



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



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01 August 2019

**DIRECTORATE SETA SUPPORT
DEPARTMENT OF HIGHER EDUCATION AND TRAINING
BY HAND**

SERVICES SETA SECTOR SKILLS PLAN 2020/21 FIRST DRAFT SUBMISSION 14 JUNE 2019

This update of the Services SETA Sector Skills Plan 2020/21 is aligned to the revised Sector Skills Plan Framework issued by the Department of Higher Education and Training. Central to the revised Framework is the inclusion of a chapter on Monitoring and Evaluation. The inclusion of Chapter 5 has directed the Services SETA to critically reflect on internal operations and the use- of reported performance information for evidence-based decision-making

Another key consideration is alignment to the National Skills Development Plan (NSDP). The NSDP places greater emphasis on outcomes and impact. Through this “outcomes-orientated” approach, the NSDP has improved the use of theory of change in the design and implementation of training interventions; with a strong focus on impact at the Services SETA. Furthermore, the long-term vision of the NSDP, has allowed the Services SETA to plan for short- to medium-term skills interventions, thereby, allowing time to demonstrate impact.

The utilisation of employer interviews and capacitation of employer and Skills Development Facilitators submitting Workplace Skills Plans and Annual Training Reports, resulted in improved quality of research findings on skills demand. These improvements were further strengthened with skills demand analysis exercises carried out among industry role players, captains of industry and validation workshops.

The Services SETA continues to invest in primary research to adequately profile the sector with regards to economic performance, employer profile and labour market profile. Findings from five primary research studies have been used for this update. The research agenda places greater emphasis on impact of ICT and the Fourth Industrial Revolution on the services sector jobs and skills.

After a rigorous stakeholder engagement, the lists of Hard-To-Fill Vacancies, Skills Gaps and Priority Skills (PIVOTAL) are included in this Sector Skills Plan.

Yours sincerely

**MRS AMANDA BUZO-GQOBOKA
CHIEF EXECUTIVE OFFICER**

**DR MARIA MARINKIE MADIOPE
CHAIRPERSON: ACCOUNTING AUTHORITY**

Official Sign-off

It is hereby certified that this Sector Skills Plan:

- was developed by the Management of the Services SETA in consultation with the Department of Higher Education and Training
- was informed by extensive primary and secondary research and complimented by comprehensive literature reviews
- involved representative stakeholder consultations
- accurately identifies hard-to-fill vacancies and skills gaps to inform strategic and annual performance priorities.

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Foreword



DR MARINKIE MARIA MADIOPE
CHAIRPERSON OF THE ACCOUNTING AUTHORITY

The update of this Services SETA's Sector Skills Plan (SSP) 2020/21 coincides with the first anniversary of the current Accounting Authority of the Services SETA. This period has provided us with a reasonable time to understand the challenges and opportunities within the services sector, as well as the appropriateness of the Services SETA's operating model.

At sector level, we have observed the many challenges facing the sector and employers. The sector is confronted with a slow growth in the economy with knock-on effect on job creation and protection of existing ones. The wave of the Fourth Industrial Revolution poses further vulnerability to job losses. At the same time, the potential for new ones exists and requires us to act with speed. Whilst the services sector is the largest employer, employment is concentrated in the precarious informal sector and lower occupational categories. This calls for special attention to up-skilling the current labour force to improve their prospects of re-employment in the productive industries that drive the growth of the economy with sustainable jobs. Of critical importance in this regard is the need to leverage technology to deliver

superior training intervention with the requisite speed without compromising quality.

On policy level, this SSP coincides with the inaugural Nationals Skills Development Plan (NSDP) and the updated SSP Framework and Guidelines. The former places a greater emphasis on medium-term planning (five years); demonstrable impact; workplace-learning and improved throughput rate. We welcome these commitments as they will ensure stronger alignment between the SSP and Strategic Plan, and ultimately the Annual Performance Plan. We have begun a process of continually engaging with our biggest employers to strengthen our collaboration for skills development, and particularly, placement of unemployed learners in the workplace. This initiative will result in an improved completion rate and increased employment prospects for our unemployed learners. The emphasis on demonstrable impact is welcomed. Working with our management, we will design effective Monitoring and Evaluation Frameworks around all interventions, with effective implementation mechanisms.

Implications of the above highlight the need to strengthen institutional research mechanisms for evidence-based decision-making. Pursuant to this goal, the Services SETA will forge closer working relationships with academic research centres. Organisational performance information will be used to strengthen evidence-based decision-making.

In conclusion, the Services SETA will continue to champion transformation in line with the NSDS III, NSDPI and White Paper on Post-School Education and Training. Particular attention will be paid to women empowerment and increasing access to rural youth and people with disability.

Dr Maria Marinkie Madiope
Chairperson: Accounting Authority
Date: 01 August 2019



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LIST OF ACRONYMS

AET	Adult Education and Training
ATR	Annual Training Report
BBBEE	Broad-Based Black Economic Empowerment
CAPES	Confederation of Associations in the Private Employment Sector
COSATU	Congress of South African Trade Unions
DHET	Department of Higher Education and Training
DSBD	Department of Small Business Development
ECDI	Entrepreneurship and Co-operative Development Institute
GDP	Gross Domestic Product
GLU	Global Labour University
ICT	Information Communication Technology
IPAP	Industrial Policy Action Plan
LPE	Levy Paying Employer
MTSF	Medium-Term Strategic Framework
NAMB	National Artisan Moderation Body
NDP	National Development Plan
NGP	New Growth Path
NLPE	Non-Levy Paying Employer
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDS	National Skills Development Strategy
OFO	Organising Framework for Occupations

PFMA	Public Finance Management Act
QCTO	Quality Council for Trade and Occupations
QLFS	Quarterly Labour Force Survey
QES	Quarterly Employment Survey
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SATAWU	South African Transport and Allied Workers Union
SDC	Skills Development Centre
SDL	Skills Development Levy
SDLA	Skills Development Levies Act
SDP	Skills Development Provider
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority
SIC Code	Standard Industrial Classification Code
SIPs	Strategic Integrated Projects
SME	Small Micro Enterprises
SMME	Small, Medium and Micro Enterprises
SQMRs	SETA Quarterly Monitoring Reports
SSP	Sector Skills Plan
Stats SA	Statistics South Africa
TVET	Technical and Vocational Education and Training
WSP	Workplace Skills Plan
WTO	World Trade Organisation

EXECUTIVE SUMMARY

This Sector Skills Plan (SSP) 2020/21 update is informed by findings from primary and secondary research methods that were used to collect information on skills demand and supply in the services sector. Primary research includes the analysis of Services SETA performance information, employer surveys and stakeholder engagements. Secondary research includes: Desktop literature review and analysis of employers' recruitment data; Services SETA employers' mandatory grant data; Stats SA's Quarterly Labour Force Survey. Research findings were validated through stakeholder workshops comprising the management of the Services SETA and key industry representatives.

The services sector, as demarcated by the Department of Higher Education and Training (DHET), refers to the 70 Standard Industrial Classification (SIC) Codes. The 70 industries have been divided into six chambers and 16 subsectors for operational purposes. As of May 2019, there were approximately 180 306 employers actively trading within the sector. The large majority of employers are classified as medium to small (73%), implying, companies employing no more than 150 people. Employers in the services sector are concentrated in Gauteng, KwaZulu-Natal and the Western Cape provinces. Key role players, and their influence on the services sector, include the Accounting Authority, Chamber Committees, employers, employees, labour unions and professional bodies. Over the many years, the Services SETA has established strong partnerships with the business and labour force to facilitate greater collaboration towards research on skills demand and identification of relevant supply interventions.

Research indicates that the services sector remains the largest economic sector in terms of size, employment and contribution to the economy. Data from Stats SA indicates that the sector contributes 22% to Gross Domestic Product. More than 3 million people are employed in this sector. The labour force is predominantly black (80%), women (57%), and youth (15-34 years, 37%). Employer data from the Services SETA database indicates that the Management and Business Services subsector employs more people (47%). The labour force in the

services sector is employed in the low-level, low-paying occupational categories, namely: clerical, elementary and domestic. The implication for skills development is that the sector should strike a proper balance between training for productive industries, which are found in the manager, professional and technical occupation, to support economic growth and the non-productive sector, to promote transformation and equity by training the low-level labour force.

Rapid changes in technology due to high paced and disruptive innovation remains the biggest driver of change for the services sector economy. Industries mostly affected by technological change include marketing, real estate, postal services, contact centres and funeral services. Implications are that the labour force needs to be constantly acquiring the requisite skills, while the education and training institutions ensure the relevance of qualifications on offer. Efforts are underway at the Services SETA to develop qualifications that address skills demand driven by technological change, especially management of big data.

Globalisation appears to play an important role in the services sector. On the one hand, the sector is gaining valuable expertise from multi-national companies, especially in the productive sectors of the industry. On the other hand, the inflow of semi-skilled migrants tends to push down wages in the fight for employment, thereby pushing vulnerable sections of the population into deeper levels of poverty. Informal trading becomes the sole survival strategy. Basic entrepreneurial skills are imperative to help realise the goals of growing a small business. The Entrepreneurship and Co-operative Development Institute is one of the interventions by the Services SETA to achieve this objective. Another driving force that has an impact on the services sector is policy and legislative changes. There is a shared concern among business owners that the legislated minimum wage of R20/hour may impact small businesses negatively due to the escalation in operational costs. The Services SETA will need to capacitate the small business legislative regime in South Africa to promote compliance in, and stimulate growth of, the sector.

Alignment between this SSP 2020/21 and the National Development Plan (NDP), National Growth Path (NGP), Industrial Policy Action Plan (IPAP) 2016/17–2018/19, Medium-Term Strategic Framework (MTSF) (2014-2019), National Skills Development Plan 2030, White Paper on Post-School Education and Training, and the Government's 9-Point Plan (especially Point 7) has been highlighted and the contribution of the Services SETA to the implementation of each, discussed.

Analysis of hard-to-fill vacancies in the services sector identified 29 occupations where the search for suitable candidates proved difficult. The identified occupations are a proxy indicator of scarcity. An analysis of this list indicates a strong demand for training at NQF Level 6 and above. As discussed above, the Services SETA plans to work with universities to develop and register occupational qualifications at this level. A total of 46 skills gaps were identified for which skills programmes will be designed to address the demand. There is a strong focus on IT-related occupations which signifies the impact of the Fourth Industrial Revolution.

Emanating from the lists of hard-to-fill vacancies or skills gaps, a draft list of priority occupations (PIVOTAL list) has been developed jointly with key stakeholders. The magnitude of demand will be determined, and the planned interventions identified before the final submission on 1 August 2019. Identified interventions will inform the updates of the Strategic and Annual Performance Plans 2020/21.

Given the importance of partnerships in skills development, the Services SETA has initiated a number of partnerships with key stakeholders, which include Technical and Vocational Education and Training (TVET) colleges, universities, local government, and strategic national and provincial departments. The focus of these partnerships is on skills demand and supply, the roles of TVET Colleges, Higher Education Institutions, intermediaries and inter-SETA collaboration. The current inter-SETA collaboration is the best partnership model for the Services SETA.

Chapter 5 has placed a greater emphasis on Monitoring and Evaluation practices at the Services SETA and how this data is used to inform planning. The planning cycle of the Services SETA allows for effective use of performance information and audit outcomes in decision-making.

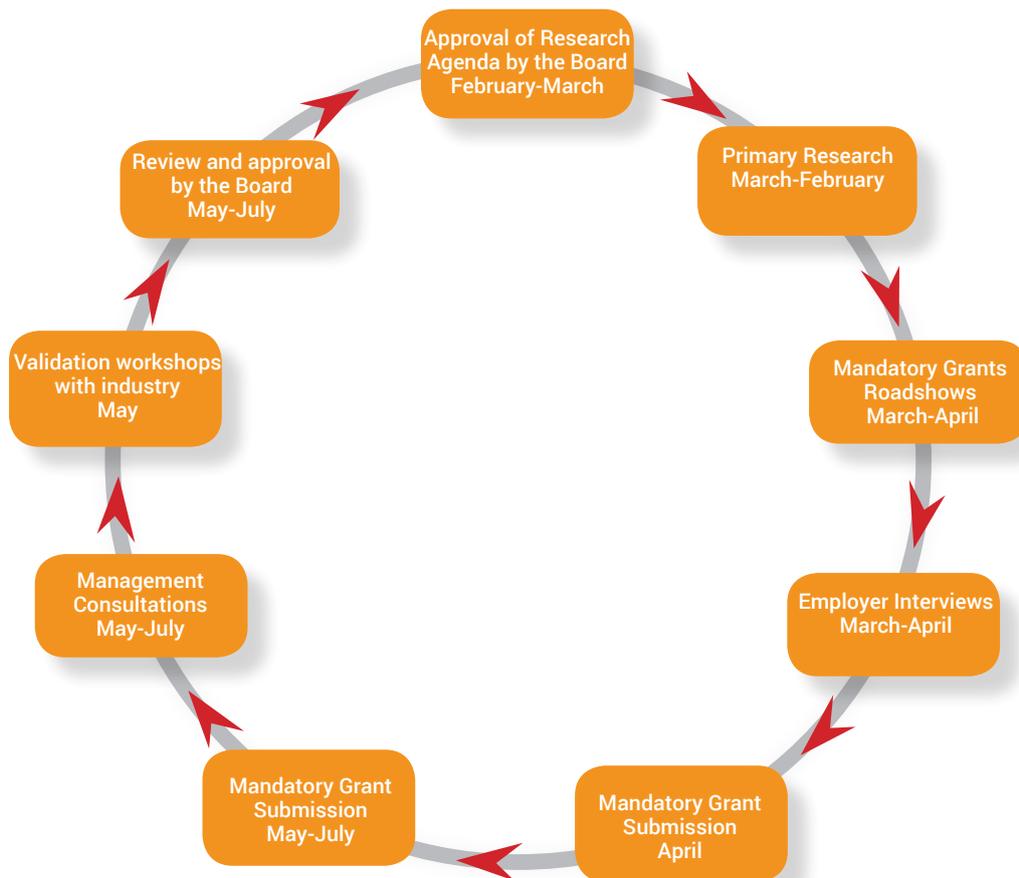
The Services SETA identified four critical areas for interventions to promote skills development in the sector in the short-to-medium term. These include:

- Promote social and circular economy through entrepreneurship and cooperative development initiatives
- Increase throughput rate of occupationally directed qualifications through mobilisation of key industry role players
- Improve the pipeline of supply by ensuring relevance of qualifications and capacitation of training providers, including TVET Colleges
- Expand access to skills development to employees and learners residing in rural and peri-urban areas of South Africa

RESEARCH PROCESS AND METHODS

The SSP 2020/21-2024/25 update is informed by primary and secondary data. Primary data was gathered through qualitative and quantitative research methods. Secondary research involved the review of existing literature, analysis of the WSP/ATR data – in response to a set of specific research questions – and research reports on studies commissioned by the Services SETA in the past. The figure below illustrates the research process in detail as outlined in the Services SETA's Planning Policy.

Figure 1 Research Process



i. Approval of Research Agenda by the Board

Every fourth Quarter of the year, the Planning Department submits the Research Agenda to the Governance Risk and Strategy Committee of the Accounting Authority for review and approval. The research agenda draws from recommendations of completed studies, especially impact evaluation studies and performance review and analysis, as well as the Core Department – responsible for implementation of learning programmes, chamber operations and industry inputs. This process takes place between February and March each year. The Services SETA Research Agenda was approved on 26 March 2019.

ii. Primary Research

The inception of new projects starts from 01 April until the completion. The start of new projects coincides with the financial year to ensure alignment with the budget. The completion date is dependent on the scope of the project. However, care is often taken to ensure that research projects do not exceed two consecutive financial years. In this update findings from the following primary research studies were used:

- Future Jobs and Skills Study
- A formative evaluation of Services SETA funded Skills Development Centres
- Empirical research on the state of the funeral industry with a view to assist the Services SETA in determining the training and development needs in the industry
- Employer Interviews
- Skills Demand Validation workshops

A summary of the research methods, research design, sample size and research tools used has been provided in the table below.

iii. Mandatory Grant Roadshows

Employers are expected to load their Workplace Skills Plans and Annual Training Reports as per legislation. Employers have until 30 April to submit their reports. Around March and April, capacitation workshops are organised across the country to provide support to employers to load their plans and reports on the Seta system. WSP/ATR data is used to understand the extent of demand and supply in the industry. This understanding is used to inform the Sector Skills Plan. The WSP workshop dates are indicated in Table 1:

Table 1: Mandatory Grant Roadshows

Province	Date
Gauteng	04 March, 05 March and 03 April 2019
Western Cape	06 March 2019
KwaZulu-Natal	08 and 09 April 2019
Limpopo	11 and 12 March 2019
Eastern Cape	01, 10 and 11 April 2019

The research staff from Planning Department attended these workshops to conduct employer interviews.

iv. Employer Interviews

Around the same time that employers are submitting their WSP/ATRs, a convenient sample of employers is drawn and a DHET-issued employer survey template is used to collect information on Hard-to-Fill Vacancies, Skills Gaps, Change Drivers and Future skills.

v. Mandatory Grant Data Analysis

Employers are given up to 30 April to submit their WSP/ATR. Once employers submit their WSP/ATR, the Planning Department begins the analysis process. Lists of Hard-to-Fill Vacancies, Skills Gaps, Change Drivers and Future skills are then compiled. This happens in May before the first submission of the Sector Skills Plan to DHET. Based on the feedback, additional analysis is conducted in July in preparation for the final submission in August.

vi. Management Consultations

The lists of Hard-to-Fill Vacancies, Skills Gaps, Change Drivers and Future skills are discussed with a management team comprising Core, Quality Assurance, Industry-Funded and Planning Departments for deliberations and inputs.

vii. Validation Workshops with Industry

The consolidated lists of hard-to-fill vacancies, skills gaps, change drivers and Future skills are presented to the industry for validation through workshops. Workshops are rotated around the provinces to ensure representation and diversity. This process takes place in May before the submission of the first draft of the Sector Skills Plan and July for the final report. Validation workshops dates are outlined in Table 2:

Table 2: Validation workshops with industry representatives

Province	Date
Gauteng, Parktown	20 May 2019
KwaZulu-Natal, Durban	22 May 2019
Western Cape, Cape Town	24 May 2019
Gauteng, Parktown	26 July 2019

viii. Review and Approval by the Board

The draft Sector Skills Plan is presented to the Governance, Risk and Strategy Committee of the Accounting Authority for review and recommendation for approval by the Executive Committee of the Accounting Authority on 13 June 2019; and ratification by the Accounting Authority on 16 July 2019. The approved version is submitted to DHET for approval. The first draft is submitted mid-June and final plan is submitted early August.

Primary research studies that were conducted for the update are highlighted below. Findings from a total of five studies were subsequently used in the update process.

a) Research Study Title: Skills demand analysis for services sector in South Africa

Objective of the Study	To conduct a trend analysis of skills demand and supply in services sector industry using Mandatory Grant data
Research Design	Quantitative
Research Method	Interviews, WSP data analysis
Sample Size	About 4700 employers
Data Sources	Interview results, WSP/ATR, QLFS, Stats SA GDP data
Study Duration	1 June 2019 was completed by 31 July 2019

b) Research Study Title: Analysis of hard-to-fill vacancies and skills gaps in the workplace

Objective of the Study	The purpose of this project is to analyse WSP/ATR data and conduct employer interviews to generate the list of hard-to-fill vacancies and skills gaps in the services sector
Research Design	Quantitative and qualitative
Research Method	Desktop analysis of existing data and interviews with employer representatives
Sample Size	28 employers who submitted WSP/ATR on 30 April 2019
Data Sources	Interview transcripts
Study Duration	Started 1 March 2019 was completed by 31 July 2019

c) Research Study Title: Future jobs and skills study

Objective of the Study	The purpose of this project was to identify occupations that may become obsolete in the next ten years and new ones that might emerge
Research Design	Quantitative and qualitative
Research Method	Mixed method approach. This includes: Futurists and Academics' Interviews, Provincial workshops with cross-section of services sector entities to develop inputs into and preliminary scenarios, scenario development workshops with business owners and associations, Beauty Industry Survey during annual congress in Cape Town and digital survey with youth aged between 18 and 30
Sample Size	Futurists & academics' interviews – 8 Provincial workshops – 14 Association sessions – 9 Beauty Industry survey – 31 Youth Digital survey – 300
Data Sources	Workshop summaries, completed questionnaires and interviews
Study Duration	Started 1 October 2017 and was completed by 31 March 2019

d) Research Study Title: A formative evaluation of Services SETA funded Skills Development Centres (SDCs) across the country

Objective of the Study	The purpose of this project was to conduct a formative evaluation of the Services SETA SDCs to provide critical information and recommendations that will be used to develop an operational model that can be utilised to effectively and efficiently manage SDCs
Research Design	Multi-method approach that combines quantitative and qualitative
Research Method	Self-evaluation survey, site evaluation survey, key informant interviews, focus groups and household surveys
Sample Size	11 SDCs established and funded by Services SETA Key informant interviews – 3 Site self-evaluations – 6 Site visits evaluations – 4 Focus group discussions – 2 Household surveys – 6
Data Sources	Completed focus group discussions, interviews and questionnaires
Study Duration	Started 1 March 2018 and was completed by 31 March 2019

e) Research Study Title: Empirical research on the state of the funeral industry with a view to assist the Services SETA in determining the training and development needs in the industry

Objective of the Study	The purpose of this project was to conduct a skills demand and supply analysis for the funeral industry
Research Design	Quantitative
Research Method	Survey with funeral enterprises, burial societies and members as well as municipalities, and geo-mapping of funeral industry enterprises
Sample Size	295 sites included in the survey, 94 data collection agents, 2143 funeral enterprises mapped and 1987 completed surveys
Data Sources	Completed surveys
Study Duration	Started 1 September 2017 and was completed by 31 March 2019

CHAPTER ONE: SECTOR PROFILE

1.1 Introduction

The main purpose of this chapter is to present a profile of the services sector for which the Services Sector Education and Training Authority (Services SETA) is responsible. It covers the scope of coverage, key role-players, economic performance and labour market profile of the services sector. This chapter is informed by data collected through primary and secondary research. Primary data include research study on the future of jobs in the services sector; investigation of skills supply and demand in the funeral industry; evaluation of skills development centres; analysis of the Services SETA Work-based Skills Plans (WSP) and Annual Training Report (ATR) data; employer interviews carried out by the Services SETA in March and April 2019 and outcomes of skills validation workshops conducted in May and July 2019. The Research Methodology section discussed these research methods in detail.

Sources of secondary data include, Services SETA Performance Information, Quarterly Labour Force Surveys (QLFS); Quarterly Employment Surveys (QES) and Gross Domestic Product (GDP) by Statistics South Africa. The former two have been used to understand the labour market situation whereas the latter was used to demonstrate the contribution of the service sector to the South African economy. WSP and ATR data has been used in the main to corroborate data from Stats SA which provide a national picture of the economy by focusing on the services sector as demarcated by the Department of Higher Education and Training (DHET).

1.2 Scope of Coverage

The Department of Higher Education and Training defines the services sector differently to other industry classification practices. The definition from the General Agreement on Trade and Services and the World Trade Organisation (WTO), refers more to the Tertiary Sector of the economy – concerned with the provision of services. Stats SA reports classify industries using The Standard Industrial Classification of All Economic Activities (SIC), Fifth edition, January 1993. As a result, the SIC codes allocated to the Services SETA can be found in four major groups which include:

- Major Division 7: Transport, Storage and Communication;
- Major Division 8: Financial Intermediation, Insurance, Real Estate and Business Services;
- Major Division 9: Community, Social and Personal Services;
- Major Division 10: Private Households, Exterritorial Organisations, Representatives of Foreign Governments and other Activities not adequately defined.

In total 70 SIC Codes have been determined by the Minister of Higher Education and Training to fall within the scope of the Services SETA (see Table 3). As far as possible, any reference to “services sector” refers to this classification unless stated otherwise.

Table 3: Services SETA Scope of Coverage by Chamber, Subsector and SIC Code

Chamber	Subsector Title	Gazetted Industry Descriptor (SIC code)
Cleaning and Hiring Services	Hiring Services	Office machinery, equipment and rental leasing (86025); Renting of construction or demolition equipment with operators (50500); Renting of other machinery and equipment (85200); Function and catering equipment hire (99029); Miscellaneous item hire (99035); Truck hire (99036); Video hire (99037); Truck and plant hire (99052).
	Household Services	Dry cleaning and laundering (99025); Garden maintenance services (99026).
	Domestic Services	Domestic services (99027)
	Cleaning Services	General cleaning (99002); Cleaning of carpet and upholstery (99018); Pet care (99047); Cleaning equipment and consumable supply (99019).
Communication and Marketing Services	Marketing Services	Marketing services (9001); Marketing communications (incl. public relations) (9002); Direct marketing (9008); Market research and public opinion polling (88130); Brand marketers (99038).
	Contact Centres	Contact centre management of people (99055)
	Postal Services	National postal activities (75110); Banking via post office (75111); Mail handling (75121).
Labour and Collective Services	Labour Recruitment Services	Permanent employment agencies (88918); Labour recruitment and provision of staff (88910); Private employment agencies and temporary employment services (88916); Personnel services agencies (99045); Temporary employment services (88917).
	Collective Services	Activities of professional organisations (95120); Professional bodies (95155); Bargaining councils and dispute resolution (95991); Associations, federations and umbrella bodies (95992).
Management and Business Services	Business Services	Import and export of various metals (61421); Other business activities (88000); General consulting services (88141); Business activities n.e.c. (88900); Other recreational activities (96490); Other service activities (99000); Quality management and related services (99014); NGO management and services (99016); Non-financial business management and management consulting (99015); Other service activities n.e.c (99090).
	Project Management	Generic project management (99039); Event and conference management excluding the operation of convention centres (99056).

