customer service, and result in better distribution and cost reduction. It is empowering enterprises to build a greater online presence, enhance their image, target their markets, simplify payment systems, improve internal efficiencies, and engage directly with customers.
- 16. E-business has forced retailers to address the consumers need for individualisation, use of mobile devices, cost containment, flexibility, speed in logistics and security. It is evident that implementing e-business must be regarded as a strategic goal, and a successful e-business strategy must obey the most important marketing principle: Focus on customers' requirements.

#### The summarised findings from the interviews conducted revealed that:

- 1. Asked if it made sense to differentiate developments on a country or regional level. Africa was cited as an example where the country and regional differences are huge.
- 2. Continued concentration of web-based offers and providers was expected by most interviewees, particularly for general distribution services, such as those found on Booking.com, Amazon and Trivago.
- 3. Opinion is varied on the issue of the protection of data privacy: Half the sample said consumers are losing interest in that issue, while the other half expected changes in the wake of scandals.
- The Internet of Things (IoT) or machine-to-machine communication (M2M) business, which allows machines and technical devices to interact without human interference, is developing alongside developments in sensor technology used in things like virtual shopping experiences or the self-driving car.

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- 5. According to most experts, significant changes can already be observed in tourism (travel agencies) and in retailing (e-commerce).
- 6. Online communication facilitates precision and efficiency in communication and interaction, and one of the pacesetters is e-banking, which goes much further than only account- keeping and includes a range of financial services.
- 7. Drivers of innovation include IT giants, such as Google, eBay, Amazon, Microsoft, and Apple, and it is users who slow down the speed of change as they are sometimes reluctant to change their behaviour patterns.
- 8. Today's most important development trends are 3D printing, IoT (or machines), payment systems (including micropayments) and big data, which are the drivers of e-business and e-commerce proliferation.

#### The implications for business were revealed as follows:

- 1. The boundaries between business partners and competitors will become blurred and supply chains will become more complex as additional services are added.
- 2. Profit margins will come under more pressure. Some experts indicate that service and after-sales service are becoming more important as their profit margins are higher.
- 3. The most important challenge is to transfer technological developments and innovations into economically successful applications.
- 4. Some offline trade will vanish. Some aspects, like services, will be affected more and others, like fresh food, less. In countries like South Africa, malls have a strong position and will be able to defend themselves against online competition.
- 5. Not all business will be done online soon, and e-commerce must be considered an additional option for clients, and they will choose what they prefer.
- 6. Mall retailers should focus on their competitive advantages (e.g. atmosphere, personal contact, holistic experience of shopping, and entertainment).
- 7. With technological advances customers can enjoy the shopping experience while sitting on the sofa using data goggles, a flat screen or soon a 3D device. These will attract a specific target group. Retailers may experience increased site visits, but lower conversion rates.
- 8. Operating systems and different technological parameters (e.g. speed of processor, size and resolution of the screen, speed of internet connection) will affect the appearance of a company's communication. Changing customer behaviour requires an adaptation in marketing through offering incentives or improving convenience.
- 9. Online shoppers are increasingly concerned about security issues, and retailers must guarantee their customers security if they want to continue doing business with them, this presents two major challenges:
  - a) To make processes secure against attacks by cyber criminals using highly qualified and experienced IT security experts; and
  - b) To convince customers and potential customers that they are safe when doing online business with them, which is a marketing and communication task.

#### The findings relating to skills requirements for the Sector are as follows:

- 1. Retailing is considered one of the industries most affected and influenced by e-business, and, therefore, the challenge to get prepared for this change is huge.
- 2. Retailers will require technological expertise combined with strong administrative capabilities and marketing and sales experience. They will have a growing number of positions for data analysts or people who have the tools and processes, as well as understanding of marketing, sales and behavioural sciences.
- 3. For management and executive positions in retailing there is a growing demand for university graduates, but in selling (because of cost limitations) university graduates will remain a minority.
- 4. The most important competencies retailers will need are networking, communication, adaptability, flexibility, learning, innovation management, creativity, openness to new approaches and agility.
- 5. The availability of information means an increased need for salespeople to have better knowledge, qualifications and competencies to avoid well-prepared customers knowing more than sales staff.
- 6. There will be much more competition for qualified employees. This will cause salary levels to rise, at least in developed countries, and retailers will have to provide more training and development programmes to ensure they remain competitive.
- 7. There will be a growing need for new job profiles, such as online marketing manager, online merchandise manager, community manager, social media manager, multichannel manager, mobile marketing manager, Search Engine Optimisation (SEO) manager, digital manager, interactive designer, digital web designer, software developer and cybersecurity manager.

#### 4. Recommendations

#### The recommendations were as follows:

- 1. The SETA must be aware of the following issues when crafting a sector strategy with regards to preparing the Sector for the impact of e-commerce on both the quantity and quality of employees in the Sector:
- 2. Little research has been done on future e-business skills requirements for employees in the retail and wholesale industry. An intervention may be needed here.

- 3. The demand for qualified experts in e-commerce is significant and the requirements are challenging. More and more retail chains, particularly in clothing and fashion, have a growing demand for employees with a university degree. But there are very few universities that offer programmes in e-commerce with a retail focus. The W&RSETA could interact with academic partners to include this curriculum focus.
- 4. The competition among retailers for e-commerce experts is going to increase, and the required qualification level is going to rise.

## ANNEXURE 13: OCCUPATIONS CONTRIBUTING TOWARDS GREEN SKILLS WITHIN THE W&R SECTOR OF THE SOUTH AFRICAN ECONOMY

#### 1. Introduction

The W&RSETA appointed MBS projects to research the Impact of the 4th Industrial Revolution (4IR) on Employment and Growth in the W&R Sector.

#### 2. Outcomes

This report presents a situational snapshot of the extent of green coverage in the W&R Sector of the South African economy. The overall aim of this study is to identify occupations that contribute towards green skills within the W&R Sector of the South African economy, to determine which green occupations and skills are applicable within the W&R Sector, to determine which technological tools are considered green with regards to the implementation of green occupations and skills within the Sector, as well as to provide prescriptions for policy and practice.

#### 3. Findings

The green concept is yet at its development stage among enterprises in South Africa. The majority of survivalist to small-sized wholesale and retail enterprises are yet to embrace the opportunities in the green economy. This can be attributed to the unforeseen profitability in venturing into green products, as compared to other conventional products.

- 1. Trade Category and Operational Size Influences on Green Implementation: Trade categories and operational sizes were found to influence the extent of green implementations. Owing to differences in the characteristics of the study population, it seemed necessary to differentiate trade categories and operational sizes of enterprises included in the sample.
- 2. Shared Values for Green Occupations, Skills, and Technologies: The study identified some shared values occurring most among the study population. In terms of green practices, there was a common consensus that there are generally acceptable green practices, such as re-use, recycling, and recovering of materials, equipment or other forms of devices, which are mostly tools for operations.
- 3. Occupational, Skills, and Technological Impact on the Environment: Occupational, skills, and technological impacts on the environment were found to be central to the issues often associated with the green movement.
- 4. Market Influence on Green Practices: Green practices, as well as implementations, were found to be generally regarded as a noble and responsible manner of conducting activities among the study participants. Several market-related factors have the potentials to influence both consumers and firms to adapt to the joint responsibilities of green practices.

#### 4. Recommendations

The W&R Sector is positioned to grow in the path towards green transformation. Following the narratives contained in the literature and empirical findings, recommendations for policy and practice are, therefore, presented:

- 1. Recommendation for Institutional Policy Coherence: A unified policy framework that supports green strategies across occupations in the W&R Sector is required. It will be in the best interests of W&RSETA that the wholesale and retail enterprises follow suit in ensuring that green ideologies are given adequate expressions. The existence of different levels of national green policies has been supportive of the development of an environmentally friendly economy. However, it is equally imperative that all sectors of the economy take a unified strategic route in the implementation of the green occupation, skills, and technologies.
- 2. Recommendation for Innovation Capacity Development: A collaborative strategy among a broad network of stakeholders in the W&R Sector is required. Much can be achieved through skills and technology innovation within the Sector. The W&RSETA must be positioned in terms of policies and strategies in the development of local entrepreneurs with creative attributes that are needed in areas that resonate green potential. This strategy could provide support in building innovative capacity that accelerates the implementation of green skills and technologies.
- 3. Recommendation for Adaptive Local Knowledge System: The study considers the imperatives of harnessing the local knowledge system that has the potential to support the green skills implementation strategy. Green practices are oftentimes identified with environmentally friendly cultural values of society. Curricular development that takes into consideration the state of the local knowledge system required to drive the green movement. Greening local skills and technological tools are a necessary approach for adaptation and must form a key strategic component of W&RSETA.
- 4. Inclusive Green Policy Framework Along Trade Categories and Operational Sizes: The study identified the need for an inclusive green policy framework that can address the peculiarity of trade categories of the wholesale and retail operations. This may have the tendency to strengthen the commitments on both sides. The sizes of these enterprises should be taken into consideration when crafting green policies, as the capacity for implementation in terms of resources may vary among enterprises.

## ANNEXNES THEME 4: SME & INFORMAL TRADERS 6 REPORTS

#	Date	Title	Author			
4 Smo	4 Small and Medium Enterprises (SME) and Informal Traders (6 Reports)					
4.1	August 2020	Small Business Survey Report	Research and Innovation Unit, W&RSETA			
4.2	August 2020	Covid-19 Economic Survey	Research and Innovation Unit, W&RSETA			
4.3	August 2020	Report on Informal Traders Telephonic Interviews	Research and Innovation Unit, W&RSETA			
4.4	February 2016	The Nature of Existing and Emerging Co-operatives in the Wholesale and Retail Sector	CPUT			
4.5	July 2015	Towards Effective Work-Integrated Learning in the South African Retail SMME Sector	CPUT			
4.6	March 2019	Strategy Alignment of the South African Retail Sector with the National Development Plan: Vision 2030. A summary	CPUT			

#### ANNEXURE 14: SMALL BUSINESS SURVEY REPORT

#### 1. Introduction

An employer research study was conducted by the W&RSETA Research and Innovation Unit.

#### 2. Outcomes

The W&RSETA conducted a Small Business Survey to measure the impact of the Covid-19 pandemic and its accompanying disruptions. A total number of 171 small businesses from all 9 provinces participated in the survey.

#### 3. Findings

The South African government introduced a phased Lockdown to protect the economy and reduce the chance of Covid-19 transmission. However, many businesses, especially small businesses, experienced financial and economic pressure.

- 1. The economic consequences of Covid-19 have been severe for informal traders resulting in loss of income and business closure, and were as follows:
  - a) 86.8% of respondents indicated a loss in profits;
  - b) 28.1% were unable to provide services to consumers;
  - c) 31.6% were unable to operate due to Lockdown regulations;
  - d) 21.05% indicated they were unable to purchase stock;
  - e) 10.5% of businesses underwent business closure;
- 2. Many businesses sustained their business during the Lockdown period using the following techniques:
  - a) 36.5% used business reserves;
  - b) 31.3% used personal savings;
  - c) 13.9% obtained business finance;
  - d) 1.7% had to shut down;
  - e) 16.5% used a variety of methods, e.g. delaying payments, borrowing from a personal network.
- 3. The use of Personal Protective Equipment (PPE) was implemented and financed as follows:
  - a) Business reserves (49.1%);
  - b) Personal savings (28.9%);
  - c) Unable to fund PPE (15.8%);
  - d) Borrowing and loans (6.1%).

- Most businesses highlighted financial constraints as the main Covid-19 Lockdown challenge. The detail is as follows:
   a) Unable to pay employees and suppliers (25%);
  - b) Unable to pay basic operational costs (18%);
  - c) Loss of revenue (17%);
  - d) Lockdown regulations (15%);
  - e) Top-up skills required (25%).
- 5. Staff retrenchment was also reported by businesses. The effect of Covid-19 was described as follows:
  - a) Loss in sales (28%) and drop in turnover (25%);
  - b) Loss in profits (23%);
  - c) Retrenchment of staff (19%);
  - d) Unable to pay rent (5%).
- 6. Respondents indicated the following interventions would assist with mitigating the effects of Covid-19:
  - a) Financial support (33%);
    - b) Skills Development Programmes (29%);
    - c) Relaxation of Lockdown restrictions (19%);
    - d) Training on scenario planning (such as pandemics) (10%);
    - e) Continuous stakeholder engagement (9%).

#### 4. Recommendations

As part of increasing employment and skills development opportunities, there is a need to support small businesses within the Sector to manage the impact of Covid-19.

The respondents indicated that the Sector needs to provide financial support and more funding for specific skills development programmes and ensure continuous stakeholder engagement.

#### ANNEXURE 15: COVID-19 ECONOMIC SURVEY

#### 1. Introduction

W&RSETA conducted a survey to understand how businesses within the Sector have been affected by Covid-19 and its accompanying disruptions.

#### 2. Outcomes

The outcome of the research study was to provide W&RSETA with the information needed to guide the introduction of skills programmes and identify research priorities and interventions to assist businesses within the Sector to manage the impact of Covid-19.

#### 3. Findings

The W&R Sector is experiencing negative economic impact resulting from the Lockdown regulations imposed to avoid the spread of Covid-19.

- 1. Many respondents to this survey (58% of which are small) experienced complete (31%) or partial (27%) business closure during Lockdown Level 5, decreased turnover and were anticipating retrenchments due to the Covid-19 pandemic and its accompanying disruptions.
- Although it is uncertain as to why, 69% of businesses that experienced a decrease in sales may have experienced such, because of limitations on operational hours and the kind of products that could be sold. Only 4% of respondents indicated that their businesses experienced an increase in sales.
- 3. 94% of respondents indicated their business turnover was below the normal expected range.
- 4. The economic impact of Covid-19 was visible across the W&R Sector. It has been anticipated that the interrupted flow in supply and demand of goods might lead to indirect impacts, such as inability of businesses to pay employees or manage their operational costs. This might be in addition to costs that are associated with Covid-19 prevention and precaution, such as PPE and sanitisers.
- 5. Measures to reduce expenses in the Sector include shortening work hours, reducing staff, pausing recruitment and onboarding students for internships and work-integrated programmes. While 39% of respondents indicated that their businesses have applied for business rescue or relief, the remaining 61% have taken more stringent measures to minimise further financial risk or potentially closing business.
- 6. Due to Covid-19, social distancing and refraining from public spaces has been advised as a precautionary measure for slowing down transmission. As a response, many businesses had to revert to working virtually, with education and training institutions having to include e-learning, telematic studies and blended learning until a more suitable time for face-to-face training. Only 11% of the respondents surveyed believe that the Sector is prepared to begin implementing e-learning or blended learning.
- 7. Only 28% of the respondents consider the socio-economic impact of Covid-19 on the Sector as a priority research focus for improving Covid-19 interventions, while 49% believe that the use of existing and emerging technological tools to minimise future business disruptions is a priority. Research to be conducted could be focused on how businesses can pivot to meet the demands of the so-called 'new normal' together with the skills required to do this.

