



RESEARCH SUMMARY

Taking skills development
to the next level



WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY





WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

Towards an understanding of the status of skills
development in the wholesale and retail (W&R) sector:
An overview of research studies by the W&R Sector Training
Authority (W&RSETA)

Taking skills development to the next level



table of contents

Message from the Chief Executive Officer	04
Introduction	05
Glossary of acronyms and abbreviations	07
Vision, mission, goals and objectives	08
Background	N/A
Summarised research reports	N/A
THEME 1: RESEARCH INTO THE SECTOR	09
Chapter 1: Updated Sector skills plan	10
Chapter 2: Profile of non-levy-paying enterprises, co-operatives and non-profit organisations	13
Chapter 3: Sector skills audit, 2006	17
THEME 2: IMPACT. RESEARCH	21
Chapter 4: Equity in the sector	22
Chapter 5: The impact of learnerships	25
Chapter 6: Impact assessment of Project Fundisa	30
Chapter 7: Impact assessment of the Scarce and Critical Skills Guide, 2008	33
THEME 3: THE PROVISION OF BETTER SERVICE	36
Chapter 8: Measuring success by measuring perceptions	37
Chapter 9: Audit of skills within the W&RSETA	41

Message from the Chief Executive Officer

The definition of success is a debatable one. For the W&RSETA, success is attested to by our actions: not merely actions as such, but meaningful actions that will make a positive difference.

In striving to fulfil our mandate and achieve, or even exceed, the targets agreed upon in consultation with the Department of Labour, we realise that all our plans, actions, activities and programmes in pursuit of our objectives have to stem from thorough planning informed by sound knowledge.

We believe that this knowledge can be attained through measurement or assessment in the form of research into needs within the sector, and indeed the SETA itself, and the development of targeted responses to the knowledge that this research yields.

Without research, we cannot truly know our sector: its components, its strengths, its weaknesses, and its needs. Identifying needs through research puts us in a position to devise programmes or activities that aim to fulfil those

needs. Research also makes it possible for us to assess the effectiveness of our activities and to identify where we need to adjust them to make them more effective. This is the only way in which we can contribute meaningfully to the sector, and therefore to the economy of the country, address historic imbalances and fulfil our mandate of quality assurance.

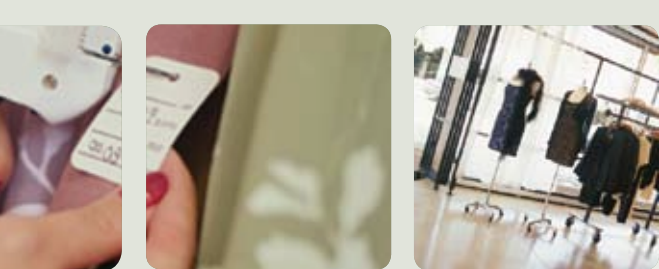
This document aims to provide you, our stakeholders, with an overview of research studies done from 2006 to date and to share with you the valuable knowledge that the outcomes, recommendations and conclusions of the research studies have given us. Our research endeavours have given us insights that will promote our endeavours to grow and develop the skills base within the wholesale and retail sector.



Joel Dikgole
Chief Executive Officer



Taking skills development to the next level



Introduction

The directive of each of the 23 Sector Education and Training Authorities (SETAs) is to contribute to enhancing skills for the employed and for those aspiring to be employed or to start their own businesses in a given sector. The vehicle used by which SETAs must make a meaningful contribution towards skills development in the country is the National Skills Development Strategy. The current objectives under NSDS II for the period 2005–2010 are:

- 1: Prioritising and communicating critical skills for sustainable growth, development & equity
- 2: Promoting and accelerating quality training for all in the workplace
- 3: Promoting employability and sustainable livelihoods through skills development
- 4: Assisting designated groups, including new entrants, to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market and self employment
- 5: Improving the quality and relevance of provision

Functions and duties of SETAs

The Skills Development Act, 1998, states that the functions and duties of a SETA are to:

- Develop a sector skills plan (SSP) which identifies the sector profile, the skills demand and supply, as well as skills priorities of the sector
- Implement the SSP
- Develop and administer learnerships. Learnerships include the traditional apprenticeships of the past. Like apprenticeships, learnerships combine practice and theory. The main difference is that learnerships go beyond 'blue-collar' trades, because they also prepare people for jobs in the new services sector, and for higher para-professional occupations.
- Support the implementation of the National Qualifications Framework (NQF), based on 10 levels,

on which any qualification or learning outcome can be registered.

- Undertake Quality Assurance; in promoting quality provision as per the SAQA requirement, SETAs will:
 - Accredite education and training providers
 - Monitor provision to ensure that programmes are being followed
 - Register Assessors
 - Collaborate with other education and training quality assurers
 - Report to the South African Qualifications Authority
 - Verify assessments and certificate learners.
- Disburse levies collected from employers in their sector. Employers pay 1 per cent of their payroll to the South African Revenue Service monthly. The SETA uses 10 per cent of the money to cover administration costs. Companies can claim 50 per cent of the funds, provided they submit a Workplace Skills Plan and annual training report (ATR). A further 20 per cent is made available to them through SETA discretionary funding. The remaining 20 per cent goes to the National Skills Fund (NSF).
- As statutory bodies established under the Skills Development Act, SETAs were required to report to the Minister of Labour. Proclamation No. 56 of 2009 has, however, since transferred the administration, powers and functions of the Minister of Labour with regard to SETAs to the Minister of Higher Education and Training. SETAs are thus required to report to the Minister of Higher Education and Training with effect from 1 November 2009. Since SETAs remain public entities, they are still required to adhere to the requirements of the SETA Public Finance Management Act (PFMA), the provisions of which are designed to ensure that public bodies operate in a manner that is not wasteful or irresponsible. So that SETAs are publicly accountable, and to give them full responsibility and scope to organise their work, all SETAs are required to ensure the efficient, effective and economical use of funds allocated to them.

The Wholesale and Retail SETA (W&RSETA)

The W&RSETA is a statutory body established and registered in 2000 in terms of the Skills Development Act of 1998. It was accredited by the South African Qualifications Authority (SAQA) on 14 May 2001 and has been licensed to fulfil its Quality Assurance function until the Quality Council for Trades and Occupations (QCTO) comes into full operation.

6 The role of the W&RSETA is to ensure the provision of quality learning within the wholesale and retail (W&R) sector in order to enable its stakeholders to advance the national and global positioning of South Africa's W&R industry. It is responsible for overseeing skills development in the W&R sector. In addition, in line with its mandate, it is an agent of transformation that promotes employment equity, job creation and broad-based Black economic empowerment (BBBEE) through the development of skills, and by assisting in alleviating shortages of skills in the sector.

A major deliverable for the W&RSETA is the development of the W&R Sector Skills Plan (SSP), developed by means of stakeholder and sector research, as well as secondary data from reputable research institutes. The SSP serves as the major management decision-making tool of the W&RSETA. The setting of NSDS targets, qualifications and learnerships that are developed and implemented,

the projects that are implemented and the funds that are allocated to these projects are all dependent on the information stipulated in the SSP.

Motivation for conducting research

The W&RSETA embraces the practice of conducting research in order to make informed decisions and to improve on its products and services to stakeholders within the sector. Fundamental to this practice is the assessment of the impact of projects that have been implemented by the SETA. Through the impact assessments the W&RSETA is able to judge the merit of both the tangible and intangible benefits rendered through the research projects implemented.

Research themes

This consolidated report of various research summaries has been compiled to give you, the reader, insight into the research activities of the W&RSETA. The research summary has been grouped according to three themes, namely:

- Research into the sector
- Impact research
- Improving service delivery



Glossary of acronyms and abbreviations

Abet	– Adult Basic Education and Training
ATR	– Annual Training Report
CBD	– Central Business District
CBO	– Community-based Organisations
CGC	– Career Guidance Counsellor
DoL	– Department of Labour
EQA	– External Quality Assurance
FET	– Further Education and Training
GDP	– Gross Domestic Product
HDI	– Historically Disadvantaged Individual
HR	– Human Resources
HSRC	– Human Sciences Research Council
ICT	– Information and Communications Technology
ISDF	– Independent Skills Development Facilitator
IT	– Information Technology
KCG	– Key Communication Group
NPO	– Non-profit Organisation
NSDS	– National Skills Development Strategy
OFO	– Organising Framework for Occupations
PA	– Personal Assistant
QCTO	– Quality Council for Trades and Occupations
Sars	– South African Revenue Service
SAQA	– South African Qualifications Authority
SDA	– Skills Development Act
SDF	– Skills Development Facilitator
SDP	– Skills Development Plan
SETA	– Sector Education and Training Authority
SLA	– Service Level Agreement
SMME	– Small, medium and micro enterprise
SS	– Sector Specialist
SSP	– Sector Skills Plan
TC	– Training Committee
W&R	– Wholesale and Retail
W&RSETA	– Wholesale and Retail SETA
WSP	– Workplace Skills Plan
WTO	– World Trade Organization

Wholesale and Retail Sector Training Authority (W&RSETA)

THE W&RSETA'S VISION

We are the Premier Authority in Skills Development, exceeding stakeholder expectations in the wholesale and retail sector.

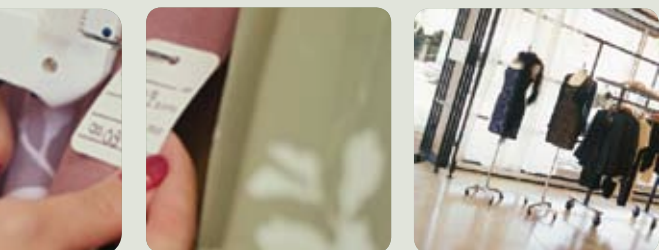
MISSION

Our mission is to contribute to the social and economic development and growth of the country by enabling education and training of the highest quality in the Wholesale and Retail sector, to the benefit of employers, employees and learners.

GOALS

As part of its overall strategy to foster a lifelong learning culture in the sector, W&RSETA is pursuing several objectives. Some of these are:

- The development of a trained, educated and contented employee component, leading to improved productivity
- Transforming the workplace and facilitating affordable and accessible training to meet the needs of the sector and the country
- Addressing historic imbalances in the development of the people in our sector
- Developing the capacity of companies to implement the national Skills Development Strategy and policies
- Focusing on the development of small, medium and micro enterprises (SMMEs) to provide future employment opportunities in the sector
- Aligning the W&RSETA's skills development strategy with the National Skills Development Strategy and sector requirements
- Encouraging the participation of more employers



THEME 1 – RESEARCH INTO THE SECTOR

Chapter 1:

Objective 1:

Sector Skills Plan:

Prioritising and communicating critical skills for sustainable growth, development and equity

Success Indicator 1.1:

Skills development supports national and sectoral growth, development and equity priorities

Chapter 2: Profile of non-levy-paying organisations, co-operatives and NGOs:

Objective 3:

Promoting employability and sustainable livelihoods through skills development

Success Indicator 3.2:

By March 2010, at least 2 000 non-levy paying enterprises, Non-governmental Organisations (NGOs), Community Based Organisations (CBOs), and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate

Chapter 3:

Objective 1:

Sector skills audit, 2006:

Prioritising and communicating critical skills for sustainable growth, development and equity.

Success Indicator 1.1:

Skills development supports national and sectoral growth, development and equity priorities

1

research into the
sector



Chapter 1: Sector Skills Plan

Annually, the SETAs are required to update their five-year sector skills plan (SSP) in accordance with the service level agreement with the Department of Labour (DoL). The following text is a summarised version of the 2009 SSP update.

[h1]Sector profile

South Africa's wholesale and retail sector (W&R) is generally seen as a growth sector. It is the fourth largest contributor to the Gross Domestic Product (GDP), with a contribution in the region of 16,5 per cent (Quarterly Labour Force Survey, Quarter 1, 2009).

The W&R sector employs 3 020 666 people; this figure represents 16,5 per cent of the country's total active workforce (Quarterly Labour Force Survey, Quarter 1, 2009).

According to the same survey, 21 per cent of all employees work in the formal sector, while 47 per cent are involved in informal activities. While primary and secondary sectors have shed jobs, the W&R sector has created jobs. However, the expansion of employment in the sector is problematic, because permanent employment is increasingly being replaced by casual work.

The highest density of enterprises is in Gauteng, KwaZulu-Natal and the Western Cape. Collectively, these provinces make up 72 per cent of the sector's workforce. About 87 per cent of the sector is made up of small enterprises, 9,5 per cent of medium and 4,5 per cent of large enterprises. Only 65 per cent of businesses in the W&R sector are registered.

Until recently, the W&R sector fared better than other economic sectors, aided by growing domestic demand, buoyant consumer confidence, steady economic growth and an emerging black middle class. However, the economic downturn, rising inflation and commodity prices are dampening sales volumes in the sector.

South Africa has moved increasingly towards mall-based retailing. The amount of retail space in malls has grown

faster than the number of retail stores, to the point where malls can no longer guarantee they will attract major anchor tenants. Franchising is also a growing industry: most major food retailers have significant holdings in franchise divisions.

Traditionally, wholesalers in South Africa have acted as intermediaries between manufacturers and retailers. But the fact that retailers now source goods directly from manufacturers has reduced the function of wholesalers in the value chain. Wholesalers now transact mainly with small businesses and informal traders, who buy directly from them.

The most influential drivers of change in the sector are macro-economic ones: the National Credit Act, the rising Black middle class, sectoral determination, informalisation, supply-chain dynamics, price and quality, information technology (IT), retail innovation, and consumer and lifestyle choices.

