Sector Skills Plan 2023/24

higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SERVICES SECTOR EDUCATION
AND TRAINING AUTHORITY
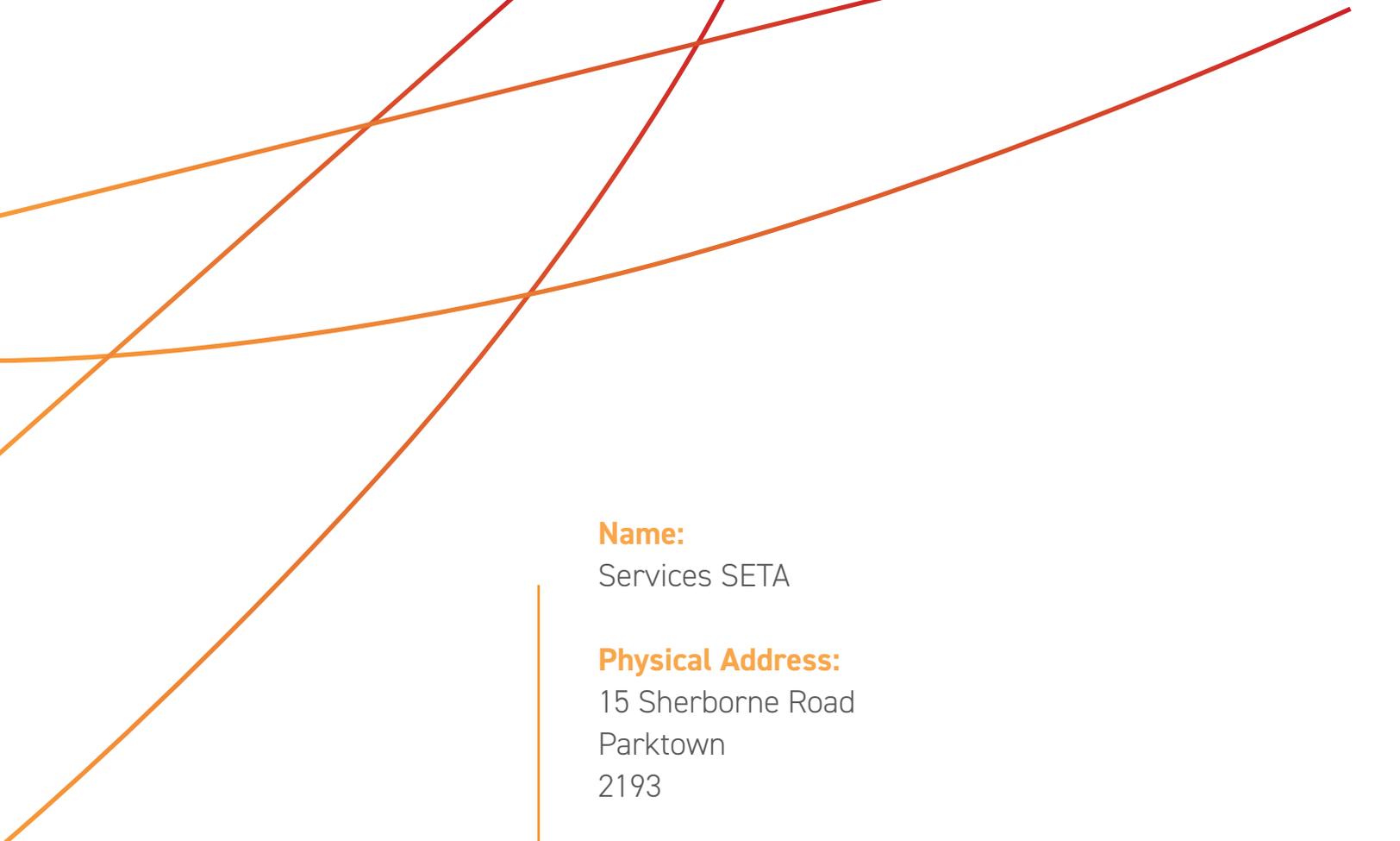
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Official Sign-off

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 consultation; and
- accurately identifies hard-to-fill vacancies and skills gaps to inform strategic and annual performance priorities.

Ms Mamabele Motla
Executive Manager: Strategy & Planning

Signature: _____
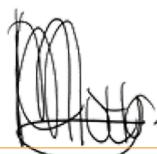
Date: 04 November 2022

Mr Menzi Fakude
Chief Executive Officer

Signature: _____

Date: 04 November 2022

Mr Stephen De Vries
Chairperson: Accounting Authority

Signature: _____

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FOREWORD BY THE CHAIRPERSON OF THE ACCOUNTING AUTHORITY

I have the pleasure of presenting the Sector Skills Plan (SSP) update for the Services Sector Education and Training Authority (Services SETA) for the period 2023/24. This SSP has been prepared in accordance with the National Skills Development Plan (NSDP) 2030 and the Department of Higher Education and Training (DHET) Guidelines and Framework for developing Sector Skills Plans.

This update occurs during both turbulent and promising times for the South African economy and the services sector in particular. The country, and indeed the global world, is going through an unprecedented rise in costs of living driven primarily by high costs of basic commodities and food, which in turn drive up inflation, and the cost of living in general. As of April 2022, the Consumer Price Index and Producers Price Index rose to 5,9% and 13,1% year-to-year, respectively. These developments have prompted the South African Reserve Bank to consistently raise interest rates consecutively in the last three of its monetary policy meeting in order to tame inflation. The unintended consequence has been a rise in the cost of living in a country where more than a third of the working-age population is unemployed, and nearly half of its youth is neither in employment, education, or training.

The improvement is that the economy shows signs of recovery from the devastation wrought by the COVID-19 pandemic. In the last two quarters, Q4 2021 and Q1 2022, the economy grew consistently by 1,4% and 1,9%, respectively. In the same breath, unemployment decreased to 34,5% from a high of 35,3% in Q1 2022 and Q4 2021, respectively. While unemployment is still unacceptably high, it is promising to see a change in trends.

The economic recovery has also filtered through to the services sector. The Services SETA witnessed a record high increase in submissions of Worksplace Skills Plans (WSP)/ATRs. There are indications that the levy revenue is also returning to pre-COVID-19 levels after a 38% drop in the 2020/21 financial year. Internally, the relaxation of lockdown measures has significantly improved organisational performance. This implies that many learners and employers benefitted from our learning interventions more than the previous years. We are immensely proud of this achievement.

This SSP update builds on this impressive legacy. The focus is on addressing occupations that are critical to promoting the recovery and reconstruction of South Africa's economy in line with the government's Economic

Reconstruction and Recovery Plan (ERRP) and DHET's Economic Reconstruction and Recovery Skills Strategy (ERRSS). There is also a strong focus on supporting Small Micro Enterprises (SMEs), the informal sector and people working in precarious conditions.

On behalf of the Accounting Authority and the management of the Services SETA, I would like to thank our stakeholders for their participation in the update of this SSP and look forward to continued support towards its implementation.

Mr Stephen De Vries
Chairperson: Accounting Authority
Date: 04 November 2022

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List Of Acronyms

4IR	Fourth Industrial Revolution
ATR	Annual Training Report
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CET	Community Education Training
COS	Centres of Specialisation
DG	Discretionary Grants
DHET	Department of Higher Education and Training
Dti	Department of Trade and Industry
ERRP	Economic Reconstruction and Recovery Plan
ERRSS	Economic Reconstruction and Recovery Skills Strategy
GDP	Gross Domestic Product
GRSC	Government, Risk and Strategy Committee
ICT	Information Communication Technology
GWM&E	Government-wide Monitoring and Evaluation
HEMIS	Higher Education Management Information System
IPAP	Industrial Policy Action Plan
M&E	Monitoring and Evaluation
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NEET	Not in employment or education and training
NGP	National Growth Plan
NGO	Non-Governmental Organisation
NQF	National Qualifications Framework
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
OFO	Organising Framework for Occupations

PIVOTAL	Professional, Vocational, Technical and Academic Learning
PFMA	Public Finance Management Act
PSET	Post-school Education and Training
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
SDA	Skills Development Act
SETMIS	The Sector Education and Training Management Information System
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
SEZ	Special Economic Zones
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
USAF	University South Africa
WP-PSET	White paper on post-school education and training
WSP	Workplace Skills Plan
WTO	World Trade Organisation

EXECUTIVE SUMMARY

This Sector Skills Plan (SSP) was prepared in accordance with Section 10 (1) (a) of the Skills Development Act (SDA) of 1998, which mandates the SETA to develop an SSP within the Framework and Guidelines included in the National Skills Development Plan (NSDP)2030. The key policy drivers identified and considered in this SSP are the National Development Plan (NDP), National Growth Path (NGP), Industrial Policy Action Plan (IPAP), Medium Term Strategic Framework (MTSF) (2019-2024), National Skills Development Plan 2030 (NSDP), White Paper on Post-School Education and Training (WP-PSET), the Economic Reconstruction and Recovery Plan (ERRP), the Economic Reconstruction and Recovery Skills Strategy (ERRSS) have been highlighted and the contribution of the Services SETA to the implementation of each, discussed.

This SSP 2023/24 update is informed by findings from primary and secondary research methods used to collect information on skills demand and supply in the services sector. Primary research includes the analysis of the Services SETA mandatory grant data – Workplace Skills Plans (WSP) and Annual Training Reports (ATR); performance information (learner enrolments and completion data); employer surveys and stakeholder engagements. Secondary research includes a desktop literature review and analysis of employers' recruitment data, Statistics South Africa's (Stats SA) Quarterly Labour Force Survey (QLFS) and Gross Domestic Product (GDP). Research findings were validated through stakeholder workshops comprising the management and Accounting Authority of the Services SETA and key industry representatives.

The services sector, as demarcated by the DHET, refers to the 68 Standard Industrial Classification (SIC) Codes. The 68 industries have been divided into six chambers and 16 subsectors for operational purposes. As of February 2022, approximately 187,491 employers were actively trading within the sector. Most employers are classified as medium to small (80%), implying companies that employ no more than 150 people. Employers in the Services SETA 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, employers, trade unions, Technical and Vocational Education and Training (TVETs), Community Education Training (CETs) Colleges, universities, industry bodies and employer associations.

Overall, the South African economy is not doing very well. The dire economic situation predates the COVID-19 pandemic era. The pandemic only served to exacerbate an already bad situation. Back on the heels of the COVID-19 pandemic, the globally spread inflation is inflicting yet another blow to the economy. However, there are signs that economic growth is returning to the pre-pandemic era, with Q1 2022 registering a promising 1,9% growth. For the same period, employment also grew by just less than a percentage. The Services SETA aims to build on these positive developments by working closely with the industry, labour, and government to address the shortage of critical skills that can help grow the economy. This update of the SSP 2023/24 paid particular attention to this issue, as demonstrated in Chapter 3.

Over the 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.

Change drivers for the skills development demand and supply include COVID-19, Information and Communication Technology, Economy, Climate Change and Globalisation. The emergence of COVID-19 has spread worldwide at an unprecedented speed and has worsened business operations challenges. Businesses have had to adapt to the new norms in terms of remote working and the threat of mass unemployment. This requires investment in ICT infrastructure to allow for remote working. Many companies are also diversifying their operations. This may result in a need to retrain employees. New cleaning methods aimed at decontaminating workspaces imply the need to retrain cleaning workers on new methods.

In addition, the pandemic has highlighted the need to enhance efforts in line with a technologically enhanced education provision system using e-learning platforms. The rapid change in technology, due to high-paced and disruptive innovation, remains the biggest driver of change for the services sector economy. Industries mostly affected by the technological change include marketing, real estate, postal services, contact centres and funeral services. Implications are that the labour force must constantly acquire the requisite skills while the education and training institutions ensure the relevance of qualifications on offer. The Services SETA is collaborating with other SETAs to service the needs of the industry whilst developing in-house qualifications that address skills demand driven by technological change, especially management of big data.

