SECTOR SKILLS PLAN (SSP)

2016-2017

Final

01 August 2016

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D. **ACRONYMS**

Acronym	Description
ALC	Adult Learning Centre
ATR	Annual Training Report
BER	Bureau for Economic Research
BUSA	Business Unity South Africa
CGCSA	Consumer Goods Council of South Africa
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
FDI	Foreign direct investment
FMCG	Fast Moving Consumer Goods
FRA	Fuel Retailers Association South Africa
GDP	Gross Domestic Product
IMF	International Monetary Fund
IPAP	Industrial Policy Action Plan
NDP	National Development Plan
NEC	Not Elsewhere Classified
NGP	New Growth Path
NQF	National Qualifications Framework
NSA	National Skills Accord
NSDS	National Skills Development Strategy
OFO	Organising Framework for Occupations
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PSET	Post School Education and Training
PWC	Price Waterhouse Coopers
QCTO	Quality Council for Trades and Occupations
QLFS	Quarterly Labour Force Survey
RA	Retailers Association
RMI	Retail Motor Industry Organisation
SAQA	South African Qualifications Authority
SARB	South Africa Reserve Bank
SERO	Socio-Economic Review and Outlook
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification

Acronym	Description
SIPs	Strategic Infrastructure Projects
SMME	Small, Medium and Micro Enterprises
SSP	Sector Skills Plan
STATSSA	Statistics South Africa
TVET	Technical and Vocational Education and Training
UNISA	University of South Africa
USD	United States Dollar
W&RSETA	Wholesale and Retail Sector Education and Training Authority
WEO	World Economic Outlook
WPPSET	White Paper for Post-School Education and Training
WSP	Workplace Skills Plan

Executive Summary

Chapter 1 (Sector Profile): The Wholesale and Retail Sector employed 3.161 million people, or 20.4% of the total active labour force. Retail Sales year-on-year in South Africa is expected to be 2.3% by the end of the 2nd quarter, according to Trading Economics expectations. Looking forward, it is estimated that Retail Sales YoY in South Africa is to stand at 2.22% in 12 months' time.

There are 87 790 active Wholesale and Retail enterprises. These consist of 77 196 small (88%), 2370 medium (3%) and 919 (1%) large enterprises. There are 7305 (8%) unclassified enterprises. Gauteng has the largest concentration of enterprises (37%); Western Cape has 18% and KwaZulu-Natal 15%.

In top management, 6.3% of Africans compared to 73.6% of Whites are represented. Female representation is 20.8% across the board with 2.2% Africans, 1.4% Coloureds and 2.8% Indians. The corresponding figure for White females is 1.8%. A similar picture emerges for senior management and professionals. In the unskilled category, Africans make up 85.9%, Whites 1.5%, Coloureds 9.7% and Indians 1.4%.

In 2005/16 the skills levies received from small enterprises was R94 627 million and the grant disbursement was R32 398 million indicating a 34% pay-out. However, in 2015/16 the skills levies received from small enterprises was R255 851 million and the grant disbursement was R12 948 million indicating a 5% pay-out. A similar picture emerges for medium and large enterprises.

Chapter 2 (Key Skills Issues): Key drivers of change within the sector include:

- **Technology advancements**: The wholesale and retail industry is rapidly changing as a result of technological advancements. Changes include: mobile applications, online shopping, big data, social media, cyber-crime, mobile phones and internet usage.
- **Power shift to consumers**: Consumers today are increasingly empowered by the use of social networking sites. They now have a voice, and often a very loud and powerful one. Changes include: ethical issues, eco-friendliness and greening.
- **African retail growth**: Multinational are expanding rapidly into Africa and increasing the presence, some more aggressively than others. Changes include: growing economy, population growth, supply chain efficiencies, human resources, managing risk/reward trade-off.
- **SMME development**: The SMME sector in South Africa is relatively large and source products from wholesale companies. Changes include: small enterprise development, hawkers, casualisation and new training model.

- **Skills Shortage**: An evolving retail landscape has resulted in skills shortages at both management and elementary level presents the sector with challenges requiring urgent remediation.

Key policy drivers for the sector include: IPAP 4; New Growth Path (NGP); National Development Plan (NDA); HRD Strategy for SA, Department of Environmental Affairs and Tourism Sector Skills Plan.

The research approach for the SSP focused on producing evidence, enabled through quantitative and qualitative methods, including primary and secondary research. Utilization of a number of data sources, including desk-based research, analysis of WSPs and ATRs, surveys, questionnaires, focus groups and interviews allowed for a high degree of information integrity.

Stakeholders consulted included representatives from the clothing, supermarket, fuel, motor trade, jewellery and e-Retailing sub-sectors, as well as training providers.

Chapter 3 (Extent of Skills Mismatch) focuses on identifying occupation-specific skills mismatches for employers, as well as skills gaps. Analysis of stakeholder surveys, insights gained during SSP feedback workshops in various regions, 2015/16 WSP data and various other recruitment sources identified the following as the Top 10 scarce skills and critical skills in the W&R sector.

Pivotal Skills List: Sales Assistant (General) / Retail Buyer / Butcher / Confectionary Baker/ Retail Manager (General) / Sales & Marketing Manager / Retail Supervisor / Visual Merchandiser/ Office Administrator /Sales Representative.

Main Critical Skills: Leadership, management, product knowledge, computer literacy (basic & advanced), customer service, supervisory, problem-solving, communication, numeracy & literacy and financial acumen.

Chapter 4 (Sector Partnerships) identifies existing partnerships in the sector, focusing on best practice and success factors as well as measures to strengthen these partnerships. W&RSETA will look to capitalise on the successes of existing partnerships with TVETs, universities and industry to establish partnerships with small enterprise associations to reach retail SMMEs, co-operatives and informal traders.

Chapter 5 (Skills Priority Actions) provides an analysis of suggested interventions to address skills gaps in the sector based on findings in earlier chapters and consultations with stakeholders.

There are a multitude of recommended actions needed in the sector. This SSP identifies seven key skills priorities that the W&RSETA should consider. These align both to national priorities and sectoral needs, and link clearly to skills issues and skills gaps identified.

- **SMME and cooperatives development**: SMMEs, cooperatives, and informal traders have tremendous potential to create jobs and grow the sector. It is critical that these enterprises are supported with skills development. New training models are needed to meet the training needs of SMMEs.
- **Youth unemployment**: The retail sector provides significant temporary employment opportunities for the youth. School-leavers and graduates are employed as packers, cashiers and clerks. The challenge is to convert these into permanent employment and encourage career development in the sector. This will encourage students to join the sector, rather than view it as a "second option".
- **Scarce and critical skills**: The identification of critical and scarce skills is a key deliverable of the SSP. This is necessary to ensure that the work of the SETA responds to the changing, demand-side needs of the sector. It also ensures that investments in skills development are effective and efficient since priority skills are addressed. The identification of scarce skills is also necessary to inform the DHET's National List of Occupations in High Demand.
- **Stakeholder engagement**: Stakeholder partnerships are increasingly becoming the adopted approach to meeting industry needs for skilled workers and workers' need for better jobs. Partnerships address current and emerging occupational needs and skill gaps. It offers a mechanism to focus scarce resources on industries that are major job providers in an area, as well as to focus comprehensively on the workforce skills, from entry level to advanced, required in the economy. Partnerships provide a means for the W&RSETA to engage directly with industry across traditional boundaries better aligning training programmes and resources.
- **Training and employment of the disabled**: Despite a very progressive legislation and a clear commitment from the government, the majority of people with disabilities (PWD) still do not access the same opportunities of leading an independent life as non-disabled people do. Access to employment is low among people with disabilities. Therefore, improving access to mainstream training and access to employment are priorities to ensure that people with disabilities are able to fully participate in society.
- **Trade union capacity-building**: There is a need to build institutional and individual capacities in trade unions. Individual capacities should be developed at all levels from general secretary to union members.
- **Green Skills**: The W&RSETA interventions will also be aimed at promoting green skills in the sector by establishing necessary and relevant partnerships with other organizations. The capacity development sessions and awareness programmes will be used in addressing the green skills in the sector.

1 Chapter 1: Sector Profile

Introduction

This chapter presents a profile of the wholesale and retail sector. It outlines the scope, size, and shape of the sector; thus providing a sense of the contribution of the sector in economic and employment terms.

The sector profile describes the scope of coverage of the sector, its key role-players, its economic performance and labour market profile; and how it has been evolving.

1.1 Scope of Coverage

The Wholesale and Retail Sector Education and Training Authority (W&RSETA) was established in 2000 in terms of the *Skills Development Act 97 of 1998 (as amended)*. This public entity is responsible for supporting skills development in the wholesale and retail (W&R) sector of South Africa through the implementation of learning programmes, disbursement of grants and monitoring of education and training as outlined the *Act*, accompanying *regulations* and the *National Skills Development Strategy III (NSDS III)*.

Wholesale trade deals with the bulk buying of goods from various manufacturers and the breaking down of this bulk into smaller quantities which is then sold to the retailer. Retail trade deals with the buying of goods from the wholesaler and selling of such goods to the consumer.

The actual activities that fall within the scope of the wholesale and retail sector are demarcated according to Standard Industrial Classification (SIC) codes.

The scope of coverage of the W&RSETA in terms of the Skills Development Act 97 of 1998 is as follows:

Table 1: SIC Codes Wholesale & Retail

SIC CODE	TRADE CATEGORY
Wholesale	
61000	Wholesale and commission trade, except for motor vehicles and motor cycles
61100	Wholesale trade on a fee or contract basis
61220	Wholesale trade in food, beverages and tobacco
61310	Wholesale trade in textiles, clothing and footwear
61391	Wholesale trade in household furniture requisites and appliances
61392	Wholesale trade in books and stationery
61393	Wholesale trade in precious stones, jewellery and silverware
61394	Wholesale trade in pharmaceuticals, toiletries and medical equipment
61420	Wholesale trade in metal and metal ores
61430	Wholesale trade in construction materials, hardware, plumbing and heating equipment
61501	Office machinery and equipment, including computers
61509	Other machinery
61901	General wholesale trade
61909	Other wholesale trade not elsewhere classified (nec)
Retail	
62000	Retail trade, except for motor vehicles and motor cycles; repair of personal and household goods

62110	Retail trade in non-specialised stores with food, beverages and tobacco dominating
62190	Other retail trade non-specialised stores
62201	Retail trade in fresh fruit and vegetables
62202	Retail trade in meat and meat products
62203	Retail trade in bakery products
62204	Retail trade in beverages (bottle stores)
62209	Other retail trade in food, beverages and tobacco (nec)
62311	Retail of non-prescribed medicine and pharmaceutical products other than by pharmacists
62321	Retail trade in men's and boy's clothing
62322	Retail trade in ladies‟ and girls‟ clothing
62323	Retail trade by general outfitters and by dealers in piece goods, textiles, leather and travel accessories
62324	Retail trade in shoes
62330	Retail trade in household furniture appliances, articles and equipment
62340	Retail trade in hardware, paints and glass
62391	Retail trade in reading matter and stationery
62392	Retail trade in jewellery, watches and clocks
62393	Retail trade in sports goods and entertainment requisites
62399	Retail trade by other specified stores
62400	Retail trade in second-hand goods in stores
63122	Retail sale of used motor vehicles
63311	Sale of tyres
63500	Retail sale of automotive fuel

Source: StatsSA (2016)

It is important to note that the revised SETA landscape associated with NSDS III (and thus applicable from 1 April 2011 to 31March 2016) led to the transfer of petrol retail subsector from the merSETA to W&RSETA[1].

The following key sub-sectors have been identified for by stakeholders within the retail and wholesale sector, for the purposes of consultation on input to this SSP[2]:

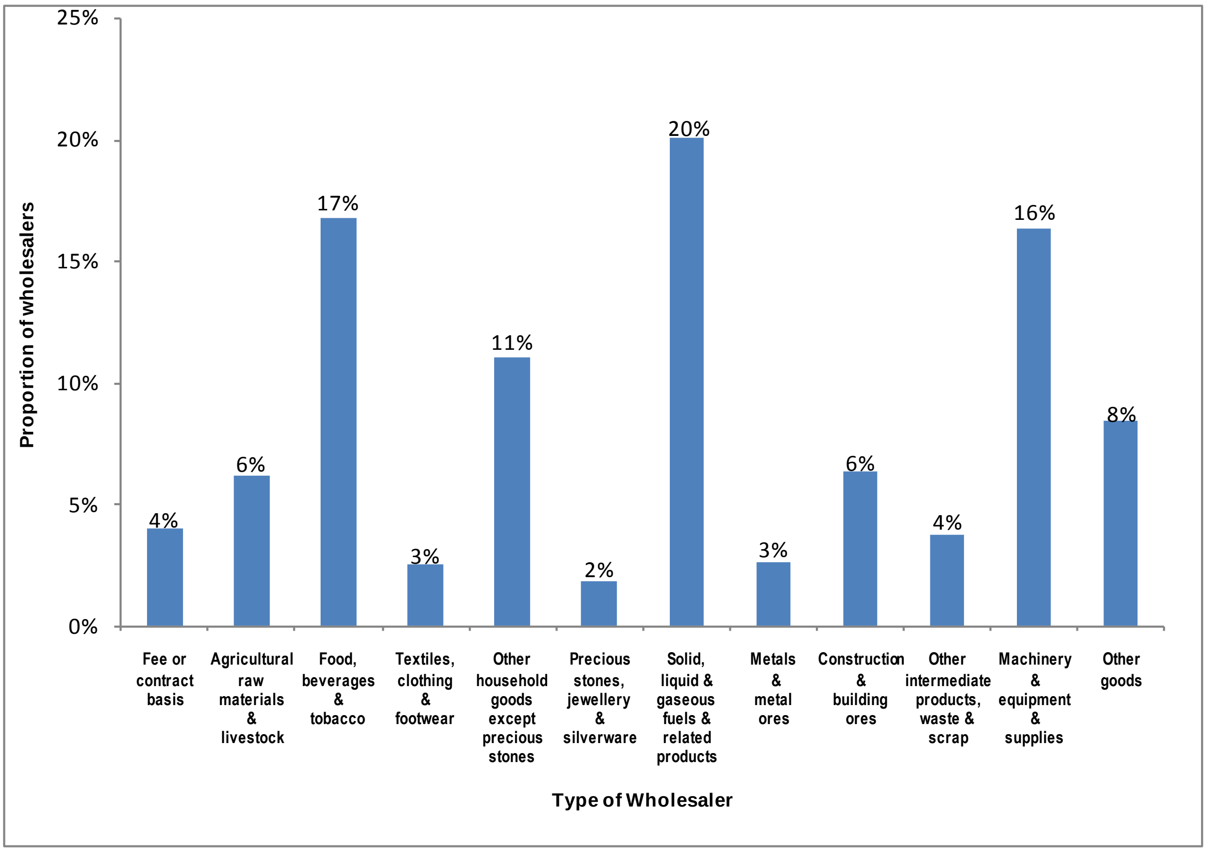
- Clothing sub-sector
- Supermarket sub-sector
- Motor trade and fuel sub-sector
- e-Retailing sub-sector
- Jewellery sub-sector
- Hardware
- Merchandising.

[1] Dr Blade Nzimande (2010). Press briefing the new SETA landscape for the period April 2011 till March 2016, 09 November 2010. Online: http://www.dhet.gov.za/portals/0/documents/SETA%20Landscape.pdf (Accessed on 10 May 2014).

[2] These sub-sectors are as defined by the wholesale and retail sector, and do not necessarily correspond to the SIC code categories.

The types of wholesalers in the Wholesale and Retail Sector is illustrated in the graph below. Wholesalers of solid, liquid & gaseous fuels & related products dominate the sector followed by food, beverages & tobacco and machinery & equipment and supplies wholesalers. Precious stones, jewellery & silverware wholesalers make up only 2% of the total number of wholesalers in the sector. The W&RSETA should ensure that the skills requirements of the dominant wholesalers are taken into account when planning skills development interventions.

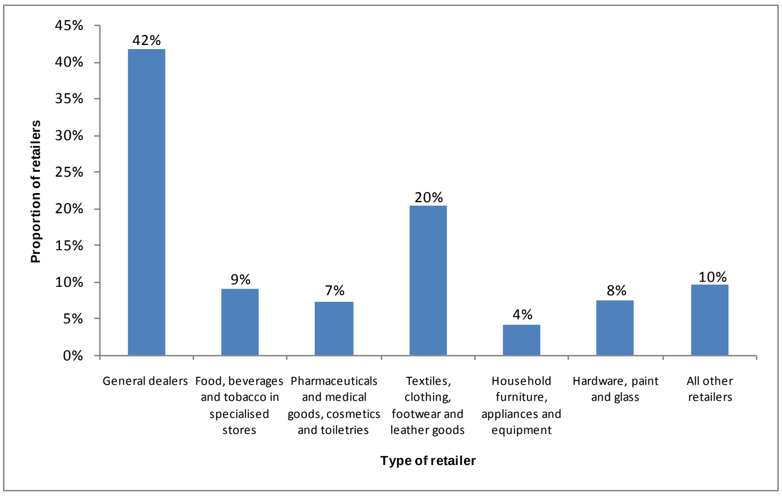
Figure 1-1: Proportion of wholesalers by type of wholesale activity



Source: StatsSA, 2016

The figure below depicts the types of retail enterprises in the Retail sector. General dealers dominate the sector, making up 42% of all retail enterprises. This is followed by textiles, clothing, footwear and leather goods retailers that comprise 20% of the retail sector. Retailers of household furniture, appliances and equipment make up a relatively small portion at 4% of the total. Skills requirements of the dominant types of retailers need to be prioritised when planning skills development interventions.

Figure 1-2: Proportion of retailers by type of retail activity



Source: StatsSA, 2015

1.2 Key Role Players

Key role players within the sector include individual retailers and wholesalers that due to their size have a significant impact on the sector. This influence may be exerted directly, for instance through contribution to total sales, or indirectly, through buying power, or through participation in industry organisations.

Associations that play a role in the Wholesale and Retail Sector include the stakeholders outlined in the following table.