[h2]Demand for skills

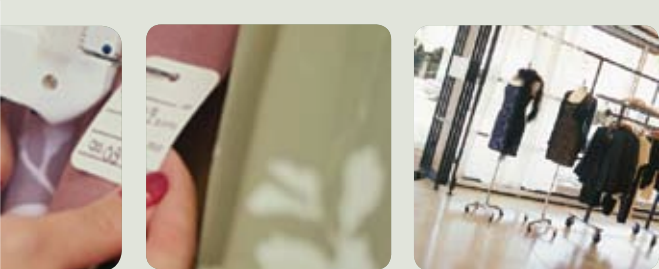
Employment in this sector grew by 62 per cent between 1996 and 2001 and by 169 per cent between 1996 and 2008. The W&R sector is a major creator of employment: As jobs are shed in the manufacturing and other economic sectors, this sector acts as a safety net. Employment growth creates demand for skills development as newcomers enter the sector. Unfortunately, many of the jobs created are of a casual nature.

The sector has four career pathways: merchandising and sales; promotion and public relations; general distribution; and management/entrepreneurship. Scarce and critical skills tend to fall within these clusters.

There is growth at managerial, professional, administration/clerical, artisan and service/sales occupational levels, but there is a decrease in operators.

Growth in the demand for managers and service/sales employees is in keeping with international labour market

Taking skills development to the next level



trends in the W&R sector. Work in this sector is becoming more knowledge-intensive, with a hollowing out of unskilled labour.

New trends that are pushing the demand for new skills sets include online retailing, new product markets, ethical sourcing and retailing, the increasingly complexity of business, and supply-chain efficiencies.

[h2]Supply of skills

Africans comprise 50,26 per cent of the total workforce; Coloureds make up 15 per cent, Indians represent 6 per cent and Whites account for 16 per cent.

With technological advancements, competitive pressures and faster innovation cycles prevalent in the sector, there is clearly a need to increase the flow of employees into skilled occupations. The high proportion of unskilled employees in the sector puts it at a competitive disadvantage. At the top end of the occupational structure, Africans make up 22 per cent of managers in the sector, compared with 31 per cent of Whites. At the bottom end of the occupational structure Africans constitute 70 per cent of labourers and 81 per cent of casuals, compared with 1,5 per cent and 3 per cent of Whites respectively. These occupational patterns, inherited from the apartheid era, are characterised by a high concentration of Whites in the high-wage occupational categories and, conversely, a high concentration of Africans in the low-wage occupational categories.

The lack of reliable data about educational levels in the W&R sector makes it difficult to assess the adequacy of skills in the sector as well as the supply of skills needed in future.

Most of the learnerships in the W&R sector are located in the further education and training band (NQF Level 2–4). Only the Certificate in Retail Operations Management (NQF Level 5) is a post-Matric qualification.

In addition to learnerships in the further education and training (FET) band, which caters for clerks and elementary

workers, there is an urgent need to develop learnerships in the higher education and training band (NQF Level 5–7).

As work in the W&R sector becomes more knowledge intensive, advanced skilling for managers, professionals, technicians and clerks is imperative to ensure competitiveness.

The W&RSETA must give the following areas priority to improve the quality of learning programmes and delivery in the sector: developing careers and retaining people, qualifications, research capacity, curriculum development, business compliance and international strategic partnerships.

[h2]Skills Development Priorities

There is a correlation between the growth of the sector, on the one hand, and the growing demand for highly skilled people in specific occupational categories on the other. Conversely, there is a decline in demand for specific low-skilled occupations in the sector.

Structural economic changes and increased knowledge intensity in the sector are bringing about major shifts in formal-sector employment patterns. These two processes are creating aggregate labour demand in skilled occupational categories and contributing to unemployment in unskilled and semi-skilled occupations.

In line with prevailing trends, technological advancements mean that the ratio of skilled labour to total employment can be expected to increase, with a concomitant decline in unskilled labour. Owing to the legacy of apartheid-era education, this trend is further differentiated by race, educational level and gender.

[h3]The identified current and future occupational needs of the sector are:

- Supply chain and distribution managers
- Storage and warehousing managers
- Logistics managers
- IT computer operations managers



- Owner-managers
- Retail store managers
- Customer care representatives
- Market researchers
- Clothing designers
- Food safety standards managers
- Fabric technologists
- Food and drink technologists
- Retail buyers
- Merchandise planners

There is also a range of critical skills in the areas of management/entrepreneurship, soft skills, technical skills and life skills required by the sector.

[h2]Issues impacting on the NSDS indicators not directly related to Scarce and Critical Skills

In achieving the aim of indicator 2.2, the SETA has targeted 3 307 small firms (1–50 employees) to receive skills development support, including free courses.

Indicator 4.3 states that at least 10 000 young people are to be trained and mentored to form sustainable new ventures, and that at least 97,14 per cent of new ventures ought to be in operation 12 months after completion of a programme. Regarding indicator 4.3, the SETA aims to support 300 learners between 2005 and 2010 to achieve the new venture-creation qualification; the objective is that at least 210 of them should be sustainable after 12 months.

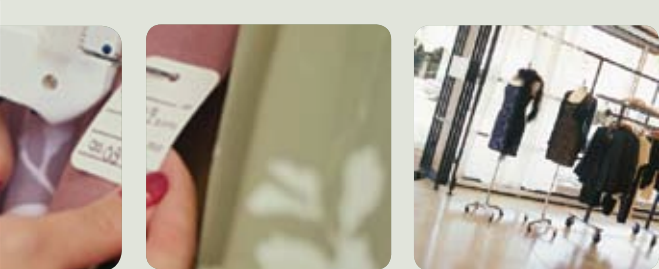
Indicator 5.2 states that each province must have at least two provider institutions accredited to manage the delivery of the new venture-creation qualification and that 97,4 per cent of new ventures should be operational within 12 months of completion of the programme. In terms of indicator 5.2, the SETA, in addition to participating in the new venture-creation learnership, has set a target of registering five training providers to offer these learnerships.

The W&RSETA has determined that the best form of support would be to subsidise, in part, the cost of implementing learning programmes for employees of small levy-paying

companies. Because many companies that formerly paid levies have now been exempted from doing so and are therefore excluded from the mandatory grant, registered non-levy-paying companies are also included.

Stakeholder participation deals with ensuring good corporate governance and favourable audit reports from the Auditor-General's office. The W&RSETA has annually maintained unqualified audits.

The SETA is aware that its good performance depends, to a large extent, on the 'capacity' of its main stakeholders. In this regard, the W&RSETA has constantly committed funds for the enhancement and development of its stakeholders.



Chapter 2: Profile of non-levy-paying enterprises, co-operatives and non-profit organisations

One of the studies commissioned by the W&RSETA was a profile of non-levy-paying enterprises, co-operatives and non-profit organisations (NPOs), including an inventory of the current and future skill needs of these entities, as well as their preferred interventions. The study also had to identify scarce and critical skills within these entities. The results of this study have since been used to develop projects aimed at serving the needs of these enterprises in our sector.

[h1]Non-levy-paying enterprises

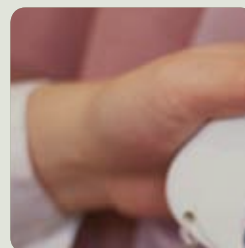
- The bulk of non-levy-paying enterprises that participated in the survey are located in townships (72 per cent); 23 per cent are in central business districts (CBDs) and 5 per cent are in suburbs.
- Enterprises in townships tend to trade from private residences, community centres, streets and transport ranks. The majority operate from premises that they own, or that belong to their customers.
- Those in the CBD are found in office parks, marketplaces, transport ranks, and shopping malls, and in most cases rent their premises. These businesses are quite mobile, though to a lesser extent than those in townships.
- The majority of enterprises in suburbs are to be found in shopping malls, and in rented premises.
- Half of the non-levy-paying enterprises in the W&R sector trade in food and beverages.
- Slightly less than a fifth are in general trading (18 per cent), followed by trade in textiles (11 per cent), hardware and household equipment (4 per cent) and beauty products (3 per cent).
- Most employees (about 70 per cent) of non-levy-paying enterprises are under the age of 35 and are divided almost equally between the retailers and wholesalers.
- Employees who work for wholesalers are more likely to have higher levels of education than those who work for retailers. This is because wholesalers are generally larger and involve more specialised occupations that require that their employees have some specialised knowledge.
- About 65 per cent of non-levy-paying enterprises that

participated in the survey employ between two and five employees.

- In general, employees in the sector are mainly in the further education and training band (grades 10 to 12) and the general education and training band (grades 1 to 9). This means that most of them are fully literate and numerate. This must be taken into account when designing skills development programmes for them.
- There is a small percentage of employees with higher education qualifications, but such qualifications might not necessarily be in disciplines required by the sector.

[h2]Non-levy-paying enterprises' current skills development initiatives

- The permanent employees of 71 per cent of non-levy-paying enterprises have not undergone training or received skills development in the past five years.
- Just over a third of business owners in enterprises where skills development interventions have been implemented for employees in the past five years identified those skills development initiatives themselves.
- More than three quarters of non-levy-paying enterprises whose staff received skills development interventions or training over the past five years have benefited from such initiatives.
- More than three quarters of employees from non-levy-paying enterprises who received training in the last five years received certificates of attendance as a form of recognition or acknowledgement of their training.
- Only 13 per cent of non-levy-paying enterprises belong to some form of network or association. Of the types of support which enterprises receive from their networks, advisory support is the commonest, with 45 per cent of enterprises receiving this kind of support, followed by coaching (25 per cent). Sixteen per cent of non-levy-paying enterprises receive mentoring support and 14 per cent obtain financial support.
- Of the employees who received skills development training, most received management training. This may be because the owners of enterprises generally choose the training their employees receive, and they



tend to be influenced by their perception of what the business needs, rather than by the actual needs of the business..

- The effect of this training is minimal when seen from the point of view of profits, but from a skills development perspective, it has an impact in terms of the skills gained and improvements in the way in which work is done in the enterprise.
- The bulk of training that employees receive is not accredited.
- Non-levy-paying enterprises in townships are unlikely to send their employees for training or skills development initiatives, whereas about 40 percent of those in CBDs are likely to send their employees for training.

[h2]Identified future skills development needs of non-levy-paying enterprises

- Over a quarter of non-levy-paying enterprises identified professional training as their greatest need, followed by financial skills (23 per cent of enterprises) and marketing skills (21 per cent).
- All enterprises that participated said they needed technical training.
- Professional and technical skills are sought after by wholesalers.
- Retailers indicated a need for more marketing, management and financial training/skills.
- Most respondents identified marketing and sales skills as their scarce skills, followed by financial management skills and communication skills. Management, leadership, mentoring and customer-care skills are also needed.
- English is the preferred language for training.
- Most township-based enterprises would like to be trained at their place of business or at a local community centre. This response can be ascribed to their not having sufficient capacity to attend training away from their place of trading, and to the expense of travelling to training venues.
- Enterprises in CBDs generally would like training to take place on their own premises or at venues in the city.

Professional training is sought after by employees. This may indicate that this youthful group desires professional qualifications rather than practical skills for running and managing a sustainable and profitable enterprise. It may also indicate a desire to find employment in the corporate sector once a qualification has been obtained.

It is essential to consult with business owners and employees to find suitable venues and times for training. The researchers' findings suggest that business owners might be unable or unwilling to give their staff time off during business hours for them to participate in learning interventions.

Generally, employees in this group seem to need 'career pathing', and business owners need some aid in identifying what skills their enterprises need. The researchers suggested that the W&RSETA could provide such support in the form of skills development facilitators (SDFs).

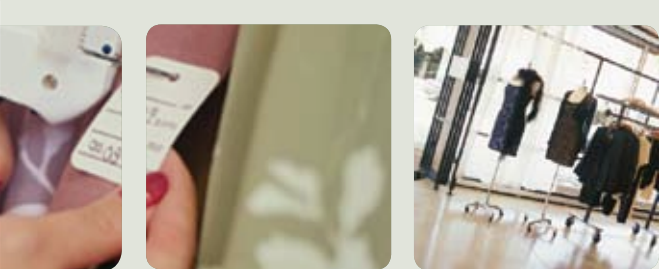
[h1]Co-operatives

Co-operatives present a real opportunity for people in general and small enterprise owners in particular to work together to fight poverty and pursue a better quality of life, especially for the many members of the population who participate in the second economy.

The researchers argue that investing in co-operatives would have a direct effect on reducing poverty and that those who stand to gain the most from co-operatives are those people who own very little in terms of capital or skills.

In co-operatives the strongest members are elected to serve the needs of the group. Members save on sourcing their goods, which puts them in a position to realise real profits. Once a primary co-operative has been established, a secondary one is formed, creating new jobs and businesses in the process.

Co-operatives demand that members work together to achieve a mutually beneficial outcome. Because they



also engage with other co-operatives and businesses, co-operatives create networks. They can harness various resources within communities and build relationships between different types of business, thus creating a web of support.

Identified challenges revealed by a survey of co-operatives

The second economy is troubled by poor levels of commercial education and training and its members have little opportunity to cross-pollinate with successful entrepreneurs. There is a need for support and coaching among suppliers of products and services to enable them to deal more effectively with the specific circumstances of emerging entrepreneurs.

Awareness of government incentive schemes needs to be created: emerging entrepreneurs fail to take advantage of incentives because they are not informed about their existence. Moreover, the interventions of national role players are unstructured; they need to go into partnership with one another and government if their efforts are to have any effect. The challenges of financial support could be overcome if the various role players, led by the W&RSETA, worked closely with financial institutions within the Department of Trade and Industry group of agencies, as well as commercial institutions.

Non-profit organisations (NPOs)

Those NPOs that offer business training normally link it with HIV-training and life-skills training.