A list of hard-to-fill vacancies is presented in Chapter 3 per chamber and subsector. An attempt has been made to ensure the ability of the Services SETA to service these qualifications by highlighting the available interventions and investigating the possibility of collaborating with other SETAs where possible. The services sector is one of the sectors that legs behind concerning transformation. It is not surprising that equity consideration is one of the underlying reasons for hard-to-fill vacancies. Alignment with the ERRSS has been ensured by identifying scarce skills contained in the ERRSS that the Services SETA can support.

Common reasons for the inability to fill vacancies include lack of experience, qualifications, and equity considerations. Skills gaps for the services sector have also been identified. A strong focus on IT-related occupations signifies the impact of the Fourth Industrial Revolution (4IR). These observations are in line with the ERRSS' list of skills gaps that have been highlighted in this SSP, and the alignment thereof strengthened.

Emanating from the lists of hard-to-fill vacancies or skills gaps, a draft list of priority occupations (Professional, Vocational, Technical, and Academic Learning (PIVOTAL) list has been developed jointly with key stakeholders. The magnitude of demand has been determined with inputs from management and the industry. Identified interventions will inform the updates of the Strategic Plan and Annual Performance Plans 2023/24 as well as the Service Level Agreement with the DHET.

Given the importance of partnerships in skills development, the Services SETA has initiated several partnerships with key stakeholders, which include 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. This approach brings SETAs together under one roof and allows for the sharing of information and resources.

Chapter 5 has placed a greater emphasis on Monitoring and Evaluation (M&E) practices at the Services SETA and how this data is used to inform planning. M&E is crucial to the success of all SETA interventions and projects. The Services SETA's M&E approach is closely aligned with the Government-wide M&E framework and the government planning framework, a result-based management framework embedded in the Theory of Change. This approach allows for the effective use of performance information and audit outcomes in decision-making and will inform Services SETA's organisation-wide M&E framework that is being developed.

Chapter 6 outlines five priority actions for implementing the SSP 2023/24. These include:

1. Foster Inter-SETA collaboration and industry partnership to promote growth in the services sector, including SMMEs.
2. Secure workplace training opportunities working in collaboration with the industry, employers, and SETAs.
3. Work with Quality Council for Trade and Occupations (QCTO) and industry role players to complete and implement registered occupationally directed qualifications.
4. Strengthen alignment between industry needs and Services SETA supply through research, implementation, and structured M&E.
5. Implementation of an organisational-wide M&E Framework to improve performance management.

MR MENZI FAKUDE
CHIEF EXECUTIVE OFFICER

MR STEPHEN DE VRIES
CHAIRPERSON: ACCOUNTING AUTHORITY

RESEARCH PROCESS AND METHODS

Evidence-based decisions are crucial in the context of planning, especially skills development planning, where changes take place frequently and in a drastic fashion. This SSP 2023/24 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 and those that have already commenced but are not complete, have all contributed to this SSP Update. The figure below illustrates the research process in detail as outlined in the Services SETA's Planning Policy.

Figure 1 Research Process
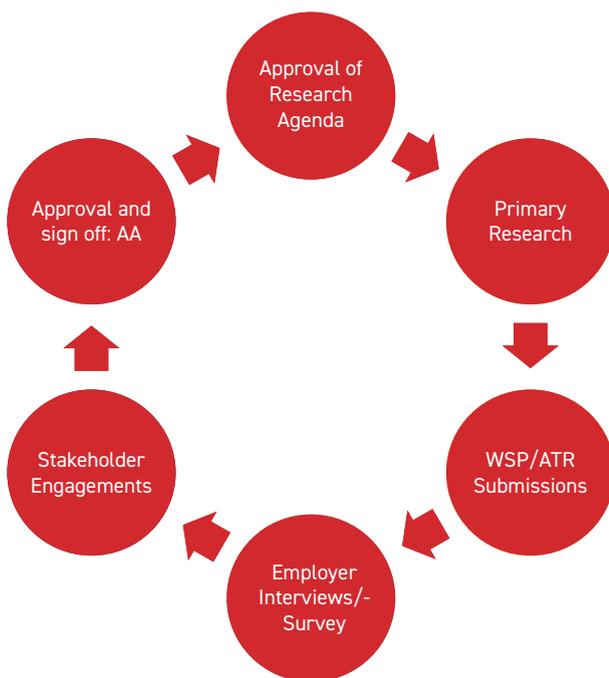
i. Approval of Research Agenda by the Board

The research agenda is prepared every preceding year to guide research activities that inform the SSP update. This research is then implemented following the purpose outlined above. The research agenda for 2023/24 was approved on the 7th of June 2022 and is herein attached. Approval of the research agenda

happens at the Accounting Authority level with the guidance of the Management and Governance, Risk and Strategy Committee (GRSC).

ii. Primary Research

The inception of new projects starts from 01 April (in line with the new financial year) until the completion. The start of new projects coincides with the financial year to ensure alignment with the budget. The completion date depends on the project's scope; 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:

1. Services Sector Economic and Skills Demand and Supply Analysis (WSP/ATR analysis);
2. The impact of COVID-19 on the services sector;
3. Labour Market Outcome of the 2018/19-2020/21 Cohort (Learner Tracer);
4. Investigation of the TVET-Work-Integrated Learning Nexus: The Experience of Nkangala TVET College;
5. Investigation of the TVET-Work-Integrated Learning Nexus: The Experience of Esayidi TVET College;
6. Research on skills needs ofestablished and emergent cooperatives: Personal Care Services;
7. A skills demand and supply analysis and forecast model for the Services SETA; and
8. Evaluation of the implementation of National Skills Development Strategy (NSDS) III and NSDP2030.

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

iii. WSP/ATR Submissions

WSP/ATR data is critical in informing the SSP, especially regarding the nature and extent of skills demand for the sector, including the economic outlook. More than 4,000 employers submitted WSP/ATRs, which were analysed to inform this update. As discussed above, WSP/ATR

data is very important for understanding skills demand and supply in the services sector. The analysis focused on the lists of Hard-to-Fill Vacancies, Skills Gaps, Change Drivers and Future Skills. Consideration for planned and implemented skills was also made in the overall analysis.

iv. Consultations

The lists of Hard-to-Fill Vacancies, Skills Gaps, Change Drivers and Future skills compiled from the sources and process outlined above were discussed with the management team for final consideration, taking into account the training budget available, availability of qualifications and training providers, and national priorities, especially the ERRSS. Table 1 outlines the extent of engagements with various stakeholder engagement workshops and internal consultations.

Table 1: List of Stakeholder Engagement Sessions

Stakeholders	Date
Management & Business Services Chamber validation workshop	16 May 2022
Cleaning & Hiring Services Chamber validation workshop	17 May 2022
Personal Care Services Chamber validation workshop	17 May 2022
Labour & Collective Services Chamber validation workshop	18 May 2022
Real Estate and Related Services Chamber validation workshop	18 May 2022
Communications & Marketing Services Chamber validation workshop	25 May 2022
Services SETA Management	06 June 2022
Governance Risk and Strategy Committee of the Accounting Authority	07 June 2022
Management and Business Services Chamber Committee	08 June 2022

Stakeholders	Date
Labour and Collective Services Chamber Committee	10 June 2022
Communications & Marketing Service Chamber Committee	14 June 2022
Real Estate and Related Services Chamber Committee	21 June 2022
Labour & Collective Services Chamber Committee	22 June 2022
Cleaning & Hiring Services Chamber Committee	27 June 2022
Management & Business Services Chamber validation workshop	14 July 2022

Online workshops were conducted with stakeholders to investigate the nature and extent of skills demand and supply and change drivers within the services sector. Follow-up validation workshops were later held with previous participants to confirm the validity of the identified skills and the magnitude of demand.

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

The objective of the study	To conduct a trend analysis of skills demand and supply in the services sector industry using Mandatory Grant data
Research design	Quantitative
Research method	WSP data analysis
Sample size	About 4,560 employers
Data sources	WSP/ATR, QLFS, Stats SA GDP data
Study duration	1 May 2020 was completed by 31 July 2022

b. Research Study Title: Impact Assessment of COVID-19 on the Services Sector Employers

The objective of the study	The purpose of this project was to assess the impact of COVID-19 on employers belonging to the Services SETA scope
Research design	Quantitative
Research method	Online survey
Sample size	599
Data sources	Completed surveys
Study duration	1 May 2021 was completed by 30 November 2021

c. Research Study Title: Labour Market Outcome of the 2018/19- 2020/21 Cohort (learner Tracer)

The objective of the study	a. Determining the destinations of learners who have completed learnerships, internships and apprenticeships b. Understanding the factors associated with employment/unemployment c. Understanding the intricacies of the articulation of qualifications into occupations d. Determine the nature of employment of learners who received employment
Research design	Quantitative
Research method	Online survey
Sample size	41,977
Data sources	Completed surveys
Study duration	01 October 2021 was completed by 28 February 2022

d. Research Study Title: Investigation of the TVET-Work-Integrated Learning Nexus: The Experience of Nkangala TVET College

The objective of the study	The purpose of the study was to investigate the experience of Nkangala TVET College in implementing WIL programmes at the college and lessons for best practices.
Research design	Quantitative and Qualitative
Research method	Online survey and qualitative interview schedule
Sample size	1,023 graduates 18 lecturers/staff
Data sources	Completed surveys and qualitative interview notes
Study duration	September 2021 was completed by 31 May 2022

e. Research Study Title: Investigation of the TVET-Work-Integrated Learning Nexus: The Experience of Esayidi TVET College

The objective of the study	The purpose of the study was to investigate the experience of Esayidi TVET College in implementing WIL programmes at the college and lessons for best practices.
Research design	Quantitative and Qualitative
Research method	Online survey and qualitative interview schedule
Sample size	405 graduates 7 lecturers/staff
Data sources	Completed surveys and qualitative interview notes
Study duration	September 2021 was completed by 31 May 2022

f. Research Study Title: Research on skills needs of established and emergent cooperatives: Personal Care Services

The objective of the study	The purpose of the study was to: 1. Identify which skills are present amongst emerging small enterprises and cooperatives operating within the Personal Care cluster of the services sector, in particular within the hair care, beauty treatment and funeral services industries, 2. Identify the top 10 skills training interventions that are needed to ensure their growth and sustainability
Research design	Quantitative
Research method	Online survey and qualitative interview schedule
Sample size	6,021 entities
Data sources	Completed surveys
Study duration	December 2021 was completed by 31 March 2022

g. Research Study Title: A skills demand and supply analysis and forecast model for the Services SETA

The objective of the study	To develop a forecast model for skills demand and supply for the services sector for the next five years
Research design	Quantitative
Research method	Analysis of existing data
Sample size	Not applicable
Data sources	Stats SA's QLFS, GDP; Services SETA WSP/ATR, Performance Information
Study duration	January 2022 was completed by 15 July 2022

h. Research Study Title: Evaluation of the implementation of NSDS III and NSDP

The objective of the study	To evaluate the Services SETA's success in implementing the NSDSIII and two years of NSDP2030
Research design	Quantitative
Research method	Strategy documents review, policy review, interviews, and learner tracer study
Sample size	Not yet determined
Data sources	Stats SA's QLFS, GDP; Services SETA WSP/ATR, Performance Information
Study duration	January 2022 will be completed in February 2023

Services SETA Sector Skills Plan 2023/24

CHAPTER ONE
SECTOR PROFILE

1.1. Introduction

This chapter presents the profile of the services sector by covering its: scope of coverage, key role players, economic performance, employer profile, and labour market profile and its evolution. This chapter discusses the size and shape of the services sector, thereby providing an understanding of the sector's contribution to the overall economic, employment and human capital development. The discussions herein are informed by data collected through primary and secondary research. Primary data include a research study on the impact of COVID-19 on the services sector, a learner tracer study, a study on the skills demand and supply in the services sector, impact evaluation of the NSDSIII and baseline for the NSDP2030, SETAs' WSP and ATR 2022 data, series of workshops with services sector stakeholder analysis of the Services, Services SETA Performance Information, Gross Domestic Product (GDP), QLFS, and Quarterly Employment Surveys (QES) by Stats SA. Secondary data include a review of published and unpublished, international and national research studies.