Table 2: W&RSETA Key role players

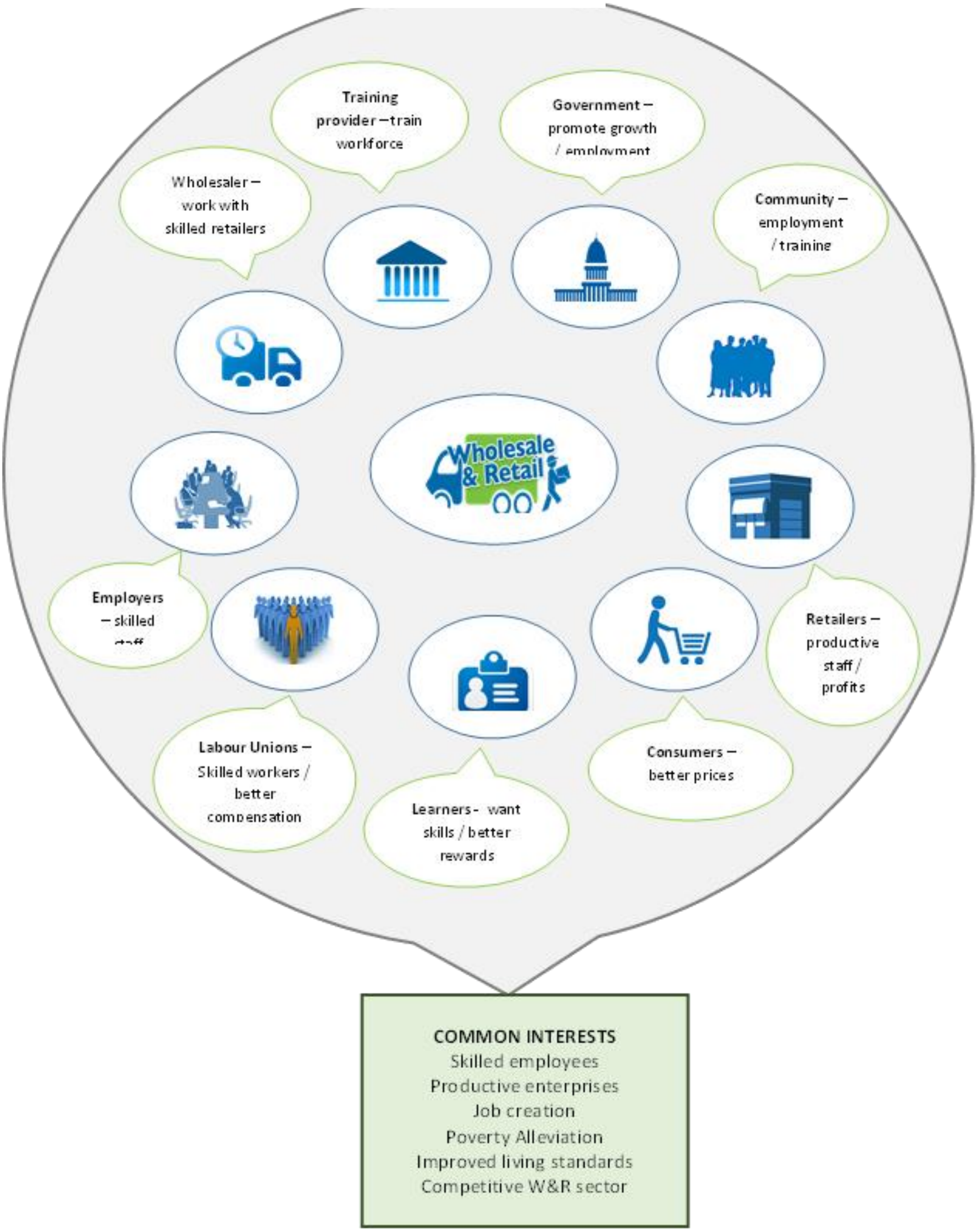


Table 1-1: Key Role Players in the Wholesale and Retail Sector

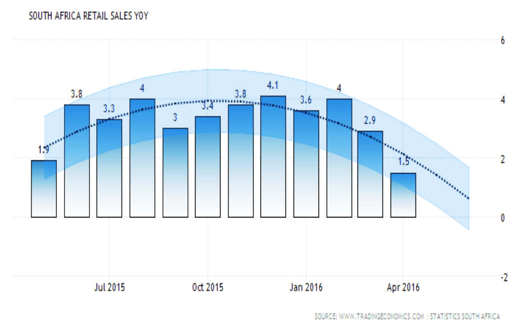
Role Player	Description
Business Unity South Africa (BUSA)	BUSA is a confederation of South African chambers of commerce and industry, professional and corporate associations, and unisectoral employers' organizations. BUSA's key role in the Wholesale and Retail Sector is supporting and developing the role of small and medium Wholesale and Retail Sector business enterprises
Consumer Goods Council of South Africa (CGCSA)	CGCSA is a member organisation that acts as the representative body of the entire consumer goods industry. The CGCSA facilitates engagement between stakeholders in the industry, and they represent the interests of the industry to the government and other relevant parties.
The FET Committee	The committee includes representatives from the FET sector. The FET Committee has an important role to play in accommodating scarce and critical skills within the sector.
FRA	FRA is an association of fuel service station owners. The Association monitors and becomes involved wherever necessary with retail fuel governance, distribution and sales in South Africa in order to protect and enhance fuel retailers' interest.
The HET Committee	The committee includes representatives from the higher education and training sector. The HET Committee has an important role to play in accommodating scarce and critical skills within the sector.
Labour	Organised labour is a key component of the sector, and as such has a critical role to play with regards to skills development.
Private Training Providers – Association of Private Providers of Education Training and Development (APPETD)	APPETD is as an alliance of the Association of Private Colleges of South Africa (APCSA), Association of Private Distance Colleges (APDEC), Association of Technical Providers (ATP), and INPROV. APPETD renders services that are specifically aimed at the needs and interests of its members and private providers as a whole.
South African Petroleum Retailers Association (SAPRA)	The South African Petroleum Retailers Association (SAPRA) represents and promotes the interests of Petroleum Retailers in South Africa. SAPRA is a constituent association of RMI.
Retail Motor Industry Organisation (RMI)	The RMI is the retail and associated motor industry organisation focused on enabling motor traders to deliver high end service to motoring customers in South Africa.
SMMEs (Small, Medium and Micro Enterprises)	Small retail enterprises constitute 78% of the sector's employers, and as such represent a key stakeholder group in the sector.

1.3 Economic Performance

This section focuses on the Wholesale and Retail Sector's contribution to the broader economy, its performance relative to other sectors, its competitive positioning and the outlook for the sector going forward.

Table 3: The W&R sectors economic performance

Retail at a glance



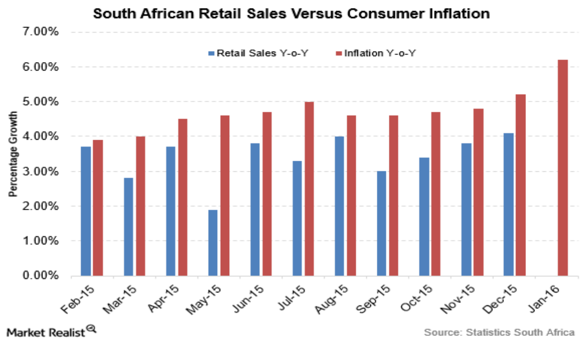
What is the strength of the retail sector?

- Retail Sales YoY in South Africa is expected to be 2.3% by the end of the 2nd quarter, according to Trading Economics expectations. Looking forward, it is estimated that Retail Sales YoY in South Africa to stand at 2.22% in 12 months' time.
- In the long-term, the South Africa Retail Sales YoY is projected to trend around 2.22% in 2020, according to our econometric models.

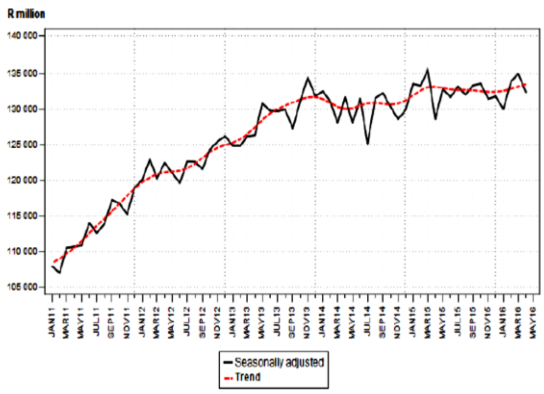
What is the inflations outlook?

- On a monthly basis, prices rose by 0.8% in January—well above December's inflation rate of 0.3%. It exceeded forecasts of 0.5% growth. Core inflation levels rose. At an annual rate, they rose by 5.6% in January—40 basis points above the December level. The recent drought in several areas across South Africa contributed to a price rise in food costs.
- The lower prices had a negative impact on export revenues in the economy.

Spending forecast (USD billions)



What is the trend in wholesale sales?



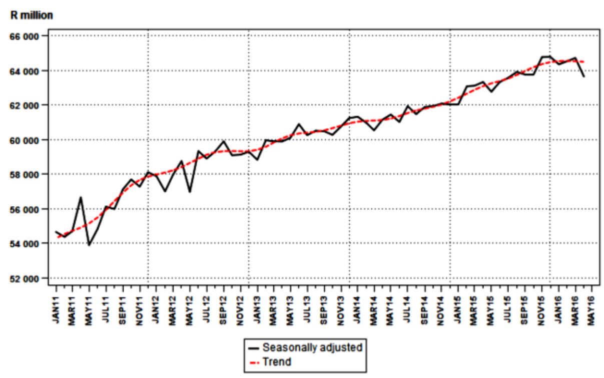
Wholesale trade sales at constant 2012 prices

- Measured in real terms (constant 2012 prices), wholesale trade sales increased by 5, 7% in April 2016 compared with April 2015. Seasonally adjusted wholesale trade sales decreased by 1, 9% in April 2016 compared with March 2016. This followed month-on-month changes of 0, 8% in March 2016 and 2, 9% in February 2016.
- In the three months ended April 2016, seasonally adjusted wholesale trade sales increased by 2, 0% compared with the previous three months.

What is the trend with retail trade sales?

- Retail trade sales increased by 2, 8% in the three months ended April 2016 compared with the three months ended April 2015.
- The main contributors to this increase were: general dealers (3, 2% and contributing 1.3%); and retailers in textiles, clothing, footwear and leather goods (3.8% and contributing 0, 7%).

Retail trade sales at constant 2012 prices

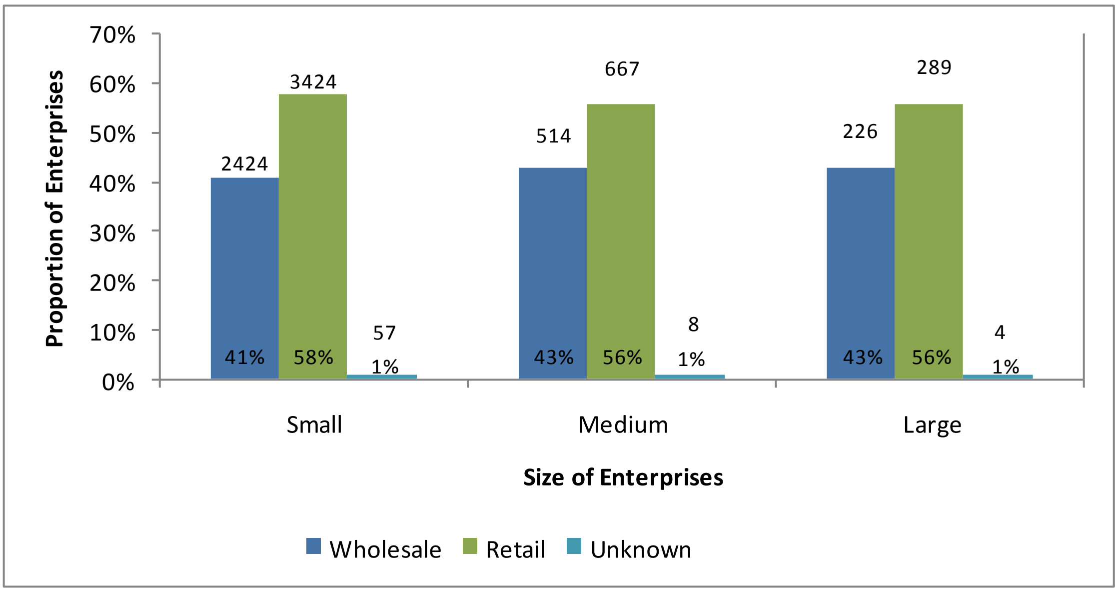


Source: Statistics SA (2016); PWC (2016)

1.4 Employer Profile

As per the 2015 WSP/ATR data, there are 7 613 active Wholesale and Retail enterprises. These are made up of 5905 small, 1189 medium and 519 large enterprises .Retail enterprises dominate the Wholesale and Retail Sector as indicated by the graph below. Retailers also make up more than 50% of small, medium and large enterprises in the sector.

Figure 1-3: Proportion of Wholesale and Retail Enterprises by size (Small: n=5905, Medium: n= 1189, Large: n= 519)



Source: WSP/ATR (2016)

The graph below illustrates that the Wholesale and Retail Sector is dominated by small enterprises which make up 78% of enterprises. Large enterprises make up only 7% of enterprises. The predominance of small enterprises highlights the need for skills development initiatives to ensure adequate coverage of this sub-sector.

The employer breakdown of the sector is as follows:

Table 4: W&R enterprises by size and province

PROVINCE	LARGE	MEDIUM	SMALL	UNKNOWN	TOTAL
Gauteng North	214	542	17219	3229	21204
Western Cape	153	334	13371	1509	15367
KwaZulu-Natal	165	446	11662	978	13251
Gauteng South	234	435	10462	20	11151
Eastern Cape	45	171	5928	356	6500
Mpumalanga	29	110	5012	508	5659
Free State	20	84	4795	263	5162
Limpopo	36	139	3662	144	3981
North West	16	81	2584	171	2852
Northern Cape	7	28	1344	104	1483
(Blank)	0	0	1157	23	1180
Total	**919**	**2370**	**77 196**	**7305**	**87 790**

Source: W&R WSP/ATR data, 2015/16

The above Table reveals the following:

- There are 87 790 active Wholesale and Retail enterprises. These consist of 77 196 small (88%), 2370 medium (3%) and 919 (1%) large enterprises. There are 7305 (8%) unclassified enterprises.
- Gauteng has the largest concentration of enterprises (37%); Western Cape has 18% and KwaZulu-Natal 15%.
- Northern Cape has 2% of all enterprises in the W&R sector. This may be due to minimal W&R activity in the province.

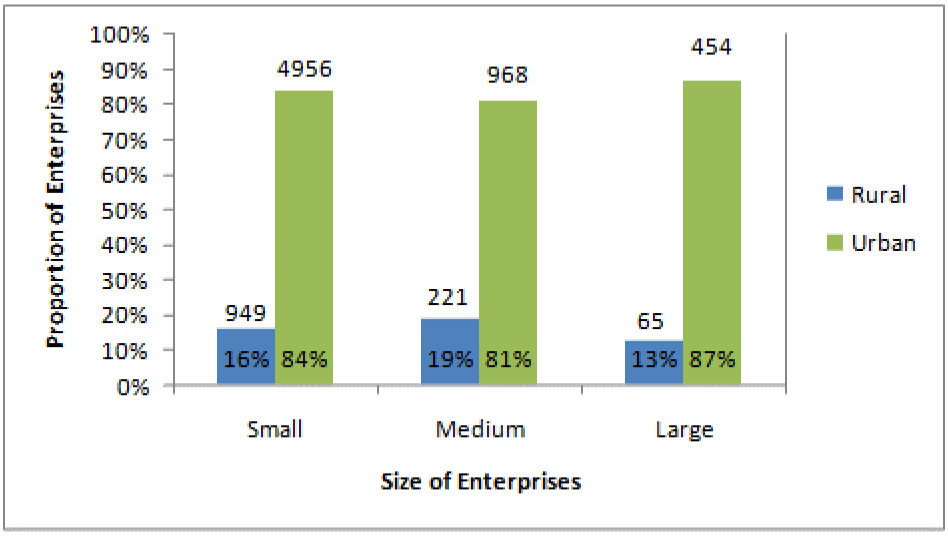
Table 1-2: Provincial Spread of W&RSETA enterprises by size (Small: n=5905, Medium: n= 1189, Large: n= 519)

Province	Small	Medium	Large
Eastern Cape	462	86	31
Free State	248	33	15
Gauteng	2048	384	221
KwaZulu-Natal	718	235	92
Limpopo	306	71	19
Mpumalanga	308	56	13
North West	229	40	9
Northern Cape	163	18	3
Western Cape	1423	266	116
Total	5905	1189	519

Source: WSP/ATR (2016)

According to WSP/ATR data, 16% (1235) of Wholesale and Retail Sector enterprises are located in rural areas. Such a significant percentage points to the need to ensure the reach of skills development initiatives into rural areas.

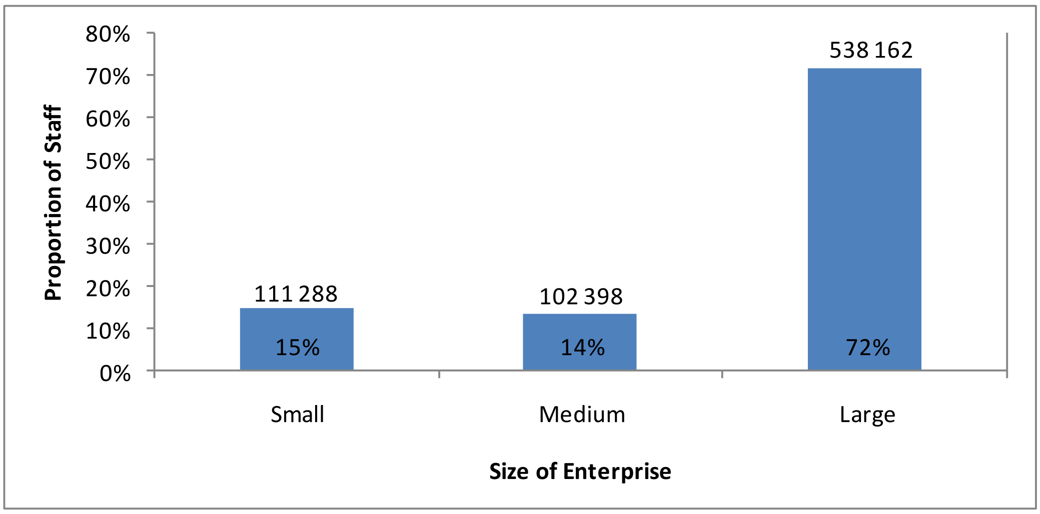
Figure 1-4: Location of Enterprises by Size (Small: n=5905, Medium: n= 1189, Large: n= 519)



Source: WSP/ATR (2016)

As illustrated below, large enterprises have more than two thirds of the total number of wholesale and retail staff. These points to the opportunity to reach a large number of employees via skills development initiatives directed through large enterprises.