The bulk of business development support provided by NPOs takes the form of mentoring (26 per cent of NPOs), training (25 per cent), advice (23 per cent) and coaching (19 per cent).

Only 7 per cent of NPOs indicated that they offered their clients financial support. Of the NPOs that participated in the survey, 64 per cent were networking with other associations for survival and support for their own purposes. A substantial number of NPOs (36 per cent) do

not belong to any kind of network, which might indicate that they are relatively small (start-up agencies) with few community links. Such NPOs need to be supported.

Training of NPOs

More than 86 per cent of NPOs have been beneficiaries of training interventions over the past five years. The major benefits of training were improvements in skills (40 per cent); attitudes to work (24 per cent); working conditions (14 per cent); and production (12 per cent). Sixty-four per cent of NPOs used private training providers for training; it is not known if these providers had accreditation.

In most cases, managers identified training needs, then decided on the types of training programme to be pursued, and then decided how to go about accessing training from a public or private provider.

NPOs' future skills needs

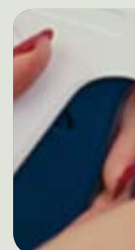
The survey found that 45 per cent of the NPOs interviewed had identified the need for management skills, 30 per cent had identified professional skills, and 25 per cent had identified the need for technical skills development.

Recommended support strategy for non-levy-paying enterprises, NPOs and co-operatives

The researchers point out that 'skills development support' means support offered by SETAs and approved by the Board/council and/or the Director-General of Labour in the case of National Skills Fund allocations, to create an environment conducive to the provision of access to education and training for small businesses, through:

- Funding by way of grants (mandatory and discretionary), bursaries and special funds for education and training
- Capacity strengthening of skills planning and delivery/provisioning agents and structures (e.g. SDFs)
- Targeted information and awareness programmes

Because a SETA's mandate is primarily to *facilitate access* to the acquisition of skills for business improvement and growth, sustainability and profitability, *access* should mean:



WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

- Money – financial assistance for skills development
- Opportunities – for skills development, such as learning programmes that will enhance the improvement and growth of business
- Awareness – of what is available for skills development
- Participation – in skills development programmes, i.e. delivery or provision of education and training that takes into account the constraints small businesses face in terms of time and convenience
- Provisioning. – the necessary infrastructure, capacity and resources required by providers and skills planners to ensure the effective delivery of education and training

[h1]Recommendations

The researchers recommended that the W&RSETA step up its marketing and communication initiatives, adding that awareness programmes must be linked to the W&RSETA's ability to deliver, and not be phrased in such a way that they create unrealistic expectations about the resources available to deliver on programmes. They pointed out that it was incumbent on organisations to approach W&RSETA initiatives on the understanding that they would have to sacrifice time and effort to take advantage of such initiatives. They had to acknowledge that they themselves would largely determine their success.

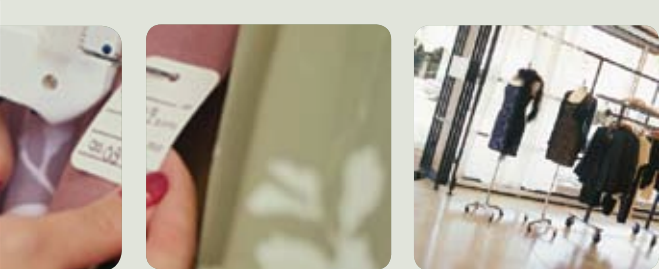
The research report also recommended that the W&RSETA:

- take full advantage of the opportunity presented by working with and supporting NPOs. These organisations will provide the SETA with critical insight into formerly untouched communities, particularly in rural areas, because of their closeness with these communities as well as their independence. They should be allowed to take a lead in identifying emerging trends and needs within these communities and areas.

The researchers recommended that a primary support strategy take into account:

- Opportunities – the W&RSETA should identify relevant training programmes and develop relevant ones where they do not exist, so that all programmes are demand-driven and likely to have a higher uptake because of their relevance to identified needs.
- Awareness – the SETA should develop targeted awareness programmes with relevant information about the skills development opportunities the W&RSETA can offer and spread awareness using community radio, bulk SMSs, and the database to send messages to the target audience.
- Participation – the SETA should put in place mechanisms to deliver programmes at times that suit these enterprises.
- Autonomy – the SETA might explore ways of taking programmes to the target audience, for example by issuing vouchers that could be redeemed when it suited the SMME, and with an accredited training provider of the SMME's choice.
- Provisioning – NGOs and CBOs must be helped to obtain proper accreditation of materials and facilities because of their proximity to the organisations discussed in this chapter.
- Branding – once an enterprise has been involved in a skills development intervention for the W&RSETA it should be given a plaque or sticker marking it as a partner of the W&RSETA, to raise awareness of the W&RSETA and instil pride in being associated with the W&RSETA.
- Funding – money should be set aside for a bursary scheme and learnership programmes, especially for scarce and critical skills in the sector.

Taking skills development to the next level



Chapter 3: Sector skills audit, 2006

In 2006, the W&RSETA received the final report of its sector skills audit. The project entailed a skills analysis of the formal and informal sub-sectors of both levy-paying and non-levy-paying enterprises in the W&R sector. The Scarce and Critical Skills List was developed as a result of this sector skills audit.

[h1]Reason for the study

The underlying reason for the study was the W&RSETA's awareness that the nation faced a skills shortage from the perspective of employers, and a knowledge shortage from the perspective of would-be employees.

The researchers performed a skills analysis of the formal and informal sub-sectors, both levy-paying and non-levy paying enterprises in the W&R sector, in order to:

- Develop a profile of the sector: geographic location, size and composition as to population group and gender
- Provide an inventory of the current training provided to the W&R sector in terms of training providers, programmes, etc.
- Identify, analyse and prioritise the current and future skills needs of the W&R sector
- Identify the critical and scarce skills in the W&R sector
- Identify and engage strategic national role players
- Identify current training provider institutions in the sector and their programmes

For the researchers to gain a thorough understanding of the sector's existing skills, and skills that would be required in future, it was essential that sector representatives selected for the skills audit co-operate and participate. The representatives would ultimately benefit from such a skills audit, as it would identify their sector's unique skills requirements. In addition, the W&RSETA would be in a position to plan effectively for improving the skills of people currently working in small, micro, medium and large-sector W&R organisations, and prepare would-be employees with the necessary competencies needed for organisations to perform better.

[h1]Research findings

The researchers summarised the most important findings of the audit as follows:

[h2]Sector profile

Specific individuals who were able to provide constructive inputs on the skills needs of the W&R sector made up the target sample. The sector was broken down in terms of size, geographic location, gender composition, equity, disability, and years in existence.

[h2]Training and skills in the sector

The research yielded an overview of training and skills issues in the sector and discussed specific support available for training. The application of learning was also explored.

[h2]Communication about training/skills development

The report shed light on the current communication about training and skills-related matters.

[h2]Application of learning

Respondents shared information about how they felt training was applied in the workplace.

[h2]Support for skills development

Support for skills development was highlighted as a need in the sector.

[h2]Current and future skills

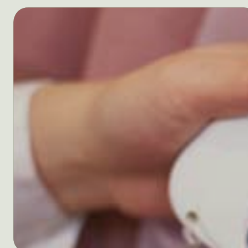
The survey revealed what the sector identified as current and future skills and these findings are found on pages 80–83 of the report.

[h2]Scarce and critical skills

Specific attention was devoted to this aspect of the survey and revealed what the sector regarded as scarce and critical skills.

[h2]Priority skills

In order to gain an understanding of where the W&RSETA



WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

ought to direct its primary efforts, priority skills were listed.

[h2]Stakeholder involvement

The members of the research group indicated which stakeholders they felt ought to be involved in skills development matters.

[h2]Challenges in skills development

Members of the sector shared their numerous challenges regarding skills development. The researchers clustered these into relevant themes, which were discussed in detail.

[h1]Recommendations for skills development

Participants in the audit made recommendations on how to improve the current skills development environment. These are summarised below:

[h2]Legislative framework

The W&RSETA has an important role to play in informing its stakeholders about the legislation that applies to them and also helping them to understand it. The W&RSETA ought to simplify the administrative aspects attached to skills development processes.

The W&RSETA should develop a separate and practical skills development plan for each skills development initiative. The plan should help stakeholders to see the value and importance of day-to-day skills development.

[h2]Strategic direction and operational implementation – sharing the vision with stakeholders

The key to ensuring the success of the W&RSETA's vision (being the premier authority in skills development, exceeding stakeholder expectations in the wholesale and retail sector) would be its 're-selling' itself to ensure the buy-in and support of its stakeholders. To achieve this, the W&RSETA would have to lead by example in respect of lifelong learning and its view of itself as an organisation promoting learning.

The W&RSETA should continuously reflect on and assess its practices, processes and performance.

[h2]Leadership role of the W&RSETA – selling and sharing knowledge of skills development initiatives and imperatives

The W&RSETA must demonstrate its leadership capability to its stakeholders. It is represented in the sector by, amongst others, the skills development facilitators (SDFs), who serve as an extension of the leadership role of the W&RSETA. These individuals should be equipped with the relevant technical and soft skills needed for them to educate the sector and convey the organisation's strategic vision and mission.

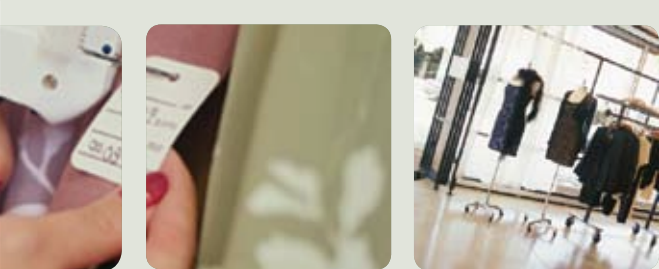
[h2]Communication and stakeholder management

Both the W&RSETA and individual organisations or companies have to be committed to an effective two-way communication process. The W&RSETA could use an extensive range of communication tools and media to the benefit of itself and its stakeholders.

By integrating its communication messages with existing tools or media in organisations and companies in the W&R sector, the W&RSETA could ensure that its communication is consistent, regular and up to date. The ideal is for it to build relationships at regional level with representatives of one or more of the following departments, sections, branches or bodies within organisations:

- Communication and marketing
- Human resources
- Training
- Skills development facilitators
- Trade unions
- Business associations such as chambers of commerce
- Professional organisations or bodies

Such relationships should involve regular contact or meetings, feedback on skills development interventions, and discussions about challenges, concerns and needs.



The W&RSETA should also perform annual communication audits to ensure that its communication efforts are indeed effective. Furthermore, the organisation could create and implement practical ways of playing a more prominent role in skills development in the industry by focusing on the development and enhancement of regional infrastructure. The researchers recommended that a robust regional stakeholder management strategy and plan be developed, implemented, monitored and evaluated. The following steps should be considered in the development of a stakeholder management strategy and plan:

- Identify all the stakeholders and their impact and influence on the industry, specifically on all skills development interventions.
- Clarify the roles and responsibilities of the W&RSETA and its stakeholders.
- Link the strategy and plan to the communication strategy and plan to ensure the right message is communicated to the right audience at the right time.

[h2]Integrated approach to avoid the 'silo effect'

The W&RSETA should carefully consider the feasibility, viability and practicality of the recommendations presented by the members of the sector during the audit. Moreover, it should communicate with the people who participated in the audit and thank them for their participation and let them know what would be happening regarding skills development initiatives and efforts. The researchers said that a suggestion poll or request for ideas from the sector could contribute to further 'buy-in' and involvement in the W&RSETA's processes.

[h2]Avoiding a one-size-fits-all approach

The W&RSETA should consider assisting the sector in establishing and formalising relevant associations/networks. Efforts to contact members of the sector should be explored, with the cost-benefit ratio examined beforehand. Good planning and project management should accompany these efforts.

[h2]Skills development/training matters

Learnerships or any other internship/apprenticeship

programmes should be seen as tools that could be used in offering members in the W&R industry skills development opportunities. However, the focus should be on *applying* theoretical principles in the workplace. An impact assessment of each learnership programme should be carried out to learn lessons and avoid making the same mistakes in future learnership programmes.

The W&RSETA should identify opportunities for its members. Stakeholders should be educated about the W&RSETA's role, and because stakeholders have diverse needs and interests, communication and efforts at building relationships with them should use various means.

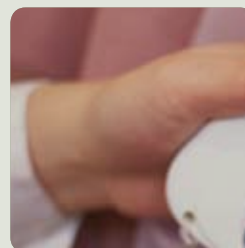
In order to ensure that stakeholders understand the concepts of skills development, internal and external training providers, and accredited and non-accredited training providers, the W&RSETA could:

- Update its website regularly
- Update its lists of external accredited and non-accredited training providers
- Update lists of SDFs
- Send messages and reminders by e-mail
- Use an electronic newsletter to communicate news about new trends in the skills development arena, opportunities, information about the W&RSETA, and success stories

The W&RSETA ought to offer its stakeholders and their employees practical support in creating a culture of lifelong learning by explaining the concept of return on investment, and helping them draw up individual development plans and career plans.

[h2]Language and other issues of diversity

In the interests of ensuring more diversity in the sector, stakeholders ought to be encouraged to appreciate diversity and understand that successes can be achieved *because* of diversity. The researchers proposed that W&RSETA regional offices ensure that they produce communiqués on cultural celebratory occasions for Muslim, Christian, Hindu, and Jewish members, among others.



WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

[h2]Skills development in rural areas

Rural inputs in skills development initiatives should be pursued, to encourage participation by SMMEs in rural areas. Planning for future initiatives must take into account ways in which rural involvement could be guaranteed. Existing rural community networks and associations should be used to ensure involvement. The W&RSETA should pursue close involvement in rural community events and gain an understanding of the roles of the *lekgotla/makgotla* in rural communities.