- 8. While 50% of respondents indicated that Safety, Health, Environment & Quality training should be a priority it can be assumed that there is a lack of SHE&Q practitioners that can help in managing the impact of the pandemic, as well as planning for the future. SHE&Q training should be prioritised by W&RSETA as a mitigation tool against Covid-19, data shows that 70% of businesses do not see the need to employ a fulltime Safety/Covid-19 Officer. Businesses require employees with SHE skills, but will not have the budget to employ a full-time SHE officer.
- 9. In addition to retrenchments and difficulties paying employees and suppliers, 44% of respondents foresee a decreased workforce size after opening once Lockdown is lifted, and 34% anticipate that the workforce size will remain the same.
- 10. While many businesses might not qualify for loans, business rescue or relief funding, measures, such as reductions in remuneration and benefits, as well as reduction in the casual labour staff complement are being implemented. Some respondents expressed a concern that they might not have the appropriate resources or be eligible to apply for this funding.
- 11. Reskilling seems to the lowest priority for businesses. Businesses are under severe pressure in the short-term and need to make decisions that lead to an immediate reduction in costs. Full qualifications (learnerships) were only considered by 15% of respondents as a relevant intervention for reskilling staff members. Furthermore, 30% of businesses indicated that re-skilling is required, whilst 25% indicated the development of new delivery models will be required, which will also require reskilling.
- 12. The low increase in online and WhatsApp sales growth may be an indication that the Sector does not have the resources and/or the skills to move towards e-commerce, which has been a growing form of shopping, especially during Covid-19.
- 13. Applying for business relief grant or loans from government or private funders can lessen the financial burden for business. Although uncertain as to why, 21% would not apply and 32% are unsure. A concern in this area would be whether businesses know where to look for grants and whether businesses have alternative interventions to consider in cases where they do not qualify for relief grants and loans.

#### 4. Recommendations

It is imperative for W&RSETA to find suitable priorities to focus on that can support businesses in the Sector in mitigation against Covid-19, several recommendations were made:

- 1. Embracing Technology: The growth in importance of technology as a method of training staff, as well as an alternative to 'brick and mortar' was suggested. New models of training, such as elearning and blended learning, and in the sale of goods, the creation of e-commerce platforms was a means to trade.
- 2. Application for Financial Relief: Struggling businesses should consider applying for business rescue and relief funding.
- 3. SHE&Q Training: This should be prioritised by W&RSETA as a mitigation tool against Covid-19.

#### ANNEXURE 16: REPORT ON INFORMAL TRADERS TELEPHONIC INTERVIEWS

#### 1. Introduction

An employer research study was conducted by the W&RSETA Research and Innovation Unit.

#### 2. Outcomes

Informal traders and small businesses (203 entities) in the W&RSETA sector were interviewed telephonically to determine the economic impact of Covid-19 and to investigate possible W&RSETA support initiatives to address this impact.

#### 3. Findings

Small businesses and informal traders experienced financial and economic pressure because of the Lockdown regulations imposed to avoid the spread of Covid-19. Many respondents experienced a loss of turnover, suspension of operation, declining profits, difficulties in purchasing stock, staff retrenchments and some businesses closed permanently due to the Covid-19 pandemic and its accompanying disruptions.

- Loss of Income and Business Closure: The economic consequences of Covid-19 have been severe for informal traders resulting in loss of income (80%) and business closure (9%). Other effects included informal traders being unable to buy stock (5%), suspension of operations (5%) and the inability to service customers.
- Skills Required: Informal traders overwhelmingly expressed a need for broader management skills to grow their businesses (74%). Other skills required included financial management skills (10%), marketing skills (7%), business management skills (6%) and customer services skills (3%).
- 3. Trust and Confidence in government and its agencies were at a low level, with respondents expressing discontent and research fatigue for being contacted to participate in the research process, whilst the public sector is seen as making unfulfilled promises.

#### 4. Recommendations

Informal traders and small businesses provided the following recommendations to assist them in dealing with the impact of Covid-19:

1. Funding PPE: As part of increasing employment and skills development opportunities, there is a need to support small businesses and informal traders within the Sector to manage the impact of Covid-19, which may include the funding of PPE or the distribution of information concerning Covid-19 business relief.

2. Funding Skills Development Initiatives: The respondents indicated that the Sector needs to provide financial support and more funding for specific skills development programmes and ensure continuous stakeholder engagement.

#### ANNEXURE 17: THE NATURE OF EXISTING AND EMERGING CO-OPERATIVES IN THE WHOLESALE AND RETAIL SECTOR

#### 1. Introduction

The W&RSETA appointed CPUT to undertake this study on the nature of existing and emerging co-operatives in the W&R Sector.

#### 2. Outcomes

Co-operatives are established to enhance economic development through poverty alleviation by self-employment, enabling members to harness and combine their resources with subsequent benefits of synergy. The benefits, which accrue from participating in a cooperative may be summarised as economies of scale and scope, bargaining power, access to markets, capitalisation on new opportunities and the management of risk.

The main purpose of the study was to provide a position paper on co-operatives in the wholesale and Retail Sector.

#### 3. Findings

The following significant findings emerged from the study:

- The study has identified the development of co-operatives in South Africa with emphasis on the enlightened post-1994 legislative environment, and concludes that the legislative environment is well-defined and conducive to the development of co-operatives. What is not well-defined is the distinction and accuracy of the type and number of co-operatives.
- 2. The literature has suggested that most co-operatives reside in the agricultural sector, but these determinations have been geographically localised according to the study examined. The status of co-operatives in the W&R Sector, specifically, is inconclusive.
- Sixty-two percent of co-operatives reside in the three most populous provinces of the country: KwaZulu-Natal, Gauteng and the Eastern Cape (2012). Literature proposes that this is the result of political expediency, rather than entrepreneurial spirit. It is important to note that more than 80% of registered co-operatives had neglected to submit their financial returns and are considered, therefore, to be failed co-operatives.
- 4. The assessment framework in this study was derived from international best practice as described in both local and international literature. The framework was identified around four themes evident from the literature. These themes are legislative arrangements, management and infrastructure arrangements, training and skills issues, and marketing issues.
- 5. Possible interventions were identified in the literature and tested. These range of interventions consisted of:
  - a) Training in financial management for co-operative members;
  - b) Training in marketing for co-operative members;
  - c) Training in product specific technical issues for co-operative members;
  - d) Training in product specific technical issues for co-operative staff;
  - e) Technical support centres with extension officers;
  - f) Expert financial managers/consultants to maintain financial records for co-operatives;
  - g) Centralised marketing facilities to promote and distribute co-operatives;
  - h) Business hubs with offices and factories to provide infrastructure to co-operatives;
  - i) Training in the philosophy, nature and substance of co-operatives; and

j) A business management qualification, which includes all aspects of business management for co-operative members; and Increase in the amount of financial loans and grants available.

#### 4. Recommendations

The recommendations were as follows:

- 1. The proposed interventions were identified, and a framework was proposed for the integration of co-operatives into the larger Wholesale and Retail Sector. Area for further research were identified to further develop the Sector. For example, further research could determine the alternative ways in which small-scale farmers may reach their markets.
- 2. This project proposes an intermediary to fulfil some of the marketing functions, which will enable primary producers to become mainstream participants. The nature or form of these proposed intermediaries in ideal form is unknown. From formal mainstream supermarkets to alternative food markets to direct distribution, the alternatives present interesting and exciting possibilities. This opens several possibilities for further research to try to identify the most appropriate route to follow.
- 3. This project required that the findings of the research underpin a proposal for a framework for integrating co-operatives into bigger wholesale and retail markets. The distance between the current position of co-operatives and that of the existing wholesale and retail trade may be called the 'interventions gap'. The W&RSETA should consider the skills development interventions presented and consider which package is most appropriate.'

#### ANNEXURE 18: TOWARDS EFFECTIVE WORK-INTEGRATED LEARNING IN THE SOUTH AFRICAN RETAIL SMME SECTOR

#### 1. Introduction

The W&RSETA appointed CPUT to undertake this study to develop an understanding of how effective work-integrated learning could operate in the South African SMME sector.

The rationale for this position paper on the effectiveness of student Work-integrated Learning (WIL) within SMMEs retailers arose from W&RSETA stakeholder observations that national socio-economic development strategies are not achieving the inclusive vocational learning and entrepreneurial skills goals required in this significant business sector.

#### 2. Outcomes

This research study evaluated current WIL policies and practices in South African retail vocational education and workplace skills development, with the investigative focus on the effectiveness of retail WIL within SMMEs.

#### 3. Findings

The following significant findings emerged from the study:

- SMME Participation in WIL: Available data indicates that most retail business WIL activities of South African Universities of Technology (UoT) and Technical and Vocational Education and Training (TVET) colleges involve large retailers. SMMEs are not participating significantly in retail student workplace internship programmes.
- 2. Stakeholder Consensus Perceptions and Attitudes to WIL: There is stakeholder consensus regarding the value of well-planned, integrated and implemented student WIL with retail SMMEs, in terms of practical skills development, employability and career scope in the Sector. There is not consensus regarding criteria and modalities for WIL effectiveness, processes for coordinating academic and SMME workplace learning outcomes; and strategies for cost-effective synergies between vocational education institutions, learning governance agencies, including the Department of Higher Education and Training (DHET), Council on Higher Education (CHE) and the Quality Council for Trades and Occupations (QCTO), corporates and SMME workplace mentoring. Reflecting this diversity of WIL perceptions, a seasoned stakeholder has described South African WIL policy and implementation as "vigorously contested terrain".
- 3. Academic Staff and Work Placement Officers: Almost all academic and work placement staff recognise the value of career-relevant WIL, in its various modalities. Concerns expressed relate to the current diversity of approaches and the need for consensus on a defined WIL framework, which will be credible for employers and students alike; and challenges of time management for SMME workplace assessment and quality assurance of learning.
- 4. Students: All students surveyed are eager to gain relevant workplace experience and employable skills, towards a recognised qualification. Most expressed preference for their WIL within a well-known, large business where they will gain good practical exposure; and be able to show this 'reputable business' experience on their CVs. In this context, few students believe that SMMEs will meet these 'competence' and 'employability' criteria.
- 5. SMME Retailers and Trade Associations: Many SMME respondents recognise the value, which they themselves gained from good workplace experience; and want to help 'make a difference' in their communities, as well as improve the profile of their business, by developing competent young talent. Adequate time for WIL duties in small or micro enterprises is frequently identified as a 'major constraint' to coach a student; regional SMME co-operatives and financial support should, therefore, be built into WIL policy, to achieve viable workplace learning.
- 6. DHET and SETA Management and Learning and Development (L&D) Practitioners: Most DHET and SETA executive management, as well as several independent L&D practitioners, are aware of the current diversity of the current of WIL interpretations; and support the need for a national WIL policy and regulatory framework. Proposals from Retail Sector educational institutions are urgently needed for discussion, especially relating to:
  - a) Curriculum constraints;
  - b) Capacity-building of SMME co-operatives for WIL support; and
  - c) Funding of competent regional WIL mentors.

The literature insights and survey findings conclude that for WIL in SMMEs to succeed, economic sustainability and entrepreneurial management skills need to be strengthened, supported by collaborative WIL processes and effective workplace mentorship strategies.

#### 4. Recommendations

The recommendations were as follows:

#### 1. W&RSETA: Report Endorsement and Mobilisation:

W&RSETA executive management reflected endorsed the need to strengthen SMME retail business management and financial literacy, building effective WIL mentorship, practical skills learning and student employability outcomes. To this end, it is recommended that: a) Policy documents, including SMME Funding and Skills Support Policy, South African Public Colleges Organisation (SACPO) 'Hire Power' (2014) small business placement programme proposals and HET/ TVET 'School of Excellence' learning strategies should be reviewed and updated, where appropriate. b) Implementation of recommendations towards enhanced WIL policy and processes should be led by W&RSETA management and board representatives, to define and mobilise capacity criteria for WIL placement with competent medium and small retailers, within the Sector Skills Plan (SSP) priorities and regulatory frameworks.

c)Throughout the phases of HET and TVET consensus around policy and process review and mobilisation towards enhanced quality and quantity of WIL within SMMEs, W&RSETA executive management and board representatives of retail employer organisations should play a facilitative role, towards collaborative achievement of the socio-economic transformation vision of the NDP and National Skills Development Strategy (NSDS) III vocational learning outcomes.

#### 2. HET and TVET Institutions: Strategies for Effective WIL with Retail SMMEs

Noting that this research and evaluation topic was initiated during a progress review of the W&RSETA QMB, it is recommended that the findings and strategies should be considered by a purposive group of HET and TVET retail vocational educators, to optimise the validity and synergy of this position paper. Agenda items for a W&RSETA-led review of Effective WIL with Retail SMMEs should include:

a) WIL stakeholder survey findings and SMME placement priorities, for shared clarity.

b) A shared understanding of WIL/Co-operative Education policy and processes; supported by HET/TVET evaluations of their institutional WIL effectiveness with retail SMMEs, for placement strategy criteria.

c) SMME 'due diligence' capacity criteria, Department of Small Business Development (DSBD) and Southern African National Co-operatives Council (SANCOC)/South African Small and Medium Enterprises Federation (SASMEF) developmental insights, towards increasing WIL placement numbers with learning quality assurance.

d) Agreement on HET and TVET institutional steps, based on the SACPO 'Hire Power' (2014) programme proposal: Including enhancement of WIL strategies with retail SMMEs, for consideration by SETA, DHET and /or DSBD management.

e) Given the cross-sectoral implications of effective WIL with SMMEs, it will be appropriate for W&RSETA recommendations to be referred to a SETA Chief Executive Officer (CEO) Forum, for collective endorsement and engagement with DHET and National Skills Authority (NSA) thought-leaders.

#### 3. DHET: WIL Policy, Processes and SMME Capacity-building Strategies Review:

a) DHET officials are aware of WIL policy and process stakeholder dissonance; leading to the recent DHET/NSA WIL Workshop, which was the platform for a range of stakeholder commissions to debate the way forward towards more socioeconomically effective national strategies for WIL and workplace competence.

b) The DHET Chief Director: WIL has undertaken to submit enhanced WIL policy, process and funding infrastructure recommendations to the HET Minister soon. It will, therefore, be opportune for well-defined policy and process inputs from the SETA CEOs Forum and HET/TVET stakeholder engagements to be tabled with DHET executive management, for collaborative consideration.

