W&RSETA
SECTOR SKILLS PLAN
(SSP)
2020 – 2025

FINAL SUBMISSION

31 August 2020
Updated 2020-2021

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Table of Contents

Table of Contents **1**

Table of Figures **3**

List of Tables **3**

FOREWORD **4**

EXECUTIVE SUMMARY **5**

RESEARCH DESIGN AND METHODOLOGY **8**

Research Methodology *8*
W&RSETA SSP Engagement Plan, 2020/21 .... *9*
Data Analysis and Findings *10*

ACRONYMS **11**

CHAPTER ONE: SECTOR PROFILE **12**

1. Introduction *12*
1.1. Key Questions *12*
1.2. Scope of Coverage *12*
1.3. Key Role Players *15*
1.4. Economic Performance *18*
1.4.1. Economic Performance of South African industries *18*
1.4.2. South Africa's Unemployment *19*
1.4.3. Share of employment per industry relative to its GDP share (%) *19*
1.4.3. Employment Losses and gains *20*
1.4.4. Economic Performance of W&R Sector *21*
1.4.5. Growth by Industry Type *21*
1.5. Employer Profile *24*
1.5.1. Levy Income Trends *25*
Employee Profile *25*
1.5.2. Employee Demographics *27*
1.6. Conclusion *31*

CHAPTER TWO: KEY SKILLS CHANGE DRIVERS **33**

2. Introduction *33*
2.1. Key Questions *33*
2.2. Factors affecting skills demand and supply *33*
2.3. Policy frameworks affecting skills demand and supply *36*
2.4. Conclusion *37*

CHAPTER THREE: OCCUPATIONAL SHORTAGES AND SKILLS GAPS **38**

3. Introduction *38*
3.1. Key Questions *38*
3.2. Occupational Shortages (Hard-To-Fill Vacancies) *39*
3.3. COVID-19 Survey *40*
3.4. Employer Survey/Interview Findings *41*
3.5. Hard-To-Fill Vacancies (HTFVS) by Province *43*
3.5.1. HTFVs by Sub-Sector *47*
3.5.2. Skills Gaps *47*
3.6. Skills Supply *51*
3.6.1. Enrolment in Post-School Education and Training Institutions *51*
3.6.2. W&RSETA Supported Programmes *54*
3.6.3. Annual Training Reports *55*
3.7. State of Education and Training *56*
3.8. Sectoral Priority Occupations and Interventions List *56*
3.9. Conclusion *57*

CHAPTER FOUR: SETA PARTNERSHIPS **58**

4. Introduction ... 58
4.1. Key Questions ... 58
4.2. An Analysis of Existing SETA Partnerships ... 58
4.3. Planned Partnerships ... 61
4.4. Conclusion ... 62

CHAPTER FIVE: MONITORING AND EVALUATION (M&E) ... 63

5. Introduction ... 63
5.1. Key Questions ... 63
5.2. W&RSETA Approach to M&E ... 63
5.3. Use of M&E Data ... 65
5.4. Plan of Action ... 65
5.5. Conclusion ... 67

CHAPTER SIX: SKILLS PRIORITY ACTIONS ... 68

6. Introduction ... 68
6.1. Key Questions ... 68
6.2. Key Findings from Previous Chapters ... 68
6.3. Recommended Actions ... 70
6.4. Conclusion ... 74

Bibliography ... 75

Table of Figures

Figure 1: Performance of South African Industries (2020) ... 18
Figure 2: South Africa's Unemployment ... 19
Figure 3: Employment Shares per Industry ... 19
Figure 4: Employment Losses ... 20
Figure 5: Employment Gains ... 20
Figure 6: South Africa's Retail Trade Sales ... 21
Figure 7: Growth by Retailer ... 21
Figure 8: Wholesale Trade Sales ... 22
Figure 9: Disposable Income 2017-2020 ... 22
Figure 10: Consumer confidence (2017-2020) ... 23
Figure 11: Consumer Price Inflation ... 23
Figure 12: Biggest Role Players in the Retail Sector ... 24
Figure 13: Levy Paying Companies per Provonce ... 24
Figure 14: Levies Received per Province 2019/20 ... 25
Figure 15: Number of Employees in W&R Trade 2014 - 2020 ('000) ... 25
Figure 16: Employees in the Informal and Formal Sector ... 26
Figure 17: Employees by Province ... 27
Figure 18: Number of employees by Gender ('000) ... 28
Figure 19: Employees by Gender ('000) ... 29
Figure 20: Number of Employed People per Age Group ('000) ... 29
Figure 21: Percentage of Workforce with Disadbilities from 2015 to 2017 ... 30
Figure 22: Percentage of Employees with Disabilities in 2020 ... 30
Figure 23: Methodology and Criteria ... 38
Figure 24: Number of Stakeholders Who Attended Online SSP ENgagements ... 41
Figure 25: Beneficiaries of Training Per Occupational Class for 2018/19 ... 55
Figure 26: Beneficiaries of Training by Province 2018/19 ... 55

List of Tables

Table 1: Scope of Coverage ... 12
Table 2: Key Role Players in the Wholesale and Retail Sector ... 15
Table 3: Employee Demographics ... 27
Table 4: Racial Profile ... 28
Table 5: Policy Frameworks Affecting Skills Demand and Supply ... 36
Table 6: Hard-To-Fill Vacancies (HTFV) ... 39
Table 7: HTFV List for Gauteng and KwaZulu Natal ... 43
Table 8: HTFV List for Northern Cape and Free State ... 44
Table 9: HTFV List for Mpumalanga and Eastern Cape ... 45
Table 10: HTFV List for North West and Limpopo ... 46
Table 11: HTFV List for Western Cape ... 47
TABLE 12: HTFV REASONS BY SUB-SECTOR ... 47
Table 2013: TVET College NCV Level 4 Registration and Completion 2018 ... 53
Table 14: Existing Partnerships ... 58
Table 15: Successes and Failures ... 60
Table 16: Planned Partnerships post COVID-19 ... 61
Table 17: Planned Partnerships (Other Key Role Players) ... 61
Table 18: Sector Strategic Priorities ... 65
Table 19: Recommended Actions ... 70

FOREWORD

This final version of the Sector Skills Plan (SSP) for the Wholesale and Retail Sector Education and Training Authority (W&RSETA) for 2020-2021 has incorporated the first draft feedback and analysis reports from industry engagements. The SSP is prepared in accordance with the Department of Higher Education and Training (DHET) Sector *Skills Plan Framework and Requirements (Revised 2019).*

The principal aim of the SSP is to develop a “roadmap” for skills development in the Wholesale and Retail Sector in South Africa. Consequently, it is necessary to identify factors driving change in the sector, occupational supply and demand disparities, skills gaps in the internal labour market, and priority skills development interventions. These are determined through extensive research, literature review and nationwide stakeholder consultations. The W&RSETA has concluded the stakeholder consultations and COVID-19 Economic Survey, and the feedback of the first draft has been incorporated in the final SSP submission. The W&RSETA has also conducted a comparative data analysis of the Workplace Skills Plans (WSPs) / Annual Training Reports (ATRs) and validated the findings and recommendations.

The W&RSETA has also considered the national policy imperatives of the *New Growth Path (NGP), Human Resource Development Strategy for South Africa (HRDSA), National Development Plan (NDP), Industrial Policy Action Plan (IPAP), National Skills Development Plan (NSDP) and National Skills Accord* in the development of the SSP.

The Sector Skills Plan is submitted to the Minister of Higher Education, Science and Innovation in compliance with the requirement of the *Skills Development Act 1998 (as amended)* and the *National Skills Development Plan (NSDP).*

APPROVED BY:

Mr. Tom Mkhwanazi *Chief Executive Officer (CEO)*	28 August 2020 **Date**
Mr. Reggie Sibiya *Board Chairperson*	31 AUGUST 2020 **Date**

EXECUTIVE SUMMARY

The executive summary highlights the key areas of the SSP for each chapter and also indicates the progress that has been made in the annual update of the SSP. A further update will be made on the various chapters outlined below when the research and data analysis has been concluded.

CHAPTER 1 (Sector Profile): The Wholesale and Retail sector employs 20,3 % of the active labour force.

Economic performance: The South African economy recorded its third consecutive quarter of economic decline, falling by 2,0% (seasonally adjusted and annualised) in the first quarter of 2020. This followed a contraction of -1,4% and -0,8% in the fourth and third quarters of 2019, respectively. Annual CPI inflation for April 2020 reflects the impact of the first month of the Coronavirus Disease 2019 (COVID-19) lockdown. CPI dropped to 3,0% in April 2020 from 4,1% in March 2020, the lowest reading since June 2005 when the rate was 2,8%. Consumer price index inflation is now at the bottom of the South African Reserve Bank (SARB) target range of 3–6%.

Economic performance of W&R Sector: The South African wholesale trade sales fell by 5,5% year–on-year in March 2020. Sales decreased by 2,2% in March 2020 compared with February 2020. This was preceded by month-on-month changes of -1,0% in February 2020 and 1,4% in January 2020.

Labour market profile: There were 11,3 million (68,9%) people in formal employment and 2.9 million (17,8%) in informal employment in the sector. However, the wholesale and retail sectors show a decrease in employment of 14,000 and 3,000 jobs respectively as at March 2020 (StatsSA, 2020). It should be noted that the full impact of COVID-19 has possibly not been reported yet and these statistics are likely to worsen.

Representation of people with disabilities within the sector: According to the report by the Commission for Employment Equity (2018-2019), people with disabilities are the least represented in the South African labour market and access to employment remains a challenge. The public sector employees more People with disabilities in South Africa compared to the private sector.

To respond to some of the challenges facing people with disabilities in the Wholesale and Retail Sector, the W&RSETA has prioritised programmes and interventions for this group to ensure representation. The SETA will also focus on creating awareness of the skills development needs of people with disabilities.

CHAPTER 2 (Key Skills Change Drivers): Key drivers of change within the sector include:

COVID-19: The COVID-19 pandemic is an unprecedented health and economic global emergency that is rapidly transforming our lives. Its impact on the economy is also mandating significant changes to retail and commerce. In this dynamic time of humanitarian and social uncertainty, the consumers buying habits and considerations are undergoing a seismic shift. This movement brings about changes in the way business is conducted and how consumers and retailers respond to these changes is different.

Implications for Skills Planning in the Sector:

- The health and safety of customers, employees, and partners has become of paramount importance;
- Slowdown in business activity;
- Decline in revenue;
- Increased demand for e-commerce; and
- Prioritisation of reskilling and retraining to minimise job losses.

Retail chains moving into townships: National large supermarkets are saturating townships and peri-urban areas which is impacting on the viability of small retailers. As a result, there have been calls for informal businesses to be formalised in order to compete with big chain stores, however, but there are barriers to this formalisation. The legislation, limited capacity and skills to operate a business are some of the barriers identified by research conducted by the W&RSETA Retail Chair at the Cape Peninsula University of Technology (CPUT). Financial Knowledge, Competences in Marketing, Brand Building, Ability to build supply chain efficiencies (including category management, merchandising, stock management, buying, data management and analytics to inform business intelligence) and Compliance with Legal Requirements are some of the key skills gaps that should be addressed to respond to the challenges faced by small businesses

Technology advancements and increased access to information: Technological advancements are significantly changing the Wholesale and Retail Sector. These advancements include mobile applications, online shopping, big data, social media, cyber-crime, mobile phones and internet usage.

Youth Unemployment: An industry-led collaborative and integrated approach should be adopted to promote Youth Skills to increase Workplace Integrated Learning and employment opportunities.

SMME development: The SMME sector is relatively large and remains largely relying on sourcing products from wholesalers. Changes that have been identified within this sector include:

- Small enterprise development;
- Hawkers;
- Casualisation; and
- New training model.

Industry Policy Action Plan IV, New Growth Path, National Development Plan, Human Resource Development Strategy for South Africa, Department of Environmental Affairs Integrated Development Plan (IDP), Tourism Sector Skills Plan and the Broad Based Black Economic Empowerment are the key policy drivers for the sector.

CHAPTER 3 (Occupational Shortages and Skills Gaps): Comprehensive comparative analysis of occupational changes and skills gaps has been completed and the analysis report will assist the W&RSETA to identify immediate skills demands for the sector to address the impact of COVID-19 as well as the long term.

Sectoral Priority Occupations: Sales Assistant (General) / Retail Buyer / Butcher / Blockman / Retail Manager (General) / Sales & Marketing Manager / Retail Supervisor / SHEQ Practitioner / Retail Pharmacist/ Sales Representative. The following are new and emerging top-up skills:

- Digital marketing skills;
- Digital customer communication skills;
- Problem solving skills;
- Financial literacy skills;
- Data analytics skills;
- Ethics & discipline; and
- Information Communication Technology (ICT) skills such as Software Developers, Business Analysts and Computer network and Systems Engineer.

Skills gaps: Management and Leadership / Customer Service / Basic Literacy and Numeracy / Basic Bookkeeping / Labour Relations / Marketing and Sales / Computer / Time Management / Occupational Health and Safety / Personal Budgeting / First Aid / COVID-19 awareness / Product Knowledge / Project Management.

CHAPTER 4 (Sector Partnerships): This section identified partnerships in the sector to explore best practices and measures to strengthen partnerships. The W&RSETA has established partnerships with TVET colleges and universities both nationally and internationally. There is also a need to establish new partnerships with small enterprise associations to reach retail SMMEs, Co-operatives, and Informal Traders.

CHAPTER 5 (SETA Monitoring and Evaluation (M&E): The W&RSETA is currently conducting Workplace Based Learning (WBL) tracer studies targeting learnerships and internships beneficiaries under the NSDS III. The aim of this project is to trace the progress of learners who have completed WBL programmes that are funded by the W&RSETA. The M&E information forms the basis of the W&RSETA's from the performance reports as well as evaluation findings that are used to inform the SETA's strategic priorities.

CHAPTER 6 (Strategic Skills Priority Actions): The W&RSETA recommends interventions to address skills needs in the sector, aligned to findings from earlier chapters. This section has been reviewed and aligned to key finding and recommendation from the data analysis report.

The 2020/2021 SSP identifies 7 key Skills Priorities for the Wholesale and Retail Sector as follows:

1. **Priority Skills Plan (PSP):** The Priority Skills Plan is intended to ensure that skills gaps are not a hindrance to economic growth and job creation. To address this, the W&RSETA will identify key skills and occupations to support and allocated funding to assist the labour market in the short and medium term.

2. **SMME, Informal Traders and Co-operatives development:** It is critical that these enterprises are supported to access skills development to interventions aligned to new training models.

3. **Youth Unemployment:** The retail sector provides significant temporary employment opportunities for the youth. The challenge is to convert these opportunities into permanent employment and encourage career development in the sector.

4. **Hard-To-Fill Vacancies and Skills Gaps:** The identification of Hard-To-Fill Vacancies (Occupational shortages) and skills gaps is a key deliverable of the SSP in order to ensure that the SSP responds to the demands of the sector.

5. **Stakeholder Engagement:** Engagement with stakeholders offers a platform to engage on industry demands, sector strategic objective and the implementation of relevant skills development interventions.

6. **Training and Employment of People with Disabilities (PWD):** Despite progressive legislation and a commitment from the government, PWD do not have the same opportunities as others. Therefore, the W&RSETA needs to prioritise skills development interventions to improve access to training, education and employment for PWD.

7. **Sector Transformation**: The W&R sector remains largely untransformed and women, youth and black training providers still cannot access the skills development opportunities.

Yours sincerely

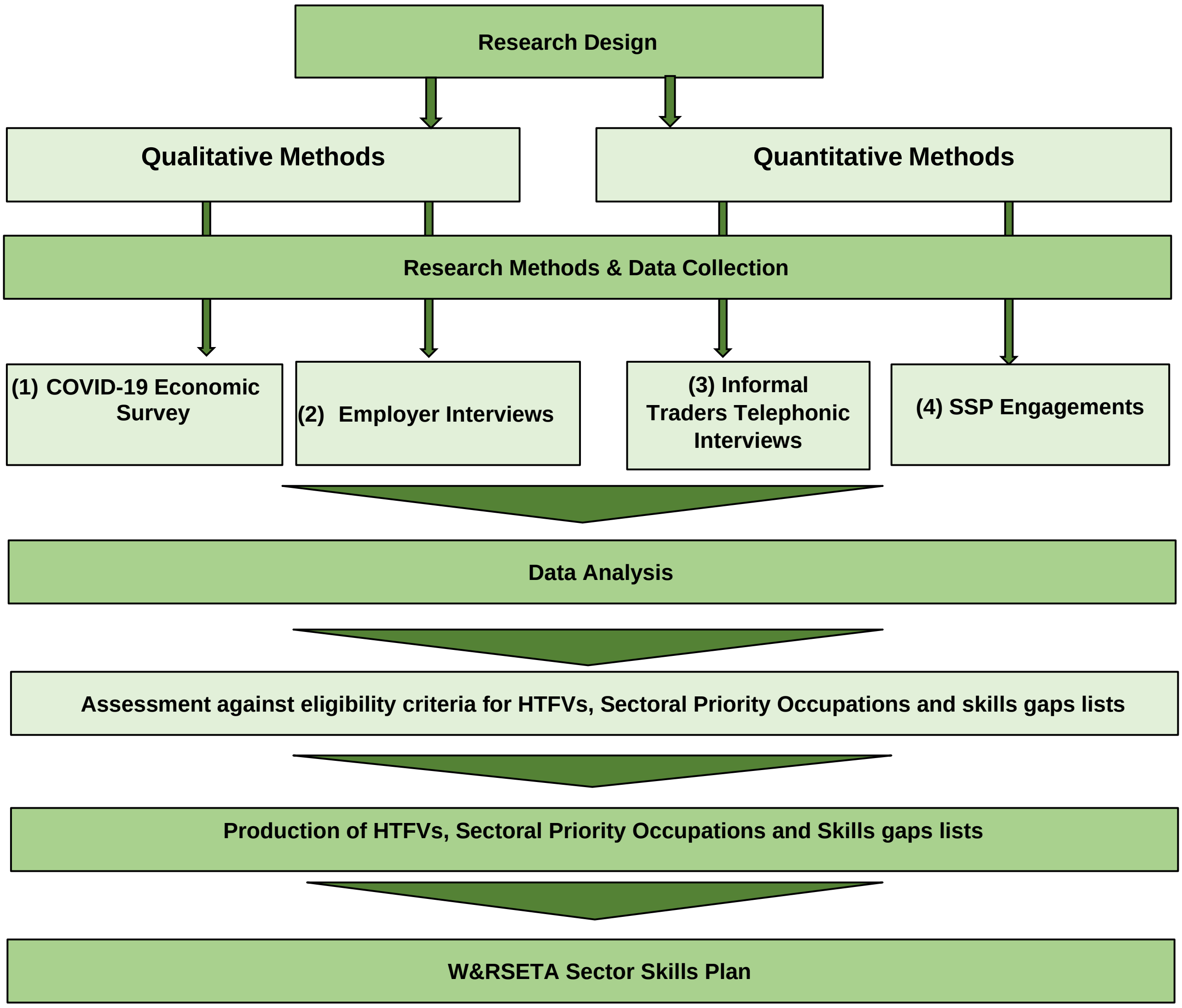
Mr. Tom Mkhwanazi *Chief Executive Officer (CEO)*	28 August 2020 **Date**
Mr. Reggie Sibiya *Board Chairperson*	31 AUGUST 2020 **Date**

RESEARCH DESIGN AND METHODOLOGY

A multipronged method research design was implemented to develop the Sector Skills Plan. This design uses qualitative and quantitative research methods to collect and analyse data for profiling the Wholesale and Retail Sector; identifying change drivers; determining HTFVs, skills Gaps and Sectoral Priority Occupations and devising skills development interventions.

Diagram 1: Research Design and Methodology

The research design is as follows:



SSP Implementation guidelines 2017/18 & DHET SSP Framework and Requirements 2019/20

Research Methodology

The research methodology used to determine critical skills, HTFVs and Sectoral Priority Occupations is intended to be inclusive, transparent, replicable and simple to calculate. The methodology is designed to enable information to be incorporated year-on-year, without the need to redesign the process. By establishing a user-friendly framework for identification and anticipation of HTFVs and Sectoral Priority Occupations, all companies, including micro-enterprises can participate in the research.

The research methods involved the following:

COVID-19 Economic Survey	
Objective	The primary objective of the W&RSETA COVID-19 Economic Survey is to understand the impact of COVID-19 on employees, employers, training in the sector, and the interventions that the W&RSETA should prioritise.
Data Collection Tools	A survey was administered.
Time Frame	2 months
Key Informant Interviews	
Objective	The primary objective of the SSP key informants' interviews is to set the tone, contribute to the development of the SSP engagement agenda and guide the discussions.
Data Collection Tools	Telephonic interviews
Time Frame	Two weeks
Workplace Skills Plans and Annual Training Reports	
The primary objective was to conduct a comparative analysis of the WSP data submitted by employers.	
SSP Engagement sessions	
Objective	The purpose of the SSP engagement sessions was to interact with stakeholders to solicit input on critical areas around skills development, economic and labour market to mitigate the impact of COVID-19 and other sector disruptions.
Data Collection Tools	A questionnaire was administered
Number of provinces consulted	9
Time Frame	2 months.
W&RSETA Employer Interviews	
Objective	The objective of the interview is to identify change drivers, skills gaps, HTFVs and skills interventions for the sector.
Data Collection Tools	Interviews guide
Nr. of Stakeholders	20
Sampling	Random as per DHET guidelines
Time Frame	1 month
Sector Skills Plan (SSP) SME COVID-19 Economic survey	
Objective	The primary objective of this survey which is linked to the W&RSETA Sector Skills Plan (SSP) stakeholder engagement process is to collect data on the impact of COVID-19 on small businesses in the sector and also to solicit input on interventions to support the affected businesses to remain competitive and economically viable.
Data Collection Tools	A survey was administered
Time Frame	1 month
Sector Skills Plan (SSP) Informal Traders telephonic interviews	
Objective	The primary objective of the telephonic interviews was to collect data on the impact of COVID-19 to informal traders and also solicit input on interventions to support the affected businesses to remain operational, competitive and economically viable.
Data Collection Tools	Telephonic interview
Time Frame	1 month

W&RSETA SSP Engagement Plan, 2020/21

Data Analysis and Findings

Sector Profile (Chapter 1): Data from the literature review and WSP/ATR was used to develop the sector profile. The following are some of the data sources that were used in this chapter:

1. Statistics South Africa
2. Trending Economics
3. W&RSETA Research Agenda and annual reports
4. Workplace Skills Plans/ Annual Training Reports (WSP/ATR)
5. Commission for Employment Equity (CEE)

Key Skills Change Drivers (Chapter 2): Data from the literature review and workshops was used to identify key skills issues, sector change drivers and alignment to the National Strategies and plans.

Occupational Shortages and Skills Gaps (Chapter 3): Data from the literature review, workshops, WSP/ATR and HTFV survey was used to establish HTFVs Sectoral Priority Occupations and skills gaps. The Post-School Education and Training Monitor Report and Council for Higher Education (CHE) enrolment Report were used as part of providing an analysis of the nature of supply.

SETA Partnerships (Chapter 4): The data presented was collected through an analysis of the existing and planned partnership. The sector value chain analysis has been conducted as part of strengthening the outcomes and impact of the W&RSETA partnerships.