[h2]Real versus perceived needs

Decision-makers in the W&R sector must understand the difference between 'need-to-have' and 'nice-to-have' skills. The W&RSETA should help organisations perform effective analysis and assessment of their learning needs in line with the demands of the sector and identified critical and scarce skills. Scarce and critical skills should be pointed out to the industry.

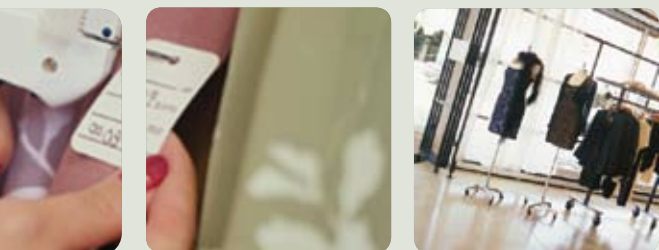
[h2]Scarce jobs/skills

The skills audit identified the following as scarce skills in the W&R sector:

- Training and development professionals (moderators)
- Industrial designers (non-engineering)
- Food technologists
- Training and development professionals
- Electricians
- Bakers
- Butchers
- Chefs
- Dressmakers or tailors
- Jewellers
- General administrators and financial officers
- Credit clerks
- Debt clerks/collectors
- Sellers: salespersons and assistants, representatives
- Cashiers
- Office cashiers
- Assistant-/General-/Company buyers
- Merchandise planners
- Merchandisers
- Industrial-overlocker operators (carpets)

- Storepersons
- Fruit and vegetable supervisors
- Deli supervisors
- Fish supervisors
- Industrial relations officers
- Retail managers
- Supply and distribution managers
- Sales and marketing managers
- Advertising and public relations managers
- Human resource practitioners
- Trade union officials
- Accountants

Taking skills development to the next level



THEME 2 – IMPACT RESEARCH

Chapter 4:

Equity in the sector:

Objective 2:

Promoting and accelerating quality training for all in the workplace,

Success Indicator 2.1:

By March 2010 at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed

Chapter 5:

The impact of learnerships:

Objective 2:

Promoting and accelerating quality training for all in the workplace

Success Indicator 2.8:

By March 2010 , at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured

Objective 4:

Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment

Success Indicator 4.1:

By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured

Chapter 6: Impact assessment of Project Fundisa:

Objective 2:

Promoting and accelerating quality training for all in the workplace

Success Indicator 2.2:

By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured.

Chapter 7:

Impact of the Scarce and Critical Skills Guide:

Objective 1:

Prioritising and communicating critical skills for sustainable growth, development and equity

Success Indicator 1.2:

Information on critical skills is widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners



Chapter 4: Equity in the sector

[h1]Reason for the study

The W&RSETA's first comprehensive attempt to gauge the perceptions of member companies and stakeholders, as well as the relationship between skills development and achievement of employment equity targets in the sector, obtained data about the effect of training interventions on historically disadvantaged individuals (HDIs).

Surveys done during 2008 found that government and HDIs who had been surveyed were 'emphatically behind ... training initiatives and endorse them as relevant for meeting employment equity targets'. In contrast, the opinions of employers in the W&R sector on the impact of skills training interventions could 'best be described as satisfactory'. Half of the companies interviewed for the study said they had sent HDIs for training so that they could meet employment equity targets, whereas others were motivated by skills development.

The researchers' impression was that the following teething problems were influencing employers' opinions of training efforts:

- Inadequate opportunities for learner placements
- Perceived poor educational foundation on the part of HDIs
- Dissatisfaction with the calibre of training providers
- Ineffective communication on the part of the W&RSETA

Nevertheless, the researchers found that some organisations, among them Edcon, Woolworths, Makro, Pick 'n Pay, Shoprite, Massmart and the Department of Labour (DoL), appeared to be making significant inroads in ensuring 'linkages between skills training and employment equity planning' and had done more than simply develop plans for employment equity, but had established in-house training programmes and institutions targeting HDIs at various levels.

The case studies revealed that HDIs who were involved in such initiatives felt empowered and that their lifestyles and career prospects had improved.

Going forward, the W&RSETA would be monitoring, among other things, living standard measures (LSMs) of HDI candidates who had participated in the case studies, to find out whether their participation in skills development initiatives would translate into improved individual growth within their companies and therefore their lifestyles. The scope of the case studies would, however, need to be broadened if they were to be nationally representative.

The researchers concluded that existing literature and the responses of the stakeholders who had been surveyed concurred that there was a direct relationship between skills training and employment equity targets, but cautioned that a review to ascertain the impact of skills training on HDIs is still a work in progress. The general perception following the primary research was that set targets may not necessarily be met owing to inherent challenges companies face and therefore their need for more time. The researcher commented that skills development targets and deadlines ought to acknowledge the unique challenges South Africa faces due to the legacy of apartheid, and acknowledge that the process would need relatively more time.

[h1]Objectives of the study

The survey sought to explore the effect of skills development on HDIs in the Wholesale and Retail sector, targeting the following equity categories:

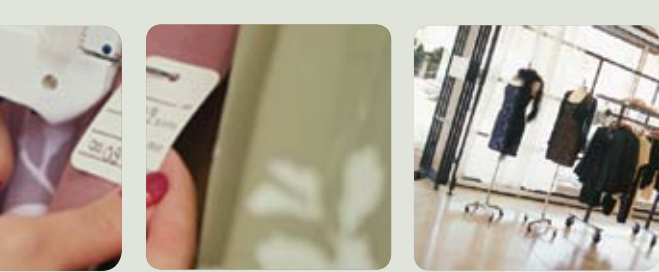
- Blacks (collective term for Black African, Coloured and Indian males and females),
- Females
- Persons with disabilities

[h2]Research methodology

The research methodology was a combination of primary and secondary research approaches, as discussed below.

[h3]Literature Review

A literature review was regarded as necessary to identify and explore various forms of linkages that have been established between employment equity planning and skills training in South Africa and other countries. Various



sources, including the W&RSETA library, were consulted for relevant literature.

[h3]Case studies

As part of the research process, 10 case studies were conducted in Gauteng. The approach to collecting data was completely flexible and involved in-depth one-on-one interviews. The intention was to use these case studies as a foundation for tracking the impact of skills training on employment equity in the W&R sector of South Africa. The scope of the tracking exercise could be expanded to make it more representative of the entire country. The study focused only on Gauteng and excluded other areas because of time constraints and because most of the companies on the supplied database are in Gauteng.

[h3]Quantitative Research

The main part of the study was a nationwide quantitative survey involving interviews with relevant company personnel drawn from all the nine provinces of South Africa. The W&RSETA made available a comprehensive database of 1 241 medium-sized and large companies from the W&R sector of South Africa. Therefore, the sample that was drawn was representative of the sector. The resultant sample was 700. The country was divided into three regions for administrative purposes, since some provinces had very few companies on the supplied database. The sample distribution was in line with the database characteristics. Most companies in the wholesale and retail sector are concentrated in Gauteng, KwaZulu-Natal and Western Cape and the sample consisted largely of retail organisations.

[h1]Conclusions

Most employees in W&R sector have completed Matric; however, employers prefer higher qualifications. This implies a mismatch between demand and supply, which further justifies the need for skills development interventions in the sector. Employers concurred that the most needed skills in the sector included customer service, basic information technology, business management, marketing, interpersonal relationships, communication, administrative

and negotiation skills. Generally, employers deal with the problem of inadequate skills through in-house training and short courses.

There is a very high level of awareness of the transformation-related legislation and programmes such as the Employment Equity Act, Skills Development Act, Skills Development Levy and Adult Basic Education and Training (Abet), among companies in the sector. However, Abet has the lowest awareness rating compared with that of other government Acts. This indicates the need to rework the Abet offering.

All companies surveyed had sent HDI employees for training of one kind or other. The most popular courses HDI employees have attended over the past seven years are mainly workplace-based learning workshops, short programmes and seminars.

The primary motivation behind companies' sending HDIs for skills training was to alleviate skills shortages and to meet employment equity targets. Other noteworthy justifications for HDI training revolved around company policy and succession planning. These responses represent the industry's show of confidence in prevailing training initiatives and also that – to an extent – training for HDIs is regarded as a strategic business imperative, which has been entrenched in company policy to a significant extent. The researchers said that the W&RSETA needs to applaud such efforts.

The impact of HDI training has been positive. The same was true of the case studies, which showed that most of the candidates' lifestyles had improved once they had been involved in the training. Apart from improved staff motivation and productivity, many companies reported improvements in turnover, customer care and general professionalism as a result of the HDI training. There is sufficient conviction that the W&RSETA is a suitable agent to help companies achieve employment equity targets. This positive sentiment was not so strong for the period between 2001 and 2004; but ratings for the effectiveness



of W&RSETA-sponsored programmes were significantly higher for the period from 2005 onwards. These two periods had had different NSDS strategies and objectives.

Companies that may be emulated for ensuring linkages between skills training and employment equity targets in the W&R sector of South Africa include Edcon, Shoprite Checkers, Makro, Woolworths, Massmart and Pick n Pay. Edcon and Pick n Pay have established training institutions that provide their staff with training tailored to their businesses. Woolworths has adopted a recruitment policy that will consistently increase the incidence of staff with disabilities in the company. For its part, Pick n Pay has converted some of the stores into family franchises owned by HDIs.

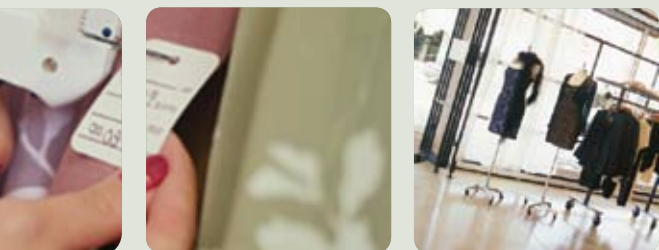
It is notable that South Africa has developed a comprehensive Skills Development Strategy, but, because of its historical uniqueness, it is difficult to know how South Africa measures up to other countries in this respect. Countries that have carried out skills development initiatives, such as the United Kingdom, New Zealand, South Korea and Canada, all underline the importance of good educational foundations as a prerequisite for skills development initiatives.

[h1]Recommendations

- To ensure maximum alignment with market needs, W&RSETA-funded programmes must tackle skills that are in demand, namely customer service, administrative, marketing, business management, basic information technology, interpersonal, communication, technical, negotiation, general management, financial management and health and industrial safety skills. These are in line with identified critical skills in the sector.
- Respondents from both the case studies and quantitative survey deplored the quality and commitment of some training providers. It is important that the W&RSETA monitor suppliers of skills and ensure that they can maintain the intensity of transformation efforts. It was also observed that

some skills development facilitators (SDFs) are not sufficiently empowered to take responsibility for employment equity matters in their companies. The W&RSETA must explore this challenge, as it has a bearing on the calibre of training intervention that is delivered. Ownership of and responsibility for SDFs seemed to be in doubt among some companies, especially when SDFs worked as consultants.

- Though positively disposed towards the W&RSETA, W&R companies would better appreciate a SETA that is able to distance itself from the negative image associated with SETAs in general. Negative publicity has become an impediment that must be confronted head on. The W&RSETA must ensure that communication with stakeholders is improved.
- There would be a benefit to active involvement in the linkages between training and employment equity that organisations such as Edcon, Shoprite, Makro, Pick n Pay and Woolworths have established, with a view to transferring their positive knowledge to other organisations in the sector. So far, best practice seems to be confined to the retail companies.



Chapter 5: The impact of learnerships

In 2006 research was conducted on the impact of the learnership projects that were implemented by the W&RSETA.

[h1]Background

[h2]Importance of services sector

Services typically account for between 60 and 70 per cent of production and employment in the economies of most developed countries, while the percentage is smaller in developing and least-developed countries.

An important international trend is the dismantling of barriers to trade in services under the auspices of the World Trade Organization (WTO). Trade liberalisation in the services sector will influence the future development of this sector, because opportunities to export services will expand as the sector is liberalised; and global service providers will increasingly be able to compete with national suppliers, thus exposing them to global competition. This will influence human resources and skills development in the sector.

[h2]Importance of South Africa's services sector

In 2005, South Africa's services sector accounted for 66,8 per cent of gross domestic product (GDP), 65,5 per cent of formal employment and 72,3 per cent of informal employment. Output in the services sector has been growing fast, averaging 3,7 per cent from 1995 to 2005. Moreover, research has found that the sector accounted for only 17 000 of the 500 000 jobs lost in the formal sector between 1996 and 2001. Another finding is that informal sector employment in the services sector increased almost six fold between 1996 and 2005, rising from 555 377 jobs to 3 202 138 in that period. W&R services account for a fifth (20,7 per cent) of employment in the services sector. There are some 65 000 enterprises in W&R. They range from about 50 very large-category businesses to thousands of small, medium and micro enterprises (SMMEs). Almost a million people work in W&R service enterprises.

To the total GDP in the services sector, wholesale and retail (W&R) is the second largest contributor (22,8 per

cent). An analysis of growth trends shows that growth in gross real value added in W&R averaged at 4,3 per cent per annum between 1995 and 2005. Employment in W&R trade between 1995 and 2005 grew by an annual average of 2,5 per cent.

[h2]Quality of jobs in wholesale and retail

There is concern about the quality of jobs created in the services sector, in that parts of the sector are regarded as generating 'bad jobs' in terms of remuneration and sustainability.

The W&R sector has the third highest number (after construction and agriculture) of atypical workers in services. Atypical workers in formal employment usually include temporary or casual workers, workers supplied by labour brokers, and part-time workers.