1.2. Scope of Coverage

The Services SETA is constituted by 68 SIC codes which have been clustered into sixteen subsectors which have been grouped into six Chambers. This section commences with a description of the services sector as defined by the SIC Codes. The discussions on the scope of the services sector will reveal, firstly, that the sector is very diverse and cuts across several major industry categories. Secondly, the services sector is informal and comprises many small and medium-sized companies. Given the sector's diversity, several role-players provide support in ensuring that the sector supports the sustainability and growth of Small, Micro and Medium Enterprises (SMMEs), including its labour force. Table 2 provides a breakdown of the Services SETA's industries by 68 SIC codes, 16 sub-sectors and six chambers. Each sub-sector has characteristics, employment trends and economic drivers that are strikingly different from one another. The different sub-sectors have, in turn, been grouped into six chambers.

Table 2: Services SETA Chambers and Sub-sectors

Sub-Sector Title	SIC Code	Gazetted Industry Descriptor
Cleaning and Hiring Services Chamber		
Hiring Services	86025	Office Machinery, Equipment and Rental Leasing
	50500	Renting of Construction or Demolition Equipment with Operators
	85000	Renting Of Machinery and Equipment, Without Operator and Of Personal and Household
	85200	Renting of Other Machinery and Equipment
	85300	Renting of Personal and Household Goods N.E.C
	99029	Function and Catering Equipment Hire
	99035	Miscellaneous Item Hire
	99036	Truck Hire
	99037	Video Hire
	99052	Truck and Plant Hire
Household Services	99025	Dry Cleaning and Laundering
	99026	Garden Maintenance Services

Sub-Sector Title	SIC Code	Gazetted Industry Descriptor
Domestic Services	99027	Domestic Services
Cleaning Services	99002	General Cleaning
	99018	Cleaning of Carpet and Upholstery
	99047	Pet Care
	99019	Cleaning Equipment and Consumable Supply
Communication and Marketing Services Chamber		
Marketing Services	9001	Marketing Services
	9002	Marketing Communications (Inc. Public Relations)
	9008	Direct Marketing
	88130	Market Research and Public Opinion Polling
	99038	Brand Marketers
Contact Centres Services	99055	Call Centre Management of People
Postal Services	75110	National Postal Activities
	75111	Banking Via Post Office
	75121	Mail Handling
Labour and Collective Services Chamber		
Labour Recruitment Services	88918	Permanent Employment Agencies
	88910	Labour Recruitment and Provision of Staff
	88916	Private Employment Agencies and Temporary Employment Services
	99045	Personnel Services Agencies
	88917	Temporary Employment Services
Collective Services	95120	Activities of Professional Organisations
	95155	Professional Bodies N.E.C.
	95991	Bargaining Councils and Dispute Resolution
	95992	Associations, Federations and Umbrella Bodies
Management and Business Services Chamber		
Business Services	61421	Import and Export of Various Metals
	88141	General Consulting Services
	96490	Other Recreational Activities
	99000	Other Service Activities
	99014	Quality Management and Related Services
	99016	Non-Governmental Organisation (NGO) Management and Services
	99015	Non-Financial Business Management and Management Consulting
	99090	Other Service Activities N.E.C
Project Management Services	99039	Generic Project Management
	99056	Event And Conference Management Excluding the Operation of Convention Centres

Sub-Sector Title	SIC Code	Gazetted Industry Descriptor
Personal Care Services Chamber		
Hair Care Services	99022	Ladies Hair Dressing
	99023	Men's and Ladies' Hairdressing
Beauty Treatment Services	99024	Beauty Treatment
	99041	Nail Technology, Including Nail technologists, Nail Technicians and Distributors and Agencies of Nail Products
	99042	Non-Allied Registered Perfumery, Including Aromatic Oils and Related Products, Perfumery Consultants, Salespeople and Agencies of Nail Products
	99043	Health And Skin Care Inc. Health and Skin Care Therapists, Stress Therapists and Cosmetologists, Slimming Salons and Distributors of Slimming Products
	99044	Make-Up Artistry
	99050	Distributors of Slimming Products, including Slimming Machines
	99051	Distributors of Makeup Products and Related Merchandise
Funeral Services	34260	Cutting, Shaping and Finishing of Stone
	99030	Funeral and Related Activities
	99033	Coffin Making by Funeral Enterprises
	99034	Manufacture of Funeral and Tombstone
Fashion Services	99046	Modelling Agencies
	99054	Fashion Design Not Related to Clothing
Real Estate and Related Services Chamber		
Real Estate Services	50411	Decorating Business/Interior Designers and Decorators
	84000	Real Estate Activities
	84100	Real Estate Activities with own or Leased Properties
	84200	Real Estate Duties on a Fee or Contract Basis
	84201	Real Estate Valuation Services
	84202	Property Management Services
	84203	Estate Agencies
	99053	Valuers

Source: DHET (2019)

1.3. Key Role-Players

The key role-players in the services sector include the accounting authority, industry-organised bodies and associations, employers, trade unions and educational and training institutions. A brief description of each key role player, their role at the Services SETA and their contribution to the NSDP outcomes is provided in Table 3 below.

Table 3: Key Role Players

Key Partners	Description
Services SETA Accounting Authority	The Accounting Authority of the Services SETA and its five committees plays a key role in governing and managing the SETA in accordance with the Public Finance Management Act (PFMA) and any other applicable legislation. These committees are mechanisms to assist the Accounting Authority in giving detailed attention to specific key areas of its duties and responsibilities, including implementing the NSDP 2030. **Role in relation to NSDP Outcomes**: Provides oversight role over the Services SETA to ensure that the SETA fulfils its mandate and effectively implements all eight outcomes of the NSDP.
Employers	Employers are a critical voice for the business community in influencing the country's policy direction. The Services SETA interacts with employers through associations among whom chamber committees are constituted to jointly facilitate skills development in line with the NSDP 2030. Annexure B lists bodies that constitute key role players in the sector. **Role in relation to NSDP Outcomes**: Supports outcomes 1, 2, 3 & 4.

Key Partners	Description
Trade Unions	Trade Unions are critical voices of the workers. They lobby workers to participate in skills development initiatives to improve their skills. And advises SETAs on skills demand and supply. **Role in relation to NSDP Outcomes:** Supports Outcome 7
Department of Higher Education and Training	The Department of Higher Education and Training makes provisions for skills development legislation, policies, regulations, and guidelines. Key policies include the NSDP 2030 and the White Paper on Post-School Education and Training. The Services SETA is committed to implementing the NSDP outcomes through SSP, the Strategic Plan and the Annual Performance Plan (APP).
Industry Bodies and Associations	Organised Employer organisation provides a collective voice of the industry. They also play an important role in formalising and standardising operations within the sector. **Role in relation to NSDP Outcomes**: They provide a support role in all NSDP outcomes by ensuring that skills development initiatives are implemented and monitored.

Services SETA Sector Skills Plan 2023/24

Key Partners	Description
TVET Colleges, CETs and Universities	TVET Colleges, CETs and Universities are a critical component of the skills development ecosystem within the Post School Education and Training (PSET) system. They are responsible for implementing the training interventions. They are a critical link between education and the world of work. The Services SETA works closely with the TVET Governance Council and DHET to develop their capacity. **Role in relation to NSDP Outcomes**: Supports: Outcomes 2, 3, 4 & 5.
Skills Development Providers	They provide skills development training in the labour force, and they are on the supply side. **Role in relation to NSDP Outcomes:** They support outcomes 2, 3 & 4.

1.4. Economic Performance

The section on the economic performance of the services sector provides an account of the sector's contribution to the economy compared to the rest of the economic sectors, a description of how the sector is currently performing, and its outlook. The chapter then focuses on the employer profile and the labour market profile. Both are significant in providing a detailed understanding of the nature of employers and employment in the sector. It is important to emphasise that the Services SETA's scope of coverage overlaps with several industries as defined by the World Trade Organisation (WTO) and Stats SA. Analysis of the services sectors that fall under the Services SETA purview includes Finance, Transport, Construction, Mining, Agriculture and Personal Services. Reference to the services sector in this Sector Skills Plan includes the above-mentioned subsectors. Figure 2 reflects the GDP growth trends and industry contributions.

Figure 2. Growth in GDP (%), 2019-2022

	20/1	20/2	20/3	20/4	21/1	21/2	21/3	21/4	22/1
● Series 1	0.0	-17	13.8	2.7	0.8	1.4	-1.8	1.4	1.9
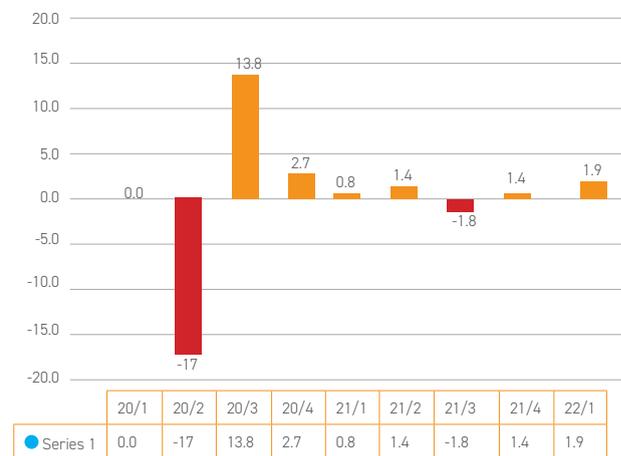
Source: Stats SA (2022a)

Figure 3. Contributions to GDP, Q1 2022 (%)
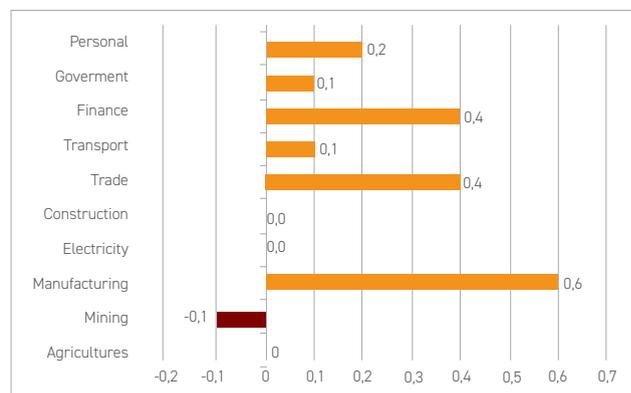
Source: Stats SA (2022a)

As Figure 2 illustrates, the South African economy has not fully recovered from the effects of the COVID-19 pandemic. Despite the promising signs of recovery with the easing of lockdown regulations, economic growth as measured in GDP terms has not fully recovered. The economy grew by a measly average of 1.9% in quarter 1 of 2022, following an increase of 1.4 in quarter 4 of 2021. Recent global events such as high inflation rates and widespread increases in interest rates are the clearest indicator that the economy is in for a long ride from the recovery perspective. Increases in commodities such as gas, oil and certain food items are likely to exacerbate an already worse situation. Given their role in the world's commodities in the form of gas, oil and grain, the effects of the war between Russia and Ukraine are yet to filter through.