Chamber	Subsector Title	Gazetted Industry Descriptor (SIC code)
Personal Care Services	Hair Care	Ladies hair dressing (99022); Men's and ladies hairdressing (99023).
	Beauty Treatment	Beauty treatment (99024); Nail technology including nail technologist, nail technicians, distributors and agencies of nail products (99041); Non-allied registered perfumery including aromatic oils and related products, perfumery consultants, sales people and agencies of nail products (99042); Health and skin care incl. health and skin care therapists, stress therapists and cosmetologists, slimming salons and distributors of slimming products (incl. slimming machines) (99043); Make-up artistry (99044); Distributors of slimming products including slimming machines (99050); Distributors of make-up products and related merchandise (99051).
	Funeral Services	Cutting, shaping and finishing of stone (34260); Funeral and related activities (99030); Coffin making by funeral enterprises (99033).
	Fashion	Modelling agencies (99046); Fashion design not related to clothing (99054).
Real Estate and Related Services	Real Estate Services	Decorators/interior designers and decorators (50411); Real estate activities (84000); Real estate activities with own or leased properties (84100); Real estate duties on a fee or contract basis (84200); Real estate valuation services (84201); Property management services (84202); Estate agencies (84203); Valuers, including auctioneers (99053).

Table 4 provides a brief description of each subsector.

Table 4: Subsector Descriptions

Subsector	Description
Hiring Services	Truck and construction plant hire; building and construction equipment; earthmoving, excavating and crane hire; hire function, office supplies and equipment; small tool hire; video hire; clothing, garment, costumes and other equipment hire.
Household Services	Garden maintenance - maintain the general health or condition, and the presentation of a garden; lawn mowing, lawn repair and renovation; pruning, spraying pesticides, fertilising or soil care, replacing old or sick plants, maintaining indoor plants, tree surgery. Dry cleaning and laundering - family and commercial laundries; garment pressing; agents and other laundry facilities.
Domestic Services	The employment of hired workers by private households for the performance of house cleaning, child care, cooking, gardening and personal services. The performance of similar tasks for hire in public institutions and business, including hotels and boarding houses.
Cleaning	The provision of cleaning services to individuals, households, and businesses (contract cleaning); general cleaning services; cleaning of carpets and upholstery; industrial cleaning and pet care.
Marketing	Includes marketing and public relations. Identifying clients' needs; planning and executing services to meet clients' objectives; promote a company's image or products amongst the public, researching, promoting, selling and distributing products or services; branding – developing public awareness of a company and its brand; four key roles - products and services; promotion; distribution and pricing.

Subsector	Description
Contact Centres	A centralised office used for Business Process Outsourcing. The purpose is for receiving and transmitting large volumes of requests by telephone; administering incoming calls for product support or information enquiries from consumers; outgoing calls for telemarketing, clientele, product services, and debt collection.
Postal Services	Activities related to this service are national postal activities; banking via the Post Office; mail handling and courier services; connecting with the world by distributing information, goods, financial and government services.
Labour Recruitment Services	Companies offering employment services; permanent and temporary employment agencies; labour recruitment and provision of staff; labour broking – the provision of persons with skills needed by employers for a defined period; companies offering outsourced human resources services.
Collective Services	Bargaining councils; collective bargaining on terms and conditions of employment; the negotiation of collective agreements; conciliation, mediation and arbitration services.
Business Services	Management consultants; business advisors; management and outsourcing of payroll services; administration services; quality management; Black Economic Empowerment (BEE) verification agencies; organisations and independent consultants providing services in an area such as quality management, general management, payroll, the environment, technology, human resources, marketing, communication, engineering etc.
Project Management	Methodical approach to planning and guiding project processes from start to finish; five stages: initiation, planning, executing, controlling, and closing. Project managers oversee teams working on individual projects in a variety of fields, including construction, engineering and business. An effective project manager needs a diverse skill set.
Hair Care	Hairdressers, hairstylists and cosmetologists offer beauty services, such as shampooing, cutting, colouring and styling hair. Cosmetologists may be trained to give manicures, pedicures and scalp and facial treatments; provide make-up analysis; clean and style wigs and hairpieces.
Beauty Treatment	Beauty treatment, nail technology, product distribution, marketing and sales.
Funeral Services	Burial and cremation of human or animal corpses. Related services include burial services; the rental of equipped space in funeral parlours; undertaking services; the rental or sale of graves; upkeep and maintenance of graves.
Fashion	Fashion and modelling requirements are not dictated by the fashion trade but by the clientele. The main modelling categories are editorial, fashion and commercial.
Real Estate Services	Residential, commercial, and industrial property management for buying and selling; interior design; construction businesses requiring real estate service specialists; professional valuation services; auctioneers; developers adding to or replacing buildings; leasing of property; property management: managing a property for its owner(s), which includes facilities management; real estate marketing; real estate investing; any business performing a task regulated in terms of the Estate Agency Affairs, Act 112 of 1976, and the Property Valuers Profession Act of 2000.

1.3 Key Role-Players

The key role-players in the services sector include the accounting authority, chamber committees, employers, trade unions, government departments and educational institutions. A brief description of each key role player and their role at the Services SETA is provided in Table 5 below.

Table 5: Key Role Players

Key Partner and their roles
Oversight bodies
<p>Accounting Authority: The Accounting Authority of the Services SETA plays an important role in governing and managing the SETA in accordance with the PFMA, as well as any other applicable legislation. For practical purposes the Accounting Authority delegates some of its responsibilities and functions to one or more committees. There are currently 5 sub-committees, namely: Executive Committee; Governance, Risk and Strategy Committee; Remuneration Committee; Finance Committee and Audit Committee. These committees are mechanisms to assist the Accounting Authority in giving detailed attention to specific key areas of its duties and responsibilities.</p>
<p>Services SETA Chamber Committees: Chamber Committees act in a stakeholder capacity as advisory bodies to assist the Services SETA Executive Management to carry out the mandate of the Accounting Authority. These are thus independent advisory bodies that make recommendations on matters relevant to the subsectors of the Chamber. The membership of the committees is not restricted to members of the Accounting Authority only. There are six chamber committees, namely: Cleaning and Hiring Services Chamber; Communication and Marketing Services Chamber; Labour and Collective Services Chamber; Management and Business Services Chamber; Personal Care Services Chamber and Real Estate Services Chamber.</p>
Different Spheres of Government
<p>Department of Higher Education and Training: The Department of Higher Education and Training makes provision for skills development legislation, policies, regulations and guidelines. Key policies include the National Skills Development Plan and the White Paper on Post-School Education and Training. The Services SETA is committed to the implementation of these policies through the Sector Skills Plan (SSP), the Strategic Plan and the Annual Performance Plan (APP).</p>
<p>Department of Small Business Development: The Department of Small Business Development (DSBD) is responsible for overseeing the development and growth of Small and Medium Enterprises (SMEs). The Services SETA provides a critical role of facilitating skills provision among entrepreneurs. Through Entrepreneurship and Cooperative Development Initiative (ECDI), the Services SETA supports the Department in the development of Business Advisory Standards.</p>
<p>Local Municipalities: The Services SETA has entered into partnership with a number of municipalities to jointly manage skills development centres. These include Mangaung; Cala; Kokstad; Prieska; Nkonkobe; Bambanana; Nkandla; Thabazimbi; Mkuze; Mount Coke; North West; Ngqeleni; Paulpietersburg; Beaufort West; Lesedi (Heidelberg).</p>
<p>Business: The Services SETA has a total of 180 305 employers falling under its jurisdiction. About 49 000 contribute levy and 4 100 employers submit their WSP/ATRs. The levy enables the Services SETA to execute its mandate of developing skills to support economic growth of the sector and create job opportunities. WSP/ATR submissions assist the Services SETA with critical labour market information, including the nature and extent of skills demand and supply.</p>
<p>Employer bodies: The Services SETA interacts with employers through associations among whom chamber committees are constituted. Table 6 lists bodies that constitute key role players in the sector.</p>
Educational Institutions
<p>TVET Colleges: Cumulatively there are 30 partnerships with TVET Colleges that were entered into in the current planning period through various Special Projects and DG funding opportunities. This achievement is due to a higher demand for SETA programmes and related partnerships.</p>
<p>Universities: Cumulatively there are 4 partnerships with Universities that were entered into in the current planning period through various Special Projects and DG funding opportunities. These include University of Cape Town (development of hair and beauty qualification), University of Limpopo (development of funeral and waste management qualifications), Rhodes University (M&E Research Chair) and Wits University (OFO Occupation Mapping Tool Research Chair).</p>

These initiatives have been instrumental in helping the Services SETA to better understand the skills demand of the sector and devising appropriate interventions. The intention of the Services SETA is to sustain these partnerships and establish new ones to particularly support the circular and informal sector.

Table 6: Services SETA Employer Bodies

Services SETA employers and their services		Chamber Committee organisations not part of Accounting Authority	
Business	Allied Nursing Association of South Africa	Business	Afro Hairdressing and Beauty Employers Association of South Africa
Business	Association of BEE Verification Agencies		Black Economic Empowerment Cleaning Association
Business	Direct Marketing Association of South Africa		Constructional Engineering Association of South Africa
Business	Employers Organisation for Hairdressing Cosmetology and Beauty		Employers Association of Afro Hairdressing and Cosmetology of South Africa
Business	Federation of African Professional Staffing Organisation		Exhibition and Event Association of Southern Africa
Business	SA Institute of Auctioneers		National African Federation Chamber of Commerce
Labour	Hotel Liquor Catering Commercial and Allied Workers Union		National Association of Bargaining Councils
Labour	Institute of Estate Agents of South Africa		National Association of Managing Agents
Labour	International Festivals and Events Association Africa		National Contract Cleaners Association
Labour	Office Professionals of South Africa		National Funeral Directors Association
Labour	South African Transport and Allied Workers Union		National Property Forum
Labour	United Association of South Africa		Project Management South Africa

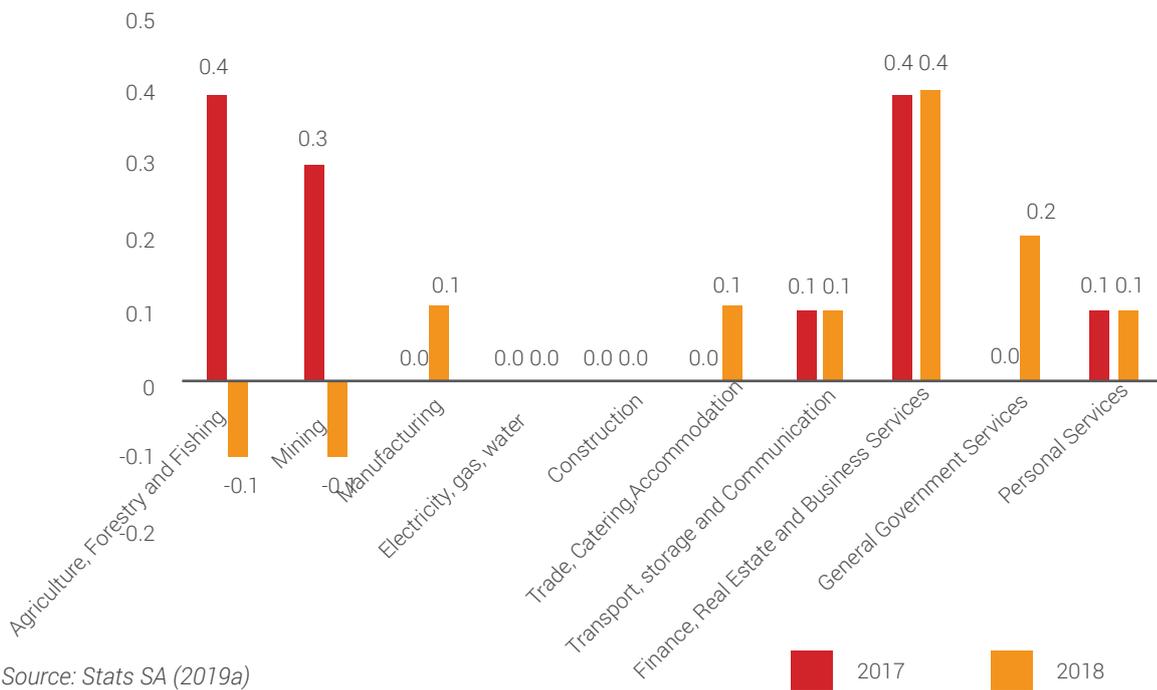
Chamber Committee organisations not part of Accounting Authority			
Business	Real Estate Business Owners of South Africa	Labour	National General Workers Union
	South African Funeral Practitioners Association	Professional Bodies	Business Process Enabling South Africa
	South African Institute of Black Property Practitioners		Contact Centre Management Group
	South African Institute of Valuers		Estate Agency Affairs Board
	South African Payroll Association		Institute of Work at Height
	South African Property Owners Association		Marketing Association of South Africa
	South African Quality Institute		Public Relations Institute of South Africa
	South African Textile Services Association		South African Institute of the Interior Design Professions
Labour	Commission for Conciliation Mediation and Arbitration		

1.4 Economic Performance

This section looks at the services sector's contribution to the economy in comparison to other sectors. It looks at the current performance of the sector and its outlook, and the competitive nature of the sector. Economic indicators illustrate that the South African economy continues to grow at a rate lower than the required to adequately address the problem of unemployment, poverty and inequality. According to the Stats SA (2019a), the economy grew by a meagre 0.8% in 2018. The underlying cause is attributable to long spells of drought witnessed recently, load-shedding by the national power supplier, ESKOM, which affected the manufacturing sector in particular and the poor performance of the rand against major currencies such as the US dollar and British pound.

These challenges notwithstanding, the services sector remains resilient. Latest GDP figures indicate that the main drive behind this growth has been the services sector alongside general government services (Stats SA, 2019a). Figure 2 indicates that the services sector, as defined by Stats SA, contributed about 0.4% to the GDP growth on average, whilst general government services contributed 0.2%. On the other hand, the primary sector such as agriculture, forestry and fishing (-4.8%), mining and quarrying (-1.7%) and construction (-1.2%), grew by negative basis points. The nominal gross domestic product at market prices in 2018 was R854 billion, which translates to R28 billion. It is envisaged that the services sector will remain the leading industry in terms of GDP contribution for the foreseeable future.

Figure 2: Contributions to Growth in GDP (constant 2010 prices, seasonally adjusted and annualised)



Source: Stats SA (2019a)

As the bedrock of the South African economy, the services sector needs to be supported to help grow the economy and ultimately, create jobs. Most importantly, investment is needed in the high-end productive industries which drive economic growth and employment. The most critical investment the country can make is in human capital. The Fourth Industrial Revolution (4th IR) provides the much needed momentum and opportunities to build on. The Services SETA is exploring ways of taking full advantage of this opportunity through investment research and development. The recently completed study on Future of Jobs and Skills (Services SETA, 2019a) highlighted occupations that are threatened by 4th IR and future occupations that will be needed to propel the sector. To understand the economic context within which skills demand in the Services SETA-related sectors is likely to be derived, it is important to understand the contribution of the sector to the economy of South Africa.

1.5 Employer Profile

1.5.1 The Size of the Services Sector

The Services SETA is one of the largest SETAs in terms of the number of employers falling within its scope. Approximately 180 305 employers fall within its demarcation (as of May 2019), as illustrated in Table 7. About 97 956 employers were actively trading around the same time. Approximately, 29 160 were paying levy, and 4 100 submitted applications for Mandatory Grant Funding through Workplace Skills Plans (WSP).

Proportionally most employers are in the Management and Business Services Chamber with 146 673 (81%) employers, followed by Real Estate and Related Services Chamber with 13 140 (7%) employers; with the lowest numbers recorded in the Marketing and Communication Services Chamber. Analysis of employer Workplace Skills Plans (WSP) and Annual Training Reports (ATR), submitted in April 2019, indicates a high volume of employer investment in the Cleaning and Hiring Services and Related Estate Services Chambers. Therefore Services SETA Strategic Plan (SP) and Annual Performance Plan (APP) will consider these developments in informing training intervention priorities for the sector. Similar observations can be made regarding levy payment.

Table 7. The Size of the Services Sector

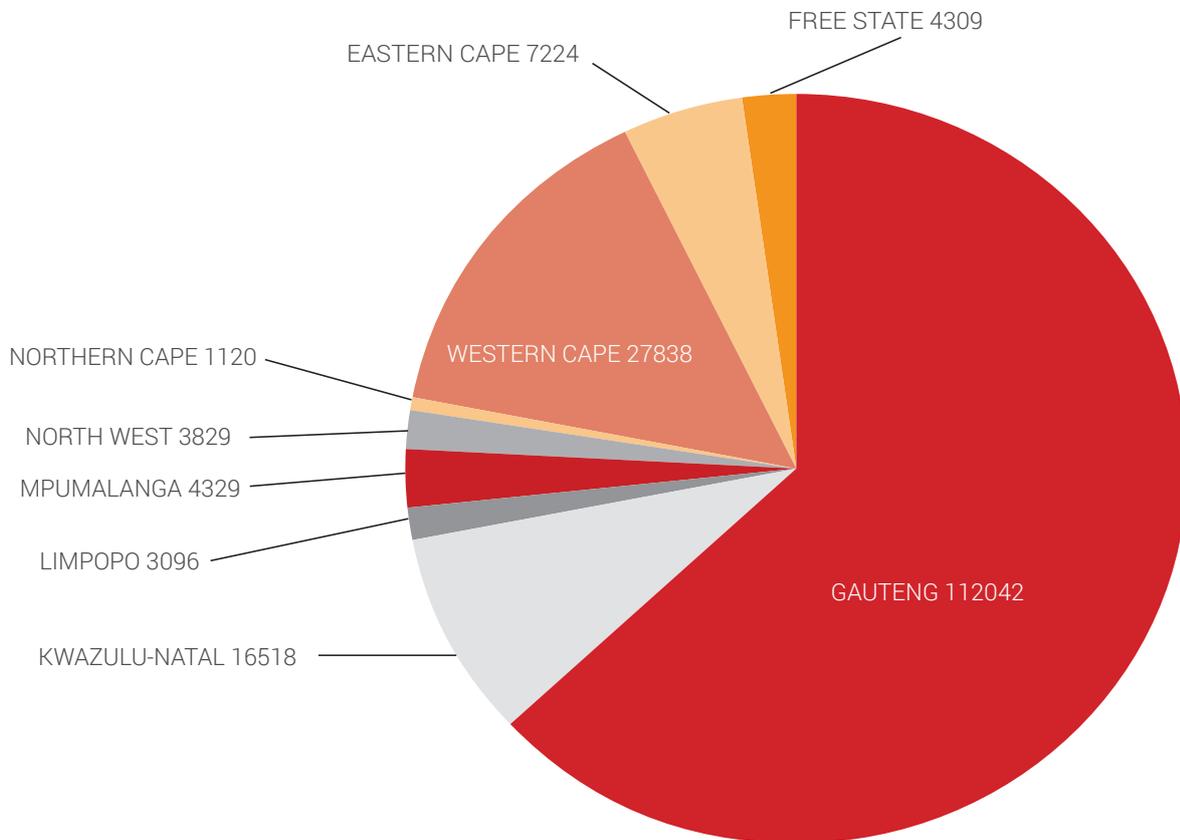
Chamber and Subsector	Grand Total	Levy Paying				Total	Non-Levy Paying				Total
		Large	Medium	Small	Micro		Large	Medium	Small	Micro	
CLEANING AND SERVICES	4395 (2,4%)	12 (7,3%)	33 (7,3%)	60 (5,2%)	862 (3,0%)	967 (3,1%)	58 (7,2%)	135 (7,3%)	180 (5,0%)	3055 (2,1%)	3428 (2,3%)
Cleaning Services	1888 (43,0%)	10 (83,3%)	20 (60,6%)	32 (53,3%)	308 (35,7%)	370 (38,3%)	42 (72,4%)	77 (57,0%)	129 (71,7%)	1270 (41,6%)	1518 (44,3%)
Domestic Services	31 (0,7%)			1 (1,7%)	11 (1,3%)	12 (1,2%)			1 (0,6%)	18 (0,6%)	19 (0,6%)
Hiring Services	2252 (51,2%)	2 (16,7%)	12 (36,4%)	24 (40,0%)	463 (53,7%)	501 (51,8%)	15 (25,9%)	55 (40,7%)	42 (23,3%)	1639 (53,6%)	1751 (51,1%)
Household Services	224 (5,1%)		1 (3,0%)	3 (5,0%)	80 (9,3%)	84 (8,7%)	1 (1,7%)	3 (2,2%)	8 (4,4%)	128 (4,2%)	140 (4,1%)
COMMUNICATION AND MARKETING	3840 (2,1%)	6 (3,6%)	11 (2,4%)	21 (1,8%)	754 (2,6%)	792 (2,6%)	10 (1,2%)	21 (1,1%)	42 (1,2%)	2975 (2,1%)	3048 (2,0%)
Contact Services	56 (1,5%)	3 (50,0%)			16 (2,1%)	19 (2,4%)	2 (20,0%)	1 (4,8%)	1 (2,4%)	33 (1,1%)	37 (1,2%)
Marketing Services	3543 (92,3%)	3 (50,0%)	11 (100,0%)	20 (95,2%)	707 (93,8%)	741 (93,6%)	7 (70,0%)	19 (90,5%)	40 (95,2%)	2736 (92,0%)	2802 (91,9%)
Postal Services	241 (6,3%)			1 (4,8%)	31 (4,1%)	32 (4,0%)	1 (10,0%)	1 (4,8%)	1 (2,4%)	206 (6,9%)	209 (6,9%)
LABOUR AND COLLECTIVE SERVICES	3946 (2,2%)	24 (14,5%)	36 (8,0%)	33 (2,9%)	694 (2,4%)	787 (2,5%)	135 (16,7%)	228 (12,4%)	201 (5,5%)	2595 (1,8%)	3159 (2,1%)
Collective Services	780 (19,8%)		2 (5,6%)	7 (21,2%)	194 (28,0%)	203 (25,8%)	2 (1,5%)	4 (1,8%)	14 (7,0%)	557 (21,5%)	577 (18,3%)
Labour Recruitment Services	3166 (80,2%)	24 (100,0%)	34 (94,4%)	26 (78,8%)	500 (72,0%)	584 (74,2%)	133 (98,5%)	224 (98,2%)	187 (93,0%)	2038 (78,5%)	2582 (81,7%)
MANAGEMENT AND BUSINESS SERVICES	146673 (81,3%)	114 (69,1%)	350 (77,8%)	968 (84,0%)	23672 (81,2%)	25104 (81,2%)	561 (69,6%)	1402 (75,9%)	2999 (82,6%)	116607 (81,5%)	121569 (81,4%)
Business Services	145882 (99,5%)	111 (97,4%)	347 (99,1%)	961 (99,3%)	23372 (98,7%)	24791 (98,8%)	561 (100,0%)	1397 (99,6%)	2994 (99,8)	116139 (99,6%)	121091 (99,6%)
Management Services	602 (0,4%)	2 (1,8%)	1 (0,3%)	5 (0,5%)	225 (1,0%)	233 (0,9%)	4 (0,3%)	4 (0,3%)	5 (0,2%)	360 (0,3%)	369 (0,3%)
Project Management	189 (0,1%)	1 (0,9%)	2 (0,6%)	2 (0,2%)	75 (0,3%)	80 (0,3%)		1 (0,1%)		108 (0,1%)	109 (0,1%)

Chamber and Subsector	Grand Total	Levy Paying				Total	Non-Levy Paying				Total
		Large	Medium	Small	Micro		Large	Medium	Small	Micro	
PERSONAL CARE SERVICES	8311 (4,6%)	2 (1,2%)	5 (1,1%)	19 (1,6%)	801 (2,7%)	15 (1,9%)	26 (1,4%)	99 (2,7%)	7344 (5,1%)	7484 (5,0%)	
Beauty Treatment	1209 (14,5%)			5 (26,3%)	208 (26,0%)	1 (6,7%)	4 (15,4%)	11 (11,1%)	980 (13,3%)	996 (13,3%)	
Fashion	22 (0,3%)				9 (1,1%)		1 (3,8%)		12 (0,2%)	13 (0,2%)	
Funeral Services	586 (7,1%)	2 (100,0%)	4 (80,0%)	7 (36,8%)	99 (12,4%)			15 (15,2%)	457 (6,2%)	474 (6,3%)	
Hair Care	6494 (78,1%)		1 (20,0%)	7 (36,8%)	485 (60,5%)	14 (93,3%)	19 (73,1%)	73 (73,7%)	5895 (80,3%)	6001 (80,2%)	
REAL ESTATE AND RELATED SERVICES	13140 (7,3%)	7 (4,2%)	15 (3,3%)	52 (4,5%)	2377 (8,2%)	27 (3,3%)	34 (1,8%)	111 (3,1%)	10517 (7,3%)	10689 (7,2%)	
Estate Agencies	495 (3,8%)			3 (5,8%)	190 (8,0%)	1 (3,7%)		3 (2,7%)	298 (2,8%)	302 (2,8%)	
Real Estate Services	12608 (96,0%)	7 (100,0%)	15 (100,0%)	49 (94,2%)	2182 (91,8%)	26 (96,3%)	34 (100,0%)	107 (96,4%)	10188 (96,9%)	10355 (96,9%)	
Valuers and Auctioneers	37 (0,3%)				5 (0,2%)			1 (0,9%)	31 (0,3%)	32 (0,3%)	
Grand Total	180305	165	450	1153	29160	806	1846	3632	143093	149377	

Source: Services Employer Dataset, May 2019

In terms of geographic spread, employers of the services sector are found in all nine provinces of South Africa, but with a high concentration in three developed and industrialised regions of Gauteng, Western Cape and KwaZulu-Natal.