#### 4. DSBD, SMME and Co-operatives Capacity and Competence Support, for WIL Effectiveness

a) Many stakeholders highlighted the fundamental need for SMME retailers to be capacitated for effective workplace learning and skills development outcomes, for aspirant WIL students to become employable in this volatile business sector. The policy review process underway within the DSBD has also been noted; and discussions with the chairperson of the Parliamentary Portfolio Committee on Small Business Development have indicated a readiness for policy enhancement proposals. SANCOC and SASMEF leadership have interacted with DSBD officials, striving to build commitment to co-operative SMME developmental strategies, including small business incubators and twinning with corporates.

b) Once the steps recommended earlier are achieved, SANCOC and SASMEF role-players could engage with W&RSETA, DSBD and Coaches and Mentors of South Africa (COMENSA) leadership, to define SMME capacity norms, funding and regulatory policies for business management competence, with incentives for effective WIL mentorship capacity and quality assurance.

c) Dependent on the policy and process outcomes of the DHET/NSA WIL Workshop, the regulatory framework may require further research, for effective organisational pairing, mentoring partnerships and WIL implementation in retail SMMEs.

# ANNEXURE 19: STRATEGY ALIGNMENT OF THE SOUTH AFRICAN RETAIL SECTOR WITH THE NATIONAL DEVELOPMENT PLAN: VISION 2030. A SUMMARY

#### 1. Introduction

The W&RSETA appointed CPUT to undertake this study on the NDP and the W&R Sector.

Key National Development Plan (NDP) objectives by 2030 include the elimination of income poverty, reduction of income inequality, reduction of unemployment, increase in the number of adults working and a broadening of the ownership of assets. The NDP requires economic growth of an average annual 5.4%.

The implementation chapters of the NDP highlight 13 strategy themes, with 75 developmental objectives. These themes, with the 29 operational objectives most relevant to the W&R business sector, provide the framework for this study.

#### 2. Outcomes

The study sought to establish how the NDP would affect the Sector, how sector businesses align their strategies with the objectives of the NDP, identify gaps in alignment and possible actions to address the gaps, and identify possible adjustments to the NDP.

#### 3. Findings

#### The research found that:

- Most respondents supported a 'top five' list of societally inclusive NDP: 1) nation-building and social cohesion; 2) fighting corruption (70%);
   3) economy and employment (60%); 4) South Africa in the region and the world; and 5) health care for all.
- 2. 64% of respondents most highly aligned with the 'top five' strategy themes were from corporates and their franchisees; while 36% were from independent retailers and traders. 'Active citizenry' is most evident in major companies, which have the institutional capability and budget and are in regional cooperatives or national business associations. Rural retailers (independents and co-operatives) were seldom well-informed about or aligned with NDP strategies.
- 3. While many respondents recognised their importance, their 'active citizenry' commercial strategies were focused on community relations, customer centricity and sales promotion initiatives and they seldom rated them as core to their business plans.
- 4. Over 70% of respondents indicate awareness of, or support for, environmental issues, while over 25% do not see it as their strategic priority.
- 5. The 'bottom five' strategy alignment 'gaps' for the Sector included 1) economic infrastructure; 2) building safer communities (almost 60%); 3) inclusive rural economy; 4) building a capable and developmental State; and 5) social protection. This ranking depicts the 'business as usual' perspective in that these NDP themes and objectives are 'capable State' governmental accountabilities and are not 'active citizenry' imperatives for their profit-driven W&R business plans. These strategies were "government's job, not ours: that is why we pay taxes". These included 'capable State' accountabilities, such as zero emission building standards, inclusive urban spatial planning, cost-efficient public transport services, early childhood development, basic education standards, crime prevention and State staff competence.
- 6. The W&R Sector concerns relate to: 1) The nature, authority and competences of a 'capable, developmental State'; 2) The leadership accountabilities and management approaches for achievement of clearly defined, shared W&R Sector socioeconomic developmental objectives; and 3) The practicalities of businesses, unions and government working towards an agreed Retail Sector Charter.
- 7. The typical NDP alignment incentive for South African W&R enterprises emerging from the study is the opportunity to make sustainable profits through community visibility, customer loyalty, sales promotion and expense controls.
- 8. Evidence of W&R governance strategies towards building a 'capable State' is low, especially for independent SMMEs and informal traders, for whom survival is the driving motivation.
- 9. The strength of NDP strategy alignment and commitment to sectoral implementation of these themes varied greatly within the Sector. Evidence of NDP alignment in Corporate Social Investment (CSI) projects, and by 'active citizenry' involvement of W&R business leaders in business chambers, Retail Sector associations and/or national business federations include the following: Retailers Unite against HIV/AIDS Initiative; Sustainable Retailers Forum; Southern Africa Food Laboratory Project; Southern African Sustainable Cotton, Textile and Apparel Cluster; and Retail Council and Consumer Goods Council of South Africa seminars.
- 10. Several executives, however, said their business plans include commitment to social investment.
- 11. 50% of respondents indicated that the building of a 'capable, developmental State' is not applicable to their business plans. Respondents had reservations about State authority, roles, red tape and accountability for service standards.
- 12. The range of responses reflects the diversity of culture, household disposable income and living standards measures, the market concentration of major companies, high expectations of State support amongst emerging traders; and the lack of W&R 'active citizenry' collaborative commitment to 'A Plan for All'.
- 13. Several role-players commented that few of the NDP's 13 strategy themes, 75 objectives and 119 proposed action steps have direct alignment with their commercial strategies to meet the profit and pricing expectations of investors and customers.
- 14. One managing director of a national retail chain said: "We are a retail commercial business and serve many stakeholders, who expect commercial results."
- 15. But many have adopted business strategies aimed at promoting transformation through employment equity, staff wellness, skills development, anti-corruption policies, social responsibility and community development initiatives, which will increase brand visibility and sales.

#### 4. Recommendations

The recommendations were as follows:

- 1. The report findings will provide an agenda for consideration of the W&R Sector's NDP alignment and stimulate W&R engagement with National Planning Commission (NPC) to optimise NDP opportunities and minimise the regulatory framework.
- The CPUT work together with mandated leaders of W&R business associations and federations, convene a Sector Strategy Forum to put in place steps to build a W&R Sector leadership network committed to co-operative support for cost-effective, inclusive implementation of relevant NDP strategies.
- 3. The Sector increases its active citizenry awareness, trust and collaboration within Proudly South Africa, where just three W&R businesses are members. They also recommended that the Sector participate in public-private partnership forums to share information and discuss priorities.

# ANNEXURES THEME 5 : EMPLOYMENT IN THE & UNEMPLOYMENT IN THE SECTOR (2 REPORTS)

Report

Aremans

#	Date	Title	Author	
5	Employment and Unemployment in the Sector (2 Reports)			
5.1	March 2020	Casualisation of Labour in the South African Retail Sector	CPUT	
5.2	June 2015	Retail's Contribution To, and Strategies For, Job Creation and Retention	CPUT	

#### ANNEXURE 20: CASUALISATION OF LABOUR IN THE SOUTH AFRICAN RETAIL SECTOR

#### 1. Introduction

The W&RSETA appointed CPUT to undertake this study to develop an understanding of casualisation of labour in the South African Retail Sector. The growing interest in temporary employment, casual employment, outsourcing and subcontracting materialized from a concern for the marginal group in the labour market and labour market flexibility.

#### 2. Outcomes

The main purpose of the study was to identify the status of the casualisation of labour in the Retail Sector, evaluate the impact of casualisation of labour on the Retail Sector, and identify the skills needs of casual labour in retail.

#### 3. Findings

#### The findings of this research indicate the following:

- 1. Casualisation is introduced for several reasons. These include economic crisis, demand for talent, information technology developments, as well as labour market deregulation.
- 2. There are challenges with casual labour in the various countries. Some of these challenges are also experienced within the W&R Sector in South Africa. One of the growing trends is the growth of casual labour in recent years. This was mainly due to structural change according to industry, such as privatisation, reduction in unionisation and an increased incidence of casual employment in new workplaces and firms.
- A concern raised was that wages of casual workers are not earning enough for them to support their families. These workers, therefore, complement their income by having alternative jobs in the informal sector or other cash-generating activities, which can lead to exhaustion, work-related accidents, and a poor work-life balance.
- 4. There is an increased demand for casual labour during certain peak seasons, e.g. staff and Black Friday.
- 5. There were also negative factors affecting the employment of casual workers, such as technological changes and the need for training and qualifications. These can be mitigated through the training of casual labourers on the new technologies to increase their chances of continuous employment, or even permanent employment.

#### 4. Recommendations

We have reviewed and included the research, as per the requirement of W&RSETA. However, the Labour Relations Amendment Act came into operation on 1 January 2015 and placed significant restrictions on the use of 'non-standard' employees, including fixed-term and part-time contracts (which covers the terms casual and temporary workers).

#### The recommendations were as follows:

- The research produced findings and recommendations that will guide and influence the decision-makers within the Wholesale and Retail Sector by highlighting the status of casualisation of labour in the Retail Sector, evaluating the impact of casualisation of labour on the Retail Sector, as well as identifying the skills needs of casual labour in retail.
- 2. The key findings indicate a need to increase casual labour to improve employment in the country and in the Retail Sector. The following could be considered to support this, such as new account drives, festive holidays and an increase in workload.
- 3. It was suggested that these special consumer event days could be extended through marketing campaigns, they will contribute positively to the employment of casual labourers in the wholesale and Retail Sector and thus reducing unemployment in the country.
- 4. The W&R Sector should implement mechanisms to retain casual staff, such as improved prospects of career advancement, creating learning and development opportunities and providing competitive benefits to casual labours and the provision of fair compensation.

#### ANNEXURE 21: RETAIL'S CONTRIBUTION TO, AND STRATEGIES FOR, JOB CREATION AND RETENTION

#### 1. Introduction

CPUT through the auspices of the W&R Leadership Chair appointed OD Management Services to conduct research on retail's contribution and strategies for job creation and retention as advertised in their terms of references.

The purpose of this research was also to identify drivers of change and related factors that have a bearing and influence on job creation and retention strategies, based on the emerging opportunities and threats (e.g. technology and labour) to job creation within the Retail Sector and to provide an assessment of job creation possibilities in the SMME Retail Sector.

#### 2. Outcomes

This research investigated the Retail Sector contribution and strategies for job creation and retention.

#### 3. Findings

The following significant findings emerged from the study:

- The findings are an indication of the multifaceted and dynamic challenges facing the Retail Sector locally and internationally. The global changes have a rippling effect on the Retail Sector in South Africa and the shift from permanent jobs to casualisation and contract employees is a possible and viable solution. The union influence is also another influencing factor, as casual and contract jobs are mostly distributed by labour brokers in South Africa.
- The study also revealed the volatility of the Retail Sector when there are unprecedented developments, such as economic meltdown, the Sector is forced by prevailing circumstances to shed jobs and this results in retrenchments and job losses and reduces any previous gains in employment.
- 3. The influence of technology is a key factor affecting jobs in the Retail Sector, with threats to the number of people employed and a change in work due to online shopping, e- commerce and e-marketing. Traditional brick-and-mortar stores, warehousing and transport logistics are all areas which will be affected by changes in technology and the customer's needs.
- 4. Empowerment and transformation in the Retail Sector is imperative, as the Sector reflects a workforce in need of transformation at several occupational levels.

#### 4. Recommendations

These following recommendations flow from the literature, as well as interviews with stakeholders.

- 1. Foster a Relationship with the SMME Sector: To create more jobs across the Sector, the Retail Sector must foster a relationship with the SMME sector to access a large pool of labour. There is a need for radical transformation in the Sector, especially in management positions to ensure a more efficient and effective supply chain strategy and implementation to improve pricing and value to customers.
- 2. Small Business Employment Strategy: The Retail Sector must develop a workable strategy to develop Small Businesses to grow employment opportunities. The W&RSETA must assist by developing programmes. Some of these can include: 1) Facilitated coordination of small businesses to overcome scale barriers that exist in the market. Combined buying and negotiating will assist small firms to gaining competitive advantages that would otherwise not be available to individual small enterprises. 2) A shared services centre would benefit retailers to access a skill set that may be missing in a small business environment. These skills may include management and leadership, financial-related skills, including tax, compliance with government regulations and/or ICT and social media. 3) Facilitate business linkages between small and large retailers so that they may learn from each other to improve performance. 4) Reduce requirements of small businesses in terms of labour legislation, bureaucracy, and other matters of compliance.
- 3. Link to Relevant Government Departments: The W&RSETA in conjunction with the DTI should investigate a programme whereby local retailers can connect with local manufacturers. The nature of the programme will need to be investigated further but the process could include: 1) Identifying priority sectors within manufacturing; 2) Identifying criteria for participation (manufacturers and retailers); 3) Articulate and model incentives; and 4) Implementation.
- 4. Address Youth Unemployment: The Retail Sector must develop a viable and workable strategy of developing Youth Employment. A holistic approach will need to be undertaken that takes advantage of several interventions, including: 1) Pre-work programmes at school; 2) Encouraging entrepreneurial thinking; and 3) Internships and learnerships linked to defined career paths. It is important for employers and learners in the Sector for career pathways to be developed and communicated to the Sector.
- 5. Prioritise Learnerships: Learnerships should be prioritised by the W&RSETA and advocated to enterprises in the Sector, and the Sector should work closely with educational institutions, in creating a pipeline of labour into the Sector.

- 6. Keep Abreast of Changes in Technology: Job losses and new opportunities may occur, because of technological developments in the Sector. W&RSETA must remain up-to-date in terms of the nature and evolution of skills needs in the Sector. In addition to ensuring that the supply of labour into the Sector have the requisite skills to deal with changes in retail due to technology, so too should upskilling of entry-level and unskilled employees in the Sector be encouraged.
- 7. Monitoring and Evaluation of Interns: Successful monitoring of new entrants and interns in the Sector can assist in mining talent, and ensuring staff are developed in respect of achieving transformation on the Sector. Retailers should be able to recruit interns from a database, which could be maintained by W&RSETA.
- 8. Further Research: It is recommended that the W&RSETA or the DTI investigate the nature of retail space environment in South Africa. More especially, the role of large malls on buying behaviour, the impact and cost of rental expenses and the impact of these malls on small retailers in South Africa. Programmes to encourage the development of small retailers may be limited in their effectiveness, if there are difficulties in access to suitable retail space.
- 9. Emphasis on Business Ethics: The role of business ethics should be prioritised, particularly for new entrants to the Sector. A suitable programme should be offered to all learners.

The study has shown that a comprehensive and viable strategy, which is actionable is crucial for alleviating unemployment in the Sector, especially youth unemployment. The usage of different integrated strategies and methods by the Retail Sector and W&RSETA are an important factor in finding solutions to reduce unemployment through offering the youth entrepreneurial opportunities in the Sector.