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Regarding the industry's performance, the manufacturing sector performed better, followed by trade and finance. The financial sectors, when most of the Services SETA industries fall under, grew by 0,4% along with trade. Overall, the services sector is struggling to recover from years of underperformance, superimposed on the devastation wrought by the COVID-19 pandemic.

Regarding subsector contribution, Table 4 indicates that, firstly, the services sector, as defined in Table 2, was showing growth from R1,052,826 million in 2020 to R1,129,555 million in 2021. This growth occurred within the four chambers, with labour and collective services being the most significant contributor to the GDP, followed by personal care services, management and business services and cleaning and hiring services. Secondly, a decline has been seen in the communications and marketing services as well as the real estate and related services being disproportionately affected.

Table 4: Services Sector GDP at current prices by Chamber[1](R'm)

Chamber	2015	2016	2017	2018	2019	2020	2021
Cleaning & Hiring Services Chamber	42,487.4	43,653.1	48,141.8	51,919.1	56,553.1	48,288.5	49,672.4
Communications and Marketing Services Chamber	87,161.6	88,291.8	91,226.4	104,604.4	105,378.5	98,746.4	94,204.3
Labour & Collective Services Chamber	357,316.1	396,625.0	439,055.3	470,219.7	495,510.8	527,461.5	577,910.2
Management & Business Services Chamber	161,002.1	168,875.4	187,433.5	202,749.8	217,192.2	218,437.9	234,961.8
Personal Care Services Chamber	57,954.6	67,704.5	74,368.2	78,008.3	86,585.2	73,911.0	93,557.0
Real Estate & Related Services Chamber	67,581.0	76,259.6	86,295.3	84,634.8	87,620.9	85,981.1	79,249.7
Total	773,502.8	841,409.4	926,520.5	992,136.0	1,048,840.7	1,052,826.5	1,129,555.5

[1] This data is extracted from Quantec (Jun 2021a), calculated from the Stats SA annualized GDP. Stats SA's withholding of GDP data at a 4-digit level has made estimates less accurate. Therefore, this information should be understood in this context – it is the closest economic data available.

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1.5. Employer Profile

This section describes the firms that comprise the services sector and their distribution in terms of company size and location of trading. The data source is the DHET/SARS Database and WSP/ATR submissions. The Services SETA is one of the largest SETAs in terms of the number of employers falling within its scope. Approximately 187,491 employers fall within its demarcation (as of February 2022), as illustrated in Table 5. Proportionally, most employers are in the Management and Business Services Chamber with 150,835 (80%) employers, followed by Real Estate and Related Services Chamber with 14,666 (8%) employers, with the lowest numbers recorded in the Labour and Collective Services Chamber. Table 6 further illustrates that most of the Services SETA employers are SMMEs. Of the 187,491 employers, about 30,836 pay skills levies. This represents 21% of the total employers.

Figure 4: Services SETA employers by the provincial spread
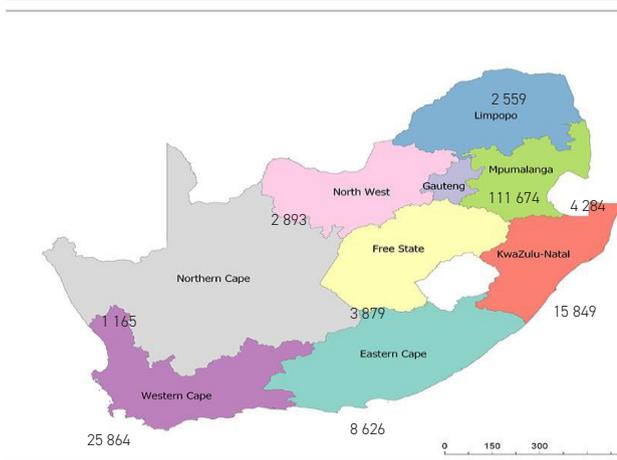
Source: Services SETA Database, 2022

The Services SETA has developed targeted interventions to ensure that all employers benefit equitably to promote growth and transformation of the services sector.

Particular focus is to support the growth and development of SMMEs and the participation of large companies in Services SETA's learning interventions. The latter is spearheaded by chamber operations, while the former is led by the Strategic Partnership's Entrepreneurship and Co-operative Development unit. Analysis of employer WSPs and ATRs, submitted in April 2022, indicates that following a drop in submissions in the past financial year due to COVID-19, the submission rate increased in 2022/23, surpassing the past three years - Figure 5.

Figure 5. Entities that submitted WSP/ATR by size
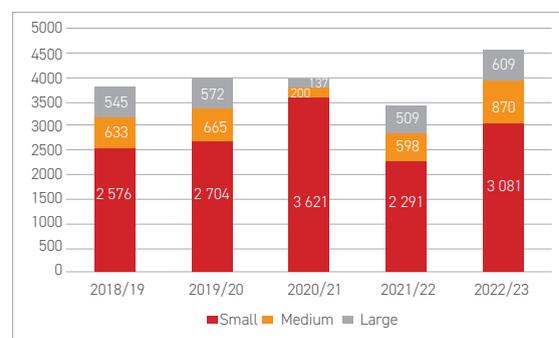
Source: SSETA WSP/ATR Submissions

Figure 6. Levy Income
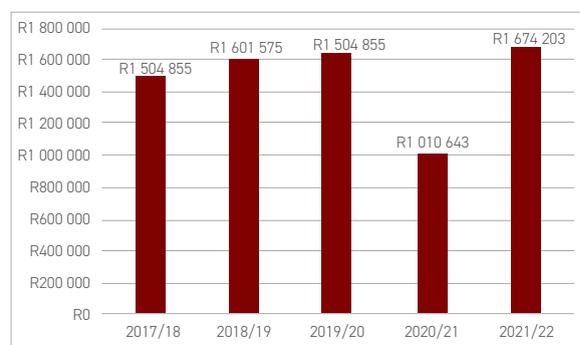
The impact of COVID-19 affected not only the submission rates of WSP/ATRs alone but also the levy income. As illustrated in Figure 6, levy income dropped from R1,643,548 to R1,010,643 in 2019/20 and 2020/21, respectively, but increased to pre-COVID-19 levels in the 2021/22 financial year.

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Table 5: Services SETA Subsectors by Size and Levy Status

Chamber (Subsectors)	Grand Total	Levy Paying					Non-Levy Paying				
		Large	Medium	Small	Not Specified	Total	Large	Medium	Small	Not Specified	Total
Cleaning & Hiring Chamber	**4,873 (3%)**	**7 (6%)**	**32 (9%)**	**509**	**540 (6%)**	**1,088 (4%)**	**55 (9%)**	**116 (7%)**	**2,469 (2%)**	**1,145 (4%)**	**3,785 (2%)**
Cleaning Services	2,127 (44%)	6 (86%)	19 (59%)	167 (33%)	227 (42%)	419 (1%)	38 (69%)	65 (56%)	1,118 (45%)	487 (43%)	1,708 (45%)
Domestic Services	39 (1%)	0	0	7 (1%)	7 (1%)	14 (1%)	0	0	19 (1%)	6 (1%)	25 (1%)
Hiring Services	2,400 (49%)	1 (14%)	11 (34%)	293 (58%)	220 (41%)	525 (48%)	17 (31%)	49 (42%)	1,246 (50%)	563 (49%)	1,875 (50%)
Household Services	307 (6%)	0	2 (6%)	42 (8%)	86 (16%)	130 (12%)	0	2 (2%)	86 (3%)	89 (8%)	177 (5%)
Communication & Marketing Chamber	**4,248 (2%)**	**7 (6%)**	**7 (2%)**	**429 (2%)**	**445 (5%)**	**888 (3%)**	**9 (1%)**	**14 (1%)**	**2,388 (2%)**	**949 (3%)**	**3,360 (2%)**
Contact Centre Services	73 (2%)	4 (57%)	0	11 (3%)	16 (4%)	31 (3%)	1 (11%)	1 (7%)	27 (1%)	13 (1%)	42 (1%)
Marketing & Communication Services	3,919 (92%)	3 (43%)	7 (100%)	386 (90%)	417 (94%)	813 (92%)	7 (78%)	12 (86%)	2,202 (2%)	885 (93%)	3,106 (92%)
Postal Services	256 (6%)	0	0	32 (7%)	12 (3%)	44 (5%)	1 (11%)	1 (7%)	159 (7%)	51 (5%)	212 (6%)
Labour & Collective Chamber	**4,235 (2%)**	**22 (18%)**	**30 (9%)**	**395 (2%)**	**390 (4%)**	**837 (3%)**	**101 (16%)**	**203 (13%)**	**2,285 (2%)**	**809 (3%)**	**3,398 (2%)**
Collective Services	835 (20%)	0	2 (7%)	135 (34%)	86 (22%)	223 (27%)	2 (2%)	3 (1%)	426 (19%)	181 (22%)	612 (18%)
Recruitment Services	3,400 (80%)	22 (22%)	28 (93%)	260 (66%)	304 (78%)	614 (73%)	99 (98%)	200 (99%)	1,859 (81%)	628 (78%)	2,786 (82%)
Management & Business Chamber	**150,835 (80%)**	**76 (63%)**	**259 (76%)**	**18,421 (85%)**	**5,467 (63%)**	**24,223 (79%)**	**451 (70%)**	**1,184 (75%)**	**106,789 (84%)**	**18,188 (67%)**	**126,612 (81%)**
Business Services	150,621 (100%)	75 (99%)	258 (100%)	18,379 (100%)	5,435 (99%)	24,147 (100%)	451 (100%)	1,182 (100%)	106,719 (100%)	18,122 (100%)	126,474 (100%)
Project Management Services	214 (0%)	1 (1%)	1 (0%)	42 (0%)	32 (1%)	76 (0%)	0	2 (0%)	70 (0%)	66 (0%)	138 (0%)
Personal Care Chamber	**8,634 (5%)**	**2 (2%)**	**4 (1%)**	**398 (2%)**	**429 (5%)**	**833 (3%)**	**9 (1%)**	**2 (2%)**	**5,048 (4%)**	**2,720 (10%)**	**7,801 (5%)**
Beauty Treatment Services	823 (10%)	2 (100%)	3 (75%)	97 (24%)	66 (15%)	168 (20%)	1 (11%)	3 (13%)	448 (9%)	203 (7%)	655 (8%)
Fashion Services	11 (0%)	0	1 (25%)	(2%)	1 (0%)	3 (0%)	0	1 (4%)	5 (0%)	2 (0%)	8 (0%)
Funeral Services	49 (1%)	0	0	12 (3%)	4 (1%)	16 (2%)	0	0	26 (1%)	7 (0%)	33 (0%)
Hair care Services	7,751 (90%)	0 (0%)	1 (25%)	287 (72%)	358 (83%)	646 (78%)	8 (89%)	20 (83%)	4,569 (91%)	2,508 (92%)	7,105 (91%)
Real Estate and Related Chamber	**14,666 (8%)**	**7 (6%)**	**10 (3%)**	**1,507 (7%)**	**1,443 (17%)**	**2,967 (10%)**	**16 (2%)**	**38 (2%)**	**8,325 (7%)**	**3,320 (12%)**	**11,699 (100%)**
Real Estate Services	14,666 (100%)	7 (100%)	10 (100%)	1,507 (100%)	1,443 (100%)	2,967 (100%)	16 (100%)	38 (100%)	8,325 (100%)	3,320 (100%)	11,699 (100%)
Grand Total	**187,491 (100%)**	**121 (100%)**	**342 (100%)**	**21,659 (100%)**	**8,714 (100%)**	**30,836 (100%)**	**641 (100%)**	**1,579 (100%)**	**127,304 (100%)**	**27,131 (100%)**	**156,655 (100%)**

Services SETA Database, 2022

1.6. Labour Market Profile

The labour market profile describes how many people are employed in the sector, their race, gender, age, and disability characteristics. Of importance is the analysis of employment in the sector according to occupational levels. This occupational analysis provides insights into the degree to which the sector has contributed to the national agenda of transformation of the labour force. Data used is derived from Stats SA's QLFS and QES, and Services SETA's WSP and ATR 2021.