SETA Monitoring and Evaluation (Chapter 5): This chapter provides an overview of the W&RSETA monitoring and evaluation approach towards improving performance and implementation of strategic priorities. The following are data sources used in updating this chapter:

1. Annual Performance Report
2. Annual Performance Plan (APP)
3. Strategic Plan
4. Research Agenda

SETA Strategic Skills Priority Actions (Chapter 6): The information from chapters 1 to 5 has been consolidated in chapter six as findings and recommendations. The National Skill Development Plan (NSDP) outcomes that are prioritised in the first year of implementation are also reflected. The W&RSETA's strategic priorities reflected in this chapter are aligned to key priorities in the Integrated Development Plans of the following municipalities:

1. City of Tshwane
2. City of Cape Town
3. Polokwane Municipality
4. Mbombela Municipality
5. Mangaung Municipality
6. City of Johannesburg

ACRONYMS

Acronym	Description
ATR	Annual Training Report
CGCSA	Consumer Goods Council of South Africa
DHET	Department of Higher Education and Training
FET	Further Education and Training
FRA	Fuel Retailers Association South Africa
GDP	Gross Domestic Product
HTFV	Hard-To-Fill Vacancy
HET	Higher Education and Training
IDP	Integrated Development Plan
ILDP	International Leadership Development Programme
IPAP	Industrial Policy Action Plan
NDP	National Development Plan
NSDP	National Skills Development Plan
NGP	New Growth Path
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
OFO	Organising Framework for Occupations
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
QLFS	Quarterly Labour Force Survey
RA	Retailers Association
RMI	Retail Motor Industry Organisation
RMDP	Retail Management Development Programme
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SIPs	Strategic Infrastructure Projects
SMME	Small, Medium and Micro Enterprises
SSP	Sector Skills Plan
STATSSA	Statistics South Africa
TVET	Technical and Vocational Education and Training
W&RSETA	Wholesale and Retail Sector Education and Training Authority
WP-PSET	White Paper for Post-School Education and Training
WSP	Workplace Skills Plan

CHAPTER ONE: SECTOR PROFILE

1. Introduction

Chapter 1 provides a sector profile of the Wholesale and Retail (W&R) Sector. It provides an overview of the size and shape of the sector, allowing the reader to understand the contribution of the sector in economic and employment terms. Input and research into this section includes literature review such as reports written on sector trends, and data analysis which includes statistics released by Statistics South Africa).

1.1. Key Questions

This chapter will respond to:

- What is the scope of coverage of the sector?
- Who are the key role-players in the sector?
- What is the contribution of the sector to the economy?
- What is the employer profile of the sector?
- What are the implications for sector skills planning?

1.2. Scope of Coverage

The Wholesale and Retail Sector Education and Training Authority (W&RSETA) was established in 2000 in terms of the *Skills Development Act 97 of 1998 (as amended)*. The public entity is responsible for supporting skills development in the Wholesale and Retail (W&R) sector of South Africa through the implementation of learning programmes, disbursement of grants and monitoring of education and training as outlined in the *Act*, accompanying *regulations* and the *National Skills Development Plan (NSDP) 2030*.

Wholesale trade deals with the bulk buying of goods from various manufacturers and dividing the bulk into smaller quantities that are in turn sold direct to consumers. *Retail* trade involves the buying of goods from a wholesaler and selling of such goods to the consumer.

The actual activities that fall within the scope of the Wholesale and Retail Sector are demarcated according to Standard Industrial Classification (SIC) codes.
The scope of coverage of the W&RSETA in terms of the Skills Development Act 97 of 1998 is as follows:

TABLE 1: SCOPE OF COVERAGE

SIC Code	Trade Category
Wholesale	
45000	Wholesale and retail trade and repair of motor vehicles and motorcycles
45100	Sale of motor vehicles
45101	Wholesale of motor vehicles
45102	Retail of new motor vehicles
45103	Retail sale of used motor vehicles
45200	Maintenance and repair of motor vehicles
45300	Sale of motor vehicle parts and accessories
45400	Sale, maintenance and repair of motorcycles and related parts and accessories
45500	Retail of automotive fuel in specialized stores
46000	Wholesale trade, except of motor vehicles and motorcycles
46100	Wholesale on a fee or contract basis
46200	Wholesale of agricultural raw materials and live animals
46300	Wholesale of food, beverages and tobacco
46301	Wholesale trade in foodstuffs
46302	Wholesale trade in beverages

SIC Code	Trade Category
46303	Wholesale in tobacco products
46400	Wholesale of household goods
46410	Wholesale of textiles, clothing and footwear
46490	Wholesale of other household goods
46491	Wholesale trade in household furniture, requisites and appliances
46492	Wholesale trade in books and stationery
46493	Wholesale trade in pharmaceuticals, toiletries and medical equipment
46499	Other wholesale trade in other household goods n.e.c.
46500	Wholesale of machinery, equipment and supplies
46510	Wholesale of computers, computer peripheral equipment and software
46520	Wholesale of electronic and telecommunications equipment and parts
46530	Wholesale of agricultural machinery, equipment and supplies
46590	Wholesale of other machinery and equipment
46600	Other specialized wholesale
46610	Wholesale of solid, liquid and gaseous fuels and related products
46620	Wholesale of metals and metal ores
46621	Wholesale of gold
46629	Other wholesale of metals and metal ores
46630	Wholesale of construction materials, hardware, plumbing and heating equipment and supplies
46690	Wholesale of waste and scrap and other products n.e.c.
46691	Sale of used parts and accessories, including scrapyards
46692	Wholesale trade in diamonds, pearls and other precious and semi-precious stones
46699	Other wholesale of waste and scrap and other products n.e.c.
46900	Non-specialized wholesale trade
Retail	
47000	Retail trade, except of motor vehicles and motorcycles
47100	Retail sale in non-specialized stores
47110	Retail sale in non-specialized stores with food, beverages or tobacco predominating
47190	Other retail sale in non-specialized stores
47200	Retail sale of food, beverages and tobacco in specialized stores
47210	Retail sale of food in specialized stores
47211	Retail trade in fresh fruit and vegetables
47212	Retail in meat and meat products
47213	Retail trade in bakery products
47219	Other retail sale in specialized stores
47220	Retail sale of beverages in specialized stores
47230	Retail sale of tobacco products in specialized stores
47300	Retail sale of information and communications equipment in specialized stores
47310	Retail sale of computers, peripheral units, software and telecommunications
47320	Retail sale of audio and video equipment in specialized stores
47400	Retail sale of other household equipment in specialized stores
47410	Retail sale of textiles in specialized stores
47420	Retail sale of hardware, paints and glass in specialized stores
47430	Retail sale of carpets, rugs, wall and floor coverings in specialized stores
47490	Retail sale of electrical household appliances, furniture, lighting equipment and other household articles in specialized stores

SIC Code	Trade Category
47500	Retail sale of cultural and recreation goods in specialized stores
47510	Retail sale of books, newspapers and stationary in specialized stores
47520	Retail sale of music and video recordings in specialized stores
47530	Retail sale of sporting equipment in specialized stores
47540	Retail sale of games and toys in specialized stores
47600	Retail sale of other goods in specialized stores
47610	Retail sale of clothing, footwear and leather articles in specialized stores
47620	Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores
47630	Other retail sale of new goods in specialized stores
47631	Specialized retail sale of jewellery
47632	Specialized retail sale of watches and clocks
47639	Other retail sale of new goods in specialized stores n.e.c.
47640	Retail sale of second-hand goods
47700	Retail sale via stalls and markets
47710	Retail sale via stalls and markets of food, beverages and tobacco products
47720	Retail sale via stalls and markets of textiles, clothing and footwear
47790	Retail sale via stalls and markets of other goods
47800	Retail trade not in stores, stalls or markets
47810	Retail sale via mail order houses or via internet
47890	Other retail sale not in stores, stalls or markets

Statistic South Africa, Standard Industrial Classification of all Economic Activities, 2012

1.3. Key Role Players

The following table provides the key role players in the Wholesale and Retail Sector along with their roles and expertise:

TABLE 2: KEY ROLE PLAYERS IN THE WHOLESALE AND RETAIL SECTOR

Key Role Players	Roles and Areas of Expertise	NSDP Outcomes Alignment
Organised Employers		
Retailers association (RA) Consumer Goods Council of South Africa (CGCSA) National Clothing Retail Federation (NCRF) Black Business Council (BBC) Fuel Retailers Association (FRA) South African Petroleum Retailers Association Retail Motor Industry Organisation Wholesale and retail enterprises (small, medium and large)	• Represented equally on the committees of the W&RSETA. Board • Represent and articulate employer (small, medium and large) interests. • Contribute to education and training, negotiations, marketing, finance, human resources and legal.	• Engaging workplaces to enable them to provide increasingly relevant data on the skills of their existing workforce as well as projected skills needs, through relevant templates; • Engaging stakeholders (including but not limited to employers, labour and government) to ascertain their perceptions of future trends in their sectors and the implications of these for the demand and supply interventions planning. • Continuously exploring the implications of the findings from the workplace data and stakeholder engagement with respect to sector trends and national policy priorities; and • Effective and meaningful stakeholder engagement to support ownership and participation among stakeholders including social partners, employers, labour, training providers, prospective learners, and the public.
W&RSETA Board		
W&RSETA Board	• To govern and control the W&RSETA by providing strategic direction and leadership • To provide corporate governance guidance • To approve the W&RSETA SSP • To approve the Strategic plan and budget	• Improve the governance oversight, monitoring and evaluation mechanisms and capacity, with strong social partners' involvement; and • Institute mechanisms to ensure implementation of findings from these monitoring and evaluation systems in order to understand the strengths, challenges and impact of the system. • Review the system where evidence suggests that there are obstacles preventing the realisation of the agreed upon outcomes. This will ensure that the Minister can intervene where there is non-performance or maladministration. • Introduce mechanisms for instructions to the SETAs by the Minister, where there are challenges; and review the SETA Standard Constitution to strengthen governance and accountability mechanisms. The decision about numbers on the Accounting Authority will take into consideration the nature of the sector (for example the number of sub-sectors) and the need to support effective decision-making and good governance. The accounting authority will continue to have governing powers and steer the sector in terms of the scope (mandate and functions) of the SETA whilst, the management of the SETA will focus on operational and administrative roles; and • The roles and responsibilities of the accounting authority will further be defined. This will include a clear statement regarding conflict of interest and guidelines regarding the

Key Role Players	Roles and Areas of Expertise	NSDP Outcomes Alignment
W&RSETA Board (*continued)*		number of meetings per annum and the rates at which members of the accounting authority are remunerated.
Organised Labour		
Congress of South African Trade Unions (COSATU); Southern African Clothing and Textiles Workers Union (SACTWU); South African Commercial, Catering and Allied Workers Union (SACCAWU); Federal Council of Retail Allied Workers (FEDCRAW); Development Institute for Training, Support and Education for Labour (DITSELA) Entertainment Catering Commercial and Allied Workers Union (ECCAWUSA) National Union of Metal Workers of South Africa (NUMSA); and Southern African clothing and Textile Workers Union (SACTWU)	• Represented equally on the committees of the W&RSETA. • Represent and articulate worker interests • Contribute to education and training, negotiations, public management and dispute resolution.	• Skills levy institutions will work with the federations/trade unions in their sectors in identifying the required skills needs, especially to better understand the sectors, and implement the relevant interventions. • Engaging stakeholders, including but not limited to employers, labour and government, to ascertain their perceptions of future trends in their sectors and the implications thereof for the demand and supply interventions planning.; and • Trade unions and worker education and training institutions are able to use the critical networks of their organisations such as shop stewards.
Training Providers		
Further Education and Training Committee; Higher Education and Training Committee; Association of Private Providers of Education Training and Development; Southern African Society for Cooperative Education; Universities; TVET Colleges; Private Training Providers; and Community Colleges.	▪ Represent interests of public and private training providers. ▪ Contribute to education and training, quality assurance, curriculum development.	▪ The delivery of programmes against qualifications across all the sub-frameworks that support economic growth, encourage employment creation and enable social development for workers, unemployed and pre-employed (students) ▪ Facilitating workplace-based experience as part of a qualification or a post-graduate qualification with a specific focus on occupations that support growth, encourage employment creation and enable social development; ▪ Support for, and prioritisation of, Centres of Specialisation, where practically possible; ▪ Support for TVET colleges in implementing occupationally directed programmes; and ▪ Partnerships and collaboration with higher education and research institutions, amongst others, will be central for evidence-based understanding of skills demand and supply.

Key Role Players	Roles and Areas of Expertise	NSDP Outcomes Alignment
Community		
South African Community at large.	▪ Represent interests of communities and co-operatives. ▪ Contribute to education and training, small enterprise and co-operative development, advancement of women.	▪ Social partners will continue to play an active role, amongst others, in the Accounting Authorities of SETAs and in the NSA. These roles will be further elaborated in the Act and relevant skills development Regulations with key responsibilities for the implementation of the NSDP; ▪ Career development services, including material must be accessible to all especially in rural areas and targeted beneficiaries; and ▪ Ensure that prospective learners and the public are aware of when and how to apply for programmes and have access to a simplified process.

1.4. Economic Performance

This section provides an economic profile of the W&R Sector for 2019-2020.

1.4.1. Economic Performance of South African industries

This section assesses the current economic performance of the W&R Sector.

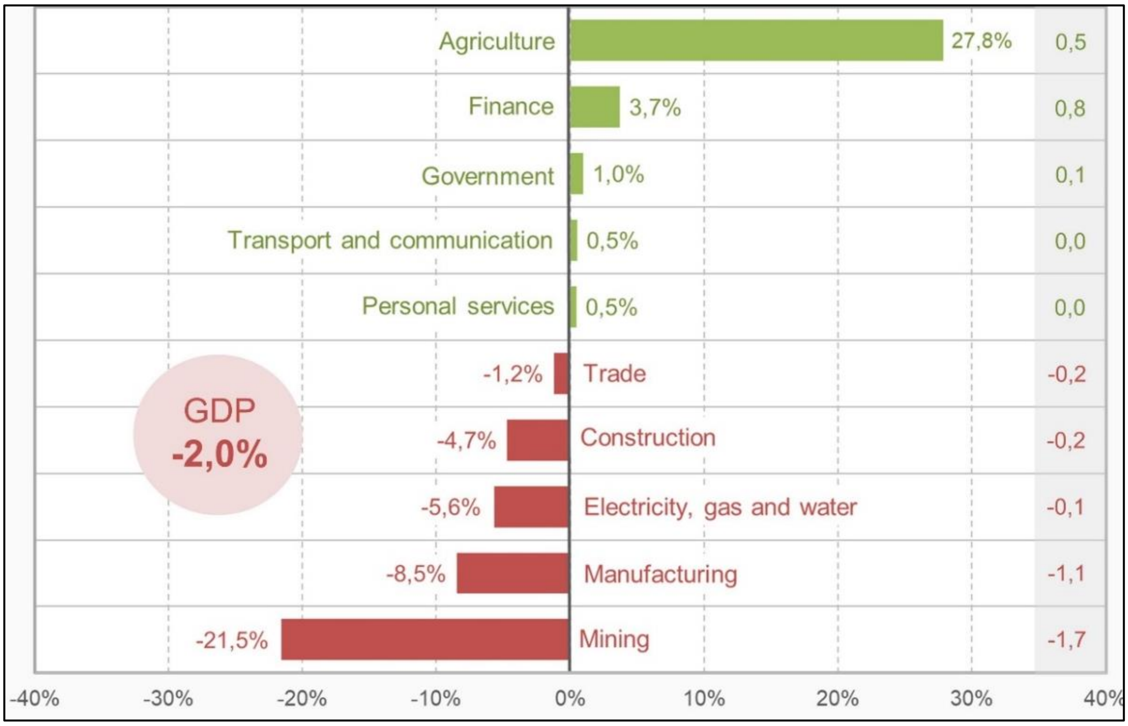


FIGURE 1: PERFORMANCE OF SOUTH AFRICAN INDUSTRIES (2020)
SOURCE: (STATISTICS SOUTH AFRICA, P. 2020)

The South African economy recorded its third consecutive quarter of economic decline, falling by 2,0% (seasonally adjusted and annualised) in the first quarter of 2020. This followed a contraction of -1,4% and -0,8% in the fourth and third quarters of 2019, respectively.

The results presented here cover the period 1 January 2020 to 31 March 2020, which include the beginning of the COVID-19 lockdown in South Africa and some of its trading partners. Except for retail, all other activities in the trade industry (food and beverages, wholesale, motor trade, and accommodation) recorded a decline in economic activity. Overall, the industry shrank by 1,2% in the first quarter.

1.4.2. South Africa's Unemployment

The graph below shows the unemployment statistics in South Africa dated July 2017 to January 2020.

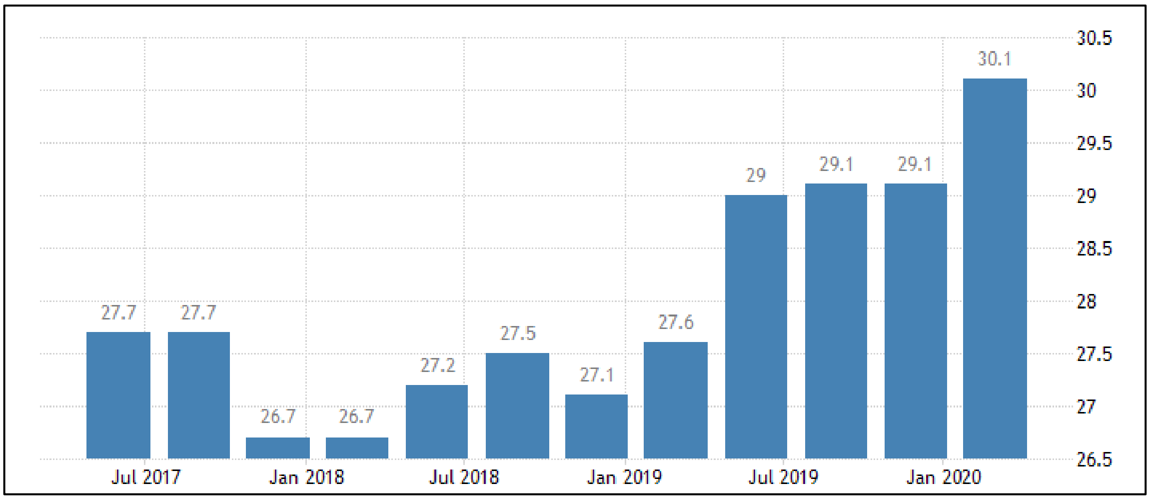


FIGURE 2: SOUTH AFRICA'S UNEMPLOYMENT

Source: (Trading Economics, 2020)

The official unemployment rate increased by 1,0 percentage point to 30,1% in the first quarter of 2020 compared to the fourth quarter of 2019. The largest employment decreases were observed in the formal sector (50 000), followed by the Agricultural sector with 21 000 in Q1: 2020. On the other hand, employment in the informal sector and Private households increased by 3 000 and 30 000, respectively.

1.4.3. Share of employment per industry relative to its GDP share (%)

The graph below depicts the share of employment per industry in the first quarter of 2020, relative to its percentage GDP share.

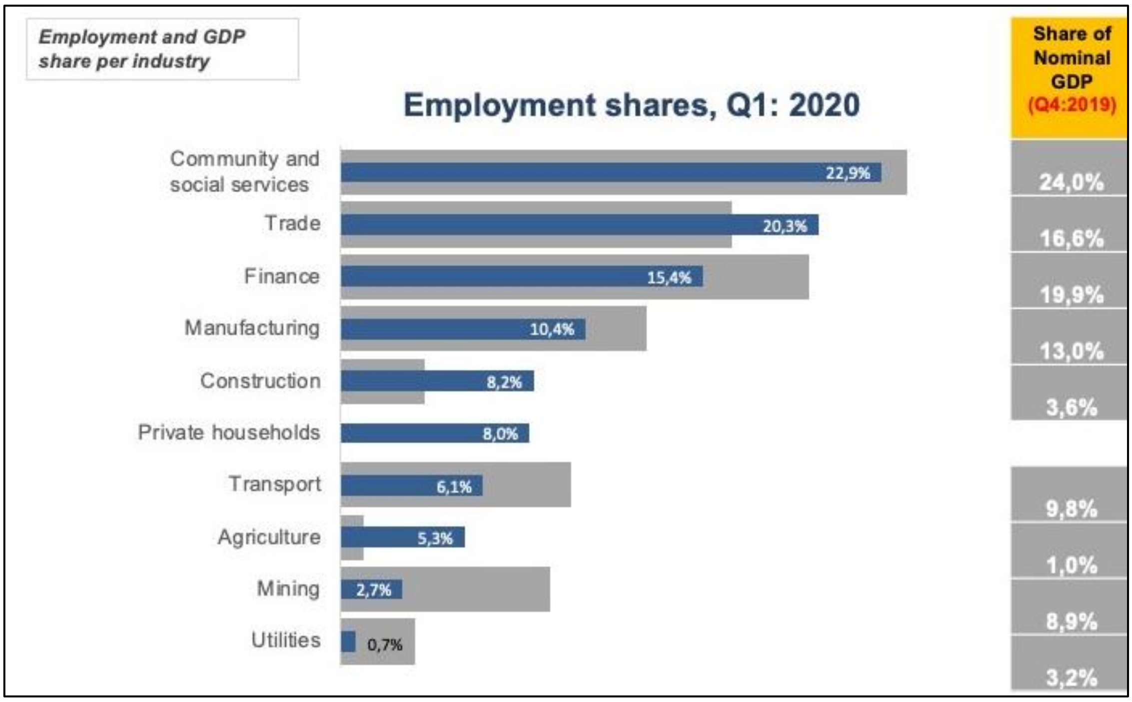


FIGURE 3: EMPLOYMENT SHARES PER INDUSTRY

Source: (Statistic South Africa, 2020)

Trade, construction and agriculture have higher employment shares relative to their GDP contribution.

1.4.3. Employment Losses and gains

The diagram below shows the employment losses in various sectors.

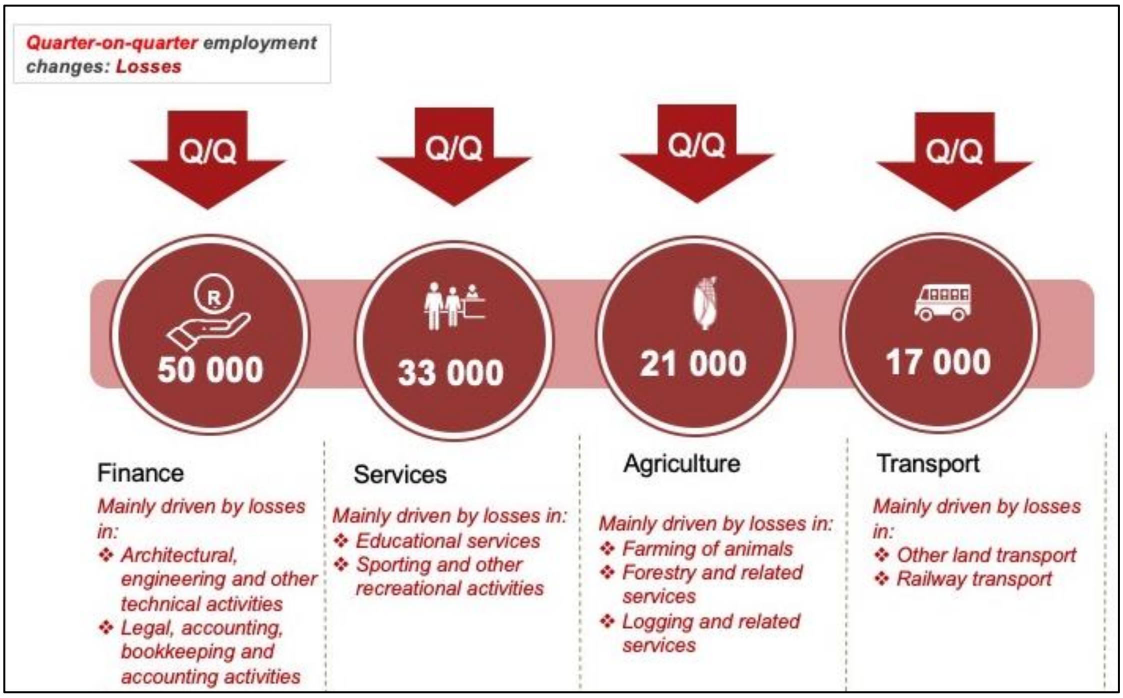


FIGURE 4: EMPLOYMENT LOSSES
Source: (Statistic South Africa, 2020)

The employment losses were mainly driven by Finance, Services, Agriculture and Transport. The employment gains are shown in the diagram below.