Figure 1-5: Proportion of Staff (n=751 848)



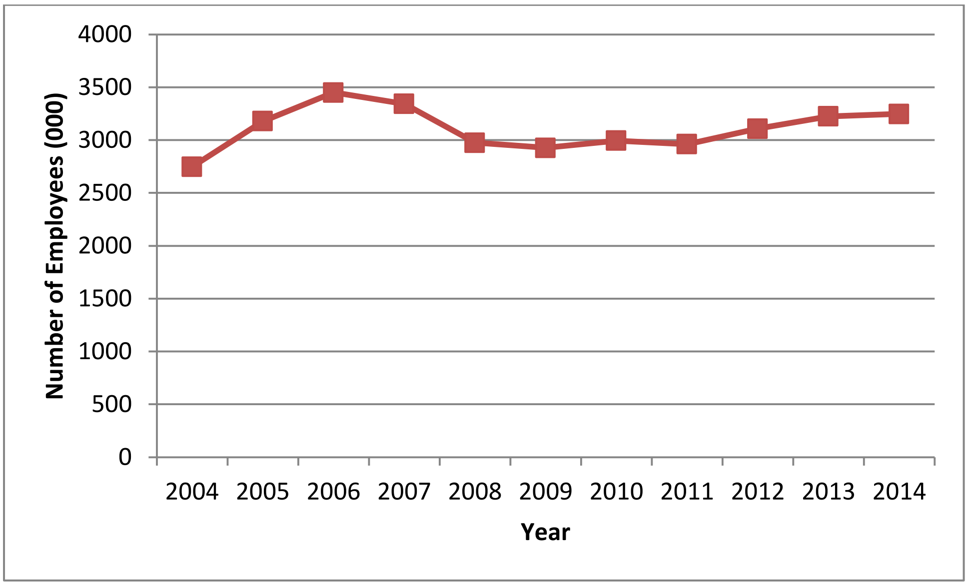
Source: WSP/ATR (2015)

1.5 Labour Market Profile

This section analyses the labour market context for the sector. It provides key employer and employee data and information on the sector.

The figure below illustrates the growth of employment in the Wholesale and Retail Sector between 2004 and 2014. In 2004, there were 2.748 million employees in the sector and in 2014 there were 3.247 million employees in the sector. This represents an increase of 499 000 (18%) employees between 2004 and 2014. Employment in the sector shows a steady growth from 2004 to 2007. The global economic crisis in 2008 caused employment in the sector to drop. Employment rebounded in the sector in 2012 and has shown slow growth between 2013 and 2014.

Figure 1-6: Employment in the Wholesale and Retail Trade 2004-2014 (000')



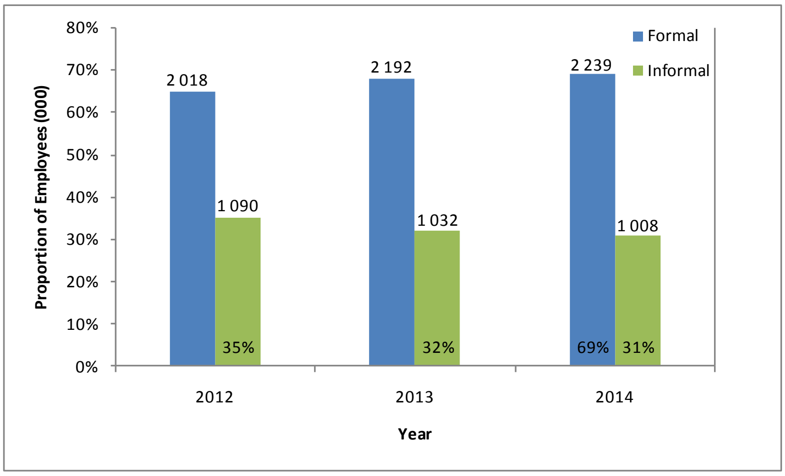
Source: StatsSA Quarterly Labour Force Survey, Quarter 1, 2015

There were 15.3 million people employed in South Africa in 2014. The Wholesale and Retail Sector employed 3.247 million people, or 21% of the total labour force.

The growth in the number of employees in the sector points to an increase in skills development needs for the immediate future.

There were 2.239 million (69%) people in formal employment and 1.008 million (31%) people in informal employment in the Wholesale and Retail Sector. While formal sector employment has experienced steady growth between 2012 and 2014, informal sector employment has experienced a steady decline. Skill development initiatives focused on the informal sector provide an opportunity to address this decline, and to help realise the growth potential the sector would otherwise present.

Figure 1-7: Proportion of Employees by Formal and Informal Sector

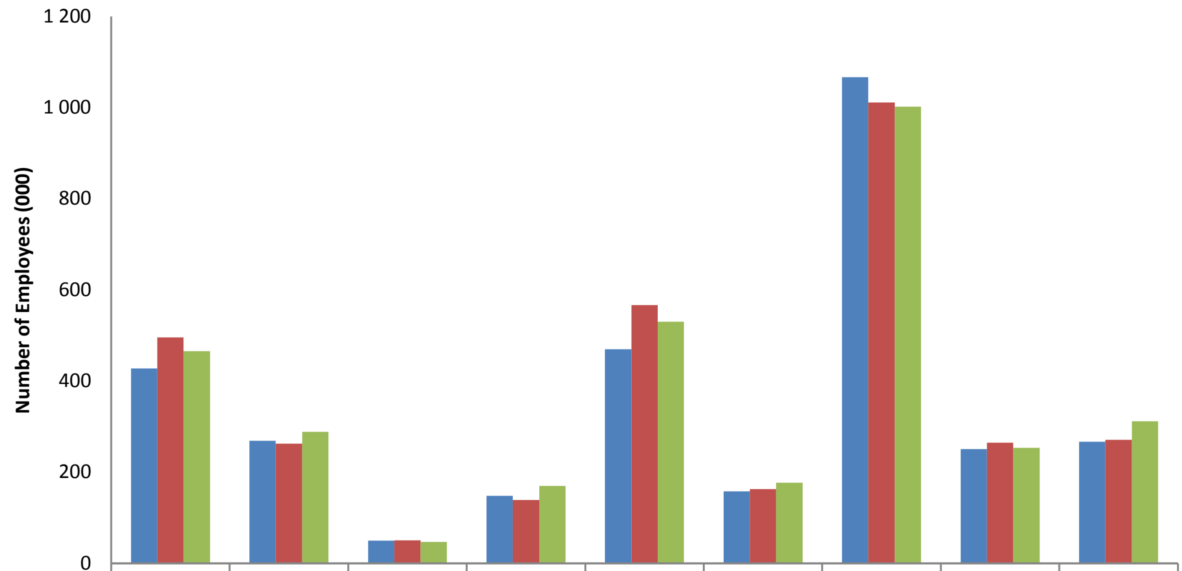


Source: StatsSA Quarterly Labour Force Survey, Quarter 1, 2015

Gauteng has the highest number of Wholesale and Retail Sector employees, as illustrated in the figure below despite the fact that there has been a slow decline in numbers between 2012 and 2014. The Eastern Cape, Free State, North West and Limpopo experienced increases in the number of employees from 2013 to 2014.

The prevalence of high employee numbers in Gauteng, the Western Cape, and KwaZulu-Natal highlight the need for skills development initiatives to ensure adequate coverage of these provinces. Low employment numbers in the Northern Cape, Free State and the North West indicate the need for targeted skills development in these areas. Skills development initiatives need to take into account the local economic development needs of provinces. This will require the W&RSETA to analyse provincial economies and labour markets.

Figure 1-8: Employment in the Wholesale and Retail Sector by province (000)

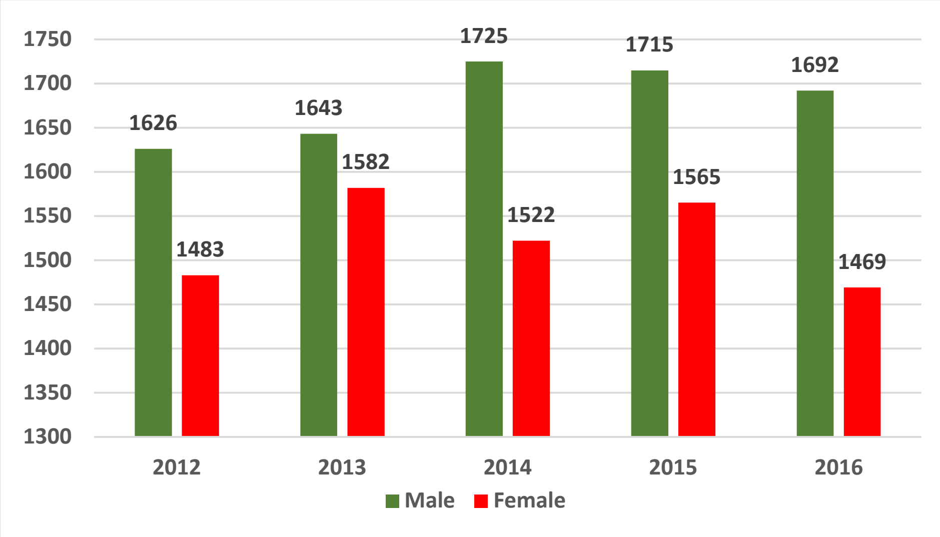


	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
2012	428	269	50	148	470	158	1 067	251	267
2013	496	263	51	139	567	163	1 011	265	271
2014	466	289	47	170	530	177	1 002	254	312

Source: StatsSA Quarterly Labour Force Survey, Quarter 1, 2015

The figure below illustrates the number of employees in the Wholesale and Retail Sector by gender between 2012 and 2014. Between 2012 and 2013, the number of males employed in the Wholesale and Retail Sector decreased and the number of females employed increased. However in 2014, the number of male employees increased and the number of female employees decreased increasing the gender gap to 6%. Stakeholder feedback indicated that there is a lack of females in Management positions in the Wholesale and Retail Sector. Skills development interventions need to focus on management training programmes for women to ensure that this imbalance is addressed.

Figure 1-9: Number of employees by gender

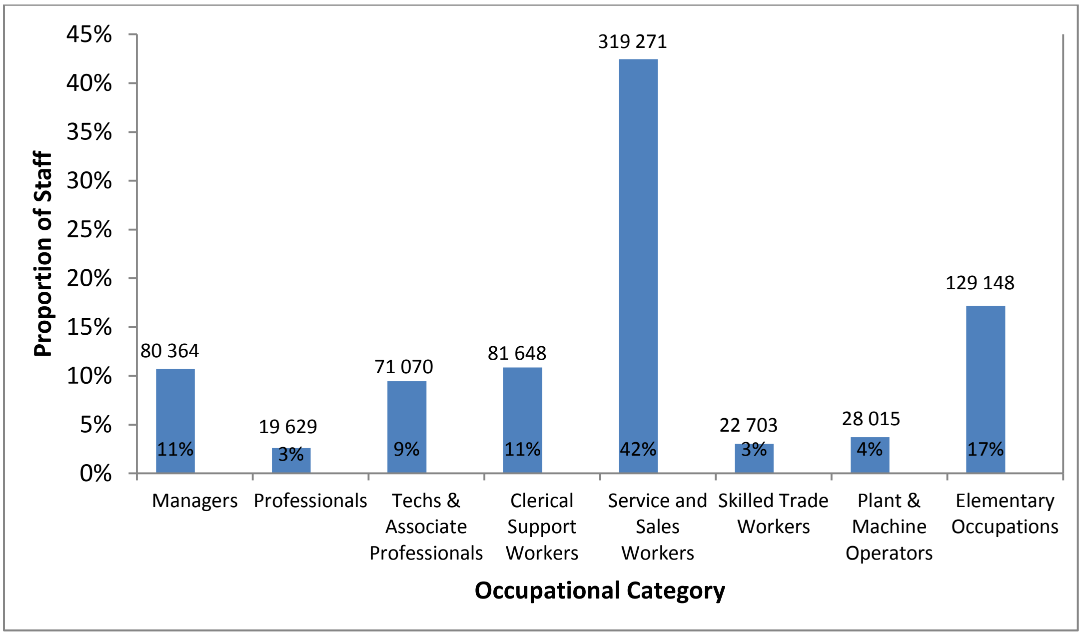


Source: StatsSA Quarterly Labour Force Survey, Quarter 1, 2015/16

- The amount of females has declined from 2013 onwards in the sector.
- Between 2012 and 2014, the number of males increased, with a decline in 2015/16.
- Male employment has decreased since 2014.
- The disparity between the male and female employees is constant.

Stakeholder feedback indicated that there is a lack of females in management positions in the W&R sector. Skills development interventions need to focus on management training programmes for women.

Figure 1-10: Proportion of Staff by Occupation (n=751 848)



Source: WSP/ATR (2016)

The figure below illustrates the percentage distribution of staff per occupational category by race. African staff occupy almost 50% of Service and Sales occupations (which make up more than 40% of all occupations) and only 6% of Management positions. Elementary occupations are also primarily held by Africans. Thirty five percent of all Management positions are occupied by Whites who also hold the majority of Professional and Technical and Associate Professional positions. Coloured candidates occupy primarily Service and Sales, Clerical Support and Elementary occupations with 41%, 16% and 15% respectively. Indian/Asian staff holds mostly Service and Sales (31%), Management (22%) and Clerical Support (18%).

The low numbers of African and Coloured staff in Management and Professional positions indicate a need for relevant role-players to increase efforts to address these imbalances in the Wholesale and Retail Sector. Interventions by the W&RSETA could focus on improving access to Management and Professional occupations for African and Coloured staff.

Figure 1-11: Employee Demographics

OCCUPATIONAL LEVEL	MALE (%)				FEMALE (%)				FOREIGN NATIONAL		TOTAL (%)
	A	C	I	W	A	C	I	W	M	F	
Top Management	4.1	2.2	9.8	59.8	2.2	1.4	2.8	13.8	3.4	0.6	100
Senior Management	7.9	4.2	10.1	42.8	4.2	3	4.6	20.9	1.9	0.5	100
Professional	13.9	5.5	7.4	32.3	7.5	4.1	4.6	22.5	1.6	0.5	100
Technician	26.4	6.3	5.2	16.1	17.1	6.7	4.6	15.8	1.4	0.4	100
Semi-Skilled Workers	41.4	5.6	2.4	3.9	30.9	6.3	2.6	5.6	1	0.3	100
Unskilled Workers	48.3	4.9	0.8	0.9	37.6	4.8	0.6	0.6	1.1	0.4	100

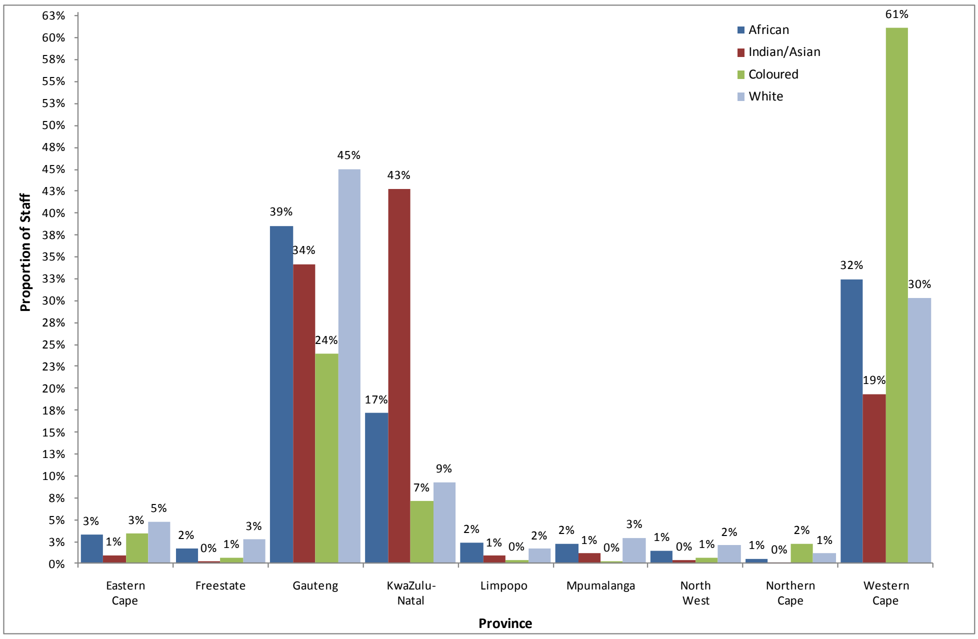
Source: CEE. 2016. Commission for Employment Equity Annual Report 2015-2016

The table above indicates the following over two decades after the advent of democracy:

- In top management, 6.3% of Africans compared to 73.6% of Whites are represented.
- Female representation is 20.8% across the board with 2.2% Africans, 1.4% Coloureds and 2.8% Indians. The corresponding figure for White females is 1.8%.
- A similar picture emerges for senior management and professionals.
- In the unskilled category, Africans make up 85.9%, Whites 1.5%, Coloureds 9.7% and Indians 1.4%.
- Essentially the sector has not transformed.
- The W&RSETA is spending millions every year on senior and middle management training for people from disadvantaged groups. Research should be conducted to determine whether the participants of training are being promoted. The data shows otherwise.

The graph below illustrates that 61% of all Coloured staff employed in the Wholesale and Retail Sector occupy positions in the Western Cape and 43% of all Indians/Asians employed occupy positions in KwaZulu-Natal. African and White employees primarily occupy positions in Gauteng and the Western Cape. The high numbers of staff from specific race groups in specific provinces is a key consideration for skills development. The W&RSETA will to take this into account when developing interventions to address demographic imbalances.

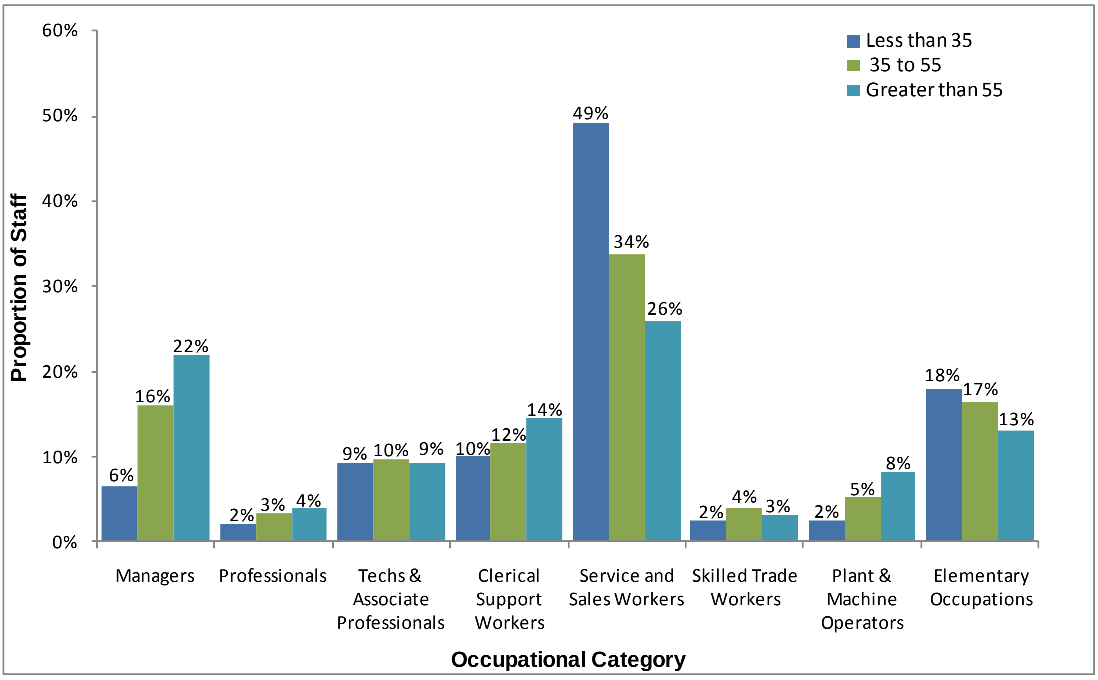
Figure 1-12: Proportion of Staff per province by race and gender (n=751 848)



Source: WSP/ATR (2016)

The graph below illustrates that almost 50% of all staff below 35 years old and almost 35% of all staff between 35 and 55 are employed as Service and Sales workers. Employees older than 55 years primarily hold Management and Service and Sales positions. This is an important indicator for capacity planning for the W&RSETA. Interventions to provide the high number of younger staff with workplace experience in areas such as management should aim to leverage the skills and experience of older staff.