1.6.1. Employment by Sector

In line with the falling economic growth, unemployment levels have persistently increased in the last two years. As illustrated, apart from Q2 2020, the unemployment rate has consistently increased quarter-to-quarter – reaching a high of 35,3% in Q4 2021. This situation contributes significantly to poverty and inequality in the country. Hardest-hit are precarious jobs, predominantly found in the informal sector. However, along with the GDP figures for Q1 2022, unemployment fell to 34,5%. It is too early to celebrate. More work is needed to grow the economy. Skills development interventions play a central role in this regard by ensuring an adequate supply of skilled workfare. The Services SETA is monitoring these developments carefully to ensure an appropriate response from a skills development perspective.

Figure 7: Unemployment rates, Q1 2021-Q1 2022
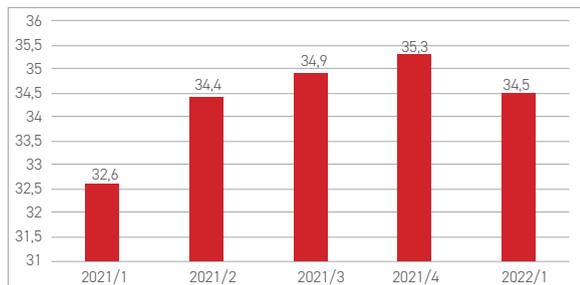
Figure 8: Unemployment by gender, Q1 2021-Q1 2022

	2021/1	2021/2	2021/3	2021/4	2022/1
Female	34	36,8	37,3	38,2	36,4
Male	31,4	32,4	32,9	32,8	33,0
Total (SA)	32,2	34,4	34,9	35,3	34,5
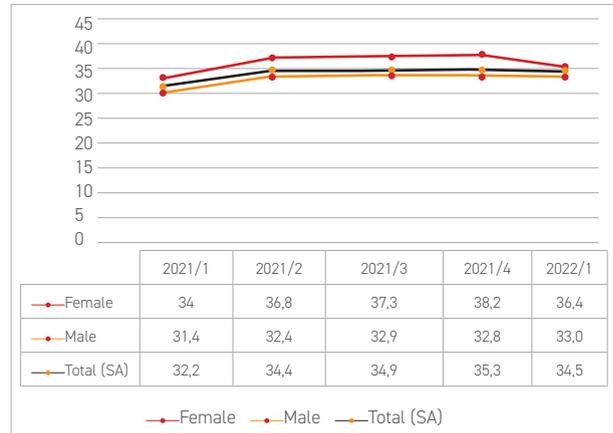
Source: Statistics South Africa (2022b)

Regarding unemployment by gender, women still bear the harshest brunt of unemployment. In Q1 2022 alone, unemployment among women was more than 3% of men - see Figure 8. In addition to women, youth, and people with low levels of education are disproportionately affected by unemployment. Unemployed work seekers with no matric accounted for more than half of the total unemployed, followed by those with a matric. Unemployment was lowest among graduates at 2,8%.

Figure 9: Proportion of the unemployed by education level, Q1: 2022
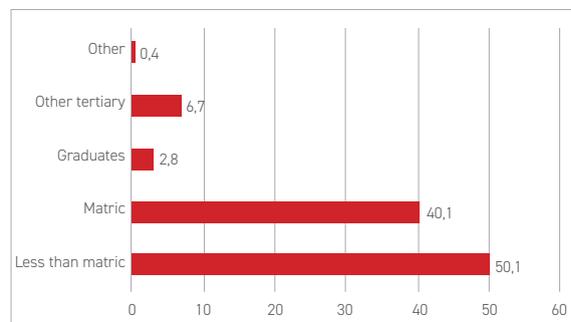
Source: Statistics South Africa (2022b)

Figure 10: NEET rates for youth aged 15–24 and 15- 34 years
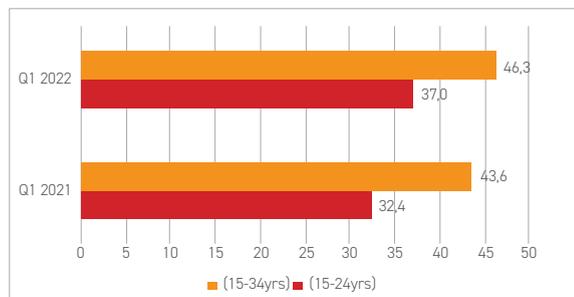
Source: Statistics South Africa (2022b)

Unemployment among youth is equally concerning, especially those not in employment or education and training (NEET). The Stats SA distinguishes between the NEETs aged 15- 24 and 15-34. The stats indicate that the latter category of NEET is particularly affected by unemployment. Close to half of this labour force was unemployed. And as is the case with the general unemployment trends, the numbers keep rising at a worrying rate. As of Q1 2022, total employment in South Africa stood at a little over 14 million people (14 914). The majority of those employed were in the formal (no-agriculture) sector, as illustrated below.

Notwithstanding, the informal sector and private households contribute a sizable portion of the employed workforce. This is the industry that is conspicuously dominant in the services sector. Notwithstanding the difficult economic conditions that the sector faces, the services sector remains the largest backbone of employment in South Africa. Key industries with higher concentration of services sectors such as private households, community and social services, and finance account for a substantial number of the employed labour force.

Figure 11: Employment by industry, in thousands, Q4 2021 & Q1 2022
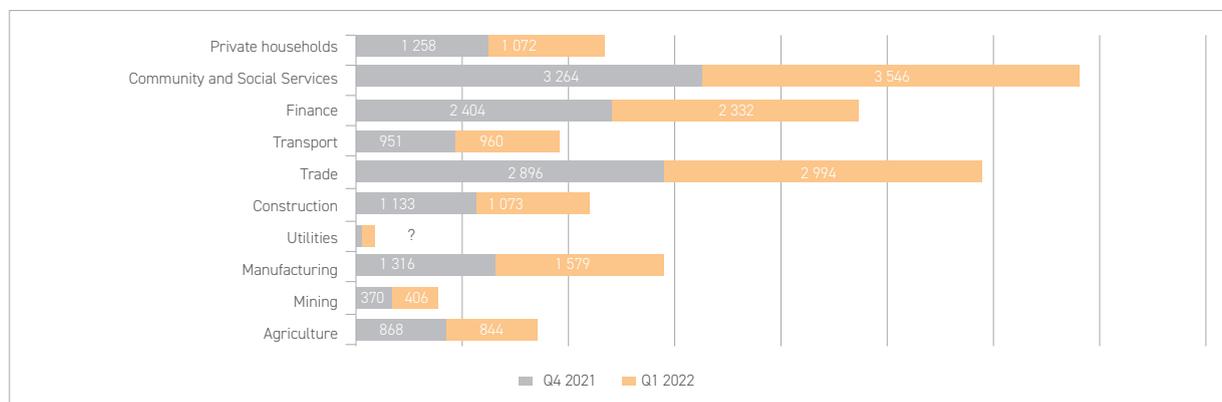
Source: Statistics South Africa (2022b)

Employee demographic profiles and occupational trends within the services sector are provided below. Analysis of Stats SA's QLFS Q1 2021 at a 4-digit level reveals that most people were employed under Personal Care Services and Business Activities n.e.c., with 1,664,001 and 1,345,538 employees, respectively (Quantec, 2021b). When the Stats SA QLFS of 2021 (Stats SA, 2021a) is compared with the Services SETA Chambers, it reveals correlations between the economic size of the subsector and employment levels.

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Table 6. Employment in the Services Sector by subsector[2](R'm)

Industry	2015	2016	2017	2018	2019	2020	2021
Cleaning and Hiring Services Chamber	129,010.1	127,667.1	133,703.6	139,625.0	143,197.2	116,647.0	111,583.8
Communication and Marketing Services Chamber	214,563.6	209,206.2	214,291.5	239,355.9	233,333.7	209,527.5	190,228.2
Labour and Collective Services Chamber	875,872.1	932,119.6	999,565.2	1,049,744.1	1,061,588.2	1,045,185.8	1,070,395.2
Management and Business Services Chamber	456,607.0	451,567.1	486,432.5	506,200.3	525,904.3	491,495.1	488,343.6
Personal Care Services Chamber	195,681.9	208,639.7	219,053.9	220,168.8	233,186.3	186,057.4	204,439.4
Real Estate Services Chamber	302,625.9	338,580.1	344,411.0	346,979.2	329,663.5	282,612.7	264,994.5
Total	**2,174,360.7**	**2,267,779.8**	**2,397,457.8**	**2,502,073.2**	**2,526,873.2**	**2,331,525.4**	**2,329,984.6**

Source: Quantec (June, 2021b)

The section below provides a demographic profile of the services sector labour force. The information is gleaned from the QLFS and WSP/ATR. The latter is based on the submission of more than 4,560 employers who participate in workplace training. It provides useful benchmarking against the overall sector per Stats SA data.

1.6.2. Employees' Demographic Profiles

a. Gender

International trends on the demographic features of the services sector employees point to 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 Quarterly Labour Force Survey (Stats SA, 2020a) indicates that 56% of the labour force in the services sector is comprised of men, see Table 7. This is in line with the disaggregation of data by Services SETA SIC codes, which indicates that 62% of the labour was male.

b. Race

Regarding the racial composition of the services sector workforce, almost 76% comprises Africans. Followed by Whites and Coloured at 12% and 9%, respectively. These trends are in line with the demographic features of the South African population. The only downside is that most of the population is concentrated in low-skill and low-pay jobs.

[2] This data is extracted from Quantec (June 2021) and calculated from the Stats SA annualized QLFS. Stats SA's withholding of QLFS data at the 4-digit level has made estimates less accurate. This information should be understood in this context – it is the closest economic data available. The unavailability of recent data rendered it impossible to provide 2021 figures.

Table 7. Employment by Gender, Race and Age in the services sector

Gender	Services SETA (2022)	National (Stats SA) (2021)
Male	560,157 (53%)	1,453,534.2 (62%)
Female	488,418 (47%)	875,715.8 (38%)
Total	**1,048,575 (100%)**	**2,329,250.0 (100%)**
Race		
Black African	643,710 (61,4%)	1,777,556.9 (76%)
Coloured	100,803 (9,6%)	200,115.1 (9%)
Indian/ Asian	64,062 (6,1%)	66,854.1 (3%)
White	236,508 (22,6%)	284,724.0 (12%)
Other	3,492 (0,3%)	
Total	**1,048,575 (100%)**	**2,329,250.0 (100%)**
Age		
<34yr	655,523 (63%)	826,512.28 (35%)
35-54yr	344,356 (33%)	1,320,989.99 (57%)
>55yr	18,340 (2%)	181,697.76 (8%)
Unknown	30,356 (3%)	
Total	**1,048,575 (100%)**	**2,329,250.04(100%)**

Source: Services SETA Mandatory Grant Data, May 2022, Statistics South Africa, 2021b

c. Age

According to Stats SA data, most employees in the services sector (57%) are aged between 35 and 54. This implies that this sector tends to attract a mature workforce.

d. Disability

According to the WSP/ATR (2021), about 1% of employees had some form of disability. The most common form of disabilities mentioned were sight and physical disabilities. The rest of the disabilities indicated were others or multiple.