Figure 3: Services SETA Employers by Provincial Spread



Services SETA Database, May 2019

Findings in Figure 3 illustrate the fact that most employers are located in the developed cities of Johannesburg (112 042), Cape Town (27 838) and Durban (16 518). This situation highlights the need to expand access of training to the rural provinces of Limpopo, Eastern Cape, Mpumalanga, Northern Cape, Free State, North West and most parts of KwaZulu-Natal, to promote equity.

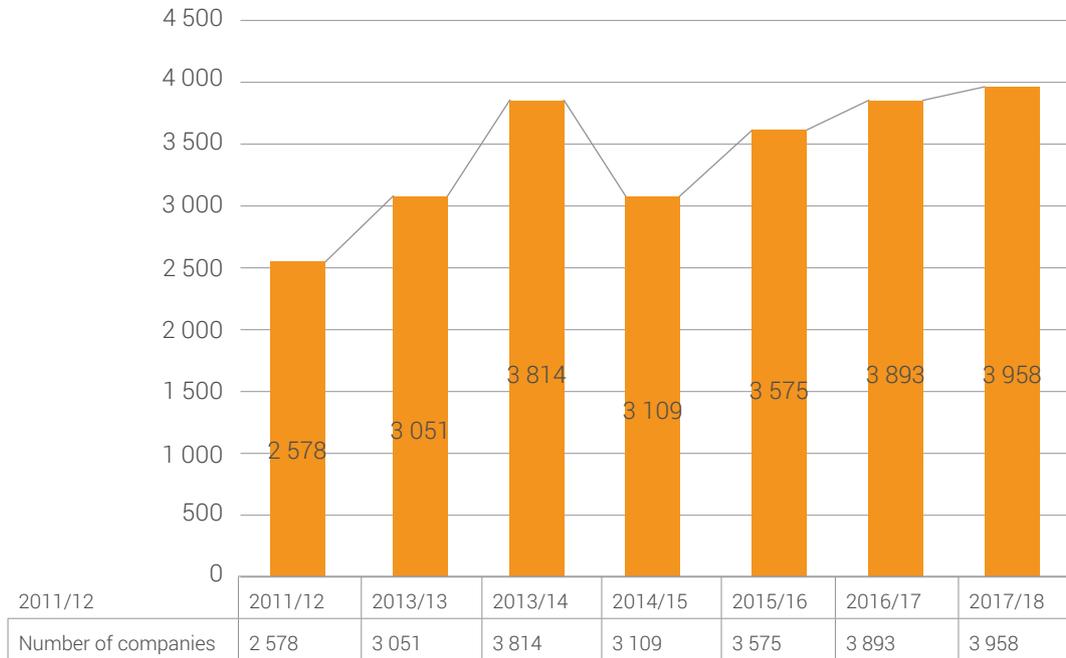
1.5.2 Participation in Skills Development

Employers play an important role in skills development in South Africa. Many companies pay for training of their employees to ensure that they are properly equipped to fulfil their functions. These investments contribute immensely to skills development in the country. The Skills Development Levies Act compels companies with more than R500 000 payroll to pay 1% of their total payroll into a national development skills fund administered by DHET. Grant Regulations make provision for companies who pay skills development levy to claim 20% of their levies from SETAs to implement skills development on their employees.

The submission of claims for Mandatory Grants is supported by Work-based Skills Plan and the Annual Training Plans for the coming and prior years, respectively. These reports are a crucial barometer of the involvement of employers in skills development. It is therefore, worth considering the rate of participation by employers in skills development through the submission of WSP/ATRs.

Analysis of active participation by employers (see Figure 4) in skills development interventions in the services sector indicates that the numbers increased from 2 758 to 3 958, respectively.

Figure 4. Number of Companies Submitting WSP/ATR, 2012-2018



Source: Services SETA Annual Report, 2012/13; 2013/14; 2014/15; 2015/16; 2017/18

Whilst the number of employers submitting WSPs is just under 10% of the total number of companies paying levy, what is known is that work-based training reaches more than 500 000 employees. What this signifies is that fewer companies that pay levy and submit WSP/ATRs may employ a large number of employees.

Despite these challenges, efforts should be made to reach employees who are not reached by this type of training, including self-employed individuals, youth, women and people with disabilities. Small business owners are most likely to miss out on interventions of this nature. Therefore, extraordinary measures are required to ensure their participation. The Services SETA has in the past devised targeted interventions for a specific audience and/or proposed special projects to address these anomalies.

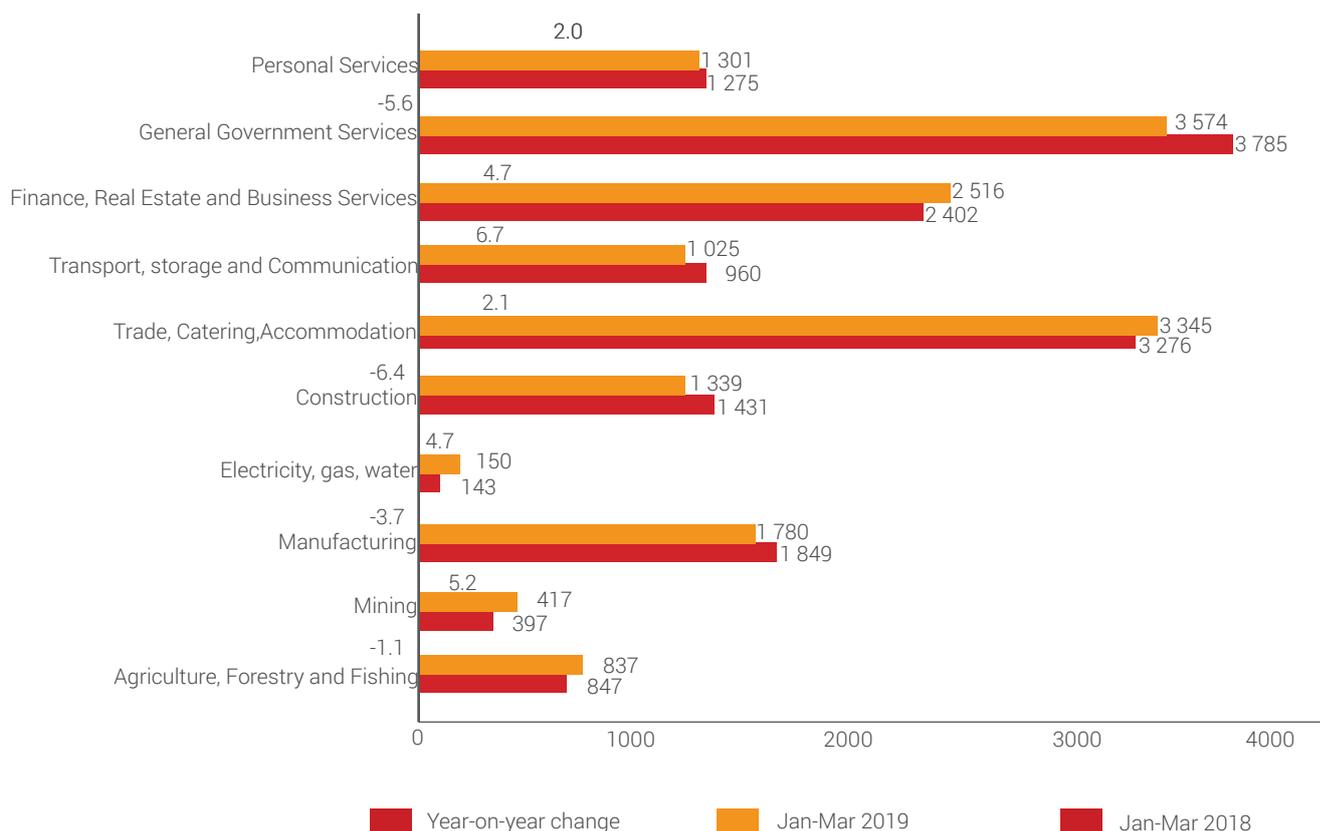
1.6 Labour Market Profile

This section discusses the number of people employed within the services sector disaggregated by race, age, subsectors, occupational groups and geographical location. Data used in this analysis is derived from Stats SA's QLFS and Quarterly Employment Survey (QES), and Services SETA's WSP (2019) and ATR (2018).

1.6.1 Employment by Sector

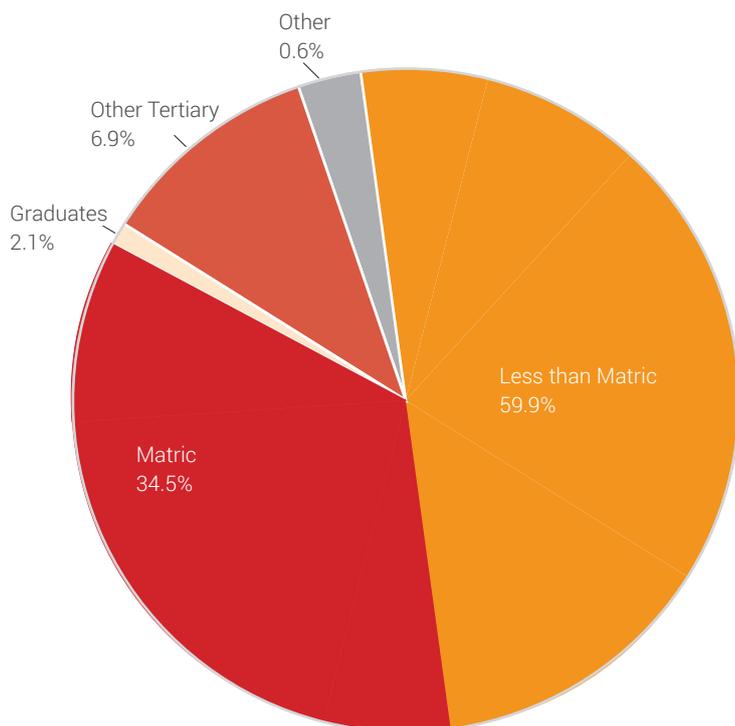
South Africa has one of the highest unemployment figures in the world. The latest figures indicate that more than a quarter of economically active individuals were unemployed, at 27.6% as at Q1 2019 (Stats SA, 2019b). These observations correspond with the point made in section 1.4 that the South African economy is not growing at the rate required in order to address unemployment. As illustrated in Figure 5, the economy is on the contrary shedding jobs instead of creating new opportunities.

Figure 5: Employment by Industry (thousands)



Despite these challenges, the services sector continues to be the main contributor to employment. According to Figure 5, the highest employment numbers proportionately were recorded in the Community and Social Services sector (3,574 million people, down from a high of 3,785 in 2017), followed by Trade (3,345 million people, up from a low of 3,276 in 2018), and Finance and Other Business Services (2,516 million people, up from a low of 2,402 in 2017). The figures are cold comfort for the sector due to a number of reasons. Firstly; the sector seems to be losing jobs than create new ones. Secondly, as illustrated below, the sector is losing jobs in the vulnerable occupational categories such as elementary and domestic work. The situation is even clearer when we look at Figure 7 below.

Figure 6: Proportion of the Unemployed by Education Level, Q1:2019



Source: Statistics South Africa, 2019b

Figure 6 indicates majority of the unemployed are those with less than Matric, 60%, followed by those with Matric at 35%. As noted in Table 8, these occupational categories experienced the highest levels of negative employment-growth. What is particularly concerning is the fact that year-on-year, there has been negative net growth of employment. The occupations that have been worse affected by this phenomenon include the skilled agriculture, followed by clerks, and elementary occupations to some extent.

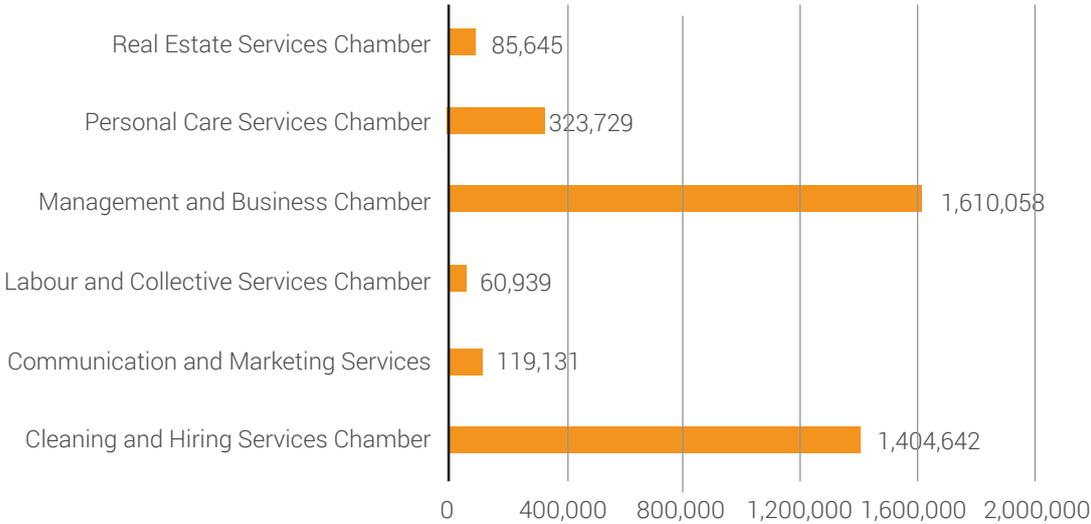
Table 8: Employment by Occupation (thousands)

Occupational Category	Jan-Mar 2018	Jan-Mar 2019	Year-on-year Change
Manager	1 422	1 463	2,90%
Professional	873	884	1,30%
Technician	1 415	1 448	2,40%
Clerk	1 746	1 679	-3,80%
Sales and Services	2 692	2 667	-0,90%
Skilled Agriculture	62	47	-24,70%
Craft and Related Trade	1 994	1 972	-1,10%
Plant and Machine Operator	1 359	1 380	1,60%
Elementary	3 823	3 737	-2,30%
Domestic worker	991	1 013	2,20%
Total	16 377	16 290	-0,53%

Source: Statistics South Africa, 2019b

Table 8 further indicates that occupational categories that are negatively impacted upon by unemployment include clerical, sales and services, craft and related trade, and elementary. These are occupations in which majority of services sector employees are found. This observation re-emphasises the need to prioritise low-level skills workers in order to prepare them for future work. This implies that a concerted effort is required to address the plight of those already employed in these occupational categories, in addition to raising the levels of education of unemployed ones, including youth.

Figure 7. Employment in the Services Sector, 2019



Total Services SETA	3 604 145
Total South Africa	16 291 436
Percentage Share	22%

Source: Statistics South Africa, 2019b, Services SETA Database, 2019, WSP, 2019

Figure 7 highlights the employment situation in the services sector as defined by DHET. This information is derived from the analysis of Stats SA's Quarterly Labour Force Survey (QLFS), Q4 2019 (Stats SA, 2019c) at 3-digit level and WSP. Confirming previous stats, this analysis indicates that the sector employs 3, 6 million people, with a national net share worth of 22%. The Management and Business Services Chamber accounts for the largest number of employees followed by Cleaning and Hiring Services Chamber.

1.6.2 Occupational Trends

This section looks at employment by occupation and qualifications. There is a strong correlation between occupation and income on the one hand, and between occupation and qualification on the other hand. Highly skilled people are likely to get employed in higher levels of occupation which in turn pays better than others. Most importantly skilled people do not easily lose their jobs, compared to less skilled ones.

As pointed out above, employment trends by occupational category at the national level, indicate that the majority of employees are concentrated at the lowest level of employment; Domestic Worker, followed by Sales and Services.

Table 9: Employment by Occupation in the Services Sector (thousands)

Occupation and Education	Occupation Category									Total Services SETA	Total RSA
	Cleaning and Hiring Services Chamber	Communication and Marketing Services Chamber	Labour and Collective Services Chamber	Management and Business Services Chamber	Personal Care Services Chamber	Real Estate Services Chamber					
Manager	5 365 (0,4%)	2 156 (3,3%)	1 277 (2,0%)	28 890 (10,3%)	1 416 (0,4%)	0 (0%)				39 104 (1,9%)	1 463
Professional	14 (0,1%)	0 (0%)	5 609 (8,9%)	2 734 (1,0%)	0 (0%)	0 (0%)				8 357 (0,4%)	884
Technician	1 184 (0,1%)	3 262 (5,1%)	28 927 (45,7%)	9 775 (3,5%)	518 (0,2%)	1 (13,1%)				43 668 (2,1%)	1 448
Clerk	2 072 (0,2%)	29 073 (41,5%)	11 682 (18,5%)	23 766 (8,5%)	2 206 (0,7%)	5 (75,4%)				68 804 (3,3%)	1 679
Sales and Services	27 993 (2,1%)	0 (0%)	3 853 (6,1%)	147 786 (52,6%)	2 170 (0,7%)	1 (12,3%)				181 802 (8,7%)	2 667
Skilled Agriculture	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)				0 (0%)	47
Craft and Related Trade	46 081 (3%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)				46 081 (2%)	1 972
Plant and Machine Operator	7 (0,1%)	18 527 (28,8%)	1 177 (1,9%)	9 649 (3,4%)	11 312 (3,5%)	0 (0%)				40 672 (1,9%)	1 380
Elementary	268 211 (23%)	11 382 (18%)	10 705 (17%)	58 147 (21%)	306 108 (95%)	0 (0%)				654 552 (31%)	3 737
Domestic worker	1 013 199 (74%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)				1 013 199 (48%)	1 013
Total	1 363 999 (100%)	63 249 (100%)	63 230 (100%)	274 336 (100%)	323 729 (100%)	7 (100%)				2 088 542 (100%)	16 291 436
Education											
No Schooling	72 459 (5%)	0 (0%)	0 (0%)	11 371 (1%)	7 614 (8%)	4 920 (5%)				96 363 (3%)	303 473
Less than Primary Completed	192 957 (14%)	0 (0%)	1 553 (25%)	48 495 (3%)	47 028 (16%)	3 054 (1%)				293 087 (8%)	913 140
Primary Completed	138 652 (10%)	1 098 (1%)	1 696 (3%)	56 993 (3%)	21 103 (10%)	1 954 (1%)				221 496 (6%)	652 074
Secondary not Completed	701 443 (50%)	35 949 (26%)	9 418 (15%)	650 949 (37%)	182 610 (11%)	45 663 (3%)				1 626 031 (43%)	5 363 045
Secondary Completed	236 456 (17%)	68 122 (50%)	30 372 (48%)	602 854 (34%)	55 199 (5%)	37 615 (4%)				1 030 617 (27%)	5 325 333
Tertiary	26 679 (2%)	32 047 (23%)	20 192 (32%)	357 439 (20%)	5 512 (1%)	19 972 (4%)				461 841 (12%)	3 532 507
Other	45 942 (3%)	0 (0%)	0 (0%)	20 515 (1%)	4 664 (6%)	992 (1%)				72 114 (2%)	201 864
Total	1 414 589 (100%)	137 216 (100%)	63 230 (100%)	1 748 615 (100%)	323 729 (100%)	114 171 (100%)				3 801 550 (100%)	16 291 436

Source: Statistics South Africa, 2019b, Services SETA Database, 2019, WSP, 2019

As could be expected, the majority of employees had not completed secondary education. This observation is in line with the above finding which revealed that the majority of employees were employed in the domestic worker and elementary occupational categories. This implies that working with the industry, the Services SETA should design programmes aimed at improving conditions of vulnerable employees and preparing them for the future.

1.6.3 Demographic Profile

The National Skills Development Plan 2030 (DHET, 2018) requires SETAs to pay special attention to the following transformational imperatives: gender, race, age, geography (rural), class, health (HIV&AIDS) and disability. It is therefore important to pay attention to the extent to which workplaces address these issues. The section below looks at the gender, age and race profile of the services sector's workforce as illustrated by Table 10.

a) Gender

International trends on the demographic features of the services sector employees' points bias towards men (Haroon, et al., 2016). This is because industries such as manufacturing, transport, storage, government services, communication and business are traditionally dominated by men (Ibid). The demographic profile of the services sector as defined by Stats SA is in line with international trends. Data from QLFS (Stats SA, 2019b) and Services SETA WSP indicates that 56% of labour force in the services sector comprises women.

b) Age

According to Stats SA data, most employees in the services sector (34%) are aged between 35-44 years. This implies that this sector tends to attract a young workforce. The services sector, therefore, offers a unique opportunity to address youth unemployment. Learning pathways such as Learnerships or Internships could be preferred.

c) Race

The services sector workforce is predominantly Black/African, 81%, followed by Whites at 9%. Coloured race accounts for 8% whereas Indian/Asian account for 2%.

d) Disability

According to the WSP/ATR data approximately 11 520 employees had disabilities. African within services sector. The Coloured recorded disability profile for both men and women are 1011 and 780 respectively, while Indians are the lowest at 209, and 237 for males and females respectively.

Table 10: Employment by Gender, Age and Race in the Services Sector

Demography	Cleaning and Hiring Services Chamber	Communication and Marketing Services Chamber	Labour and Collective Services Chamber	Management and Business Chamber	Personal Care Services Chamber	Real Estate Services Chamber	Total Services SETA	Total South Africa
Gender								
Male	391 313 (28%)	92 114 (67%)	37 978 (60%)	966 263 (55%)	121 065 (37%)	64 072 (56%)	1 672 805 (44%)	9 099 502
Female	1 023 276 (72%)	45 102 (33%)	25 251 (40%)	782 352 (45%)	202 664 (63%)	50 100 (44%)	2 128 745 (56%)	7 191 934
Total	1 414 589 (100%)	137 216 (100%)	63 229 (100%)	1 748 615 (100%)	323 729 (100%)	114 172 (100%)	3 801 550 (100%)	16 291 436
Age								
15-24 yrs	57 066 (4%)	13 217 (10%)	6 820 (11%)	133 447 (8%)	12 834 (4%)	4 956 (4%)	228 339 (6%)	1 143 257
25-34 yrs	320 440 (23%)	38 612 (28%)	12 698 (20%)	582 839 (33%)	96 401 (30%)	18 767 (16%)	1 069 758 (28%)	4 851 397
35-44 yrs	443 894 (31%)	41 230 (30%)	14 988 (24%)	562 847 (32%)	95 367 (29%)	34 454 (30%)	1 192 781 (31%)	5 090 269
45-54 yrs	409 657 (29%)	29 553(22%)	15 988 (25%)	345 369 (20%)	83 770 (26%)	33 910 (30%)	918 247(24%)	3 666 355
55-64 yrs	183 532 (13%)	14 604 (11%)	12 736 (20%)	124 113 (7%)	35 358 (11%)	22 084 (19%)	392 426 (10%)	1 540 157
Total	1 414 589 (100%)	137 216 (100%)	63 230 (100%)	1 748 615 (100%)	323 729 (100%)	114 171	3 801 550 (100%)	16 291 436
Race								
Black/African	1 287 128 (91%)	74 577 (54%)	38 448 (61%)	1 305 203 (75%)	291 981 (90%)	76 019 (67%)	3 073 356 (81%)	12 200 924
Coloured	93 029 (7%)	25 938 (19%)	12 077 (19%)	142 722 (8%)	31 748 (10%)	10 790 (9%)	316 304 (8%)	1 711 363
Indian/Asian	14 213 (1%)	5 681 (4%)	3 420 (5%)	40 867 (2%)	0 (0%)	3 741 (3%)	67 923 (2%)	523 983
White	20 219 (1%)	31 020 (23%)	9 284 (15%)	259 823 (15%)	0 (0%)	23 621 (21%)	343 967 (9%)	1 855 166
Total	1 414 589 (37%)	137 216 (4%)	63 230 (2%)	1 748 615 (46%)	323 729 (9%)	114 171 (3%)	3 801 550 (100%)	16 291 436

Source: Statistics South Africa, 2019b, Services SETA Database, 2019, WSP, 2019

1.7 Conclusion

Chapter 1 demonstrates that the services sector is one of the largest sectors of the South African economy, contributing more than 40% to the GDP (using the Services SETA demarcation) and creating more than 3 million jobs. The sector has consistently grown in terms of size and job creation in the last five years. It is expected that these trends will grow. This implies that the services sector will require greater investment in skills development to sustain the levels of growth witnessed so far. Chapter 3 will highlight specific areas of skills development intervention, especially the PIVOTAL list.

The chapter further demonstrates that the services sector is characterised by strong partnerships between government, labour and business, as reflected by the participation of these structures/entities in the different governance structures of the Services SETA. These partnerships create, inter alia, a conducive environment for research and engagement.

Analysis of the labour force within the services sector highlights the need for the Services SETA to implement interventions at a higher level of education to realise growth in the South African economy. This is demonstrated by the fact that, increasingly, the sector is beginning to recruit people with a secondary qualification or higher. There is a need, therefore, to address those skills needs.