# AND SKILLS DEVELOPMENT (4 REPORTS)

#	Date	Title	Author			
6 Bes	6 Best Practice in Education, Training and Skills Development (4 reports)					
6.1	March 2020	Mentoring Model Using Retail Retirees to Develop Skills of New Retail Managers	СРИТ			
6.2	April 2019	How to Design and Harness the Value of Workplace Learn- ing in Wholesale and Retail	Dedosa Consulting, DUT			
6.3	March 2019	Decolonization and its Application to Existing RBM Pro- grammes: The Power of Indigenous Knowledge	CPUT			
6.4	March 2016	A Model to Operate and Use a Retail Store for Workplace Experience and Research on the Cape Peninsula University of Technology Campus in Cape Town	CPUT			

#### ANNEXURE 22: MENTORING MODEL USING RETAIL RETIREES TO DEVELOP SKILLS OF NEW RETAIL MANAGERS

#### 1 Introduction

The W&RSETA appointed the Cape Peninsula University of Technology (CPUT) to undertake research in respect of developing a mentoring model to develop the skills of new retail managers.

The main aim of the study is to develop a mentoring model using either retired or soon to retire managers to implement, monitor and promote professional and effective mentorship practices in different types of wholesale and retail businesses.

#### 2 Outcomes

The report resulted in a report that stressed the desired outcome of W&RSETA developing a mentorship model, that can be used by retailers in the implementation, of a mentorship programme.

#### **3 Findings**

- 1. Mentoring plays a role in talent management and is a reliable tool for people development, in a general sense.
- 2. However, the nature of mentoring, its current scope and its application in companies may not be clearly understood as it is highly probable that there is definitional confusion between the concepts of mentoring and coaching.
- 3. Thus, there exists scope for developing the concept, purpose and goals of mentorship as a practice, allied to coaching, but with its own clear purposes and goals. For this to happen, there needs to be a collaborative approach by stakeholders across the Retail Sector, educational institutions and professional bodies.
- 4. An appropriate model needs to be positioned as a specific peer-learning directed model that includes a defined structure and roles between stakeholders and mentors. Its success is predicated on the ability to promote the idea that retired retail employees are an invaluable resource that need to be nurtured.
- 5. Such retirees are vital to the Sector as a means of developing talent, not only of new recruits and junior management, but also a resource for young entrepreneurs who intend to start up a retail business.
- 6. A mentorship model needs to be developed and positioned as a peer-learning directed model that includes a defined structure and clear roles between stakeholders, mentors and mentees. This model for mentoring should be the most suitable for large, medium and small retailers. Any mentorship model should focus on the mentoring needs of smaller retailers and the research suggested that the majority (80%) of retailers would prefer to use retired employees, as opposed to external mentors.
- 7. It is conceptualised that such a model will be implemented in a one-on-one fashion, delivered by an experienced mentor to their mentee, making use of digital communication tools. This is seen to ensure the greatest benefit for mentors and mentees.
- 8. The proposed model, therefore, calls on professional bodies and the W&RSETA to form an alliance to promote the use of retired mentors in the Sector.

#### **4** Recommendations

#### The recommendations were as follows:

- 1. The research recommended that W&RSETA develop a model for mentorship, for application in the Sector.
- 2. This model, and the steps to be followed in developing it, is outlined in detail in the research report and will require: 1) a quantification of the need for the programme; 2) the most appropriate structure and content of a programme; 3) the development of partnerships with educational institutions, training providers and professional associations concerned with mentoring and coaching; and 4) compilation of a database of suitably qualified mentors; the development of a qualification or certification for mentors.
- 3. The W&RSETA are to determine their appetite and budget for the funding of this project, both in terms of development of the programme and funding its implementation in the Sector.

#### ANNEXURE 23: HOW TO DESIGN AND HARNESS THE VALUE OF WORKPLACE LEARNING IN WHOLESALE AND RETAIL

#### 1. Introduction

The W&RSETA appointed Durban University of Technology (DUT) to conduct research to determine methods to design and harness the value of workplace learning for the Wholesale and Retail (W&R) Sector.

#### 2. Outcomes

The research was conducted to define the concept of workplace learning, and to determine factors in the development of successful programmes.

#### 3. Findings

#### The following significant findings emerged from the study:

- 1. A substantial number of retail workers are younger than twenty-five years and consequently have little or no prior work experience. They view their jobs as temporary positions, a chance to earn some money while in school, or while they try to find a better job. Frontline and entry-level workers experience one of the highest labour turnover rates in the economy (approximately 65 percent).
- 2. The amount of training for entry-level and frontline retail employees varies, but is widely considered to be minimal. Industry insiders acknowledge the problematic cycle of disinterest and disinvestment in this group of employees. Due to high levels of turnover, employers build turnover costs into their costing model and, therefore, limit investment in the largest segment of their workforce.
- 3. Frontline retail career pathways (which are generally entry-level positions) differ from entry-level positions due to the significantly skewed ratio the entry-level and frontline staff as compared with managerial staff. The number, as well as turnover of this group of staff, has resulted in the absence of a sector-wide strategy for career progression and the qualifications and credentials relating to this. As a result, both employers and employees report that it is more difficult to identify career potential in the retail industry.
- 4. Additionally, and due to the impact of the 4th Industrial Revolution (4IR), the future of retail is uncertain. Brick-and-mortar retailers must place an ever-greater emphasis on customer experience, to differentiate themselves from and compete with online retailers, and the continuing innovation and automation in all areas of retail, will result in the number and type of employees changing.
- 5. It was found that in designing a workplace training model and harnessing the success of this model of training requires that, 1) leadership mobilise internal and external commitment to the training delivery method; 2) the organisation embraces a culture of advancing staff and developing clear career pathways; 3) encouraging employees to learn and providing positive support for learning in the workplace is the most effective way of guaranteeing organisational change.
- 6. In designing a successful workplace learning programme, certain factors were identified as relevant. These include, 1) a flexible and accessible learning model should be developed; 2) more time off is needed for staff to participate in learning programmes; and 3) the programme must meet the needs of both the employer and employee.
- It was also noted that successful workplace learning experiences in retail must be bolstered by a formal mentorship programme for participants using external partners, such as Technical Vocational Education and Training (TVET) Colleges and Higher Education Institutions (HEIs).
- 8. It was also found that constant monitoring and evaluation of the learning programme should be conducted to determine if adjustments are required and celebrate successes where appropriate.

#### 4. Recommendations

The recommendations were as follows:

- 1. Creating a sector and organisational culture that focusses on workplace learning is an important change, which needs to occur in enterprises in the W&R Sector.
- 2. Workplace learning is deemed to be relevant, appropriate, and prioritised by the SETA, however its status of being under-utilised and implemented in an informal manner needs to be addressed.

# ANNEXURE 24: DECOLONISATION AND ITS APPLICATION TO EXISTING RBM PROGRAMMES: THE POWER OF INDIGENOUS KNOWLEDGE

#### 1. Introduction

The W&RSETA appointed CPUT to undertake this study on decolonisation and its application to existing Retail Business Management (RBM) programmes.

#### 2. Outcomes

This study explored how the curriculum for RBM offered in the South African higher education sector could be decolonised so that it reflects the values, culture, beliefs, aspirations and expectations of the recipients of the curriculum who are in the main, black people of African origin.

#### 3. Findings

#### The following significant findings emerged from the study:

- There have been strong moves by students to 'decolonise' education since the advent of the "Rhodes Must Fall Movement" in 2015. Furthermore, two decades into the new South Africa, the RBM curriculum is still based primarily on Western knowledge and thinking, mainly from retail theory and practices developed in the United States and taught from American textbooks.
- A comprehensive analysis of published literature revealed that the curriculum that is currently being used for teaching and learning in local institutions is largely based on Western epistemologies, which are primarily the works of American and European academics and philosophers.
- 3. The study found that most of the curriculum recipients do not identify with the current curriculum as it is divorced from their lived experiences, including their culture, language, values and beliefs. The study also founded that indigenous knowledge systems were largely overlooked in the process of developing the current curriculum.

#### 4. Recommendations

#### The recommendations were as follows:

- 1. The study recommends that for the current curriculum to be decolonised, there is need to involve all key stakeholders in the curriculum development process, especially the students.
- 2. The other recommendations are that preference should be given to indigenous knowledge systems and the use of African writers and African languages in teaching and learning.
- 3. The literature review and the findings from the data analysis suggest several strategies that can be implemented to decolonise the RBM curriculum of the higher education sector in South Africa.

#### ANNEXURE 25: A MODEL TO OPERATE AND USE A RETAIL STORE FOR WORKPLACE EXPERIENCE AND RESEARCH ON THE CAPE PENINSULA UNIVERSITY OF TECHNOLOGY CAMPUS IN CAPE TOWN

#### 1. Introduction

The W&RSETA appointed the CPUT to undertake research in respect of developing a model to operate and use a retail store for workplace experience and for research purposes.

#### 2. Outcomes

The aim of the study was to develop a model to guide the development and implementation of a retail store on the Cape Town campus of CPUT that will be used as a centre for retail and for students to gain the work experience and research required for their Diploma in Retail Business Management and other retail programmes to be successfully employed by the retail industry. This retail store could also be used for research purposes by students, staff in the retail department, staff at CPUT in general and by the retailers themselves.

#### 3. Findings

- 1. This study comprised a comprehensive literature survey and interviews concerning Work Integrated Learning (WIL), with emphasis on approaches to workplace experience, and what is required by the retail industry and the retail programmes. The target group for the study were retail lecturers at CPUT, five major retailers based in the Western Cape who participated in this project and who are knowledgeable experts from retail chain groups and five others who are experts in work integrated learning and or retail.
- 2. The result is a model that structures the practical operational, supervisory and management experience that students will be getting during their study period. The model also specifies possible research areas for students, staff, the retail industry and other experts. The model further outlines how the retail store must be jointly managed by all participating parties to ensure operational efficiency and the achievement of the experience and research objectives. The development of a workplace experience model for retail students to gain experience by working on a retail store on an academic campus can be seen in the retail logbook developed.

#### Certain issues were identified in the research study:

- The question of how WIL can bridge the gap between practical work experience and academia whilst ensuring that students at a retail store situated on an academic campus are able to gain workplace experience, and use the store for research purposes, leads to further questions on the nature of the skills development legislation and its terminology. The limitations of the logbook are dictated by the size of the retail store and just how much can be done to give the student a truly authentic learning experience.
- 2. The development of a model for the establishment, management and running of the store requires buy-in from retailers. Retailer participation, flexibility and enthusiasm for the project is key to ensuring that the project is a success. Incorporating the research component into the logbook is key to introducing the research component to students.
- 3. Although the type of research may be limiting due to the specific target market and the practical limitations within the store, students are introduced to informal research practices.
- 4. A model to operate and use a retail store for workplace experience and research on the CPUT campus was developed. This model included the following objectives:
  - a) Objective 1: Develop a workplace experience model for retail students to gain experience by working in the retail store at CPUT campus.
  - b) Objective 2: Develop a model for using the store for research purposes.
  - c) Objective 3: Develop a model for the establishment, management and running of the store.

#### 4. Recommendations

#### The recommendations were as follows:

- 1. A final model was not recommended in the research, and it appears that this is still something to be determined.
- 2. The research process indicated that there were significant issues involved in the operationalisation of the concept, as well as conflicting opinions concerning how it could best achieve the goals of WIL while maintaining proper organisation and financial management.

# ANNEXURES THEME 7 : MARKEN SECTOR'S PERMORMANCE THROUGH RESEARCH (10 REPORTS)

#	Date	Title	Author				
7 Imp	7 Improving the Sector's Performance through Research (10 Reports)						
7.1	March 2020	Wastage: Its Effect on Green Retail and its Role in Socioeco- nomic Improvement and Food Security	CPUT				
7.2	February 2020	A Study to Determine the Optimal Tenant Mix in Shopping Centres	Professor Hoosen Rasool, Durban University of Technology (DUT)				
7.3	February 2020	Ethnography as a Competitive Advantage in Retail: A Study of How Ethnographic Research is Used in Food Courts in Shopping Malls	Professor Hoosen Rasool and Yumna Rasool, DUT				
7.4	March 2018	Evaluation on Customer Centricity in South African Retail Business Strategy and Processes	UCS				
7.5	March 2019	The Influence of Internal Control Activities used by Sole Trader South African Small, Medium and Micro Retail Enter- prises Operating in Cape Town and the Attainment of their Key Financial Objectives	CPUT				
7.6	March 2019	Source Document Usage and the Financial Sustainability of South African Small, Medium and Micro Retailers	CPUT				
7.7	March 2020	Status and Challenges of Automation in the South African Retail Sector, including Automated, Self-Service Checkouts	CPUT				
7.8	August 2016	Financing for SMME Start-ups, and Expansion for Estab- lished SMMEs, in the Retail Sector	CPUT				
7.9	April 2020	The Changing Face of the South African Retail Industry through Social Media Marketing, Changes, Growth Oppor- tunities, Challenges and Impacts on Retail	CGCSA				
7.10	March 2016	Profiles of African Countries with Most Potential for SA Retailers' Expansion into Africa	CPUT				

# ANNEXURE 26: WASTAGE: ITS EFFECT ON GREEN RETAIL AND ITS ROLE IN SOCIOECONOMIC IMPROVEMENT AND FOOD SECURITY

#### 1. Introduction and Outcomes

Establish trends of green retailing, especially as it relates to packaging and food waste reduction and developing a set of guidelines for retailers.

#### 2. Findings

There was a total of 241 respondents.

#### The findings from the survey were as follows:

- 1. Management of Company's Paper and Plastic Waste: There was an even split between retailers that do their own waste management (64), that appoint their own waste management company (63) and those that use a municipal waste management service (59). A significant number of retailers (34) noted a combination of the above options. There were only 10 mentions of retail centres or landlords managing waste and another nine mentions of 'other'. This included informal collectors, 'bakkie' collectors, dropping off their own waste at drop-off centres, and one retailer that donated waste to a local school, most of which can also be categorised as 'own waste management'.
- 2. Management of Company's Food Waste: Seventy-two respondents reported that they utilise municipal waste management services to dispose of their food waste, 55 respondents manage their own food waste, 35 have appointed a waste management company, and six rely on their retail centre for food waste management. Nineteen respondents utilise a variety of food waste management options (mostly a combination of own waste management and municipal/appointed company). The graph below provides details on which waste management companies are used by respondents.

 Appointed Waste Management Companies: Most respondents use Do not Waste and Interwaste to manage their waste, followed by Interwaste, EnviroServ, Averda and WastePlan. 'Other' includes Echo Waste, Lothlorien Recycling, Waste-Mart, Why Waste, Remade Recycling, The Waste Group, EcoCycle, and ECO Services.

#### 4. Companies Implementing Waste Reduction Initiatives:

One-hundred and thirty-one respondents (54%) are implementing waste reduction initiatives. Seventy-six respondents (31.5%) are not implementing waste reduction initiatives, while 34 (14%) are not sure if their company is implementing waste reduction initiatives. Many of the retailers that were surveyed had initiatives that fall under the waste principles of 'reduce, reuse, recycle'. The survey showed that of the 131 retailers that said they are implementing waste reduction initiatives, 47.3% have 'recycle' initiatives in their businesses. Some recycling initiatives include:

a) Plastic, paper, cardboard, glass and pallets recycling,

- b) Colour coded bins in offices,
- c) Setting recycling targets,
- d) Spent oil and recycling of water,
- e) Recyclable plastic bags, and
- f) Asset Recovery and Recycling (ARR) initiatives.