1.6.3. Services Sector Occupational Trends

a. Occupational Category

Data from Stats SA indicates that in 2021 most of the workforce in this sector was employed at the level of domestic workers (51%), followed by salespersons (24%). These developments suggest that the Services SETA should ensure that there are sufficient qualifications at the higher National Qualifications Framework (NQF) level to ensure the relevance of training interventions. As will be discussed in Chapter 4, several initiatives are underway to establish partnerships with universities to help strengthen the pipeline of skills supply.

b. Levels of education

On the other hand, most of the workforce has not completed secondary education (40.8%), with some having completed secondary education (27.7%). Only 13.4% of the workforce had tertiary education. Of particular interest in analysing the educational qualifications of the services sector labour force is that the number of completions with no schooling is decreasing, whilst those who have completed secondary education are steadily increasing.

c. Working conditions

Analysis of WSP submissions reveals that many workers are employed permanently. About 67% of the workforce was employed permanently. The remainder is temporarily employed. Temporary staff include TES assignees, interns, and leadership students.

1.7. Conclusion

Chapter 1 demonstrates that overall, South Africa's economy is slowly recovering to the pre-COVID-19 pandemic era. By Q1 2022, the GDP grew by 1,9%, an increase of 0,5%. Similarly, the unemployment rate dropped to 34,5% - a decline of 0,8%. Employer participation in WSP/ATR at the Services SETA also increased, as well as levy contribution. These are promising signs that the economy is making a positive return. These developments allow the Services SETA to plan meaningfully to support the growth.

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. Key skills change drivers were identified through primary and secondary data. The primary data source involved a survey conducted among Services SETA employers. Additional information was collected through stakeholder consultations, illustrated in Table 1. These included industry representatives and Services SETA managers. COVID-19, Technology, Legislation, Energy and Environment and the Economy have been identified as key drivers of change for skills development. Sector skills planning needs to always align with national strategies and plans. This alignment is discussed in the following section. The last section outlines national priorities to which this SSP responds.

2.2. Factors affecting skill demand and supply

2.2.1. COVID-19

As illustrated in Chapter 1, the impact of COVID-19 (2019 Novel Coronavirus) on companies is likely to be severe. Rasool (2020b) argues that companies will surgically cut costs with the collapse of business activity during the lockdown. The pandemic has enabled companies to experiment with new organisational architectures during the lockdown. It is no longer necessary for every employee to report to the workplace daily (working remotely). In the aftermath, we can expect organisational structures to change in varying degrees, depending on the nature of business activities. Subsectors impacted and implications for skills development are outlined in Table 8. Skills development interventions will be prioritised to respond accordingly.

Table 8. Skills Implications of COVID-19 on the Services Sector

Subsector Impact	Nature of impact	Occupations affected
Beauty Treatment Services	COVID also brought in new ways of practice in this sub-sector in the sense that now clients must make appointments to be at the establishments for a service, whereas, in the past, walk-ins in the Beauty salons were a norm. Beauty salons have become more cautious about the health and safety of their staff as well as that of their clients.	Beautician; Massage Therapist
Hair care Services	Ability to operate safely.	Hairdresser; Barber
Recruitment Services	Retrenchments due to company closures.	Recruitment manager
Funeral Services	Funeral services have seen changes brought by the introduction of COVID in how they conduct funerals – funerals have become short, they also had to keep bodies in their mortuaries for a short period, and they were also required to cover bodies in specific bags for burial. They also had to factor in technology, where they had to learn to stream funerals on social networks like Facebook and YouTube.	Mortician; Funeral Director; Embalmer; Coffin Maker
Cleaning Services	New cleaning techniques.	Cleaner; Cleaning supervisor

The implication of this key skills change driver is the impact on how work is performed (remote working) and the pressure brought on companies to forcefully embrace technological tools and platforms for business continuity, such as Zoom, Microsoft Teams, and Skype for example. Training interventions were affected, especially experiential learning, which requires learners to be placed in a workplace to gain practical experience.

2.2.2. Information and Communication Technology (ICT)

The impact of ICT on the services sector transcends all industries in varying ways. At the core of this impact is the need to do business differently, leveraging on opportunities presented by technology. For employers, this means the possibility of a reduction in the cost of doing business and creating value for customers. For the workforce, this implies changes in occupations, jobs, and tasks. Some jobs may become obsolete and can be replaced with new ones. This will require upskilling and reskilling the current workforce to avoid possible job losses. Digital communication platforms, the growth of e-commerce, the global industry and customer access are some of the main trends driving the services sector.

Table 9. Skills Implications of ICT on the Services Sector

Subsector Impact	Nature of impact	Occupations affected
Business Services	Ability to access and use big data.	Quality Manager; Business Advisor / Consultant
Contact Centre Services	Automation of certain functions.	Contact Centre Call Agent/Manager
Recruitment Services	Online recruitment.	Recruitment officer
Postal Services	Digitised mail.	Delivery driver; mail clerk
Real Estate Services	Online marketing and contracting. Automation and other types of digital technology are continuously enhancing services and providing improved cost efficiency.	Sale Agent; Property Agent

Technology has had an impact on the design, form, and nature of the interaction between sellers and buyers. This impact traverses sub-sectors such as real estate, business, contact centre, recruitment, and postal services. Subsectors impacted and implications for skills development are outlined in Table 9. In the main, companies are required to invest in ICT training for staff to avoid layoffs and improve operational and cost efficiencies.

2.2.3. Climate Change

Climate change may lead to job and work productivity losses because it increases the frequency of extreme weather events and, more generally, threatens the provision of ecosystem services. At the same time, it presents opportunities for new occupations in the services sector. Several electricity disruptions have affected the sector profoundly as it makes the cost of running a business to be slightly high as the sector seeks alternative power supply. The services sector has also been affected by the increase in fuel prices. As the International Labour Organisation (2018) notes, climate change and other forms of environmental degradation have already caused net negative impacts on job and work productivity. It is expected that these impacts are likely to become more pronounced in the coming decades.

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Table 10. Skills Implications of Climate Change on the Services Sector

Subsector Impact	Nature of impact	Occupations affected
Cleaning Services	Environmentally friendly products.	Commercial cleaner
Personal Care Services	Environmentally friendly products, alternative ways to consume electricity.	Hairdresser; Beautician; Barber
Funeral Services	New burial practices.	Mortician; Funeral Director; Embalmer; Coffin Maker
Real Estate Services	Travelling to clients has been impacted due to the increase in fuel prices.	Property developer; Real Estate Agent/Manager; Leasing Agent

Pressures around protecting the environment, preserving natural resources, and energy conservation mainly affect the personal care and real estate sectors. Green funerals are becoming the choice for most consumers (Lukstins, 2015). Local cemetery green burial policies are introducing local burial restrictions to citizens. The hair industry is under increasing pressure to use chemicals that are not harmful to the environment and users.

2.2.4. Economy

As pointed out in chapter 1, the South African economy experienced a serious contraction last year. The COVID-19 pandemic exacerbated an already worse situation. The services sector, the backbone of South Africa's economy, was disproportionately affected by the pandemic. This sector has not fully recovered from these setbacks, as demonstrated by the GDP figures for Q1 2022. The decline in economic growth has had a knock-on effect on the employment situation as many companies closed or were forced to lay off staff to reduce expenditure. The current situation will require innovation to keep businesses afloat and grow the economy. Table 11 illustrates the impact of the economy on the services sector.

Table 11. Skills Implications of the Economy on the Services Sector

Subsector Impact	Nature of impact	Occupations affected
Business Services	The need to upskill business advisors and consultants, including e-commerce.	Contact Centre Manager, Quality Manager, Business Consultant/Advisor
Marketing Services	Changing landscape of the marketing Industry.	Sales Manager, Sales Representative
Recruitment Services	Changing the landscape of the labour recruitment industry.	Recruitment manager, Recruitment officer
Real Estate Services	Changing the landscape of the real estate industry, including high reliance on ICT.	Sale Agent; Property Agent; Property developer; Real Estate Agent
Beauty Treatments Services	Business downsizes due to changes in the economy.	Health and Skin Care Therapist, Spa Therapist, Nail Technician
Funeral Services	Some funeral undertakers find themselves having to do pro-bono work for families who are unable to pay for the burials of their loved ones.	Mortician, Funeral Director, Embalmer, Mortuary Technician / Assistant, Crematorium Operator
Hair care Services	Business downsizes due to changes in the economy	Hairdresser

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The ERRP discussed below provides a helpful strategy to drive growth in this sector. The Reconstruction and Recovery Skills Strategy provides further clarity for alignment with skills planning initiatives of the Services SETA. Due to the number of job losses incurred during COVID-19, there is a need to develop other business streams not dependent on face-to-face events, making room for innovative ideas. This will require retraining and/or upskilling of staff.

2.2.5. Globalisation

As higher levels of integration due to globalisation continue, business in most sectors is experiencing higher levels of competition. In addition, emerging and developing economies are seen as new engines of growth as companies continue to look for new locations for business investment. Recent real GDP growth projections support this notion. It is further expected that the global Services Sector will continue to drive global trade (World Bank Group, 2016), where contact centres play a significant role in supporting business operations through global process outsourcing.

Table 12. Skills Implications of Globalisation on the Services Sector

Subsector Impact	Nature of impact	Occupations affected
Business Services	Business Process Outsourcing (BPO) increases the demand for skills within the global business environment.	Contact Centre Manager, Workforce Planning, Enterprise Resources Planning etc.
Personal Care Services	The sector is highly informal, and entry into the business is not controlled.	Hairdressing; Beautician; Barber
Funeral Services	Having to adhere to other countries' laws on handling and dressing bodies.	Mortician; Funeral Director; Embalmer; Coffin Maker

The Hair Care industry tends to be highly informal, and entry into the business is not controlled. Employers in this subsector stated that products were being distributed in the African market that has been banned in Europe and North America. Trends observed in formal hair care companies are that there was a decrease in the number of young, new entrants and an increase in the availability of consumer products and hair care practitioners from across the African diaspora operating in South Africa. Regarding implications for skills planning, there is a growing demand for qualified hairstylists in the Afro hair industry.

2.3. Policy Frameworks Affecting Skills Demand or Supply in the Sector

This section looks at the major national plans and strategies that affect the services sector, emphasising the implications for skills planning. The Services SETA values the significance of strong alignment between its programmes and the national strategies. Table 13 provides a brief discussion of each national strategy and policy.

Table 13 National strategies/policies and implications for skills development

National Strategy/ Policy	Implications for skills development
National Skills Development Plan 2030	The main task of the Services SETA is the implementation of the NSDP. The NSDP is a 10-year plan for skills development in post-school education and training in South Africa. 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 Strategy/ Policy	Implications for skills development	National Strategy/ Policy	Implications for skills development
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. As the Strategic Integrated Projects (SIPs) are being implemented, they will invariably interface with Project Management Services, Hiring Services, Recruitment Services, Cleaning Services, Household Services, Collective Services such as dispute resolution and wage negotiation services, Business Services and Real Estate Services.	**Medium Term Strategic Framework (2019-2024)**	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 (2019-2024). 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.
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, Services SETA will contribute to areas of the economy like the green industry and environmentally friendly production processes by exploring the services sector's role. 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.	**Reimagined Industrial Strategy**	This policy strongly supports spurring economic growth and development potential in both local and international markets (global value chains). Skill interventions required in support of the Department of Trade and Industry's (Dti) IPAP, Special Economic Zones (SEZs) and designated trades include those related to contact or call centres and business advising.
		White Paper on Post-School Education and Training	The Services SETA has forged strategic partnerships with TVET Colleges and Universities to ensure improved access to quality learning programmes, increased the relevance of skills development interventions, and built strong partnerships between stakeholders and social partners.