CHAPTER TWO: KEY SKILLS CHANGE DRIVERS

2.1 Introduction

This chapter presents the key skills change drivers that have been identified as those that influence the demand for, and supply of skills, either positively or negatively in the services sector. The implications for skills development in the sector will be outlined. This chapter will also discuss the alignment of sector skills planning in relation to national strategies and plans, namely, the National Development Plan (NDP) 2030, National Growth Path (NGP), Medium-Term Strategic Framework (MTSF) 2014 – 2019, the White Paper on Post-School Education and Training (WPPSET), Industrial Policy Action Plan III (IPAP) 2016/17 – 2017/18 and the Government's 9-Point Plan.

Key skills change drivers were identified through primary and secondary data. The source of primary data involved a survey that was conducted among Services SETA employers, future jobs and skills study. Additional information was collected through validation exercises that covered three provincial offices of the Services SETA. The identified change drivers were then approved by the Services SETA management, and Accounting Authority, through workshops.

2.2 Factors Affecting Skills Demand and Supply

Informed by findings of research studies outlined above; Information and Communication Technology; Globalisation and Economic Integration; and Policy and Legislation have been identified as the main change drivers in the services sector. These are discussed in detail below.

a) Information and Communications Technology

Research on the impact of technology in terms of how current products and services are developed as well as how people interface with an industry is well-documented and the services sector is no exception. OECD (2016, p. 35) suggests that by 2030 "firms will be predominately digitalised, enabling product design, manufacturing and delivery processes to be highly integrated and efficient"; adding that digital technology will "make the services sector a more dynamic part of the economy." Research (Cedefop, 2016; OECD, 2016; Pew Research Centre, 2014) suggests that while technology is replacing routine tasks within most jobs through higher levels of automation, it is making jobs more challenging. This, in turn, requires employees to acquire and/or develop skills to cope in more technology-centred work environments.

In response to this, the Services SETA commissioned a research study on future jobs and skills which was completed 31 March 2019. The findings thereof identified technology as one of the major change drivers to influence the future job market, with many reports now focusing on its impact and the Fourth Industrial Revolution.

It is important to state that the influence of the drivers of change varies across Services SETA sub-sectors. For the real estate industry, technology has had an impact on the design, form and nature of interaction between sellers and buyers of property on the one hand, and/or between rental agent and lessor, on the other, as more people turn to various websites and applications (Apps, as they are commonly known) to access, compare and utilise information. This has necessitated real estate and property management agents to use technology to provide high quality and useful information to increase traffic to their websites and Apps, in order to facilitate sales. The implications of this trend is that real estate agents and property managers not only require information about the product that they are selling, but now need to have knowledge about brand management, digital sales, marketing and social media.

A major consequence of technology for business services is that companies, now more than ever before, have access to more data about their customers. This 'big data' requires that managers and professionals acquire higher levels of analytical skills to use data strategically. The introduction of disruptive technologies and solutions has had a significant impact on the traditional business models, resulting in businesses having to adapt to remain economically viable.

For the labour and collective services, internet presents new means for recruiters to communicate to personnel through videos that advertise jobs. On the other hand, jobseekers are also relying less on traditional resumes to advertise their skills as social networks provide platforms for online profiles and portfolios for recruiters to consider. This has resulted in the emergence of new ways of organising work.

Marketing services enterprises in South Africa need to operate within the ambit of the Consumer Protection Act of 2011, which places stringent requirements to protect consumer information during marketing activities. Firms focused on improving their services will increasingly need to adopt social media and multi-channel solutions for customer service, and for getting closer to consumers (Buchner, 2013). Research participants highlighted that a major trend was the shift to digital marketing due to increased use of social media, and their integration into traditional marketing activities.

The participants further highlighted this is also evident for public relations where print media is under threat and there is a growing trend of accessing news online as opposed to traditional ways of buying newspapers and magazines. As such, some printing companies are closing down as demand for their services declines. Firms in the marketing services sector recognise that smart phones are a game changer. These devices bring the firm closer to consumers and open new marketing opportunities. This means firms need to adapt to new ways of working to remain relevant.

General consulting services benefit from advancements in technology in two ways, namely, increased flexibility for work to continue outside of the traditional working hours and work outputs which are increasingly computer-generated. Skills in the use of information technology (IT), including social media for desktop and online research, will be increasingly needed to ensure that firms become competitive.

Changing consumer preferences have brought about a demand for e-services in postal services around the world. The addition of information, communication and technology (ICT) infrastructure into post offices in rural areas is a major step forward in bridging the divide between urban and rural areas. It is anticipated that postal services will benefit from being able to connect users to broadband services and thereby encourage adoption of digitised mail for the revival of postal services. Auxiliary services such as parcel delivery and logistics may also be launched off a wider broadband infrastructure which will enable technology to connect people to goods as well as reinvigorate postal services by shifting revenue generation to logistics and parcel delivery. Skills needs in this sector include IT and logistics.

Despite technological advancements that allow automation software to simplify the process of accessing a large database at predictable intervals, there is growing discontent with contact centres among millennial audiences who have a greater interest in multi-channel communications with businesses as opposed to voice-to-voice communication (Rouse, 2014). This has implications for direct marketing. While voice-to-voice communications will remain a feature of sound practice, the status of voice will be supplanted by the unique advantage of digital communication and its growing weight on the buying choices of consumers in a fast changing globe (Holmes, et al., 2013).

In the contact centre environment, as far as technological trends are concerned, the emergence of speech analytics and call-categorisation is creating greater efficiency and control over quality of work. Research participants also highlighted that the contact centre industry was seeing higher levels of automation of certain tasks, and with customers becoming more technologically savvy, there was a growing trend in the reduction of the number of contact centre call agents.

The cleaning sector is likely to be impacted by technology as well. The findings revealed that cleaning machines are required to perform a variety of tasks such as cleaning and are able to operate faster and cheaper than humans. It can be argued how far machines will replace human beings. It is therefore expected that some tasks will be fully automated and certain tasks or activities will be partly automated. As a result, new occupations will be introduced and the anticipated skills for the subsector will/could include robot maintenance and repair. Table 11 summarises the impact of technology on various service sub-sectors.

Table 11. Impact of Technology on Services Sub-sectors

Subsector Affected	Nature of Impact	Occupations Affected
Business Services	Ability to access and use big data	Quality Managers, Consultants/ Business Advisors
Cleaning Services	Robotics are likely to take over cleaning chores	Cleaners
Contact Centre	Automation of certain tasks	Contact centre call agents
Labour Recruitment	New means for recruiters to communicate to personnel	Recruitment Managers
Marketing Services	Use of digital channels	Sales Marketing Managers, Publishers, Editors
Postal Services	Increased access to broadband services resulting in digitised mail	Delivery drivers, postmen, Mail-sorters
Real Estate	Changing nature of interaction between sellers and buyers	Estate Agents, Property Managers, Valuers

The Services SETA has devised a number of initiatives to respond appropriately to challenges posed by technology on the sector. The Services SETA plans to launch the future jobs study report in all the major centres before the end of 2019. Key role players will be invited to share inputs on the best way to respond to this need. In addition, the Cleaning and Hiring, and Communication and Marketing Services Chambers have initiated research studies that look at the impact of technology on these sectors in more detail, proposing actionable recommendations. These research studies are expected to begin by the last quarter of 2019/20 and will be completed by the second quarter of 2020/21.

b) Globalisation and Economic Integration

As noted above, technology is the primary agent of globalisation (Haroony, et al., 2016). Firstly, technology has removed the need to supply services, in person, by enabling tradability of certain services across borders. Secondly, transportability means that services are no longer restricted by time or proximity. And finally, most services are delivered electronically and therefore do not face the same trade barriers such as tariffs and customs that are placed on goods. Higher levels of economic integration do bring about globalisation and increased competition.

South Africa remains a competitive destination for business process services. Call centres provide an invaluable opportunity for the youth to become economically active. To remain competitive, the local contact centre industry would need to deliver more efficient, cost-effective services through the use of technology as well as invest in the development of multi-lingual contact centre call agents as highlighted above. This suggests the need to ensure skills development in these two areas, namely; use of technology in contact centres and multilingualism.

Globalisation brings along migration. Migration movements represent important inflows and outflows of skills. The proportion of international migrants in the South African population has been growing steadily during the last 15 years. In 2015, 5.8% of the South African population was foreign born, compared to only 2.2% in 2000 (United Nations, 2019). Compared with other upper middle-income countries where international migrants account on average for 1.4% of the population, South Africa has a large immigrant population. About three quarters of migrants in South Africa originate from other African countries, with the largest number of migrants coming from Mozambique, Zimbabwe and Lesotho (United Nations, 2019).

The hair care industry tends to be highly informal and entry into the business is not controlled. Observations in the formal hair care companies show a decrease in the number of young new entrants, with an increase in the availability of consumer products and hair care practitioners who hail from across the African diaspora.

Migration has a dual influence on the services sector. On the one hand it brings with it a set of new skills which the expatriates bring to the country in support of economic growth. On the other hand, it has the potential of exacerbating competition for limited employment opportunities and promoting informal training. The hairdressing industry is a typical example of this phenomena as demonstrated by a research study commissioned by the Services SETA (2017a). Research reveals that medium businesses have far more chances of creating job opportunities compared to large corporations. The proliferation of small, unregulated businesses has the potential to undermine this effort. This state of affairs requires the provision of appropriate skills specifically related to business management – whether start-up or emerging businesses.

The implications of these dynamics for skills planning is that there is a growing demand for qualified hairstylists in the Afro-hair industry (Services SETA, 2017a). Information and Technology skills are imperative given the centrality of technology in globalisation. The envisaged intervention on Information Technology is poised to address this skills gap.

Table 12 summarises the impact of globalisation on various services sub-sectors.

Table 12. Impact of Globalisation on Services Sub-sectors

Subsector Affected	Nature of Impact	Occupations Affected
Contact Centre	Local contact centre industry would need to deliver more efficient, cost-effective services through the use of technology as well as invest in the development of multi-lingual contact centre call agents	Call Centre Agents
Personal care	Over supply of hairdressers and beauticians	Hairdressers, barbers, beauticians
Business Services	Import of international consultants affects locally based ones	Business Consultants/ Advisors
Project Management	Import of internationally skilled project managers affects local project managers	Project Managers
Hiring Services	Stiff competition between local drivers and foreign ones with the perception that employers prefer foreign drivers	Drivers

The Services SETA has established an Entrepreneurship and Co-operative Development Institute to support emerging and small businesses. The Institute plans to provide responsive and accessible services to entrepreneurs and to promote the creation, growth and sustainability of micro, small and medium enterprises through business development services. In addition, the Services SETA plans to embark on a review of existing business management qualifications to ensure their relevance and impact. The ultimate goal is job creation; revenue growth through promotion, development and acceleration of entrepreneurs, small businesses and cooperatives; and equity and economic inclusivity through transformational imperatives that target black, women, youth and disabled people in townships and rural areas.

c) Policy and Legislative Changes

Legislation and policy changes in South Africa have a bearing on the country as an investment destination. The Labour and Collective Services subsector is particularly vulnerable to these changes. A major factor affecting the labour recruitment services sector is the impending labour law amendments which are expected to have a negative impact on stakeholders in the private employment services sector. The proposed legislative changes have the potential to increase the administration cost for compliance, making smaller businesses difficult to become sustainable.

Research among industry stakeholders suggests that temporary employment services could become less attractive for clients to use. Although the implementation of the proposed amendments is yet to start, some employers have already taken steps to reduce their reliance on labour brokers out of concern that they might have to take on casual workers on a full-time basis at a higher cost. The Cleaning Services subsector is directly affected by the Broad-Based Black Economic Empowerment (BBBEE) code, which requires 51% black ownership for some large organisations that are predominately owned by overseas businesses.

The recently legislated minimum wage of R20/hour has been cited as the big concern among employers, especially small business owners. The concern is around affordability of the minimum wage by small employers. The challenge in this regard relates to legislative awareness. In line with efforts to revise the curriculum of existing qualifications, South Africa's business regulatory framework will be incorporated.

Table 13. Impact of Legislation on Services Sub-sectors

Subsector Affected	Nature of Impacts	Occupations Affected
Labour Recruitment	Some employers have already taken steps to reduce their reliance on labour brokers out of concern that they might have to take on casual workers on a full-time basis at a higher cost	Recruitment Managers
Cleaning	Requirement to cede portion of their shares and ownership to local entrepreneurs	Healthcare Cleaners
Contact centres	The minimum wage affects profitability of this subsector	Call Centre Agents
Hiring	The minimum wage affects profitability of this subsector	Drivers, Rope-Access Technicians

Through the enterprise supplier development initiative, the Services SETA prioritises the inclusion of SMEs in the procurement of services to promote BBBEE legislation. The New Venture Creation initiative is meant to support entrepreneurs and owners of SMEs. The ECDi's core function is to support the growth and development of SMEs through skills development and facilitating access to funding.

2.3 Policy Frameworks Affecting Skills Demand and Supply

This section looks at the major national plans and strategies that affect the services sector, with emphasis on the implications for skills planning. The Services SETA values the significance of strong alignment between its programmes and the national strategies. Table 14 lists key strategies and plans with which alignment was ensured.

Table 14: Alignment with National Strategies and Plans

National Policy or Plan	Implications for Skills Planning
National Skills Development Plan	The main task of the Services SETA is the implementation of the NSDP. The NSDP is a 10-year plan for skills development in the post-school education and training in South Africa. Its main goal is to improve access to occupations in high demand and priority skills aligned to supporting economic growth, employment creation and social development whilst also seeking to address systemic considerations. This will be realised through 8 Outcomes. Through the SSP and later the Strategic and Annual Performance Plans, the Services SETA will factor these outcomes in its operations.
National Development Plan 2030	The NDP 2030 forms the basis of all national policies and strategies. The South African government plans to stimulate economic development and growth through SIPs. The Services SETA has an integral role to play in terms of using the SIPs as a training platform. The nature of the Services SETA constituent industries is that they follow economic activity. As the SIPs are being implemented, they will invariably interface with Project Management Services, Hiring Services, Labour Recruitment, Cleaning Services, Gardening Services, Collective Services such as dispute resolution and wage negotiation services, Business Services and Real Estate Services.
New Growth Path	Services SETA's response to NGP is to identify large infrastructure projects that provide opportunities for sector role-players, employment creation, small business expansion and, rural development. In addition, the Services SETA will contribute to areas of the economy like the green industry and environmentally-friendly production processes by exploring the role that can be played by the services sector. The Services SETA is reviewing current learnerships and qualifications to determine the extent to which they respond to the current skills needs. Work is already underway to fill the identified skills gaps. These include the impact of the 4th Industrial Revolution on cleaning and hiring, and communication and marketing subsectors.
Medium-Term Strategic Framework (2014-2019)	The Services SETA, through its Special Projects Department, has targeted small- and micro enterprises, non-profit organisations and cooperatives to render support as a contribution to the Government's MTSF (2014-2019). A needs assessment identified that the following skills were in demand: business plan development, financial management, project management and marketing. The Services SETA will work with SDPs to expand access to skills development.
Industrial Policy Action Plan and the National Industrial Policy Framework	The review of IPAP highlights the role of the services sector to include small business development, linking the services sector and other industrial sectors where growth is being planned, and the growth of South African services throughout Africa and abroad. The Services SETA plans to increase learnerships, apprenticeships, internships and bursaries in infrastructure support projects such as DTI's Monyetla Project Green Skills Initiatives.

National Policy or Plan	Implications for Skills Planning
Nine Point Plan	The Services SETA's enterprise and entrepreneurial development interventions are aimed at contributing to Point 7 of the Government's nine-point plan: "Unlocking the potential of SMMEs, co-operatives, townships and rural enterprises". The Services SETA launched an Entrepreneurship and Co-operative Development Institute to support SMMEs regarding training needs, advisory, incubation and linkage with other opportunities.

2.4 Addressing National Priorities

In addition to the above national strategies and plans, consideration was given to the Services SETA's contribution to national priorities. A critical area of intervention in closing the skills gaps and contributing to economic growth and employment creation is Artisan development. Support to Artisan development by the Services SETA is twofold. Firstly, the Services SETA has entered into partnership with Motheo TVET College and the Construction SETA to establish a National Artisan Academy in Mangaung. Secondly, the Services SETA intervenes through the funding of selected trades, particularly those related to SIPs. Table 15 provides a list of trades supported by the Services SETA.

Table 15: Trade Interventions Earmarked by the Services SETA

OFO Code	Occupation	SIPS Scarce
2017-641201	Bricklayer	√
2017-671101	Electrician	√
2017-642601	Plumber	√
2017-651202	Welder	√
2017-641501	Carpenter and Joiner	√
2017-651302	Boilermaker	√
2017-642302	Plasterer	√
2017-642201	Wall and Floor Tiler	√
2017-653306	Diesel Mechanic	
2017-653101	Petrol Mechanic	
2017-653307	Heavy Equipment Mechanic	
2017-671208	Transportation Electrician	
2017-653303	Fitter (including Machining)	

2.5 Conclusion

This chapter identified information and communication technology, globalisation and economic integration and policy and legislation as the key change drivers for the services sector. Implications for skills planning for each change driver were outlined. A number of areas where new qualifications are required or where current ones need to be reviewed to respond to some of the change drivers have been identified. The aim is to strengthen the supply of an appropriately-skilled labour force to meet the labour demands in the services sector. In addition, the chapter discussed the Services SETA's contribution to national priority skills aimed at addressing trade and related skills which are currently in short supply in the country. Finally, Chapter 2 outlined the Services SETA's alignment with key national policies to ensure that the SETA contributes to the achievement of national imperatives. In the main, the Services SETA's contribution is through partnerships with TVET Colleges and universities, in addition to funding learning interventions.

CHAPTER THREE: OCCUPATIONAL SHORTAGES AND SKILLS GAP

3.1 Introduction

This Chapter presents occupational shortages and skills gaps with reference to hard-to-fill vacancies as well as skills gaps. The discussions will also focus on the extent and nature of supply in the services sector. Findings are drawn from primary and secondary data sources. Primary data sources include an employer survey, WSP and Annual Training Reports (ATRs), and focus-group discussions with industry representatives and internal stakeholders of the Services SETA. Secondary data is derived from desktop analysis of literature on skills demand and supply, including reports of studies commissioned by the Services SETA. The DHET's list of priority occupations has also been considered (DHET, 2017).

a) Future Jobs Study

The Services SETA commissioned a research study on future jobs whose aim was to identify occupations that may become obsolete in the next ten years and new ones that might emerge. The study used mixed method approach. This includes: interviews with academics from university research centres and scenario planning experts in the skills development field (futurists), provincial workshops with cross-section of services sector entities to develop inputs into and preliminary scenarios, scenario development workshops with business owners and associations, Beauty Industry Survey during annual congress in Cape Town and digital survey with youth aged between 18 and 35.

b) Employer Interviews

As explained in the research methodology section, in-depth interviews with employers were conducted with employers during WSP/ATR workshops held throughout the country, with a special focus on major cities such as Gauteng, Cape Town, Durban, Port Elizabeth and medium-sized cities such as East London and Limpopo. A total of 64 employers were interviewed. The interview focussed on the extent and nature of hard-to-fill vacancies and skills gaps; associated reasons for the status quo; drivers of change for skills demand in the sector, and future jobs.

c) WSP/ATR Submission

In order to strengthen the quality of data on hard-to-fill vacancies and skills gaps, questions on the extent and nature of hard-to-fill vacancies were included in WSP/ATR online submission template. Researchers from Planning Department were present at most of these workshops to provide clarity where necessary.

d) Skills Demand Validation Workshops

Workshops were held in the three major cities of Johannesburg, Durban and Cape Town to validate the list of hard-to-fill vacancies; skills gaps, and drivers of change for skills. The list was generated from employer interviews and WSP/ATR data. More than 100 employers took part in the study. The workshops used a variety of methodologies which included future foresight, trend analysis and ranking exercises.

e) Literature Review

Desktop literature review was conducted to identify hard-to-fill vacancies; skills gaps and drivers of change for skills to gain overall understanding of the service economy and its contribution to the South African economy.

3.2 Sectoral Occupations Demand

3.2.1 Hard-to-fill Vacancies

As the World Economic Forum (2016) notes, the world of work is changing rapidly. As a result, in most countries and industries, the most in-demand and specialised occupations did not exist five to ten years ago. It is estimated that 65% of children entering primary school today will end up working in occupations that do not exist yet (Ibid). This state of affairs calls for readiness from all affected parties to predict and prepare for future jobs requirements, job content and the effect on employment. Findings from these research exercises are presented below. For ease of reference and reliance check, findings are presented by chambers and sub-sectors.

a) Cleaning and Hiring Services Chamber

For the Cleaning and Hiring Services Chambers, the cleaning services sub-sector registered the highest number of hard-to-fill vacancies followed by Hiring Services. For the former, there is high concentration of skills shortage at the lower occupational categories. The common reasons why it is difficult to fill vacancies include lack of qualified candidates, lack of experienced candidates and working conditions such as low salaries and long working hours as outlined in Table 16.

Table 16: Hard-to-fill Vacancies in Cleaning and Hiring Services Chamber

OFO Code	Cleaning Services	Description of the Situation	Reasons	Quantity Demanded
2017-811202	Healthcare Cleaner	There is a shortage of specialised cleaners in hospitals, kitchens and hotels	Hard to find skilled workers, trained and experienced staff	356
2017-715701	Cleaning Machine Operator	Cleaning machines in the laundry space are complex and expensive, requiring qualified people	Hard to find skilled staff	102
-	Rope Access Technician	Specialised role with qualified rigging	High level of shortage in the cleaning services	47
2017-226301	Environmental Control Officer	The occupation is in high demand due to shortage of qualified health inspectors	Hard to find skilled staff	1006
OFO Code	Hiring Services	Description of the Situation	Reasons	Quantity Demanded
-	Cook/Chef	No trained cooks, especially in the hotel industry	Lack of experienced chefs	464

b) Communication and Marketing Services

For the Communication and Marketing Services Chamber, the skills shortage is found mainly in the skilled and technical occupational categories to clerical occupations. The main reasons for difficulties with finding candidates relate to the nature of the work, that is, part-time in nature, long working hours, and low salaries. Lack of suitably qualified staff also came up strongly (please see Table 17).

Table 17: Hard-to-fill Vacancies in Communication and Marketing Services Chamber

OFO Code	Contact Centres	Description of the Situation	Reasons	Quantity Demanded
2017-242101	Data Analyst	There are not many people with requisite skills in the sector	Hard to find skilled staff Low salaries	56
2017-241102	Account Manager	Not enough qualified people in this industry	Not enough qualified and industry experienced	4143
2017-422201	Contact Centre Manager	This industry is notorious for high turnover of staff	Skills gap between a domestic TL and international TL	67
OFO Code	Marketing Services	Description of the Situation	Reasons	Quantity Demanded
2017-242101	Business Analyst	Specialised function	High Salary	561
2017-122101	Account Manager	Salaries not comparable	No experienced people	309
2017-122201	Media Manager	Not enough qualifications	Hard to find experienced people	129
2017-421105	Postal Services Worker	High number of underqualified staff at Post Office who require up-skilling	Lack of qualified staff	203
2017-251301	Digital Marketer	4th Industrial Revolution has an impact on the marketing space, especially digital marketing	Qualification as well as remuneration	583
2017-252901	Information Security Officer	Clients confidentiality is critical	Qualification as well as remuneration	43
2017-331501	Market Research Analyst	Not enough qualifications	Hard to find experienced people	58
2017-122103	Marketing Manager	Fewer experienced candidates	Inexperienced/not qualified	162

c) Labour and Collective Services Chamber

Skills scarcity in the Labour and Collective Services Chamber was mostly found in the technical to clerical occupational categories. The scarcity was fairly distributed across the two sub-sectors. Main reasons for scarcity include lack of experienced and qualified candidates.

Table 18: Hard-to-fill Vacancies in Labour and Recruitment Services Chamber

OFO Code	Labour Recruitment Services	Description of the Situation	Reasons	Quantity Demanded
2017-331201	Accounting Officer	Difficult to find candidates	No experienced candidates	301
2017-251201	Software Developer, Engineer	Fewer qualified candidates	Challenge to source industry specific systems or cost for development	810
2017-441604	Case Management Officer	Difficult to find candidates	No experienced candidates	203
2017-335901	Labour Inspector	Fewer qualified candidates	Inexperienced/not qualified	432
2017-333301	Recruitment Consultant/ Talent Acquisition	Fewer qualified candidates	Inexperienced/not qualified	501
2017-431301	Payroll Clerk	The task is not attractive to many people	Fewer experienced people	1023
-	Membership Manager	Difficult to find candidates	No experienced candidates	381
OFO Code	Collective Services	Description of the Situation	Reasons	Quantity Demanded
2017-242101	Data Analyst	There are not many people with requisite skills in the sector	Experience and salary	43
2017-251203	IT Developer	Fewer qualified candidates	Inexperienced/not qualified	26

d) Management and Business Services Chamber

The Management and Business Services Chamber is the largest chamber by number of employers. The Chamber covers a broad area of industries ranging from NGOs, churches, SMEs and large corporations. As a result, shortages of skills extend from Professional to Clerical occupational categories. For higher-level occupations, the main reason is the lack of experience. For other occupations, the main concern is the lack of qualified and skilled workers and experience.