Figure 1-13: Proportion of Staff per occupational category, by age (n=751 848)



Source: WSP/ATR (2016)

The table below indicates the number of staff in each of the occupational categories by age.

Table 1-3: Number of staff per occupational category by age (n= 751 848)

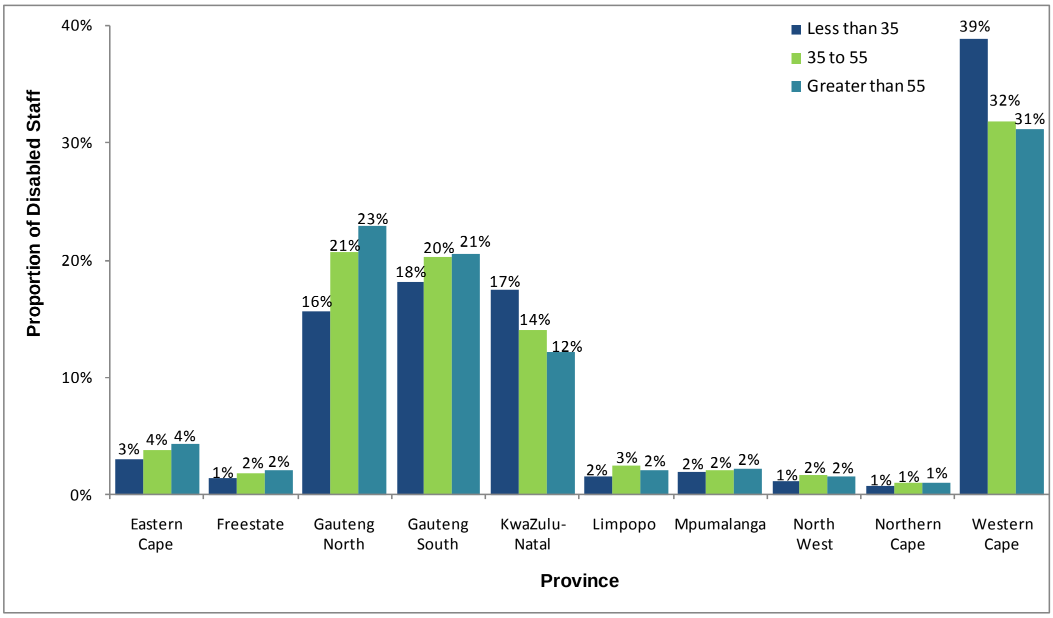
Occupational Category	Less than 35	35 to 55	Greater than 55
Managers	28 556	44 524	7 284
Professionals	9 128	9 154	1 347
Techs & Associate Professionals	41 021	26 946	3 103
Clerical Support Workers	44 844	31 991	4 813
Service and Sales Workers	216 678	93 923	8 670
Skilled Trade Workers	10 710	10 957	1 036
Plant & Machine Operators	10 971	14 316	2 728
Elementary Occupations	78 847	45 944	4 357
Total	**440 755**	**277 755**	**33 338**

Source: WSP/ATR (2016)

Gauteng, as indicated in the graph below, has almost 44% of staff older than 55 and 41% between 35 and 55 years old. The Western Cape has the highest number of staff younger than 35, closely followed by Gauteng and then KwaZulu-Natal.

The management and professional areas appear to be dominated by the older age groups, which point to the need for succession planning, and for skill development initiatives required to support growth of skills in these areas.

Figure 1-14: Proportion of Staff per province, by age (n=751 848)



Source: WSP/ATR (2016)

The table below presents the number of staff for each of the provinces in terms of age.

Table 1-4: Number of Staff per province, by age (n=751 848)

Province	Less than 35	35 to 55	Greater than 55
Eastern Cape	13 352	10 701	1 437
Free State	6 169	5 179	710
Gauteng North	68 873	57 646	7 661
Gauteng South	79 830	56 488	6 847
KwaZulu-Natal	77 115	39 123	4 040
Limpopo	7 025	6 972	676
Mpumalanga	8 526	5 743	721
North West	5 206	4 601	531
Northern Cape	3 342	2 868	326
Western Cape	171 317	88 434	10 389
Total	**440 755**	**277 755**	**33 338**

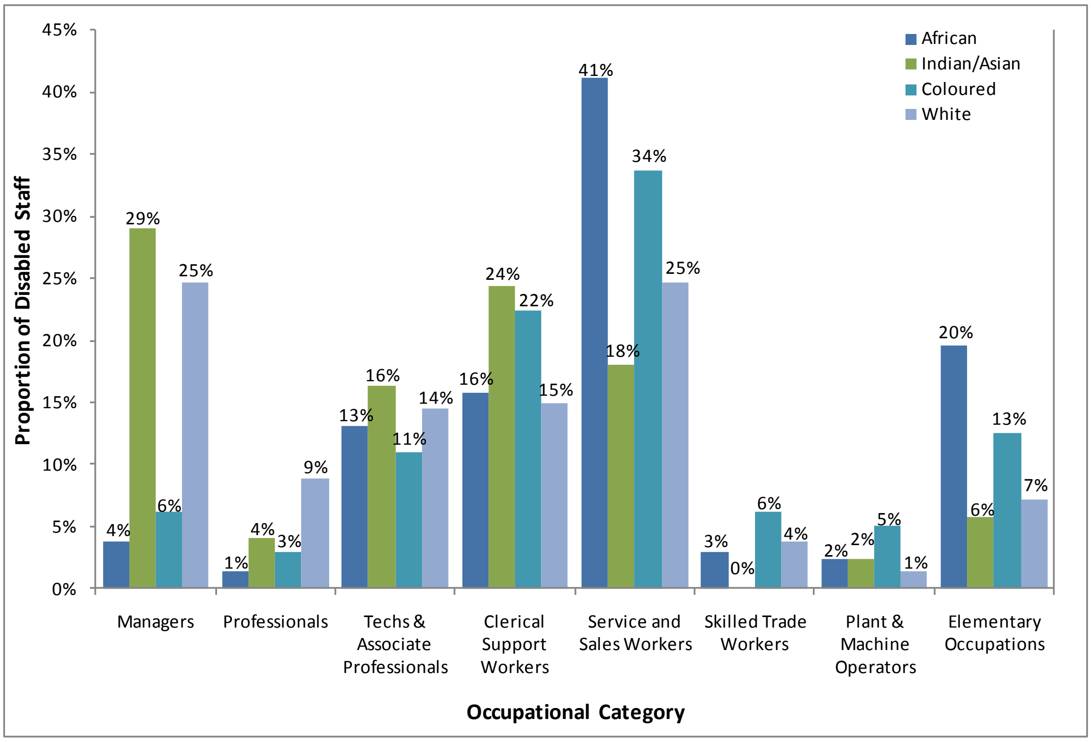
Source: WSP/ATR (2016)

Disability

Employment of disabled individuals in the wholesale and retail sector is presented from the WSP/ATRs data and is illustrated by Occupational Category and Province.

The highest number of disabled employees, as illustrated in the graphs below, is African (41%) followed by Coloured (34%) occupying Service and Sales Workers. There are 29% disabled Management Staff that are Indian/Asian. 25% of disabled Managers and Service and Sales Workers are White. The W&RSETA needs to include interventions to provide access to the sector for disabled people especially in the Professional, Skilled Trade Workers and Plant and Machinery Operator categories.

Figure 1-15: Proportion of Disabled Staff per Occupational Category, by Race (n=2 209)



Source: WSP/ATR (2016)

The tables below indicate the number of staff for each of the occupational categories in terms of race.

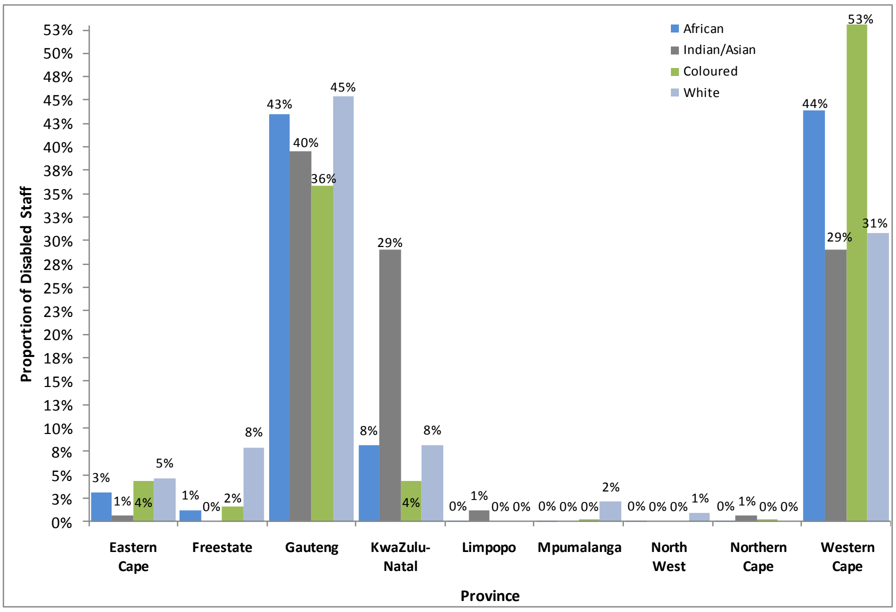
Table 1-5: Number of staff per occupational category by race (n=2 209)

Occupational Category	African	Indian/Asian	Coloured	White
Managers	47	50	23	106
Professionals	17	7	11	38
Techs & Associate Professionals	161	28	41	62
Clerical Support Workers	195	42	84	64
Service and Sales Workers	508	31	126	106
Skilled Trade Workers	36	0	23	16
Plant & Machine Operators	29	4	19	6
Elementary Occupations	241	10	47	31
Total	**1234**	**172**	**374**	**429**

Source: WSP/ATR (2016)

Fifty three percent of disabled staff in the Western Cape are Coloured followed by 44% who are African. Gauteng enterprises employ disabled employees from all races with the highest number of White (45%) disabled employees followed by African (43%), Indian/Asian (40%) and then Coloured (36%). The W&RSETA needs to focus skills development initiatives for the disabled in the rest of the provinces such as Limpopo, the North West, the Northern Cape and Mpumalanga. These interventions need to take into the consideration the total number of staff in these provinces in comparison to other provinces.

Figure 1-16: Proportion of Disabled Staff per Province, by Race (n=2 209)



Source: WSP/ATR (2016)

Table 1-6: Disabled Employees

Race	2014	%
Disabled African	1 234	56
Disabled Coloured	374	17
Disabled Indian/Asian	172	8
Disabled White	429	19
Total	2 209	

Source: WSP/ATR (2016)

The WSP/ATR data is illustrated in the figure and table above. With regard to disabled persons employed in wholesale and retail sector enterprises, this group comprises of a majority of Africans (almost 60%). Out of the 751 848 employees in the 7 613 enterprises that completed WSP/ATRs there are 2 209 employees with disabilities (which makes up approximately 0.3% of the sample population). Fifty six percent of all disabled wholesale and retail employees are African.

1.5.1 Employment Patterns and Trends

The following patterns and trends in the wholesale and retail sector, as reported by StatsSA (2015c) between 2008 and 2014, are significant:

- Average weekly hours worked decreased from 45 to 43, in line with the reduced growth in the sector over the period;
- Gender disparities in terms of access to benefits continue to exist e.g. paid sick leave, access to pension/retirement fund contributions;
- Earnings inequalities are still evident among population groups. In 2014, a White employee earned close to 4 times the median earnings of a black African employee;
- Earnings levels increased in the Wholesale and Retail Sector between 2010 and 2014 especially in skilled occupations such as Managers;

1.6 Chapter Conclusion

This chapter focused on establishing the sector profile for the wholesale and retail industry, thus laying the foundation for further analysis in the remainder of the SSP. This chapter described the scope of coverage of the sector, key role players, economic performance, employer profile, and labour market profile. Rather than simply list statistics, this chapter has attempted to establish insights and determine consequences for skills development.

Chapter 2: Key Skills Issues

Introduction

This chapter focuses on identifying factors that are driving change in the sector; influencing skills demand either positively or negatively.

1.7 Change Drivers

There are a number of external and internal factors that impact the demand for and supply of skills in the Wholesale and Retail Sector. Issues such as enabling access and demographic equity drive change in the country towards a skilled and capable workforce. These issues also form the basis for enhanced employability and employment within the Wholesale and Retail Sector via skills development and training.

The South African government has shown a commitment to addressing issues that constrain growth and development in the country such as the lack of a skilled workforce. This needs to be mirrored by the W&RSETA.

Research Approach

Extensive research and analysis based on desk based research as well as feedback from stakeholders via focus group sessions, interviews and surveys, has culminated in the following key factors that affect the demand for and supply of skills. Implications on skills development are also indicated for each factor. The change drivers below have emerged as key themes from desktop research, surveys, and interviews, validated in particular through stakeholder engagement through focus groups conducted throughout the country.

1.7.1 Growth into Africa

In the past decade, a growing number of globally-minded South African wholesalers and retailers have expanded into attractive foreign markets as part of their growth strategy.

However globalisation requires a significant investment of time, money and resources.

Major retailers and wholesalers are penetrating the African economy and some are increasing their presence. In order to successfully move into unfamiliar and unpredictable geographies, these enterprises need to be aware of and prepared for challenges posed by different economic, political and cultural environments. The impact on resource requirements is great as qualifications, skills and experience to work in the international trading environment is critical.

The W&R SETA needs to focus skills development initiatives on programmes to improve knowledge of the global trading environment, including potential study visits to the relevant international locations.

1.7.2 Speed to Market

Remaining competitive in a sluggish market, particularly in the face of threats such as the entry of foreign retailers (such as Wal-Mart), is dependent on speed to market and responsiveness to fast-changing consumer preferences. The ability to innovate, source and alter stock levels in line with changing consumer demands is therefore vital. Small batch production; short lead times; quick style and product changes; and speed from manufacturer to retail floor are all areas that staff needs to be conversant with.

W&RSETA skills development initiatives must focus on training in areas such as:

- complex supply chains;
- methodologies such as just-in-time;
- entrepreneurship; and
- customer relationship management

1.7.3 Digital Revolution

In order for the Wholesale and Retail Sector to become efficient, effective and economical enough to maximise profit margins and customer experience, technological change is critical. The retail industry is in the midst of a consumer revolution. The key drivers of this revolution are the rapid adoption of mobile devices, digital media and tablets equipped with shopping applications. Wholesalers and retailers risk potential growth and development if they do not stay abreast of technology.

The type, level and mix of skills required by multi-channel retailing presents a challenge to the sector. The W&R SETA needs to focus skills development on initiatives such as learnerships that include new technologies, and training in digital media, social networking and marketing. The skills development emphasis should include developing of talent pipelines to harness customer strategies.

1.7.4 Skills Shortage

The shortage of skills has been researched and analysed and is presented in detail in Section 3.3 of this report. Stakeholders highlighted PIVOTAL, Scarce and Critical skills and reasons for the scarcity. The skills gaps exist for various occupational categories and levels from Management to Elementary occupations and from numeracy and literacy to supervisory skills. Wholesale and Retail Sector workers are required to keep abreast of the rapidly evolving landscape in areas such as retail management processes and operations.

The lack of staff with the required qualifications and skills especially retail-specific experience, combination skills such as product knowledge and sales, basic literacy and numeracy skills, and technical training aggravate skills shortages. Stakeholders emphasized the lack of learners with the requisite level of numeracy and literacy and comments include "our assessment processes place Grade 12 learners at an effective Grade 9 level" (Focus Groups, 2015). Coupled with this is the lack of suitable staff and training providers in specific locations.

Skills shortages in the sector especially for PIVOTAL occupations have the potential to impact successful operations and growth in the sector. The impact on staff is that they are placed in roles for which they are often neither qualified nor experienced and are thus unable to perform key functions.

The impact on skills development in the Wholesale and Retail Sector is the need for initiatives to partner with training providers to address these specific pivotal, scarce and critical skills. Stakeholder comments highlighted that skills development should focus on, amongst others:

- "bridging programmes in both numeracy and literacy";
- Training in sales with sector-specific product knowledge in sports equipment, hardware, interior design, electrical, lighting, pharmaceutical, furniture and fuel retail.

1.7.5 Responsible Buying

The emergence of responsible buying (e.g. a preference for organic food, green technologies, and socially-conscientious purchases) is a consumer trend that retailers increasingly need to be responsive to. Such changing consumer preferences present both risks (with regard to product substitution) and opportunities (to encourage additional sales) to retailers. To respond to such challenges and opportunities, retailers need to stay abreast of such emerging consumer needs, and to plan and implement suitable responses. For instance, making organic food available to consumers, while ensuring cost-competiveness, requires research skills, negotiation skills (e.g. to establish the required relationships with small producers), and a mastery of logistics (e.g. to ensure product reaches retail outlets in good time, at reasonable cost).

The type, level and mix of skills required by consumer responsible buying presents a challenge to the sector. The W&R SETA needs to focus skills development on initiatives such as learnerships that include consumer research, green technologies, negotiation, and logistics.

1.8 Alignment with National Strategy and Plans

Policy and legislation that inform the W&R SETA's Strategic Plan and Annual Performance Plan must be taken into account in the Wholesale and Retail Sector skills planning. These policies aim to ensure uniformity and facilitate impact through the education and training system. Below is a table summarising the National Policies that guide the operations of the W&R SETA. It demonstrates the alignment of the W&R SETA Strategic Plan to Government National Policies and Strategies.