National Strategy/ Policy	Implications for skills development
Economic Reconstruction and Recovery Plan	The Services SETA has identified scarce and critical skills prioritised by the Department for inclusion in this SSP update. These include Call or Contact Centre Manager; Quality Manager; Contact Centre Resource Planner; Contact Centre Forecast Analyst; Call or Contact Centre Manager; Inbound Contact Centre Consultant; Outbound Contact Centre Consultant; Contact Centre Real Time Advisor; and Call or Contact Centre Agent. These lists of scarce and critical skills have been incorporated into the lists of hard-to-fill vacancies, skills gaps, and priority lists for implementation in the next financial year. Efforts are also underway to accommodate these lists in the 2023/24 financial year.

2.4. Addressing National Priorities

Policies outlined above place a greater emphasis on the role of SMEs in propelling economic growth, livelihoods, and jobs. Whilst there are high rates and opportunities for entrepreneurial activity, entrepreneurship is both necessity- and opportunity-driven. Therefore, the needs differ across stages and the nature of the venture. This requires an applied, interactive, mentored and peer-learning approach to grow their businesses. Against this background, the Services SETA is forging collaboration with other SETAs and key government departments. The strategy is being developed under our Strategic Partnership Department.

2.5. Conclusion

This chapter identified COVID-19, Information and Communication Technology, Climate Change, Economy and Globalisation as the service sector's key change drivers. Implications for skills planning for each change driver were outlined. In addition, alignment to national priorities has been demonstrated, as well as specific interventions to address the priorities.

CHAPTER THREE
OCCUPATIONAL SHORTAGES AND SKILLS GAPS

3.1. Introduction

Chapter 1 defined the services sector and its scope of coverage, economic contributions and challenges posed by COVID-19, and employer and labour force profiles. Chapter 2 identified factors that are driving change in the services sector and influencing skills demand and supply of skills either positively or negatively, alignment to key government policies or programmes and interventions to address national priorities. This chapter focuses on the sector's occupational shortages, skills gaps, and occupational supply. Regarding occupational shortages and skills gaps, the chapter looks at what occupations are hard-to-fill, how many of these hard-to-fill occupations exist and why these occupations are hard-to-fill. In addition, major skills gaps that exist in the services sector are investigated by occupational levels.

This is followed by an exploration of the extent and nature of skills supply. This covers the extent of occupational supply, the state of education and training provision and the supply problems employers experience with the current labour market. The data was sourced from multiple sources, such as the DHET's Higher Education Management Information System (HEMIS)/The Sector Education and Training Management Information System (SETMIS) data, Services SETA WSP data, Services SETA chamber-led research, desktop research and national accounts data.

The last section presents the PIVOTAL list of programmes that the Services SETA will implement to address occupational shortages, skills gaps, and labour supply challenges. Methods of research employed to identify occupations in the PIVOTAL list will be discussed. The method will outline the process followed to inform the interventions selected to address the occupational shortages; the envisaged outcomes of the identified interventions; the consultative process that was followed to arrive at the listed occupations; the main findings that informed the PIVOTAL list, and the order of priority of the occupations.

3.2. Sectoral Occupational Demand

Occupational shortages occur when the demand for workers in specific occupations exceeds the supply of qualified, available, and willing workers – it refers to excess demand for workers in specific occupations (DHET, 2020). The strongest indicator or unit to measure occupational shortages is Hard-To-Fill Vacancies. A Hard-To-Fill Vacancy is a vacancy (occupation) that an employer was unable to fill within 12 months, or it took longer than 12 months for the employer to find a suitably qualified and experienced candidate.

On the other hand, skills gaps refer to skills deficiencies in employees or a lack of specific competencies by employees to undertake job tasks successfully based on required industry standards (DHET, 2020). The term "top-up skills" also refers to skills gaps. It usually requires a short training intervention. Skills gaps may arise due to a lack of training, new job tasks, technological changes, or new production processes, to list a few, which need to be addressed.

3.2.1. Hard-To-Fill Vacancies

This section presents the list of hard-to-fill vacancies identified within the services sector. The list is informed by a desktop literature review of employment and unemployment trends within the sector, an analysis of WSP/ATR data submitted by employers, especially the vacancy trends and planned interventions, stakeholder consultation workshops, and an online employer survey to corroborate findings across multiple sources. The list of hard-to-fill vacancies is presented per chamber. The magnitude of demand will be determined at the final submission. The generally slow recruitment process and the lack of experience are commonly cited as underlying reasons. The respondents factored COVID-19 in identifying hard-to-fill- vacancies and skills gaps, as evident below.

a. Cleaning and Hiring Services Chamber

The Cleaning and Hiring Services Chamber is one of the subsectors mainly employing entry-level workers, except in management positions. It is, therefore, not surprising to note below in Table 144 that there is a high vacancy rate at the senior levels of employment, like a manager and inspector or equivalent. Commonly cited reasons are the lack of suitably qualified people and relevant qualifications. The findings revealed from participants show health and safety occupations are emphasised due to COVID-19.

Table 14: Hard-to-Fill Vacancies, Cleaning and Hiring Services Chamber

Subsector	OFO Code	Hard-To-Fill Vacancy	No	Reasons
Cleaning services	2021-143902	Cleaning Services Manager	121	Lack of relevant qualifications Shortage of suitably qualified people
	2021-515104	Cleaning Supervisor	198	Shortage of suitably qualified people
	2021-811202	Healthcare Cleaner	1,997	Lack of relevant qualifications Shortage of suitably qualified people
	2021-811201	Commercial Cleaner	470	Lack of relevant qualifications Shortage of suitably qualified people
	2021-812101	Laundry Worker	165	Lack of relevant qualifications Shortage of suitably qualified people
	2021-821401	Garden Worker	74	Lack of relevant qualifications Shortage of suitably qualified people
Hiring Services	2021-734201	Earthmoving Plant Operator (general)	106	Shortage of suitably qualified people
	2021-325705	Safety Inspector	163	Shortage of suitably qualified people

The implication for skills development planning is the need to pay special attention to training at management and senior employment levels. This observation speaks indirectly to transformational imperatives identified by the DHET (2014). Special attention should be paid to blacks, women, youth, and people with disability.

b. Communications and Marketing Services Chamber

The Communications and Marketing Services Chamber subsectors attract people with a relatively high level of skills and qualifications. It is, therefore, not surprising that the skills scarcity is concentrated at the highest levels of occupational categories – Manager, Professional and Technical and Associate Professional, see Table 15. The lowest level of an occupational category is Services and Sales Worker – occupational category number 5.

As a result of the skills requirements of these occupational categories, the main reasons employers are struggling to fill vacant posts are the lack of relevant qualifications, experiences, and lack of relevant skills is one of the top three reasons why employers take too long to fill vacancies, followed by lack of relevant experience. Derived as future skills due to advancing technology, the findings highlight IT and multimedia-related occupations, which are also relevant in situations of COVID-19.

The list below includes occupations identified by the Economic Reconstruction and Recovery Skills Strategy as critical for the success of the Economic Reconstruction and Recovery Plan.

Table 15. Hard-to-Fill Vacancies, Communications and Marketing Services Chamber

Subsector	OFO Code	Hard-To-Fill Vacancy	No	Reasons
Marketing Services	2021-122201	Advertising/Public Relations Manager	121	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill
	2021-422206	Call or Contact Centre Agent	180	• Lack of relevant skill • Low pay rate
	2021-143905	Call Centre Manager	105	• Lack of relevant skill • Low pay rate
	2021-122301	Research & Development Manager	232	• Shortage of suitably qualified people • Lack of relevant skill
	2021-243201	Communication Coordinator	488	• Lack of relevant skill
	2021-333908	Marketing Coordinator	470	• Shortage of suitably qualified people • Lack of relevant skill
	2021-251102	Data Scientist	233	• Shortage of suitably qualified people • Lack of relevant skill
	2021-216603	Multimedia Designer	1,052	• Shortage of suitably qualified people • Lack of relevant skill
	2021-251201	Software Developer	3,857	• Shortage of suitably qualified people • Lack of relevant skill
	2021-122103	Director of Marketing	211	• Shortage of suitably qualified people • Lack of relevant skill
	2021-122104	Interactive and Direct Marketing Strategist	628	• Shortage of suitably qualified people • Lack of relevant skill
	2021-122101	Sales and Marketing Manager	6,556	• Shortage of suitably qualified people • Lack of relevant skill
	2021-122102	Sales Manager	1,945	• Shortage of suitably qualified people • Lack of relevant skill
	2021-243103	Marketing Practitioner	99	• Shortage of suitably qualified people • Lack of relevant skill

Implications for skills development is the need to pay special attention to transformational imperatives. A disproportional allocation of training budget and interventions should be made to blacks, women, youth, and people with disability. Most importantly, the Services SETA should ensure the availability of relevantly suitable qualifications to address the problem.

c. Labour and Collective Services Chamber

Due to the nature of its operations, the Labour and Collective Services Chamber seems to struggle to recruit staff in critical recruitment areas. Table 16 illustrates that the main reasons for the inability to attract relevant staff include a lack of relevant skills, experience, and the shortage of qualified people. Like other chambers, a health and safety officer has become a necessity due to COVID-19.

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Table 16: Hard-to-Fill Vacancies, Labour and Collective Services Chamber

Subsector	OFO Code	Hard-To-Fill Vacancy	No	Reasons
Recruitment Services	2021-121204	Recruitment Manager	127	• Shortage of suitably qualified people • Lack of relevant qualifications
	2021-121102	Payroll Manager	364	• Shortage of suitably qualified people • Lack of relevant qualifications
Collective Services	2021-242304	Industrial Relations Advisor	580	• Lack of relevant qualifications • Lack of relevant skill
	2021-261105	Conciliation /Arbitration Commissioner	105	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill
	2021-226302	Health and Safety Officer	639	• Lack of relevant qualifications • Lack of relevant skill
	2021-335901	Labour Inspector	162	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill

The skills challenges related to the Labour and Collective Services Chamber imply that the Services SETA should sufficiently invest in Learnership and Internship interventions – with due consideration for transformation. These learning interventions provide prospective employees with sufficient and relevant exposure to the world of work, thereby preparing them for immediate absorption into the labour market.

d. Management and Business Services Chamber

Like other high-skills-based subsectors, the Management and Business Services Chamber seem constrained by a lack of relevant skills, experience and relevant qualifications in attracting suitably qualified incumbents – see Table 17. Skills scarcity is also mainly concentrated in the management and senior occupational categories.