Of the 131 respondents who are implementing waste reduction initiatives, 16.0% focused on 'reuse' within their businesses. Reuse initiatives included the reuse of A4 paper in retailer offices, packaging is reused for internal storage and distribution where possible. Many of the 'reduce' initiatives outlined by retailers were in the reduction of paper usage in offices. Other retailers said they encourage customer reuse by providing reusable carrier bags. 10.7% of retailers specifically mentioned the adoption of technologies that would minimise the need for printing and creating a culture and business environment of little to no printing through electronic alternatives. Moreover, 8.4% of retailers' reduction initiatives included packaging reduction in the following ways:

- a) Using less plastic and bubble wrap,
- b) Selling in glass and instituting a deposit return scheme for glass,
- c) Unpackaged procurement,
- d) Removing plastics straws, and
- e) No plastic carrier bags.

Other packaging initiatives were biodegradable packaging and products for customers and loose format fruits and vegetables to reduce the need for packaging.

The survey results show that of the 131 respondents, 7.6% of waste reduction initiatives are donations of surplus food. Moreover, 9.2% of retailers reported that their food is composted or sold/donated to farmers for animal feed. One retailer also added that slightly damaged vegetables are peeled and processed for the deli (prepared food) and for all their meat products, the final bones and shavings are sold off.

#### Some waste initiatives that were mentioned less frequently include:

- a) Research and development currently being conducted to understand the composition of the waste and potential solutions;
- b) Initiatives targeted at suppliers where they are required to use recyclable packaging when supplying raw materials;
- c) Clothing bank initiatives; and
- d) Heat recovery from generators.
- 5. Companies Implementing Education Programmes and/or Awareness Campaigns: Most respondents (145/62%) are not implementing education or awareness campaigns for waste reduction, whereas 76 (33% of respondents) are implementing campaigns, and 12 (5% of respondents) do not know whether they are implementing campaigns. Of the 76 retailers that said they are implementing education or awareness campaigns, 52.6% of retailers have staff training/education initiatives, as well as internal recycling initiatives, such as colour-coded/separate recycling bins. Other ways retailers said they encourage and educate internal and external stakeholders is through reporting in sustainability reports and monthly departmental reporting. Furthermore, one retailer revealed that apart from training staff, they also train their suppliers and collaborate with them to discover innovations for improvement. 13.2% of the 76 respondents said they have public awareness campaigns. Of the 76 respondents, 9.2% of retailers reported that they have company policies on waste reduction which they adhere to.

6. Companies Implementing Green Building Initiatives: One hundred and twenty-eight respondents are implementing green building initiatives, which equates to 55% of respondents. Ninety-one (40% of respondents) are not implementing green building initiatives, and 14 (6%) were not sure if they were or were not. Many of the initiatives employed by retailers are focused on monitoring and reducing energy and water consumption levels. The 128 retailers who said they are implementing green building initiatives have the following initiatives in their respective businesses:

a) Lights – 16.4% of respondents said they use LED lights, low-voltage lamps, motion sensor lights or natural light.

b) Water – 12.5% of respondents said they have implemented water saving programmes, such as installing flow restrictors on taps. Some retailers also mentioned that they introduced disposable crockery to reduce dishwashing. A considerable number of respondents (21.9%) had green initiatives that focused on sustainable water usage. Most retailers revealed that they collect rainwater, others have boreholes, grey water tanks, do not use drinking water to flush toilets, but rather use underground water, or reuse water from air conditioners for flushing.

c) Energy – Many respondents (37.5%) reported that they are using renewable energy in their businesses, such as solar energy (while others were still investigating solar energy), and one retailer is also composting to obtain energy and using a heat pump for heating water. Three of these retailers sell renewable energy products.

d) Improved insulation, extra green space (trees), drip irrigation in gardens and irrigation at night to allow percolation of the water and eco-friendly roofs.

e) Upgrading their equipment (energy efficient fridges, low consumption dishwashers), switching off unnecessary equipment and slow starting other equipment for power usage optimisation.

f) Using eco-friendly cleaning products.

- 7. Top 2 Reasons for Implementing Green Initiatives: The main reasons that retailers decided to implement the above green initiatives are pressure from conscious consumers (70) and other responses that all spoke to the values of the retailer (50). An even number of retailers mentioned legislation (25), global head office directive (23) and efficiencies (especially electricity) and cost saving (23). General pressure from the industry was noted 17 times, followed by pressure from suppliers and producers (11). A significant number of retailers responded 'other' with no explanation.
- 8. Companies Who Have Waste Reduction Targets: Most retailers (74,3%) said that they do not have waste reduction targets, with only 20% noting that they do have targets. Just over 5% of retailers said they were not sure if their organisation has waste reduction targets.
- 9. Companies with Specific Targets for Waste Reduction: Paper, electricity and plastic targets are the most common targets in place (approximately 15% of all respondents), followed by water and food targets. Greenhouse gases/carbon footprint targets are much less common with only ten respondents implementing this target.
- 10. Company Champions for Target Setting: Most targets are set at the store level (it is unknown how many of these are franchises and how many of these retailers only have one store). This number is followed closely by national head office, with 13 responses. Five respondents stated that their targets were set globally. Those who specified 'other' included departmental targets and regional targets.
- 11. Challenges in Implementing Green Initiatives: The availability of waste reduction options was mentioned most frequently as a challenge to implementing green initiatives (69 mentions), followed by insufficient government support (60), consumer preferences (51), insufficient money for initiatives (38) and supplier preferences (31). The least mentioned challenges were obstructive legislation (18) and low priority for the company (15). 'Other' responses included the lack of landlord willingness.
- 12. Government Support Required: Retailers were asked what kind of government support they think could help drive green retailing. The responses have been summarised below:

a) Financial support – most retailers (24.6%) identified financial support from the government as a key support mechanism. Financial support includes offering incentives/rebates for businesses to recycle, ban plastics and reduce plastic usage, manufacture solar components and other green initiatives. Other schemes that were noted are subsidies for plastic pellet crushers and other equipment, and reduced taxes for green initiatives.

b) Policy – several policy instruments were suggested by 24.6% of respondents. These included structural policy to reduce reliance on coal power, government ban on plastic and unnecessary packaging, tax on emissions, a carbon tax, taxing individuals for waste harsher punishment for dumping, fines for littering, introduce fines for excessive use of water and power, enforce already existing laws, introduce laws for recycling and waste management. Related to policy, one stakeholder emphasised the importance of minimising bureaucracy.

c) Municipality – 16.7% of respondents highlighted municipalities' role in facilitating waste reducing and increasing recycling rates. Suggestions for municipality included increasing the number of recycling points, for example, more bins in malls, establish more recycling centres, collect recyclables in suburbs, peri-urban and rural areas, increase the number of municipal dump sites and expand other recycling initiatives. Similarly, some respondents pointed out that waste infrastructure is lacking in SA. Therefore, increasing access to recyclers and waste drop off sites is critical, or the government can provide support to private companies to do waste management in rural areas. One retailer noted that there needs to be a complete restructuring of waste collection and operation. d) Awareness – survey findings show that 17.5% of retailers believe that the government needs to be active in building public awareness and educating the public on waste matters through advertising campaigns and clean ups for example.

e) Other suggestions for the government to support retail waste reduction included collaboration, regular inspections and monitoring, research and testing to prove concepts, as well as setting minimum standards for the industry alongside robust road maps and targets.

f) Other retailers noted that the government should not be taking the lead in the waste industry; they argue that the government has other more critical areas to focus on, such as efficient power supply. Another suggested that recycling should remain in the private sector. Furthermore, one retailer argued that the government is not equipped to solve issues pertaining to waste in the retail sector. They went on to suggest that the retail industry should start using standard-sized packaging that can be reused for multiple products, and discounting companies that provide recycled packaging.

#### The findings from the interviews were as follows:

- 1. Challenges in Retail Waste Reduction: Findings from stakeholder consultation suggest that there appears to be misalignment in the industry amongst the various role-players in the waste and retail sectors. There is also a lack of data, which is a major gap that exists in the SA waste industry in both food and packaging waste in the retail sector. Furthermore, a lack of an industry standard for measuring waste and setting targets means that it is difficult to obtain an aggregated view of retail waste. Additionally, waste targets tend to be broad and do not have a roadmap to achieving those targets. From the viewpoint of the African continent, there is inconsistency in policy and regulations, which is important for South African (SA) retailers as they continue to expand across the continent. For example, the implications for retailers to consider when trading in countries with plastic bans.
- 2. Specific Topics Addressed Include: 1) Food Waste: Challenges and Drivers, and 2) Plastic and Paper Packaging Waste: Challenges and Drivers.
- 3. Institutional and Retail Initiatives: There are three significant institutional initiatives that are currently in the process of being developed, all of which will be implemented within the 2020 year. This includes the Food Waste Voluntary Agreement (FWVA), the South African Alliance to End Plastic Pollution in the Environment, and the South African Plastics Pact. All these initiatives are supported by a variety of stakeholders, including national government (i.e. The Department of Trade and Industry (DTI) and DEFF), industry associations (i.e. SAPRO, Consumer Goods Council SA (CGCSA) and PlasticsSA), sustainability organisations (i.e. The Waste and Resource Action Plan (WRAP), a UK-based organisation and WWF), and industry across the supply chain, including farmers, producers, manufacturers, distributors, retailers, and recyclers. The relationships between these stakeholders and each of the initiatives are also addressed.
- 4. Retailer Initiatives: Globally and locally, there are numerous initiatives aimed at reducing packaging and food waste being driven by organisations and retailers. Many of these are further unpacked in the report. However, during the stakeholder engagement process, several such initiatives were highlighted, which are particularly relevant to the research.
- 5. Global Retailer Initiatives: Although not directly retailer-driven, during consultation with WRAP, several particularly relevant initiatives were pointed out which were initiated with major support from retailers and provide some key insight for retailers within South Africa.

a) WRAP started a campaign called Love Food Hate Waste, which although primarily focusing on reducing food waste within households, has implemented several initiatives with support from retailers.

b) During other stakeholder engagement, it was noted that within the EU, lots of retailers are enforcing strict guidelines on manufacturers to enhance the use of recyclable materials and develop alternatives, such as compostable packaging. This has an impact on SA manufacturers and exporters who export fresh produce to Europe, as they need to comply with such guidelines. Additionally, retailers are sending their food waste to a distribution centre where it gets consolidated before being sent to charities.

c) Another initiative of retailers that was identified during consultation relates to stock control, which if done ineffectively, results in the spoilage of food and creation of food waste. Albert Heijn, the largest Dutch supermarket, recently started testing plastic-free fruit and vegetable displays within 1 540 of their stores with the help of dry-misting technology from Contronics. This technology uses a mist to reduce the surface temperature of fresh produce displays, while reducing energy requirements.

d) Some other initiatives noted by stakeholders includes 'Approved Foods', which sells food that is near or just past its best-before date (but still perfectly fit for human consumption) at discounted rates; 'Food Too Good To Go' (as mentioned in Section 2.3.1), which connects mainly cafes and restaurants with customers who want to purchase food before it is disposed; 'Smart Meters', which uses AI technology to assess food waste in the kitchen and determine if it is preparation waste or plate waste, and quantifies this (both in terms of volume and value); and a similar system from 'Winno', which reports on what is wasted, the value/cost of this waste, and the environmental impact/cost.

#### 6. South African Retailer Initiatives:

Within the South African retailer landscape, various activities are being initiated to reduce packaging and food waste. Although a number of these are being driven by organisations/institutions (such as DEFF, CGCSA, WWF, PackagingSA, PlasticsSA, etc.), retailer support has been significant, and stakeholders have highlighted the good progress being made by major retailers in the country. In addition to the institutional initiatives, it was highlighted during engagement that PackagingSA is currently developing guidelines for design for recycling, while CSIR has developed food waste and prevention guidelines for South Africa under DEFF; all which assist retailers to understand the type of initiatives and programmes that can drive to waste reduction within retail/distribution.

One such programme that has emerged from the DEFF guidelines is the establishment of a 'green grading council', to which retailers have agreed to roll-out a standardised labelling system, for example, it was noted that items that are not recyclable will have a red dot on the packaging to ensure easy identification of non-recyclable products (and hopefully lead to increased pressure on brands from consumers). In terms of retailer initiatives, one stakeholder noted that Checkers and Shoprite have started marking down food when they reach sell-by date. They also noted that there has been an increase in ready cooked food within retail stores, which reduces food wastage as food nearing its best-before/sell-by-date is used to make prepared food items. In addition to this, there has been a significant increase in retailers donating food to food banks and charities, such as Food Forward and The Salvation Army.

Another initiative identified, although not directly attributed to retailers, is that suppliers (farmers and manufacturers) are requesting that unsold produce be returned to them by the retailer so that they can gauge what wastage is occurring, rather than leaving disposal of such produce to the retailers.

#### 7. Socioeconomic Impact of Waste on Livelihoods:

The primary data collected points to two main ways in which waste management and recycling can impact on the livelihoods of South Africans. Firstly, waste provides an opportunity for job creation and income, and contributes to the economy through the creation of new value chains, from collection through to the manufacture of new products. However, the ability of the recycling industry to create employment relies heavily on enhanced collection and recycling rates. Secondly, the lack of proper waste management will result in diminished health and wellbeing of people due to a poor environment.

Findings suggest that a well-established recycling and alternatives industry has the potential to create even more formal employment along the value chain in on-site sorting, transportation of recycling to material recovery facilities, baling and outbound transport. Respondents acknowledge that waste pickers (mostly informal) earn an income through the waste sector and form an integral part of the recycling industry, and suggest that developing the SA recycling industry, through private and public partnership, will enable the integration of waste pickers into the formal waste sector.

Improving waste management is good for both the economy and the health and wellbeing of people. Respondents argued that waste is synonymous with air, water and soil pollution, which can have a negative impact on other industries, such as agriculture and tourism. Therefore, issues, such as plastic pollution, need to be addressed in a country like SA. However, respondents also argue that waste management needs to be done by municipalities, and industry can focus on other aspects, such as recycling.

#### 3. Recommendations

This research report's aim is to identify what is currently being done by the retail sector to reduce wastage and develop guidelines to assist South African retailers to adopt a more sustainable, green approach to wastage.

#### The recommendations in this section were proposed by retailers:

- 1. Collaboration between retailers and suppliers to amplify retail waste reduction, as well as collaboration with other relevant role-players, such as shopping centre managers and cross industry collaboration.
- Some retailers said that consumers and the industry in a broad sense require a mindset change to zero waste and improved waste management. One retailer suggested introducing boxes in-store for waste, for instance. Coupled with this is a need to discourage heavy consumption and incentivise behaviour change.
- 3. Building awareness and educating customers in-store and through various media channels, as well as educating suppliers.
- Recycling initiatives for retailers include more focus on separation at source, and increase recycling collection points (more bins for recycling).