Table 1-7: National Strategies/ Policies and their implications for Skills Development in the Wholesale and Retail Sector

National Strategies/ Policies Impacting on the Wholesale and Retail Sector
National Skills Accord 8 commitments to be followed: • Expand more fully the level of training using existing facilities • Create internship and placement opportunities available in the workplace • Set guidelines of ratios of trainees and artisans, as well as across the technical vocations, in order to improve level of training • Improve the funding of training, the use of funds available for training and provide incentives for companies to train • Set annual targets for training in state-owned enterprises • Improve SETA governance and financial management, as well as stakeholder involvement • Align training to the New Growth Path and improve SSPs • Improve the role and performance of TVET colleges
Industrial Policy Action Plan II (IPAP II) IPAP has identified several growth sectors which will address the high rate of unemployment in the country.
New Growth Path (NGP) The New Growth Path identifies 5 job drivers: • Infrastructure for employment and development • Improving job creation in employment and development • Seizing the potential of new economies • Investing in social capital • Spatial development
National Development Plan 2030 (NDP) The National Development Plan 2030 has identified the following 9 key areas in order to achieve a development approach that is sustainable and inclusive: • Creating jobs and livelihoods • Expanding infrastructure • Transitioning to low carbon economy • Transforming urban and rural spaces • Improving education and training • Providing quality healthcare • Building a capable state • Fighting corruption and enhancing accountability • Transforming society and uniting the nation
White Paper for Post-School Education and Training (WPPSET) • Set out strategies to improve the capacity of post-school education and training system to meet SA's needs. • It is a vision for an integrated system of post-school education and training with all institutions playing their roles.
National Skills Development Strategy (NSDSIII) • The vision is a skilled and capable workforce that shares in, and contributes to, the benefits and opportunities of economic expansion and an inclusive growth path. • Acts as strategic guide for skills development and provides direction to skills planning and implementation in the SETAs. • Sets out the linkages with, and responsibilities of, other education and training stakeholders.

1.9 Chapter Conclusion

This chapter focused on identifying and describing factors that are driving change in the sector; influencing skills demand either positively or negatively. These findings lead into the analysis undertaken in the next chapter.

Chapter 3: Extent of Skills Mismatch

Introduction

This chapter focuses on understanding occupation-specific skills mismatches for employers in the sector; including consideration of the extent and nature of supply and demand for skills.

The demand for Wholesale and Retail Sector skills focuses on employment patterns and conditions, the occupations that research and analysis have shown to be difficult to fill, the number, type and availability of training providers as well as the gap areas. An analysis of the supply side is presented covering secondary and tertiary sectors as well as W&R SETA training. These two sub-sections are concluded with a view of the challenges that currently dominate. This chapter also provides lists of key PIVOTAL, scarce and critical skills developed from extensive research and stakeholder engagement that include the e-Retail and Fuel Retail Sectors. Reasons for the scarcity and potential interventions are then outlined.

1.10 Extent and Nature of Demand

The demand for skills refers to the employers' needs for skills in the sector. This section covers various aspects of skills demand in the Wholesale and Retail Sector.

1.10.1 Employment Patterns and Trends

Attrition

The perceptions of stakeholders with respect to patterns and trends that impact employment in the sector indicate that there is significant attrition in the sector due to the sector being "used as a stepping stone" and "extreme high turnover due to poaching" (Focus Groups, 2015). Working conditions for Wholesale and Retail Sector staff was also cited as a challenge in the sector in terms of attracting and retaining staff. Stakeholder input suggests that employees are likely to "resign for a better proposition elsewhere" once they have obtained the training and/or experience. Job descriptions are cited as "changing much faster than what the curricula allows" due to issues such as technological advances that require specific information-related qualifications and skills. Stakeholders indicated that this has resulted in people occupying roles that they are unable to fulfill.

Changing Demographics

There was also an indication from stakeholders that there are "more women being employed than men" and that the "market has been flooded by women". This is despite the perception that there are "men sitting at home who have skills that can be used to fill shortages". Some stakeholders on the other hand, indicated that "women are still locked out of the main stream of the economy" and "there are certain occupations that women are still shying away from as they find them too aggressive" and "there are few women in retail management/leadership".

Stakeholders also indicated that the "influx of foreign nationals into the country" is impacting employment for South Africa citizens.

Earnings Trends

In terms of wage trends in the Wholesale and Retail Sector, median monthly earnings increased from R2 900 in 2010 to R3 033 in 2014. Earnings levels also increased in the Wholesale and Retail Sector between 2010 and 2014 especially in skilled occupations such as Managers and Professionals. Earnings inequalities are however still evident among population groups. In 2014, a White employee earned close to 4 times the median earnings of a black African employee. Median earnings in 2014 were highest in Gauteng and Western Cape.

1.10.2 Conditions of Employment

According to a recent proposal submitted by the COSATU-affiliated Southern African Clothing & Textile Workers' Union (SACTWU), the average monthly minimum wage for the lowest paid worker in the retail sector (shop assistant) and the lowest paid worker in the wholesale sector (general assistant) is far below the average monthly minimum wage for a labourer in the manufacturing sector. SACTWU submitted its proposals to the Employment Conditions Commission to increase the wages of all categories of retail workers. This follows a government gazette notice recently published by the minister of labour, notifying the industry that the sectoral determination governing conditions of employment in the Wholesale & Retail Sector is being reviewed[3].

This was substantiated by the following comments by stakeholders (Focus Groups & Interviews, 2015) about the low remuneration, which appears to sometimes have a link to geography:

- "low salaries in comparison to corporate sector";
- "not attractive to specialist skills e.g. Accountant and IT";
- "The will to work on commission is very hard to come by. People mostly want a job with a fixed salary that they are guaranteed without having to work hard for it";
- "salary not aligned to strong candidates in other provinces";
- "Salary range offered in KZN lower than in Gauteng"; and
- "Cannot meet salary expectations".

Stakeholders also indicated poor conditions of employment that included unsuitable working hours:

- "long working hours include weekends";
- "long retail hours";
- "hours work is always a problem";
- "retail store trading Hours are also a deterrent"; and
- "Position entails the successful candidate to work half days, for which many candidates were not happy with".

Occupations in the Wholesale and Retail Sector are reported as often being stressful:

- "Work pressure is high";
- "Employees have more stress and responsibilities in this working environment"; and
- "This vacancy is very strenuous; it involves a lot of commitment, hard work and skills".

1.10.3 Occupations that are difficult to fill

Occupations are defined as difficult to fill when finding candidates with the relevant qualifications, work experience and attributes at current remuneration levels to fill these occupations generally take at least 3 months.

The high demand for **General Retail Managers** is due to there not being enough people with experience in this profession. According to stakeholders, it is especially difficult in specialist retail stores such as in multi-media where candidates either have the technical skills and lack the management experience or vice versa.

In rural communities, finding **Retail Managers** with the skills to run their store independently is reported as being a huge challenge.

Difficulties experienced in sourcing Sales Assistants are due to a lack of product knowledge and experience particularly in the cellular and hardware industries. Retailers such as jewelers reported finding it difficult to source candidates that can pass the required polygraph test. Stakeholders indicate that the difficulty in filling positions for butchers is due to a lack of qualified and skilled candidates.

[3] Fin24. (2015). Clothing retail workers must earn much more. [Online]. Available from www.fin24.com. [Accessed: 19th July 2015].

A lack of accredited training providers was also cited as an issue in areas such as Port Elizabeth. The primary reason stakeholders provided for a lack of **Retail Supervisors** in the Wholesale and Retail Sector is a lack of qualified people. This was also stated as the main reason for difficulties in filling **Confectionary Baker** positions together with insufficient new entrants into the industry.

Service Stations Attendant positions are difficult to fill due to a high staff turnover. Stakeholders indicated that staff often left once they were trained.

The reason for scarcity in filling **Forklift Driver** vacancies is the lack of candidates with licenses that meet equity requirements.

Stakeholders indicated that the shortage of **Retail Buyers and planner** is primarily due to lack of experience in specific industries such as the Clothing, Footwear and Apparel industry.

Reasons provided for the scarcity in **Automotive Parts Salespersons** include poaching by competitors once employees are trained, lack of product knowledge and sales techniques and a lack of experience in specific areas such as trailer parts sales.

Office Cashiers are, according to feedback from stakeholders, difficult to source in the rural areas of the Eastern and Northern Cape. An additional challenge is the high staff turnover of this occupation.

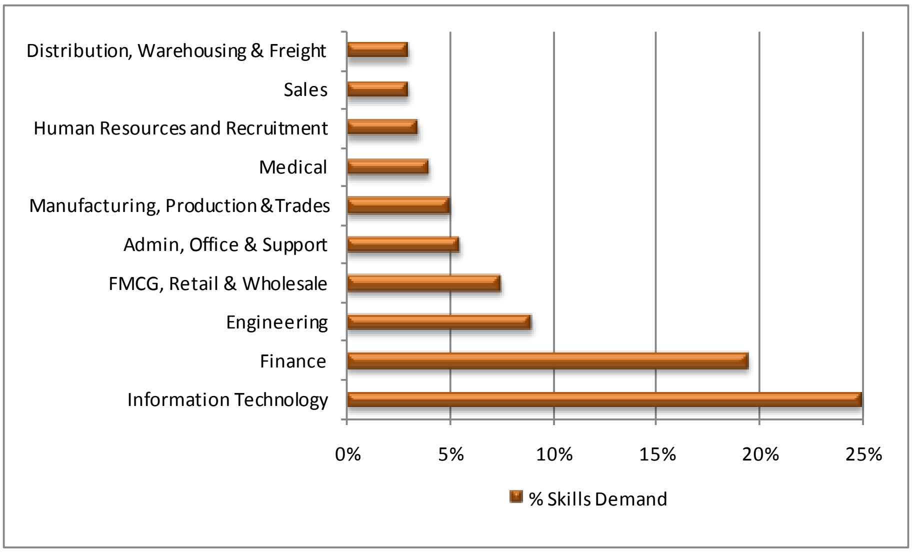
1.10.4 Number and Types of Vacancies

The online vacancy analysis below draws on research conducted by The Career Junction, South Africa's largest online recruitment website. The information is based on occupations in all sectors.

1.10.4.1 High Skills Demand

The graph below indicates sectors in which there is a high skills demand.

Figure 0-1: Sectors with a high skills demand



Source: Career Junction Index, June 2015

The overview of vacancy levels across various industries illustrated in the figure above provides a good indication of where the majority of employment takes place. The Information Technology and Finance industries are undoubtedly the most sought after, followed by the Engineering; FMCG (Fast Moving Consumer Goods), Retail & Wholesale; and Admin, Office and Support industries, among others listed.

1.10.4.2 Recruitment Conditions

Below is a table of the online labour market situation, taking into account the amount of active career seekers and the amount of advertised jobs on the Career Junction website. The table shows the number of work-seekers who have applied for jobs per advert on the Career Junction website. It thus gives an indication of skills demand. Note that this is not an indication of how many career seekers have applied to positions, but rather the number of potential career seekers who have been active on the Career Junction website in the previous 6 months.

Table 0-1: Applicants per Advert, Career Junction

Sector	Number of applicants	Recruitment
Information Technology	6.14	Difficult
Travel & Tourism	11.92	Moderate
Finance	11.92	Moderate
Building & Construction	22.59	Easy
Sales	22.59	Easy
Business & Management	23.03	Easy
Hospitality & Restaurant	31.68	Very easy
FMCG, Retail and Wholesale	**47.22**	**Very easy**
Legal	47.23	Very easy
Transport & Aviation	48.67	Very easy
Maritime	49.03	Very easy
Admin, Office & Support	157.27	Very easy

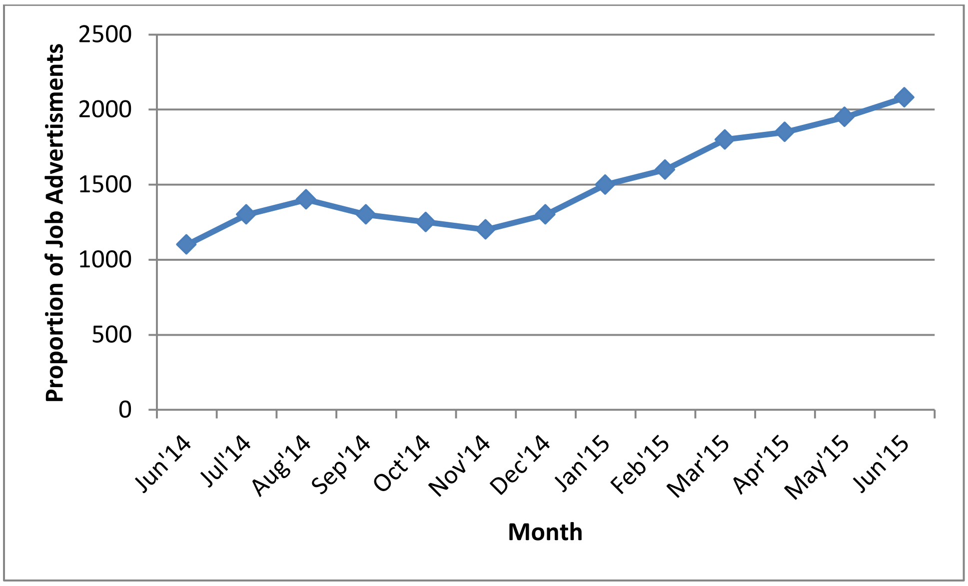
Source: Career Junction Index, April 2015

Recruitment was rated "Very easy" in the FMCG, Retail and Wholesale sector during the period under review with 47 potential career seekers per job advert.

1.10.4.3 Annual Trending Analysis

Below is a graph showing the trends in volume of job adverts in the FMCG, Retail and Wholesale sector published on the Career Junction website over the previous 12 months.

Figure 0-2: Number of Employment Adverts in the FMCG, Retail and Wholesale Sectors



Source: Career Junction Index, June 2015

The number of job advertisement has increased within the Retail and Wholesale sector since January 2015. There has been a growth of 980 (89%) between Jun 2014 and June 2015.

1.11 Extent and Nature of Supply

The future growth prospects of a sector are dependent on the availability of appropriate and affordable skills and an analysis of the supply-side is necessary. This sub-section analyses the supply of skills to the W&R sector both within a national context and regional context. Trends from both the secondary and tertiary education sectors are analyzed.

South Africa is plagued by inadequate skills levels and poor work readiness of many young people leaving formal secondary and tertiary education and entering the labour market for the first time. This is compounded by inadequate linkages between institutional and workplace learning, thus reducing the employability and work readiness of the successful graduates from TVET and HET institutions

1.11.1 Extent of Occupational Skills Supply

This sub-section establishes the extent of occupational skills supply in the sector, based on sector-specific training and education undertaken. Given that some entrants to the sector possess no more than a basic education, or generic graduate qualifications, this section commences with an examination of output for such general qualifications.

Basic Education

A total of 532,860 learners enrolled to write the final matriculation exam last year, with 403,874 passing. A total in excess of 700,000 dropped out before writing matric the previous year. Entry level positions in the Wholesale and Retail sector (such as cashiers and packers) provide opportunities for school leavers, and others that choose not to pursue post schooling qualifications.

TVET sector

TVET colleges form a critical component of the current training capacity of artisans. TVET colleges offer training for the NQF Level 4 National Certificate Vocational (NCV).

From interviews with employer representatives regarding TVET colleges, industry seems to be willing to work with TVETs to ensure more rounded and capable students are produced. Some employers did mention that TVET colleges are strong on theory but do not adequately equip the students practically. Focus on TVETs should therefore not be on the numbers but rather on the quality of students coming through to ensure their employability and acceptance by industry. Employers interviewed also mentioned that quality of TVET students might not be up to their standards because of the quality of lecturers used specifically using non-tradesmen to teach trades. Greater cooperation between industry and TVETs is required to help feedback into the curriculum and also to provide workplace exposure to both the lecturers and students.

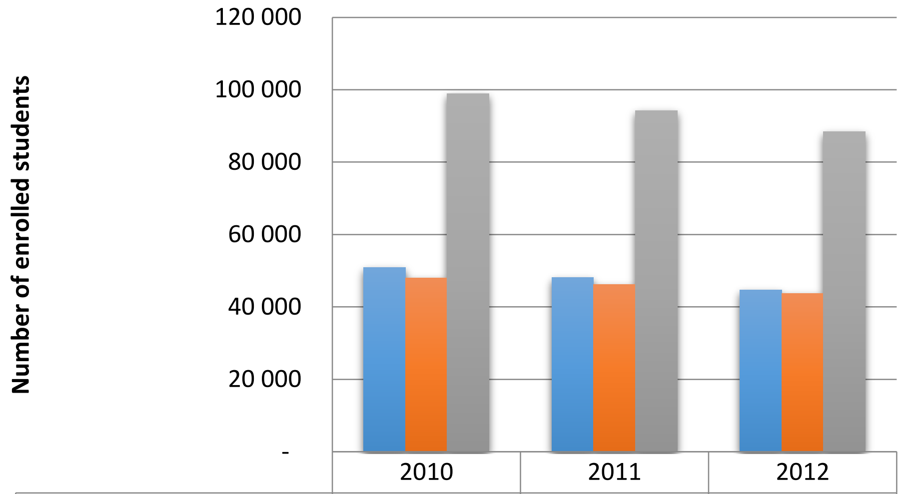
The recommendation that was put across by employers is that the TVET curriculum must be designed in a way that vocational training is always linked to on- the-job work experience to ensure that the skills being acquired are those that are in demand in the workplace.

Higher education and training

Higher Education and Training, or tertiary education, includes education for undergraduate and postgraduate degrees, certificates and diplomas, up to the level of the doctoral degree. In recent years more school leavers have been getting marks that enable them to enrol for studies at university, which creates bottlenecks in all institutions.

Graduates from universities are potential candidate managers and professionals that can be attracted into the higher occupational categories of the Wholesale and Retail sector.

Figure 0-3: University intake by major field of study



	2010	2011	2012
Sciences, Engineering and Technology	50 858	48 111	44 759
Management and Business	48 052	46 166	43 736
Total	98 909	94 277	88 495

Source: Quantec, 2014

From the table above, there appears to be an adequate pool of potential candidate managers and professionals that can be channeled into specific W&R SETA pivotal programmes. It must be noted that there are very few programmes at formal institutions that are dedicated to preparing students for employment in the retail sector. Graduates from these institutions may therefore exhibit the necessary skills to enter the retail sector, but opt for positions in other industries.

1.11.2 State of Education and Training Provision

This section provides an outline of training provided in the Wholesale and Retail sector, in particular accredited W&R SETA training.

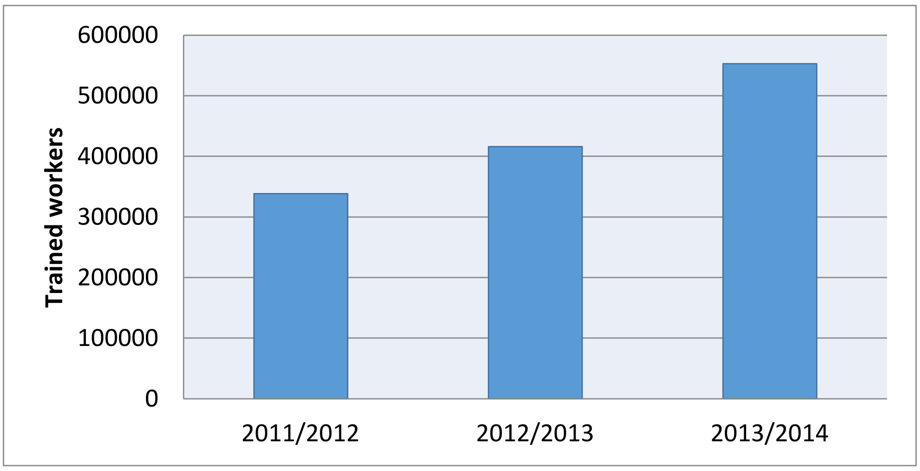
1.11.2.1 W&R SETA training

During the 2014/15 financial year the W&RSETA embarked upon several collaborative initiatives to address the challenges facing the W&R sector and the country as a whole, in order to realize the objectives of the NSDS III. The SETA partnered with numerous organisations to provide training to relevant stakeholders.