To protect the needs of vulnerable workers, the sectoral determination for workers in W&R came into effect on 1 February 2003. It entitles workers to a minimum wage and certain working conditions. It ensures a minimum wage irrespective of the number of hours people work and entitles them to benefits such as leave or notice pay. The determination also addresses the specific needs of 'flexible' or part-time workers. Since some casual workers in the wholesale and retail sub-sector, such as the youth, are less concerned with certain benefits, the determination allows for flexibility in that workers can choose the nature of their benefits. Workers who, for example, opt for premium payments instead of benefits will earn 25 per cent more than those who prefer benefits.

Casualisation can also lead to segmentation of the labour market. The W&R market employs large numbers of women, specifically Black women, as casual workers. Research has shown that stronger competition, shrinking profits and the cyclical nature of consumer demand are the main reasons for the expansion of casualisation. Atypical workers often earn less than permanent workers, are less likely to be members of unions, less likely to get paid leave and receive the benefit of retirement funds or unemployment insurance, and *receive less training* than



permanent workers.

[h1]The first National Skills Development Strategy (NSDS), skills development and learnerships

The first NSDS ran from February 2001 to March 2005. It aimed at addressing the structural problems of the labour market inherited from the past, and at transforming the South African labour market from one with a low skills base to one with rising skills and a commitment to lifelong learning. The NSDS also sought to ensure that – through responsive education and training – the labour market would be better able to cope with social development challenges such as poverty, inequality, disease and unemployment (Department of Labour, 2005).

Learnerships are viewed as an important means of implementing the NSDS by fostering skills development in the formal economy to enhance productivity and promote employment growth, and by helping new (young) entrants find employment. Therefore, learnerships can be regarded as a means of building the economy through training and/or a means of addressing unemployment through training.

In South Africa, skills development intends to create employment and improve productivity and competitiveness. Accredited work-integrated learning programmes and learnerships are at the heart of the Department of Labour's skills development strategy. They are aimed at providing workplace learning in a structured form, linked to multiple sites of work experience, and culminating in a nationally recognised qualification. Learnerships are proposed to be particularly significant in occupations in those economic sectors experiencing skills shortages and in those identified as critical priorities for economic growth.

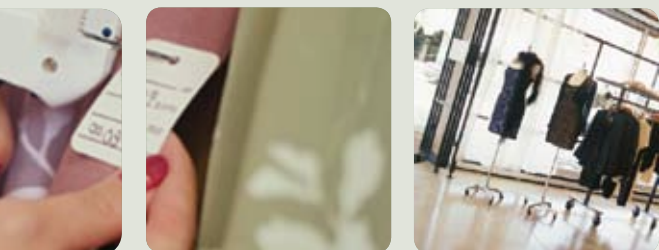
A learnership entails a combination of theory and practice; assessment towards accredited qualifications is focused on the performance of key tasks. Hence, the impact would be assessed by investigating whether the skills imparted have indeed enabled learners to enter or advance in the labour market, or to initiate self-employment.

The goals of equity and development that underpin all South African democratic policy frameworks and national strategies inform the objectives and programmes of the learnership system. The targets of the first NSDS were the availability of learnerships in every sector by March 2005 and the negotiation of numerical targets with each SETA. In the W&R sector the aim was for 80 000 unemployed people under the age of 35 to have entered learnerships and for 50 per cent to have completed them successfully and entered the labour market in formal or self-employment, proceeded to full-time study or further training, or to a social development programme, within six months of completing the learnership.

Research has shown that it was evident that the first NSDS achieved significant success. It was reported that by March 2005 the basis for the system was being laid: learnerships were registered and implemented across all sectors (DoL, 2005). In total, 811 learnerships were registered, of which 522 (64 per cent) were active.

Numerical targets for learnerships were clearly met and, indeed, significantly exceeded. However, evidence of the completion rate or the placement rate of learners in employment or further study on completion of the learnerships is less clear. These indicators reflect on the nature and quality of the learnerships and determine their impact and effectiveness. There is also evidence from interviews with SETAs that the scale of enrolment in a learnership should not be equated with demand, as an individual's choice to enter a particular learnership may be driven by supply-side factors such as SETA incentives, funding allocations, or a lack of accredited training providers and training materials.

Debate on the efficiency and effectiveness of the skills development projects that had been implemented informed the drafting of NSDS II, which is serving to guide action from April 2005 to 2010.



[h1]The second National Skills Development Strategy (NSDS II)

The policy context of NSDS II is government's Accelerated and Shared Growth Initiative for South Africa (AsgiSA) and the Joint Initiative on Priority Skills Acquisition (JIPSA). Government and its social partners developed AsgiSA to accelerate growth to an average of at least 6 per cent between 2010 and 2014.

Under NSDS II, the success indicators for learnerships distinguish between the employed and the unemployed. By March 2010, 125 000 workers should enter learnership or apprenticeship programmes at basic entry-, intermediate- and high-skills levels, and at least half of them should complete the programmes successfully. The definition of programmes includes internships, bursaries, and skills programmes registered on unit standards, thus making it difficult to assess how many of the 79 198 workers who entered learning programmes in the first year entered learnerships specifically.

[h1]Skills development in the wholesale and retail sub-sector

Research has found that only 7,3 per cent of workers in W&R hold a certificate and/or diploma with a Grade 12. This highlights the W&RSETA's responsibility regarding upgrading the skills in the sector. The Sector Skills Plan 2005–2010 reports that workers were offered almost half a million training opportunities between 1 April 2003 and 31 March 2004.

Funds from the W&RSETA and the National Skills Fund were used to sponsor learners enrolled in learnerships during the first five years of the NSDS. The phases were the following, according to the terms of reference:

- Phase 2 1 200 18.1 learners
- Phase 3 3 000 18.2 learners
- Phase 4 2 000 18.2 learners

The W&RSETA believed it was necessary to do an impact evaluation study of learnership programmes in phases 2 to 4.

[h1]The learnership impact evaluation study

[h2]Objectives of the impact evaluation

The main aim of the study was to evaluate and determine the impact of the W&RSETA's learnership programmes.

The specific objectives were the following:

- Assess the impact of the projects on learners.
- Assess the impact of the projects on training providers.
- Assess the impact of the projects on employers.
- Assess further needs of the learners.
- Track the learners in the sample and update the W&RSETA database.
- Provide a report with the results and recommendations.

[h2]Sample

The numbers of learners involved in the three phases of the learnership projects were (including all provinces):

- Phase 2: 992 learners
- Phase 3: 4 231 learners
- Phase 4: 1 273 learners

The learnership and Education and Training Quality Authority (ETQA) managers of the W&RSETA were included in the study in order to elicit qualitative information on the design and implementation of the project.

A proportional sample of 20 per cent of learners from phases 2 to 4 of the learnership programme across the provinces was proposed.

[h2]Methodology

The research process comprised five phases, each encompassing specific tasks:

Phase 1: Project initiation

Phase 2: Development of instruments

Phase 3: Interviews: interviews with learners and employers to assess the reported impact; and interviews with training providers and the learnership and ETQA manager of the W&RSETA to determine the challenges and strengths of the implementation of the project as a whole.

Phase 4: Draft report

Phase 5: Final report



[h2]Evaluation of W&RSETA learnerships

In their evaluation of the impact of W&RSETA learnership programmes, the researchers commissioned by the W&RSETA explained that more than half (52,5 per cent) of the workers in the W&R sub-sector hold a qualification less than Grade 12; about 36,7 per cent a Grade 12 and/or a Certificate with less than Grade 12; and only 7,3 per cent a Certificate and/or Diploma with a Grade 12. According to the researchers, this highlights the responsibility of the W&RSETA for upgrading skills in the sector. They point out that the Sector Skills Plan 2005–2010 shows the W&RSETA's commitment and that almost half a million training opportunities were afforded to workers during the period between 1 April 2003 and 31 March 2004. Funds from the W&RSETA and the National Skills Fund were used to sponsor a number of learners in learnership projects during the first five years of the NSDS.

The researchers evaluated and determined the impact of the W&RSETA's learnership programmes. The 2007 report on the study explains that the study set out to assess the impact of the projects on learners, on training providers, and on employers, to assess learners' further needs, and track the learners who made up the research sample.

However, at the onset of the study, a valuable discovery was made when field workers attempted to contact a sample of learners. Initially, learners were selected from the W&RSETA database of learners, but during the initial phase it became clear that telephone numbers and other contact details either were not included in the database, did not exist, or were listed incorrectly. Consequently, the field team tried to contact all learners. In some instances, learners who were contacted successfully provided the contact details of other learners who were taking part in learnerships. This is called 'snowball sampling' and represents a technique for developing a research sample in which existing study subjects recruit future subjects from among their acquaintances. This sampling technique is used in the case of 'hidden populations' that are difficult for researchers to access.

This incident highlighted an important shortcoming in the database. For example, the researchers explained that the database did not adequately list a telephone number per learner: Although 1 092 telephone numbers were listed, 2 000 learners were linked with the telephone numbers of 20 companies, i.e. one number was linked with multiple learners. Thus, if that one number was incorrect or did not exist any longer, the field team could not access any of the learners employed by that company. In addition, 50 per cent of the telephone numbers were incorrect or not working.

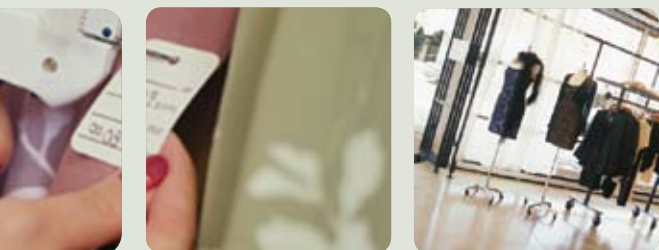
In addition, there were also unforeseen problems in involving employers in the study. In some instances, employers who were contacted said that they did not have learners in their learnership programmes. In other cases, one employer would represent multiple work sites, branches, subsidiaries and so forth. This included franchises, lead employers or providers and large retailers.

[h1]Conclusions and recommendations

[h2]Database

Regarding the fact that the W&RSETA database did not adequately list one telephone number per learner, the recommendation was that when contracts are signed, at least five telephone numbers, including at least three landline numbers, should be provided. Additionally, all fields related to contact details should be filled in and updated regularly. A database is not useful if the fields are not populated with correct information or data. Contact details should also be verified from time to time. Learners should be tracked for at least six months after the completion of their learnerships so that information can be updated and their labour market outcomes determined. Employers should also be held accountable for the contact information of learners.

(Regarding the unreliability of the data contained in the W&RSETA's database, it is important to note that by 2008 the quality of the data in the database is thought to have improved. After carrying out a study of 'Scarce and critical skills capacitation' for the W&RSETA,



researchers reported that although information used from the W&RSETA databases regarding its stakeholders had presented significant challenges in 2007, the quality of this information had greatly improved by 2008.

Nevertheless, gaps in the validity of information remained an issue in 2008, because some of the learners had left their organisations and/or retired and this was not reflected in the database. According to the researchers' report, the W&RSETA still had many opportunities to address and manage databases 'in a manner that creates instant value to its users'. The researchers said that 'it is prudent for the SETA to have a hands-on approach in ensuring that this database serves its needs'.)

[h2]Pre-learnership qualifications

This study found that less than two per cent of the learners did not have Matric, suggesting that standardised criteria were in place and adhered to. However, there appeared to be no match between prior qualifications/experience and the learnership. It was recommended that Recognition of Prior Learning (RPL) be incorporated into the pre-learnership process.

[h2]Attrition rate

A quarter (25 per cent) of learners indicated that they had terminated the learnership. A slightly higher percentage of women than men terminated their learnerships. Most of the learners who terminated their learnership (43 per cent) found other jobs with a higher salary or wages than the learnership provided and decided to pursue this instead. About 40 per cent of learners cited social and personal reasons as the main factors for leaving the learnerships. Therefore, social and personal issues were a significant reason and included issues such as balancing family responsibility and pressure with participation in learnerships. Learners found it difficult to cope with the responsibilities of work and employment, learning and meeting family obligations; time management was a particular challenge.

The recommendation was that learner tracking occur from inception throughout the learnership – i.e., throughout the theoretical training phase and workplace experience – and that learners be accompanied by a coherent mentorship and learnership support system. A contingency plan should be in place for attrition. To curtail attrition, the induction, training, mentorship and workplace components should be strengthened. Particular emphasis had to be placed on providing learnership support that would serve as a safety net for social issues.

[h2]Post-learnership employment

It was not within the scope of this project to determine or examine the reasons for termination or the status of the learners who terminated their learnerships. However, the fact that 43 per cent of these learners were employed was an important finding and must be noted, as the figure was higher than that of those learners who completed the full learnership. Twenty-nine per cent (N=212) of the Section 18.2, or previously unemployed learners, were re-employed by the host employers, while 10 per cent (N=75) found employment at another company on completion of the learnership. Therefore, 39 per cent of Section 18.2 learners were employed on completion of their learnerships. This is far below what is required by both the first and second National Skills Development Strategy. These results needed to be cross-referenced with the feedback from employers. Further insight into the reasons for their not employing Section 18.2 learners should be explored.



Chapter 6: Impact assessment of Project Fundisa

PROJECT FUNDISA

Project Fundisa was based on Objective 2 of the National Skills Development Strategy (NSDS) and, in particular, success indicator 2.8, which states that 'by March 2010, at least 125 000 workers will be assisted to enter and at least 50 per cent [will have] successfully completed programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills.'

Project Fundisa was a training intervention for SMMEs in the W&R sector. It was piloted in four provinces in 2002/2003 and comprised three phases. The W&RSETA commissioned an impact assessment to evaluate the extent to which Fundisa had achieved its goals, the effectiveness of the project for all participants and the training-related challenges facing SMMEs, and to provide feedback on how the W&RSETA could improve the intervention.