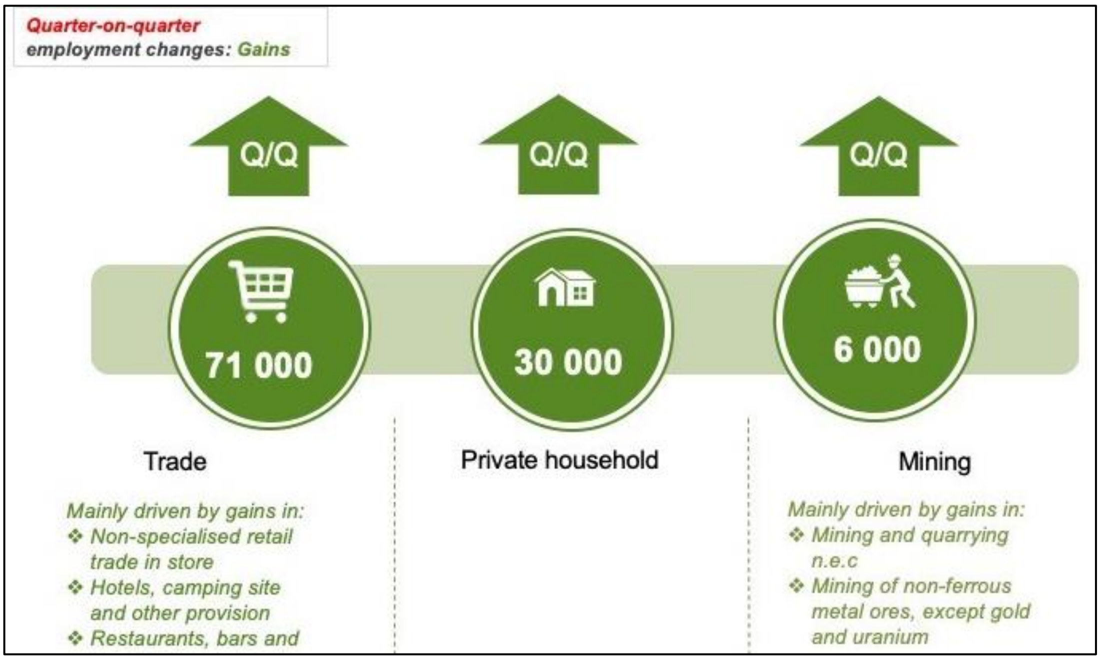


FIGURE 5: EMPLOYMENT GAINS
Source: (Statistic South Africa, 2020)

The quarterly labour force survey shows that employment gains were observed in Trade, private households and mining. Almost 30% of all persons employed in Q1: 2020 were employed in elementary and domestic work occupations.

1.4.4. Economic Performance of W&R Sector

This section assesses the economic performance of the W&R sector for the 2017 - 2019 period. The diagram below shows South Africa's retail sales year-on-year.

FIGURE 6: SOUTH AFRICA'S RETAIL TRADE SALES
Source: (Statistic South Africa, 2020)

South Africa's retail sales increased 2 percent year-on-year in February of 2020, following an upwardly revised 1.3 percent rise in January and easily beating market expectations of a 1.2 percent gain, as sales advanced faster for all other retailers and general dealers.

1.4.5. Growth by Industry Type

This section covers the percentage growth by various types of the wholesale and retail sub-sector.

1.4.5.1. Growth by Type of Retailer

The graph below shows the percentage growth by type of retailer.

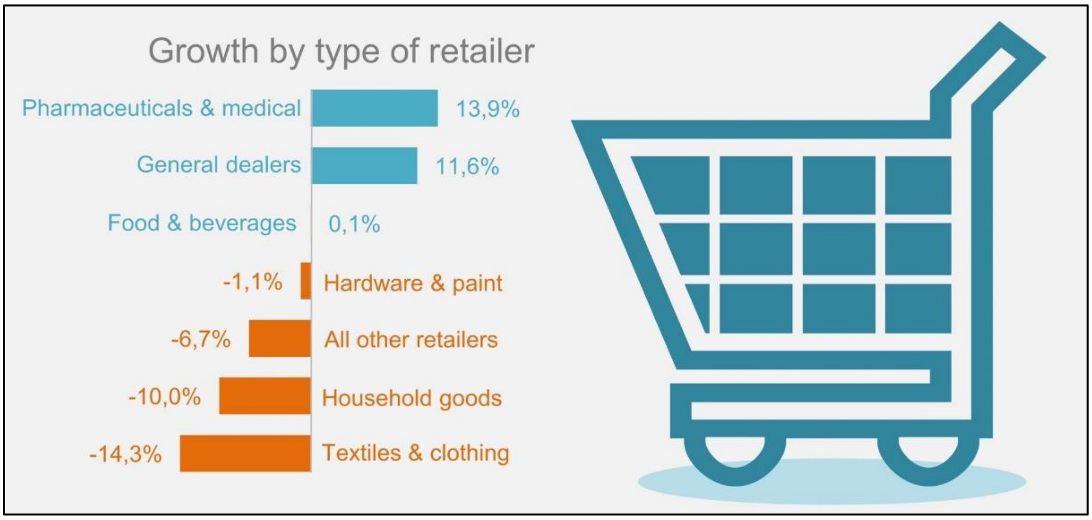


FIGURE 7: GROWTH BY RETAILER
Source: (Statistic South Africa, 2020)

The South African retail trade increased by 2,7 in March 2020, with general dealers registering a record rise in sales.

1.4.5.2. Growth by Type of Wholesaler

The diagram below shows the percentage sales of South Africa's wholesale industry

FIGURE 8: WHOLESALE TRADE SALES
Source: (Statistic South Africa, 2020)

South African wholesale trade sales fell by 5,5% year on year in March 2020. Sales decreased by 2,2% in March 2020 compared with February 2020. This followed month on month changes of 1,4% in January 2020 and -1,0% in February 2020.

The disposable personal income in South Africa between 2017 and 2020 is displayed in the graph below.

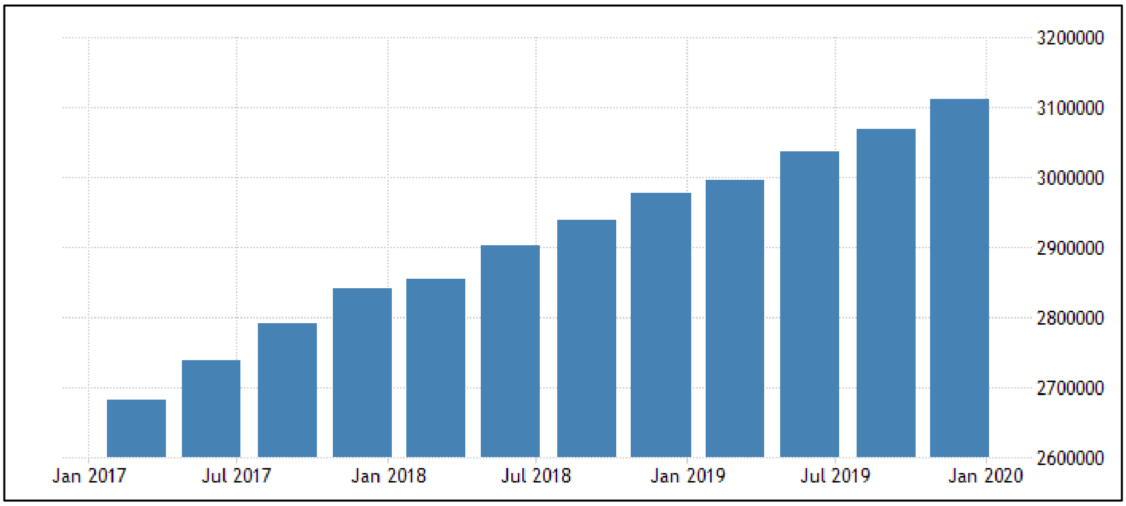


FIGURE 9: DISPOSABLE INCOME 2017-2020
Source: (Trading Economics, 2020)

Disposable Personal Income in South Africa increased to 3110292 ZAR Million in the fourth quarter of 2019 from 3068290 ZAR Million in the third quarter of 2019.

It also increased the revenue of the W&RSETA and enabled an expansion of skills development projects with an increasing number of grants for apprenticeships, learnerships, bursaries and internships. Economic growth is expected to slow down due to the current recession.

The graph below shows the consumer confidence from 2017 to 2020.

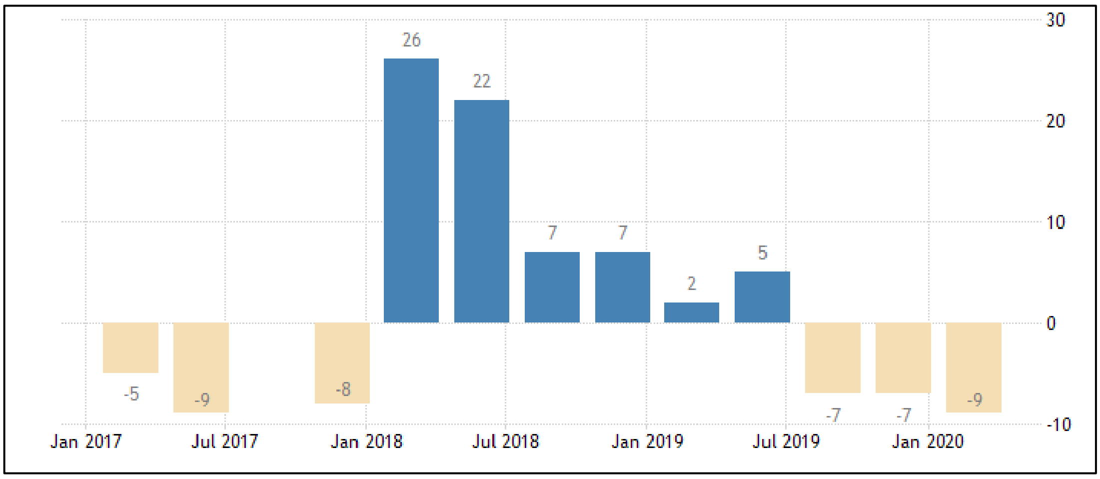


FIGURE 10: CONSUMER CONFIDENCE (2017-2020)
Source: (Trading Economics, 2020)

Consumer Confidence in South Africa decreased to -9 in the first quarter of 2020 from -7 in the previous period. This was the lowest reading since the second quarter of 2017, amid growing concerns over the impact of the coronavirus epidemic on the already struggling domestic economy. In particular, the time-to-buy sub-index plunged to a 33-year low, signalling that households will delay the purchase of durable goods.

The graph below shows South Africa's Consumer Price Inflation between March 2005 and April 2020.

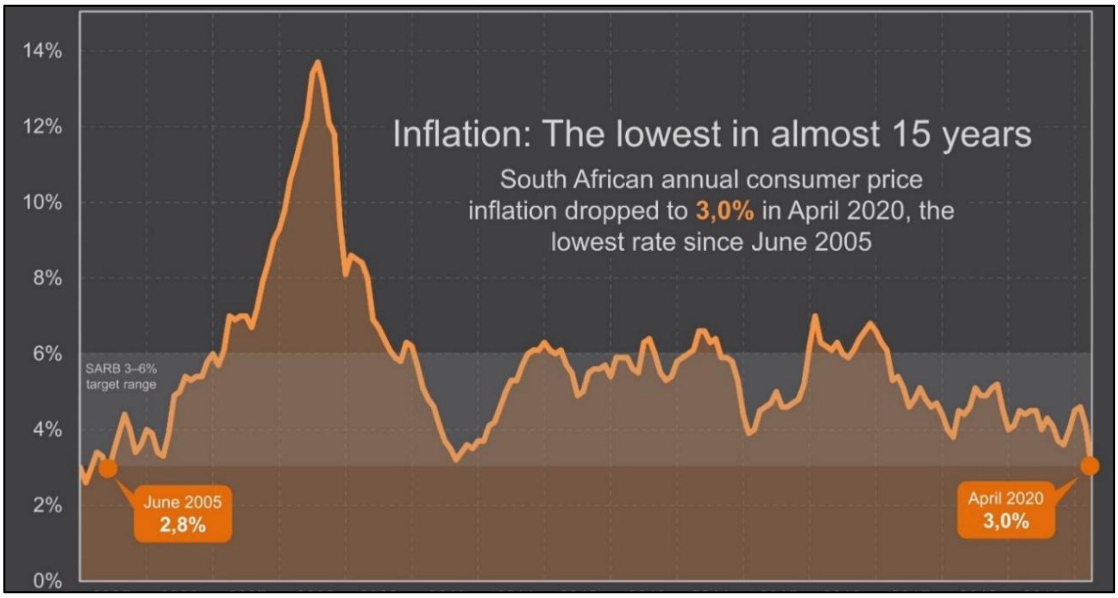


FIGURE 11: CONSUMER PRICE INFLATION
Source: (Statistics South Africa, 2020)

Annual CPI inflation for April reflects the impact of the first month of the COVID-19 lockdown. The rate dropped to 3,0% in April from 4,1% in March, the lowest reading since June 2005 when the rate was 2,8%. Consumer inflation is now at the bottom of the South African Reserve Bank (SARB) target range of 3–6%.

The pie chart below shows the biggest role players in South Africa's retail sector.

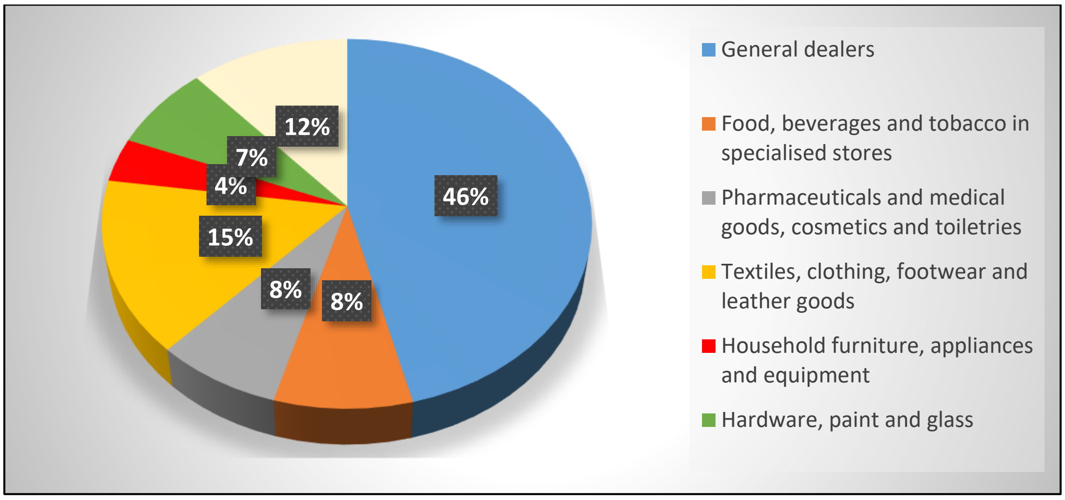


FIGURE 12: BIGGEST ROLE PLAYERS IN THE RETAIL SECTOR

Sources: Statistics South Africa. Quarterly Labour Force Survey (QLFS). 2020

As indicated by the figure above, household furniture, appliances and equipment retailers make up most of the sector with a 46% representation. These are followed by textiles, clothing, footwear and leather goods retailers with 15%.

1.5. Employer Profile

This section provides an employer profile of the W&R Sector for the period 2019-200. The graph below shows the levy paying companies per province for the 2019/20 period.

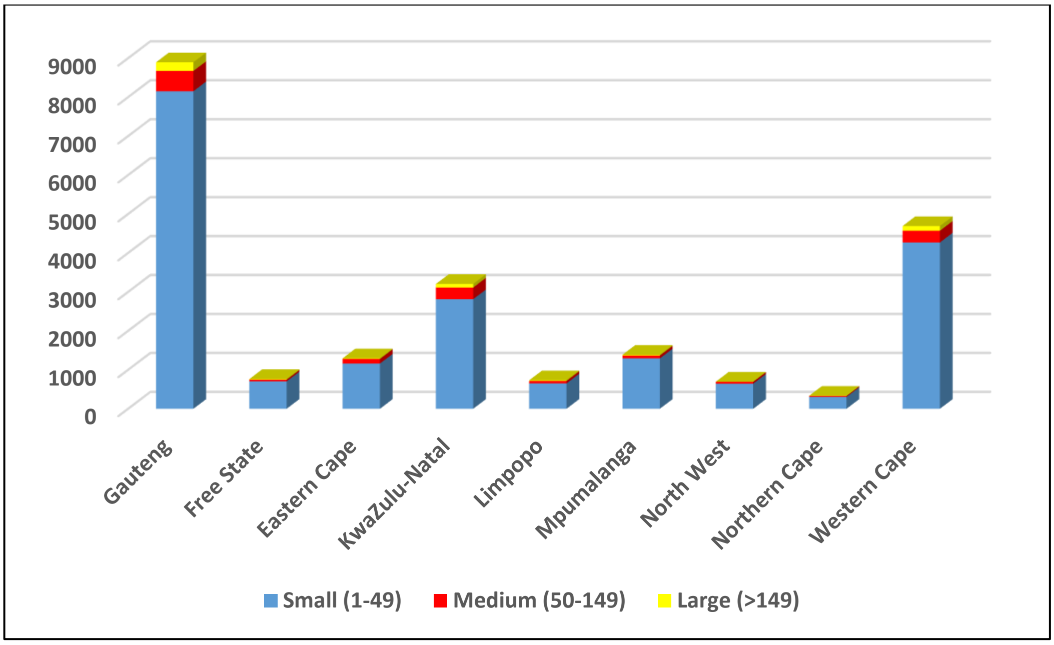


FIGURE 13: LEVY PAYING COMPANIES PER PROVONCE

Source: (W&RSETA Annual Report (2019/20)

The highest number of levy paying companies was in Gauteng (8895), followed by Western Cape (4690) and Kwa-Zulu Natal (3205). This is due to the higher concentration of companies in these regions.

1.5.1. Levy Income Trends

The graph below shows the levies received per province in the period 2019 - 20.

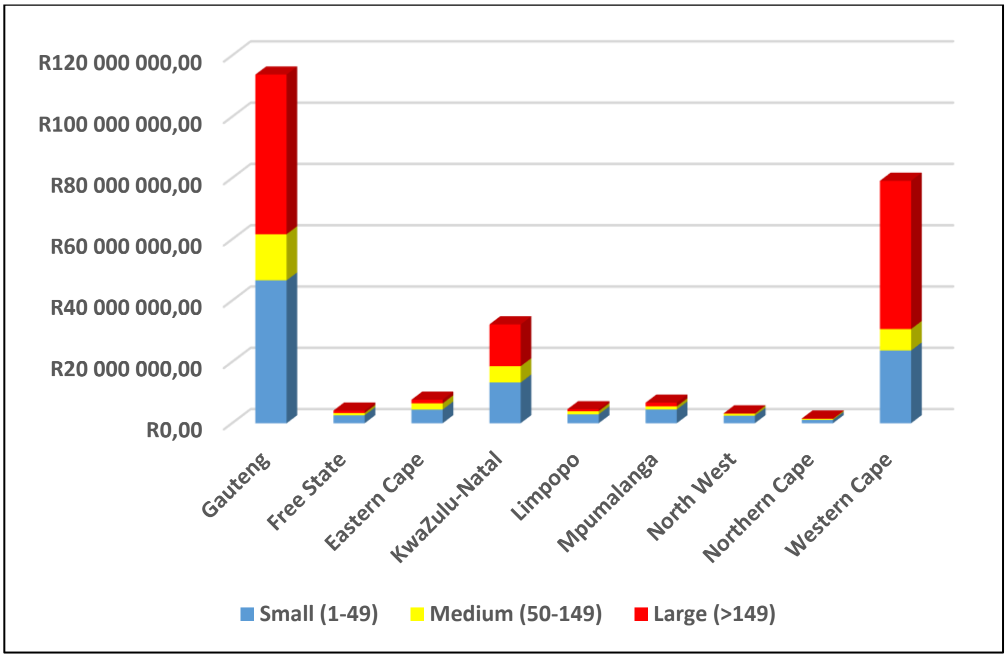


FIGURE 14: LEVIES RECEIVED PER PROVINCE 2019/20
Source: (W&RSETA Annual Report (2019/20)

Levies received from Gauteng were the highest, followed by the Western Cape. This is due to the higher concentration of companies in these provinces.

Employee Profile

The employee profile of the W&R sector illustrates that job growth has been subdued between 2004 and 2019. This is consistent with sluggish growth of the economy. The fortunes of the sector are tied to GDP growth.

The graph below shows the number of employees in the Wholesale and Retail sector between 2014 and 2019.

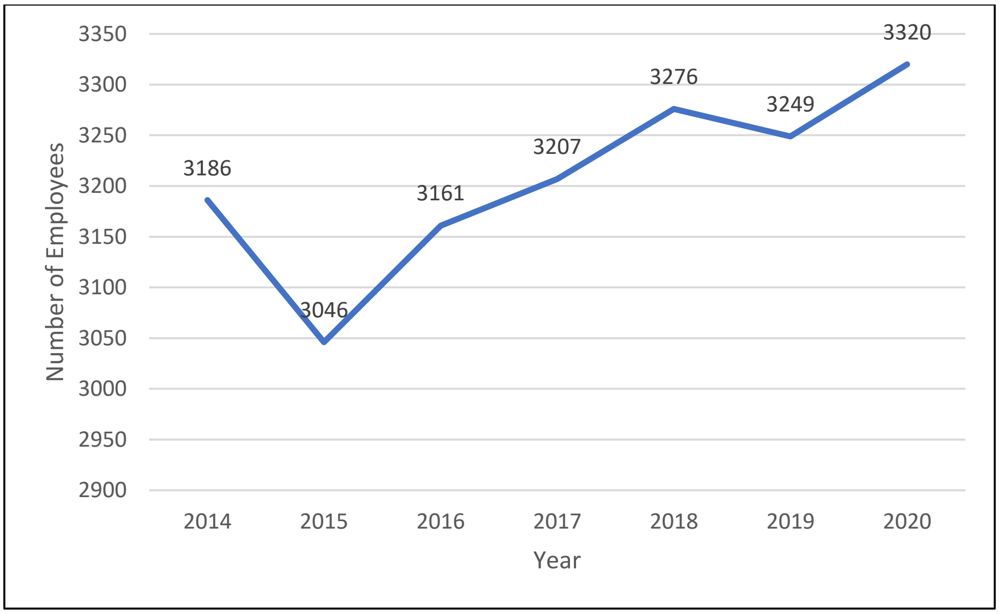


FIGURE 15: NUMBER OF EMPLOYEES IN W&R TRADE 2014 - 2020 ('000)
Source: (Statistics South Africa, 2020)

The graph above reveals the following:

- The wholesale and retail sector employed 3.249 million people in 2019, which is 21% of the total active labour force. In 2014, there were 3.186 million employees compared to 3.320 million employees in 2020. This represents an increase of 134000 (4%) of employees in this period (Statistics South Africa, 2020).
- Employment declined between Q1: 2014 and Q1: 2015 and has shown steady growth between 2016 and 2018. Between Q1: 2018 and Q1: 2019, employment levels decreased by 27 000. However, between Q1:2019 and Q1: 2020, employment levels increased by 71 000.
- The W&R sector is a major absorber of unskilled and semi-skilled workers. Hence, it is necessary to ensure healthy economic growth to provide employment for this unskilled and semi-skilled segment of the labour market, which consists of most of the labour force.
- It is important to note that the impact of COVID-19 is likely to reduce employment in the sector in the coming months and potentially years.

The graph below shows the number of employees in the formal and informal sector.

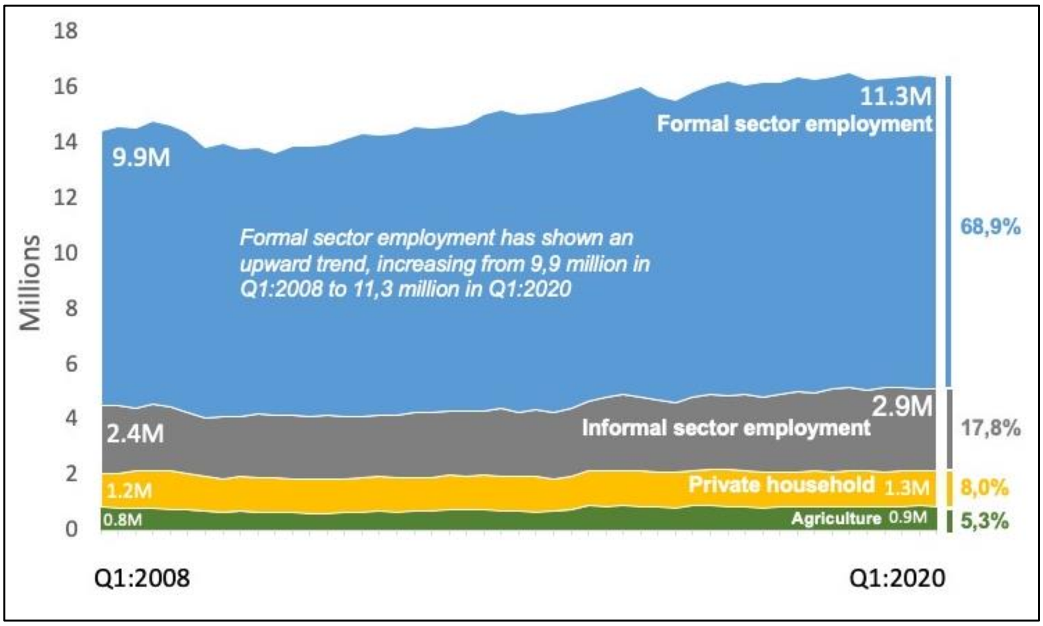


FIGURE 16: EMPLOYEES IN THE INFORMAL AND FORMAL SECTOR

Source: (Statistics South Africa, 2020)

The graph reveals the following:

- There were 11,3 million (68,9%) in formal employment and 2.9 million (17,8%) in informal employment in the sector.
- Employment in both the formal sector and the informal sector experienced a relatively steady increase between 2008 and 2020.