1.11.2.2 Training workers

From the figure below, a total of over 500 thousand individuals received training in various occupational classes.

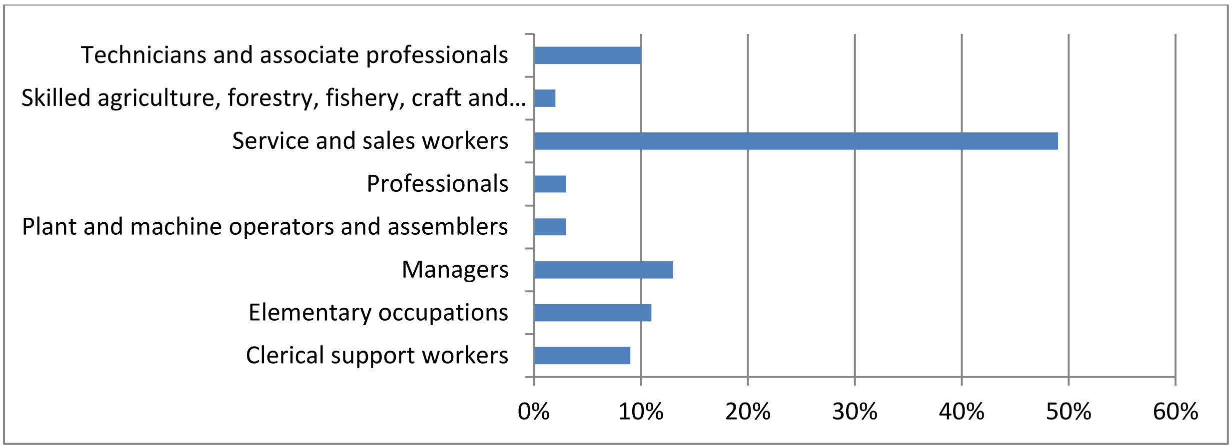
Figure 0-4: Training workers



Source: ATR, 2016

The number of workers trained year-on-year represents an uptake in training in the sector. Over 135 000 individuals more were trained during the 2013/2014 period representing a 33% increase from the 2012/2013 figure.

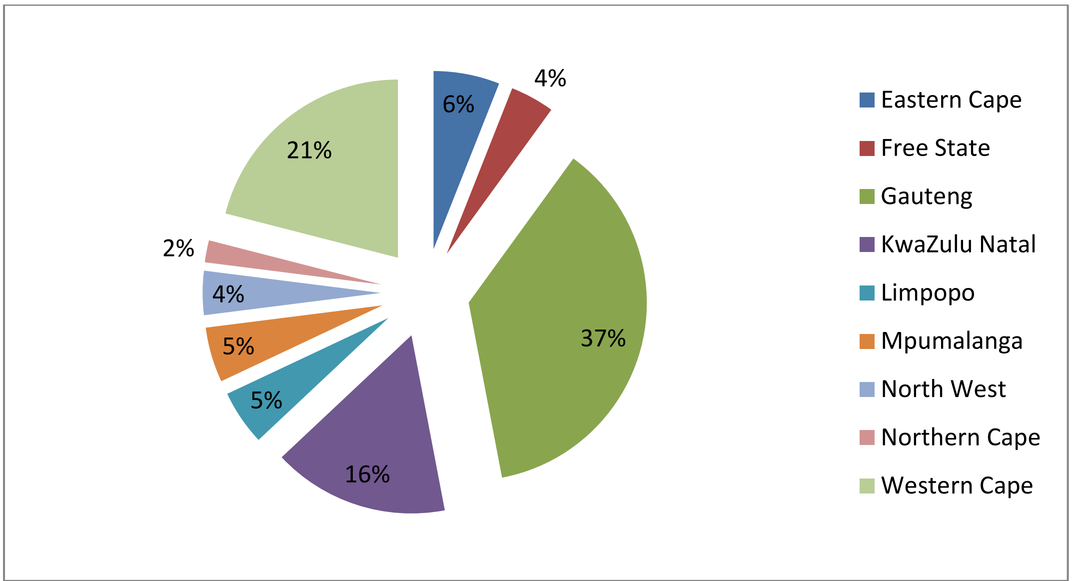
Figure 0-5: Number of people trained per occupational class 2013/2014



Source: W&RSETA - Annual Report 2013/14

49% of those trained where in the service and sales workers class followed by 13% from the managers' occupational class. This level of training has a positive impact on the supply side of labour in the sector.

Figure 0-6: Number of people trained per province 2013/2014



Source: W&RSETA - Annual Report 2013/14

As is to be expected the provinces with the greatest proportion of people trained in 2013/2014 were Gauteng, KwaZulu-Natal, and the Western Cape, those provinces with the highest number of employees for the sector.

The table below records the number of people trained by occupations.

Table 0-2: Planned training by Top 30 occupations

Large and medium companies		**Small companies**	
Occupation	**No. Trained**	**Occupation**	**No. Trained**
Sales Assistant (General)	204 853	Service Station Attendant	4 944
Retail Manager (General)	52 199	Sales Assistant (General)	4 841
Checkout Operator	33 795	Store Person	1 762
General Clerk	19 864	Office Cashier	1 442
Retail Supervisor	12 848	Checkout Operator	1 411
Shelf Filter	12 844	General Clerk	959

Large and medium companies		Small companies	
Occupation	**No. Trained**	**Occupation**	**No. Trained**
Stock Clerk / Officer	11 530	Retail Manager (General)	878
Visual Merchandiser	9 376	Delivery Driver	866
Store Person	9 201	Packer (Non Perishable Products)	847
Office Cashier	8 538	Sales Clerk / Officer	775
Call Centre Salesperson	7 065	Sales Representative/Salesman (Industrial Products)	747
Corporate General Manager	6 098	Director (Enterprise / Organisation)	717
Call or Contact Centre Manager	4 554	Retail Supervisor	702
Operations Manager (Non Manufacturing)	4 442	Handyperson	673
Food Service Counter Attendant	4 078	Accounts Clerk	594
Dispatching and Receiving Clerk / Officer	3 946	Commercial Sales Representative	525
Confectionary Baker	3 602	Office Administrator	500
ICT Sales Assistant	3 545	Sales Representative (Personal and Household Goods)	465
Accounts Clerk	3 457	Sales Manager	429
Packer (Non Perishable Products)	3 217	Fire Fighter	379
Retail Buyer	3 125	Sales Representative (Medical and Pharmaceutical Products)	365
Sales and Marketing Manager	3 038	Finance Manager	330
Sales Representative (Personal and Household Goods)	2 784	Shelf Filler	322
Office Administrator	2 733	Warehouse Administrator / Clerk	301
Manufacturer's Representative	2 609	First Aid Attendant	293
Credit or Loans Officer	2 445	Dispatching and Receiving Clerk / Officer	289
Sales Manager	2 445	Confectionary Baker	282
Food Trade Assistant	2 242	Forklift Driver	271
Supply and Distribution Manager	2 124	Truck Driver (General)	264
Service Station Attendant	1 889	Receptionist (General)	259

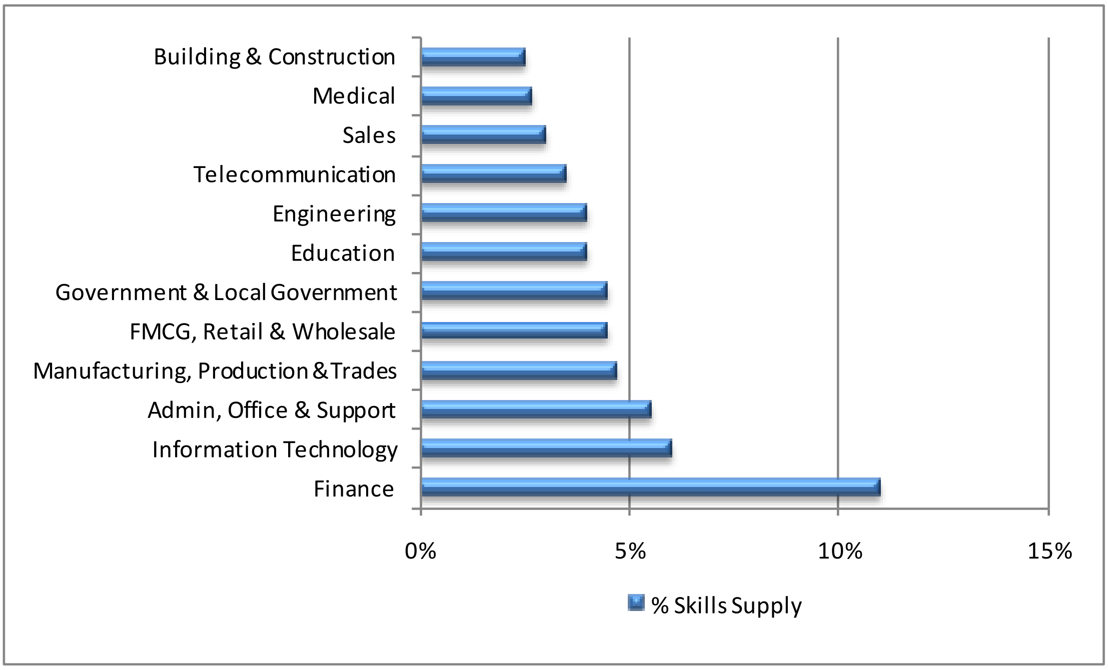
Source: ATR, 2015

Most of these occupations have been identified as scarce skills. There seems to be minimal difference between large/medium and small companies in relation to whom they train from the above table

1.11.2.3 High Skills Supply

The graph below indicates sectors in which there is a high skills supply according to the Career Junction Index (2015) online analysis.

Figure 0-7: Sectors with a high skills supply



Source: Career Junction Index, June 2016

When looking at active career seekers across various sectors areas of high skills supply correlates closely to areas of high skills demand; with some sectors showing an undersupply of skills. These include the FMCG, Retail & Wholesale, Finance, Information Technology and other sectors.

1.11.3 Supply problems experienced by the sector

There are a number of challenges relating to skills supply within the Wholesale and Retail Sector.

Lack of practical training at TVET colleges

Stakeholders indicated that while the TVET College's focuses strongly on theory, students are not adequately equipped practically. In order to increase employment and enhance employability, students should be fully equipped to enter the workplace with practical as well as theoretical abilities.

Trade lecturers lacking trade qualifications and experience

There was an indication from stakeholders that lecturers who are not qualified and skilled in trades are lecturing trade subjects. This could have a detrimental effect on students' abilities to successfully enter the workplace. Workplace exposure for lecturers and students could address this issue.

Limited number of programmes catering for employment in the retail sector

There is a lack of programmes at formal institutions developed specifically for employment in the retail sector. These graduates might have acquired the necessary skills for access into the sector but choose positions in other industries. There is a definite need for programmes designed specifically to prepare students for employment in this sector.

Insufficient Number of Service Providers

There are a limited number of providers or institutions offering training for wholesale and retail professions, e.g. the number of providers of training for Butchers and Confectionary Bakers is particularly limited. These are specific requirements for the Wholesale and Retail Sector that need to be addressed.

Access to Training Locations

There are challenges associated with where training providers are located and where the training needs are most desperately needed. Suitable training facilities are not always readily available in rural areas and enterprises are unwilling to send staff for training in other areas due to expenses incurred. In many settings technology also is a key factor restricting training modalities. Training is often of a generic nature and often there are insufficient providers able to customize in-house training specific to the needs of the organization. Further investigation is required to investigate different training models, the purpose of the training, the quality of teaching and learning, and where the training is located in relation to the need identified.

1.12 Skills Gaps

1.12.1 Skills Demand

1.12.1.1 Scarce skills

The term "scarce skill" refers to those occupations in which there is a shortage of qualified and experienced people – current or anticipated. Scarce skills can involve relative scarcity (suitably skilled people that are available, but do not meet other employment criteria) or absolute scarcity (suitably skilled people are not available in the labour market). The following table depicts the 10 most frequently cited occupations for large, medium and small companies in the wholesale & retail sector.

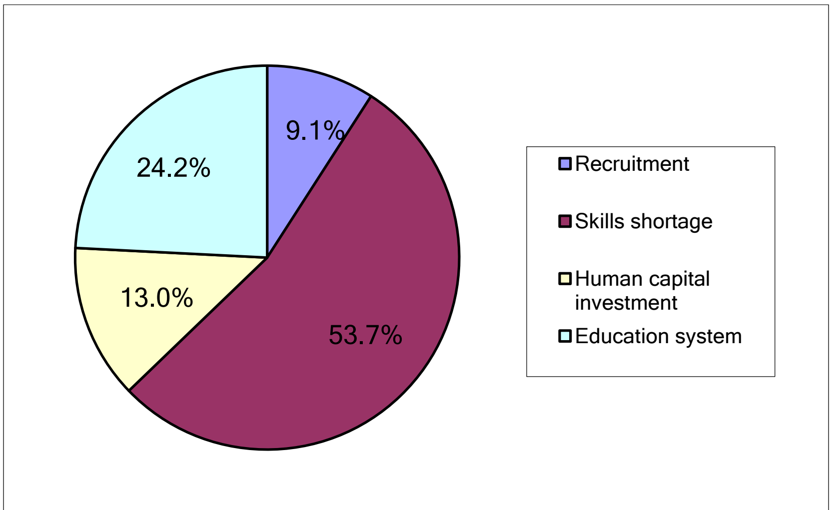
Table 2.5: National Top 10 Scarce Occupational List

NO	Occupation	OFO Code
1	Retail Manager (General)	142103
2	Sales Assistant (General)	522301
3	Butcher	681103
4	Retail Supervisor	522201
5	Baker and Confectionary	681201
6	Service Station Attendant	524501
7	Logistics (Distribution)	734402
8	Retail Buyer and Planner	332301
9	Automotive Parts Salesperson	522303
10	Office Cashier	523102

Source: WSP/ATR Analysis, 2015/16, SSP workshop, feedback, stakeholder survey-2016

The following, illustrated in the figure below, were indicated as key reasons for scarcity in the sector. Almost 54% of all stakeholders surveyed and/or interviewed indicated Skills Shortage as a reason for scarcity. Close to 25% indicated that scarcity is due to the Education System.

Figure 0-8: Reasons for Scarcity (n=243)



Source: Surveys (2015)

Other reasons for scarcity are presented below. These are substantiated by direct quotes from stakeholders from stakeholder consultations and surveys:

- poor conditions of employment
    - “working hours include weekends”;
    - “long hours”
- low remuneration
    - “low salaries in comparison to corporate sector”;
    - “not attractive to specialist skills e.g. Accountant and IT”
- high staff turnover
    - “retailers compete with Financial Institutions for numerate planning candidates”;
    - “retailers compete with each other for experienced retail management candidates”;
    - “people don’t stay for long in the post”
- lack of qualified applicants
    - “Finding suitably qualified Black professionals”;
    - “most employees have NQF and below”
- lack of work experience
    - “limited people with necessary product knowledge”;
    - “shortage in the medical industry”;
- lack of qualifications and skills programme
    - “lack of technical training for butchers”;
    - “no available training”;
    - “we don’t have retail managers with formal qualifications”
- Challenge to meet equity targets
    - “having to follow targets and find suitably qualified employees”;
    - “lack of Black retail managers with experience”;
    - “equity considerations”
- Geographical location
    - “rural areas - difficult to get skilled workers”;
    - “small-town syndrome”

1.12.1.2 Scarce skills by province

The table below highlights the scarce occupations by province.

Table 5: Scarce skills list for Western Cape and Eastern Cape

WESTERN CAPE		EASTERN CAPE	
OCCUPATION	OFO CODE	OCCUPATION	OFO CODE
Retail Manager	142103	Butcher	681103
Retail Supervisor	522201	Retail Manager (General)	142103
Retail Buyer	332301	Confectionary Baker	681201
Sales Assistant (General)	522301	Retail Supervisor	522201
Sales and Marketing Manager	122101	Sales and Marketing Manager	122101
Sales Representative	332203	Retail Buyer	332301
Butcher	681103	Information Technology Manager	133105
Confectionary Baker	681201	Accountant (General)	241101

Forklift Driver	734402	Forklift Driver	734402
Office Cashier	523102	Office Cashier	523102

Source: WSP/ATR Analysis, 2015/16, SSP workshop feedback, stakeholder survey-2016

Table 6: Scarce skills list for Northern Cape and Free State

NORTHERN CAPE		FREE STATE	
OCCUPATION	**OFO CODE**	**OCCUPATION**	**OFO CODE**
Retail Manager (General)	142103	Retail Buyer	332301
Retail Supervisor	522201	Retail Supervisor	522201
Butcher	681103	Retail Manager (General)	142103
Retail Buyer	332301	Bakery & Confectionary Machine Operator	716105
Confectionary Baker	681201	Plumber	642601
Human Resources Clerk	441601	Butcher	681103
Forklift Driver	734402	Truck Driver (General)	733201
Plumber	642601	Forklift Driver	734402
Boiler or Engine Operator	718201	Electrician	671101
Accountant (General)	241101	Boiler or Engine Operator	718201

Source: WSP/ATR Analysis, 2015/16, SSP workshop feedback, stakeholder survey-2016

Table 7: Scarce skills list for Kwa Zulu Natal and North West

KWA ZULU NATAL		NORTH WEST	
OCCUPATION	**OFO CODE**	**OCCUPATION**	**OFO CODE**
Retail Manager (General)	142103	Butcher	681103
Forklift Driver	734402	Sales Assistant (General)	522301
Retail Supervisor	522201	Confectionary Baker	681201
Sales Assistant (General)	522301	Retail Manager (General)	142103
Butcher	681103	Finance Manager	121101
Confectionary Baker	681201	Corporate General Manager	121901
Packer (Non Perishable Products)	832101	Production / Operations Manager (Forestry)	131102
Checkout Operator	523101	Construction Project Manager	132301
Cook	512101	Supply and Distribution Manager	132401
Chef	343401	Accounting Officer	242209

Source: WSP/ATR Analysis, 2015/16, SSP workshop feedback, stakeholder survey-2016

Table 8: Scarce skills list for Gauteng and Mpumalanga

GAUTENG		MPUMALANGA	
OCCUPATION	**OFO CODE**	**OCCUPATION**	**OFO CODE**
Retail Manager (General)	142103	Service Station Attendant	524501
Retail Supervisor	522201	Office Cashier	523102
Sales Manager	122102	Visual Merchandiser	343203
Automotive Parts Salesperson	522303	Confectionary Baker	681201
Sales Representative / Salesman (Industrial Products)	243301	Customer Service Manager	122105