Project Fundisa targeted 2 000 learners (which is about 6,25 per cent of the 2010 target) employed by companies employing between one and 150 employees and which were registered with the W&RSETA. The project's long-term target was to take 6 000 learners through skills programmes. On completion of the programme learners were to get certificates, as the skills programmes are occupationally-based.

The W&RSETA agreed with the DoL that it would train 2 000 of the 6 000 learners in the 2005/2006 financial year. At the time of the study, the W&RSETA did not have skills programmes registered; therefore the learners would be trained in the learning programmes that were currently available. Once the skills programmes had been developed and registered, the learners would be put through the skills programmes so that they could gain certificates. The project gave learners the choice of six learning programmes that were seen as important and critical skills for the growth of the small business sector.

Success indicator 2.8 of NSDS II says that it is necessary to focus on the impact of learning interventions, so the

research focused on this.

[h1]The impact study on Project Fundisa

[h2]The study and methodology

The impact evaluation of Project Fundisa sought to assess the extent to which the project had achieved its goals; assess the effectiveness of the project for all participants; assess the challenges facing SMMEs regarding training, and provide feedback on how the W&RSETA could improve on future interventions.

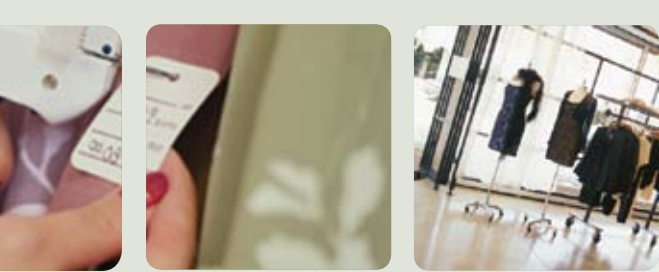
The evaluation entailed a review of international literature on SMME training, Project Fundisa's literature, and interviews with a representative sample of the participants, who included employers, employees, providers of training and facilitators of training delivery.

[h2]Evaluation of results: demand-driven versus supply-driven training

The literature review performed for the assessment revealed that training undertaken by SMMEs is 'demand-driven', i.e. undertaken as a result of a strategic decision, or it is supply-driven, i.e. it is pushed upon them by training providers and provided free.

Demand-driven training is likely to be applied because it takes the form of on-the-job training, is prompted by a strategic decision, and undertaken within the business operation by the owners of the business or someone appointed in-house to do the training. Such training is repeated over a longer period of time and as and when the need for it arises. This is why it is likely to be of long-term value.

Supply-driven training, on the other hand, is less likely to be applied and sustained over a long period and is unlikely to have a long-term impact. This is because it is once-off training with a rigid structure. Project Fundisa falls into the category of supply-driven training.



[h2]Findings

The Project Fundisa impact study found that learners/employees benefited the most, because on completing the training they received a SAQA-recognised certificate that put them in a position to look for better employment opportunities and, in some cases, promotion at their place of employment. On the other hand, Fundisa meant that some employers were left having to recruit and train new employees.

This scenario highlights the dilemma that training presents to small businesses: supply-driven training benefits employees, but demand-driven training benefits businesses. This presents a challenge to the W&RSETA, which wants to both meet its training targets and improve the performance of small businesses within the W&R sector.

This aside, Project Fundisa succeeded in creating non-financial value for SMMEs, because 98 per cent of learners interviewed for the impact assessment revealed that they had become more motivated about performing their work than they had been before their training. Employees had become more aware of the value that they added to their business and realised that this would increase the competitiveness of their business in the long term.

The document entitled 'Project Fundisa Impact Assessment Final Report (2006)' states that only 23 per cent of the training providers interviewed reported that employers' support was excellent. This is in line with the findings of the international literature. The conclusion is that supply-driven training is not popular with small businesses; 73 per cent of employers interviewed say that they have in-house training, but 56 per cent of interviewed learners say there is no in-house training where they work.

[h2]Recommendations

The study recommended that the W&RSETA work closely with SMMEs to improve communication and clarify the W&RSETA's intentions to employers. The SETAs are regarded by employers as an extension of the DoL

which, in turn, is viewed as having taking an interest only in employees and not employers; for this reason many employers will regard SETA interventions with suspicion.

The study reported that the perception that W&RSETA training is supply-driven is still valid, and for this reason it will not be fully welcomed by employers. A progressive step for the W&RSETA would be to work closely with employers, look into their needs and work with them to provide demand-driven training. This could be done by helping companies to articulate their needs and by developing a voucher system that would enable employers to request specific training. An example of this kind of training is in the construction sector, where employers or construction companies approach their SETA to ask for specific funding for training, as long as it is in line with their Workplace Skills Plan.

Currently, employers do not see the direct value of these programmes, yet they are expected to make increasing monetary contributions. To bridge this gap, the W&RSETA should offer employers incentives, by giving them an allowance to help them find replacements for their employees for the shifts/times when their employees attend classes. Indirectly this would also give opportunities to unemployed people and make it easier for employers to get replacements if their trained employees found better opportunities.

The W&RSETA must work closely with training providers, as this will resolve some of the problems around subcontracting. Subcontracting is one of the methods used to deliver quality service and products in most industries. This is a legal relationship that can be managed through a contract; it does not in any way suggest that the subcontractor has less skill or produces poor quality work; in fact, it sometimes improves efficiency.

Legal subcontracting produces results for all parties involved. Subcontractors are always managed by their main contractors and have no direct relationship with the client, which means the main contractor is still accountable.



WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

All providers must declare any subcontracting arrangements, so that the subcontractors can also be brought on board regarding programme requirements and standards. This could also be a vehicle for the W&RSETA to promote Black economic empowerment in the training industry or any other product or service that the W&RSETA buys.

almost non-existent and that all learners who were willing to participate were allowed to do so regardless of their level of education. Both learners and facilitators, however, put in an extra effort to make the project a success.

32

2

impact of research

The W&RSETA must take responsibility for the issuing of records of learners' achievements and give a clear directive on when these should be issued (e.g. two weeks after submission of assessments) and who should take a leading role in performing this function. Most learners are frustrated because they are waiting for their certificates and it is not clear to them who is supposed to issue them: the SETA or the provider of training.

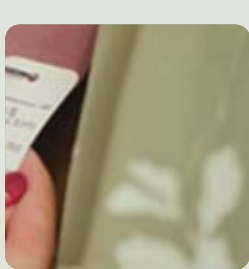
The W&RSETA must develop a verification system for learners before classes start, to ensure that all learners are employed by employers who pay levies to the W&RSETA.

[h2]Conclusion

The study found that Project Fundisa had been very successful despite the challenges experienced by different stakeholders in the project. The results show that, as mentioned above, learners/employees are the ones who benefit the most, because when they successfully complete the training, they get a South African Qualifications Authority (SAQA)-recognised certificate that they can use to look for better employment opportunities, and, in some cases, promotion within the same company. On the other hand, some employers are left having to recruit and train new employees.

Project Fundisa's success can be attributed mainly to learners and facilitators being committed to training. The researchers emphasised that learners' needs must be taken into account when planning training for small businesses. This is an opportunity that the W&RSETA can exploit without hurting the sector. Both facilitators and providers acknowledged that the selection process was

Taking skills development to the next level



Chapter 7: Impact assessment of the Scarce and Critical Skills Guide, 2008

An impact study on the Scarce and Critical Skills Guide project of the W&RSETA was conducted in 2009. The findings of the impact assessment study are summarised below.

[h1]The Scarce and Critical Skills Guide

The Scarce and Critical Skills Guide and training focuses on the first objective of the National Skills Development Strategy II (NSDSII), namely that SETAs prioritise and communicate critical skills for sustainable growth, development and equity in South Africa. This particular intervention seeks to assist the W&RSETA in achieving Success Indicator 1.2, which requires that “information on critical skills is widely available to learners and that the impact of information disseminated, [is] researched, measured and communicated in terms of rising entry, completion and placement of learners”.

‘Skill’ is defined as an ability to perform competently the roles and tasks associated with an occupation (Organising Framework for Occupations (OFO). ‘Scarce skills’ (W&RSETA Discretionary Grants 2006/07 Guidelines and Criteria) refers to occupations in which there is a scarcity of qualified and experienced people, current or anticipated and identified, in respect of:

- Geographical location
- Equity
- A new or emerging occupation for which there are no programmes or qualifications as yet
- Firms, sectors and/or the country experiencing economic blockages (constraints to growth) or power productivity growth
- Replacement demand and supply indicators

‘Critical skills’ are defined as ‘key or generic skills/critical cross-field outcomes’, such as:

- Problem-solving [Typesetter, please correct bullet here]
- Learning to learn
- Language and literacy skills
- Mathematical skills
- Information and communications technology (ICT)

skills

- Technical top-up skills linked to occupational classification systems

[h1]Purpose of the Scarce and Critical Skills Guide

The purpose of the guide is to:

- Highlight the most important definitions, acronyms and abbreviations in the skills development context
- Educate the sector and potential entrants to the sector about the benefits of joining the W&R sector
- Stress the strategic importance of scarce and critical skills within the sector
- Show what qualifications, learnerships or learning programmes the W&RSETA and other SETAs have to address those skills
- Market the W&R Sector as a career of choice.

[h1] The Impact assessment study

[h2]Objectives of the impact study

The objectives of the study were to conduct an impact study of the:

- Scarce and Critical capacitation sessions held in March 2008
- Respondents who received the Updated Scarce and Critical Skills Guide/CD in 2008

[h2]Method and scope

Systematic random samples were drawn and telephonic interviews were conducted with 50 respondents who attended the March 2008 capacitation sessions and with 65 respondents who received the Scarce and Critical Skills Guide/CD.

[h2]Results of the study

In general, the majority of respondents were positive about the value of the capacitation sessions, as well as the Scarce and Critical Skills Guide/CD. The results of the two studies are summarised below.

WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

[h3]Study amongst respondents who attended the March 2008 capacitation sessions

Eight of the 50 respondents interviewed were Independent Skills Development Facilitators (ISDFs), 30 were Skills Development Facilitators (SDFs) and 12 were Career Guidance Counsellors. Most of the respondents fell within the age groups of 41 to 60 (44 per cent) and 18 to 35 years (34 per cent).

Sixty-four per cent of the respondents were female and only two had a disability. More than half (52 per cent) had been in their current job for less than three years, while 42 per cent had worked for less than three years in the W&R development arena; 44 per cent had had the opportunity to participate in other interventions than those in the W&R sector.

The following table shows the percentage of respondents who rated the contribution of the W&R workshops as good or excellent in respect of:

Knowledge of critical skills in W&R sector	87.7%
Knowledge of scarce skills in W&R sector	87.7%
Role as SDF in organisation/sector	91.9%
Role as change agent in organisation/sector	87.8%
Vision of W&RSETA	85.7%
National Development Strategy	89.8%
Confidence in doing job	81.7%
Motivation to perform everyday duties	81.7%
Competence to apply information learned	88.4%
Motivation to participate in similar interventions	87.8%
Communicating scarce and critical skills for W&RSETA	83.7%

The great majority of respondents were satisfied with the guide. There was a request for a guide that would be more user-friendly to 'illiterate' people and one request for more frequent updates of the guide.

About half of those who shared their W&R information

shared it with more than 15 people (such as FET college learners, FET college employees, other than FET employees, unemployed people and school learners). The sharing of information occurred mostly on a random basis by word of mouth.

More than three quarters (77,6 per cent) of the respondents said the sharing of information would lead to an increase in the number of learners entering the Scarce and Critical Skills courses in the W&R sector; 79,6 per cent said it would help learners to complete their courses and 85,7 per cent said it would help to increase learners placed in the W&R sector.

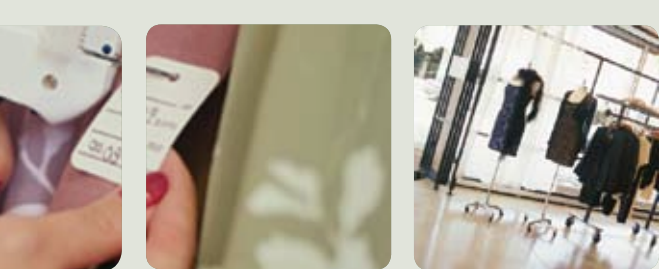
[h3]Study amongst respondents who received the updated Guide in hard copy and/or CD

Fifteen of the 65 respondents interviewed were ISDFs, 43 were SDFs and 7 were CGCs. More than half (56,9 per cent) fell within the age group 41 to 60, 58,5 per cent were female and four (6,1 per cent) were disabled. Forty percent had worked for 3 to 7 years in their current job, while 46,1 per cent had worked for 3 to 7 years in the W&R skills development arena.

The following percentages of respondents indicated that the contribution of the updated Scarce and Critical Skills Guide/CD was good to excellent, in the following respects:

Knowledge of critical skills in W&R sector	84.6%
Knowledge of scarce skills in W&R sector	84.6%
Role as SDF in organisation/sector	92.3%
Role as change agent in organisation/sector	92.3%
OFO codes	55.4%
Prioritising of scarce skills	80.0%
Confidence in doing job	86.7%
Communicating scarce and critical skills for W&RSETA	76.9%

From the above it is clear that the explanation of the Organising Framework for Occupations (OFO) codes in



the Guide/CD needs more attention.

Respondents felt that the content in the CD (72,0 per cent) was better than that of the hard copy (69,2 per cent). However, the differences in the percentages are not significant.