The Graph below provides statistics on employment by province.[1]

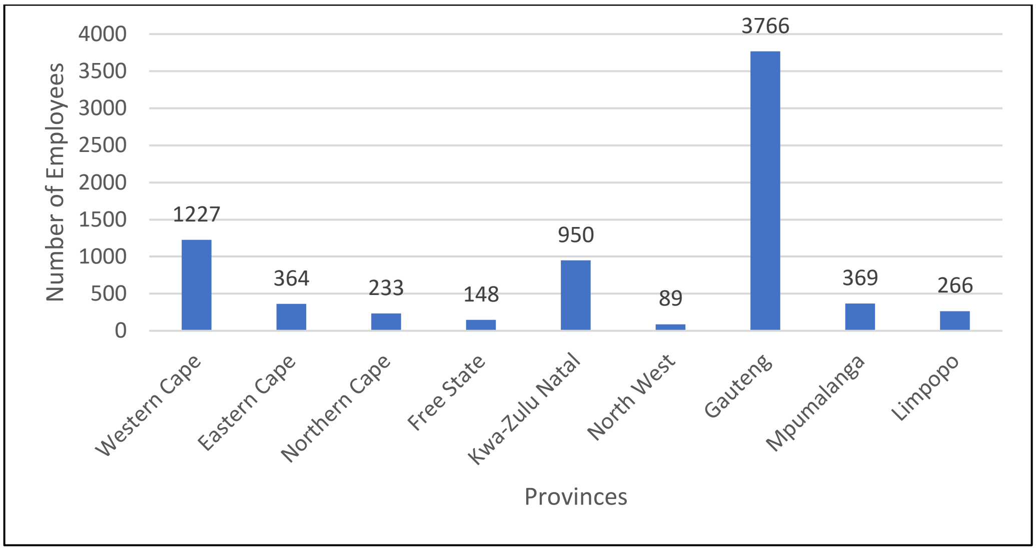


FIGURE 17: EMPLOYEES BY PROVINCE
Source: (Statistics South Africa, 2020)

Gauteng has the highest number of employees, followed by Western Cape and KZN.

1.5.2. Employee Demographics

The demographics of formal employment in the W&R sector is a challenge. According to the Commission for Employment Equity the racial profile of the sector is as follows:

TABLE 3: EMPLOYEE DEMOGRAPHICS

OCCUPATIONAL LEVEL	MALE (%)				FEMALE (%)				FOREIGN NATIONAL		TOTAL (%)
	A	C	I	W	A	C	I	W	M	F	
Top Management	10,0	3,4	6,9	53,3	5,1	2,0	2,9	13,1	2,9	0,5	100
Senior Management	14,5	4,7	7,2	36,6	8,6	3,2	3,9	17,9	2,5	0,8	100
Professional	20,9	5,2	5,2	21,6	19,3	4,8	4,2	15,8	2,2	0,8	100
Technician	32,7	5,7	2,8	9,6	30,6	5,5	2,7	8,9	1,2	0,4	100
Semi-Skilled Workers	44,8	5,7	1,4	2,3	32,7	6,3	1,4	3,2	2,0	0,3	100
Unskilled Workers	48,4	5,7	0,5	0,7	35,3	5,3	0,3	0,4	2,	0,7	100

(CEE, 2018/19)

The Table above, indicates the following over two decades after the advent of democracy, post 1994:

- In top management, 15.1% of Africans compared to 66.4% of Whites are represented.
- Female representation across the board for top management is 23.6% with 5.1% Africans, 2.0% Coloureds, 2.9% Indians and 0.5% foreigners. The corresponding figure for White females is 13.1%.
- A similar picture emerges for senior management.
- In professional, 40,2% Africans compared to 37,4% of Whites represented. Female representation across the board for professionals is 44,9%, with 19,3% Africans, 4,8% Coloureds, 4,2% Indians and 0,8% foreigners. The corresponding figure for White females is 15,8%
- In the unskilled category, African males make up 48,4%, White males 0,7%, Coloured males 5,7% and Indian males 0.5%. The corresponding figures for females are 35,3%, 0.4%, 5.3% and 0.3% respectively.

[1] *StatsSA, Quarterly Labour Force Survey, Quarter 1, 2020.*

An improved and equitable representation of women is noted at the Skilled Technical/ junior management level to Professionally Qualified/ Middle management echelons. However, these gains are not being translated into promotional opportunities and meaningful gains for women to enable them to access opportunities at the Top and Senior Management levels (CEE, 2018/2019).

The following table provides the racial profile of the W&R Sector by gender, based on WSP data.

TABLE 4: RACIAL PROFILE

Gender	African	Coloured	Indian	White
Male	31%	5%	2%	5%
Female	41%	9%	2%	4%

Source: WSP Data 2020

The Graph below illustrates the number of employees in the sector by gender between 2014 and 2019:

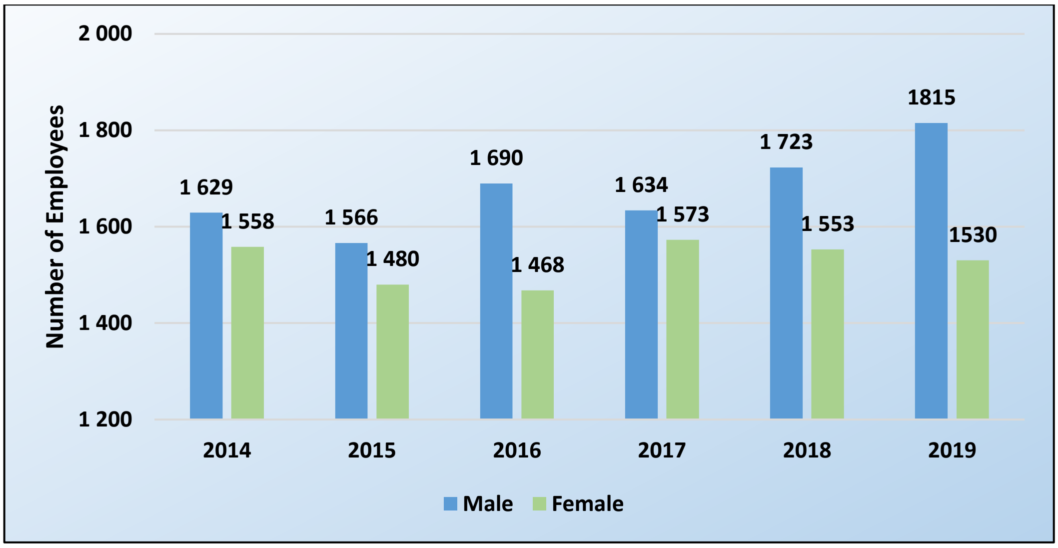


FIGURE 18: NUMBER OF EMPLOYEES BY GENDER ('000)
Source: (Statistics South Africa, 2020)

The Graph reveals the following:

- The number of females overall decreased from 2014 to 2019. Between 2014 and 2019, the number of males increased substantially.
- Male employment has increased since 2014, while female employment has relatively remained the same.

The figure above shows that the number has remained relatively flat over the three years, decreasing slightly from 2015 onwards.

The following graph illustrates the breakdown of employees per gender, based on 2020 WSP data.

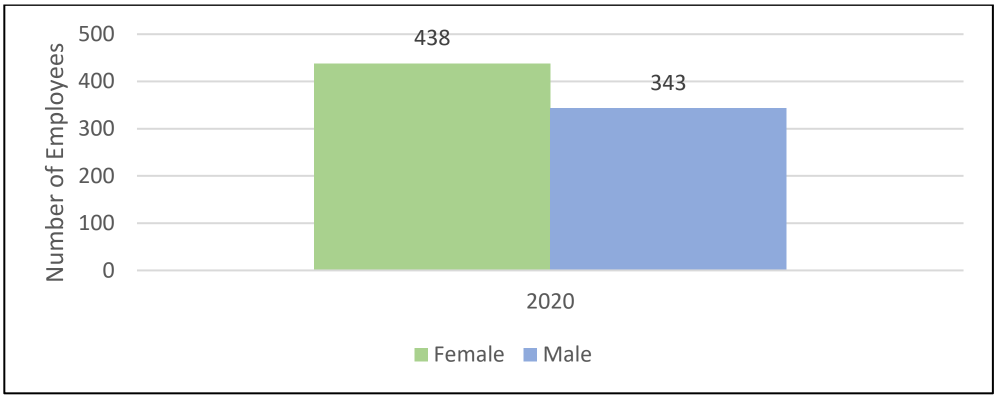


FIGURE 19: EMPLOYEES BY GENDER ('000)
SOURCE: WSP DATA 2020

The figure above shows that there are more females than males in the W&R Sector.

The graph below illustrates the number of employed people per age group in thousands:

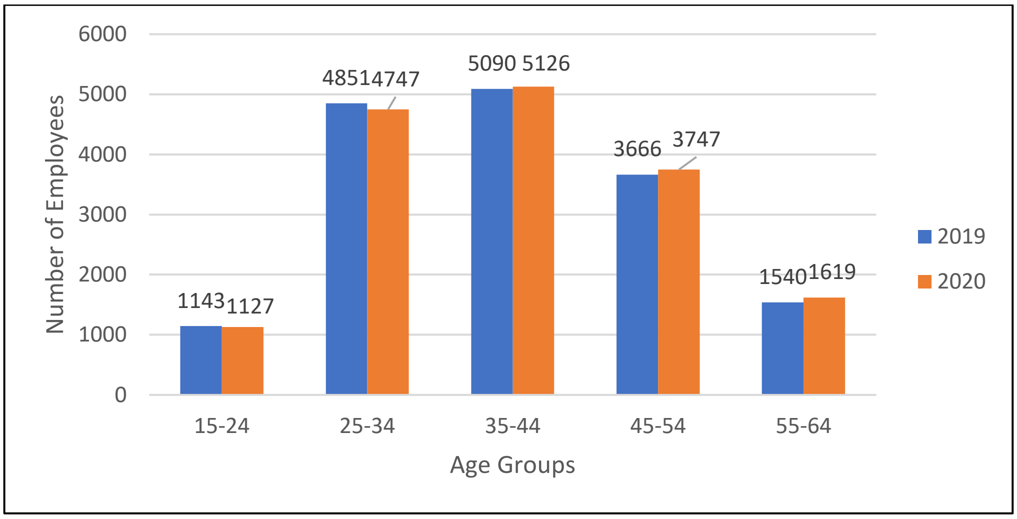


FIGURE 20: NUMBER OF EMPLOYED PEOPLE PER AGE GROUP ('000)
Source: (CEE, 2018/2019)

The figure above shows that those below 24 have a lower number of employed people in 2020 when compared to the same period in 2019. The age groups 35 to 44, 45 to 54 and 55 to 64 all have increased the number of employed people. The trend is that the number of employed people has increased across most age groups.

The following figure shows the percentage of the workforce made up by people with disabilities over the three years from 2015 to 2017.

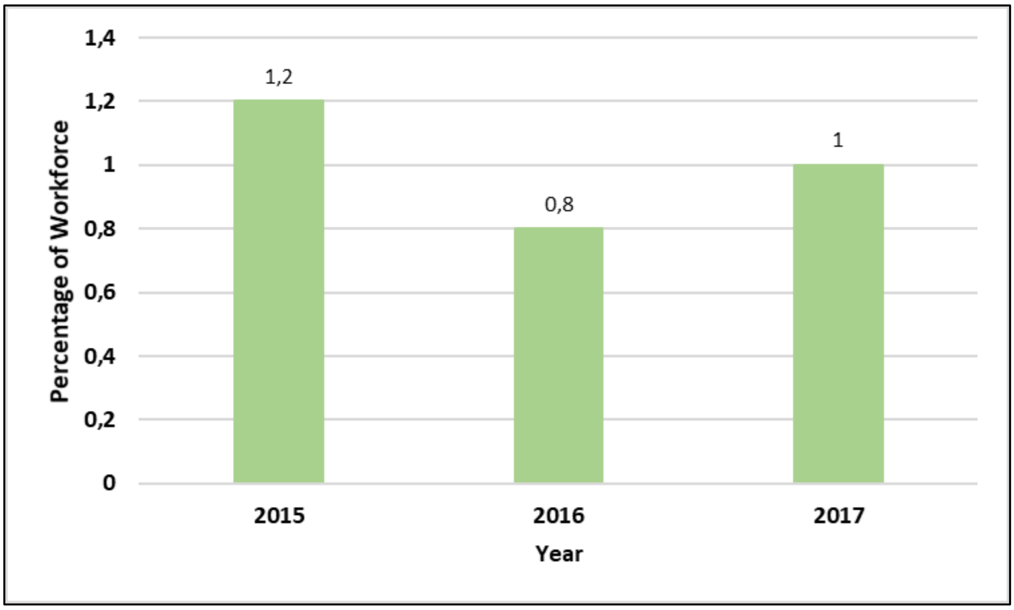


FIGURE 21: PERCENTAGE OF WORKFORCE WITH DISADBILITIES FROM 2015 TO 2017
Source: CEE, 2017

The figure above shows that the number has remained relatively flat over the three years, decreasing slightly from 2015 onwards.

The following graph provides the percentage of employees with disabilities, as per the 2020 WSP data.

Figure 18. Percentage of Employees with Disabilities in 2020

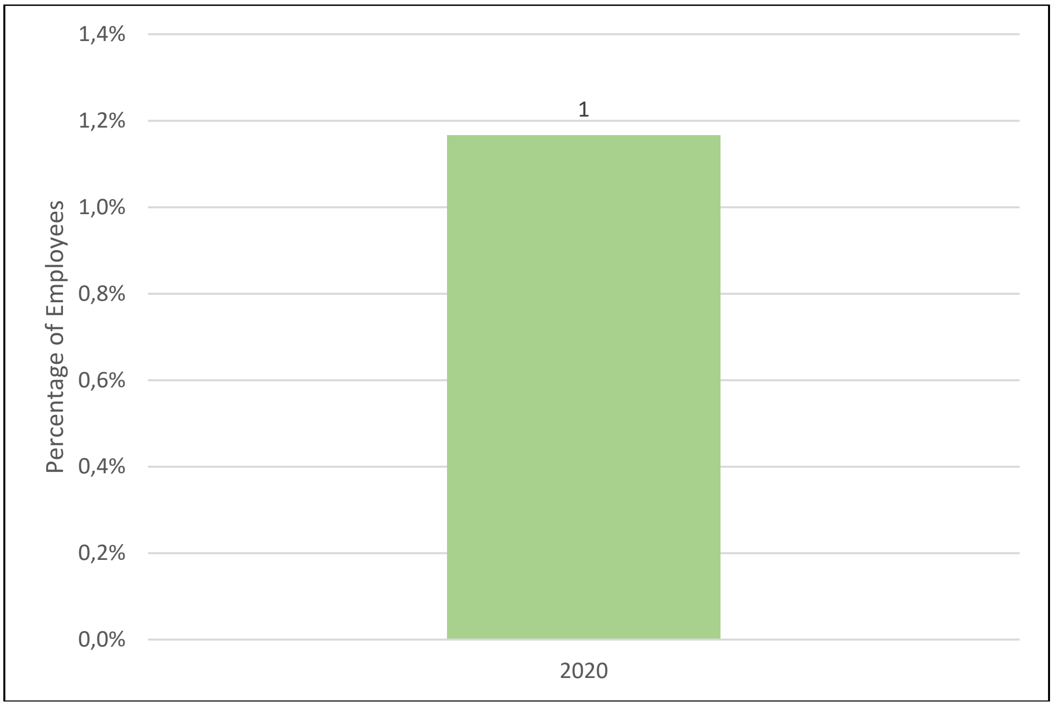


FIGURE 22: PERCENTAGE OF EMPLOYEES WITH DISABILITIES IN 2020
Source: WSP Data 2020

The figure above shows that 1% of employees had a disability.

Representation of People with Disabilities (PWD) within the Sector:

According to a report by the Commission for Employment Equity (CEE) 2019, people with disabilities are least represented in the South African labour market and access remains a challenge. South African people with disabilities are featured more prominently in the public sector compared to the private sector. Disabilities are more prevalent among females compared to males (8, 9% and 6,5% respectively). (Statistics South Africa, 2016) More than half of persons aged 65 years and older reported having a disability.[2]

It is widely acknowledged that persons with disabilities tend to have lower educational levels in the countries of the Organization for Economic Co-operation and Development (OECD) and many other societies. Historically, most persons with disabilities have always occupied the lower socioeconomic status rungs of the ladder due to marginalisation and exclusion from various aspects of life such as education and employment. Research has shown that generally, women report higher incidents of disability than men, including in OECD 20 countries. Also noted is that women with disabilities tend to be doubly disadvantaged, experiencing exclusion on account of their gender and their disability (Statistics South Africa, 2016) white population group had the highest proportion of persons with disabilities (9,2%) followed by Indian/ Asian population group (8,4%). Results showed that coloured persons recorded the lowest disability prevalence (7,5%) in 2016. (Statistics South Africa, 2016). To respond to some of the challenges facing people with disability in the sector W&RSETA has identified disability as a sector priority and interventions will be implemented to ensure representation and awareness (Statistics South Africa, 2016).

Our strategy highlights the challenges faced by persons with disabilities and is geared towards highlighting this to the W&R sector, therefore accelerate developmental programmes to alleviate the statistics alluded to. It is noticeable from the trend analysis on the representation of Persons with Disabilities over the past three years that little progress is being made in increasing the representation of Persons with Disabilities in the workforce across all occupational levels. The W&RSETA must increase its funding for development of persons with disabilities to bring this sector into the workforce.

According to Stats SA the Coloured community has a 45% of school going age with disabilities, followed by black Africans at 35%, then Whites and Indian/Asian group at 26.4%. Farming communities are more marginalised than the urban counterparts

1.6. Conclusion

From this chapter, the following conclusions can be drawn, with direct implications for skills development for the W&RSETA:

- The sector is a major contributor to national employment. The job creation opportunities in the sector, ranging from unskilled to top management, are enormous.
- W&RSETA has the capacity to elevate the sector through skills development and reduce unemployment rates of persons with disabilities.
- It also requires elevated levels of training and skills to succeed in an increasingly competitive global market. The W&RSETA should play a more active role in supporting job creation and skills development efforts, especially when considering the increase in unemployment.
- The sector is particularly sensitive to economic instability in the wider economy. Currently, Trades and Artisan projects must also be brought in for self-sustaining skills that can translate into self-employment rather than formal employment. The trade sector declined 3,6% in the first quarter of 2019.

[2] Statistics SA, 2020, Quarterly Labour Force Survey, Q1, Trading Economics: South African Retail Sale. 2020.

- There is a need for the W&RSETA to actively support the concept of decent work and implement a sector programme to improve conditions of employment.
- There is potential to improve the skills base of the sector, particularly at the lower and middle management level.
- Sector employee demographics are still misaligned with a high percentage, of 71,6%, of white employees occupying top management positions.
- The gender disparity has been steadily increasing since 2017, reaching the largest gap. Women remain the hardest hit, and the training must encourage women participation as a sub-sector within the disability sector since before 2014. W&RSETA should provide training opportunities for women to help them enter the sector.
- In a weak trading environment, such as is being experienced currently, with increasing VAT, consumers tend to stick to the essentials. This means that food sales are expected to hold.
- The employee profile of the W&R sector illustrates that job growth has been subdued between 2014 and 2019. This is consistent with sluggish growth of the economy. To stimulate growth, women and unemployed youth must be funded for training in the future occupations like 4th IR.
- The W&R sector is a major absorber of unskilled and semi-skilled workers. Hence, it is necessary to ensure healthy economic growth to provide employment for this unskilled and semi-skilled segment of the labour market, which consists of most of the labour force.

CHAPTER TWO: KEY SKILLS CHANGE DRIVERS

2. Introduction

This chapter identifies factors driving change in the W&R sector and influencing changes, either positively or negatively. Since there are a multitude of change drivers, the intention is to identify those that are skills-related and assess their implications for human resource development.

Another issue addressed in this chapter is the alignment of sector skills planning to national strategies and plans such as the *National Development Plan, New Growth Path, Human Resource Development Strategy for South Africa and the Industrial Policy Action Plan 3.*

Input and research into this section includes literature review such as reports written on sector trends.

2.1. Key Questions

This chapter will respond to:

- What are the major factors impacting on skills demand and supply in the sector?
- What are the implications of these for skills planning in the sector?
- What research methods have been employed to arrive at findings?
- Which national plans and strategies are aligned to the sector?

2.2. Factors affecting skills demand and supply

This section describes the key factors identified as change drivers influencing skills supply and demand either positively or negatively. The section also presents the implications of these factors for skills development on the sector.

i. COVID-19

COVID-19 is an unprecedented public health emergency that is rapidly transforming the way we all live our lives. It is also mandating significant changes to retail and commerce. In this dynamic time of humanitarian and social uncertainty, what we buy, how we buy, and when and where we buy is undergoing a seismic shift.

The implications of COVID-19 for skills planning include slowing down of business activity, decline in revenue, increased demand for e-commerce, prioritising reskilling and retraining to minimise job losses, and higher health and safety risk for customers, employers, employees and partners.

The strategic priority skills areas therefore include Safety, Health, Environmental and Quality (SHEQ), training in ICT literacy, skills programmes for unemployed youth and supporting vulnerable sub-sectors of the economy (SMMEs, informal traders, cooperatives, NGOs and youth).

ii. Retail Chain Moving into Townships

National supermarkets are saturating townships and peri-urban areas causing a strain on small retailers. There have been calls for informal businesses to become formal so they can better compete with the big chains but there are a series of barriers facing them.[3]

There are several implications of this movement for skills planning in the sector. It brings about changes in the way business is conducted and how consumers and retailers respond to these changes. Townships cover half of South Africa's population whereas income generated in these areas is low and high unemployment with most households depending on government social grants. The infiltration of large retail chains into townships is beneficial to consumers as it provides access to a wide range of products at lower prices. Small and independent retailers may be affected negatively because they cannot compete with bigger stores on price, quality and range of products. It may decimate small and independent retailers, as has been the case in the urban areas. Small retailers may need to improve on stock planning and negotiation skills in order to access cheaper products, which will assist them to remain competitive. The W&RSETA should make funding

[3] Charman, A., Bacq, S. & Brown, K., "Spatial determinants of formal retailers' impact on informal microenterprises in the township context: A case study of Philippi East, Cape Town." (February 2019). Food Security.

available for cluster projects – clustering a group of SMMEs in a locality with a major retail chain. A prototype of this nature has been developed by the CTFLSETA (now FP&MSETA).

The occupational needs in the sector include tellers, packagers, cleaners, securities, sales managers, buyers, merchandisers, sales assistants, bakers, butchers, etc.

iii. Technology Advancements and Access to Information

The wholesale and retail industry are rapidly changing due to technological advancements. These advancements offer wholesalers and retailers opportunity to increase their efficiency and revise their business models.

However, these advancements have also given consumers more power in relation to retailers. This power is often through constant connectivity, communication and access to information. Furthermore, consumers are more inclined to support businesses who operate ethically with a sustainable ecological footprint. With the rise in access to information consumers can easily seek out retailers who demonstrate these characteristics.