Table 19: Hard-to-fill Vacancies in Management and Business Services Chamber

OFO Code	Business Services	Description of the Situation	Reasons	Quantity Demanded
-	BEE Consultant	Fewer qualified and experienced candidates	Training is expensive; Not a lot of people understand BEE; Lack of experienced people	73
2017-242101	Business Analyst	Fewer experienced candidates	Less experienced individual	204
2017-251101	IT Specialist	Fewer qualified candidates	Hard to find skilled staff	50
	Production Manager (Quality)	Specialised task	Hard to find skilled staff	200
OFO Code	Project Management	Description of the Situation	Reasons	Quantity Demanded
2017-121905	Project Manager	Fewer experienced candidates	Hard to find experienced people	26965

e) Personal Care Services Chamber

In the Personal Care Services Chamber skills scarcity was mostly in technical and clerical occupational categories. The main reason is the lack of skilled personnel.

Table 20: Hard-to-fill Vacancies in Personal Care Services Chamber

OFO Code	Hair Care	Description of the Situation	Reasons	Quantity Demanded
2017-514102	Hairdresser	While there are many hairdressers around, many do not possess the right qualifications	Lack of skilled people	1301
OFO Code	Fashion	Description of the Situation	Reasons	Quantity Demanded
2017-432201	Production Co-Ordinator	The industry is poorly marketed	Relevant experience and product knowledge	51
OFO Code	Funeral Services	Description of the Situation	Reasons	Quantity Demanded
2017-641301	Stonemason	Many operators have undergone no training	Insufficient qualified people	12
2017-516303	Embalmer	Specialised field	Difficult to find suitably qualified people	23
2017-516301	Funeral Director	Many operators have undergone no training	Insufficient qualified people	15

OFO Code	Beauty Services	Description of the Situation	Reasons	Quantity Demanded
2017-514201	Aesthetic Therapist	Specialised field	Hard to find experienced candidates	30

f) Real Estate and Related Services Chamber

Skills shortage in the Real Estate Services Chamber is concentrated in the technical to managerial occupational categories. The industries mostly affected are property management, sales and leasing. The main reasons for shortage include the lack of qualified people, lack of experienced people and commissioned nature of work, especially in the sale industry. It was repeatedly mentioned that people in the sector do not last long enough. Average staff turnover is 6 months.

Table 21: Hard-to-fill Vacancies in Real Estate Services Chamber

OFO Code	Real Estate Services	Description of the Situation	Reasons	Quantity Demanded
2017-333901	Auctioneer	Specialised field	Hard to find experienced candidates	201
-	Valuer	Specialised field	Hard to find experienced candidates	302
-	Community Scheme Manager	Specialised field	Hard to find experienced candidates	45

g) Cross-cutting HTFV

The following hard-to-fill occupations were found across all the subsectors.

Table 22: Hard-to-fill Vacancies Cutting Across all Chambers

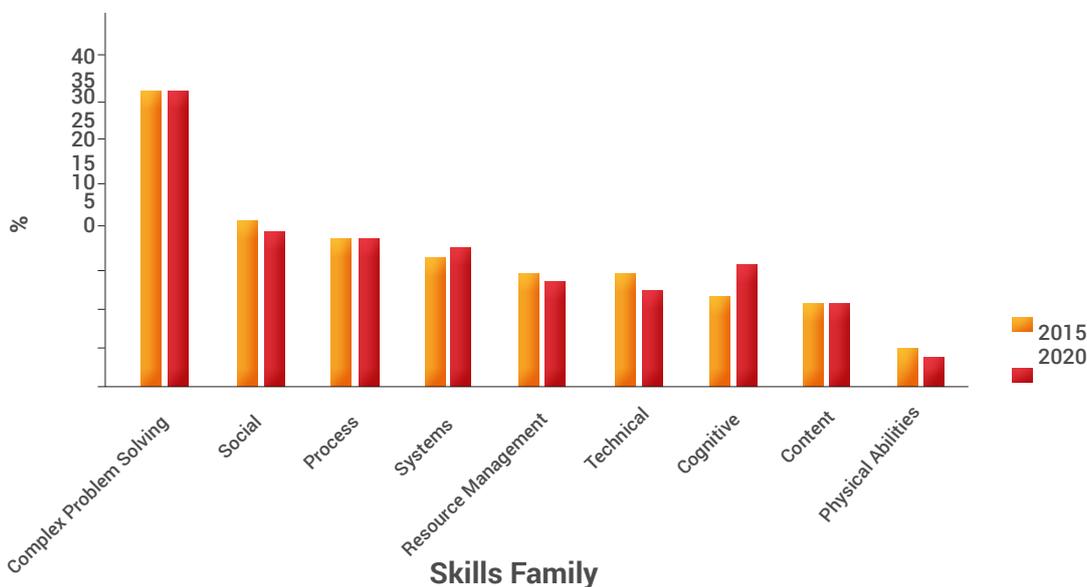
OFO Code	Occupation	Description of the Situation	Reasons	Quantity Demanded
2017-242403	Assessor	There are not enough constituent assessors	Lack of experienced assessors	2437
2017-242401	Course/Material Developer/EDTP Practitioners	There are no sufficient, qualified training material developers	Hard to find skilled staff	230
2017-261901	Facilitator (Train the Trainer)	There are not enough constituent facilitators	Lack of experienced facilitators	1009
2017-241102	Account Manager	Not enough qualified people in this industry	Not enough qualified and industry experienced	150

OFO Code	Occupation	Description of the Situation	Reasons	Quantity Demanded
2017-243403	Sales Personnel	Use of IT discourages many	Not qualified and experienced staff	579
2017-331201	Accounting Officer	Difficult to find candidates	No experienced candidates	321
2017-334102	General Clerk	Staff do not last long in this role	Recruited personnel do not last long in the NGO sector; Low salaries; long hours	1002
2017-242101	Data Analyst	There are not many people with requisite skills in the sector	Hard to find skilled staff Low salaries	81

3.2.2 Skills gaps

Given the rapid nature of changes in job types, it is important to ensure that the workforce is adequately trained to cope with the changing demands of their jobs. As the World Economic Forum (2016) observed, beyond hard skills and formal qualifications, employers are more often equally concerned about the work-related practical skills or competencies that current or prospective employees are able to perform various job tasks successfully. Focusing on a core set of 35 work-related skills and abilities commonly used across industries, the World Economic Forum (Ibid) observed that complex problem-solving skills are the most sought-after skills and will remain in demand for the foreseeable future (see Figure 8).

Figure 8: Demand for Skills in Different Industry Sectors, 2015 and 2020



Source: World Economic Forum (2016)

What Figure 8 further illustrates is that social skills such as persuasion, emotional intelligence and teaching others will remain in demand. On the other hand, content skills such as Information and Communication Technology literacy and active learning, cognitive abilities such as creativity and mathematical reasoning, and process skills such as active listening and critical thinking will be a growing part of the core skills requirements for many industries.

The research conducted among service sector role players, points to a higher demand for technical skills as opposed to soft skills as is the trends in developed countries. Perhaps this is indicative of the state of development of the South African economy. There is still a need to address technical top-up skills in the workforce for increased productivity. The table below lists common skills gaps that were identified by participants with some weighting to signify importance. Three of the top five skills gaps speak to technical efficiency whereas others speak to soft skills.

To understand the nature and extent of skills gaps in the services sector, a question to this effect was included in the WSP submission template prompting employers to indicate the nature of skills gaps. This data was later analysed. In addition, a total of 64 employees were interviewed face-to-face, and were asked to indicate the nature and extent of skills gaps in their companies. Findings from these two research exercises were presented to a group of employers for validation across the country. This triangulation resulted in the following list of skills gaps. Table 23 lists all the skills gaps that were identified through this research exercise.

Table 23: List of Skills Gaps in the Services Sector

Skills Gaps – Complete list		
Advanced Computer Skills	Decision Making	Management Skills
Advanced Excel	Decision Making Skills	Marketing
Advanced ICDL	Emotional Intelligence	Mentoring and Coaching
Analysing Skills	Financial Skills	Negotiation Skills
Business Etiquette	Fire Fighting	Property Law
Communication Skills	First Aid	Service SETA Systems
Compliance	Front Desk Operations	Strategic Planning
Computer Literacy	Governance	Supervisory Skills
Conflict Management	Health and Safety	Supply Chain and Logistics
Conflict Resolution	Interpersonal Skills	Leadership Skills
Curriculum Development	Investment decision-making, Equity Consulting Experience	Life Skills
Customer Care Service	IT Governance	

A ranking exercise was undertaken to identify priority skills gaps to be implemented in 2020/21. The ranking took into account the equitable share of skills gaps across the subsectors. Priority skills gaps are listed in Table 24 below. These include advanced computer skills, advanced excel skills, business etiquette, communication skills and first aid. This finding signifies the importance of IT in the sector. Related to the above, Excel skills were identified as critical across occupational levels and subsectors.

The Cleaning Services and Business Services subsectors in particular, singled out business etiquette as the main problem. The contact centre subsector also highlighted this problem. Central to the problem is the influence of social media. It was pointed out that social media takes away key lessons in business communication and conduct among young employees in particular. This necessitates training to prepare them for the world of work.

Table 24. Priority Skills Gaps

Skills Gaps	Sub-sector	Occupational Category	Reasons for Demand
Advanced Computer Skills	Business Services	Secretary; Administrator Semi-Skilled Worker	System change To improve computer skills
		Junior; Senior Managers	To enable effective reporting
	Cleaning Services	Administrators	To improve computer skills
		Supervisor; Managers	To improve computer skills For big data analysis
	Contact Centres	Middle Management	Inadequate skills sets
		Senior Management	
	Labour Recruitment Services	Overall	
	Project Management	Senior Management	
Real Estate	Professional		
Advanced Excel	Business Service	Administration; Admin Clerk; Senior Admin	
		Junior; Middle and Senior Managers	Lack of experience in advanced excel
	Cleaning Services	Administrators; Clerks	Improve school training
		Junior Managers; Team Leader/Manager	To enable effective reporting
	Contact Centres	Administrator	Equip with advanced skills
	Labour Recruitment Services	Middle; Senior Managers	These skills are lacking
	Postal Services	Finance personnel	To improve efficiency
	Project Management	All Levels	To improve efficiency
	Real Estate Services	Professionals; Managers	Equip with advanced skills
Business Etiquette	Cleaning Services	All Levels	To enable them to interact effectively with customers
	Labour Recruitment Services	All Levels	
	Project Management	Administrators; clerks	Improve communication
	Business Service	Administrators; clerks; managers	Prepares a good communication with clients
	Real Estate	All levels	Skills to engage clients
Communication Skills	Business Service	Administrators; Admin Clerk	Improve communication

Skills Gaps	Sub-sector	Occupational Category	Reasons for Demand
		Managers	Help to maximise sales
	Cleaning Services	All Levels	Call centre agents need training in foreign languages
	Fashion	Junior Managers	Improve liaison between client and manufacturing
	Collective Services	Clerical	Improve communication
	Contact Centres	Call Centre Agent	
	Real Estate	Administrator	
First Aid	Business Services	Administrators	To gain basic first aid knowledge
		Managers	To prepare staff in case of an injury at work or site
	Postal Services	Compliance officers	To enhance compliance with legislation

Like above, industry experts identified communication skills of candidates as a concern, largely due to the influence of social media. The problem was raised across all the occupational categories and subsectors. First aid is considered a key skills gap among business services role players. This is considered a key compliance issue.

A few new occupations in relation to the effective implementation of the BBBEE legislation have been identified by stakeholders. These occupations are BBBEE consultants and BBBEE verification analysts and there was a need to register appropriate occupation codes for them. To this end, an application to update codes within the Organising Framework for Occupations (OFO) will be submitted to the DHET. Once the new occupational codes are approved, the process of developing appropriate qualifications within the QCTO framework would commence. Some stakeholders indicated that it was difficult to recruit appropriately qualified individuals to meet the industry's needs. It was noted that the Association of BEE Verification Agencies applied for and registered a Professional Body.

3.3 Extent and Nature of Supply

3.3.1 The Extent of Occupational Skills Supply in the Sector

Higher Education and Training Programmes

The skills supply channel in South Africa comprises Universities (26), TVET Colleges (50), Community Education and Training colleges (CET) (9), registered private universities (124) and private colleges (252). There has been a steady increase of enrolments and completions across these learning channels as illustrated in Table 25. Among them, the centres of learning enrolled close to 2,2 million learners (DHET, 2019).

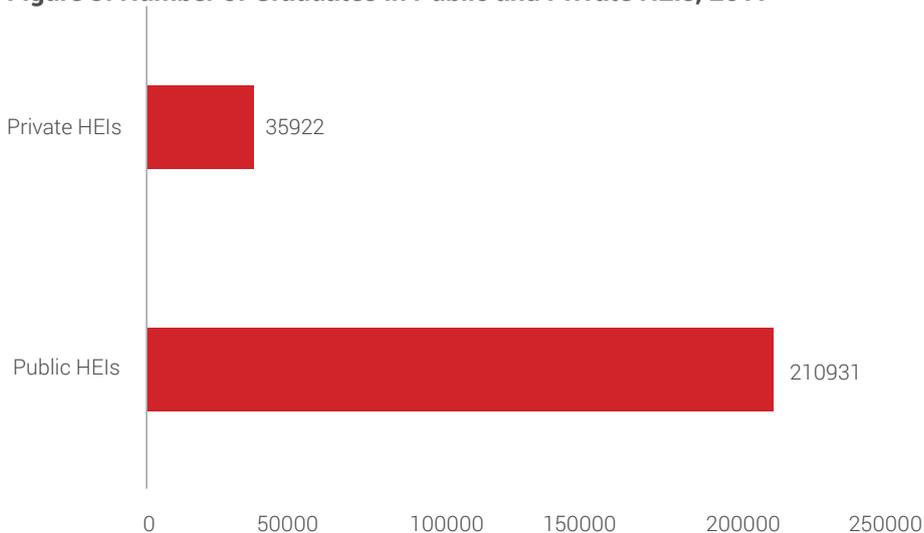
Table 25: Enrolment Figures of Learners at Tertiary Institutions

Institution	2011	2012	2013	2014	2015	2016	2017
Public HEIs	938 201	953 373	983 698	969 155	985 212	975 837	1 036 984
Private HEIs	103 036	97 478	119 941	142 557	147 210	167 408	185 046
TVET colleges	400 273	657 690	639 618	702 383	737 880	705 397	688 028
CET colleges	289 363	306 378	249 507	262 680	283 602	273 431	258 199
Total	1 730 873	2 014 919	1 992 764	2 076 775	2 153 904	2 122 073	2 168 257

Source: DHET, 2019

Figure 9 outlines the throughput rates by public and private HEIs. These institutions play a crucial role of producing future labour force, in addition to SETAs.

Figure 9: Number of Graduates in Public and Private HEIs, 2017



Source: DHET, 2019

Sector Education and Training Authorities

Primary function of SETAs is to facilitate the delivery of sector-specific skills in order to contribute to the goals of the NSDS III through skills programmes (DHET, 2017). SETAs are also expected to facilitate and support workplace-based learning through learnerships and internships. Over the last five years, there has been a gradual increase in enrolment and completion rates in learnerships, internships and skills programmes (see Table 26). Over this period, 231 097 and 173 818 learners were enrolled and certificated, respectively.

Table 26: Enrolment and Completion Rates of SETA-funded Learning Interventions

Year	Registered				Completed			
	Learnerships	Internships	Skills Programme	Total	Learnerships	Internships	Skills Programme	Total
2011/12	43 871	3 452	87 906	135 229	29 197	878	87 527	117 602
2012/13	50 885	6 127	74 587	131 599	37 158	2 195	86 491	125 844
2013/14	75 782	8 017	92 508	176 307	38 796	2 510	109 547	150 853
2014/15	77 931	12 006	137 880	227 817	40 891	3 663	106 459	151 013
2015/16	94 369	13 135	123 593	231 097	43 322	3 352	127 144	173 818
2016/17	101 447	17 216	131 017	249 680	58 080	6 777	116 141	180 998
2017/18	111 681	12 935	144 531	269 147	48 002	6 496	122 979	177 477
TOTAL	555 966	72 888	792 022	1 420 876	2 841 752	25 871	756 288	1 077 605

Source: DHET, 2019

Services SETA Funded Learning Interventions

Training in the Services Sector is facilitated through private Skills Development Providers, TVET Colleges and Universities. Through these channels, the Services SETA has consistently increased the skills supply-measures through expanded access to training. Table 27 illustrates the extent of expansion of access to training in the last seven years (2012/13 - 2016/17). Over this period, the number of learners enrolled in Services SETA learning interventions increased from 4 312 to 138 302, in 2012/13 and 2017/18, respectively. The biggest increase was in Learnerships, where the majority of beneficiaries were unemployed youth.

Table 27. Services SETA Funded Learner Enrolments by Learning Intervention, 2012/13 - 2017/18

NSDS III	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	TOTAL
Financial and Reporting Years	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	
Learnerships	1 276	314	5 682	3 693	20 029	14 542	23 227	68 763
Bursaries	128	-	744	3 671	1 409	283	4 017	13 252
Skills Programmes	493	200	1 032	789	3 871	1 680	5 945	14 010
Internships	615	1 026	1 172	3 599	3 087	9 212	9 114	27 825
Artisans	1 800	-	100	643	476	2 497	2 254	7 770
RPL		-	1 314	-	174	353	1 021	2 862
AET		-	578	85	1 734	309	1 064	3 770
Candidacies		-	-	-	-	-	50	50
TOTALS	4 312	1 540	10 622	12 480	30 780	31 876	46 692	138 302

Source: Services SETA Annual Performance Report (2017/18)

Table 28 below outlines the completion rates by the Services SETA covering 2012-2018. To date the Services SETA has certified 60 297. The majority of learners are from Learnerships followed by Internship at 27 794 and 9 114, respectively. Chapter 6 provides analysis of through put by race, gender, age and urban-rural, that is, transformational imperatives as identified by DHET through the NSDS III and NSDPI.

Table 28. Services SETA Funded Learner completion by Learning Intervention, 2012/13 - 2017/18

NSDS III	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTALS
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	
Learnerships	366	131	2 110	228	1 732	23 227	27 794
Bursaries	0	0	613	0	671	4 017	5 301
Skills Programmes	0	0	95	0	2 858	5 945	8 898
Internships	1 055	0	0	166	2 009	9 114	12 344
Artisans	0	0	88	89	326	2 254	2 757
RPL	0	0	299	46	0	1 021	1 366
AET	0	0	236	19	518	1 064	1 837
TOTALS	1 421	131	3 441	548	8 114	46 642	60 297

Source: Services SETA Annual Performance Report (2017/18)

3.3.2 The State of Education and Training Provisioning

Skills Development Providers

The Services SETA uses public and private entities to provide training in the Services Sector. There were 1 408 public and private SDPs that were accredited by the Services SETA as of 31 April 2018. Gauteng had the highest number of SDPs (947), followed by KwaZulu-Natal (157) and the Western Cape (156). Table 29 illustrates the number of SDPs per Services SETA registered qualification.

Table 29: Services SETA's Accredited Training Service Providers by Qualification

#	Qualification Code	Name of Qualification	NQF Level	Number of SDPs
1	57712	Further Education and Training Certificate: Generic Management	4	97
2	61595	Further Education and Training Certificate: Business Administration Services	4	50
3	67465	National Certificate: Business Administration Services	3	47
4	59201	National Certificate: Generic Management	5	46
5	71490	National Certificate: Contact Centre Support	2	44
6	49648	National Certificate: New Venture Creation (SMME)	2	41
7	50080	Further Education and Training Certificate: Project Management	4	39
8	66249	Further Education and Training Certificate: New Venture Creation	4	37
9	23654	National Certificate: Management	3	33
10	65750	National Certificate: Hairdressing	2	32
11	59097	Further Education and Training Certificate: Real Estate	4	31
12	65729	Further Education and Training Certificate: Hairdressing	4	27
13	59276	Further Education and Training Certificate: Marketing	4	26
14	65749	National Certificate: Hairdressing	3	25
15	65750	National Certificate: Hairdressing	2	25
16	61755	General Education and Training Certificate: Business Practice	1	21
17	23833	National Certificate: Business Administration Services	2	17
18	57937	General Education and Training Certificate: Hygiene and Cleaning	1	15
19	20188	National Certificate: Real Estate	6	13
20	93997	National Certificate: Contact Centre and Business Process Outsourcing Support	3	12
21	60780	Ladies Hairdresser (Hairdressing)	Trade	11
22	66249	Further Education and Training Certificate: New Venture Creation	4	11
23	93996	Further Education and Training Certificate: Contact Centre Operations	4	11
24	83946	National Certificate: Management	3	10
25	60713	Ladies Hairdressing (Hairdressing)	Trade	9
26	20908	National Diploma: Customer Management	5	7
27	58063	Further Education and Training Certificate: Labour Recruitment Services	4	7
28	67464	Further Education and Training Certificate: Marketing	4	7
29	80646	Further Education and Training Certificate: Beauty and Nail Technology	4	7
30	93995	Further Education and Training Certificate: Payroll Administration Services	4	7

#	Qualification Code	Name of Qualification	NQF Level	Number of SDPs
31	20152	National Certificate: Ladies Hairdressing	4	6
32	71489	Further Education and Training Certificate: Contact Centre Operations	4	5
33	36233	National Certificate: Specialist Hygiene and Cleaning Services	2	4
34	58310	National Diploma: Health and Skincare	5	4
35	67229	National Diploma: Payroll Administration Services	5	4
36	23853	General Education and Training Certificate: Domestic Services	1	3
37	48874	National Certificate: Business Consulting Practice (Enterprise Resource Planning)	5	3
38	58309	National Diploma: Project Management	5	3
49	93993	National Certificate: Labour Relations Practice	5	3
40	49129	Further Education and Training Certificate: Management and Administration	4	2
41	58395	National Certificate: Project Management	5	2
42	60781	Gentlemen Hairdresser (Hairdressing)	Trade	2
43	60993	Electrician	Trade	2
44	79626	Further Education and Training Certificate: Commercial Property and Facilities Management	4	2
45	80546	Further Education and Training Certificate: Auctioneering Support Services	4	2
46	20175	National Certificate: Hygiene and Cleaning Supervision	3	1
47	21787	National Certificate: Funeral Services Practice	3	1
48	21792	National Diploma: Contact Centre Management	5	1
49	48663	National Certificate: Mail Handling	3	1
50	49176	Further Education and Training Certificate: Business Systems Operations: End User (ERP)	4	1
51	60706	Plater (Government)	Trade	1
52	60707	Plater/Boilermaker (Government)	Trade	1
53	60709	Welder	Trade	1
54	60714	Gentlemen Hairdresser (Hairdressing)	Trade	1
55	60863	Plumber (Government)	Trade	1
56	60864	Bricklayer	Trade	1
57	60867	Plasterer	Trade	1
58	60873	Carpenter (Government)	Trade	1
59	61049	Fitter (including Machining)	Trade	1
60	61215	Diesel Mechanic	Trade	1
61	61218	Motor Mechanic	Trade	1

#	Qualification Code	Name of Qualification	NQF Level	Number of SDPs
62	71609	National Certificate: Generic Management: Real Estate	5	1
63	71729	Further Education and Training Certificate: Public Relations Practice	4	1
64	71751	General Education and Training Certificate: Adult Basic Education and Training: Small, Medium and Micro Enterprises	1	1
65	74630	Further Education and Training Certificate: Generic Management: General Management	4	1
66	93994	National Diploma: Labour Relations Practice: Dispute Resolution	5	1

Source: Services SETA MIS

Qualifications Development

The Services SETA is planning to align existing qualifications with the occupational qualifications framework set by the Quality Council for Trades and Occupations (QCTO) and the DHET to strengthen the provision side of skills development. In the last two years, the Services SETA has submitted applications for the registration of 25 new or aligned qualifications (see Table 30). A total of 5 applications have been accepted by QCTO.

Table 30: Services SETA Occupational Qualifications Submitted to QCTO

Qualification	OFO Code	Status
Programme / Project Manager	2017-121905	Registered by SAQA
Facilities Manager	2017-143901	Registered by SAQ
Contact Centre Manager	2017-143905	Registered by SAQA
Garden Worker	2017-821401	Registered by SAQA
Hairdresser	2017-514101	Registered by SAQA
Mortician	2017-516304	Evaluation Process by QCTO
Funeral Director	2017-516301	Application for development submitted to QCTO
Beauty Technologist	2017-514207	Application for development submitted to QCTO
Labour Inspector	2017-335901	Re-alignment application submitted to QCTO
Market Research Analyst	2017-243102	Application for development submitted to QCTO
Sales and Marketing	2017-122101	Application for development submitted to QCTO
Laundry and Dry-Cleaning Operator	2017-715701	Application for development submitted to QCTO
Technical Quality Specialists	2017-121908	Submitted to QCTO for registration
Labour Recruitment Consultant	2017-333301	Application for development submitted to QCTO
Labour Recruitment Manager	2017-121907	Awaiting documents from QDF
Postal Front-Line Service Worker	2017-421105	Recommended for SAQA registration
Healthcare Cleaner	2017-811202	Awaiting documents from QDF
Beauty, Skin Care Therapist	2017-514201	Re-alignment application submitted to the QCTO

Qualification	OFO Code	Status
Nail Technician	2017-514204	Application for development submitted to QCTO
Rental Clerk	2017-524902	Application for development submitted to QCTO
Hygiene and Cleaning	2017-811201	Application for development submitted to QCTO
Domestic Housekeeper	2017-515201	Application for development submitted to QCTO
Embalming	2017-516303	Application submitted to QCTO
Skincare Therapist	2017-514201	Not met requirements
Laundry Worker (General)	2017-812101	Application for development submitted to QCTO

Services SETA, QMD: Qualifications & Learning Programmes Division Occupational Qualifications Report

Career Guidance

The Services SETA conducts annual career guidance and expo events across the country in order to introduce its offerings to prospective learners. In 2018/19, the Services SETA hosted 18 career guidance events in the current reporting period to promote sector qualifications and facilitate access to skills development opportunities. Plans are afoot to conduct 18 campaigns in 2019/20.