The preference of respondents between a hard copy or CD was slightly in favour of a hard copy (43,3 per cent as opposed to 39,2 per cent). However, 18,5 per cent preferred both.

Recommendations made by respondents included a better definition of Scarce and Critical Skills for employers, better explanation of OFO codes, and that the guide – which contains too much information – be summarised. Some respondents requested a better format.

Almost half of the respondents said they shared information with more than 15 persons, in the case of employers (47,7 per cent) and employees other than FET college employees (47,6 per cent). The information was mostly shared randomly by word of mouth, but meetings also played an important role in sharing information with employers (31 respondents mentioned them) and with FET college learners (11 respondents).

Few respondents indicated that they shared information on a daily, weekly or monthly basis. The sharing tends to be done randomly.

Respondents were very positive on the influence which sharing information would have on the increase of learners entering Scarce and Critical Skills courses in the W&R sector (78,5 per cent), an increase in the number of learners completing their courses (73,8 per cent) and an increase in number of learners placed in the W&R sector (75,4 per cent).

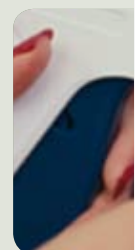
[h2]Conclusion

According to respondents in both studies, the capacitation interventions and the Scarce and Critical Skills in the W&R

Sector Guide in hard copy and/or CD yielded positive results. These have given respondents the opportunity to participate in capacitation sessions, contributed to their knowledge of the W&R Sector and also led to personal and social benefits. This has enabled them to share information with a wide variety of people, which in turn means an increase in learners in W&R.

[h2]Recommendations

- Proceed in the same manner as before with capacitation sessions and supplying of the guide. Stakeholders must be given a choice of being given the guide in hard copy or CD.
- Encourage participants in capacitation sessions and recipients of the guide to share information with more people.
- Encourage companies/institutions to spend money on employee training.
- Motivate learners to undergo training in W&R Scarce and Critical Skills programmes.
- Update the W&R database (recommended in the light of difficulties experienced in sampling of respondents).



THEME 3 – IMPROVING SERVICE DELIVERY

Chapter 8:

Objective 5:

Success Indicator 5.3:

Measuring success by measuring perceptions:

Improving the quality and relevance of provision

By March 2010 there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the National Qualifications Framework (NQF) in support of the NSDS.

Chapter 9:

Objective 5:

Success Indicator 5.3:

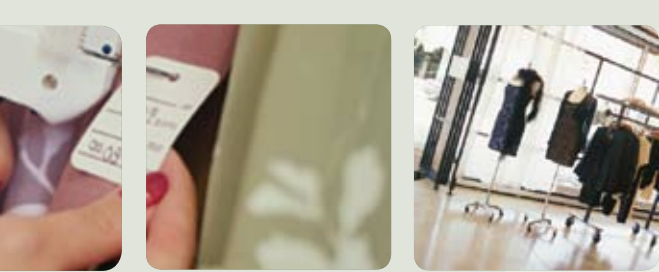
Internal skills audit:

Improving the quality and relevance of provision

By March 2010 there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the National Qualifications Framework (NQF) in support of the NSDS.

3

improving service delivery



Chapter 8: Measuring success by measuring perceptions

This chapter offers an in-depth discussion of matters related to perception management, to offer an insight into why the W&RSETA found it necessary to do a perception-measurement exercise: the organisation's first survey of the perceptions of stakeholders and member companies regarding skills development. The study is described in detail in view of its significance.

[h1] Perception management

Objectives that need to be quantified and prioritised in an organisation are:

- The needs or wants and the standards of performance that clients or users desire from the organisation
- The organisation's objectives and priorities in terms of communication and action expected to result in the achievement of objectives by satisfying client needs in line with its standards of performance, thus establishing brand loyalty
- The organisation's objectives in budgets and market share

The W&RSETA's 'clients' can be defined as its stakeholders, for example, employees and potential employees in the sector, employers within the sector, providers of training, the Department of Labour, and even the nation as a whole.

Only *people* can achieve, or permit the achievement of, the organisation's objectives. People behave according to their needs or wants, desired standards of performance, and the sets of performance perceptions they hold at any given time.

Perceptions are the feelings, mental pictures, and 'gut-feelings' that motivate or demotivate people's behaviour. Perceptions determine the success of an organisation or company. Therefore, it is critical that an organisation pay close attention to perceptions at all levels all the time, and manage these perceptions.

[h2] Measuring and altering perceptions

To manage important perceptions, the organisation needs to measure perceptions effectively and accurately, and

monitor shifts in perception. Needs or wants (as unsatisfied priorities) and desired standards of performance must be quantified and prioritised before perceptions concerning performance can be managed cost-effectively. This technique is somewhat different from traditional forms of market research.

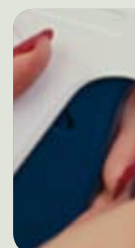
Perceptions can only be created or shifted by communication, therefore 'perception management' amounts to effective management of communication that is directed and controlled by measuring and monitoring shifts in perception.

Measuring perceptions provides an indication of the effectiveness of an organisation's communication. Communication takes various forms, for example an organisation's corporate identity, 'word-of-mouth advertising', the 'language' of packaging, mass media advertising, news releases, newsletters, training, conferences and sponsorships. These are means of communication, but it must be noted that the only purpose of communication is to create awareness, create or shift perceptions, and generate physical responses. Responses occur only when perceptions of performance match the customer's desired standards of performance.

In working to fulfil its mandate, the W&RSETA has by necessity to manage the perceptions of particular groups of people. Therefore, its success in achieving its objectives depends on how well it manages the perceptions of its staff members, facilitators, trainers, companies training and not training, learners and potential learners, educational organisations such as universities and universities of technology, SETA board members, influencers, authorities and communication agencies. These are called key communication groups (KCGs).

The perceptions that people hold are always relative to their alternative options, normally represented by the organisation's competition. Therefore, the W&RSETA's success depends on:

- Quantifying and prioritising the needs/wants and or decision criteria of its KCGs



- Quantifying their desired standards of performance, i.e. their points of effective motivation and response
- Quantifying their perceptions regarding their alternative options, and then
- Shifting their critical perceptions so that they prefer the W&R SETA's offering to their alternative options.

The W&RSETA thus carried out a perception measurement study to quantify and prioritise the needs or wants and/ decision criteria, desired standards or performance, levels of awareness, and the performance perceptions of three groups concerning the W&RSETA, its products and its services.

The priority of the study was to identify, quantify and prioritise the W&RSETA's inhibitors and opportunities, perceived areas of strength, weakness (perception deficiencies), and average performance. This information would inform strategies to correct perception difficulties and achieve the required perception objectives.

The W&RSETA would also be provided with standards and objectives that it would use in future to:

- Monitor perception shifts and redirect strategies
- Quickly appraise any particular situation in the marketplace at any time
- Introduce incentive, appraisal and reward programmes for staff members
- Develop, appraise and manage training programmes.

[h2]The purpose of the W&RSETA regarding this survey was to:

- Quantify and prioritise the needs/wants and/or decision criteria and the desired standards and performance of facilitators regarding the SETA, its products and services
- Quantify levels of awareness and perceptions held regarding the SETA compared with desired standards of performance
- Develop more effective marketing, sales and client service strategies
- Monitor and manage the strategies to bring them to a successful conclusion

[h1]The perception management study

[h2]Purpose

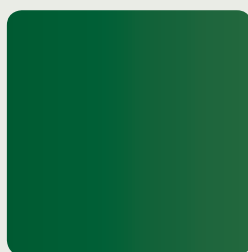
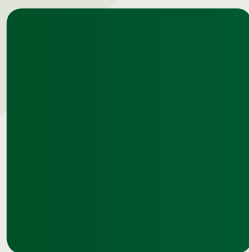
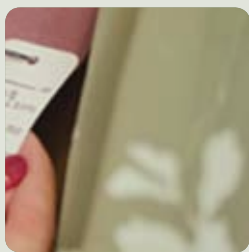
The purpose of the perception measurement was to attain quantified measurement, prioritisation, strategy objectives, strategy formulation and strategy management.

- Quantified measurement – quantify and prioritise the needs/wants and/or decision criteria, desired standards of performance, levels of awareness and performance perceptions held by facilitators regarding the W&RSETA, its products and services, in comparison with their desired standards of performance.
- Prioritisation – to identify, quantify and prioritise the W&RSETA's inhibitors and opportunities, and perceived areas of strength, weakness and average performance; and to quantify differences
- Strategy objectives – to identify and quantify the W&RSETA's priorities and attention, perception objectives for achievement (the points of response), and perception creation or shift requirements (degrees of emphasis).

[h2]Method

The method used in the study is called perception measurement. The W&RSETA approved the questionnaire that was used, and it supplied a list of desired respondents from three groups, namely companies receiving grants, W&RSETA personnel members and skills development facilitators. All interviewing was done by telephone, under strict in-house conditions of visual and audio supervision and quality control. Respondents were not told who had commissioned the project and were assured their responses would be treated as confidential. They were asked to respond to questions put to them either with spontaneous answers or to nominate numbers along a scale. A seven-point scale was used for both kinds of response. The first was to rank spontaneous responses in order of awareness or importance. The second was to rate responses on the scale, with 1 as 'low/very poor' and 7 as 'high/excellent'. 'Not applicable' or 'opt out' responses were provided for with the option of allocating 'zero'.

Importance is calculated by multiplying the number of spontaneous mentions of a factor by its ranking in mention



to provide a calculated 'weight' for the factor. Words/phrases that are similar in meaning are grouped into categories.

All responses were captured on computer and the mean averages of the ratings for each question were computer-calculated and plotted graphically. The method described here is the basis for the research report.

[h2] Results

The reporting method that is used ranks unsatisfied priorities: needs/wants in order of importance as captured from the respondents. These are unprompted. The following are the top five unsatisfied priorities as seen by respondents (companies receiving grants.) and presented because of their importance as perceived by respondents.

[h3] Levy-paying organisations

The perceptions held by companies receiving grants regarding W&RSETA, its products and services, in comparison with their desired standards of performance revealed the following.

Contact/communication (100)

Companies receiving grants feel that they need to be communicated with more often. W&RSETA's communication does not fulfil their desired level of 6,2.

Experience/usage (75)

Small companies in particular feel that they are not as well looked after as large and medium companies. It is important that small companies feel part of the process. What they perceive to be missing is the experience/usage of the W&RSETA service in comparison with medium and large companies.

Product range (71):

Companies feel that there should be a range of products (courses/programmes). They feel the following need to be reviewed:

Range of courses

Relevance

Programme content

Knowledge/expertise (46):

Companies perceive the knowledge and expertise of the W&RSETA personnel to be lacking. They expect them to be more knowledgeable, forthcoming with ideas, competent and professional. Note the ratings of companies in comparison with the desired standard.

Information/advice (63):

Companies feel they do not receive enough information and advice. They want to be kept informed not only about courses, but also about trends and developments in the industry.

[h3] W&RSETA employees

The following are the top five unsatisfied priorities as seen by W&RSETA personnel respondents; they have been selected because of their importance as perceived by respondents.

Training/development (100)

They need to be trained and developed more than they are at present. This is their highest priority which they perceive as unfulfilled. They want to feel confident in performing their work professionally. (See Index 46 above (companies paying levies.)) There is, however, greater satisfaction with this aspect in the North West, Free State, Northern Cape and Western Cape provinces combined, followed by head office.

Culture/relationships (87)

There is a lack of company culture with which the staff can identify. They feel that there is no honesty, team spirit or care for each other as colleagues. They perceive this element to be second highest in terms of priority to enable them to perform their duties.

Structure/procedures (58)

Staff members feel there is too much red tape in the way of their performing their day-to-day duties. The current structure, procedures and process appear to be affecting their work efficiency negatively. The top five unsatisfied



WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

priorities need to be looked at to enable them to perform their work and stay with W&RSETA.

Management/direction (57)

Staff members are not aware of the W&RSETA's vision and mission (direction). Strategy must be communicated. It is important to focus on strategy and direction rather than petty issues. There are gaps between staff members' desired standards and regional rankings.

Client focus (52)

Personnel feel clients are not well looked after in comparison with their perceived desired standards. (This correlates with Index 100 (Training and Development) above). They are not as well equipped to assist clients as they would like to be. Some regions think they are on top of things, however, it is important to compare the average ranking of others with the desired standard of 5,6. The other contributing factor may be the structure/procedures (index 58), which may affect client services.

[h3]Skills Development Facilitators (SDFs)

The following are the top five unsatisfied priorities as seen by SDFs who were respondents; they are presented here because of their perceived importance among respondents.

Product range (100)

Facilitators feel that there ought to be a range of products (courses/programmes).

The following need to be reviewed:

- Range of courses
- Relevance
- Programme content.

Note that product range is also a concern for companies receiving grants (index 71).

Experience (77)

Facilitators feel that their experiences with the W&RSETA are a matter of concern. Note the regional differences in terms of future relationships. What is equally important is the gap between the desired standard and regional rankings. They feel this is the area which most needs to be improved, after product range.

Knowledge/expertise (50)

Facilitators feel the knowledge and expertise of the

W&RSETA needs to be upgraded from its current state. The same issue was raised by W&RSETA personnel (index 100).

Procedures (50)

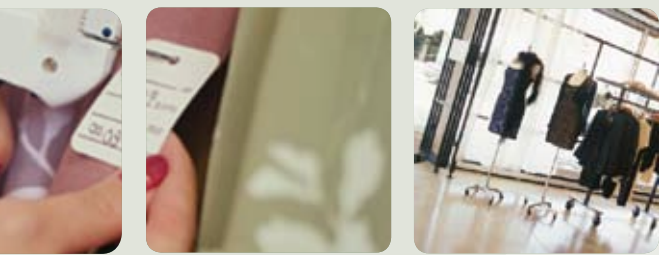
Facilitators share staff members' feelings that there is too much red tape in executing duties. They perceive the current procedures and processes to be affecting their efficiency. As part of the top five unsatisfied priorities, they feel these need to be looked at to enable them to perform their work and stay with the W&RSETA.