Implications of technology for Skills Planning in the sector include the following:

- **Mobile Applications:** Smartphones, tablets and wearable devices present retailers with new opportunities for engagement with customers. Retailers can build personal relationships with customers based on their preferences, shopping styles, and mobile interaction[4].
- **Online Shopping:** Online shopping is growing rapidly in popularity. Companies are increasingly marketing online in order not to be outdone by rivals.
- **Big Data:** Large, complex datasets from multiple sources. Provides information on consumer behaviour and is a strong predictive sales indicator.
  Social Media: A platform for retailers to expand marketing to a wider range of consumers. Major platforms are Facebook, twitter, LinkedIn and others. Conversely, social media offers Consumers an opportunity to gather information about retailers. This includes negative publicity (e.g. retailers being accused of unethical conduct, poorly thought out marketing campaigns, etc.).
- **Cyber Crime:** Retailers are a target for cybercriminals. Retailers experience nearly three times as many cyber-attacks as those in the finance sector. With 77% of organisations being affected[5].
- **Mobile phones and Internet Usage:** Africa's claim to be the "mobile continent" is even stronger than previously thought, with researchers predicting internet use on mobile phones will increase 20-fold in the next five years. This will double the rate of growth in the rest of the world. Retailers are taking advantage of that by increasing the online shopping and marketing.
- **Ethical issues:** Apart from saving, consumers also consider ethical issues when buying i.e. Buying from sweatshops; workshop or factory where manual workers are employed at very low wages for long hours and under poor condition is considered a vote for worker's exploitation which most consumers are against[6].
- **Eco Friendliness:** Consumers are now concerned with the natural environment; they prefer buying products that are with minimal detrimental impact on the natural Environment[7].
- **Greening sustainability:** Businesses are becoming more conscious of protecting the environment. Increased legislation and consumer pressure are driving the demand for eco-compliance. Businesses must show that they are environmentally friendly in their business processes and in the products and services they offer.

Other uncategorised implications include the following:

- The future of work is changing as technology is rapidly advancing towards latest trends such as automation and artificial intelligence, which will change the traditional roles leading to some jobs becoming absolute.[8]

[4] Euromonitor International, Retailing in South Africa, Market Research Report, 2018
[5] PWC, Global Economic Crime and Fraud Survey South Africa 2018, 2018
[6] http://www.ethicalconsumer.org/shoppingethically/whybuyethical.aspx
[7] Rachna, M., 2011, 'Eco- friendly products and Consumer perceptions', Vol.1 Issue 5, September, ISSN 2231 5780
[8] NEDLAC, Future of Work in South Africa, 2019

- Employers and employees will require skills in the ICT and data analytics space.
- Re-capacitation and reskilling of workers is critical to ensure their readiness to embrace the new technological changes.
- Retailers may have an increased need for environmental managers, social corporate managers, public relations managers and HR Managers. Furthermore, it is increasingly important that companies have the skills to make the correct decision quickly (both in terms of business sustainability and ethically).
- Should the business make a decision that is unpopular (as was the recent case when a major retailer was accused of appropriating someone's product idea as their own) it is imperative that they have the required public relations skills to mitigate the negative impact this incident may pose.

The Skills Gap Needs that were identified include ICT, analytics, graphic design, photography, programming, cloud computing, web development, data mining, statistics, research, forecasting, marketing and sales, management, networking, mobile device management, cyber security and ICT law. Re-capacitation and reskilling of workers is critical to ensure their readiness to embrace the new technological changes

The occupational needs include Software Developer/ Web Designer/ Web Administrator/ ICT Security Specialist/ Graphic Designer/ Analyst/ Researcher/ Marketing and Sales Manager Digital skills/Cognitive based work/ Programming/ machine device management/ Customer Service optimization.

iv. SMME Development

The W&R sector in South Africa is made up of many SMMEs in need of support and development.

The implications for Skills Planning in the sector are listed as follows:

- **Small enterprise development**: SMMEs should build a sustainable business model given that the gestation period for success in the retail sector is long. Sustainable product pricing, offering products that imply longevity, expanding operations in a calibrated but determined manner.
- **Hawkers:** Hawkers are a vulnerable group, since many are women with little family support. A major characteristic of hawkers is their mobility since they traverse on foot.
- **Casualization:** The entire retail sector is characterized by high casualization – the "permanent temporary worker". Most workers employed by unorganized businesses do not receive healthcare, educational and minimum wages.
- **New Training Model:** A new training model is required to upgrade the skills of SMMEs, since they cannot leave the business for skills training. Training for SMMEs should include e-training; toolkits; on-the-job training; digitization of training; industry clusters; mentoring and coaching. An SMME Strategy for skills development is needed.

The skills gap needs include financial management, product knowledge, marketing and sales, communication, merchandising negotiation, technical, conflict management, buying, pricing, time management, customer relations, ICT, life skills and coaching.

The occupational needs include Coach/ Mentor, SMME specialist, and Finance/ Business Management.

v. Youth Unemployment

There is an increasing number of young people entering the sector that require employment and training. Many of these young people find themselves without employment and without the requisite skills to find employment.

This change driver has brought about the need for the W&RSETA to develop interventions that address skills development issues related to the youth entering the sector. The W&RSETA is in consultation with stakeholders to develop sector database for millennials. The millennials on the database will be offered skills programmes to prepare them for the labour market.

The skills gap needs include the following:

- Basic literacy and numeracy skills
- Personal budgeting skills

- Computer skills and time management skills
- Customer service skills
- Information Communication Technology (ICT) Skills

2.3. Policy frameworks affecting skills demand and supply

National policies and legislation should inform the W&RSETA's Strategic Plan and Annual Performance Plan.

Below is a table summarising the national policies that guide the operations of the W&RSETA. It demonstrates the alignment of the W&RSETA's Strategic Plan to government's national policies and strategies.

TABLE 5: POLICY FRAMEWORKS AFFECTING SKILLS DEMAND AND SUPPLY

National Strategies / Policies	Implications & Measures For W&RSETA
National Skills Development Plan (NSDP)	• Increase research outputs focusing on sector economic development and job creation. • Promote sector collaboration with relevant public and private institutions aligned to labour market demands. • Increase training of occupations in high demand in the sector
National Skills Accord 8 commitments to be followed: • Expand training using existing facilities • Create internship and placement opportunities • Set ratios for trainees and artisans, as well as across the technical vocations, to improve training • Improve training funding and incentives for companies to train • Set annual targets for training in state-owned enterprises. • Improve SETA governance, fiscal management, and stakeholder involvement • Align training to the New Growth Path and improve SSPs • Improve the role and performance of TVET colleges.	The implications are: • Increase learnerships, apprenticeships, internships and bursaries. • Increase the number of accredited training providers. • Expand partnerships with TVET Colleges.
Industrial Policy Action Plan II (IPAP II) IPAP has identified several growth sectors that address high unemployment.	• Increase learnerships, apprenticeships, internships and bursaries in clothing, textiles, footwear and leather goods and automotive. • Develop projects for promoting green industries.
New Growth Path (NGP) The New Growth Path identifies 5 job drivers: • Infrastructure for employment and development • Improving job creation in employment and development • Seizing the potential of new economies • Investing in social capital • Spatial development.	• Create projects to increase college-to-work transitions. • Increase learnerships, apprenticeships, internships and bursaries in clothing, textiles, footwear and leather goods and automotive. • Develop projects for promoting green industries.

National Strategies / Policies	Implications & Measures For W&RSETA
National Development Plan 2030 (NDP) The National Development Plan 2030 has identified the following 9 key areas to achieve a development approach that is sustainable and inclusive: • Creating jobs and livelihoods • Expanding infrastructure • Transitioning to low-carbon economy • Transforming urban and rural spaces • Improving education and training • Providing quality healthcare • Building a capable state • Fighting corruption and enhancing accountability • Transforming society and uniting the nation	The implications are: • Build capabilities of W&RSETA staff and Board members. • Increase learnerships, apprenticeships, internships and bursaries. • Increase the number of accredited training providers. • Expand partnerships with TVET Colleges. • Create projects to increase college-to-work transitions. • Develop projects for promoting green industries.
White Paper for Post-School Education and Training (WPPSET) • It is a vision for an integrated system of post-school education and training with all institutions playing their roles. • Set out strategies to improve the capacity of post-school education and training system to meet SA's needs.	• Increase learnerships, apprenticeships, internships and bursaries. • Increase the number of accredited training providers. • Expand partnerships with TVET Colleges.

2.4. Conclusion

From the multiplicity of factors driving change in the W&R sector, we have identified 5 major change drivers that are likely to change the sector in significant ways in the future. These factors have major implications for skills development and the work for the W&RSETA.

There is an increased formalisation in the sector, primarily in townships and peri-urban areas, putting pressure on small local retailers. Technology continues to be a driving force in the sector, with mobile applications becoming important players in the way the sector operates. There is an increase in alternatives for consumers to use which has increased their power, which they have used to move the market towards eco-friendlier and ethical products. The importance of SMMEs is large and requires the assistance of W&RSETA to ensure their sustainability. The youth needs to be trained to effectively enter the W&R sector.

CHAPTER THREE: OCCUPATIONAL SHORTAGES AND SKILLS GAPS

3. Introduction

Having profiled the sector, employment, and the key issues driving change, this chapter focuses on understanding occupation-specific skills mismatches in the sector. The issue of skills gaps is also addressed. The following are the data sources used in responding to chapter 3:

- WSP/ ATR data
- Hard-To-Fill Vacancy (HTFV) survey
- COVID-19 Economic Survey
- Small Business Economic Survey
- Research reports

This chapter is set out as follows:

- Occupational shortages (also called Hard-To-Fill Vacancies) and skills gaps (also called skills gaps) are identified.
- Skills supply issues are discussed.

3.1. Key Questions

This chapter will respond to:

Hard-To-Fill Vacancies (HTFVs) and Skills Gaps

- What are HTFVs and skills gaps in the sector?

Demand

- What occupations are Hard-To-Fill Vacancies? Why are these occupations HTFVs?

Supply

- What is the extent of occupational skills supply in the sector? What is the state of education and training provision? What supply problems are firms experiencing?

The methodology and criteria to compile critical, HTFV and Sectoral Priority Occupations is as follows:

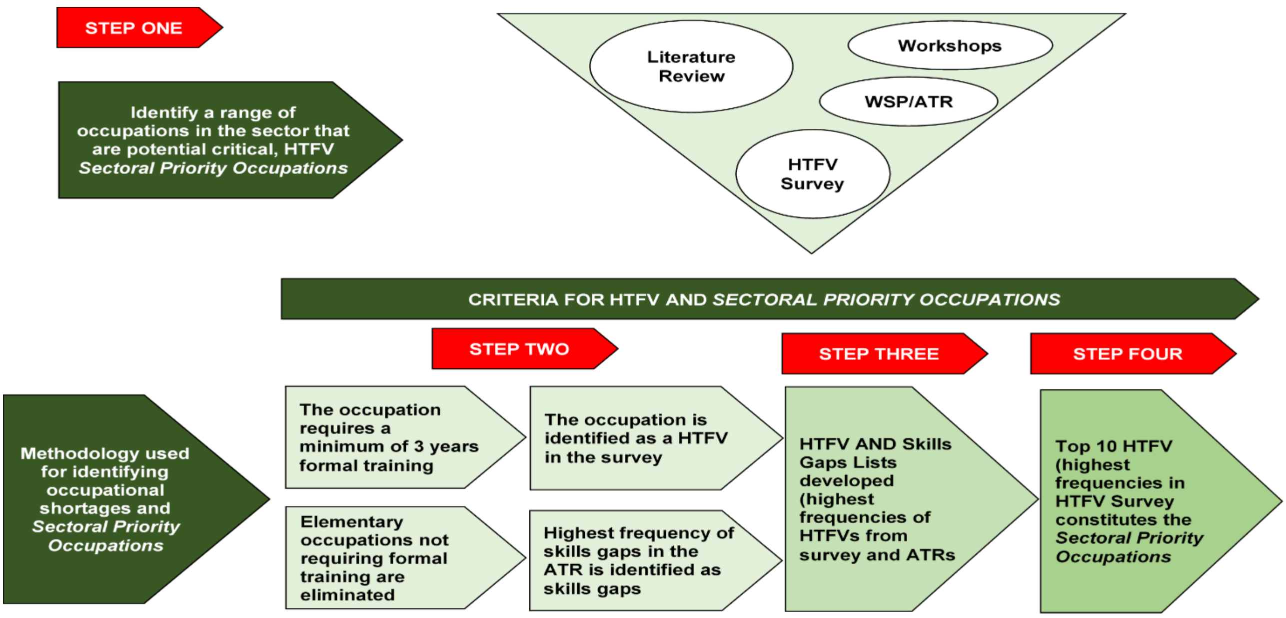


FIGURE 23: METHODOLOGY AND CRITERIA

Source: DHET SSP Framework and Requirements 2019/20, SSP survey template, 2019

Step One:

The range of possible occupations for the HTFV, Sectoral Priority Occupations and skills gaps lists are identified through workshops, literature reviews and the administration of a HTFV survey.

Step Two:

Four eligibility criteria are used to eliminate occupations: (1) 3 years formal training; (2) elementary occupations eliminated; (3) administer HTFV survey; and (4) skills gaps mentioned in ATRs.

Step Three:

After elimination, the highest frequency of occupations (above the median) are included on the HTFV list. The highest frequency of skills gaps mentioned in the ATRs (above the median) are included on the Skills Gaps List.

Step Four:

The Top 10 HTFV (highest frequencies) become the Sectoral Priority Occupations.

3.2. Occupational Shortages (Hard-To-Fill Vacancies)

For the current training year, the following occupations were identified as HTFVs using WSP/ATR data and the HTFV survey.

The following table provide the Hard-to fill occupations along with the reasons that have been provided by the stakeholders.

TABLE 6: HARD-TO-FILL VACANCIES (HTFV)

Occupation (2020)	OFO Code	Requested In PIVOTAL	Vacancies	Reasons
Administration Services Manager	121902-2		61	Travel long distances; Lack of experience
Butcher	681103	108	108	Lack of qualifications; Lack of experience
Bricklayer and Plasterer	641201-9		500	Lack of qualifications
Computer Network Technician	351301		23	Lack of qualifications; Lack of experience
Confectionery Baker	681201	236	236	Lack of qualifications; Lack of experience
Corporate General Manager	121901		52	Lack of experience; Lack of qualifications
Cosmetic Sales Assistant	522301-3		70	Lack of experience
Delivery Driver	732101		27	Poor pay; Lack of experience; Long working hours
Diesel Mechanic	653306		98	Lack of experience; Lack of qualifications
Electrician	671101		500	Lack of qualifications; Lack of experience
Fitter and Turner	652302		92	Lack of experience
Human Resource Manager	121201		25	Lack of experience; Poor pay
Management Consultant Specialist	242101-2		25	Lack of experience

Occupation (2020)	OFO Code	Requested In PIVOTAL	Vacancies	Reasons
Merchandise Planner	332301-2		60	Lack of experience; Lack of qualifications
Millwright	671202		91	Lack of experience
Retail Buyer	332301	102	102	Lack of experience; Lack of qualifications; Travel long distances
Retail General Manager	142103	559	559	Lack of experience; Lack of qualifications
Retail Store Manager	142103-3		189	Lack of experience; Lack of qualifications; Travel long distances
Retail Supervisor	522201	182	182	Lack of experience; Lack of qualifications; Poor pay
Safety, Health, Environment and Quality (SHE&Q) Practitioner	226302		508	Lack of experience; Lack of qualifications
Sales Assistant (General)	522301	397	397	Lack of experience; Poor pay
Corporate General Manager	122102	52	52	Lack of experience; Long working hours; Travel long distances
Service Station Salesperson	524501-3		48	Lack of qualifications
Shelf Filler	833401		83	Lack of qualifications
Software Developer	251201	62	62	Lack of qualifications; Lack of experience; Poor pay
Training and Development Manager	121202		22	Lack of experience; Lack of qualifications; Poor pay
Truck Driver (General)	733201	94	94	Lack of experience; Lack of qualifications
Visual Merchandiser	343203	194	194	Lack of qualifications; Lack of experience; Poor pay

Source: WSP/ATR data 2020, HTFV Survey data 2020, COVID-19 Survey 2020

A few changes are visible in the between the HTFVs list in 2019 and in 2020. There is a slight increase in occupations at the managerial level in 2020, with 2020 seeing 7 managerial occupations in comparison to 2019's 6. In 2020, there is an inclusion of occupations that can assist in dealing with change management, such as Human Resource Managers, Training and Development Manager, and even Management Consultant Specialists. This is possibly an indication of a response to disruptions and changes caused by COVID-19. In addition to a response to COVID-19, 2020 sees more ITC related occupations, while 2019 shows a greater demand for sales related occupations.

3.3. COVID-19 Survey

The COVID-19 Survey was conducted across the provinces. There were 252 respondents, representing multiple sub-sectors. The sub-sectors were represented as follows:

- Supermarket was represented by 12,30% of respondents
- Clothing was represented by 7,54% of respondents
- Hardware and Manufacturing was represented by 17,06% of respondents
- Motor Trade and Fuel was represented by 8,73% of respondents

- Fuel Retailers was represented by 26,19% of respondents
- Other was represented by 42,86% of respondents

The COVID-19 Survey presented the following key findings:

- 69,08% of respondents indicated that their sales have decreased due to COVID-19 and social distancing, while only 4.35% indicated a growth in sales. This is also reflected in the 93,69% that indicated that their turnover was below the normal range.
- Safety, Health, Environmental & Quality (SHE&Q) Training was indicated by 50,25% of respondents as interventions that should be prioritised by W&R SETA to mitigate against COVID-19 (this corresponds with the occupations identified in the HTFV list). New delivery models for training, such as blended learning and e-learning, were indicated by 24,63% of respondents to be priority interventions by W&R SETA.
- As a response to lower sales and turnover, businesses are to putting measures in place to avoid retrenchments. Business restructuring was indicated by 48,77% of respondents as a measure taken to avoid retrenchments.

3.4. Employer Survey/Interview Findings

The graph below shows a comparison between the number of stakeholders that were invited to attend the online SSP Engagements and the number of stakeholders that attended.

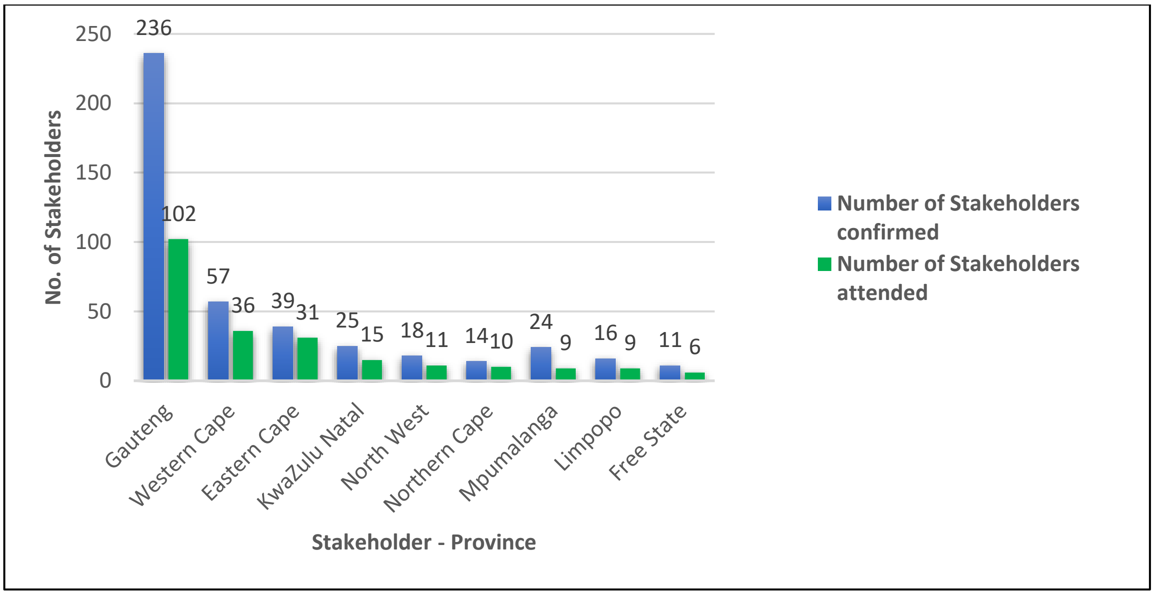


FIGURE 24: NUMBER OF STAKEHOLDERS WHO ATTENDED ONLINE SSP ENGAGEMENTS

As indicated by the figures above, Gauteng has a higher number of Stakeholders that attended the Online SSP Engagement. However, of the total number of 236 stakeholders that confirmed, only 102 stakeholders attended. This is followed by Western Cape with 36 and Eastern Cape with 31 stakeholders.

Consultations were held with various sub-sectors. Consultations with the Wholesale and Commissions Trade sub-sector were as follows:

- Majority of respondents within the wholesale and commissions trade sub-sector revealed that skills development will be a priority intervention.
- Change management, logistics and supply chain, labour law, emotional intelligence, COVID-19 Safety, computer literacy, sales and financial management were identified as possible future and current skills gaps.
- Product training, work-integrated learning, digital training and COVID-19 safety training were identified as priority training and education interventions.

Consultations with the Retail sub-sector revealed the following:

- The retail sub-sector revealed that skills development will be a priority intervention.
- Skills such as emotional intelligence, leadership skills, customer service skills, digital literacy, technical skills and people management were identified as possible future and current skills gaps.
- Priority learning and education interventions included wellbeing programmes, leadership development, soft skills development and work-integrated learning.

Consultations with the Education sub-sector revealed the following:

- The education sub-sector revealed that skills development will be a priority intervention.
- Leadership skills, project management, mechanical skills, electrical skills, computer skills, as well as data analysis and management skills were identified as possible future and current skills gaps.
- Interventions on priority education and training included leadership and change management training, teaching through technology and computer skills training.

Consultations with the Accounting sub-sector provided the following information:

- Skills development is a priority in this sub-sector, as employees are occupying new positions and constantly require upskilling and/or reskilling.
- Future skills gaps were foreseen in technical skills and in cost-effective project management.
- The priority education and training areas included technical skills, resilience and change management.

The Sustainable Livelihood sub-sector consultations revealed the following:

- This sub-sector revealed that skills development will be a priority intervention.
- Current and future skills gaps were identified as fundraising skills, IT media skills, financial management and operations, health and safety specialists.
- Priority education and training will be focused on developing assessors, moderators and facilitators.

The Hardware sub-sector consultations revealed the following:

- The hardware sub-sector revealed that skills development will be a priority intervention to enhance delivery and customer service.
- Current and future skills gaps were identified as financial analysis and performance management, team management, customer service, sales and operational skills.
  Priority education and training will be directed towards sales skills and customer service skills.

3.5. Hard-To-Fill Vacancies (HTFVS) by Province

The following is the HTFV list by Province:

TABLE 7: HTFV LIST FOR GAUTENG AND KWAZULU NATAL

Gauteng		Kwa-Zulu Natal	
Occupation	**Reasons**	**Occupation**	**Reasons**
Sales Assistant (General)	Lack of experience & Lack of relevant qualifications	Shelf Filler	Equity Consideration
Retail General Manager	Lack of relevant qualifications & Lack of relevant experience	Retail General Manager	Unsuitable job location & Lack of relevant qualifications
Visual Merchandiser	Lack of relevant qualifications & Lack of relevant experience	Retail Store Manager	Lack of Skills
Administrative Services Manager	Unsuitable Job Location	Retail buyer	Poor remuneration & Lack of relevant experience
Retail Store Manager	Lack of relevant experience & Equity Consideration	Retail Supervisor	Lack of relevant qualifications
Corporate General Manager	Lack of experience & Lack of relevant experience	Butcher's Assistant	Poor remuneration & Lack of relevant experience
Confectionery Baker	Lack of relevant experience	Confectionery Baker	Lack of relevant qualifications & Lack of relevant experience
Butcher	Lack of experience & Lack of relevant qualifications	Warehouse Manager	Lack of skills & Lack of relevant experience
Management Consulting Specialist	Lack of relevant qualifications	Sales Manager	Lack of relevant experience & Lack of relevant qualifications
Software Developer	Lack of relevant experience	Butcher	Lack of relevant qualifications & Lack of relevant experience

Source: WSP/ATR 2020, Employer Interviews 2020

In the Gauteng region, there are four positions at manager level. In the Kwa-Zulu Natal, four manager level occupations were also identified. Gauteng region has indicated the demand for more occupations which are related to 4th Industrial revolution.