- 5. In terms of plastic and packaging, retailers recognise that the industry needs alternatives to plastic. Some suggested the industry should simply stop using plastic, reduce or eliminate single-use plastics (and containers), ban plastic straws and outlaw plastic bottles, while others suggested environmentally friendly packaging and recyclable packaging. Relating to the supply chain, some retailers suggested initiating a ban on plastic netting and shrink wrap and requesting delivery in reusable boxes and insisting on less packaging from your suppliers. Retailers may choose not to sell products, which do not have recycling options. From the consumer perspective, recommendations included a ban on plastic carrier bags (i.e. stop supplying plastic bags in store), offering a discount to customers who bring their own bags, replace plastic carrier bags with paper bags, encourage the use of boxes as opposed to plastic carrier bags, encourage customers to bring their own packaging and bottles.
- 6. Recommendations for retail office spaces were to reduce the amount of paper used by going digital or using electronic invoicing and slips, to have recycle bins and educate staff on recycling and other green initiatives. In the food sector this will also include teaching staff how to handle food in a manner that generates the least waste.
- 7. Recommendations for food waste is to streamline/limit unnecessary bylaws for food processing, donate surplus food to those in need or to pig farms, compost food waste, adopt scientific methods to determine sell by and best before dates, sell fruit and vegetables in loose format, and finally, have more regular food waste collections.
- 8. From a strategic viewpoint, the recommendation is for retailers to appoint a sustainability champion to drive green initiatives. Furthermore, the agenda for green practices should be driven by senior management with clear targets.
- 9. Other recommendations for retailers were to collect rainwater, build roof gardens to keep buildings cool, use more natural lighting in building designs, deliver in full trucks to decrease pollution and carbon footprint, improve procurement and ordering systems by adopting just-in-time delivery for instance, use local suppliers to shorten product travel distances, and use solar power (supported by improved access to financing for solar power).

Various recommendations for retailers were noted by interviewees. The predominant recommendation centred on understanding and considering waste across the entire chain (from growers through to consumers and even post-consumers). It is important for retailers to collaborate and work with existing structures, initiatives, pacts, etc., to find sustainable solutions. Specific recommendations related to this theme included:

- Retailers should use their platform to educate the customer (so they make better decisions). This includes creating more in-store facilities to return recyclables, providing information on how to reduce food waste on packaging and providing recipes to encourage use of produce, so that it is not wasted (for example, recipes for when fresh produce is reaching its best before date).
- Retailers should design their packaging for its 'end of life', i.e. consider what will happen to the packaging after the product is consumed. It was recommended that retailers join Packaging SA and other producer organisations, so that whole-of-industry solutions to waste can be created. When retailers come up with solutions in a silo, they could end up doing more harm than good for the product value chain.
- 3. Finally, it was recommended that retailers measure their waste as thoroughly as possible. National policy on food waste and a national champion to support this, with a central portal for reporting, is essential for monitoring the reductions over time.

#### ANNEXURE 27: A STUDY TO DETERMINE THE OPTIMAL TENANT MIX IN SHOPPING CENTRES

#### 1. Introduction

The W&RSETA appointed Durban University of Technology (DUT) to undertake this study to develop the optimal tenant mix in shopping centres.

#### 2. Outcomes

The study examined popular tenant mix approaches and models employed by shopping centre owners and managers. These range from quantitative econometric models to qualitative approaches, as well as hybrid models.

#### 3. Findings

- In South Africa, approximately 2000 formal shopping centres exist, which ranging from 1000m<sup>2</sup> to 170000m<sup>2</sup>. These centres represent >23
  million m<sup>2</sup> of an estimated 37 million m<sup>2</sup> of all retail facilities. With such major investments in shopping centres, it is no surprise that there are
  considerable efforts by developers and shopping centre management to find the 'elusive' optimal tenant mix.
- 2. Many studies have been done to establish the optimal tenant mix of a shopping centre. Currently, there are no universally agreed models or formulae that can be applied for maximum success. Establishing an optimal tenant mix is not an exact science. It is an art, craft and has some science, but it is not a science. Determining the optimal tenant mix can be an intricate and complicated process without any guarantee of success.
- 3. Based on an extensive literature review, case study analysis and interviews with experts in the local shopping centre industry, the study developed a user-friendly, stepwise approach, applying relevant theoretical underpinnings, to determine an optimal tenant mix, instead of a mathematically proven formula or econometric model, which are questionable and complicated. This model is included in the report.

- 4. The Law of Retail Gravitation states that customers are willing to travel longer distances to larger retail centres given the higher attraction they present to customers.
- 5. As the industry evolves, there will be a continued effort to diversify the tenant base and add non-traditional tenant concepts. Two-thirds of consumers do more than 'just shop' at the mall; they elect to eat a meal, watch a movie, socialise or have fun. As consumer behaviours shift, so too will the offerings at malls shift; this needs to happen attract new, in-demand brands, and add value to the property.
- 6. Trends are set by consumers; thus the foundation of any property management programme should be rooted in understanding the consumer. Mall owners and retailers need to know the market, analyse sales data and consider historical retail trends. It is also imperative to look at how technology is changing the world and forecast how it can be leveraged to optimise the shopper experience and drive demand.
- 7. The customer segment, and their placement on the Living Standards Measure (LSM) will drive the nature of stores in malls. For example, stores, such as Boxer, which serve lower LSM shoppers are not typically found in shopping malls. Their products are not suited for higher-income shopping malls, given that the rental costs are higher. Generally, low-cost shops are found outside shopping malls because rentals are much lower. Township mall tenants tend to serve the middle to high LSM.

#### 4. Recommendations

#### The recommendation was as follows:

1. During the research, questions and statements that were pertinent to tenant mix were raised that did not form part of the study and further research is recommended.

# ANNEXURE 28: ETHNOGRAPHY AS A COMPETITIVE ADVANTAGE IN RETAIL: A STUDY OF HOW ETHNOGRAPHIC RESEARCH IS USED IN FOOD COURTS IN SHOPPING MALLS

#### 1. Introduction

The W&RSETA appointed Durban University of Technology (DUT) to undertake this study to research the value of ethnography as a competitive advantage in retail.

#### 2. Outcomes

The research study investigates how ethnography can be employed to improve customer retail experiences by an examination of food courts in shopping malls. In a competitive, sophisticated and connected retail environment, a holistic understanding of customer experiences is a critical factor for retail success. The modern customer expects a memorable, visual, sensory and pleasant shopping experience. Gone are the days when retail was based only on purchasing activities.

#### 3. Findings

- The study employed mixed-methods research, which included a literature review of ethnographic research methods, observation of customer behaviours in a food court, interviews with shopping centre managers and food court patrons, and a case study of the Sandton City Shopping Centre Food Court. A food court is chosen since it captures the sight, sound, sensory, touch and taste behaviours of customers in an interactively confined space.
- 2. Retail ethnography is the study of the behaviour and responses of consumers in a retail environment. It studies the way people react to products and services, their interaction with objects in the retail setting, their speech and emotions, and their experiences during the use of a product or service. It explores the factors which influence these behaviours, practices and reactions, and aims to discover consumer perceptions through the perspective of the consumer.
- 3. Retail ethnography can be successfully utilised to enhance the emotional connections of consumers with brands. This type of study is particularly useful to retailers to investigate purchasing trends, consumer perceptions and behaviour, and to determine current and future demands of consumers. Consequently, retailers can take the necessary measures to address challenges, fill niches in the market, or merely gain a competitive edge using relevant findings of the studies.
- 4. It is advised that, although retail ethnography can produce reliable results, it should not be used as an exclusive research method. Other market research should be integrated with a retail ethnographic study for greater reliability and improved representation.
- 5. There is a substantial body of knowledge to indicate that the use of retail ethnography can increase customer loyalty, grow market share, and the profitability of enterprises. Retail ethnography is very widely used by large retailers and shopping malls. However, it is not employed by other retail types, although it can be a powerful tool for improving retail outcomes.
- 6. In a tough trading environment with the hyper-competition, retailers and shopping mall owners are doing everything possible to 'keep their heads above water'. Hence, there is a need for innovations relating to customer experience, which will contribute to the better overall experience in food courts. Retail marketers should investigate customer experiences in the retail environment and their influence on shopping behaviour. To exceed customer's expectations, shopping mall owners should develop and implement customer experience management strategies.

- 7. The findings from interviews with experts in the field reveal that much can be done by retailers of all sizes to improve the overall retail experience with the application of simple ethnographic research.
- 8. There is an agreement that the food courts in shopping centres are an important element in the overall customer retail experience. Conveniences, such as charging stations, lockers, large interactive screens for sports and kids play areas are becoming a necessity. In shopping centres attracting middle to high income, there is also a move towards healthy eating options and green spaces.
- 9. Shopping centres utilise a variety of methods to evaluate the performance of tenants and the success of the food courts, which includes turnover of tenants; trading density (square metre multiplied by turnover); monitoring through social media; and mystery shopper feedback.
- 10. The most common approach to determine tenant mix is to monitor the type of tenants that trade well through market research. This gives the centre and indication of shopper preferences.
- 11. Food courts are competing with restaurants in the centre and online food delivery to your doorstep. Therefore, it increases the pressure on shopping centres to compete for customers and create memorable retail experiences.
- 12. The findings reveal that retailers should consider many aspects to improve the customer retail experience, such as the density of customers in the catchment area, location, safety and security, layout, product quality, design, product mix, pricing, atmosphere, aesthetics, market research and parking.
- 13. The study concludes that ethnography can be used very effectively as a tool to gain a competitive advantage in the retail market. It can be applied by all retail types.

#### 4. Recommendations

#### The recommendations were as follows:

- 1. An easy-to-use toolkit that consists of non-formal, cost and time-efficient ethnographic research methods is developed to better understand customers and their shopping experiences.
- 2. It is recommended that retailers should employ ethnography in their settings.
- 3. Furthermore, retailers should be offered training and development in ethnography.

#### ANNEXURE 29: EVALUATION ON CUSTOMER CENTRICITY IN SOUTH AFRICAN RETAIL BUSINESS STRATEGY AND PROCESSES

#### 1. Introduction

An evaluation on customer centricity in South African retail business strategy and processes was conducted by Underhill Corporate Services (UCS).

Customer centricity is an organisational approach that places customers, rather than the product or the item to be sold, at the centre of the business strategy. When an organisation has a customer-centric approach, the customer experience is the most important consideration of all other aspects of the business.

#### 2. Outcomes

The study aimed to find out how to build a sustainable customer base, especially for emerging retailers and small traders, and to identify skills needs for small and emerging businesses.

#### 3. Findings

- 1. Market Spaces: There is classification of market spaces amongst the retailers through market segmentation. Definitions of market space were given by retailers from a customer segment. The outcomes of the responses are customer-based showing inclination towards customer centricity.
- 2. Targeting Practices: Retailers use targeting practices to track the customers' needs desires and wants using mass targeting strategies. A significant shift from product-centric to customer-centric strategy was observed from the findings as indicated by the high percentage of respondents who agreed to designing of products and services to target market segments. This strategy ensures interaction between the retail and customer exploiting feedback of specific customers. The retailers understudy used the segmentation approach, which allows for viewing market spaces through segments. Targeting practices provide the retailers with information on customers and allows the information to be analysed and used accordingly to target the market. Customers can engage with the retailers on the desired products and services. There is a deepened relationship with customers ensuring a strong customer base. Majority of retailers acknowledged to having regular customers.
- 3. Customer Centricity: The study determined that most emerging retailers and SMEs are employing various strategies of customer centricity to ensure customer retention. Some of the strategies being employed are customising products and services based on customer needs, customising products and services to target specific individuals based on their needs, mass targeting, holding frequent meetings with employees to identify future needs of their customers. In addition to this, other strategies which are being used involves monitoring of direct interactions with the customer to improve services, engaging customers on desired products and building and deepening of relationships with the customers. The existence of customer centricity amongst the retailers in their strategy and processes to suit individual needs has also been confirmed by high levels of customer satisfaction amongst the customers leading to loyalty and trust of retailers. Most customers also indicated that they would recommend their retail outlets to friends and relatives because of loyalty.

- 4. Business Unit Collaboration: Business unit collaboration does exist within the departments of a retailer. The flow of information relating to customers, across departments, were found to be existing in most retailers. Sharing of information across departments and customer insights across the retailer creates improvements in products and services and maximises customer value across departments.
- 5. Collaboration between Wholesalers and Retailers: It was found that little or no collaboration existed between the wholesalers and retailers. The lack of flow of information was not ideal, as the two groups form part of retail value chain system. Only 32.9% or retailers indicated that share information with wholesalers.
- 6. Satisfaction: A high level of customer satisfaction is likely to result in loyalty, word-of-mouth referral and customer retention. Most retailers are driven by customer activities and processes in their strategy rather than company processes and activities, this alignment is towards a truly customer centred approach.
- 7. Trust: High levels of customer trust are likely to lead to more purchases by customers, thereby ensuring retailer sustainability.

Research was also conducted on how the respondents viewed the SETA. Several recommendations in relation to this (add on) element are provided below. The study found that emerging retailers and SMEs continue to face skills shortages in managing their businesses, such shortages then affect the sustainability of the business.

#### 4. Recommendations

#### The recommendations are as follows:

- 1. Collaboration: Collaboration between wholesalers and retailers, as well as other stakeholders, is limited and there is a need to improve on this. Both within the organisation as well as between the stakeholders; this will ensure the best customer experience.
- 2. Provide More Training to the Sector: W&RSETA is called on to improve their skills development initiatives and support by training retail employees on customer care, communication skills and marketing skills.
- 3. W&RSETA Accessibility and Visibility: There is a need for the W&RSETA to become more visible to its members, irrespective of the location, type or size of the enterprise.

# ANNEXURE 30: THE INFLUENCE OF INTERNAL CONTROL ACTIVITIES USED BY SOLE TRADER SOUTH AFRICAN SMALL, MEDIUM AND MICRO RETAIL ENTERPRISES OPERATING IN CAPE TOWN AND THE ATTAINMENT OF THEIR KEY FINANCIAL OBJECTIVES

#### 1. Introduction

The W&RSETA appointed CPUT to undertake this study on the influence of internal control activities used by sole traders (South African, and small, medium and micro retail enterprises operating in Cape Town) and the attainment of their key financial objectives.

An internal control system is defined as a meticulous process, established by management, with the main intent being to provide reasonable assurance surrounding the achievement of a business entity's objectives in the foreseeable future. Such a system entails five inter-related components, namely:

- 1. Control environment (management's overall attitude towards internal control);
- 2. Risk assessment (risk identification, risk measurement, and risk response);
- Control activities (actions taking on the forms of policies and/or procedures, as implemented by management to prevent, detect and correct risks);
- 4. Information and communication (to effectively communicate information pertaining to internal control to relevant stakeholders for them to achieve organisational objectives); and
- 5. Monitoring (assessment and quality-checking the effectiveness of the entire internal control system on a continuous or periodic basis.