Contact/communication (46)

Facilitators feel that they need to be communicated with more often than they perceive is currently the case. The W&RSETA's communication does not fulfil their desired level at 5,7. Facilitators feel that the W&RSETA ought to communicate with them more effectively.

[h2]Value of the study

The W&RSETA subsequently used this information in developing strategies to alleviate negative perceptions and to put in place measures to assist in fulfilling the various stakeholder groups' needs.



Chapter 9: Audit of skills within the W&RSETA

The primary mandate of the W&RSETA is to contribute to enhancing skills for the employed and those who aspire to be employed or start their own businesses in the sector. For the W&RSETA to continuously improve its understanding of the status of skills in the sector and to strengthen strategies to develop employees' skills in various segments of the sector, research has to be done.

In addition, the Skills Development Act of 1998, section 10 (1) dictates that each SETA develop a Sector Skills Plan (SSP) within the framework of the National Skills Development Strategy (NSDS) and that it be updated yearly. In addition, one of the objectives of the National Skills Development Strategy 2005–2010, also known as NSDS II, is 'prioritising and communicating critical skills for sustainable growth, development and equity'. This requires that research be undertaken in the sector to determine critical skills. Recognising the importance of a skills audit, the W&RSETA decided to audit the skills within its own organisation, in order to gain an understanding of the status of its own employees' skills and to develop its own workplace skills plan.

The audit gathered information by using a structured questionnaire that was distributed to national and regional staff members, supported by telephone interviews scheduled with a representative sample of the W&RSETA's employees.

What the Skills Audit Report of 2007 revealed is presented in summarised form in this chapter.

[h1]Profile of the W&RSETA's employees

Of the W&RSETA's 79 staff members, 66 submitted questionnaires. The study found that 51 per cent of employees work at head office, which is also where there is the greatest concentration of skills. At the time of the study the W&RSETA employed 57 people in permanent positions, 2 people in temporary positions, and 7 in contract positions.

Permanent position: a position of formal employment held by an individual for the life of the organisation.

Temporary position: short-term employment held by an individual for a defined period with a specific task.

Contract position: short-term or long-term, non-continuous employment, for a specific task

The staff complement comprised 19 administrators, 3 senior managers, 8 executive managers, 13 people in middle management, 8 officers, 22 co-ordinators and 6 office assistants.

The turnover of staff in the organisation is high: 34 people had held their current positions for less than a year, 26 had worked for the organisation for between two and three years and only 6 people had held their positions for over five years. The staff turnover could be a challenge concerning the W&RSETA's future growth and development, because the organisation needs to work at its 'fullest potential at all times in fulfilment of the objectives of the NSDS'. The report said that the length of time spent while staff vacancies remained open had a bearing not only on staff performance, but ultimately on the organisation's overall performance and the perceptions of its stakeholders.

The workforce is particularly well equipped with experience: 74 per cent of the staff members had worked for at least three organisations up to the period of review; 17 per cent had worked for a minimum of two organisations; and only 9 per cent were first-time employees. In terms of age groups, twenty-three employees were between the ages of 21 and 29, thirty were between 30 and 39, eight were aged between 40 and 49, six were between the ages of 50 and 60 and there were no employees aged 60 or older.

The fact that the organisation had a fairly young staff complement was beneficial, because it gave it an opportunity for training and development and, potentially, better staff retention. 'Younger staff members have potentially more energy and a greater capacity to generate fresh ideas', the research report claimed.

Of the employees, 77 per cent were women, and the staff demographic represented the demographics of South Africa's total population. The organisation has a positive



WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

attitude to people with disabilities. At the time of the study, 5 per cent of staff members were people with disabilities. The organisation could complement its efforts in this regard by ensuring that their particular needs were considered and their levels of satisfaction assessed by means of perception studies every six months and the compilation of quarterly reports.

The workforce was highly qualified, with 50 per cent of employees holding degrees and diplomas and more than a quarter having postgraduate qualifications. The report said that this ensured a 'high level of trainability and strategic thinking skills'. However, because of the general shortage of skilled people in South Africa, highly qualified people are in demand and therefore highly mobile. The study commented that it was very important for the W&RSETA to have a clear retention strategy and well-defined career pathways to assist the organisation to retain qualified and experienced people and therefore ensure sustainability and continuity.

As the custodian of skills development in the W&R sector, the W&RSETA must find, grow, nurture and retain people with essential skills. In South Africa there are many people

with degrees and postgraduate qualifications, but in some cases people lack technical expertise and experience in important areas such as management, project management and administration, contract management, human resource management, strategic management, and information technology (IT).

It is the W&RSETA's responsibility to train such people so that they may acquire the aforementioned skills. Within the SETA itself, only 10 per cent of the 77 per cent of people who hold degrees and postgraduate qualifications are equipped with the technical expertise and experience mentioned above. From this group, the SETA can draw people to grow, nurture and groom for middle management and senior management roles.

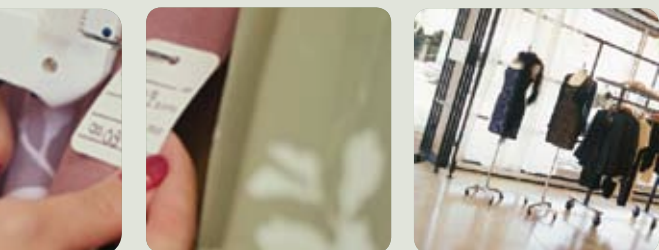
[h2]Skills that the W&RSETA needs

The skills that the W&RSETA needs can be divided into management or leadership skills, soft skills and technical skills. They are set out in the table below (these skills were listed by the respondents as being needed to further advance staff members' contributions to, and participation in, the W&RSETA).

MANAGEMENT/LEADERSHIP	SOFT	TECHNICAL
<ul style="list-style-type: none"> • Leadership and management, mentoring and coaching • Planning • Conflict management • Negotiation and persuasion • Project management 	<ul style="list-style-type: none"> • Decision-making • Coaching and mentoring • Interpersonal skills • Teamwork • People skills, e.g. managing diversity • Communication • Presentation skills 	<ul style="list-style-type: none"> • Financial management • Project administration • Customer relations • Interpreting legislation • Excel program • Industrial relations • Labour law • Assessor and moderator • Desktop publishing

Based on this information, the researcher suggested that the following skills would be critical to the W&RSETA's future development and that elements of these ought to feature strongly in each staff member's personal development plan:

Taking skills development to the next level



MANAGEMENT/LEADERSHIP	SOFT	TECHNICAL
<ul style="list-style-type: none"> • Leadership and management skills • Operations and project management • Strategic management • Research management 	<ul style="list-style-type: none"> • Coaching and mentoring • Teamwork • Diversity management • Communication strategies • Life-skills (personal finance, time management, stress management) 	<ul style="list-style-type: none"> • IT skills • Project administration • Knowledge management • Document management • Quality management • Research skills • Labour law • Assessor and moderator skills

At the time of the study, the W&RSETA provided for staff development by means of study leave, on-the-job training, coaching and mentoring, and financial support in the form of study loans, yet only 25 per cent of the staff had made use of financial aid. There was no formalised system for managing coaching and mentoring processes. The report pointed out that the W&RSETA could look into the mentoring and coaching courses on the market that could be tailored to the organisation's needs, so that all managers, supervisors and those with staff-management responsibilities could be trained. Staff acting as coaches and mentors should report on progress monthly.

The report concluded that the W&RSETA needed systematic approaches for managing skills development; these are necessary not only within the internal operations of the SETA, but for modelling best practices and contributing what is required in the sector as a whole. A Workplace Skills Plan is a good start, but a systematic approach to implementing internal skills development initiatives and processes is critical to the success of the SETA.

The researcher argued that inserting a resourcing strategy for the skills already mentioned, including the possibility of a Masters in Business Administration (MBA) programme, could dramatically change attitudes, and aspirations, as well as improve the retention of staff. This would be of great value to an organisation 'tasked with tremendous responsibility' pertaining to the W&R sector and the nation.

[h2]Recommendations

The recommendations in the Skills Audit Report, March 2007, briefly, were that:

- Personal assistants (PAs) should be trained as executive PAs, and be equipped with project administration skills, among others. PAs and administrators ought to be empowered to create a forum backed up by the professional and junior management corps to run a bi-monthly or quarterly newsletter for the organisation, in order to bridge the communication gap between regional, support and core staff.
- Technical competence at middle management and professional levels should be monitored closely, resourced and developed in a planned way.
- Quality management skills should feature more strongly than they do in order to equip administrators, advisors and junior managers with skills that are needed throughout the sector.
- Senior and executive managers should develop and apply strategic management skills, operations management and project management skills, including turnaround strategies, because this could bring about radical changes at all levels in the organisation.



WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

Conclusion

This report was produced to provide stakeholders and interested bodies with an overview of research that the W&RSETA commissioned from 2006 to 2009.

In an effort to fulfil its mandate, the W&RSETA conducts research. The findings of research papers such as those covered in this booklet provide the W&RSETA with invaluable information that is used to adjust its activities, its initiatives and its communication, among others, and bring it closer to successfully carrying out its very important role and fulfilling the responsibility with which it has been entrusted.

Besides offering a summary of research done by the W&RSETA, this report has aimed to provide the reader with an understanding of the Sectoral Training Authorities (SETAs), the services sector and the W&RSETA in particular.

This report has attempted to provide a brief explanation of the National Skills Development Strategy (NSDS) and its successor, NSDS II, to provide the national skills development context within which the summary of some research studies done for the W&RSETA ought to be viewed.

Further information on particular studies is available from the W&RSETA.

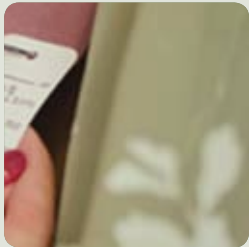
Kindly contact:

Inger Marrian
Manager: Research
W&RSETA

Tel: 012 676 9000
Direct: 012 676 9064
Fax: 012 665 2559
imarrian@wrseta.org.za

www.wrseta.org.za
224 Witch-Hazel Avenue
Technopark
Highveld
PO Box 9809
CENTURION 0046

"We are the premier authority in skills development, exceeding our stakeholder expectations in the wholesale and retail sector."



WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

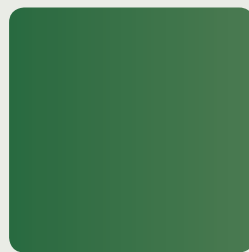
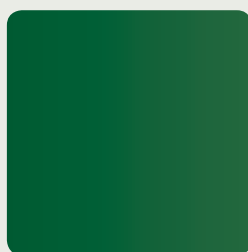
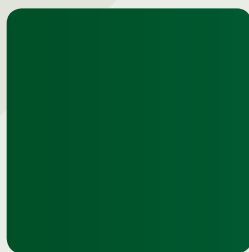
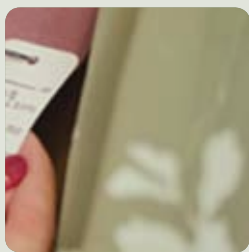
conclusion

45

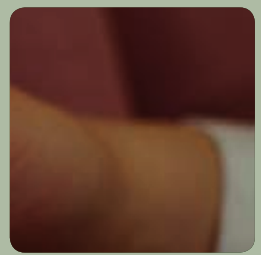
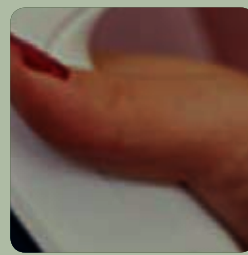
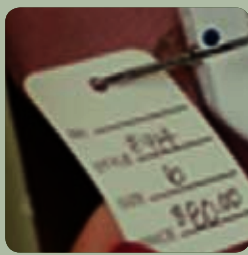
3

Improving service delivery





WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY



WHOLESALE AND RETAIL SECTOR EDUCATION AND TRAINING AUTHORITY

Taking skills development to the next level

HEAD OFFICE
224 Witch-Hazel Street
Highveld Techno Park,
Centurion
P.O. Box 9809
Centurion, 0046
Tel: 012 676 9000
Fax: 012 665 2559

Call Centre: 0860 270 027
www.wrseta.org.za

CAPE TOWN
Ground Floor, "Old
Warehouse Building"
Black River Park,
Fir Road, Observatory
P.O.Box 13913,
Mowbray, 7705
Tel: (021) 442 6700
Fax: (021) 442 6777

KWAZULU NATAL
Ground Floor, Smart
Exchange Building
5 Walnut Road,
Durban, 4001
P.O.Box 18473,
Dalbridge, 4014
Tel: (031) 333 8800
Fax: (031) 333 8815

LIMPOPO MPUMALANGA
202 Parkmed Centre
64 Mandela Street Emalahleni
P. O. Box 17717
Emalahleni 1035
Tel: 013 690 1214
Fax: 013 690 1190

GAUTENG
1267 Pretorius Street
Hadefield Office Park
Block B Ground Floor Hatfield, Pretoria
Tel: 012 430 4930
Fax: 012 430 4935

**NORTH WEST/FREESTATE/
NORTHERN CAPE**
Lustitia Building
133 St Andrew Street
Bloemfontein, 9301
P.O. Box 1419
Bloemfontein 9300
Tel: 051 447 8443
Fax: 051 447 8629

EASTERN CAPE
08 Malcolm-Ess
Office Park
Southernwood
Tel: 043 722 3010
Fax: 043 722 3037