Skills Development Infrastructure

The Services SETA is supporting the skills development infrastructures in various parts of the country. These involve renovation to existing infrastructure or development of new skills development centres. The aim is to increase access to skills development interventions in collaboration with either community colleges or TVET colleges. The list of current infrastructure projects is provided below and will be discussed further in Chapter 4.

1. Artisan Development Academy in collaboration with Motheo TVET College
2. North West Skills Development Centre in collaboration with the North West Provincial Government
3. Merrivale Skills Development Centre in collaboration with uMgungundlovu TVET College and uMngeni Municipality
4. KwaXimba Skills Development Centre in collaboration with Elangeni College and eThekweni Municipality
5. Paulpietersburg Skills Development Centre in collaboration with Mthashane TVET College and the Department of Social Development (KZN)
6. Beaufort West Trade Test Centre in collaboration with South Cape TVET College and the Beaufort West Municipality
7. Nkonkobe Skills Development Centre in collaboration with Lovedale TVET College and the Nkonkobe Municipality
8. Lovedale Skills Development Centre in collaboration with Lovedale TVET College
9. Prieska Trade Test Centre in collaboration with Northern Cape Rural TVET College and the Department of Public Works (Northern Cape)
10. Kokstad Skills Development Centre in collaboration with Esayidi TVET College and the Greater Kokstad Municipality
11. Cala Skills Development Centre in collaboration with iKhala TVET College and Sakhisizwe Municipality

3.4 Sectoral Priority Occupations and Interventions (PIVOTAL)

3.4.1 Research Methods Used to Identify Occupations in the PIVOTAL List

The Services SETA employed primary and secondary research in identifying occupations in the PIVOTAL list. Primary research involved a survey of employers falling under the Services SETA scope, employer interviews, consultations with key stakeholders through workshops, the Services SETA Management and the Accounting Authority. The secondary research included analysis of WSP data submitted by Services SETA employers as well as desktop literature reviews.

Literature Review

Analysis of PIVOTAL list for the services sector was preceded by a thorough literature review. A wide-ranging literature review was conducted to understand skills demand and supply in the services sector. Key documents included the World Economic Forum's report on "the Future of Jobs" (2016) and the United Nations' University WIDER Working Paper on "Understanding and characterising the services sector in South Africa" (2016).

Performance Information

Analysis of performance information constituted one component of the secondary data analysis. Performance information analysis included analysing enrolment data and WSPs. A descriptive evaluation research design was carried to report on enrolled, planned, or completed employer-funded and Services SETA-funded skills development interventions between 2012 and 2017. The analysis was based on key measures that focused on access and participation, learner completion, relevance, and skills supply. The WSP and ATR data submitted to the Services SETA by employers between 2012 and 2018 was also analysed to investigate areas of planned training, where training takes place and areas that need interventions through PIVOTAL programme.

Employer Interviews

Between March and April 2019, the Services SETA conducted a survey amongst employers. The purpose of the survey was to identify hard-to-fill vacancies and skills gaps in the sector, investment in training by employers and PIVOTAL list. The sample was stratified by levy paying status and subsector to ensure representivity.

Stakeholder Engagement

In April 2018, the Services SETA conducted skills validation workshops with stakeholder workshops in three provinces – Gauteng, KwaZulu-Natal and Western Cape. More than 70 company representatives took part in the workshops. The aim of the workshops was to validate the list of hard-to-fill vacancies and skills gaps as generated from the WSP/ATR and employer interviews. The sampling strategy used here was convenient sampling since the participation was limited only to the employers present at these workshops.

Consultation with SETA Accounting Authority

The draft list of Priority (PIVOTAL) programmes was approved by the Services SETA Accounting Authority.

3.4.2 The Main Findings that Informed the PIVOTAL List

Based on the discussions in Chapters 1, 2 and 3, consideration was given to (i) ensuring the pipeline of supply that there are sufficient and relevant qualifications on offer; (ii) that there are sufficient training providers, including assessors and moderators; and (iii) adequate funding through Discretionary Funding is allocated to PIVOTAL programmes through skills programmes, internships, learnerships and bursaries.

3.4.3 Envisaged Outcomes from Identified Interventions

The aim of the identified Priority (PIVOTAL) is to close the skills gaps within the services sector. Research reveals that there is a high vacancy rate in the sector, especially at middle and senior management.

3.4.4 Consultative Processes Used to Arrive at the Occupations Identified in the PIVOTAL List

Consultation included interaction with stakeholders through provincial workshops, workshops with middle and senior management of the Services SETA, Chamber Operations and industry representatives as outlined in the methodology section.

3.4.5 Quantifying the SETA PIVOTAL List

The Services SETA has not quantified the Priority (PIVOTAL) list yet. Consultations with the Accounting Authority, industry and management are still taking place to determine the magnitude. The process will be completed before the final submission. The following methodology is planned:

- The top ten occupations were identified for each chamber, based on the average number of planned interventions captured in the WSP submissions to Services SETA between 2012 and 2018 (excluding submissions where the chamber was listed as "Unknown");
- The average number of enterprises that submitted WSPs between 2012 and 2018 was determined for each chamber;
- The average number of planned interventions was divided by the average number of WSP submitters, to determine an average number of interventions per enterprise;
- The full population of both levy paying and non-levy paying enterprises operating in Services SETA related sectors was identified per chamber;
- The projections are based on a linear forward projection of planned training interventions, based on the assumption that the average number of planned interventions for the period 2012 to 2018 will also be applicable for future years. No other exogenous factors are considered for these projections.

3.4.6 Ranking of the Priority list

The ranking of the Priority (PIVOTAL) list of the Services SETA is based on the magnitude of demand and corresponding planned intervention. The magnitude is based on the projection of demand as explained above. Magnitude for planned intervention is based on the available budget. Additional criterion was applied by the Accounting Authority to rank the priority list, namely:

- Employability (Job Creation), including upward mobility;
- Skills Transferability
- Transformation; and Future Skills

The Priority (PIVOTAL) list is provided in Table 31.

Table 31: Services SETA PIVOTAL List 2020/21

#	PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED	QUANTITY NEEDED	QUANTITY TO BE SUPPORTED
1	2020/21	2017-811201	Healthcare Cleaner	Hotel / Motel Cleaner, Building Exterior / Interior Cleaner	National Certificate: Specialist Hygiene and Cleaning Services - Bursary	5	Yes	356	356
					National Certificate: Hygiene and Cleaning Supervision - Learnership	5	Yes		
					General Education and Training Certificate: Hygiene and Cleaning - Learnership	5	Yes		
					General Education and Training Certificate: Hygiene and Cleaning - Learnership	1	Yes		
2	2020/21	2017-333402	Property Practitioner	Real Estate Consultant, Leasing Consultant, Real Estate Referral Co-ordinator, Rental Agent, Leasing Agent (Buildings), Rental Property Consultant, Property Analyst / Consultant / Dealer / Developer / Planner	National Certificate: Real Estate - Bursary	6	Yes	231	45
					National Certificate: Real Estate, Further Education and Training - Bursary	5	Yes		
					Certificate: Real Estate, National Certificate: Real Estate - Learnership	4	Yes		
					National Certificate: Generic Management: Real Estate - Bursary	5	Yes		

#	PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED	QUANTITY NEEDED	QUANTITY TO BE SUPPORTED
3	2020/21	2017-411101	General Clerk	Advisory Officer Clerical, Survey Information Officer, Administration Clerk / Officer, Client Services Administrator, Operation Services / Support Officer, Tender Evaluation Co-ordinator	Further Education and Training Certificate: Payroll Administration Services - Learnership	4	Yes	1002	850
					General Education and Training Certificate: Business Practice - Learnership	1	Yes		
					National Certificate: Business Administration Services - Learnership	2	Yes		
4	2020/21	2017-332203	Sales Personnel	Technical Sales Consultant / Co-ordinator / Manager/ Technical Representative / Salesman/ Customer Services Engineer / Processor/ Technical Service Advisor / Salesman	Further Education and Training Certificate: Marketing - Bursary	4	Yes	579	203
5	2020/21	2017-132107	Quality Manager	Quality Assurance Manager/ Quality Control Manager/ Reliability Engineer/ Services Quality Manager/ Supplier Quality Assurance Manager	National Certificate: Quality Management Systems - Bursary	4	Yes	200	23
6	2020/21	2017-516303	Embalmer	None	Occupational Certificate in Embalming	6	Yes	23	7
7	2020/21	2017-331501	Marketing Manager	Sales and Marketing Manager/ Business Development Manager / Insurance Sales and Marketing Manager/ Key Account Manager/ Business Support Manager	National Diploma: Marketing Management - Bursary	5,6, 7	Yes	162	123
					National Diploma in Marketing Communication - Learnership	5			
8	2020/21	2017-335901	Labour Inspector	None	National Diploma: Labour Relations Practices: Dispute Resolution - Bursary	5	Yes	432	200

#	PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED	QUANTITY NEEDED	QUANTITY TO BE SUPPORTED
9	2020/21	2017-251301	Digital Marketer	Digital Media Specialist	National Diploma: Marketing Management - Bursary	5 & 7	Yes	583	23
10	2020/21	2017-251201	Software Developer	Software Architect/ Education Systems Co-ordinator/ Architect (Applications / Call Centre / Computing / Desktop / Ecommerce)/ Computing	National Certificate: Information Technology (Systems Development) - Bursary	5	Yes	810	102

3.5. Conclusion

This Chapter presented occupational shortages and skills gaps with reference to hard-to-fill vacancies as well as the extent and nature of supply. Reasons for hard-to-fill vacancies include lack of qualified people and lack of relevant experience, in the main. The analysis of the pipeline of supply of skills indicates incremental progress as there is a continuous growth in enrolments at learning institutions and Services SETA-funded learner numbers are progressively increasing each year. The Priority (PIVOTAL) list indicates interventions that have been prioritised for implementation.

CHAPTER FOUR: SETA PARTNERSHIPS

4.1. Introduction

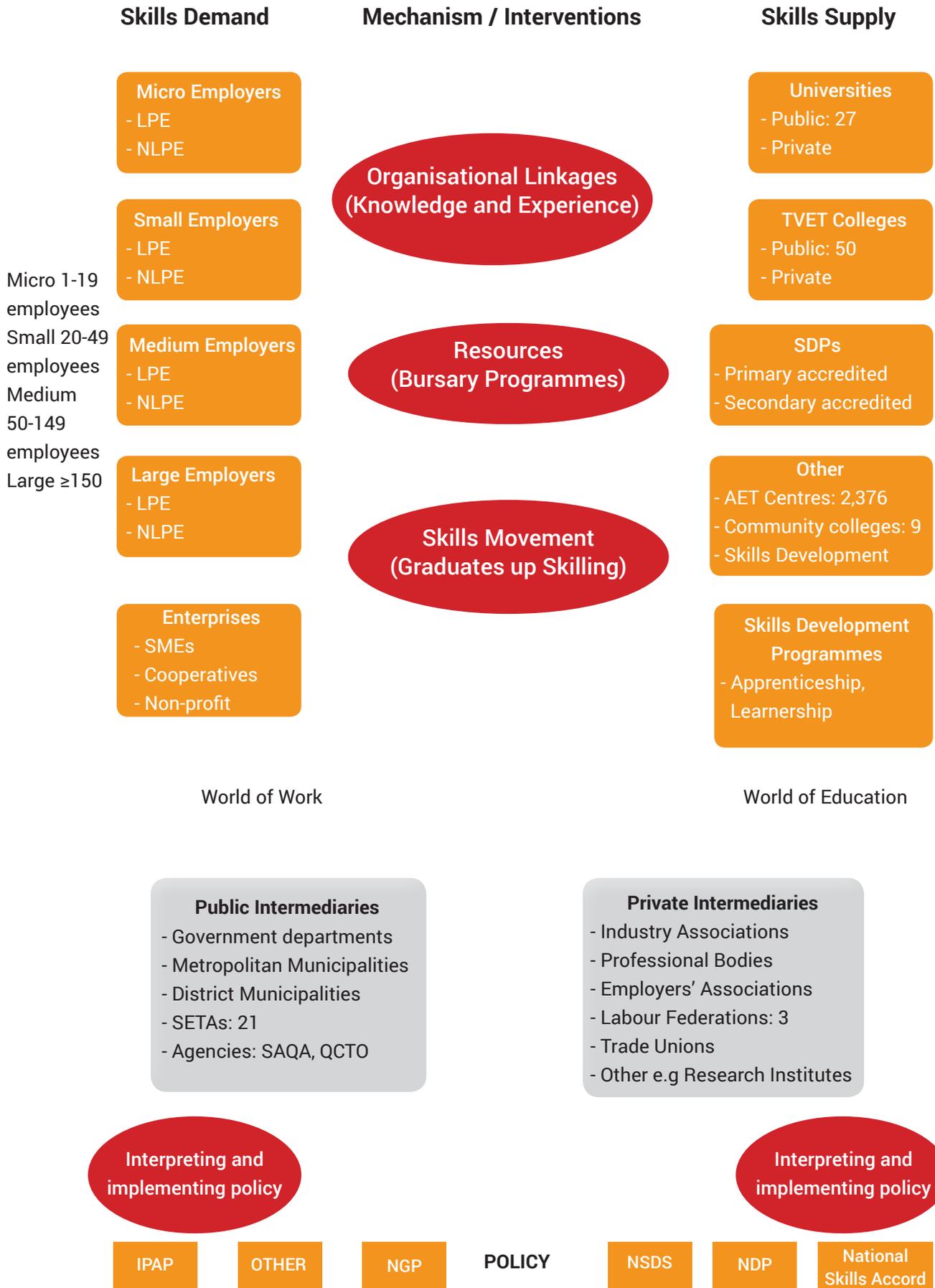
This chapter reports on existing and new partnerships between the Services SETA and key role players. The Services SETA has entered into partnerships with public, private and non-profit parties in order to deliver skills development for the services sector. Progress on the existing partnerships will be provided.

The Services SETA's partnership framework is informed by Porter's generic value chain, discussed in detail in the Strategic Plan: 2012/13 - 2019/20. Porter's model was analysed against the framework provided in "Mapping Key Role Players and SETA Partnerships" issued by the DHET's Labour Market Intelligence Partnership, see Figure 10. The mapping of partnerships recognises that:

- Employers (macro, medium and small) form the skills demand side of partnerships;
- Universities, colleges, SDPs AET Centres, Community Colleges and Skills Development Centres constitute the skills supply side of the partnership;
- Public intermediaries (government departments, municipalities, SETAs, government agencies) and private intermediaries (industry associations, professional bodies, employer associations, labour federations, trade unions) bridge the world of work and education.

Existing and new partnerships that comply with the above-mentioned elements were categorised into skills demand, skills supply and intermediaries and further broken-down by entity type.

Figure 10: Services SETA Partnership Framework



4.2. An Analysis of Existing SETA Partnerships

4.2 Partnerships as at the end of the 2018/19, excluding legacy projects, for which implementation is continuing into the current financial year are regarded as existing. Existing partnerships are categorised first into Skills Demand Partnerships, Skills Supply Partnerships and Intermediary Partnerships. Thereafter, given their importance, partnerships are detailed for public TVET Colleges, public universities and Inter-SETAs. The purpose of existing partnerships include:

- Qualifications and curriculum development
- Infrastructure development
- Career expositions
- Skills development

4.2.1 Public TVET Colleges

The Services SETA established partnerships with 29 TVET Colleges. A total of 30 out of 50 public TVET College partnerships have been established and were active at the end of the 2017/18-2018/19 financial years; 22/29 for skills development and 10/29 for infrastructure development for expanded access to skills development as indicated in Table 32 below.

The infrastructure development partnerships provide for the establishment of Skills Development Centres, Artisan Development Centres or Trade Test Centres subject to need. The SDCs are in most instances owned and managed by a public TVET College or public university. These partnerships will expire on 31 March 2020.

Table 32: TVET Colleges' Partnerships with the Services SETA

#	Name of Institution/ Partner Organisation	Nature of Partnership (start & end dates)	Objectives of Partnership	Value of Partnership
1	Motheo TVET College	1 Apr 2018/19 – 31 Mar 2019/20	Building of Artisan Academy and financial support to trade programmes	Contribution to national development priorities
2	TVET Governors Council			
3	Ikhala TVET College	1 Apr 2017/18 – 31 Mar 2019/20	Leadership and Governance development	Ensure good governance and management
4	Lovedale TVET College			
5	King Hintsha			
6	Maluti TVET College			
7	Ekurhuleni TVET West College			
8	Tshwane South TVET College			
9	uMfolozi TVET College			
10	Coastal TVET College (Mobeni)			
11	Elangeni TVET College			
12	Esayidi TVET College			
13	Majuba TVET College	Funding the renovation of college infrastructure and Services SETA learning programmes	Expanding access to skills development opportunities for improved stock of supply for the sector	
14	Mthashana TVET College			
15	uMgungundlovu TVET College			
16	Lephalale TVET College			
17	Mopani South East TVET College			
18	Sekhukhune TVET College			
19	Capricon TVET College			
20	Vhembe TVET College			

#	Name of Institution/ Partner Organisation	Nature of Partnership (start & end dates)	Objectives of Partnership	Value of Partnership
21	Waterburg TVET College			
22	Nkangala TVET College			
23	Northern Cape Urban TVET College			
24	Orbit TVET College			
25	Taletso TVET College	1 Apr 2017/18 – 31 Mar 2019/20	Funding the renovation of college infrastructure and Services SETA learning programmes	Expanding access to skills development opportunities for improved stock of supply for the sector
26	Vuselela TVET College			
27	Boland TVET College			
28	College of Cape Town TVET College			
29	False Bay TVET College			
30	South Cape TVET College			

The establishment of the SDCs directly contributes to the achievement of NSDPI 2030 Outcomes. During the establishment phase, the primary partner of the Services SETA may be a government department or municipality, but TVET Colleges will be engaged as early on as possible to ensure sustainability. These are long-term investments that involve funding for infrastructure and funding for skills development once the centres are in operation. The SDCs involve the following primary objectives:

1. Building strategic partnerships - establish strategic partnerships with all relevant stakeholders. This entails building solid relationships across all 21 SETAs and government.
2. Sourcing funding for skills development - source funding for skills development from all 21 SETAs.
3. Project managing skills development implementation - provide project management training for the implementation of all skills development programmes funded through the centre.
4. Facilitating critical skills programmes: facilitate provision of life skills, communication and computer literacy programmes to top up practical skills required in the workplace.
5. Leading local economic development initiatives - support for-profit and non-profit enterprises and co-operative development through relevant partnerships.
6. Advocacy - the centres should maximise youth involvement through lobbying and advocacy programmes such as Youth Parliament, Local Government and Legislature participation, and;
7. Information hub - centres should be supported to provide career guidance counselling services and supply all the requisite information.

From the above, the Motheo TVET College is by far the largest investment as it will serve as the National Artisan Development Academy.

4.2.2 Public Universities

As at the end of the 2018/19 financial year, the Services SETA had existing partnerships with four public universities for skills development (see Table 33). Two included training of Black managers to promote transformation. The latter two address research practises at PSET level. All partnerships will expire 31 March 2020.

Table 33: University Partnerships with the Services SETA

#	University Name	Nature of Partnership (start & end dates)	Nature of Partnership	Value of Partnership
1	Central University of Technology	01 April 2017 -31 March 2020	Services SETA staff development programme	Skills supply pipeline
2	University of Witwatersrand	28 Feb 2018 – 31 March 2020	OFO Mapping Research Chair to develop a Mapping Tool and methodology	Research practice
3	Rhodes University	28 Feb 2018 – 31 March 2020	M&E Research Chair to develop M&E Framework and related Tools	Research practice
4	University of Pretoria	June 2019 – Dec 2020	Leadership development training to support transformation in the sector	Skills supply pipeline

4.2.3 Private Sector Partnership

The Services SETA has entered into partnership with private sector, labour and State Owned Entities to support leadership development and transformation in the sector. Current partnerships are listed below.

Table 34. List of Private Partnerships

#	Name of Institution/ Partner Organisation	Nature of Partnership (start & end dates)	Objectives of Partnership	Value of Partnership
1	CAPEX / WITS / GLU	1 Apr 2019/20 – 31 Mar 2020/21	Leadership development training to support transformation in the sector	Promoting transformation in the services sector
2	EOH			
3	UASA		Training of shop steward	
4	SATAWU			
5	COSATU			
6	Sefa/SEDA/DSBD		Strengthen SME through training and development of standards	

4.2.4 Inter-SETA

The Services SETA is collaborating with 21 other SETAs to develop a suit of research tools and frameworks for skills development through a network of research chairs. The Services SETA is in the main funding the development of the M&E framework and Project Evaluation Tool that will be led by Rhodes University, and the development of the occupational mapping tool that will be led by the University of the Witwatersrand.

4.3. Strengths and Lessons Learnt from Existing Partnerships

This section seeks to provide some understanding and insight into the lessons learnt thus far (see Table 35).

Table 35: Lessons Learnt from Existing Partnerships

#	Nature of Partnership	Lesson Learnt
1	Public TVET Colleges	The development of skills centres in partnership with TVET Colleges and the funding of infrastructure has strengthened access to skills development for rural communities
2	Public Universities	Partnership with universities has improved collaboration between the SETA and HEIs which may result in uptake of Services SETA qualifications at university-level
3	Private Sector Partnerships	The partnership with the industry through chamber departments has strengthened the quality and credibility of skills demand in the sector
4	Inter-SETA	Services SETA participates in a collaborative research programme with 21 SETAs facilitated by Rhodes University and the University of the Witwatersrand

4.4. Planned Partnerships

There have been delays in the finalisation of new partnerships due to the late confirmation of the new SETA landscape. As a result, the Services SETA was not able to commit to any partnerships beyond the current license period.

4.5. Best Practice for Effective Partnerships

Partnerships between the Services SETA and CETA have proven successful thus far. This partnership improved collaboration among SETAs, HEIs, TVET Colleges and different spheres of government to address skills developmental needs of the sector. However; the partnership has expired. The current partnership under the research collaboration initiative is under review to determine the extent of success.

4.6. Conclusion

The framework for mapping partnerships and stakeholder proposals has highlighted the gaps in existing partnerships and opportunities to explore new partnerships. Further mapping and alignment of the purpose of these partnerships to primary business activities has enhanced prioritisation. The development of a partnership framework is underway and will be concretised following further research, consultation and planning.

CHAPTER FIVE: SETA MONITORING AND EVALUATIONS

5.1 Introduction

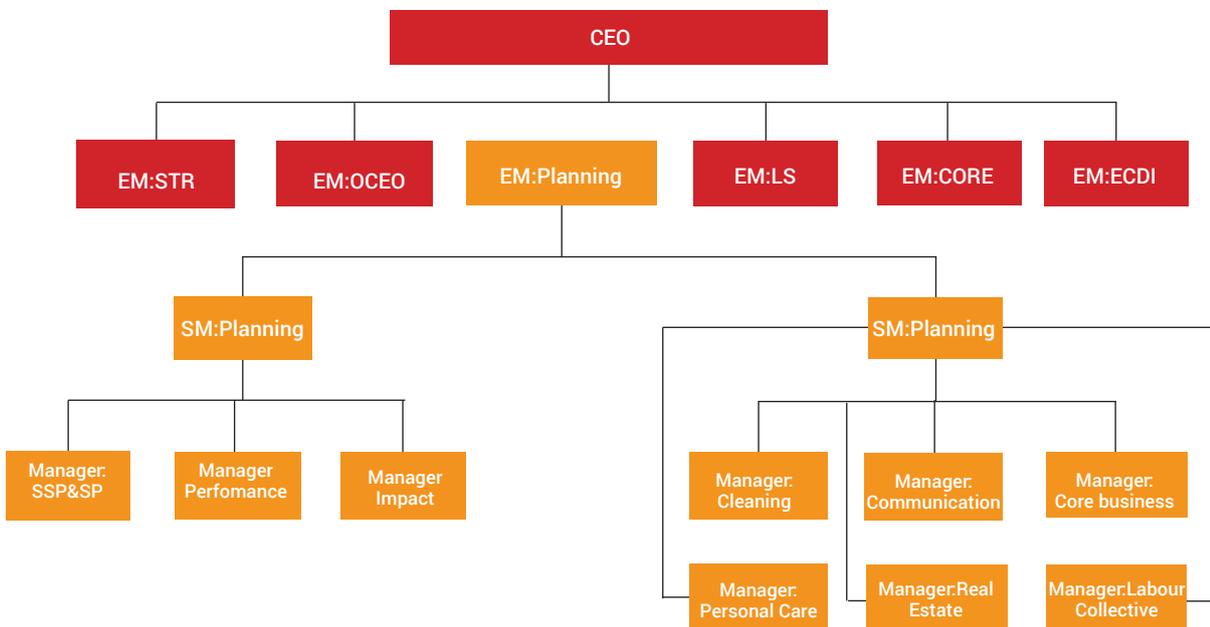
This chapter addresses monitoring and evaluation practices at the Services SETA. It also addresses among others, the approaches to M&E at the Services SETA, the use of performance information and audit outcomes to inform planning, and a review of the Services SETA's performance against the previous year's skills priorities. The latter will reflect on progress made, shortcomings and plans to address them.