The crux of an internal control system rests in its ability to prevent, detect and correct risks. This is strongly related to the component of 'control activities'; which, in turn, encompass:

- 1. Document usage and design (substantiating past transactions and past internal events);
- 2. Independent checks (reconciliations and quality-checking);
- 3. Proper authorisation (clearance and permission provided by management);
- 4. Safeguarding of assets (protection of business assets, be they tangible or intangible);
- 5. Segregation of duties (having separate employees who are responsible for authorising, executing and the recording of transactions).

One of the most cost-effective internal control activities is that of document usage and design, but there appears to be no evidence of its value as an internal control measure for SMMEs. Furthermore, only two studies have found that South African SMMEs do not make use of source documents as internal control measures to prevent, detect and correct risks.

#### 2. Outcomes

This study explored how and if internal control activities, used by sole traders or SMMEs in the Retail Sector assisted them in achieving their key financial objectives.

#### 3. Findings

#### The following significant findings emerged from the study:

- From the results of this study, it is apparent that, although sampled SMMEs made use of internal control activities to an above-average extent, not all internal control activities deployed had a positive influence on the attainment of their key financial objectives. Only two key internal control activities were found to have a statistically significant influence on the attainment of key financial objectives of sampled SMMEs.
- 2. The results showed that safeguarding of assets had a statistically significant, moderately strong, negative influence on the attainment of key financial objectives of the sampled SMMEs. Although it cannot be confirmed by the data (a possible avenue for further research), it is highly probable that some sampled SMMEs may just mimic other business entities in relation to internal control activities pertaining to safeguarding of assets, without assessing the real need for these activities. For example, although the use of security guards is a 'nice to have', it is not necessarily a 'must have' as, without proper justification, employment of such an activity may cause sampled SMMEs to haemorrhage money. Furthermore, it could be that such controls do not focus on improving profit, but do reduce the risk of losses and so, unless there are actual losses through, for example, theft, the investment in these control activities is not seen as having a positive relationship to the profit objective.
- 3. Regarding the second statistically significant internal control activity, the results showed that segregation of duties had a statistically significant, moderately strong, positive influence on the attainment of the key financial objectives of the sampled SMMEs. Regardless of whether sampled SMMEs merely copied this internal control activity from other businesses, it appears that this internal control activity is effective in assisting these business entities to achieve their key financial objectives. Furthermore, although it may not be known whether segregation of duties does contribute to achieving the key objectives, the respondents certainly believe it is important to have different employees authorising, recording and executing transactions.
- 4. A possible reason as to why the other factors and items were not found to be statistically significant can be attributable to the informal nature of these business entities. This is supported by the fact that documents were sometimes used to support transactions, sometimes proper authorisation activities were performed (proper authorisation), and sometimes independent checks were performed. Another possibility is that these business entities were relatively small in nature rendering limited need for the foregoing internal control activities.
- 5. Although not all internal control activities were found to have a statistically significant influence on the attainment of key financial objectives of sampled SMMEs, it may be that these business entities made use of other, customised internal control activities that replace document usage and independent checks, and which were not considered in this study.

#### 4. Recommendations

#### The recommendations were as follows:

- 1. Since this study had a relatively small sample due to it being essentially exploratory, a further study with a large sample may well produce more statistically meaningful results.
- 2. A study to ascertain the effectiveness of customised internal control activities in South African SMMEs on the attainment of their key financial objectives is suggested, since the study did not consider the possibility of different, customised controls used by the respondents.
- 3. A qualitative, exploratory study to identify the additional factors that influence the financial performance, i.e. factors accounting for the unexplained 83% of the variance identified by the regression analysis in this study.

# ANNEXURE 31: SOURCE DOCUMENT USAGE AND THE FINANCIAL SUSTAINABILITY OF SOUTH AFRICAN SMALL, MEDIUM AND MICRO RETAILERS

#### 1. Introduction and Outcomes

The W&RSETA appointed CPUT to undertake this study on source document usage and the financial sustainability of South African Small, Medium and Micro (SMME) retailers.

An internal control system is defined as a meticulous process, established by management, with the main intent being to provide reasonable assurance surrounding the achievement of a business entity's objectives in the foreseeable future. Such a system entails five inter-related components, namely:

- 1. Control environment (management's overall attitude towards internal control);
- 2. Risk assessment (risk identification, risk measurement, and risk response);
- Control activities (actions taking on the forms of policies and/or procedures, as implemented by management to prevent, detect and correct risks);
- 4. Information and communication (to effectively communicate information pertaining to internal control to relevant stakeholders for them to achieve organisational objectives); and

5. Monitoring (assessment and quality-checking the effectiveness of the entire internal control system on a continuous or periodic basis.

The crux of an internal control system rests in its ability to prevent, detect and correct risks. This is strongly related to the component of 'control activities'; which, in turn, encompass:

- 1. Document usage and design (substantiating past transactions and past internal events);
- 2. Independent checks (reconciliations and quality-checking);
- 3. Proper authorisation (clearance and permission provided by management);
- 4. Safeguarding of assets (protection of business assets, be they tangible or intangible);
- 5. Segregation of duties (having separate employees who are responsible for authorising, executing and the recording of transactions).

One of the most cost-effective internal control activities is that of document usage and design, but there appears to be no evidence of its value as an internal control measure for SMMEs. Furthermore, only two studies have found that South African SMMEs do not make use of source documents as internal control measures to prevent, detect and correct risks.

#### 2. Outcomes

This study determined the influence of source document usage, as an internal control measure, on the sustainability of South African small, medium and micro retail enterprises.

#### 3. Findings

#### The following significant findings emerged from the study:

- From the research conducted, it was apparent that the sustainability of sampled SMMEs was above-average and that source documents were reasonably used when transactions occurred. Regardless of this, it was found that the use of source documents did not have any statistically significant influence on the sustainability of sampled South African SMMEs.
- Thus, it appears that the 'status quo' of document usage, particularly within a South African SMME dispensation, may be outdated. This may be attributable to inter alia the use of information communications technology and/or the achievement of environmental objectives (e.g. using paper sparingly). However, this renders opportunity for further research to be conducted.

#### 4. Recommendations

The recommendation was as follows:

It is recommended that a qualitative study be conducted to obtain an in-depth understanding of owners/managers attitudes towards source document usage and to how well and effectively they are implemented.

# ANNEXURE 32: STATUS AND CHALLENGES OF AUTOMATION IN THE SOUTH AFRICAN RETAIL SECTOR, INCLUDING AUTOMATED, SELF-SERVICE CHECKOUTS

#### 1. Introduction

The W&RSETA appointed CPUT to undertake this study on the status and challenges of automation in the South African Retail Sector, including automated, self-service checkouts.

#### 2. Outcomes

This study researched the state of retail automation, with a special focus on transaction payments at the Point of Sale (POS) in South Africa retailers, and included a special focus on self-service checkouts.

#### 3. Findings

- 1. There have been several ground-breaking technologies that are beginning to reshape the nature of customers' interactions and transform how shoppers' experience the shopping journey. The focus of this paper is on the current availability and use of Self-Service Checkouts (SSC) in South Africa, and its potential impact on customer service and consumer attitudes.
- 2. The research is significant as the retail industry has undergone major transformation in terms of how technology has redefined how customers interact with retail stores and the nature of the overall shopping experience. The popularity of online shopping and the latest advances in retail technology (retail automation) has witnessed the introduction of omnichannels (a cross-channel content strategy that organisations use to improve their user experience and drive better relationships with their audience across various points of contact, e.g. online, in a physical shop, or by mobile), thereby creating new avenues for building customer loyalty by offering consumers a range of innovative consumer experiences.
- 3. Self-Service payment points have become ubiquitous worldwide, even though opinion is divided as to their benefits and efficacy.

4. The research revealed that consumers do not register the issue of job losses as problematic. The research did not probe any further as to the attitudinal reasons for this outcome. However, this finding does support the conclusion arrived at that this issue is possibly exaggerated as an obstacle to the introduction of Self-Service Technology (SST).

#### 4. Recommendations

#### The recommendations were as follows:

- 1. Further in-depth research is required to arrive at a realistic assessment and judgement about the significance of potential job losses as a barrier to the introduction of SSCs.
- 2. The implementation of self-checkouts in South Africa, therefore, needs to be preceded by a thorough analysis of the following factors: a) The social and economic landscape in the regions where it is intended to implement SSCs;

b) A willingness to positively engage and negotiate with opposition to SSCs, including with labour organisations, activists and Non-Governmental Organisations (NGOs);

c) To move beyond speculation regarding job losses and to evaluate the actual financial benefits to the organisation and the communities in which it conducts its business;

d) From the feedback provided by the consumer survey, there is a willingness by consumers to engage with new retail technologies; and

e) There have been many innovations that the retail industry worldwide seems to be struggling to come to terms with. Therefore, it will be important to monitor how the Retail Sector in South Africa will evolve and cope with these challenges of the new technologies.

#### ANNEXURE 33: FINANCING FOR SMME START-UPS, AND EXPANSION FOR ESTABLISHED SMMES, IN THE RETAIL SECTOR

#### 1. Introduction

The W&RSETA appointed CPUT to undertake this study on financing for SMME start-ups, and expansion for established SMMEs, in the Retail Sector.

Many of the SMME-related research studies show that access to finance is a major factor, which limits the overall growth of these business entities. Notwithstanding the aforesaid, it is not clear if this is due to inter alia, the limited availability of financing opportunities, SMMEs' ability to access financing opportunities, SMME management's limited knowledge about available financing opportunities, or SMME management's limited general knowledge to obtain and/or abilities to secure financing opportunities.

Considering that SMMEs represent approximately 90% of all existing business entities in South Africa, it is essential that these business entities need to become sustainable to positively stimulate the national economy.

#### 2. Outcomes

For this research study the barrier of 'limited access to financing opportunities' was explored. To identify how to overcome this barrier, qualitative research was conducted whereby data were collected from management of financial institutions and independent experts, as well as from small retail business owners and their management.

#### 3. Findings

- Though ample funding opportunities may be available to these business entities, access to finance may not be the only growth obstacle for small retailers in South Africa, but is a serious concern as access to available financing opportunities for South African small retailers is still limited.
- Numerous aspects inherent to small retailers can be mentioned that limit their ability to access available finance. One of them is that small
  retailers often lack the financial knowledge that would make it easier for them to access available finance. This concerns the general financial
  abilities of small retailers, as well as their knowledge about available finance.
- 3. Banks need to be responsible lenders and therefore, when it comes to granting credit, they impose many requirements. Especially new retail businesses that do not have a track record of at least 12 months, if not 18 months of trading, face problems to meet bank standards. It is almost impossible to get finance from the banks if the business is a start-up and the entities' owners cannot offer personal securities.
- 4. The chances for successful credit application depend heavily on available information about prior business success (e.g. financial statements, track record of the owner). The future perspectives of the business and the personal capabilities of the business owner are still less relevant for a successful processing.
- 5. Alternative financial institutions and governmental support agencies play an important role in financing small retailers. The processes of the latter organisations still leave room for improvement.
- 6. Small retailers heavily depend on the goodwill of their suppliers to grant them attractive terms for payment.
- 7. Overall, the findings shed some interesting light on the barrier of 'access to finance'. In core, there are small signals that, if financial institutions and governmental agencies just make money easier available for South African SMME retailers, it may not result in further growth

of the national economy of South Africa but in economic chaos. In the same vein, SMMEs' management often lack the financial knowledge to make the right business decisions. Hence it may be the case that since these business entities (in general) do not have proper paper trails, they are regarded as risky to many financial institutions.

#### 4. Recommendations

The study recommended additional research in this area. This future research could focus on the following areas:

- 1. Small retailers' ability to access available finance depends on their knowledge about available finance and their general financial abilities.
- 2. Small retailers' ability to access available finance depends on their abilities to build up and maintain relationships with the financial community and with suppliers.
- 3. Small retailers' ability to access available finance depends on their attitude towards growth.
- 4. The effectiveness and efficiency of programmes initiated by governmental agencies influence small retailer's ability to access available finance.

# ANNEXURE 34: THE CHANGING FACE OF THE SOUTH AFRICAN RETAIL INDUSTRY THROUGH SOCIAL MEDIA MARKETING, CHANGES, GROWTH OPPORTUNITIES, CHALLENGES AND IMPACTS ON RETAIL

#### 1. Introduction

Retail in the digital age is a completely transformed concept, which relies on the use of technology to engage customers and inform service delivery.

The use of electronic-based transactions and social media-based strategies has particularly become the cornerstone of success in today's retail environment. However, only a limited number of studies have delved deep into the core impacts that digital technologies are having on retailers' adaptation and on consumers' satisfaction with the way retail services are offered.

#### 2. Outcomes

The W&RSETA appointed the Consumer Goods Council of South Africa (CGCSA) to undertake this study on the changing face of the South African retail industry through social media marketing, changes, growth opportunities, challenges and impacts on retail.

#### 3. Findings

- 1. Technology is changing the face of retail in South Africa: Technological innovations are transforming the way business is conducted and how retail operators respond to consumers' main need for convenience. Digitisation is creating new expectations among consumers, which entails the ability of retailers to provide meaningful and immersive shopping experiences. Resultantly, consumers are more interested in an omnichannel shopping experience, which combines online and in-store aspects, with 60% of the surveyed consumers indicating that they use a combination of online and in-store shopping methods.
- 2. South African consumers are still interested in traditional forms of retail: Despite the rise of digital shopping channels, South African consumers continue to rely on brick-and-mortar retailers. Over a third of the surveyed consumers shop in-store, as compared to about 8% who solely shop online. Moreover, around 76% of South African consumers visit a shopping mall at least once a week, while the surveyed consumers who shop online do so less frequently, either on a monthly (54.7%) or annual basis (29.6%). Only 13% shop online weekly.
- 3. The use of Artificial Intelligence (AI), Augmented Reality (AR)/Virtual Reality (VR) and the Internet of Things (IoT) is not yet widespread among retailers in South Africa: While certain retailers have been remodelling their digital or physical stores to include aspects of technology (e.g. AI, the IoT, AR and VR), the deployment of these innovative approaches has been limited and generally unavailable to customers across South Africa Only 10% of the surveyed consumers have used AR and VR to assist with their shopping, compared to an overwhelming 80% who have not. Moreover, consumers are generally not ready for this scale of technological innovation, and do not think AR/VR would be factors that will attract them to a store.
- 4. Consumers want value differentiations, they want omnichannel shopping experiences: The growth of online shopping is not detached from consumers' appraisal of their satisfaction with in-store experiences. Male consumers use both online and in-store channels more frequently than females and are 1.4 times more likely to use online shopping. Females prefer to shop in-store to circumvent the difficulties associated with returns and exchanges of unwanted or unfitting items purchased online. Younger consumers also prefer online shopping compared to older individuals but would visit a brick-and-mortar store for experiential reasons, i.e. to match their online experience with the touch and feel aspect of in-store shopping or to interact with store assistants.
- 5. Different categories of consumers choose instore or online retail channels for varied reasons: 65% of the surveyed shoppers continue to use in-store shopping, because they believe it is more personalised. Over half of those who shop online do so because they feel this method is more convenient (52.6%). Both reasons suggest that shopping is no longer just an activity but an experience, one that consumers wish to be immersive, enjoyable and comfortable.