Sales Representative (Personal and Household Goods)	332203	Checkout Operator	523101
Sales Assistant (General)	522301	Automotive Motor Mechanic	653101
Sales Representative (Business Services)	333903	Retail Manager (General)	142103
Retail Pharmacist	226203	Health Promotion Officer	325301
Commercial Sales Representative	332201	Butcher	681103

Source: WSP/ATR Analysis, 2015/16, SSP workshop feedback, stakeholder survey-2016

LIMPOPO	
OCCUPATION	**OFO CODE**
Sales Representative (Building and Plumbing Supplies)	332202
Retail Manager (General)	142103
Retail Loss Prevention Officer	541403
Retail Supervisor	522201
Retail Buyer	332301
Visual Merchandiser	343203
Sales Assistant (General)	522301
Electrician	671101
Butcher	681103
Business Training Manager	121202

Exhibit 9: Scarce skills list for Limpopo

Source: WSP/ATR Analysis, 2015/16, SSP workshop feedback, & stakeholder survey-2016

TOP 5 SKILLS LIST BY SECTOR

Figure 2.9: Scarce skills list by sub-sector: clothing, textiles & leather

RETAIL: CLOTHING, TEXTILES, LEATHER	
OCCUPATION	**OFO CODE**
Retail Manager	142103
Retail Buyer	332301
Retail Supervisor	522201
Visual Merchandiser	343203
Sales Assistant (General)	522301

Source: WSP/ATR Analysis, 2015/16, SSP workshop feedback, stakeholder survey-2016

Figure 2.10: Scarce skills list by sub-sector: food, beverage & tobacco

Source: WSP/ATR Analysis, 2015/16, SSP workshop feedback, stakeholder survey-2016

RETAIL: FOOD, BEVERAGE & TOBACCO	
OCCUPATION	**OFO CODE**
Retail Manager	142103
Retail Buyer	332301
Retail Supervisor	522201
Customer Service Manager	122105
Butcher	681103
Baker	681201

Figure 2.11: Scarce skills list by sub-sector: wholesale

GENERAL WHOLESALE	
OCCUPATION	**OFO CODE**
Warehouse Manager	132404
Logistics Manager	132402
Fleet Manager	132405
Supply & Distribution Manager	132401
Finance Manager	121101

Source: WSP/ATR Analysis, 2015/16, SSP workshop Feedback, stakeholder survey-2016

e-RETAIL	
OCCUPATION	**OFO CODE**
e-Commerce Manager	No OFO Codes
e-Commerce Planner	
Web Integrator	
e-Retail Managers	
Call Centre Agent	

Figure 2.12: Scarce skills for e-Retail

Source: WSP/ATR Analysis, 2015/16, SSP workshop feedback, stakeholder survey-2016

Figure 2.12: Scarce skills for fuel retail

FUEL RETAIL	
OCCUPATION	**OFO CODE**
Service Station Manager	142103
Service Station Site Supervisor	522201
Administration Manager	121301
Health and Safety Officer	

Source: WSP/ATR Analysis, 2015/16, SSP workshop feedback, stakeholder survey-2016

1.12.1.3 Critical skills

Table 0-3: Findings on the remaining 6 PIVOTAL skills

Critical skills refer to skills gaps within an occupation or 'top up' skills. Training for critical skills usually takes the form of short courses delivered in-house or externally. Such programmes, due to their short duration, do not require accreditation and thus does not lead to national qualifications on the NQF.

Both scarce and critical skills must be identified at the occupational level, with scarce skills being considered against the occupation itself and critical skills being reflected as specific skills within the occupation. The following Critical Skills were identified from WSP/ATR 2015/16, interviews, workshops and the literature:

Table 10: National Top 10 Critical Skills List.

No	Critical skills
1	Management
2	Leadership
3	Life skills (time management. Personal budgeting, Labour relations Knowledge)
4	Customer service
5	Selling
6	Product knowledge
7	Supervisory
8	Financial acumen
9	Numeracy & literacy
10	IT Skills Computer (Advanced)

Source: Stakeholder Feedback, 2016

1.12.1.4 PIVOTAL skills

PIVOTAL occupations refer to occupations that are not necessarily scarce but are important for the effective and efficient operating of the Wholesale and Retail sector.

The list below indicates the Top 10 PIVOTAL skills in the sector according to sector stakeholders. They are determined by the cumulative number of staff required for Small, Medium and Large enterprises.

Table 2.3: Top 10 PIVOTAL List

No	**Occupation**	**OFO Code**	**Number Required**	**Interventions**
1	Sales Assistant (General)	522301	9895	Skills Programmes & Learnerships- National Retail Sales.
2	General Clerk	411101	7100	Skills Programmes & Learnerships- National Certificate: Wholesale and Retail(Wholesale and Retail
3	Store Person	833402	4200	Skills Programmes & Learnerships- National Certificate: Wholesale and Retail Visual Merchandising
4	Checkout Operator	523101	3 850	Learnership- National Certificate: Wholesale and Retail Buying Planning
5	Retail Manager (General)	142103	4356	Academic Programme RMDP & ILDP and Learnership- National Certificate: Wholesale and Retail Generic Management
6	Service Station Attendant	524501	4 000	Skills Programmes & Learnership- National Certificate: Service Station (Forecourt Attendant)
7	Retail Supervisor	522201	2300	Learnership- National Certificate: Wholesale and Retail Supervision
8	Shelf Filler	833401	3000	Learnerships- National Certificate: Wholesale and Retail Merchandising Operations
9	Office Cashier	523102	2100	Skills Programmes & Learnerships- National Certificate: Wholesale and Retail Operations (Wholesale and Retail Operations)
10	Sales Representative (Hardware)	332203	430	Skills Programmes & Learnership- National Certificate: Wholesale and Retail Sales

Source: WSP/ATR Analysis, 2015/16, SSP workshop, feedback, stakeholder survey-2016

Table 2.4: PIVOTAL occupations and the interventions suggested

PIVOTAL occupations		**Suggested interventions by stakeholders during regional meetings and one-on-one consultations**
Scarce occupation	**Linked to critical skills Top 10 list?**	
General Clerk	Yes – numeracy & literacy, financial acumen, analytical thinking / problem-solving, computer (basic & advanced)	This occupation needs to be developed from NQF level 2. Skills such as numeracy & literacy, administration, time management, scheduling, financial acumen, multi-tasking, planning, organising and problem-solving are crucial for this occupation.

PIVOTAL occupations		Suggested interventions by stakeholders during regional meetings and one-on-one consultations
Scarce occupation	**Linked to critical skills Top 10 list?**	
Store Person	Yes –product knowledge, analytical thinking / problem-solving, computer (basic & advanced), numeracy & literacy, financial acumen	Skills in warehousing, supply, distribution and logistics need to be developed from NQF level 2. Additionally, skills such as time management, multi-tasking, planning, anticipating and problem-solving are crucial for this occupation.
Checkout Operator	Yes – numeracy & literacy, financial acumen, customer service, analytical thinking / problem-solving, computer (basic)	This occupation needs to be developed from NQF level 2. Skills such as numeracy & literacy, customer service, time management, financial acumen, multi-tasking, payments handling and problem-solving are crucial for this occupation.
Shelf Filler	Yes –product knowledge, analytical thinking / problem-solving, computer (basic), numeracy & literacy	Skills such as time management, multi-tasking, planning, anticipating and problem-solving are crucial for this occupation.
Office Cashier	Yes – numeracy & literacy, financial acumen, analytical thinking / problem-solving, computer (basic & advanced)	This occupation needs to be developed from NQF level 2. Skills such as numeracy & literacy, financial acumen, administration, and time management are crucial for this occupation.
Sales Representative	Yes – selling, product knowledge, customer service, analytical thinking / problem-solving, computer (basic & advanced), numeracy & literacy, financial acumen	• Qualifications to develop selling skills are in huge demand, with sector-specific modules to provide the required product knowledge. Sub sectors highlighted during stakeholder consultations where this need was emphasised include building & plumbing supplies, business services, chemical, commerce, education, ICT, industrial goods, medical & pharmaceutical, personal & household goods, photographic and printing & publishing). Additionally, product knowledge training should be ongoing as technology changes quickly. • Skills such as identification of opportunities, taking initiative, achieving an understanding of customer needs, analytical thinking, financial acumen, computer literacy, and negotiation and closing deals are crucial for Sales Representatives to be effective.

Source: Stakeholder Feedback, 2015/16

The table above indicates the PIVOTAL occupations and the interventions suggested by stakeholders.

1.12.2 Employability of Graduates

The Wholesale and Retail Sector provides significant opportunities for university graduates, as well as matriculants and school leavers. While school leavers may be able eligible for entry level positions (such as packers), matriculants choosing to pursue post school studies have the opportunity to pursue studies that enable more senior positions in the sector.

According to a study conducted by the Centre for Development and Enterprise (2013), the Retail and Wholesale Trade industry accounted for 7% of all graduates.

1.12.3 'Skills supply problems that firms are experiencing'

During the research process, stakeholders reported facing a number of challenges where skills are concerned. These challenges are tabled below.

Table 0-4: Skills Challenges

Occupation	Skills challenge
Sales assistants	• Finding a person with a good combination of selling abilities, customer service and excellent product knowledge was cited frequently by stakeholders as being very difficult to find. Sales staff with specific knowledge included Building Materials Knowledge was difficult to find. Sub sectors highlighted during stakeholder consultations included sport equipment, hardware, interior design, electrical, lighting, pharmaceutical, furniture, fuel retail. • It is difficult to develop low level staff to become supervisors unless they have developed basic skills such as numeracy, people skills and financial acumen.
Retail Managers	• There is a lack of Managers with retail-specific experience. • Retail Managers with leadership abilities are particularly scarce.
HR Managers	• HR Managers are difficult to find because of a lack of retail-specific experience.
Software Developers	• Software Developers are no longer just technical people – they now need to be both technical- and business-minded. This combination is difficult to find, and when they are found they are very expensive.
Senior Buyers and Planners	• Senior Buyers and Planners are scarce because a combination of vast experience in the field plus management skills is very rare to find. These people normally have to be imported.
Blockmen and Butchers	• Blockmen and Butchers are scarce because of a lack of qualifications. In the Eastern Cape, for example, there are no providers training Blockmen and Butchers.
Bakers	• Bakers are scarce because of a lack of technical training. They need to be developed from NQF level 2.

Source: Stakeholder Feedback, 2016

Stakeholders further reported facing the following challenges where skills are concerned.

- Exports- and imports-related qualifications are an urgent need in Mpumalanga. These skills are very scarce to find as well as expensive for a company to train internally owing to a lack of knowledge in the field.
- With regards to the QCTO qualifications, comments and concerns from stakeholders included:
  - Stakeholders are concerned that 20% customisation will not be possible in the new QCTO qualifications.

        - Regarding the existing unit standards, some stakeholders stated that they agree with the current structure because it allows employees to develop skills which are lacking to perform their jobs well, and in a fairly inexpensive way as it doesn't require full and lengthy qualifications.
        - Stakeholders would therefore like to understand whether skills programmes will continue to be funded when the QCTO qualifications are implemented.
    - Many stakeholders commented that the removal of funding for NQF level 2 qualifications is unfortunate for the following reasons:
        - It is the entry-level qualification for the W&R sector, which means it is aligned to government's priority to focus on developing the youth.
        - NQF 3 is too advanced for school-leavers and some graduates, therefore bridging programmes are required.
        - NQF2 provides exposure to many different areas such as admin, sales, management, marketing, so it provides learners with exposure to different areas of the sector and therefore the opportunity to choose appropriate career paths which are aligned to core interests and strengths.
        - As the new BBBEE codes which will be implemented in 2015 stipulate that extra points will be awarded for employing "unemployed" learners, NQF 2 is an ideal learnership to run to bring in unemployed people into the business as well as for the business to earn points.
        - NQF 2 learnerships are an opportunity to create employment, thereby aligning to government's priority where addressing unemployment in youth is concerned.
        - Very high turnover of shop floor staff so it's expensive to train these entry-levels employees.
    - Some small companies struggle to retain staff.
    - It is difficult to train in rural areas as critical mass to justify the costs of running training programmes there is tough to achieve.

1.13 Chapter Conclusion

This chapter focused on the identification of scarce and critical skills, building upon an analysis of the extent and nature of supply and demand. The employability of graduates continuous to be of importance to the W&RSETA and partnership with industry will be established to offer a qualification that prepares graduates for employment in the sector. The shortage of training providers in rural provinces will also be addressed as part of improving access to training in rural areas. The update in the scarce and critical skills list and ***Pivotal*** list has been made in line with the data analysis gathered from the W&RSETA SSP update research methods and processes. Chapter Three is primarily focused on the identification of critical and scarce skills in the W&R sector. The primary methods used to determine scarce and critical skills are interviews with key informants, regional workshops with stakeholders, literature reviews and analysis of WSP/ATRs.

A primary means for identifying and anticipating skills are workplace skills plans (WSPs) and annual training reports (ATRs). These are submitted by member companies to qualify for mandatory grant rebates from the skills development levies paid to the South African Revenue Services. The WSPs and ATRs provide a representative sample of the training planned for the future 12 months and training that actually occurred in the previous 12 months.

It is interesting to note that the majority of training is being done at the lower levels of the occupational class structure. This is due to the majority of workers in the sector being at the lower end of the occupational structure

2 Chapter 4: Sector Partnerships

Introduction

The purpose of this chapter is to assess the effectiveness of existing W&RSETA partnerships and to determine the outcomes of new partnerships the Wholesale and Retail Sector. It is important to understand the nature of the W&RSETA partnerships in order to assess their effectiveness in addressing the skills development requirements of the sector. The W&RSETA partnerships are mainly influenced by the sector key skills priorities and the SETA is having seven categories of partnerships:

1. Research partnerships (Universities).
2. Small Enterprise Development partnership (Rural and Townships business forums).
3. Trade Unions Partnerships.
4. Qualification development partnerships.
5. TVET colleges' partnerships.
6. Green Skills partnerships
7. Industry partnerships (Employers and providers)

2.1 Existing partnerships

Existing partnerships have enabled the W&R SETA to achieve some of its key skills development objectives. The following includes a description of each partnership; provides an overview of the need for the partnership, an examination of successes and opportunities for improvement, and endeavours by the W&RSETA to strengthen the partnerships.

1. **Partnerships with TVETS**
   - The SETA has collaborated with a number of TVETs to establish Schools of Excellence and to undertake joint development of learning programmes.
   - The W&RSETA's partnerships with the Mthashana, Majuba, Esayidi, Thekwini, Maluti, Motheo, Slaves Mareka and Goldfieds TVET Colleges were created to establish Schools of Excellence. This collaboration enables the provision of learnerships and relevant qualifications for learners to be placed in the Wholesale and Retail Sector.
   - The number TVET Schools of Excellence have increased to include Tshwane North TVET College and Ekurhuleni West TVET College.
   - The SETA has also appointed 29 TVET Regional Coordinators to work as W&RSETA representatives at the rural and township colleges.
   - A working group including representatives from TVETs, DUT, and employers drove the establishment of branded simulation / practicum rooms in four TVET's as well as the placement of 100 graduate interns at retail companies for workplace experience (representing an investment of R4.5 million) and 700 graduate interns at various Government departments (representing an investment of R31.5 million).
   - Initiatives by the W&RSETA to strengthen these partnerships include capacity building sessions to enhance the knowledge of TVETs and contracting QCTO consultants to ensure transfer of knowledge and capacity building on the process of TVET qualifications development.
   - The SETA views the current partnership initiatives with TVETs as successful, and plans to expand such partnerships to include more TVETs going forward.

1.1 TVET SIMULATION CENTRES- TVET College / Retail Simulations Centres: This project is aimed at capacitating colleges to deliver W&RSETA programmes with a two-pronged purpose of fostering collaboration between institutions and the sector and to produce graduates that meet the needs of the industry. These centres, established at the College of Cape Town (Western Cape), Gert Sibande (Mpumalanga), Ekurhuleni West College and Vuselela (North-West) TVET colleges, will provide practical experience on retail practices to ensure that colleges produce suitably qualified and experienced graduates.

Successes of the retail simulation centres

- During October 2014 - February 2015, the W&RSETA launched three retail simulation centres in three provinces across the country.
- Makro and Spar Lowveld have collaborated with the W&RSETA to equip the centres with the merchandise required for the simulated learning environments at the College of Cape Town and Gert Sibande TVET College respectively. The involvement of the Sector will go a long way to secure the workplace experience that is required by graduates and possible employment on completion of programmes. The colleges will deliver four learnerships on W&R Operations, Chain Store, Helpdesk and Merchandiser.
- These innovations contribute to improved prospects of employment for the graduates and promote the and promote the creation of self-employment opportunities.

Way-forward

- There is a need for job/work attachments.
- There is a need to roll-out the centres to other SMMEs.
- Co-operatives should also be included in training in simulation centres.

2. Partnerships with Universities

- W&R SETA has partnered with various universities to develop sector-specific qualifications, to establish Schools of Excellence, and to conduct research of the W&R Sector.
- The SETA has developed qualifications and established learnerships for the W&R Sector jointly with the DUT, resulting in 800 graduate placements. A similar partnership with CPUT has seen the development of retail qualifications within HEIs and provided support to masters and PhD bursary beneficiaries.
- Research partnerships have focused on collaboration on research into the W&R Sector. This may take the form of the SETA obtaining access to research studies undertaken by a university (e.g. access to retail sector analysis, labour market studies), or in the SETA providing direction on research topics, or broader collaboration on SSP oriented research. Partnerships have been established with Stellenbosch University (which provides access to Bureau for Market Research), CPUT (which has seen the establishment of a W&R Research Chair), and UNISA (the SETA subscribes to the Bureau for Economic Research).
- The SETA's partnerships with universities appear to be operating well, and no major changes to structure or functioning of these partnerships are planned in the near future.

3. Partnership with QCTO

- The W&R SETA works closely with QCTO to develop, register, and quality-assure retail specific qualifications. To date 1 qualification has been registered, with 8 more in the pipeline.
- While the partnership has been moderately successful, it has not delivered new retail qualifications at a pace that adequately meets industry's skill development needs.
- W&R SETA will work with QCTO going forward to attempt to shorten lead times for the registration of new retail qualifications.

4. **Partnership with Industry**
    - W&R SETA works closely with industry on the SSP development process, the development of Schools of Excellence, and on work placement programmes.
    - The W&RSETA's partnership with Decorland, Boxer Superstores, FG Knight, Mass Discounters, and Mass Cash was created to establish schools of excellence. This collaboration enables the provision of learnerships and Wholesale and Retail experience to graduates, in particular the placement of 700 graduates at these retail organisations.
    - The W&RSETA's partnership with the Department of Trade and Industry (the dti) was created to help develop the informal trading sector. This partnership enables the provision of relevant expertise in the informal trading sector in the form of skills development and training as well as to offer financial assistance to develop infrastructure. The W&RSETA Board has approved a R10 million project to address the challenges of SME.