TABLE 8: HTFV LIST FOR NORTHERN CAPE AND FREE STATE

Northern Cape		Free State	
Occupation	**Reasons**	**Occupation**	**Reasons**
Diesel Mechanic	Lack of experience	Visual Merchandiser	Lack of relevant experience & Lack of relevant qualifications
Fitter and Turner	Lack of experience	Corporate General Manager	Lack of relevant qualifications & Lack of relevant experience
Millwright	Lack of experience	Management Consultant	Lack of relevant qualifications
Butcher	Lack of relevant qualifications & Lack of experience	Internal Audit Manager	Unsuitable job location
Bakery and Confectionery Products Machine Operator	Lack of relevant qualifications	Customer Care Manager / Representative	Lack of relevant qualifications
Confectionary Baker	Lack of relevant qualifications	ICT / IT Manager	Lack of relevant qualifications
Marketing Officer	Lack of relevant experience	Management Systems Consultant	Lack of relevant qualifications
Retail Supervisor	Lack of experience	Fast Food Assistant / Operator	Lack of relevant experience
Cake / Bread Baker	Lack of relevant qualifications	Butcher	Lack of relevant qualifications
General Clerk	Lack of relevant qualifications	Confectionery Baker	Lack of relevant qualifications

Source: WSP/ATR 2020, Employer Interviews 2020

In the Northern Cape, there are no positions in the managerial level. In the Free State, four manager level occupations were identified. The key finding is that there is an increase in the ICT related occupations that are HTFV.

TABLE 9: HTFV LIST FOR MPUMALANGA AND EASTERN CAPE

Mpumalanga		Eastern Cape	
Occupation	**Reasons**	**Occupation**	**Reasons**
Service Station Salesperson	Lack of relevant qualifications	Retail General Manager	Unsuitable job location & Lack of relevant qualifications
Petrol Station Attendant	Lack of experience	Financial Planner	Lack of relevant qualifications
Service Station Attendant	Lack of relevant qualifications	Stores Assistant	Lack of relevant experience
Safety, Health, Environment and Quality (SHE&Q) Officer	Lack of relevant qualifications	Food Services Manager	Lack of relevant experience
Cashier	Lack of relevant qualifications	Employee Wellness Manager	Lack of relevant experience
Service Station Cashier	Lack of relevant qualifications	Retail Supervisor	Lack of relevant experience
Retail Store Manager	Lack of relevant experience	Confectionery Baker	Lack of relevant qualifications & Lack of relevant experience
Safety, Health, Environment and Quality (SHE&Q) Practitioner	Lack of relevant qualifications	Retail Store Manager	Equity consideration & Lack of relevant experience
Shop Assistant	Lack of relevant qualifications	Computer Network Technician	Lack of relevant qualifications
Fast Food Assistant / Operator	Lack of relevant qualifications	Sales Assistant (General)	Lack of relevant experience

Source: WSP/ATR 2020, Employer Interviews 2020

In the Eastern Cape, there are four occupations was at manager level. In the Mpumalanga, one occupation at manager level occupations were identified. A potential reason is the unwillingness of experienced managers to settle in a smaller province. It also indicates that the W&RSETA needs to give greater attention to management training in responding to the demand.

TABLE 10: HTFV LIST FOR NORTH WEST AND LIMPOPO

North West		Limpopo	
Occupation	**Reasons**	**Occupation**	**Reasons**
Safety, Health, Environment and Quality (SHE&Q) Practitioner	Lack of experience	Safety, Health, Environment and Quality (SHE&Q) Practitioner	Lack of relevant qualification
Field Service Technician (Diesel)	Unsuitable job location	Bricklayer and Plasterer	Lack of relevant qualifications
Confectionery Baker	Lack of relevant qualification	Electrician	Lack of relevant qualification
Retail Store Manager	Lack of relevant experience & Lack of relevant qualification	Electrician Assistant	Lack of relevant qualifications
Business Operations Manager	Lack of relevant experience	Retail General Manager	Lack of relevant experience & Lack of relevant qualification
Industrial Machinery Mechanic	Lack of relevant qualification	Butcher	Lack of relevant experience
Industrial Products Sales Representative	Lack of relevant experience	Maintenance Person / Coordinator	Lack of relevant experience
Head Chef	Unsuitable job location	Confectionery Baker	Lack of relevant experience
Butcher	Lack of relevant qualification	Retail Store Manager	Lack of relevant experience
Drainage, Sewerage and Storm Water Worker	Poor remuneration	Chef	Lack of relevant experience

Source: WSP/ATR 2020, Employer Interviews 2020

In the North West, two occupations are at manager level. In Limpopo, two manager level occupations were identified. The province is small and majority of businesses that operate are SMEs.

TABLE 11: HTFV LIST FOR WESTERN CAPE

Western Cape	
Occupation	**Reasons**
Retail General Manager	Lack of experience & Lack of relevant qualifications
Confectionery Baker	Lack of relevant qualifications
Retail Supervisor	Lack of relevant experience & Poor remuneration
Truck Driver (General)	Lack of experience
Retail Buyer	Lack of relevant experience & Lack of skills
Cosmetic Sales Assistant	Lack of relevant experience
Retail Store Manager	Lack of relevant qualifications & Lack of relevant experience
Software Developer	Lack of skills & Lack of relevant qualifications
Sales Assistant (General)	Lack of relevant experience
Merchandise Planner	Lack of relevant experience & Lack of relevant qualifications

Source: WSP/ATR 2020, Employer Interviews 2020

3.5.1. HTFVs by Sub-Sector

Below is an overview of HTFVs by sub-sector. However, COVID-19 officers, and health and safety officers are common HTFVs across the sector.

TABLE 12: HTFV REASONS BY SUB-SECTOR

Sub-Sector	Reasons
Clothing	The clothing sub-sector indicated that there is a skills gap in HR and Labour Law assistance, as well as a need for COVID-19 safety measure training for employees. Additionally, business management training is needed for team leaders.
Hardware and Merchandise	The data on the hardware and merchandise sub-sector revealed that there is a growing need for stress management training and strategic planning for SME due to COVID-19 disruptions. Additionally, there is a skills gap in time management, online skills and supply chain management. The sub-sector indicated technical support officers as an emerging HTFV.
Wholesale	Consultations with the wholesale sub-sector revealed that there is a lack of technical skills. There is also a difficulty filling vacancies for sales engineers and health and safety / COVID-19 safety officers.
Retail	Health and safety officers, store managers, merchandise planners and merchandise buyers were identified as HTFVs for the retail sub-sector. These are accompanied by a lack of customer service skills, emotional intelligence and soft skills.

Source: WSP/ATR 2020, Employer Interviews 2020

3.5.2. Skills Gaps

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

Both HTFVs and skills gaps must be identified at the occupational level, with occupational shortages being considered against the occupation itself and skills gaps being reflected as specific skills within the occupation.

The following skills gaps skills were identified from WSP/ATR 2020, employer interviews, COVID-19 impact survey, Economic survey for SMME and Informal traders' Survey:

TABLE 13: SKILLS GAPS

SOFT SKILLS: Decision making/ Interpersonal skills/ Emotional intelligence/ Assertiveness/ Teamwork/ People skills such as managing diversity/ Communication/ Life skills (personal, finance, time management, resilience, stress management)/ Decision making/ Innovation/ Teamwork/ Adaptability
MANAGEMENT: Leadership and management skills/ Mentoring and coaching/ Planning and project management/ Conflict management/ People management/ Team management/ Business Management/ Change Management/ Risk Management/ Financial Management/ Performance Management/ Human Resource Management
TECHNICAL: Financial Skills/ Basic understanding of business/ Pharmacy/ IT literacy (PC trained people)/ Sales skills/ Product knowledge/ Visual Merchandising/ Personal hygiene/ Food safety/ First aid/ Project management/ Teamwork/ Labour law and relations/ IT Media Skills/ Technical Skills/ Technical Sales Skills/ Fundraising Skills/ Mechanical Skills/ Data Analysis Skills/ Operational Skills/ Supervisory Skills/ Supply Chain and Logistical Skills/ Marketing Skills/ COVID-19 Safety/ 4IR Skills
OTHER: Customer service/ Communication skills/ Numeracy and literacy/ Ability to apply knowledge/ Sales skills/ Interpersonal skills/ Problem solving and decision-making skills/ Conflict resolution skills/ Time management skills

Source: WSP/ATR data 2020, COVID-19 impact survey 2020, informal trade survey 2020, employer interviews 2020, Economic survey for SMME 2020

The most important Skill Gaps by major occupation group as are:

Table 14: Skills Gaps by Major Occupation Group

#	Skills Gap	Managers	Professional	Technician & Associate Professionals	Clerical Support Workers	Service & Sales Workers	Craft & Related Trades Workers	Plant & Machine Operators	Elementary Occupations
1	**Product Knowledge**	-Retail Manager -Enterprise / Organisation Director -Sales Manager	-Industrial Products Sales Representative -Medical and Pharmaceutical Products Sales Representative	-Commercial Sales Representative -Office Administrator -Retail Buyer	-General Clerk -Accounts Clerk -Dispatching and Receiving Clerk / Officer	-Sales Assistant (General) -Sales Clerk -Checkout Operator	-Computer Engineering Mechanic / Service Person -Quality Controller (Manufacturing)	-Delivery Driver -Forklift Driver	-Store Person -Packer
2	**Customer Service**	-Retail General Manager -Retail Store Manager -Sales Manager	-Industrial Products Sales Representative -Marketing Consultant	-Sales Representative -Personal Assistant	-General Clerk -Receptionist -Accounts Clerk	-Checkout Operator -Sales Assistant (General) -Serve Station Attendant		-Delivery Driver -Forklift Driver	-Store Person -Packer -Cleaner (Non-Domestic)
3	**COVID-19 in the workplace**	-Retail General Manager		-Food & Beverage Technician -Sales Representative -Visual Merchandiser	-General Clerk	-Checkout Operator -Sales Assistant (General) -Cashier	-Confectionery Baker	-Delivery Driver -Forklift Driver	-Store Person -Packer -Commercial Cleaner
4	**Health and Safety**	-Retail General Manager -Warehouse Manager -Sales Manager -Office Manager	-Health and Safety Officer / Coordinator / Professional	-Production / Operations Supervisor -Office Administrator	-General Clerk	-Service Station Manager -Retail Supervisor -Checkout Operator	-Butcher -Electrician -Automotive Motor Mechanic	-Forklift Driver -Delivery Driver	-Store Person -Shelf Filler -Packer
5	**Time Management**	-Sales Manager	-General Accountant -Marketing Specialist	-Procurement Administrator / Coordinator / Officer -Office Administrator	-Admissions Clerk -Debtors Clerk	-Internal Salesperson		-Delivery Driver	

#	Skills Gap	Managers	Professional	Technician & Associate Professionals	Clerical Support Workers	Service & Sales Workers	Craft & Related Trades Workers	Plant & Machine Operators	Elementary Occupations
6	**Labour Relations**	-Finance Manager -Human Resource Manager -Office Manager	-Human Resource Advisor		-Human Resources Clerk -Accounts Clerk	-Retail Supervisor			
7	**Project Management**	-Fleet Manager		-Production / Operations Supervisor -Marketing Coordinator -Marketing Support Coordinator		-Sales Clerk / Officer			
8	**Management**	-Retail Manager -Sales Manager -Corporate General Manager	-General Accountant -Retail Pharmacist	-Office Administrator -Production / Operations Supervisor (Manufacturing) -Retail Buyer	-Accounts Clerk -Stock Clerk / Officer -General Clerk	-Retail Supervisor -Sales Assistant (General) -Sales Clerk / Officer	-Confectionery Baker -Quality Controller	-Delivery Driver	-Store Person -Warehouse Assistant
9	**Financial Management**	-Retail General Manager -Shop Manager	-Auditor	-Bookkeeper	-Accounts Clerk	-Cashier		-Delivery Driver	
10	**Digital/4IR Skills**	-Enterprise / Organisation Director -Retail General Manager -Finance Manager	-ICT Customer Support Officer	-Marketing Coordinator	-Administration Clerk -Filing / Registry Clerk -Communication Clerk / Assistant	-Sales Clerk / Officer	-Printers' Electrician		-Wood and Timber Process Worker

Source: WSP/ATR 2020, COVID-19 Impact survey 2020, Employer interviews 2020

The key finding from the skills gap by occupation group is that Customer Service, Teamwork and Product Knowledge are important for middle and lower occupations in the sector.

SME and Informal Traders' Top 5 Skills Gaps

The table below shows the top 5 SME skills gaps that need filling.

TABLE 15: TOP 5 SME SKILLS GAPS

Skills Gaps
1. Health and Safety
2. Labour Law
3. Skills related to conducting business in new environment
4. Management Skills
5. Digital / 4IR Skills

Source: COVID-19 Economic Survey for SME 2020, SSP Engagements 2020

The table below shows the top 5 informal traders' skills gaps that need filling.

TABLE 16: TOP 5 INFORMAL TRADERS SKILLS GAP

Skills Gaps
1. Management Skills
2. Financial Management
3. Marketing Skills
4. Business Management Skills
5. Customer Service Skills

Source : SSP Engagements 2020, Informal Traders Survey 2020

According to the SMEs and informal traders consulted, the following are priorities which will enable growth and sustainability of small businesses:

- Relaxation of stringent criteria for participation in skills development
- Quick turnaround time of payments for SMME
- Access to the broader wholesale and retail market.
- Training on ICT trends for wholesale and retail sector
- Access to business advice

3.6. Skills Supply

This section examines skills supply for Universities and TVET Colleges:

3.6.1. Enrolment in Post-School Education and Training Institutions

The Technical and Vocational Education and Training (TVET) colleges provide technical and vocational education and training programmes to learners who completed at least Grade 9 at school level. However, there are also opportunities for learners with a Grade 12 certificate. In general, public TVET colleges provide three broad categories of qualifications and part-qualifications.

Total enrolment in TVET colleges reached 657 133 in 2018, reflecting a 4.5% (30 895) decline when compared with 2017. Major decreases were recorded for Report 191 (27 978) and NC(V) (11 161) between 2017 and 2018. It is noted that figures from 2016 onwards are calculated using enrolment cycle headcount, meaning students enrolled for trimester and semester programmes are counted more than once if they enrol throughout the year, whereas the NC(V) qualification is an annual programme and students are counted once. These figures should be interpreted having this methodology in mind.

Majority of enrolments in TVET colleges in 2018 were youth aged 15-29 years, which accounted for almost 87% of total enrolment (86.96% or 584 597). Enrolment was lower for students who were 30 years and older. More than 60% of students enrolled for Report 191 (N1-N6) programmes were youth aged 20-24 years (65.4% or 430 056). A large number of enrolments in TVET colleges in 2018 were for Africans (91.8% or 603 112) whilst Coloured, White and Indian/Asian students accounted for 7.1% (46 597), 0.9% (5 850) and 0.2% (1 452) of total enrolment, respectively. However, number of course completions might be significantly lowered due to disruptions cause by COVID-19. In adherence to regulations, educational institutions had to close, and schooling had to be paused. While some might have been able to resume, others have not yet been able to develop a method of delivery in line with COVID-19 restrictions.

There were 2 064 students enrolled in TVET colleges who reported to have some disability in 2018. Nearly 60% of students with disabilities were females (59.16% or 1 221) while 40.84% (843) were males. The highest proportion of students reported to have a sight problem (41.27% or 852), followed by physical disability (18.65% or 385). Gender disparities were high for the sight disability, where 288 more female students reported to have a problem with seeing compared to males.

The Higher Education (HE) Sector is intended to perform the following three functions as outlined in the National Development Plan (NDP): a) Educate and equip people with high-level skills to meet the employment needs of the public and private sectors; b) produce new knowledge and assess and find new applications for existing knowledge; and c) provide opportunities for social mobility while strengthening equity, social justice and democracy to deal with the injustices brought about by the apartheid system. In 2018, there were 26 public Higher Education Institutions, 124 private Higher Education Institutions, 50 Technical and Vocational Education and Training (TVET) colleges, 299 registered private colleges and 9 Community Education and Training (CET) colleges. COVID-19, however, has caused disruption to the usual way of how people engage in their day-to-day activities. This means that Higher Education Institutions might also need to begin implementing a blended learning approach (face-to-face, remote and online) to provide education and opportunities for students. This will help in further adhering to social-distancing, the government's call for citizens to avoid public spaces where possible and a shift towards 4IR digitisation.

The total number of student enrolment in public and private HEIs in 2018 was 1 283 466, which represents a 5% (61 436) increase compared with 2017 enrolment (1 222 030). This was mainly due to enrolment increases in both public HEIs (48 584) and private HEIs (12 852). Out of 1 283 466 students enrolled in HEIs in 2018, more than three quarters of them enrolled in public HEIs (84.6% or 1 085 568), while fewer students enrolled in private HEIs (18.2% or 197 898). A similar trend can be observed throughout the period under review.

Over three quarters of the students enrolled in public HEIs in 2018 were Africans (75.59% or 820 619), followed by White students (12.92% or 140 305), Coloured students (6.07% or 65 911) and Indian/Asian students (4.4% or 47 865). The largest gender difference was within the African population group, where 149 001 more female students enrolled compared to males, while the Indian/Asian population group recorded the lowest gender difference (9 821 more females compared to males).

In higher education, the number of students enrolled and graduating for business and management qualifications, which are related to the W&R sector are as follows:

Table 17: PSET Enrolment in South Africa 2018

Institution	Enrolment
TVET Colleges	657 133
Universities	1 283 466

Source: Statistics on post-school education and training in South Africa: 2018, 2020.

Enrolment at public and private HEIs reached 1.2 million in 2018, with public HEIs enrolling 1 085 568 students and private HEIs 197 898 students. The target set out in the National Development Plan (NDP) 2 is 1.6 million enrolments by 2030.

TABLE 18: NUMBER OF STUDENTS ENROLLED IN TVET COLLEGES 2013 - 2018

Qualification Category	2013	2014	2015	2016	2017	2018
NC(V)	154 960	166 433	165 459	154 739	142 373	131 212
Report 191 (N1-N6)	442 287	486 933	519 464	513 026	510 153	482 175
Occupational Qualifications	19 000	19 825	20 533	13 472	10 969	20 106
Other	23 371	29 192	32 424	22 468	22 533	23 355
Total	**639 618**	**702 383**	**737 880**	**705 397**	**688 028**	**656 848**

Source: DHET Annual Performance Plan (2019/2020) (DHET, 2019)

The number of students enrolled in TVET colleges reached 657 133 in 2018. During this period, 7.5 in 10 students enrolled for Report 191 programmes, averaging 73.3%, and 19.96% enrolled for NC(V) programmes. Fewer students enrolled for occupational qualifications (3.05% or 20 106) and 'other' qualifications (3.6% or 23 355). Majority of enrolments were for Report 191 programmes and fewer enrolments were for occupational qualifications throughout the period under review.

TABLE 19: TVET COLLEGES REGISTRATION AND COMPLETION IN N6 QUALIFICATIONS

Qualification	Enrolment	Completion	Completion Rate
N6 Hospitality and Catering	2 042	1 835	89.9%
N6 Marketing Management	4 398	3 384	76.9%
N6 Financial Management	8 767	7 978	91%
N6 Business Management	9 993	8 232	82.4%

Source: DHET: Statistics for PSET (2018)

A total of 85 214 students completed key exit levels N6 and NC(V) Level 4) in TVET colleges in 2018, translating to a completion rate of 71%. Higher completion rates were recorded for N6 (61%), followed by N3 (29%) and lower for NC(V) Level 4 (9.9%).[9]

TABLE 2013: TVET COLLEGE NCV LEVEL 4 REGISTRATION AND COMPLETION 2018

Programme	Total Registered	Total Completed	Completion Rate
Information Technology & Computer Studies	1 158	415	35.8%
Finance, Economics and Accounting	1 501	702	46.8%
Management	883	521	59.0%
Marketing	1 185	408	34.4%
Office Administration	6 135	3 334	54.3%
Total:	10 862	5 380	77.15%

Source: DHET: Statistics for PSET (2018)

Overall, TVET colleges in 2018, 31 079 students registered for the NC(V) Level 4 qualification examinations of which most students were female. In 2018, the number of students who wrote examinations for NC(V) Level 4 programmes was 21 978.

[9] DHET: Statistics for PSET (2018);

TABLE 21 PUBLIC UNIVERSITIES: ENROLMENT IN MAJOR FIELDS OF STUDY BY GENDER, 2010 - 2016

Year	Science,Engineering				Education		Education			Total
	Male	Female	Male	Female	Male	Female	Male	Female	Total	
2010	138 590	112 748	122 268	156 573	38 094	107 321	81 397	135 935	380 349	512 577
2011	146 022	118 421	125 796	162 688	42 580	122 295	80 718	139 592	395 116	542 996
2012	149 766	123 513	122 689	159 607	42 511	125 950	83 402	145 770	398 368	554 840
2013	154 612	129 009	122 998	156 954	43 255	129 735	89 124	158 000	409 989	573 698
2014	155 555	131 664	119 923	152 484	41 462	124 636	87 425	156 001	404 365	564 785
2015	158 665	136 267	121 023	152 805	42 417	128 130	88 419	157 476	410 524	574 678
2016	158 854	136 520	117 001	147 931	45 434	131 549	87 407	151 119	408 696	567 119
Growth	**2.3%**	**3.2%**	**–0.7%**	**–0.9%**	**3.0%**	**3.5%**	**1.2%**	**1.8%**	**1.2%**	**1.7%**

Source: Post- School Education & Training Monitor, 2019; CHE, 2019.

The number of students enrolled through the contact mode of learning has been consistently higher than that of students enrolled through the distance mode of learning throughout the period under review. Between 2017 and 2018, public HEIs' student enrolment increased by 4.7% (48 584). In this period, students enrolled through the distance mode increased by 6.2% or 23 485, while those enrolled through the contact mode increased by 3.8% or 25 099 in the same period.

Overall enrolment increased by 29.6% (247 792) over the period 2009-2018, with a significant increase recorded for students enrolled through the contact mode of learning (31.4% or 163 642), while that of the distance mode of learning students increased by 26.6% (84 150). This trend partially explains the rise in the FTE to headcount ratio over this period since, on average, distance students are more likely to be part–time students and, thus, more inclined to enrol for fewer course credits than their contact (and full–time) counterparts.

There were 1 283 466 students enrolled at public and private HEIs in 2017, with majority of enrolments in public HEIs (1 085 568) while private HEIs enrolled 197 898 students. The target in the National Development Plan (NDP) is 1.6 million enrolments by 2030.[10] There were 100 286[11] students enrolled in Community Education Training (CET) colleges in 2017, which was 38.84% (157 913) lower compared with 2017. The NDP target for enrolment in this sector is 1 million students by 2030.[12]

3.6.2. W&RSETA Supported Programmes

The enrolments and graduates for the W&RSETA for 2017/18 were as follows:

TABLE 22: W&RSETA ENROLMENTS AND CERTIFICATION (2017/18)

Institutional Type	Learner-Ships	Skills Programmes	Intern-Ships	Recognition of Prior Learning (RPL)	Apprentice-Ship	Total
Number of workers enrolled for programmes	2149	3547	n/a	245	n/a	**5 941**
Number of workers certified for programmes	1413	1762	n/a	241	n/a	**3 416**

[10] Statistics on Post-School Education & Training in South Africa, 2018.
[11] This figure is not an overall enrolment in the CET colleges as GETC: ABET level 4 registration data for examinations was used as a proxy for reporting on enrolment.
[12] Statistics on Post-School Education & Training in South Africa, 2018

Number of unemployed learners enrolled for programmes	3698	590	700	n/a	n/a	**4 988**
Number of unemployed learners certified for programmes	1499	220	114	n/a	n/a	**1 833**
Number of Apprenticeship registered	n/a	n/a	n/a	n/a	260	**260**
Number of Apprenticeship completions	n/a	n/a	n/a	n/a	0	**0**

Source: W&RSETA Annual Report (2018/19)

The number of workers that enrolled for programmes was 5 941. The number of completions was 3 416. The number of unemployed learners that enrolled for programmes was 4 988. The number of completions was 1 833. The W&RSETA registered 260 apprenticeships with no completions in the same year.

3.6.3. Annual Training Reports

A total of 1 845 867 employees in the sector received training in various occupational classes.