5.2 Sector Skills Planning Reflections

5.2.1. Services SETA's Approach to Monitoring and Evaluation

This section discusses the Services SETA planning capacity in relation to institutional arrangement or organogram and staffing. The Services SETA Planning Department comprises Research Performance Reporting and Verification, Impact Assessment and Chamber Operations unit, as illustrated in Figure 11. A brief discussion of each unit is provided below, with reference to its role in the planning value chain and human resources capacity.

Figure 11: Planning Department's Organogram



a) The Research Unit

This unit conducts sector-specific primary and secondary research on key economic indicators such as GDP and employment; and the nature and extent of skills supply and demand. The unit comprises a manager and senior officer. The Sector Skills Plan, Strategic Plan and Annual Performance Plan update falls within this Unit. The location of this function within the Research Unit strengthens alignment during the planning process.

b) The Performance Reporting and Verification unit

This unit is responsible for ensuring the integrity of the data by checking the veracity of the reported data before reporting the status of organisational performance to Management, the Accounting Authority and the Executive Authority, DHET. The Unit further works with internal and external auditors (DHET and AG-SA) to verify organisational performance against set targets and supporting evidence. This information is used to inform decision-making at the Services SETA as well as the planning process. The staff compliment of the unit is five; being a manager, two senior officers, officer and an administrator.

c) The Impact Assessment Unit

The role of this unit is to conduct research to measure the impact of the learning interventions and programmes on intended beneficiaries; review internal processes and procedures to optimise operational efficiencies, and inform future interventions and organisational and programmatic goals. The unit comprises a manager and senior officer.

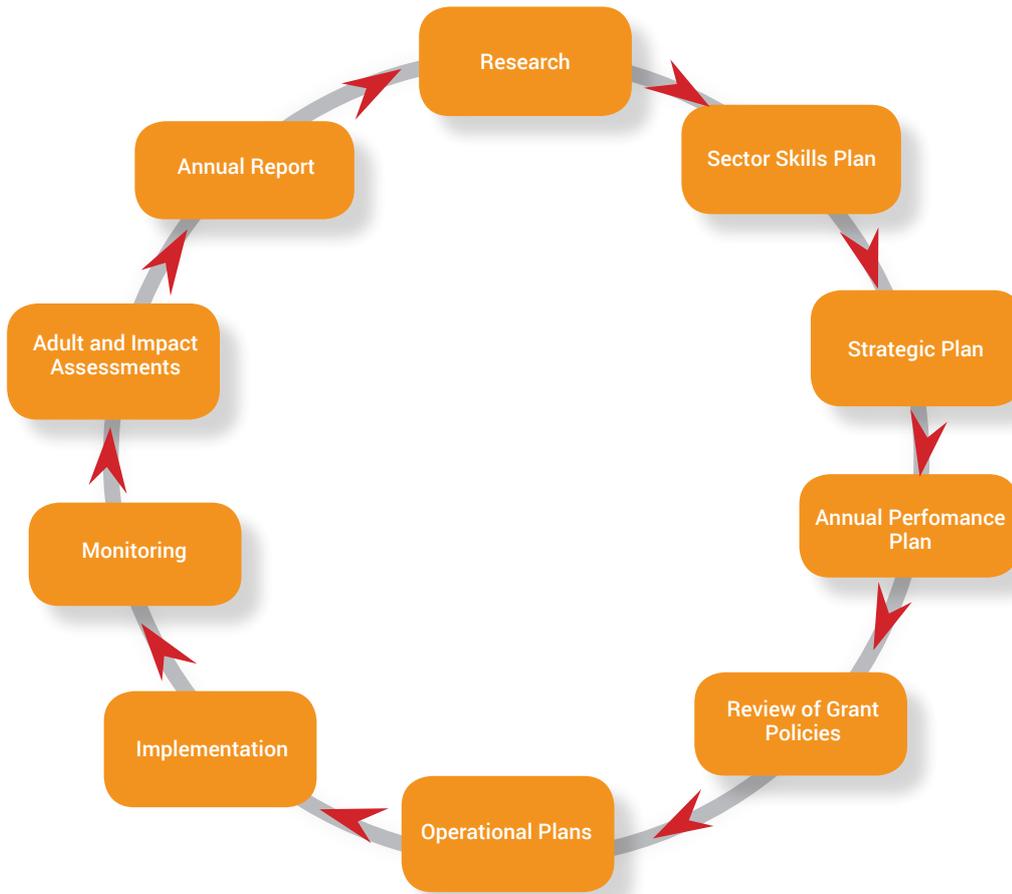
d) Chambers

Chambers play a critical role, and their strategic area identifies the skills shortages in the sub-sectors; liaise with employers, and support the agenda of skilled employees in the sector; support, facilitate and promote the quality of occupation-based learning in the sector; promote effective communication between and participation by bodies involved in Skills Development, and support skills development in the informal sector and other income generating initiatives for the unemployed. The unit consist of six managers, two officers and three administrators.

5.2.2. Use of Internal Data to Inform Research and Planning

The purpose of this section is to illustrate how the Services SETA uses information from previous year's performance information, annual reports and research reports, including tracer studies, and internal and external audits to inform research and planning. The planning cycle of the Services SETA is depicted below in Figure 12.

Figure 12: Planning Cycle



a) Research

The planning cycle starts with research. The research process involves analysis of performance information; audit and impact assessments reports; employer data as contained in WSP and ATRs, publicly available data such as Stats SA’s Quarterly Labour Force Surveys; Quarterly GDP; Quarterly Employer Surveys; DHET’s Statistics on Post-School Education and Training in South Africa and Post-School Education and Training Monitor, interviews with industry role players – that is, employers, employer associations, labour and service providers. In this update, four primary research studies were conducted. Findings from research are used to update the SSP, SP and APP annually.

b) Sector Skills Plan

The purpose of the Sector Skills Plan is to undertake an audit of the sector skills demand and supply. As illustrated in the Research Process and Methods, the update of the Sector Skills Plan is informed by primary and secondary research. Research includes analysis of performance information such as the number of learners enrolled and/or completed in various learning programmes, primarily; learnership, internship, bursaries, short skills programmes, artisan, AET and candidacy. On an annual basis a “pipeline” analysis is conducted to look at the alignment between skills priorities as identified in the Sector Skills Plan and the funded learning interventions. The SSP is used to inform the SP and APP. It is a key document that informs priority investment areas of the Services SETA.

c) Strategic Plan

The Strategic Plan outlines the five-year plan of the Services SETA with clear goals, strategic objectives and performance indicators. Table 36 outlines Services SETA's goals and performance indicators. The SP goals and outcomes are informed by the SSP.

Table 36: Services SETA Strategic Outcome Oriented Goals and Outcome Indicators

STRATEGIC OUTCOME ORIENTED GOALS	#	OUTCOME INDICATOR
Improve the stock of skills	1.1	Percentage increase in unemployed learners successfully completing learning programmes per annum
	1.2	Percentage increase in employed learners successfully completing learning programmes per annum
	1.3	Weighted average throughput rate of learning programmes per annum
	1.4	Average achievement of transformational imperatives per annum
Improve the flow of skills	2.1	Percentage correlation between learner enrolments and priority skills per annum
	2.2	Percentage priority skills with accredited skills development providers per annum
	2.3	Percentage increase in employers mentoring learners in the workplace
	2.4	Percentage investment in skills development infrastructure per annum
Improve the Services Sector's capabilities	3.1	Number of entities supported with entrepreneurial education or enterprise development per annum
	3.2	Number of private intermediaries engaged per annum
	3.3	Number of public intermediaries engaged per annum
Strengthen the Services SETA's capabilities	4.1	Percentage improvement in economy of service delivery per annum
	4.2	Percentage improvement in efficiency of service delivery per annum
	4.3	Percentage improvement in effectiveness of service delivery per annum

The Strategic Plan aligns the Services SETA's goals to Sector Skills Plan priorities and available human and financial resources. Key role players in the development of the Strategic Plan include the Services SETA Accounting Authority, Management and staff.

d) Annual Performance Plan

The Annual Performance Plan translates the five-year plans into an implementable year plan. Attached to the year plan are the performance targets which are monitored monthly and reported quarterly to the Services SETA Board and the DHET. The Annual Performance Plan is divided into four programmes, Administration, Skills Planning, Programme Interventions and Quality Management. The Annual Performance Plan 2019/20 has four strategic objectives and 35 performance indicators aligned to the four programmes as outlined in Table 37. The APP is meant to implement the goals and outcomes identified in the SSP and SPA.

Table 37: Annual Performance Plan's Programmes, Strategic Objectives and PIs

Programme	Number of Strategic Objectives	Number of Indicators
Administration	3	4
Skills Planning	2	3
Learning Programmes	5	24
Quality Management	2	4
Total	12	35

e) Review of Grant Policies

The Services SETA grant policy is reviewed yearly in order to ensure alignment between Sector Skills Plan priorities and Strategic and Annual Performance Plans' targets for the year, on one hand and Annual Performance Plans' yearly targets and the budget on the other.

f) Operational Plans

Operational plans outline the role of different departments in the Services SETA to achieve annual targets as set out in the Annual Performance Plan.

g) Implementation

This stage involves the cycle of identifying interventions to be prioritised; invitation of interested parties to training interventions; selection of qualifying service providers; contracting; project implementation monitoring, evaluation and reporting.

h) Monitoring and Reporting

Monitoring takes place at two levels. Firstly, departmental heads report to the Chief Executive Officer of the Services SETA on a monthly basis. Secondly, the Planning Department through Performance Reporting and Verification unit, compile a quarterly report for the Services SETA Board and the DHET.

i) Audit and Impact Assessment

Audit takes place at three levels. In the first instance, internal audit department contacts routine audit functions across the functional areas of the Services SETA in line with the Strategic Plan and applicable legislation. Secondly, the Department of Higher Education and Training conducts a quarterly audit of the Services SETA performance in line with the APP. Thirdly, the Auditor-General of South Africa conducts an external audit in line with applicable legislation. Findings from these audits are used to inform the research agenda, and the updates of the SSP, SP and APP.

Tracer studies are also used to monitor throughput rate and related challenges. Findings from these studies are used to inform management decision-making and the planning process. In 2016/17 financial year the Services SETA conducted an impact evaluation study focusing on learnerships and internships. The study highlighted positive findings with regard to absorption on graduates into the work place. Almost 70% of contacted learners found employment six months after completing their learning interventions. The weakness was found mainly in the administration of learner stipends. Many

learners complained that they received their stipends late which adversely affected their attendance. The Services SETA addressed this problem by introducing a learner biometric system to track attendance and directly paying stipends into learners' bank accounts.

j) Annual Report

The Annual Report highlights the performance of the Services SETA against predetermined targets. The Annual Report for 2018/19 indicates the Services SETA met 97% of its target within the allocated budget. Challenges highlighted in the Annual Report included timely payment of stipends to learners and data integrity, along with delayed project commencements. To this effect, service providers were identified to handle payment of learners' stipends and improve online submission of learner records to improve data integrity.

5.2.3. Prior Year Reflections

This section examines the extent to which priority actions identified in the prior year's SSP have been achieved. The SSP 2018/19 had identified four priority actions, namely; a) Promoting access to skills development, b) Entrepreneurship and enterprise development; c) Alignment of Services SETA qualifications and d) Work-based training and mentorship. Significant progress has been made in relation to all priority actions, bar the latter.

a) Promoting Access to Skills Development

The Services SETA implemented a number of programmes aimed at providing access to skills development opportunities for rural communities in particular. Key among such initiatives include the training of assessors and moderators, workplace coaches and mentors, and skills development facilitators. Special attention was given to subsectors such as the funeral services, hair care services, beauty treatment services, fashion and modelling services, hiring services, cleaning services, and real estate and related services.

In addition, the Services SETA responded to the need to provide skills development initiatives in rural areas. This was done through partnerships with various municipalities, tribal authorities and TVET colleges to ensure that the offerings reach all sectors of society. The following communities benefited from these interventions: Ngqeleni, Emfundisweni, Mkhuze, Ga-Mafefe, Tshisaulu, the Greater Kokstad and Sakhisizwe municipalities, and the National Artisan Development Academy in the Mangaung Metropolitan Municipality in partnership with Motheo TVET College.

b) Entrepreneurship and Co-operative Development

Our Enterprise Development approach is intended to feed into our value chain. Skills Development Facilitator, Assessor and Moderator programmes were successfully completed by seasoned, emerging entrepreneurs and new entrants who have an interest in the skills development space, particularly the service area. These Skills Programmes were offered at no cost to the beneficiaries. In order to intensify the impact of the programme, the competent recipients were provided with guidance on how to operate as successful SDFs, Assessors and Moderators.

Another programme is aimed at assisting SMMEs with the entire Accreditation process. This intervention entails Accreditation Workshops, Skills Programmes in line with business support, and assisting these SMMEs with uploading the documents in the Learning Intervention and Monitoring system for accreditation, which is Desktop evaluation. The progress so far is stable and satisfactory, and we are optimistic about the desired output.

c) Alignment and Review of Services SETA Qualifications

The Services SETA has prioritised to align eight of the existing qualifications to the QCTO's occupational qualifications' standards. The process is underway with differing levels of progress. Some are much closer to finalisation whereas a process for others has just started.

d) Mobilisation of Industry to Participate in Work-based Learning Programmes

The priority on mobilisation of industry to participate in workplace-based learning was not met within the stipulated timeframe. The process of identifying, approaching and contracting took longer than anticipated due to the size of the industry. The process is ongoing with relative progress as highlighted below.

5.3 Plan of Action

Efforts to implement the priority on mobilisation of industry to participate in Work-based learning programmes are already under way. In the first instance, a bench-mark study has been undertaken to learn best practice models from other SETAs and training providers. Secondly, the Services SETA has embarked on a bi-annual engagement with CEOs' of top levy-paying companies to strengthen relationships in order to secure work placements for learners. The first engagement took place on 22 May 2019.

Additional action plans to improve planning processes at the Services SETA include the Research Chairs on M&E and OFO Mapping. The M&E Research Chair aims to develop a standard approach to monitoring and evaluating SETAs' operations. Additional deliverables include the development of project evaluation methodology and tool, and a cost-benefit analysis tool. This Research Chair is in partnership with Rhodes University. The OFO Research Chair's role is to develop an online tool for mapping jobs to occupations. The tool, along with the M&E framework, will be for the benefit of the entire post-education and training system. The latter Research Chair is with REAL, Wits University.

5.4 Conclusion

This chapter discussed the skills planning process at the Services SETA with reference to institutional arrangement and staffing capacity. It demonstrated the strong alignment between planning and monitoring and evaluation at the Services SETA by ensuring that the functional departments work together and have the same reporting line. Secondly, the chapter reflected on progress against priority actions. All priority actions, except one, have been realised. A plan of action for realising priorities not met has been outlined, along with additional measures aimed at improving planning processes at the Services SETA, have also been outlined in the third section of the report.

CHAPTER SIX: STRATEGIC SKILLS PRIORITY ACTIONS

6.1. Introduction

Chapter 6 highlights key discussion points from Chapters 1, 2, 3, 4 and 5. Drawing conclusions from those chapters, this chapter identifies possible areas of intervention and suggests actions that should be taken to address them. It also responds to measures that have been put in place to support national strategies and plans.

6.2. Findings from Previous Chapters

Chapter 1 highlighted the fact that the South African economy is struggling to grow at the required pace. In fact, the economy might be heading to a recession. Whilst some underlying causes are within the control of the South African government, others are not; like "international trade wars". Despite these challenges, the services sector remains central to the South African economy. This sector continues to lead in terms of contribution to the Gross Domestic Product, at 22%. The sector creates employment opportunities to more than 3 million people; equivalent of 28% of the national employment rate. A challenge facing the sector is the fact that it is shedding jobs at the lowest levels of the employment hierarchy; elementary and domestic workers. As pointed out above, this is the area where majority of employees in this sector are concentrated, more than 50%. This state of affairs has serious implications for skills development; the need to up-skill lower-level workers to improve upward mobility and/or re-employment in other functional areas, such as IT, but most importantly, promoting entrepreneurial development. There is a need to prioritise training in the SMME space to support growth. Research reveals that medium enterprises are more likely to create new jobs than large ones. The establishment of the ECDi by the Services SETA to support SMEs, is a timely intervention in this regard.

Chapter 2 addresses key drivers of change of skills development and their impact. Information and Communication Technology; Globalisation and Economic Integration, and Policy and Legislative Changes were identified as key change drivers in the services sector. The Fourth Industrial Revolution has a profound impact across sub-sectors and industries. Sub-sectors mostly impacted upon include; marketing, contact centres, labour recruitment, business services and cleaning services. The phenomenon of globalisation has the twin-impact stifling growth and driving unemployment figures up with serious repercussions for skills development in affected countries. Most multinational companies are headquartered in countries of origin or those that provide a tax haven, with a negative impact on the countries in which they operate. With regards to skills development, multinational countries are more likely to import skills than invest in new skills development in order to fast track profit-maximisation. Sectors that are likely to be affected include contact centres, labour recruitment and business consulting. Employers raised legislation and policies that drive transformation and decent wage through BBBEE and minimum wage, respectively, as having a negative impact on their functioning and profitability. SMEs were hardest-hit by this problem.

Implications for skills development are that the sector needs to respond appropriately and fast enough to ensure access to these developments. There is a need to constantly review current qualifications and the stage of readiness of the training providers. The Services SETA is currently working with the industry to identify new qualifications that can best meet the sector demands. Chapter 2 further highlights the alignment between the Services SETA's skills development initiatives with key national policies such as the National Growth Plan, White Paper on Post-School Education and Training, NSDP, National Development Plan and the 9-Point Plan. Regarding the latter three plans, a strong alignment is made on growing SMEs.

Chapter 3 discusses skills issues in the services sector. The chapter identifies vacancies for which it is difficult to recruit – hard-to-fill vacancies and skills gaps. Hard-to-fill vacancies refer to vacancies for which employers are unable to recruit or attract suitable talent for a period of more than 6 months. This serves as an indirect indicator of skills scarcity within the sector. The emergent list of hard-to-fill vacancies indicate that the sector is struggling to recruit for high level skills (NQF Level 6 and above) such as managerial, professional and technical occupational categories. Moreover, IT-related skills seem to be in higher demand. These are regarded as productive occupations of the sector that largely drive economic growth in the sector. Equally, skills gaps are concentrated in social skills such as solving complex problems, people management skills and cognitive skills.

The Occupational Priority (PIVOTAL) list of the Services SETA was developed using several data sources evaluated against the criteria of focusing on transformational and national imperatives, and labour and social demands. This exercise resulted in a list comprising a mixture of hard-to-fill vacancies and trades. Importantly, the PIVOTAL list was developed taking into account the need to balance supply across high, intermediary and entry level qualifications.

The analysis of partnerships in Chapter 4 indicates the Services SETA's partnership model to promote access to skills development. A mixture of strategies has been devised and implemented to increase access to skills development. These involve partnerships with universities, colleges (TVET and Community), government departments, state owned entities and collaboration with other SETAs.

Chapter 5 addresses monitoring and evaluation practices at the Services SETA. It emphasises the centrality of performance information and audit reports in informing the decision-making process in the organisation. Key sources of information are the ones derived from the pipeline analysis and risk analysis and review exercise. This chapter further reflected on the performance of the Services SETA against previous years' skills development priority actions. Four of the five action plans were achieved. Intervention measures have been put in place to realise the five action plan.

6.3. Recommended Actions

Based on the challenges and opportunities in the services sector that are outlined in Chapter 1 through to Chapter 5, the following skills priorities have been identified to respond appropriately:

a) Promote social and circular economy through entrepreneurship and co-operative development initiatives

The South African Government's Nine-Point Plan and National Development Plan place a strong emphasis on developing small and medium enterprises. Point four of the Nine-Point Plan aims to “[unlock] the potential of small, medium and micro enterprises, co-operatives and township enterprises”. Realising that entrepreneurs at different stages of the business life cycle and at different levels of capital (human, financial, social and intellectual) intensity, need different content, products and services to grow and sustain their businesses. Services SETA, through the Entrepreneurship and Co-operative Development Institute programme of action is investing in the development of applied learning products such as business advisory services and business development services. Once proven successful, discretionary grant funding shall be awarded for quality supply scaling up delivery across all SETAs and sectors. This project is being implemented in partnership with learning institutions, corporate sector and government departments such as the Department for Small Business Development, among others, to support corporates and small enterprises.

The Programme of Action for the Institute comprises 9 interventions that will be designed and developed into content, products and services for entrepreneurs both virtually and physically. They include: research and dialogue; online ecosystem; business advisory services; monitoring and evaluation; societies; micro entrepreneurship programme; business growth programme; start-up enterprise villages; and skills development.

b) Increase throughput rate of occupationally directed qualifications through mobilisation of key industry role players

Linked to the question of vocational training is work experience. For firms to be competitive, the labour force; especially new entrants should be competent as well as qualified. Competence cannot be assumed from qualifications. Therefore, the skills system has to find a way of ensuring that qualified people also have experience and proof of competence. This is in the main the role played by internship programmes. A learner tracer study conducted by the Services SETA (2017d) to measure the impact of learnerships and internships revealed, amongst others, that the lack of mentorship was a major challenge.

This finding suggests the need to work closely with employers to ensure that learners find placement with companies in order to gain practical experience upon completing their theoretical learning. The Services SETA has prioritised the training of coaches and mentors to support work-based training and mentorship. In addition, the Services SETA aims to expand collaboration with employers, employer associations, trade unions and learners to facilitate access to work-based learning for those who obtain their qualifications.

c) Improve the pipeline of supply by ensuring relevance of qualifications and capacitation of training providers, including TVET Colleges

The supply side of skills development in the services sector is severely constrained by the lack of up-to-date qualifications, especially those relating to ICT and the Fourth Industrial Revolution. Compounding the problem is the lack of uptake of SETA qualifications by public TVET colleges. There is also an issue of capacity among private providers.

In addition, the Services SETA will embark on a programme aimed at aligning learning programmes to new regulations. Grant Regulations (2012) require that the key focus of the Services SETA must be to address hard-to-fill vacancies and skills gaps, through programmes that are designed to address such skills needs and which include work-based learning. As a result, the changes to the regulatory process require that the Learnership Regulations (2007), be replaced with the Workplace Based Learning Programme Agreement Regulations, 2018.

d) Expand access to skills development to employees and learners residing in rural and peri-urban areas of South Africa

Services SETA will focus on partnerships with the HEIs to ensure that bursary schemes reach the students who do not have resources and information. A three-pronged approach has been devised. These involve: the development of skills development centres, provider capacitation and e-learning platform. Over the last three years, the Services SETA has supported the construction of skills development centres where none existed, and renovation of existing ones to ensure access to skills development. Special emphasis will be made on promoting transformation. Table 38 illustrates the Services SETA's performance against key transformation indicators.

Table 38. Enrolment Figures Against Transformational Imperatives

Intervention	2018/19		Unemployed	Female	Black	Disability	Youth	Rural
	Employed	Unemployed						
Adult Education and Training	644	- (0%)	6 449 (100%)	496 (77%)	629 (98%)	- (0%)	208 (31%)	405 (63%)
Artisans	3 030	221 (7%)	2 809 (93%)	1 629 (54%)	2 545 (84%)	19 (1%)	2,770 (91%)	422 (14%)
Bursaries	4 143	711 (17%)	3 432 (83%)	2 468 (60%)	3 916 (95%)	78 (2%)	3,963 (96%)	712 (1%)
Candidacy Programmes	190	166 (87%)	24 (13%)	123 (65%)	82 (43%)	2 (1%)	105 (55%)	11 (6%)
HET Graduates	1 820	- (0%)	1 820 (100%)	1 216 (67%)	1 784 (98%)	13 (1%)	1,751 (96%)	578 (32%)
Internships	2 028	- (0%)	2 028 (100%)	1 494 (74%)	2 003 (99%)	12 (1%)	1,975 (97%)	1,050 (52%)
Learnerships	14 389	1,029 (7%)	13 360 (93%)	10 119 (70%)	13 147 (91%)	442 (3%)	12,849 (89%)	6,610 (46%)
Recognition of Prior Learning	1 104	- (0%)	1 104 (100%)	833 (75%)	941 (85%)	10 (1%)	655 (59%)	228 (21%)
Skills Programmes	3 216	2 195 (68%)	1 021 (32%)	2 279 (71%)	2 886 (90%)	18 (1%)	2,296 (71%)	804 (25%)
TVET Placements	662	- (0%)	662 (100%)	516 (78%)	660 (100%)	5 (1%)	648 (98%)	424 (64%)
TOTAL	31 226	4 322 (14%)	26 904 (86%)	20 161 (65%)	27 304 (87%)	594 (2%)	26 364 (84%)	10 415 (33%)

6.4. The Impact of the Fourth Industrial Revolution

The world of work beyond 2020 will be significantly different from the workplace of today. Therefore, it is crucial for the PSET system to appreciate these major shifts to cultivate a skills planning system that will ensure programming that will endure the turbulence of the next five to 10 years. There is clear evidence that the technologies that underpin the Fourth Industrial Revolution are having a major impact on businesses and the world of work. Two priorities, for the Services SETA, are therefore to: (1) engender a deliberate programme aimed at stimulating sufficient understanding of disruptive changes eminent within the services sector; (2) resulting from the former, cultivate a workforce development strategy that is aligned to the unravelling innovation across the sector. More specifically, in order to effectively engender a 4IR outlook to skills development the Service SETA will push for:

- Less onerous instruments for workforce training; which prepare individuals to move more easily across occupations – rather than training them for specific occupations on the Organising Framework for Occupations (OFO).
- Reshaping of industry thinking away from a compliance approach towards SETA interventions, while encouraging interventions that are premised on developing the specific skills workers require to apply unfamiliar disruptive technologies to innovative projects.
- Identifying, funding and supporting priorities that equip individuals to create their own work, instead of preparing them for the job market.