5. **Partnership with Labour**
    - The W&RSETA's partnership with Federal Council of Retail and Allied Workers (FEDCRAW), South African Commercial, Catering and Allied Workers Union (SACCAWU), National Union of Metalworkers of South Africa (NUMSA), Entertainment Catering Commercial and Allied Workers Union of South Africa (ECCAWUSA) and South African Congress of Trade Unions (SACTU) was established to help capacitate unions. These partnerships enable the provision of assistance to employees in the Wholesale and Retail Sector on labour related issues. The W&RSETA also approved a project to capacitate Unions on various skills development needs.
    - The partnership has helped to ensure sustained capacity and ability to organize and service workers, especially those in precarious working environments as well as reduce levels of dependency on service providers and build internal capabilities and capacity as well as efficiency in all spheres.

2.2 New partnerships

The SETA is keen to build on the successes of existing partnerships to extend its skill development reach. In particular, it plans to pursue partnerships aimed at expanding retail skill development amongst smaller retail enterprises and on establishing further partnerships with SETAs relevant to the wholesale and retail sector and its challenges.

1. **Small Enterprise Associations**
    - Partnerships with industry associations focused on retail co-operatives, SMMEs, and informal traders are required to pursue skills development initiatives that are customised for these constituencies. Small retail enterprises have tremendous potential for growth and transformation of the sector. For this potential to be realised it is critical that the individuals within these businesses are provided with access to the required skills development opportunities. Innovative and creative skills delivery mechanisms will be required to account for the unique circumstances within which these businesses operate.
    - The SETA plans to leverage existing relationships with small enterprise associations (e.g. through representation on its Qualification Management Board) to establish the required partnerships.

2. Linked SETAs

- Given the overlapping scope of the W&R sector with regard to other SETAs it makes practical sense that the W&R SETA collaborates with these SETAs on skills development initiatives.
- The W&R SETA has a record or successful collaboration with other SETAs, e.g. the partnership with the F&PM SETA on the Work Layoff Training programme.
- The SETA plans to commence initiate discussion with related SETAs with the goal of identifying areas of overlap, as the foundation for collaboration going forward.
- The 2016/17 SSP review sessions with stakeholders have highlighted a need for Health and Safety compliance occupations in the sector. Thus, the SETA will be commencing discussions with the relevant SETAs in addressing the compliance occupations in the sector.

2.3 Chapter Conclusion

The W&R SETA has a track record of a number of successful partnerships, with universities, TVETs, and industry. Some partnerships have presented challenges that will help inform a more successful way forward. Further partnerships are required, in particular to address the skill development needs of small retail enterprises (SMMEs, co-operatives, and informal traders) and to address opportunities to realise synergies with other SETAs.

Chapter 5: Skills Priority Actions

Introduction

This chapter consolidates and presents the findings from previous chapters and reflects on priority actions for the W&R sector. The previous chapters provided the information and analysis and thus enable a response in the form of recommended actions that are outcomes-focused. Consideration is also given to national strategies and plans to ensure alignment with government's priorities.

5.1 Findings from Previous Chapters

Previous chapters have outlined a progressive analysis of skills areas, that have highlighted various skills challenge and opportunity areas that need to be remediated through the skills priority actions described in this, the final chapter of the SSP.

Chapter 1 (Sector Profile) described the scope of coverage of the sector, its key role-players, its economic performance and labour market profile; and how it has been evolving. Key findings included the following:

- While the wholesale and retail sector is considered highly competitive, and a significant contributor to South Africa's GDP, it has experienced sluggish market conditions and is facing marginal constant growth over the next 5 years;
- Small enterprises constitute 78% of the sector's organisations, but are underrepresented in terms of skills development initiatives. Informal retailers (accounting for 31% of the sector's employment) form part of these small enterprises, and are particularly in need to greater skills development.
- With just 7% of black people in the sector occupying management and professional positions and 21% in elementary positions; and under-representation of females in management positions, the sector provides opportunities to pursue a transformational agenda through skills development initiatives.

Chapter 2 (Key Skills Issues) examined drivers of change, alignment with national strategies and research methodology.

Key drivers of change for skills within the sector are:

•**Technology advancements**: The wholesale and retail industry is rapidly changing as a result of technological advancements. Changes include: mobile applications, online shopping, big data, social media, cyber-crime, mobile phones and internet usage.

• **Power shift to consumers**: Consumers today are increasingly empowered by the use of social networking sites. They now have a voice, and often a very loud and powerful one. Changes include: ethical issues, eco-friendliness and greening.

• **African retail growth**: Multinational are expanding rapidly into Africa and increasing the presence, some more aggressively than others. Changes include: growing economy, population growth, supply chain efficiencies, human resources, managing risk/reward trade-off.

• **SMME development**: The SMME sector in South Africa is relatively large and source products from wholesale companies. Changes include: small enterprise development, hawkers, casualisation and new training model.

• **Skills Shortage**: An evolving retail landscape has resulted in skills shortages at both management and elementary level presents the sector with challenges requiring urgent remediation.

Key policy drivers for the sector include the National Skills Accord (NSA), Industrial Policy Action Plan (IPAP), New Growth Path (NGP), National Development Plan (NDP) 2030, White Paper for Post-School Education and Training (WPPSET) and the National Skills Development Strategy (NSDS).

Chapter 3 (Extent of Skills Mismatch) focused on identifying occupation-specific skills mismatches for employers, as well as on skills gaps.

Pivotal Skills List: Sales Assistant (General) / Retail Buyer / Butcher / Confectionary Baker/ Retail Manager (General) / Sales & Marketing Manager / Retail Supervisor / Visual Merchandiser/ Office Administrator /Sales Representative.

Main Critical Skills: Leadership, management, product knowledge, computer literacy (basic & advanced), customer service, supervisory, problem-solving, communication, numeracy & literacy and financial acumen.

Chapter 4 identifies existing partnerships in the sector, focusing on best practice and success factors as well as measures to strengthen these partnerships. W&RSETA will look to capitalise on the successes of existing partnerships with TVETs, universities and industry to establish partnerships with small enterprise associations to reach retail SMMEs, co-operatives and informal traders. The twelve key interventions are recommended to address seven critical skills development priorities. The foregoing chapters have highlighted areas of focus for skills priority actions, which are outlined in the next section.

2.4 Recommended Actions

This section describes recommended actions within the context of key skills priorities for the W&R Sector.

2.4.1 Skills Priorities for the Sector

This SSP points to 7 key skills priorities for the W&R sector. These align both to national priorities and sectoral needs, and link clearly to skills issues and skills gaps identified. These priority areas are as follows:

1. **SMME and cooperatives development**: SMMEs, cooperatives, and informal traders have tremendous potential to create jobs and grow the sector. It is critical that these enterprises are supported with skills development. New training models are needed to meet the training needs of SMMEs.
2. **Youth unemployment**: The retail sector provides significant temporary employment opportunities for the youth. School-leavers and graduates are employed as packers, cashiers and clerks. The challenge is to convert these into permanent employment and encourage career development in the sector. This will encourage students to join the sector, rather than view it as a “second option”.
3. **Scarce and critical skills**: The identification of critical and scarce skills is a key deliverable of the SSP. This is necessary to ensure that the work of the SETA responds to the changing, demand-side needs of the sector. It also ensures that investments in skills development are effective and efficient since priority skills are addressed. The identification of scarce skills is also necessary to inform the DHET’s National List of Occupations in High Demand.
4. **Stakeholder engagement:** Stakeholder partnerships are increasingly becoming the adopted approach to meeting industry needs for skilled workers and workers’ need for better jobs. Partnerships address current and emerging occupational needs and skill gaps. It offers a mechanism to focus scarce resources on industries that are major job providers

in an area, as well as to focus comprehensively on the workforce skills, from entry level to advanced, required in the economy. Partnerships provide a means for the W&RSETA to engage directly with industry across traditional boundaries better aligning training programmes and resources.

5. **Training and employment of the disabled**: Despite a very progressive legislation and a clear commitment from the government, the majority of people with disabilities (PWD) still do not access the same opportunities of leading an independent life as non-disabled people do. Access to employment is low among people with disabilities. Therefore, improving access to mainstream training and access to employment are priorities to ensure that people with disabilities are able to fully participate in society.
6. **Trade union capacity-building**: There is a need to build institutional and individual capacities in trade unions. Individual capacities should be developed at all levels from general secretary to union members.
7. **Green Skills**: The W&RSETA interventions will also be aimed at promoting green skills in the sector by establishing necessary and relevant partnerships with other organizations. The capacity development sessions and awareness programmes will be used in addressing the green skills in the sector.

2.4.2 Proposed Interventions

The following interventions are recommended to address the skills priorities indicated above. These interventions are derived from the findings in this report, and are supported by input gained from interviews, surveys, and focus group consultations.

1. Small Enterprise Development

a) **Collaboration with Relevant Industry Associations**
Strengthen partnerships between W&R SETA and cooperative, small business, and informal retailer industry organisations. These partnerships should continue consultation on the SSP, and translate this into active collaboration on skills development initiatives for retail cooperatives, SMMEs, and informal traders.

b) **Alternative Skills Development Delivery**
A key issue in the delivery of skills development initiatives to smaller retail businesses, such as informal traders, is the difficulty such individuals experience in making themselves available to attend training. In acknowledgement of such unique circumstances, it is recommended that the W&R SETA explore alternative skills development mechanisms, such as coaching and mentoring; delivery of training closer to areas of trading, approaches such as “each one teach one” etc.

2. Youth Employment

a) **Raising Interest in the Sector**
to capitalise on the opportunities for youth employment in the sector, the first step that is required is to raise awareness of the sector amongst youth. This may then translate into interest, and ultimately the pursuing of employment in the W&R Sector. The W&R SETA could work with the Department of Basic Education to foster wholesale and retail career guidance or mentorship programmes in schools.

b) **Enhancement of Skills Development Capacity**
The W&R SETA will work with TVETS and HETs to strengthen their capacity to deliver W&R Sector specific courses. The introduction of programmes at NQF Level 2 for Store Clerks, Checkout Operators and Shelf Fillers and Office Cashiers, will provide opportunities for school leavers as well as grow skills that are required by the W&R sector. Store Clerks, without such training tend to be deficient in skill areas such as warehousing, supply, distribution and logistics.

c) Provision of Workplace Experience & Work Readiness Opportunities
The W&R SETA will pursue programmes focused on workplace placement for

unemployed graduates and internships for students. Aside from providing opportunities for the youth, this will also address the dire need for junior planners and buyers to gain the experience required to prepare them for more senior roles.

3. **Qualification Development**
   a) **Fostering Retail Management Competencies**
   The W&R SETA could assist with the development of management competencies within the retail industry by the introduction of management courses at lower NQF levels (e.g. levels 4 and 5) to develop leadership and strategic thinking capabilities early in a retail employees career, thus ensuring retail and management competence at more senior levels.

   b) **Building Core Skills**
   a properly functioning W&R sector organisation requires its staff to demonstrate core retail capabilities. These include customer service skills, selling skills, financial acumen, and interpersonal skills. Some the skills required are generic (e.g. computer literacy) while others are more specific (e.g. selling skills specifically for Service Stations Attendants, to leverage forecourt cross-selling opportunities). The development of selling skills in conjunction with product knowledge appears to an area of skill development that requires particular focus, particularly with regard to technology linked products such as sports equipment, lighting, photographic equipment, medical etc.

   c) **Enabling Specialisation**
   The W&R SETA will investigate the development of qualifications and training programmes required to build specialist skills, some of which relate to a lack of appropriate qualifications and some of which are related to areas of scarce skills. An example of the former is the need for separate qualifications for Buyers and Planners at NQF Level 6 and 7. Examples of the latter are the need for qualifications and training programmes and Learnerships for Bakers from NQF level 2; Fresh Meat Processing; Meat Cutting; Hygiene and Safety from NQF level 2; Forklift training courses. At a practical level, ensuring adequate OFO code representation for specialised (e.g. separate OFO codes for buyers and planners) or emerging occupations (e.g. Food Technologist) will allow for these occupations to be flagged as scarce skills, and thus to allow for recognition of their specific skill development needs.

4. **Sector Transformation**
   a) **Bursaries**
   The W&RSETA will provide full bursaries covering tuition, books accommodation and living allowances to students from financially disadvantaged backgrounds.

   b) **Targeted Initiatives**
   The W&R SETA will investigate ways in which to support transformation in the W&R SETA through targeted initiatives. Small enterprise development, targeting as it does co-operatives, SMMEs, and informal traders, will support the growth of this sector. Targeted youth employment initiatives, similarly, provides an opportunity to meet transformation objectives.

   c) **Facilitating Linkages**
   The W&R SETA aims to enable access to required support for transformation through facilitating linkages to appropriate organisations and programmes.

5. **Learning Programmes**
   a) Enabling Supervisory Skills Development
   There is a particular requirement for supervisory skill development to be enabled through learning programmes. This is expected to help better bridge the development gap from junior positions to management positions.

6. **Disability Programmes**
   a) The SETA will be partnering with the sector stakeholders in making awareness about people of disability in the sector. The employers will also be encouraged to make their workplace more accessible to people with disability.
7. **Green Skills**
   a) The W&RSTEA will be initiating a partnership for green skills in the sector with leading universities such as Stellenbosch University, Wits University and University of Cape Town. The W&RSETA will also be establishing partnership with the Department of the Environmental Affairs. The partnership will be focusing on information sharing and approaches to green skills.

Below is a table summarising the National Policies that guide the operations of the W&R SETA. It demonstrates the alignment of the W&R SETA Strategic Plan to Government National Policies and Strategies.

Table: National Policies alignment to W&RSETA strategies

National Strategies/ Policies Impacting on the Wholesale and Retail Sector	Implications for Skills Development in the Wholesale and Retail Sector
National Skills Accord 8 commitments to be followed: • Expand more fully the level of training using existing facilities • Create internship and placement opportunities available in the workplace • Set guidelines of ratios of trainees and artisans, as well as across the technical vocations, in order to improve level of training • Improve the funding of training, the use of funds available for training and provide incentives for companies to train • Set annual targets for training in state-owned enterprises • Improve SETA governance and financial management, as well as stakeholder involvement • Align training to the New Growth Path and improve SSPs • Improve the role and performance of TVET colleges	The W&RSETA Strategic Plan has prioritized the internship and placement opportunities for the unemployed within workplaces and artisan development. The W&RSETA Strategic Plan has focused its attention on improving the quality and credibility of the sector skills plan (SSP) and the capacitation of TVET colleges, in order to deliver Wholesale and Retail specific learning programs.
Industrial Policy Action Plan II (IPAP II) IPAP has identified several growth sectors which will address the high rate of unemployment in the country.	W&RSETA has identified an oversupply of skills at lower levels (e.g. NQF levels 1-3) and an undersupply at intermediate and higher levels (NQF levels 4 and higher). The W&RSETA seeks to bring about a critical balance required to address both these needs; stakeholders have confirmed that there is still a great demand for managers in the sector.
New Growth Path (NGP) The New Growth Path identifies 5 job drivers: • Infrastructure for employment and development • Improving job creation in employment and development • Seizing the potential of new economies • Investing in social capital	W&RSETA has identified initiatives within the 3rd, 4th and 5th job drivers which speak to the Green Economy, the Social Economy and Rural Development respectively.

• Spatial development	
National Development Plan 2030 (NDP) The National Development Plan 2030 has identified the following 9 key areas in order to achieve a development approach that is sustainable and inclusive: • Creating jobs and livelihoods • Expanding infrastructure • Transitioning to low carbon economy • Transforming urban and rural spaces • Improving education and training • Providing quality healthcare • Building a capable state • Fighting corruption and enhancing accountability • Transforming society and uniting the nation	The W&RSETA strategic plan has incorporated the following top priorities: • Unemployment - the W&RSETA will provide workplace placement for unemployed graduates as well as internships for students • Rural Development – funding will be made available for programmes that are run in the rural areas • SMME support – programmes are in place to support the development of SMMEs • Career guidance – career guidance will be run in schools • Bursaries – the W&RSETA will provide full bursaries covering tuition, books, accommodation and living allowances to students from poor families • Collaboration with TVETs and HETs – W&RSETA has put in place initiatives to strengthen the capacity of TVET colleges to deliver W&R sector specific programmes • Artisan development – the W&RSETA has in place initiatives to develop artisans and other trades In addition, the Strategic Plan was modified to incorporate the following issues which have been included in the revised Service Level Agreement (SLA): • Assessment of skills required for each sector and the identification of scarce skills • Improving and addressing the educational levels in the Sector; Partnerships between SETAs and public FET Colleges • The number of bursaries awarded and yet to be awarded to deserving young South Africans students with scarce skills at Universities and FET Colleges • Addressing Scarce and Critical Skills in the Sector including the number of learners that will be trained and placed as well as the companies that will be involved • Progress on the implementation of Recognition of Prior Learning • Number of agreements signed with public FET Colleges, Universities and other Training Providers as well as the amount approved for each agreement, which should also reflect the number of learners to be trained, types of training programs and the programs that are in place for the current fiscal year • Credibility and linking of the targets reflected in the Strategic Plan and Annual Performance Plan

	to a "Baseline" • Placement of students in the Sector as part of the agreement between the SETA and Companies through internships and work placement for experience • Development of a comprehensive plan to transform the public service into a training space to make a significant impact on the lives of the youth, which should include annual targets • Rural Development programs and their implementation • Presence of SETAs in rural areas and townships, as well as how and when they will be implemented • Number of public FET College and University students placed in companies to obtain work experience • Facilitating the exposure and placement of FET College lecturers to the Sector
White Paper for Post-School Education and Training (WPPSET) • Set out strategies to improve the capacity of post-school education and training system to meet SA's needs. • It is a vision for an integrated system of post-school education and training with all institutions playing their roles.	• Bursaries – the W&R SETA will provide full bursaries covering tuition, books, accommodation and living allowances to students from poor families • Collaboration with TVETs and HETs – W&R SETA has put in place initiatives to strengthen the capacity of TVET colleges to deliver W&R sector specific programs • Artisan development – the W&RSETA has in place initiatives to develop artisans and other trades
National Skills Development Strategy (NSDSIII) • The vision is a skilled and capable workforce that shares in, and contributes to, the benefits and opportunities of economic expansion and an inclusive growth path. • Acts as strategic guide for skills development and provides direction to skills planning and implementation in the SETAs. • Sets out the linkages with, and responsibilities of, other education and training stakeholders.	• Bursaries – the W&RSETA will provide full bursaries covering tuition, books, accommodation and living allowances to students from poor families • Collaboration with TVETs and HETs – W&RSETA has put in place initiatives to strengthen the capacity of TVET colleges to deliver W&R sector specific programmes • Artisan development – the W&RSETA has in place initiatives to develop artisans and other trades

6. Chapter Conclusion

Twelve key interventions have been proposed to address seven key skills priorities for the W&R Sector. This chapter describes these interventions in the context of 5 key skills priorities, first recapping findings from the previous chapters, given that these findings form the basis for both the skills priorities and interventions. The skills priorities identified, and the interventions recommended, will inform the W&R SETA's strategic plan going forward.

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