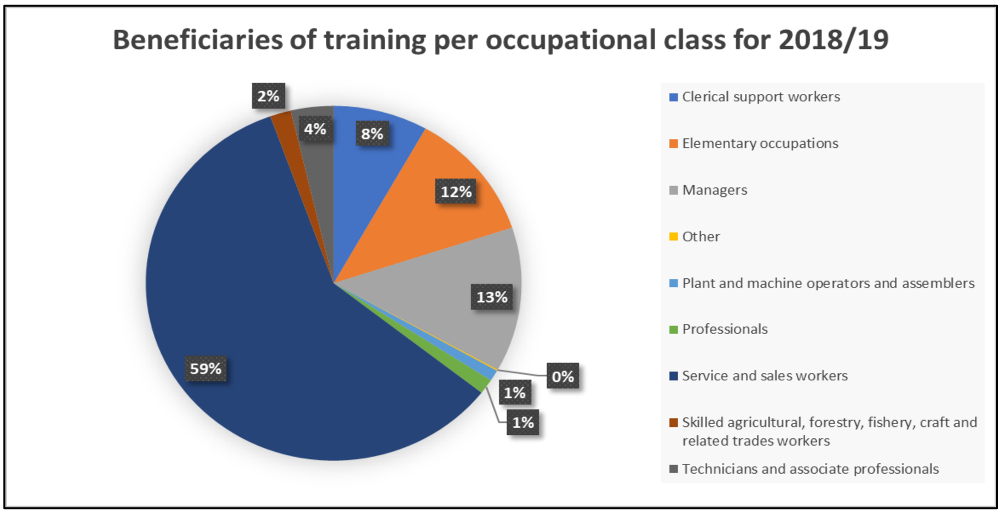


FIGURE 25: BENEFICIARIES OF TRAINING PER OCCUPATIONAL CLASS FOR 2018/19

Source: (W&RSETA Annual Report (2019/20)

The largest numbers of trainees were in the service and sales worker’s category.

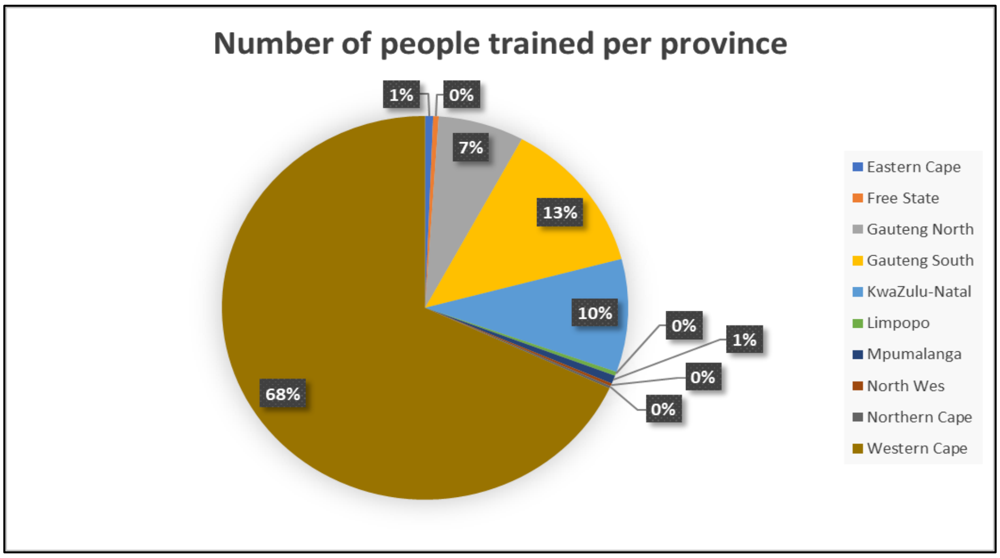


FIGURE 26: BENEFICIARIES OF TRAINING BY PROVINCE 2018/19

Source: (W&RSETA Annual Report (2019/20)

Most training occurred in Gauteng due to the highest concentration of wholesale and retail industries in this province.

3.7. State of Education and Training

Currently, the Post-School Education and Training (PSET) system comprises:

- 26 public Higher Education Institutions (HEIs);
- 50 Technical and Vocational Education and Training (TVET) colleges;
- Community Education and Training (CET) colleges.
- 136 private HEIs; and
- 323 private FET colleges (registered with the Department).

Of these, there are 611 accredited training providers that offer W&RSETA qualifications on the NQF.

However, the following major education and training challenges exist, which impacts directly on the productivity of the sector:

- Most universities and TVET colleges offer general programmes in areas such as business, management, finance, accounting, marketing, human resources, and so on. In view of the enormous size of the sector in terms of employers and employees, there is a business case for establishment schools or departments of wholesale and retail in these institutions. These institutions will then be able to offer wholesale and retail specific programmes.
- The W&RSETA sponsors university chairs at several universities to conduct research on and facilitate qualifications development for the sector. There is a need for these chairs to conduct applied business research that can be used for skills planning in the W&R sector. There is also a need for action research that can be used in enterprises.
- In 2018/19, the W&RSETA developed two occupational qualifications, namely, informal Small Business Manager and Sales Representative. To date, W&RSETA has developed 13 occupational qualifications in line with QCTO requirements.
- At senior management level, there is a need to offer an MBA programme specialising in wholesale and retail.
- There is a need for the W&RSETA to provide workshops for teachers' country-wide on career opportunities in the sector to equip them to guide learners in their career choices and subjects.
- The NCV and NATED courses in business and management is in urgent need of curriculum revision.
- The sector has a very large proportion of contract, temporary and casual workers, which are out of the training loop.
- There is a need for a bigger focus on training entrepreneurs in the informal sector and in micro-enterprises.[13]

3.8. Sectoral Priority Occupations and Interventions List

Based on the research activities (literature review, surveys, WSP/ATR analysis, online recruiting data, interviews and workshops), the following Sectoral Priority Occupations and occupational shortages are identified.

[13] W&R WSP/ATR 2020/21

Table 23: Sectorial Priority Occupations

Occupation	OFO Code	No. Required
Butcher	681103	108
Confectionary Baker	681201	236
Retail Buyer	332301	102
Retail Manager (General)	142103	612
Retail Supervisor	522201	182
Sales Assistant (General)	522301	397
Sales Manager	122102	52
Software Developer	251201	62
Truck Driver (General)	733201	94
Visual Merchandiser	343203	194

Source: WSP ATR submission 2020/21, HTFV survey 2019/20 & SSP workshops 2020/21

The method to establish the Sectoral Priority Occupations was as follows (refer to research design and methods in earlier section):

- **Methods to identify occupations in the Sectoral Priority Occupations:** The following methods were used – literature review, workshops, HTFV survey and WSP/ATR analysis.
- **Main findings that informed the Sectoral Priority Occupations:** Occupations that were most consistently identified in these 4 studies were included in the Sectoral Priority Occupations. This occurred through a process of elimination of occupations.
- **Quantities indicated in the SETA Sectoral Priority Occupations:** The quantities were informed by additional questions inserted into the WSP template: What occupations are HTFVs? How many did you require in the previous 12 months?
- **Ranking:** The **Sectoral Priority Occupations** are ranked in descending order in terms of the highest number of HTFVs.
- **Consultative Processes:** Ten workshops were held – one in each province and an SSP SME focus group discussion in Gauteng and Western Cape.
- **Interventions:** The interventions are informed by feedback received by workshop participants and approved by the Board.
- **Outcomes:** The outcome is demand-led skills planning by the W&RSETA.

3.9. Conclusion

Chapter Three is primarily focused on the identification of skills gaps and hard-to-fill vacancies in the W&R sector. The primary methods used to determine HTFVs and skills gaps are interviews with key informants, regional workshops with stakeholders, literature reviews and analysis of WSP/ATRs.

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

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

CHAPTER FOUR: SETA PARTNERSHIPS

4. Introduction

The purpose of this chapter is to assess the effectiveness of existing SETA partnerships in the sector with reference to value-add partnerships. The chapter presents an analysis of existing partnerships, including the successes and limitations thereof. In addition, planned partnerships intended to further promote skills development are also explored. In producing this chapter available literature (including past SSPs and Strategic Plans) and internal stakeholders were consulted.

4.1. Key Questions

This chapter will respond to:

- An analysis of existing SETA Partnerships
- What institutions/organizations is the SETA partnering with?
- What is the nature of each of the partnerships? (Term and duration)
- What are the objectives of each of the partnerships?
- What value is each of the partnerships adding to the SETA? (gaps)
- Which partnerships are working successfully and why?
- Which partnerships are not working successfully and why?
- What should be done to strengthen partnerships that are not working well?
- What new partnerships are needed for the SETA?
- What gaps/objectives will these partnerships be addressing?
- What is the SETA's most successful partnership approach/ model?

4.2. An Analysis of Existing SETA Partnerships

The SETA partnered with following training providers and other key stakeholders in the past year:

TABLE 14: EXISTING PARTNERSHIPS

#	Name Of Partner	Objective	Value Of Partnership	Duration (Start and End Date)
1.	Bureau of Market Research (BMR)	• To conduct research for the sector and assist with the implementation of W&RSETA research agenda	Increased economic and labour market data	20 Apr 2016 to 31 Mar 2020
2.	Panyapiwat Institute of Management (PIM) Thailand.	• Joint Research and Student exchange programme.	• Joint research on retail innovation, 4th industrial revolution retail trends and curriculum development. • Information sharing on the planning tools • Advance Retail Management Programme (ARMP), Targeted at improving supply of	05 Nov 2018 to 31 Mar 2020

#	Name Of Partner	Objective	Value Of Partnership	Duration (Start and End Date)
			skilled and capable Wholesale and Retail sector management. • RetailPrenur, Targeting at informal business owners.	
3.	Nelson Mandela University (NMU)	• Joint Research focusing on innovation • Joint special project partnership with TVET colleges.	• Joint Research Focus on Innovation	28 Oct 2019 to 31 March 2023
4.	Buffalo City College	• Research capacity development. • Lecture capacity and development. • Joint special project partnership with other institutions of learning.	• Joint Research Focus on Innovation • Lecture capacity and development	21 Aug 2019 to March 2020
5.	Mthashana TVET College	• Research capacity development. • Lecture capacity and development. • Joint special project partnership with other institutions of learning.	• Joint Research Focus on Innovation • Lecture capacity and development	21 Aug 2019 to 31March 2022
6.	Council for Scientific and Industrial Research (CSIR)	• Promote industry collaborative research around evidence-based skills planning and innovation	• Joint Research Focus on Innovation	23 May 2019 (Automatically renewed annually)
7.	Association of Private Providers of Education, Training and Development (APPETD)	• Promote industry collaborative research around evidence-based skills planning and innovation. • Improve access to training in rural areas.	• Joint Research Focus on Innovation	23 May 2019 (Automatically renewed annually)
8.	A&S Training Consultancy	• 14 (18.1) on a one-year NQF level 3 wholesale and retail qualification • 40 (18.2) persons with disabilities on a one-year Wholesale and Retail Operations NQF2 programme	• Employment opportunities for the vulnerable.	1 March 2019 - 28 Feb 2021
9.	Namibia Training Authority (NTA)	• Planning collaborative research, educational and training projects. • Training of TVET Practitioners (Capacity Building). • Sharing or experiences and enabling contracts in Work-Integrated Learning (WIL).	• Joint research on retail innovation, 4th industrial revolution retail trends and curriculum development.	06 Dec 2019 to 31 March 2022

#	Name Of Partner	Objective	Value Of Partnership	Duration (Start and End Date)
			• Information sharing on the planning tools	
10.	University of the Western Cape (UWC)	• Joint Research and projects focusing on innovation, employability and entrepreneurship. • Joint special project partnership implementation.	• Work Integrated Learning projects for the youth. • Joint Research Focus on Innovation	06 Dec 2019 to 31 March 2023
11.	University of Pretoria (UP)	• Research and projects focusing on innovation. • Planning collaborative research on education and training	• Post-graduate funding for previously disadvantaged students • Joint research on retail innovation, 4th industrial revolution retail trends	03 August - 2020 31st March 2023
12.	South African College Principal Organisation (SACPO)	• Joint special project partnership implementation for TVET Colleges • Training of TVET Practitioners (Capacity Building).	• Research and capacity development. • Extension of scope for sector related qualifications • Increased employability opportunities for TVET graduates	28 July 2020 - 31st March 2024

TABLE 15: SUCCESSES AND FAILURES

Successes	Failures
• Signed seven MoU's signed with National institutions and one International Institution. • Nomination of research partners to form part the Research Syndicate. • Funded Diploma, BTech, Master's and PhD Students through Research Chair. • Improved industry consultation. • Conducted cutting edge industry research • Wholesale & Retail Leadership Chair successfully launch.	• Delays in implementing the Research Syndicate. • Not enough time allocated for the implementation of Wholesale and Retail Leadership Chairs.

4.3. Planned Partnerships

TABLE 16: PLANNED PARTNERSHIPS POST COVID-19

	Name of institution	Objective	Duration
1.	International Labour Organization (ILO)	• Information sharing on sector research and planning for Post COVID-19. • Joint Research on innovation.	Planning Phase
2.	Ravensburg University (Germany)	• Information sharing on skills demand and supply best practices • Joint Research and innovation on entrepreneurships and employability.	Planning Phase
3.	Skills Development Fund (SDF, Rwanda)	• Information sharing on ICT innovation and entrepreneurship development.	Planning Phase

The following are planned Memoranda of Understanding with private and public skills development organisations.

TABLE 17: PLANNED PARTNERSHIPS (OTHER KEY ROLE PLAYERS)

#	Name of institution	Objective	Duration
1.	Statistics South Africa (SSA)	• To improve the quality of the data used in the development of the SSP. • Promote industry specific collaborative research.	Initiation Phase
2.	North West University	• Information sharing. • Joint research on sector specific projects.	Initiation Phase
3.	Health and Welfare Sector Education and Training Authority (HWSETA)	• The implementation of cross-sectoral occupations and skills. • Joint research projects. • Promote industry specific collaborative research	Initiation Phase
4.	Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA)	• The implementation of cross-sectoral occupations and skills. • Joint research projects. • Promote industry specific collaborative research	Initiation Phase
5.	University of Pretoria	• Joint research on sector specific projects. • Implementation of post-graduate programmes.	Initiation Phase
6.	Moses Kotane Institute	• Entrepreneurship and innovation related projects. • Promote industry specific collaborative research	Initiation Phase
7.	University of Venda	• Information sharing. • Joint research. • Implementation of post-graduate programmes.	Initiation Phase
8.	Small Enterprise Development Agency (Seda)	• SME and informal business support projects • Promote industry specific collaborative research	Initiation Phase

The W&RSETA partnership model is stakeholder driven and allow stakeholders to initiate special projects which respond to the sector strategic objectives. The adopted partnership model is also based around strategic objectives alignment with potential partners. This model has contributed significantly into ensuring that sector stakeholders are part of the W&RSETA skills development interventions and implementation.

The challenge that has been identified with regard to International partnerships has been delays in finalization of some of the agreements, however; the W&RSETA has made significant progress with regard to ensuring effective engagements with potential partners as part of value chain analysis. The commitment level within a partnership does also contribute towards the failures or successes of a project.

To ensure higher commitment level and active participation, W&RSETA continues to prioritize effective stakeholder engage and sector partnership value chain analysis to identify key relevant institutions for partnerships. As part of mitigating against the limitation of some of the partnerships, W&RSETA will strengthen the project implementation and Monitoring and Evaluation (M&E) for all the partnerships. The special conditions will also be put in place to further strengthen sector impact.

4.4. Conclusion

The existing partnerships appear to be working very well. However, will be a better monitoring, evaluation and impact assessments of these partnerships. The sector partnership value chain analysis will contribute towards ensuring that new partnerships with potential partners does serve sector priorities and respond to National imperatives.

CHAPTER FIVE: MONITORING AND EVALUATION (M&E)

5. Introduction

Chapter five provides a reflection on W&RSETA Monitoring and Evaluation (M&E) data and performance on strategic priorities. This chapter also provides an action plan and mechanisms to address strategic skills priorities that were not achieved. It is important that impact and tracer studies on W&RSETA funded projects be conducted on a regular basis, as part of improving the effectiveness of sector skills development interventions. On annual basis the W&RSETA performance evaluation is conducted as part of ensuring that the strategic priorities are achieved.

The quarterly monitoring and reporting tools are used as part of ensuring that relevant mechanisms are implemented to achieve strategic objectives. The W&RSETA is also currently undergoing Organizational Development (OD) as part of aligning the structural and strategic priorities to ensure improved performance and sector impact. The OD process will also contribute towards improving M&E processes.

5.1. Key Questions

This chapter will respond to:

Sector Skills Planning Reflections:

- What is the SETA's approach to Monitoring and Evaluation? (Status quo currently)
- How does the SETA use information from previous year's Annual Report and Reports from Tracer Studies to inform research and planning?
- Which Strategic priorities in the previous SSP were captured in the Strategic Plan and Annual Performance Plan?
- What Strategic priorities were not achieved, if any, and why? (those outlined in the previous year's SSP)

Plan of Action:

- What mechanisms should be employed to address strategic skills priorities that were not achieved previously?
- What measures should be initiated to ensure that currently set strategic skills priorities are achieved?

5.2. W&RSETA Approach to M&E

The W&RSETA Monitoring and Evaluation (M&E) policy, (June 2019) approved by the SETA Board, sets out M&E practices within the W&RSETA. The aim of the policy is to document the approach, standards and minimum requirements that shall be adopted and implemented by the W&RSETA to ensure institutionalization of M&E within the SETA. The scope of M&E across the SETA to achieve the following; coordinated planning and reporting efforts between plans, regional and departmental plans and performance; increased accountability across all performance levels; credible, accurate, useful and verifiable performance information and alignment between input records and output records. Following the recent policy review, W&RSETA applies M&E as per an M&E Framework within which the SETA outlines within the context of the W&RSETA, the approach and implementation of M&E. (M&E Framework, 2016). The framework addresses the requirements for a successful M&E approach. It emphasizes the 'why' and 'what' of M&E and roles and responsibilities in relation to the framework.

An outcomes approach, a foundation for meaningful M&E, is designed to ensure that the SETA is focused on achieving the expected real improvements in the sector, clarifies what we expect to achieve, how we expect to achieve it and how we will know whether we are achieving it. The SETA adopted an outcomes-based approach to Monitoring and Evaluation in 2014. The aim was to move away from past practices of setting quantitative targets and monitoring outputs in relation to these targets. Since then, our performance information has been used to inform the SETA on the progress towards achievement of our strategic objectives as well as our outcomes-oriented goals.

This shift in terms of our M&E approach resulted in changes to our Strategic Plan in 2016/17 to address the challenges identified through our research initiatives. In 2018/19 the SETA reviewed its M&E policy and subsequent strategy (June 2019). The outcomes approach forms the basis of W&RSETA monitoring and evaluation process. It enables the W&RSETA, throughout the results chain, to keep sight of the improvements it aims to achieve as articulated in W&RSETA's outcomes orientated goals (W&RSETA M&E Policy, 2019). The intention of an outcomes approach is to enable the W&RSETA to draw causal links between its outcomes orientated goals and objectives, programme outputs, skills planning and development activities as well as the resources allocated for the implementation and achievements of the objectives. Such causal links can also be ascertained at programme and project levels.

The W&RSETA is currently revising the M&E framework to ensure the following:

- Theory of Change (ToC) is employed through the planning process as recommended by Department of Planning, Monitoring and Evaluation (DPME) and National Treasury guidelines.
- Alignment to the decentralized model that is currently being implemented

Below is W&RSETA M&E process:

5.3. Use of M&E Data

Information forms the basis of our plans as we use performance reports as well as evaluation findings to inform all our plans. Strategic Changes e.g. changes to the SETA's plans, delivery models as well as interventions are motivated by performance information as well as findings from our evaluation and tracer studies. The W&RSETA will also be conducting Workplace Based Learning (WBL) tracer studies, focusing on SETA funded bursaries, internships and learnerships. This is part of monitoring the return on investment and improve on future implementation of similar programmes.

The following reflect the use of M&E data as part of improving W&RSETA performance and programme implementation:

- To assess the effectiveness and relevance and impact of W&RSETA interventions in responding to transformational imperatives.
- To evaluate the implementation of learning programmes targeted at sector occupational shortages list.
- To analyse why intended results not achieved; thus gather lessons learnt; leading to recommendations for improvement.
- To provide data for policy development and qualification development.
- To provide data for planning and implementation of future projects.
- To provide reports used to assess the outcomes and impact of NSDS and W&RSETA strategic objectives.
- To guard against unintended consequences – well-resourced institutions participating on the programmes thus achieving results and making impact; however creating further disparities.

5.4. Plan of Action

The M&E plan provides information on how performance against set objectives are measured. It details expected input, activities and outputs; as well as how data will be collected and analyzed to provide information as to targets. The plan further ensures the following:

- To enable implementation of Outcomes Approach and Theory of Change (as per the revised Framework for Strategic Planning and Annual Performance Plans Guidelines for Implementation (DPME and National Treasury 2019)) - Move Away from Focus on Activities and Move Towards Outcomes and Impact;
- To ensure that planning and implementation addresses national priorities as specified through aggregated targets in APP and SLA targets;
- To ensure there is an alignment between AOP (activities), APP (Outputs) and Strategic Plan (Outcomes and Impact; and
- The Strategic priorities were incorporated in the W&RSETA Annual Performance Plan, with Outcomes 3, 5 and 6 responding to key national strategic priorities. Below is a table with a summary:

TABLE 18: SECTOR STRATEGIC PRIORITIES

W&RSETA Proposed Intervention	National Strategic Priority
Outcome 3: Growth focused partnerships with the college system Outcome 5: Increased access to wholesale and retail occupationally directed programmes	**1.** Vulnerable youth and vulnerable communities assisted to gain access to education and skills development opportunities for increased employment opportunities **2.** Increased number of learners exiting the system
Outcome 6: Increased skills levels within the cooperative sector and small, medium and informal business enterprises to enhance their participation in the mainstream economy	**3.** Support vulnerable entities and sub-sectors hardest hit by Covid-19 pandemic

W&RSETA is employing the following strategies to address areas that need to be strengthened:

- Establish structure to review performance; and provide narrative in relation to deviation from the plan and action plan thereof. This will be on a Quarterly basis.
- M&E Results Register and Repository to be created to record lessons learnt and corrective action (where applicable) and to monitor implementation of M&E recommendations (this will enable ongoing reflection on what is working and what isn't lets the Organisation to adapt the programme as it progresses)
- Review electronic M&E System to collect and validate data across different system platforms to enable collection and validation of information on input, activities and outputs.
- Formative, Midterm and Summative evaluations will be formalised. Findings and Recommendations will be incorporated into the planning phases.

TABLE 29: PLAN OF ACTION

Strategic Priorities	SSP Priority Aligned: Y/N	Achievements	Reasons for Non-achievement	Plan of action to achieve the priorities
Programme 1:	Yes	2/4 Targets	Delays in Procurement Processes	• New system being implemented which will include all modules and have an end to end business processes
Programme 2: • Research agenda implementation to improve SSP data. • Conduct impact studies. • Establish research partnerships addressing needs for the sector. • Increase the number of stakeholders submitting Annexure II.	Yes	6 /8 Targets achieved	• Late Approval and Start of Project. • Target not achieved after system clean-up.	• The 2020/21 projects as per strategic objectives have been approved to avoid delays in implementation. • The Annexure II data collection system to be improved through capacity stakeholder building. • The Monitoring and Evaluation (M&E) data will be improved by the implementation of tracer and impact studies.
• Programme 3 • Youth unemployment and sector training: Learnerships, Internships and Bursaries for both employed and unemployed addressing Hard-To-Fill-Vacancies (HTFV) and support sector transformation. • Sector capacity building to enhance planning and implementation of training in the workplace. • Identify and implement sector special projects	Yes	16 /31 Targets achieved	• Not enough uptake from sector (183 contracted). • Late start of project. Recommended provider refused to review price as per approved APP budget. • Target was reliant on unemployed bursaries being advertised. • No registrations from previous years for trade union capacity building. • No registrations in 2017/2018 for	• The 2020/21 projects as per strategic objectives have been approved to avoid delays in implementation. • The impact studies report will be used as part of improving project implementation.