In line with the Institute for the Future thinking, the Services SETA will endeavour to incorporate a futuristic approach to qualifications development; an opportune time as the transition to occupational qualifications is being fast tracked.

6.5. Measures to Support National Strategies and Plans

The table below outlines measures taken by the Services SETA to support national strategies and plans.

Table 39. Measures to Support National Strategies and Plans

National Strategies and Plans	Support Measures
National Skills Development Plan, 2030	The Services SETA has (i) established two university research chairs, namely M&E Research Chair (Rhodes University) and OFO Research Chair (REAL, WITS). It is supporting 16 Skills Development Centres across the country, with special focus on rural areas. It has collaborated with Motheo TVET College and the Construction SETA to construct a National Artisan Academy in Mangaung. An Entrepreneurship and Co-operative Development Institute has been launched to support SEDA, SEFA in growing SMEs.
Nine Point Plan	Point 7 of the Nine-Point Plan by the South African government to turnaround the economy focusses on the development and growth of SMEs. The Services SETA's ECDi's programme action has identified 9 areas of intervention which will be implemented in the short-, medium- to long-term. Key activities include; advisory, incubation services, and linkage with other opportunities for SMEs initiated through ECDI
Strategic Infrastructural Projects	The Services SETA has an integral role to play in terms of using the SIPs as a training platform. Supporting skills such as project management, human resources, cleaning, gardening and general administration will be facilitated through various learning interventions, as the need dictates

6.6. Conclusion

This chapter provides a summary of chapters 1-5, with particular emphasis on implications for skills development, and interventions developed by the Services SETA to respond to these implications. Current and planned interventions include:

- Promote social and circular economy through entrepreneurship and co-operative development initiatives
- Increase throughput rate of occupationally directed qualifications through mobilisation of key industry role players
- Improve the pipeline of supply by ensuring relevance of qualifications and capacitation of training providers, including TVET Colleges
- Expand access to skills development to employees and learners residing in rural and peri-urban areas of South Africa.

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**ANNEXURE A: CONTINUOUS
IMPROVEMENT PLAN**



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1. Introduction

The revised Sector Skills Plan Framework and Guidelines issued by the Department of Higher Education and Training in 2019, requires SETAs to submit a Continuous Improvement Plan (CIP) accompanying each Sector Skills Plan (SSP) update. This CIP has been prepared in line with the prescribed format of the revised Framework. The first section of the CIP highlights areas of improvement that were identified in the 2018/19 submission. The second section discusses the CIP Matters as recommended by the DHET. The final section presents the approval by the Chairperson of the Accounting Authority.

2. Progress

The SSP 2018/19 CIP highlighted the need to strengthen the methodology employed in identifying hard-to-fill vacancies and skills gaps to ensure meaningful participation by industry stakeholders. This recommendation was addressed through triangulation of findings through in-depth analysis of Workplace Skills Plans and Annual Training Reports, employer interviews, skills needs analysis with chamber committees and validation workshops with major employers.

Skills demands analysis was also strengthened through a futuristic research exercise that took a long horizon look into the future of jobs and skills. Special attention was also paid to small industries such as funeral services, beauty, and business advisory services to ensure equity in the provision of skills interventions.

A major improvement has been the inclusion of a chapter on monitoring and evaluation. This chapter has allowed the Services SETA to reflect on internal processes and to use internal data to inform decision-making and planning. It has also allowed the Services SETA to pay special attention to the impact of learning interventions.

Continuous enhancements have been effected on the Services SETA Learner Information Management System in order to improve the integrity of learner and employer data. The system has been synchronised with the DHET's Sector Education and Training Management Information System. This development has helped to strengthen the integrity of the Services SETA data.

Lastly, the Services SETA has sought to align this SSP update to the National Skills Development Plan's Outcomes and the five-year planning cycle.

3. CIP Matters

MATTER	CURRENT STATUS	PROGRESS MADE	ACTION PLAN
3.1 Research Agenda and Strategy	Title: Analysis of workplace training demand and supply	The purpose of this study is to identify the mismatch between skills demand and supply in the services sector, by analysing the Mandatory Grant (WSP/ATR) data. The completion of the research study is 31 July 2019	Findings from the final report will be incorporated in the 1 August 2019 submission of the SSP
	Title: Analysis of hard-to-fill vacancies and skills gaps in the workplace	This project is part of the DHET ESS pilot study that looks at the skills scarcity in the economy using hard-to-fill vacancies and skills gaps as proxies. The project was completed on 24 May 2019	A comprehensive report will be forwarded to DHET on 30 September 2019
	Title: A formative evaluation of Services SETA funded Skill Development Centres (SDCs) across the country	The purpose of this project was to conduct a formative evaluation of the Services SETA SDCs to provide critical information and recommendations that will be used to develop an operational model that can be utilised to effectively and efficiently manage SDCs	Findings of the final report have been incorporated in the SSP 2020/21 update
	Title: Economic and Labour Market analysis of the funeral industry	The purpose of this project was to conduct a skills demand and supply analysis for the funeral industry	Findings of the final report have been incorporated in the SSP 2020/21 update
3.2 Collaboration	Collaboration with Universities	The Services SETA has established research chairs with 2 universities: Rhodes and Wits. The MOA will come to an end on 31 March 2020	The Services SETA aims to establish 2 new research chairs

MATTER	CURRENT STATUS	PROGRESS MADE	ACTION PLAN
	Collaboration with TVET Colleges	<p>SETA has entered into partnerships with 20 TVET Colleges to support learning Interventions</p> <p>The SETA has entered into a capacity building partnership with the TVET Colleges Governors Council</p>	
	Collaboration with other SETAs	The Services SETA co-funds a collaborative research initiative among SETAs to inform key policies and practices on governance, M&E, planning and tracer studies	Not Applicable
3.3 Improving Data Sources	Mandatory Grant	The Services SETA has commissioned a project to update database of employers for improved communication and interaction. This is a follow-up on last year's employers survey which yielded low response rates	The project experienced delays and is now being fast tracked for inclusion in the final submission.
	Performance information	An integrated Management Information System to strengthen the quality of learner enrolment and completion data has been completed	The SETA is working on synchronising the LMIS system with SETMIS
	Stakeholder information	<p>Provincial offices update stakeholder information on a quarterly basis</p> <p>The Services SETA Accounting Authority held stakeholder engagement events throughout the country</p> <p>The Services SETA CEO hosts a series of information sessions with CEOs of major levy-paying companies</p>	A uniform database template is being developed to ensure consistency across the provinces
	Primary research	Findings from five research studies were used in this update.	There are currently three researches in the pipeline for completion by 31 March 2020

MATTER	CURRENT STATUS	PROGRESS MADE	ACTION PLAN
3.4 Organising Framework for Occupations (OFO) and Sector PIVOTAL list	Request for OFO change/update from Personal Care Services Chamber was submitted to DHET	All requests were approved	Submissions for the Labour and Collective Services Chamber are expected in 2019/20
3.5 Developing mechanisms for Skills Planning and LMIP	The Services SETA continues to participate in the Labour Market Intelligence Partnership (LMIP)	The Services SETA participates in the National Priority Occupation list as well as research colloquiums	The Services SETA will make a presentation at the September 2020 research colloquium
3.6 Alignment with Government Priorities	The Services SETA's Sector Skills Plan is aligned to the Eight Outcomes of the National Skills Development Plan, the White Paper on Post-School Education and Training and the National Development Plan	The Services SETA has partnered with the Department for Small Businesses to establish the Entrepreneurship and Co-operative Development Institute The ECDI is facilitating the establishment of BAS standards	Continuous
3.7 Research Capacity in the System	Planning Department	The Services SETA has strengthened the research capacity with the appointment of Executive Manager: Planning; and the establishment of the Verification Unit	Not Applicable
	External Service Provider	The Services SETA continues to employ services of external service providers where large-scale research is involved	Continuous
	Research Reference Group	The Services SETA establishes a Research Reference Group for every research project to strengthen quality oversight. Research reference groups were established for SSP Research and the Hairdressing research study	The Services SETA will continue to establish a Research Reference Group for each research study to strengthen oversight and quality of outputs
	Research Chairs	The Services SETA is establishing new Research Chairs with the University of the Witwatersrand and Rhodes University	

MATTER	CURRENT STATUS	PROGRESS MADE	ACTION PLAN
3.8 Career Advice System	<p>The Services SETA runs a series of career exhibitions and outreach programmes through the Corporate Services Department. The Provincial offices, located in all the nine provinces with two offices in Eastern Cape, also support the outreach programmes and are the closest port of call for learners and employers</p>	<p>The Services SETA undertook 18 career guidance events</p>	<p>The target for the current financial year is 30</p>
3.9 Role of Accounting Authority in the Development of the SSP	<p>The Accounting Authority (AA) of the Services SETA approves the SSP. Key research findings that inform the SSP and all drafts of the SSP are presented to the AA for discussion and ultimately adoption. The AA of the Services SETA also approves the Research Agenda</p>	<p>A consultation with the Accounting Authority took place on 13 June 2019</p>	<p>Continuous</p>
3.10 Stakeholder Engagement in Preparation for the SSP	<p>Key stakeholders participate in various stages of the SSP, including the formative research</p>	<p>Stakeholder workshops were held in the development of SSP 2020/21 updates as outlined in the SSP</p>	

Conclusion

The Services SETA has strengthened the use of primary research to update SSP 2020/21. Improvements in the research methods include employer interviews, chamber skills analysis and validation workshops to enhance the quality and credibility of data.

Interactions with key stakeholders through provincial engagements by the Accounting Authority and management of the Services SETA and CEO's breakfast has strengthened participation of the industry in the Services SETA research and made valuable contribution to key skills priorities.

The Services SETA has strengthened inter-SETA collaboration in research and policy to strengthen the Post-School Education and Training system. A research collaboration initiative facilitated through Research Chairs, has improved inter-SETA collaboration and participation in policy-orientated research.

Alignment to the Government's 9-Point plan has strengthened the Services SETA's contribution to Government policies and programmes. The establishment of the Entrepreneurship and Co-operative Development Institute will facilitate the Services SETA's role in promoting SMEs. The use of the Research Reference Group at the Services SETA has strengthened oversight over the quality of research outputs. Plans are afoot to establish the Research Ethics Committee to exercise oversight to ethical conduct in research at the Services SETA.

Career advice programmes run by the Services SETA continue to position the SETA among prospective learners and resulted in increased uptake of the Services SETA programmes. The Services SETA plans to incrementally increase the number of career advice programmes yearly to sustain the momentum.

The development and update of the Services SETA SSP continues to be a highly participatory process that involves the Management, Accounting Authority and industry representatives.

Approval

This CIP has been informed by the research agenda originally adopted by the Executive Committee of the Accounting Authority and updated in accordance with implementation developments. It is submitted as an annexure to the Services SETA Sector Skills Plan 2020/21.



RESEARCH AGENDA 2019-2020

Official sign-off

It is hereby certified that this Research Agenda:

- was developed by the management of the Services SETA in consultation with the Accounting Authority and the Department of Higher Education and Training
- was informed by comprehensive literature reviews, data analysis and research
- involved representative stakeholder consultation
- accurately reflects the plan to address scarce and critical skills within documented limitations to inform the sector skills plan, strategic and annual performance priorities

Dr Tsiliso Tamasane

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Manager: Planning

Date: 01/08/2019

Ms Amanda Buzo-Gqoboka

Signature: 

Chief Executive Officer

Date: 01/08/2019

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Glossary

DHET	Department of Higher Education and Training
FET	Further Education and Training Institutions
FSC	Financial Sector Council
HEIs	Higher Education Institutions
HSRC	Human Sciences Research Council
NDP	National Development Plan
NSDS	National Skills Development Strategy
NQF	National Qualifications Framework
PSET	Post-school Education and Training
SAQA	South African Qualifications Authority
SETAs	Sector Education and Training Authorities
TVET	Technical Vocational Education and Training

SERVICES SETA RESEARCH AGENDA

1. Introduction

The Services SETA is established in terms of Section 9(1) of the Skills Development Act of 1998 (as Amended). It has the core functions of developing a Sector Skills Plan (SSP); implementing the SSP through approving workplace skills plans; allocating grants to employers, providers and learners; establishing learning programmes, and monitoring education and training in the sector.

The services sector, in the South African skills development context, refers to a cluster of 70 SIC codes which have been determined by the Minister of Higher Education and Training, as falling within the scope of the Services SETA. It should be distinguished from the tertiary sector of the economy, which is more commonly known as the services sector in economic analyses or media reports. The ministerial determination of the Sector SIC codes has delineated a sector unique to South Africa's skills development.

The Services SETA has partnered with, and supports 20 (out of a total of 25) Higher Education and Training institutions and 32 (out of a total of 50) Technical Vocational Education and Training Colleges in areas including qualifications development, infrastructure development and bursary grants. Furthermore, the Services SETA provides training provider accreditation, training and accreditation of assessors and moderators.

The Planning Department of the Services SETA is primarily responsible for the development of the Sector Skills Plan and engaging in skills development research required to underpin the development of appropriate interventions to meet the demands of the sector. This Research Agenda aims to position Services SETA as the research partner of choice for all skills development research within the services sector.

2. Importance of Research

Research is key to the Services SETA's sector skills plan in order to ensure alignment with its mandate, and government priorities. It can also provide insights into the skills development and labour market issues and about the success or otherwise of training interventions in the sector. It also enables stakeholders to test and compare diverse theories and approaches to the provision of skills development system as well as the development of leading-edge information, services and applications for the system. Most importantly, research can make available the evidence on which the Services SETA is able to make decisions, review policy and improve upon the system, services and practices. The Services SETA wishes to ensure that a significant volume of high quality research engages with and contributes to the government's goal of reducing the skills bottlenecks in the country, especially in priority and scarce and critical skills areas, and improving low participation rates in the workplace training.

3. Purpose of the Research Agenda

Research Agenda can be defined as a roadmap or framework that guides inquiry. A research agenda may be both global and specific. Ideally it is used to specify gaps in knowledge in a specific area and serves to guide the direction and development of new projects and research questions. A clear research agenda serves two important purposes. First, it can help you communicate to others what you study and the area in which you have developed (or are developing) expertise. Second, it serves to guide your decision-making about what projects or specific research questions to pursue.

This Research Agenda sets out the research needs of the Services SETA for the period April 2016 to March 2018. It has been developed to inform planning processes within the Services SETA; support the annual production of the Services SETA Sector Skills Plan Update; inform research stakeholders of the Services SETA's research priorities and assist the Services SETA to guide resource allocation for research; co-ordinate all research and benchmarking activity within services sector; collect and disseminate information that impact on skills development in the services sector especially information that pertains to and influences the implementation of the National Skills Development Strategy (NSDS), National Qualifications Framework (NQF) and related socioeconomic national and sectoral priorities; introduce standards/principles to which all Services SETA commissioned research should adhere to; develop a conceptual model to support coherent skills planning and implementation, and build partnerships and collaborate with key research agencies such as the Human Sciences Research Council (HSRC), DHET PSET Research, Statistics South Africa, South African Qualifications Authority (SAQA), universities and research units within services sector.

4. Concept of Research

A classic definition of research defines it as studious inquiry or examination; especially: investigation or experimentation aimed at the discovery and interpretation of facts, revision of accepted theories or laws in the light of new facts, or practical application of such new or revised theories or laws. The definition of research used in this Research Agenda is aligned to that of DHET which sees "research" as rigorous and systematic enquiry, analysis, and reporting, sharing, publishing and disseminating topics of importance for the PSET system, including skills development, and its development. Such research may be empirical or theoretical, quantitative or qualitative applied or basic. It may involve the critique of policy; analysis of regularly compiled data sets and explanations of trends; observation; case studies and other research investigations, or meta-reviews and analyses. Rigorous evaluation studies of educational and training programmes or interventions, including cost-benefit analyses and impact studies, fall under the research umbrella, as do high level analyses of statistical data (DHET, 2014).

5. Research-Policy Nexus

The importance of skills development for growth and development in South Africa has been stressed in a number of recent policy documents including the New Growth Path, the National Development Plan, the Industrial Policy Action Plan, the Human Resources Development Plan (HRD-SA) and the Green Paper on Post School Education and Training. All these documents focus on education and skills development as the major constraint to higher levels of economic growth and development in the country. For this reason, skills development remains one of the priority areas in government policy.

There is a concern in South Africa about the economy and its ability to achieve the inclusive growth that will enable serious reductions in unemployment and poverty. Education and skills levels are a key enabler of economic growth. For skills development interventions to be successful, research is key to identifying areas of intervention. This interplay signifies the inseparable relationship between policy and research. The Services SETA's view is that policy and research are not mutually exclusive. They inform one another. Therefore, the research within the Services SETA will either be carried out to inform policy or will be carried out in order to implement policies, especially skills development policy.

6. The Services SETA and the Research Community

South African researchers are part of local, regional and global research communities, contributing new knowledge and advice as well as participating critically in the South African, regional and international research conversation. The Services SETA will engage professionally with the research community to convey its priority interests; improve its own knowledge base; support mutually productive research partnerships with local, regional and international research bodies; enhance its own capacity to manage, conduct, interpret, disseminate and apply research; and (so far as is practically possible) test and modify its policy ideas against appropriate research evidence. The Services SETA expects researchers to engage robustly with departmental policies and programmes both as participants and as critics. Research partnerships between the Services SETA and researchers create no obligations on either side since each must play its own role with integrity and respect for the other's autonomy.

7. Research Priorities

DHET (2014) notes that challenges with PSET system in South Africa, and skills development interventions in particular, start with the calibre of young people leaving the schooling system, continues with a weak vocational education and training system, expresses itself in the low numbers of skilled people emerging from either the formal education system or from skills development programmes, and finally in the mismatch between the skills of those qualifying and the skills needs of employers.

The Services SETA research agenda aims to address this gap. The research agenda comprises six focus areas pertaining to skills development that have been derived inter alia from the NSDS III, NDP, and the White Paper for Post-School Education and Training and the Department's research agenda (DHET, 2014).

a) Access

One of the key challenges of the skills system is that it has become known for its inaccessibility. With the magnitude of unemployment in South Africa, it is crucial to address barriers to access and to seek innovative ways to expand access. As the DHET (2014) notes, equity is a serious dimension of access and it is therefore crucial to ensure that previously disadvantaged individuals, including persons with disabilities, those who live in rural areas and those in financial need have improved access to PSET opportunities.

Key themes - Topics on access

- Barriers and enablers for access to training
- Partnerships between TVET colleges and higher education providers and work places
- Funding mechanisms or modalities for rural learners and learners with disability

b) Learner/Entrepreneurial success

There is considerable scepticism over the relevance and effectiveness of programmes being offered and funded by SETAs. This is informed by the fact that there is evidence of programmes that are provided at extremely high cost with very little cost-benefit analysis, and so the system has a reputation (whether justified or not) of being both wasteful of resources and ineffective. This problem has been highlighted in the NDP too - drawing attention to the unacceptably high proportion of first-time entrants who drop out of TVET colleges and universities in their first year, as well as the poor student graduation and pass rates. Research plays a crucial role in unpacking the challenges faced by skills development interventions in this area.

Key themes - Learner/Entrepreneurial success

- A situational analysis and evaluation of support programmes that have been established in TVET colleges and HEIs to help unprepared learners cope with demands of PSET
- Review of support services for learner (what are the challenges with academic support, social support, assisting learners to obtain bursaries, workplace-based learning and job placement)
- Mentoring and support of learners
- Models to enhance completion rates
- Learner recruitment practices for successful completion

c) Education and the workplace

It is argued that people emerging as qualified (either from school, FET colleges or universities) are not able to be employed. The skills system in South Africa mirrors the education system in prioritising the 'paper chase' for qualifications. Part of the reason for this is that incentive systems reward qualifications more than proven competence. Employers require people who are competent as well as qualified. They cannot assume competence from qualifications. Essentially, this means that the skills system has to find a way of ensuring that qualified people also have experience and proof of competence. The system is singularly failing in this, though again there has been an increase in internships, a key mechanism for addressing this problem. According to HSRC research into the impact of training during NSDSII, internships have increased in number and those who enter have been generally successful in obtaining employment at the end of the internship. However, the numbers remain low.

Moreover, internships have not generally been properly structured and interns have not been adequately supported by mentors. There is potential to both expand and improve the quality of internships. The system has not yet been successful in motivating enough employers to put in place mentorship opportunities for young graduates who seek to achieve the competencies and experience required.

So the challenge in South Africa is not simply developing improved learning pathways, that might include Learnerships and internships where they do not currently exist, but also the whole relationship between schooling, the TVET system and skills development and the workplace (DHET, 2014). Collaboration cannot just be about expanding workplace provision (important though this is) but about coherence in the schooling and post schooling sub-systems. This area will be prioritised in the Service SETA research agenda.

Key themes - Education and the workplace

- Barriers, constraints and enablers for workplace-based learning
- Models of effective work-place based training
- An evaluation of the effectiveness of Learnerships
- An evaluation of the use of the SETA mandatory grant
- Impact of SETAs (cost-benefit analysis)
- The effectiveness of work-based skills programmes
- Modalities to strengthen the link between the world of work and world of education

d) Skills planning: analysis of demand-side signals

The challenge with skills development arena in South Africa is to create a system that balances national development goals (as driven by government) and the skills needs of employers. This is not an easy issue, particularly given the need to redress imbalances inherited from the Apartheid era. This challenge clearly cannot be left to the market. Therefore, there is a need to create a proper balance.

The White Paper for Post-School Education and Training asserts that “if the provision of education and training is to be better co-ordinated with the needs of society and the economy, central information about skills needs is required”. It emphasises that “identifying current and future skills demand as accurately as possible is extremely important if the goals of the NDP, the New Growth Path and the Industrial Policy Action Plan are to be achieved”. The National Skills Development Strategy III also draws attention for the need to determine skills supply, shortages and vacancies.

Key themes - Skills planning: analysis of demand-side signals

- Vacancy analysis
- Long-term projections of occupational needs
- Value-chain analysis
- Under-reporting investment in training and development in the work place by employers
- Models for employment and work readiness
- An investigation into the characteristics of employability (what kinds of knowledge, skills and attributes are employers looking for?)
- Pathways of students within the education and training system and into the workplace
- Research and analysis for identifying skills needs and occupations and demand
- Information on data collection from employers
- Analysis of labour-market trends

- Wage analysis
- Analysis of economic policies and strategies to access future skills demands

f) Curriculum, programmes and qualifications

The government's National Development Plan (NDP) targets to increase student enrolment in Technical and Vocational Education and Training (TVET) Colleges to 1.25 million by 2030. Enrolment in TVET Colleges (both public and private) stood at 794 250 in 2013 (DHET, Statistics on Post-School Education and Training in South Africa: 2013), indicating that a substantive increase in enrolment at TVET Colleges is needed between now and 2030 to achieve the NDP target. Should current trends and patterns in enrolment in TVET Colleges persist, the likelihood of meeting the NDPs 2030 target is low. The Department of Higher Education and Training's (DHET) self-assessment is that it will not be in a position to meet its own 2015 enrolment target of 1 million. The capacity of the TVET College sector to expand to meet national goals is a matter of concern that needs to be addressed by all stakeholders.

Creative strategies and interventions are needed to respond to the challenge of insufficient growth in enrolment in the public TVET College system. There is a view that a growth in the provision of occupationally-oriented programmes could contribute to a stepping up of overall enrolment in public TVET Colleges. Not only are occupationally-oriented programmes envisaged to respond to enrolment challenges, they are also anticipated to respond to the problem of unemployment in the country, by providing skills for self-employment.

Key themes - Curriculum, programmes and qualifications

- Needs assessment for curriculum development and curriculum development
- Models for evaluating RPL success
- Qualifications development

8. Research Funding and Procurement

There is wide scope for partnerships in research projects between the Services SETA and research organisations or institutions – whether local, regional or international—that have a direct interest in advancing access, equity, quality and efficiency of PSET. The Services SETA will initiate such partnerships and will welcome proposals from prospective partners. The Services SETA is not in a position to fund all of the research that is in the Research Agenda. The Services SETA therefore welcomes investment by research councils, universities, foundations, development agencies and other bodies in any of the areas listed in this Research Agenda.

The Services SETA's procurement practice is governed by the Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulations. Therefore, procurement decisions on research provision will combine considerations of cost, functionality and quality. The Services SETA will ensure that its research procurement processes are informed by the advice of credible evaluators.

9. Conclusion

This document relates the Services SETA's interests to the broader interests of the research community; positions the Services SETA as an active contributor to that community; helps sharpen the focus and improve the quality and effectiveness of organisationally driven research; and describes the instruments the Services SETA will use to accomplish its research tasks in collaboration with the research community at large.

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