- 6. Social media marketing is more effective than traditional marketing: Digital marketing is being used more commonly than ever. Approximately 70% of the surveyed consumers were regularly exposed to digital marketing, mostly through Facebook. 74% of the surveyed consumers and 72.7% of retail experts maintain that digital marketing is more effective than traditional marketing channels, particularly marketing that is done through YouTube and podcasts. Social media marketing also influences consumers' shopping decisions, particular among young millennials.
- 7. The use of digitally mined consumer data is a game-changer for digital marketing: An overwhelming majority of retail experts believe that the most important trend that will potentially become a game-changer for digital marketing in the retail space is the ability of retailers to use digitally mined consumer data to enhance customer experience and increase the personalisation of products.
- 8. South Africa is making positive progress in the adoption of cashless transaction applications: The use of Quick Response (QR) linked payment apps is a rising trend across South Africa. Consumers are increasingly using mobile banking applications as their preferred cashless service. Seventy-seven point three percent of the surveyed consumers use mobile banking apps, 55.4% use tap-and-go services. Other QR-enabled payment options, such as Masterpass, scan and pay, SnapScan and Zapper are also growing in prominence.
- 9. Consumers have mixed feelings about the effectiveness of current e-commerce services: Most consumers believe that current e-commerce services successfully cater to all their digital needs (47.8%). However, close to a third (29.2%) of the surveyed consumers were unsure about whether this method of transaction was effective, and about a quarter (23%) were convinced that e-commerce was not effective at all, which resulted in their reservation toward online shopping and overall negative feelings of safety when shopping online.
- 10. Cyber fears threaten the move toward a cashless society: While online risks are a growing concern for shoppers, awareness and education around cybersecurity is limited in South Africa around 40% of the surveyed consumers were unaware and indifferent about their online safety. There is a significant negative relationship between cyber awareness and the use of cashless services; such that the more aware consumers are about the risks involved in online shopping, the less likely they are to engage in frequent online shopping or in the use of cashless services.
- 11. Crime/cybercrime in South Africa is a significant factor that is pushing the move towards cashless retailing: There is an association between the role that both consumers and retailers anticipate a move towards cashless retailing will play in reducing crime in the country. Crime or cybercrime is the biggest factor that consumers and retailers think is pushing South Africa's move toward cashless retailing. The use of cashless services contributes to general feelings of online safety among consumers 48.6% of the surveyed consumers who use cashless services indicated feeling safer, and 36.5% indicated they felt unsafe when shopping online.
- 12. EFT fraud is the most prevalent form of cybercrime in South Africa: While Electronic Funds Transfer (EFT) is one of the primary methods of choice for low-value payments in South Africa, EFT fraud continues to grow in sophistication and prevalence 61.3% of the surveyed consumers have been victims of EFT fraud.
- **13.** The shared economy is having a positive impact of South Africa's economy: Consumers and retailers alike are increasingly acknowledging the value and impact of the shared economy 71.3% of the surveyed consumers and 90.9% of the sampled retail experts believe that shared economy businesses like Airbnb and Uber are having a positive impact of South Africa's economy. Over two thirds of surveyed consumers and more than 75% of the surveyed experts, in tandem with the interviewed professionals, indicated that traditional businesses could benefit from such innovative models, and that it was especially important and essential for them to explore ways of expanding into the shared economy. It is, however, not clear how to isolate the benefits of a shared economy in the retail industry; specifically, which is an area that should be investigated further.

#### 4. Recommendations

The following recommendations are proposed for the Retail Sector and for the W&RSETA.

#### **Recommendations for the Retail Sector:**

- 1. Increase collaboration between online and brick-and-mortar retailers to provide omnichannel shopping experiences and curb cyber fears: Innovative partnerships should be developed between online and brick-and-mortar operators to improve post-purchases support and fast problem solving with customers.
- 2. Improve the security of payment methods through partnerships with Fintech firms: It is important that online retailers evolve their payments architecture to allow for a more affordable, open, safe, reliable and trusted ecosystem.
- 3. Adopt in-store technologies to introduce non-homogenous shopping experiences: Because of the emerging demands for immersive, fun and experiential in-store experiences, brick-and-mortar retailers are encouraged to integrate Al-empowered navigation apps in stores, which help shoppers identify the desired items in a guided and entertaining way.
- 4. Harness the power of digital media to provide targeted services: Using social media platforms to engage this cohort of consumers will inform retailers about the products that they should or should not develop and how they can market them to attract a larger pool of customers.

5. Harness the power of digital media for consumer data mining: Retailers are thus encouraged to invest in their social media strategies and in the acquisition of other digital technologies to promote consumer data gathering and to structure product delivery according to consumers' personal needs and their shopping trends.

#### Recommendations for the W&RSETA:

- 1. Increase awareness and education around cybersecurity: Awareness campaigns to educate shoppers about the risks and threats related to online retail and which empower them with strategies to protect themselves from these threats, are required.
- 2. Encourage non-competitive data sharing between businesses: As a membership body that facilitates lobbying and collaboration between multiple industry players, the CGCSA can establish systems that allow non-competitive information sharing between its members to allow less resourced businesses access to non- competitive information from their peers. This could be key to ensuring that all members stay up-to-date with consumer trends even when they are unable to mine this data themselves.
- 3. Conduct more information campaigns to educate the public about the benefits of e-commerce: Increased educational campaigns that inform the average population about what the move toward cashless retailing entails and how this could be beneficial to them and to the country's economy at large. These campaigns could focus on emphasising the success of e-commerce avenues in enhancing customer experience and safety.
- 4. Investigate the relationship between crime and cashless retailing in South Africa: Although these results suggest that there is a positive relationship between people's perception of cashless retailing and crime reduction, there is a need for future research to explore the nature of this correlation and to alienate the specific aspects of cashless retailing that could be driving the correlation between crime and cashless transactions.
- 5. Investigate the role of the shared economy: Further research could look to elucidate the role that the shared economy could play in ensuring the stability of the South African economy, particularly after the forecasted impacts of a potential economic recession caused by Lockdown measures to contain the spread of the Covid-19.
- 6. Investigate success stories of shared economy businesses: Further research into the success stories of shared economy businesses in the country will, be necessary to inform the industry about the prospects of this method in the context of South Africa, and how it can be harnessed to support the survival of small businesses.

#### ANNEXURE 35: PROFILES OF AFRICAN COUNTRIES WITH MOST POTENTIAL FOR SA RETAILERS' EXPANSION INTO AFRICA

#### 1. Introduction

The W&RSETA appointed CPUT to undertake this study to develop a profile of African countries that offered the greatest potential for retailers' expansion into Africa.

With a population of over a billion people, and set to double by 2030, the African continent has for the past two decades, been an attractive destination for international investors. Within the continent itself, big economies, such as South Africa have taken a lead in launching varied investment projects on the continent, from construction to financial services, from manufacturing to retail, and so on. It is the retail service sector that is the subject of this study.

During the past decade, there has been a steady expansion of South African retailers into several countries across the African continent. The most prominent South Africa retailers who have expanded northwards include Pick n Pay, Shoprite, Mr. Price, Woolworths and Massmart. Travellers across continent today will notice the almost ubiquitous presence of South African retail brands in the urban malls of the continent's major metropoles in countries, such as Nigeria, Ghana, the Democratic Republic of Congo, Zambia, Angola, Zimbabwe, Kenya, Tanzania, Botswana, Madagascar and many others.

#### 2. Outcomes

Several South African retailers have expanded into the rest of the African continent and several others are intending to do so. Although there exist a few published studies on business opportunities across Africa, there is a dearth of research on the specific potential or opportunities available for South African retailers on the African continent.

This study utilised the desktop research method to discuss the factors that South African retail companies could consider in search of business opportunities in the rest of Africa.

#### 3. Findings

- Many factors have been discussed and suggested as possible drivers that promote retail businesses' expansion into African markets. Several studies, as discussed in the review of literature, have noted progress in governance and political progress in many African countries. Thus, there is documented evidence in the literature that shows the transition towards better administration and democracy, coupled with political stability in most countries in Africa, albeit the fragility of peace treaties observed in a few others.
- 2. Similarly, with the advent of the new political dawn, better governance and return to democracy, there are also signs of a large wave of urban growth as many people, especially the young, migrate from rural to urban areas in search of job opportunities and better living standards. Urban growth is argued to spur huge social, economic and environmental changes, which also present opportunities for firms expanding into those markets that are experiencing the new wave in urban growth.
- 3. In addition to the general rise in urban populations, evidence from prior research and archival data from large international organisations, such as the International Monetary Fund (IMF), World Bank and African Bank, also show that there is a growing middle-class in Africa. The emergence of the middle-income group suggests a general rise in the spending power on consumer goods and services in Africa. This also signals a general rise in income growth. Similarly, evidence in prior studies as discussed in the literature review section shows that the population dynamics in Africa are also skewed towards the young. Thus, the demographic changes show that the population in African countries consists of a larger, younger and more affluent population, which is argued to drive consumption.
- 4. Furthermore, with the advent of the use of technology in shopping and related services, that is virtual shopping, evidence in prior studies and other sources show an escalating digital connectivity across African countries, albeit with varying levels of technological progress and penetration. However, the escalating digital connectivity has led to higher internet and mobile penetration in some countries, most notably in the urban areas, where most of the people use a mobile (cell phone), or have access to broadband or mobile internet, or both. This is especially an important infrastructural development and strategic move in Africa, given that there is now a considerable move from the traditional brick-and-mortar shops to virtual platforms that allow people to buy goods and services in the comfort of their homes and offices. In a similar vein, due to technology and various platforms, such as WhatsApp and the complementary marketing tools that accompany these platforms, consumers are becoming more informed, many of whom are now seeking greater convenience in their shopping.
- 5. Other studies suggested that evaluation of Gross Domestic Product (GDP) growth is also important when considering expansion beyond borders. Although a high growth rate in GDP could be considered as an indication of rapid growth and a potential investment destination, the warning in extant studies is that making decisions on that basis only could prove to be catastrophic, as some countries could be growing from an extremely low base. Furthermore, evidence in prior studies shows that ignoring countries with low growth rates could also be problematic in that some of these economies could be the most established markets, such as South Africa, Kenya or Egypt.
- 6. South African companies have made investment decisions based on the assessment of opportunities, as opposed to risks and the requirements and approach to mitigating the risks. The risks that South African companies have faced when choosing to invest in the rest of Africa include:
  - a) Differences in language and business cultures;
  - b) Difficulties in making the choice of local partners;
  - c) Weak state of the private sector in some of the countries;
  - d) Weak state institutions;
  - e) Lack of market information;
  - f) Difficulties with obtaining work permits;
  - g) Non-payment of contracts;
  - h) Onerous requirements for operating licenses;
  - i) The high costs of tendering for contracts and the required security for people and assets.
- 7. We found that political factors, particularly political stability and policy certainty, constitute one of the most important factors to consider. The state of the economy, competitiveness, ease of doing business, market size, availability of reliable infrastructure, and the dispersion and penetration of Information and Communication Technologies (ICT) also came is invaluable factors to consider as well. Finally, the socio-cultural milieu of the individual countries also played an important role. These vary from language, ethnic makeup, religious beliefs and practices, rural-urban 'divides', population age, literacy levels, and gender and other social dynamics.
- 8. In addition to a consideration of the various factors that could impact decision-making in evaluating business investment opportunities in Africa, there is also an additional decision that needs to be made in terms of models that could be used as entry strategies. Once potential destination(s) have been identified, firms will now have a choice between various models, each of which is considered based on its merits

and demerits. For instance, firms could choose to enter a partnership with the locals, respect local knowledge and understand the local environment, consider local product ranges and the distribution channels and making sure that the products are tailored to the tastes and preferences of the local people, rather than bringing goods from the domestic country, which is often a mistake that many firms make when expanding into another country. Similarly, firms should know the characteristics of their customers in their host country, as well as their lifestyles, also considering the inflexibility some regions might have in terms of what they could consume.

- 9. On the other hand, firms should demonstrate knowledge of the local distribution channels and networks within their chosen market destination. If a firm chooses to offer domestic products in a foreign market, the firm should not enter the market in full swing, but rather start small and expand output over time, as this would give it enough time to understand the market and respond to its needs accordingly. This also allows the firm to build brand and product acceptance before it can be launched in full swing.
- 10. Furthermore, firms wishing to expand beyond domestic boundaries need to consider various investment decisions after the target destination(s) and other factors have been considered. In this category, firms have a range of alternatives to choose from. First, the firm could choose to establish its own outlets, enter a joint venture, or acquire a shareholding in an existing business, all depending on the individual characteristics of the market it is penetrating. Considerations should also be taken to account about the outlook of the industry in terms of customer behaviour, and the use of traditional brick-and-mortar outlets or virtual or cybernetic models.
- 11. In terms of financing, firms may consider equity partnerships, as the firm will be able to benefit from local knowledge; reach the consumers sooner, as it will be able to utilise existing networks; address empowerment issues and be closer to its market. Care should be taken here, as an equity partnership could result in problems, particularly if business practice and ethics do not converge and if there is a risk of a possibility of funding disputes. Other firms enter foreign markets based on large contracts, privatisation, and the drag effect, as explained in the review of literature.
- 12. The countries under consideration were ranked from 1 to 6 based on a categorical scrutiny, after considering the SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis for each country and the other factors that were discussed in the study. Based on this ranking, this current study shows that the ranking of the countries, from best to worst stand as follows: Rwanda, Ethiopia, Uganda, Gabon, Cameroon and Zimbabwe. These are the rankings as we stand, but this could change depending on circumstances beyond what this study could predict owing to the uncertainty about the future.

#### 4. Recommendations

#### The recommendations were as follows:

- A shortcoming of this study was the fact that it was based on desktop research on secondary literature. Future research could consider more qualitative approaches, such as interviews with both investors (from SA) to capture their experiences on the continent thus far, as well as interviews and focus groups with key players in the host countries to get a sense of their experiences of South African retail investments in their countries and the impact thereof.
- 2. The literature presented in this section of the study points to a continent that presents enormous possibilities and opportunities for foreign direct investments, in the Retail Sector. At the same time, it also points to several other factors which present risks, around which potential investors will have to carefully navigate. A clear understanding and appreciation of the political economies of the individual (country) and regional markets should inform any investment decisions on whether to invest in them.



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