Strategic Priorities	SSP Priority Aligned: Y/N	Achievements	Reasons for Non-achievement	Plan of action to achieve the priorities
focusing on youth, gender and racial equity. • Small Medium Enterprise and Cooperative development through sustainable projects.			disability learnerships (New target)	
Programme 4 • A responsive, qualified and transformed skills development provider base. • To develop a new growth and niche areas through the development and updating of qualifications in the sector. • A sufficient and sustainable Assessment Centre base is established for W&R occupational qualifications.	Yes	11/12 Targets achieved	Late Approval and Start of Project.	• The 2020/21 projects as per strategic objectives have been approved to avoid delays in implementation. • The current Organizational Development (OD) will contribute significantly towards strengthening M&E processes and data across W&RSETA.

5.5. Conclusion

The W&RSETA is committed to improving M&E data as part of a process towards creating a platform to enable the achievement of the strategic objectives. In the current financial year, 4 impact studies will be conducted and tracer study focusing on Workplace Based Learning (WBL) programmes.

The primary objective of these studies is to ensure effective monitoring of return on investment and impact of National Skills Development Strategy III (NSDS) SETA funded projects. This is part of transition towards first year implementation of the National Skills Development Plan (NSDP) and to ensure that the SETA skills development interventions are responsive to the sector strategic priorities. The completion of OD process will contribute in building and improving capacity for M&E data within the SETA, which will result in improved performance.

CHAPTER SIX: SKILLS PRIORITY ACTIONS

6. Introduction

This chapter consolidates the findings of previous chapters and reflects on priority actions for the sector. The previous chapters provided the information and analysis and thus enable a response in the form of recommended actions that are realistic, consistent and achievable. The purpose of this chapter is to provide a set of priority actions and not a detailed strategic or operational plan.

6.1. Key Questions

This chapter will respond to:

- What the key findings of previous chapters?
- What are the skills priorities for the sector?
- What measures should be initiated to support national strategies and plans?

6.2. Key Findings from Previous Chapters

This section draws insights from previous chapters on skills priorities.

Findings from Chapter 1

Chapter 1 highlights that the wholesale and retail sector is a major contributor to national employment. The job creation opportunities in the sector, ranging from unskilled to top management, are enormous. It requires workers who have the skills to create value through their work. It also requires elevated levels of training and skills to succeed in an increasingly competitive global market. W&RSETA should play a more active role in supporting job creation and skills development efforts, especially when considering the increase in unemployment.

Given the difficult economic conditions currently being faced, with the latest GDP statistics indicating a 3.2% decline in the first quarter of 2020 it is likely that all retailers and wholesalers, but with emphasis on SMMEs, will require strong managerial skills to withstand the economic decline. The difficult economic climate can be seen in food, beverages & tobacco, pharmaceuticals and medical goods, cosmetics & toiletries; textiles, clothing, footwear & leather goods, and hardware, paint and glass, and reporting little to no growth for the last quarter.

Furthermore, the impact of COVID-19 is expected to last for more than 2 years, with the sector expecting depressed demand, and health concerns necessitating all employers to adopt different approaches to conduct business. The W&RSETA is expected to play a pivotal role in equipping employers with the necessary skills to adapt to revised business and operating models.

The following are the key findings from Chapter 1:

- The sector is a major contributor to employment. The job creation opportunities range from low level to advanced skills.
- SMMEs make up most levy-paying enterprises but are under-represented in terms of skills development initiatives. Informal retailers have a great need for skills development.
- Black people constitute most of the workforce but are under-represented at management levels. This is more acute for females.

- The entire SA economy is under pressure and Wholesale and Retail Sectors are no different. Necessities may withstand this pressure but there will be less demand on luxury goods and a shift in demand from higher priced necessary items to lower priced items.

Findings from Chapter 2

Chapter 2 highlighted the fact that the COVID-19 pandemic has put severe strain on retailers and wholesaler ability to remain viable. This applies to all sizes of employers but is likely to be more acutely felt by smaller employers with less cash reserves and less ability to raise loans. Going forward, these retailers will require skills relating to health and safety to comply with COVID-19 regulations, as well as skills and support required to pivot their business and operating models to account for the "new normal."

Furthermore, a large part of the retail sector is made up of many SMMEs. It has been indicated that many SMME owners require management skills in order to maintain a sustainable business.

Chapter 2 further highlighted the fact there is a shift in the way retail businesses interact with their consumers, with businesses expected to be more responsive to client needs. This shift is being enabled through the use of technology in the sector. As a result, retail store owners and workers need to be equipped with relevant customer management/relationship skills as well as the ability to work on IT powered systems.

Retailers will need to outlast a difficult economic climate and will need to be equipped with the skills to adjust to consumer preferences that will be shifting due to constrained budgets.

Findings from Chapter 3

The most common HTFVs across the wholesale and retail sector include: Retail store manager/ Retail general manager/ Butcher/ Confectionery baker/ Visual merchandiser/ Sales Assistant/ Safety, Health, Environment and Quality (SHE&Q) Practitioner/ Retail buyer/ Software Developer / Retail supervisor

Below is future skills, new and emerging top-up skills and findings drawn from Chapter 3.

The following are future skills identified as per sector trends:

- Leadership Skills;
- Digital/ITC Literacy;
- Emotional Intelligence;
- Project Management; and
- Work-related technical skills.

The following are new and emerging top-up skills:

- Digital Marketing and Sales;
- Data analytics;
- Digital/ITC Literacy;
- Occupational, health and safety;
- Customer Service;
- E-learning developer;
- Change Management;
- Project Management; and
- Team Management.

<u>**Findings from Chapter 4**</u>

The SETA has initiated several very successful projects: ILDP and RMDP (flagship projects to build the managerial skills base); business simulation centres (forge partnerships with TVETs and enable entry into the sector for TVET students); and a range of programmes geared towards the SMME sector (rural, community, cooperative and traditional leader projects).

The challenge for the SETA is to improve monitoring, evaluation and impact assessment of these projects to determine a return-on-investment.

The following new projects should be initiated going forward:

- Building organisational and individual capacities of trade union movement cadres at all levels, along a similar prototype as the ILDP and RMDP.
- Career guidance and counselling project to inform teachers and TVET staff on career opportunities in the sector.
- A green skills project aligned to the sector focussing on awareness, supply chain efficiencies, critical and occupational shortages.
- A project on training and employment of the disabled for entry into the sector.
- Reintroduction of a robust plan of action on stakeholder engagement on a regular basis such as "how to" workshops that were a regular event in the past.
- Research partnership to be established with 4 local Universities and 2 International partnerships.

<u>**Findings from Chapter 5**</u>

The tracer and impact studies need to be prioritised to ensure quality M&E data to be used for planning and implementation of skills development interventions.

The completion of OD process will contribute towards creating a platform for M&E data collection within the SETA, which will also result in improved performance.

The successful achievement of sector strategic objectives is dependent on early submission and approval of Annual Performance Plan (APP) projects.

6.3. Recommended Actions

There are a multitude of recommended actions needed in the sector. In this section, we identify 6 key skills priorities that the W&RSETA should consider. These align both to national priorities and sectoral needs, and link clearly to skills issues and skills gaps identified:

TABLE 19: RECOMMENDED ACTIONS

1. Priority Skills Plan (PSP)
The Priority Skills Plan is intended to ensure that skills do not become a hindrance to economic growth and job creation. To guard against this, the SETA will identify key skills and occupations to support that will assist the labour market from the short term.
Actions
• Conduct industry consultations to identify skills and develop priority skills necessary for economic growth and job creation within the digital economy. • To establish an education ecosystem that provides all South Africans with the skills required to create and participate in the economic and social opportunities in the digital economy. • Support and implement interventions which are undertaken to address the skills development bottlenecks in support of digital economy to enhance localisation and unlock sector employment opportunities.

- Compile list of skills required per sub-sector, delineated by employer size and location.
- Conduct research study to determine the level of demand vs supply in occupational areas within digital economy. This should assist in determining where there may be an oversupply in the economy and provide direction regarding where the SETA should focus its resources.
- Include the PSP as part of the Continuous Improvement Plan (CIP).

2. SMME, Cooperatives and Informal Traders Development

SMMEs, cooperatives, and informal traders have tremendous potential to create jobs and grow the sector. However, retailers and wholesalers have indicated that they are under severe pressure due to COVID-19.
Informal retailers appear to be among the most affected by the COVID-19 pandemic. Some traders have been forced to close down due to losing customers and being unable to purchase new stock. It is critical that these enterprises are supported with skills development. New training models are needed to meet the training needs of SMMEs. The unemployed graduates should be involved in the interventions targeted at supporting SMEs in rural areas and townships.

Actions

New Training Delivery Models: Implement blended learning models to account for COVID-19 challenges and the fact that SMMEs cannot take leave to attend training since they are the business. It is recommended that new training models should be implemented such as coaching, mentoring, on-site training and "each one teach one", together with a combination of online and face to face learning. Training can be focused on the following areas:

- COVID-19 Safety training.
- Digital and 4IR Skills development.
- Financial Management Training.
- Entrepreneurial training.

Support for Skills Development: W&RSETA should provide funding and grants towards training and skills development for SMMEs, cooperatives and informal traders around areas that are specific to the sector and economic atmosphere.

- Conduct regular engagements with informal and SME employers to ensure the skills pipeline aligns with employer needs, with a focus on short skills courses

SSP SME and Research Reports Recommendations

- Conduct feasibility studies to understand investment potential to ensure growth and sustainability.
- Reduction of waste increase in recycling rates, and education in customers environmental consciousness to promote sustainability.
- Technology focus: Transform organizational structures and ways of working; Transform skills and human resource strategies.
- Development in the fields of robotics, Artificial Intelligence (AI), digitization and the Internet of things (IOT) within wholesale and retail.
- Ensure healthy economic growth to provide employment for this unskilled and semi-skilled segment of the labour market.
- Set up small business incubators to guide a select number of start-ups through their initiation period.
- Introduce pre-retirement programmes.
- Train retired retailers as Mentors and Coaches to assist small businesses.
- Pair unemployed graduates (TVET & University) or young entrepreneurs with retirees to serve as coaches and mentors.
- Conduct research into personality characteristics of successful entrepreneurs.
- Training on how to access finance, including the development of business plans.
- Health and Safety training.

3. Youth Unemployment

The retail sector provides significant temporary employment opportunities for the youth. School-leavers and graduates are employed as packers, cashiers and clerks. The challenge is to convert these into permanent employments and encourage career development in the sector. This will encourage students to join the sector, rather than view it as a "second option". The **Workplace Based Readiness (WBR)** programmes need to be prioritised as part of increasing employability opportunities for youth entering the sector.

Actions

Career guidance: A Youth Development Initiative should be developed to provide annual career days and open days, as well provide students with helpful information about how to align their academics and extracurricular activities to careers within the sector. Partnering with businesses to educate school pupils on career trajectories and opportunities may assist in raising awareness and uptake of opportunities in the sector.

- The opportunities presented by ICT should be further explored to create jobs.
- Develop an online career guidance system.
- Partner with educational institutions to develop the school curriculum aligned to sector labour market demands.
- Develop support material, exhibitions and classroom talks that include information on careers in W&R SETA.
- Provide bursaries for students looking into careers within the sector, these could be supplemented with internships and apprenticeships during and after studies have been completed.
- W&R SERTA can partner with other SETAs and other companies to research and start opening up the market for 4IR / Digital related careers and functions across the economy.
- Develop think tanks and bi-annual initiatives that have entrepreneurship and technology focused outcomes.
- Conduct quarterly roadshows to schools to promote the potential of embarking on an entrepreneurial based career in retail and wholesale.
- Conduct research to understand root causes of graduates not finding permanent employment in the sector.

Capacity development: Provide Career Guidance Practitioner training to assist the W&RSETA to meet its mandate of building a skilled and capable workforce. This could be done, in part, by working with TVETs and HETs to offer courses specific to the sector, particularly in retailing. These should be aligned to the occupational shortages identified in the SSP.

- Provide annual micro-skilling and micro-credentialing opportunities for the youth within and outside of the sector spaces, through workshops and short-courses that focus on the 4 micro-skills Listening, Speaking, Reading, and Writing in the sector.

Provision of Workplace Experience & Work Readiness Opportunities: The W&RSETA should increase funding for workplace placement and internships aligned with post training interventions. Companies should be incentivised with grants for taking on learners.

- Align youth unemployment programmes with artisan and apprenticeship for the sector.
- A collaborative and integrated approach to Workplace Integrated Learning (WIL).
- Establish training centres that train learners or graduates on proprietary retail software and technology which is widely used by companies in the sector so that graduates are work-ready.

Rural Youth Development: The SETA should expand its existing projects for youth in rural areas to enable entry into the formal economy.

4. Hard-To-Fill Vacancies (HTFVS) and Skills Gaps

The identification of critical and occupational shortages is a key deliverable of the SSP. This is necessary to ensure that the work of the SETA responds to the changing, demand-side needs of the sector. It also ensures that an investment in skills development is effective and efficient since priority skills are addressed. The identification of occupational shortages is also necessary to inform the DHET's National List of Occupations in High Demand.

Actions

Research initiatives: Instead of sector skills planning being an annual event nearer the due date, it should be institutionalised as an all-year activity in the SETA.

- The interventions responding to sector skills gaps must be evaluated on a regular basis.

- There is also a need to review the training intervention offered by the training providers and ensure the responsiveness to the labour market needs and alignment to supply and demand.
- Conduct quarterly surveys with employers to further understand skills and occupation needs.
- Conduct quarterly workshops with employers, segmented by sub-sector and employer size, to enhance understanding of employer needs.

Green skills: Businesses are becoming more conscious of protecting the environment. Increased legislation and consumer pressure are driving the demand for eco-compliance. Businesses now must show that they are environmentally friendly in their business processes and in the products and services they offer.

Some companies are subscribing to the green agenda by making it a key competitiveness factor in their business strategy. The W&RSETA should take cognisance of this emerging issue and its impact on skills development of existing and new employees.

Some actions include:

- Greening skills programs, learnerships and apprenticeships; toolkits for businesses to go "green"; code of conduct for sustainable practices; "green" projects; promoting "green" occupations and jobs; awareness campaigns.
- The qualification development needs to match sector occupational demand. This will contribute towards increasing pipeline for capable and skilled sector employees (Buyer / Planner/ ICT related occupations.

5. Stakeholder Engagement

Stakeholder partnerships are increasingly becoming the adopted approach to meeting industry needs for skilled workers and workers' need for better jobs. Partnerships address current and emerging occupational needs and skill gaps. It offers a mechanism to focus scarce resources on industries that are major job providers in an area, as well as to focus comprehensively on the workforce skills, from entry level to advanced, required in the economy. Partnerships provide a means for the W&RSETA to engage directly with industry across traditional boundaries better aligning training programmes and resources.

Actions

- A developmental approach to stakeholder engagement has been adopted. This is to ensure that data for the SSP update and development is being collected on a continuous basis.
- The Retail business strategy will be taken into consideration when developing and updating the SSP. This will assist with economic growth for the country.
- Initiate regional forums in all regions to keep stakeholders abreast of SETA activities to promote skills development.
- The Research desk platform will be developed to ensure that stakeholder queries are addressed timeously and improve dissemination of research findings and recommendations.
- Conduct "how to" workshops for sector employers, SMEs and informal traders.
- Stakeholder satisfaction survey should be conducted on regular basis, internally and externally.

6. Training and Employment of People with Disabilities

Despite a very progressive legislation and a clear commitment from the government, many people with disabilities (PWD) still do not access the same opportunities of leading an independent life as abled people do. Access to employment is low among people with disabilities. Therefore, improving access to mainstream training and access to employment are priorities to ensure that people with disabilities can fully participate in society.

Actions

- A bursary scheme should be customised and implemented for PWD to access training in the sector.
- An internship programme should be targeted at assisting PWD.
- Companies should be encouraged to employ graduates who have disabilities.
- The W&RSETA need to prioritise the awareness programmes for the sector as part of disability programme.

7. Sector Transformation
The W&R sector remains largely untransformed. There is poor representation of black, Indian and Coloured individuals in top and senior management. The demographics of the sector (and broader country) are not reflected in the demographics in leadership positions.
Actions
• Increase interventions targeted at entrepreneurship development and support. • The previously disadvantaged service providers beneficiation programme through the conditions of granting the Discretionary Grant. • Post-graduate funding for previously disadvantaged students. • The development of sector transformation strategy. • Provide courses for existing employees focussing on soft skills required for effective leadership and management. • Conduct research to determine why previously disadvantaged individuals are not adequately represented in top and senior management, then the strategies to be formulated based on this research. • Implement mentorship programme (assigning experienced industry mentors/coaches) to identified employees who show potential for leadership to assist these individuals to make the transition to senior management. • Conduct regular site visits to training providers to ensure adherence to development plans with a view to upskilling these training providers • Conduct entrepreneurial courses for employed and unemployed workers from previously disadvantaged backgrounds. • Host workshops with employees and SME owners to educate on how to access finance and how to compile a business plan with financial projections. • Partnerships with key industry players to assist small business owners sell their products.

6.4. Conclusion

This chapter constitutes a summation of the findings of the previous chapters. It concludes with the identification of seven key skills priorities that should inform skills planning in the W&RSETA which includes:

- Priority Skills Plan – Economic Transformation and Job Creation.
- SMME, Informal traders and Cooperatives Development.
- Youth Unemployment.
- Hard-To-Fill Vacancies (HTFVS) and Skills Gaps.
- Stakeholder Engagement.
- Training and Employment of People With Disabilities.
- Sector Transformation.

We have confined interventions to a limited number of major skills priorities that can make a difference to skills formation in the sector. The surveys and interviews data analysis will provide more action items for the sector and strengthen alignment to sector skills priorities.

Bibliography

Department of Higher Education and Training (DHET). 2019/20: Statistics on Post School Education and Training in South Africa. Available: http://www.dhet.gov.za/DHET%20Statistics%20Publication/Statistics%20on%20Post-School

Department of Higher Education and Training (DHET). 2018/19: Annual Report 2018/19. Available: http://www.dhet.gov.za/SitePages/Resources.aspx

W&RSETA. 2018: Annual Training Report 2018/19. Available: http://www.wrseta.org.za/

Wholesale and Retail leadership chair. 2015: Informal and SMME Retailers in South Africa. Published by Cape Peninsula University of Technology

Integrated Development Plan (IDP). 2019. eThekwini Municipality. [Online]. Available: www.durban.gov.za/City_Government/City.../IDP/.../Draft%202017%202018%20IDP.p

The Commission for Employment Equity. 2016-2017: Annual Report. Department of Labour South Africa. Available: www.labour.gov.za/.../Commission%20for%20Employment%20Equity%20Report

Statistic South Africa. 2015-2016: Profile of persons with disabilities in South Africa. Published by Statics South Africa. Available: http://www.statssa.gov.za/

Sector Skills Plan (SSP) Hard-To Fill Vacancy (HTFV) Survey. 2019/20: The W&RSETA Stakeholder Consultation.

Integrated Development Plan (IDP). 2019. City of Cape Town. [Online]. Available: resource.capetown.gov.za/.../City%20strategies.../IDP%202017-2022%20Executive%

Integrated Development Plan (IDP). 2019. City of Johannesburg. [Online]. Available: https://www.joburg.org.za/.../idp%20documents/IDP%20for%20Council%20%282%2

Integrated Development Plan (IDP). 2018. City of Tshwane. [Online]. Available: www.tshwane.gov.za/sites/council/ofiice-of.../201721%20draft%20idp/.../allitems.asp

Trading Economies. 2020. South Africa: credit Rating. [Online]. Available: http://www.tradingeconomics.com/south-africa/rating

S&P Global. 2017. [Online]. Available: http://www.standardandpoors.com/en_US/web/guest/home

Fitch Rating Definitions. 2018. [Online]. Available: https://www.fitchratings.com/site/definitions [Accessed 20 May 2019].

Daniels, J. 2017. 2017. Junk Status: what it means for South African businesses and ordinary South Africans? And how business intelligence is key to overcoming the challenges. Web Business intelligence. [Online]. Available: http://www.itweb.co.za/index.php?option=com_content&view=article&id=161101

DHET. 2019. Post-school education and training statistics 2017/18. DHET: Pretoria.

Omarjee, L. 2017. Junk status; challenging times for consumers. Fin24. [Online]. Available: http://www.fin24.com/Economy/junk-status-hard-times-ahead-for-consumers-20170410

Republic of South Arica. Department of Labour 2016/17. *Annual Report 2017.* Career Junction, (2016). Career Junction index: June 2016.

CEE. 2017. Commission for Employment Equity Annual Report 2015-2019. Commission for Employment Equity. South Africa

Department of Higher Education and Training (2011). National Skills Development Strategy III. Pretoria: DHET.

Department of Trade and Industry (2011). Industrial Policy Action Plan (IPAP 2011/12-2013-/14). Pretoria: the Dti.
https://www.theguardian.com/world/2014/jun/05/internet-use-mobile-phones-africa-predicted-increase-20-fold.

Statistics South Africa (2020). Quarterly Labour Force Survey Quarter 1 2020. [Online] Available: www.statssa.gov.za/publications.

Statistics South Africa (2019d). Quarterly Labour Force Survey Quarter 1 2019. [Online] Available: www.statssa.gov.za/publications.

Statistics South Africa (2015e). Wholesale Sales 2018. [Online] Available: www.statssa.gov.za/publications. [Accessed: 2nd June 2019].

Statistics South Africa (2019f). Retail Sales 2020. Pretoria: Statistics South Africa.

StatsSA. (2020a). Quarterly employment statistics 2020. [Online]. Available: www.statssa.gov.za/publications/P0277/P0277December2014.pdf.

StatsSA. (2020b). Gross Domestic Product: First Quarter 2020. [Online]. Available: www.statssa.gov.za/publications/P0441/P04411stQuarter2015.pdf.

StatsSA. (2020c). Gross Labour market dynamics in South Africa, 2020. [Online]. Available: www.statssa.gov.za/publications/Report-02-11-02/ Report-02-11-022014.pdf.

Tackels D, 2014. Are Mobile Apps Reshaping the Retail Industry? Industry News, Zurich
NTT Group, 2016, Global Threats Intelligence Report.

United Nation, 2015. Population Division, Department of Economic and Social Affairs, the 2015 revision

W&RSETA (2013). Annual Report. [Online] Available from www.wrseta.org.za. [W&RSETA (2013). Sector Skills Plan Update: 2013. 2011-2016. [Online] Available from www.wrseta.org.za.

W&RSETA (2014a). Strategic Plan 2011-2018. [Online] Available from www.wrseta.org.za.

W&RSETA (2014b). The impact of wholesale-retail sector on the economy of South Africa, 2014.Wholesale Business Issue 4, 2014. [Online]

Moody's Investors Services. 2016. Rating symbols and definitions. [Online]. Available: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004

World Wide Worx, 2019. Why e-commerce is slow to take off in SA: Online Retail in SA. [Online]. Available: https://www.businesslive.co.za/fm/fm-fox/digital/2018-11-08-why-e-commerce-is-slow-to-take-off-in-sa/ .

CEE. (2018/19). CEE Annual Report. Commision of Employment Equity.

CEE. (2018/2019). Commission for Employment Equity Annual Report 2018 - 2019. Pretoria: Department of Labour.

DHET. (2019). Annual Report (2019/2020).

Statistic South Africa. (2020). South Africa Retail Sales YoY. Retrieved from Statistics SA.

Statistics South Africa. (2016). Community Survey 2016: Profiling socio-economic status and living arrangements of persons with disabilities in South Africa, 2016. StatsSA.

Statistics South Africa. (2020). South Africa Consumer Inflation. Retrieved from Trading Economics.

Statistics South Africa. (2020, May 03). South Africa GDP Growth Rate. Retrieved from Statistics South Africa.

Statistics South Africa. (2020, May 15). Youth graduate unemployment rate increases in Q1: 2020. Retrieved from Stats SA: http://www.statssa.gov.za/?p=12121

Trading Economics. (2020). South Africa Consumer Confidence. Retrieved from Trading Economics: https://tradingeconomics.com/south-africa/consumer-confidence

Trading Economics. (2020). South Africa Disposable Income. Retrieved from Trading Economics: https://tradingeconomics.com/south-africa/disposable-personal-income

Trading Economics. (2020). South Africa Unemployment Rate. Retrieved from Trading Economics: https://tradingeconomics.com/south-africa/unemployment-rate

W&RSETA Annual Report (2018/19. (2018). W&RSETA Annual Report (2018/19).
cts [Online]. Available: https://www.wrseta.org.za/projects