Table 17. Hard-to-Fill Vacancies, Management and Business Services Chamber

Subsector	OFO Code	Hard-To-Fill Vacancy	No	Reasons
Project Management Services	2021-121905	Project Manager	158	• Complexity - Lack of relevant skill • Competence – Shortage of suitably • qualified people
	2021-251201	Software Developer	3,728	• Low supply – Shortage of qualified personnel • Low rate of attraction – job-hopping
	2021-132107	Quality Manager	232	• Low supply – Shortage of qualified personnel • Complexity - Lack of relevant skill
	2021-252901	ICT Security Specialist	1,834	• Complexity - Lack of relevant skill • Low supply – Shortage of qualified personnel

Subsector	OFO Code	Hard-To-Fill Vacancy	No	Reasons
	2021-242101	Management consultant (Business Analyst, Business Consultant)	705	• Complexity - Lack of relevant skill • Competence – Shortage of suitably qualified people
	2021-122101	Business Development Manager	432	• Complexity - Lack of relevant skill • Competence – Shortage of suitably • qualified people
	2021-121906	Franchise Manager	612	• Complexity - Lack of relevant skill • Lack of relevant qualification • Competence – Shortage of suitably • qualified people
	2021-121901	E-Commerce Manager (Entrepreneurial)	150	• Complexity - Lack of relevant skill • Lack of relevant qualification • Competence – Shortage of suitably • qualified people
	2021-121901	Business Operations Manager	204	• Complexity - Lack of relevant skill • Lack of relevant qualification • Competence – Shortage of suitably • qualified people
	2021-334101	Office Supervisor	164	• Complexity - Lack of relevant skill • Lack of relevant qualification
	2021-684305	Quality Assurer	78	• Complexity - Lack of relevant skill • Lack of relevant qualification • Competence – Shortage of suitably qualified people
	2021-134903	Small Business Manager	194	• Complexity - Lack of relevant skill • Lack of relevant qualification • Competence – Shortage of suitably • qualified people

The current economic challenges of slow economic growth, juxtaposed with the COVID-19 pandemic, mean that skills related to turning around business operations and consulting will be in higher demand. This is an ideal opportunity for promoting transformation by aiming training interventions at marginalised groups, as discussed above. The Services SETA currently has a sufficient suite of qualifications and training providers to meet the demand. The training budget might be constrained, considering the forecasted revenue decline and the need to allocate budgets to COVID-19-related activities.

e. Personal Care Services Chamber

The Personal Care Services Chamber is one of the subsectors that does not require a high level of qualifications to enter the labour market. Table 18 indicates that the nature of business is primarily informal and small in size. It is not surprising; therefore, the scarcity of skills is in the Clerical and Sales Workers areas downwards.

The labour profile of this sector is that women dominate it, and the majority are self-taught. These factors by themselves can be the greatest barrier to the growth and sustainability of entrepreneurs with a direct impact on the workforce.

Table 18. Hard-to-Fill Vacancies, Personal Care Services Chamber

Subsector	OFO Code	Hard-To-Fill Vacancy	No	Reasons
Haircare Services	2021-514101	Hairdresser	3,536	• Lack of relevant qualifications • Lack of relevant skill
Beauty Treatment Services	2021-514201	Beauty Therapist	364	• Shortage of suitably qualified people • Lack of relevant qualifications
	2021-514207	Somatologist	221	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill
	2021-514210	Image Consultant	185	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill
Funeral Services	2021-516301	Funeral Director	95	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill
	2021-516301	Mortician	582	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill
	2021-641301	Stonemason	77	• Lack of relevant qualifications • Lack of relevant skill
	2021-516303	Embalmer	107	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill
	2021-516303	Embalmers Assistant	107	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill
	2021-516306	Crematorium Operator	389	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill

The implications for skills development planning for the subsector is the need to pay special attention to employees in precarious employment conditions, part-time employment and businesses vulnerable to closure. The aim should be to prepare vulnerable workers for alternative employment or to start their businesses. Women and youth fall under this category. New Venture Creation learning interventions are ideally suited for this subsector.

f. Real Estate and Related Services Chamber

The real estate subsector is one of the small yet economically strong industries – in terms of GDP contribution and business revenue. At the same time, it is often slated for its slow pace of transformation. Skin colour remains the biggest impediment to entry for blacks. The industry is highly regulated, thereby requiring a fair level of literacy and educational qualifications. It is not surprising that vacancy rates are concentrated in the high-level occupational categories and that underlying reasons include the lack of relevant skills, relevant qualifications and equity considerations, respectively, as illustrated in Table 19. This list includes occupations identified in the Economic Reconstruction and Recovery Skills Strategy.

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Table 19: Hard-to-Fill Vacancies, Real Estate and Related Services Chamber

Subsector	OFO Code	Hard-To-Fill Vacancy	No	Reasons
Real Estate Services	2021-333901	Auctioneer	127	• Shortage of suitably qualified people • Lack of relevant skill
	2021-333402	Real Estate Agent	197	• Equity Considerations
	2021-333401	Property Manager	268	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill • Equity Considerations
	2021-333405	Real Estate Principal Agent	304	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill • Equity Considerations
	2021-143901	Facility Manager	69	• Lack of relevant qualifications • Lack of relevant skill • Equity Considerations
	2021-331501	Valuer	198	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill • Equity Considerations
	2021-333907	Property Investor	123	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill
	2021-121903	Managing Agent	78	• Shortage of suitably qualified people • Lack of relevant qualifications • Lack of relevant skill
	2021-333904	Property Business Broker	96	• Lack of relevant qualifications • Lack of relevant skill

For the real estate subsector, planning for skills development should consider training employees from historically disadvantaged backgrounds to address the industry's transformation. Training interventions should be aimed at the upper echelons of occupational categories.

3.2.2. Alignment of ERRSS Occupations

Analysis of the ERRSS reveals that the Services SETA is required to prioritise the following occupations.

Table 20: ERRSS Occupations falling under Services Sector

Name of Occupation	Relevant Qualifications
Call or Contact Centre Manager	NQF Level 6, 7 or 8
Quality Manager	National Diploma in Engineering (Computer Systems), NQF Level 8; Bachelor of Technology in Quality Management, NQF Level 7; Master of Technology in Quality Management, NQF Level 9; National Diploma in Engineering (Computer Systems), NQF Level 8

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Name of Occupation	Relevant Qualifications
Contact Centre Resource Planner	National Diploma: Contact Centre Management, NQF 6
Contact Centre Forecast Analyst	National Certificate: Contact Centre Operations, NQF 4
Call or Contact Centre Manager	National Diploma: Contact Centre Management, NQF 6
Inbound Contact Centre Consultant	National Certificate: Contact Centre Support NQF 2; National Certificate: Contact Centre and Business Process Support NQF 3
Outbound Contact Centre Consultant	National Certificate: Contact Centre Support NQF 2; National Certificate: Contact Centre and Business Process Support NQF 3
Contact Centre Real Time Advisor	National Diploma Contact Centre Management, NQF 5
Call or Contact Centre Agent	Diploma Contact Centre Management, NQF Level 5

Source: (DHET, 2022)

3.2.3. Skills Gaps

This section looks at the nature and extent of the demand for skills gaps within the services sector. It draws from literature reviews; employer surveys; WSP/ATR and Services SETA Performance Information data, and stakeholder consultation virtual workshops. There are two broad categories used, namely, soft and technical skills.

Soft skills are a combination of people skills, social skills, communication skills, character or personality traits, attitudes, career attributes, social intelligence, and emotional intelligence quotients, among others, that enable people to navigate their environment, work well with others, perform well, and achieve their goals with complementing hard skills.

On the other hand, technical skills may refer to the knowledge and expertise needed to accomplish complex actions, tasks and processes relating to computational and physical technology as well as a diverse group of other enterprises.

Table 21: Skills Gaps in the services sector

Major Group	Skills Gaps	Occupations
Managers	Quality management	Project Manager; Quality Manager
	Strategic management	Corporate Services Manager; Project Manager
	Leadership	
	Financial Management	
	Change management	
Professionals	Cybersecurity	Business Consultant
	Social media	Marketing Practitioner
Clerical Support Workers	Customer service	Office clerk; Call Centre Agent
	Time management	
	Foreign language	
	Computer literacy	
	Work ethics	
Service and Sales Workers	Communications	Rental Salesperson
Elementary Occupations	Communications	Cleaner; Event assistant
	Basic Computer	
	Customer Services	

Analysis of skills gaps requirements within the services sector reveals a similar pattern. There is a strong demand for soft skills at the managerial level, whereas the requirement for technical skills is higher at the lower levels of occupational categories. Table 21 lists key skills gaps identified within the services sector by magnitude, major and occupational categories.

3.2.4. Alignment of ERRSS Skills Gaps

The following Skills gaps are addressed in the skills planning process of the Services SETA.

Table 22: ERRSS Skills Gaps

Skills gaps in need of current/short-term intervention (in the next 12 months)	Skills gaps in need of future/long-term intervention (over the next five years)
Cloud architecture	Artificial Intelligence
Cybersecurity	Biotechnology
Data centre operations	Blockchain
Desktop support engineering	Data analysis
Enterprise architecture development	Data Science
Integrated systems development	Internet of Things
Learning management systems architecture	Machine learning
Network analysis, control, and security	Nanotechnology
Software development engineering	Quantum computing
Systems engineering	Robotic automation

Source: (DHET, 2021)

3.3.1. The state of education and training provision

Higher Education and Training Programmes

Skills development ecosystem post-school education and training (PSET) consists of Technical, Vocational Education and Training (TVET), Community Education and Training (CET), private Colleges, public and private universities, and SETAs. PSET is positioned to ensure the pipeline of supply of skills for the labour market. There are 26 public universities, 132 private institutions of higher education, 50 TVET Colleges, 9 CETs, 126 registered private colleges and 21 SETAs. In addition, there are thousands of small training providers. Altogether, the system enrolled up to 2,005,408 learners in 2020 – see Figure 12. The university system accounted for 1,313,839 (51%) learners. The college system enrolled 452,277 (39%), and the SETA system has about 118,541 (11%) learners enrolled through various programmes.

Figure 12: Learner enrolment in public and private HEIs, 2011-2020

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public HEIs	892,936	938,201	953,373	983,698	969,155	985,212	975,837	1,036,984	1,085,568	1,074,912	1,094,808
Private HEIs	90,767	103,036	97,478	119,941	142,557	147,210	167,408	185,046	197,898	208,978	219,031
Total	983,703	1,041,237	1,050,851	1,103,639	1,111,712	1,132,422	1,143,245	1,222,030	1,283,890	1,283,890	1,313,839
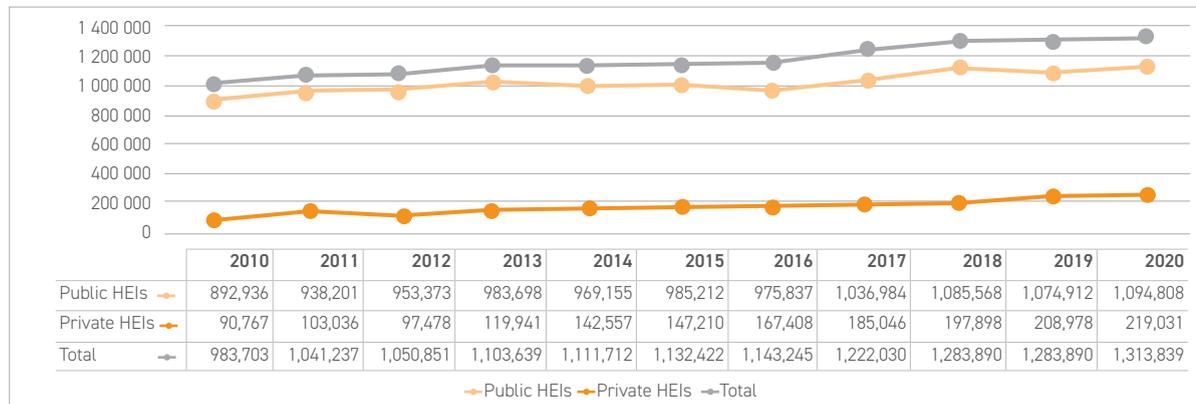
Source: (DHET, 2015; 16; 17; 19; 20; 21;22)

Within the public universities system, the highest intake is within the Science, Engineering and Technology (SET) followed by Business and Management, Humanities and Education disciplines – see Figure 13. From around 2019, enrolment in Business and Management qualifications has witnessed a major decrease. The following year, 2020, registered a modest increase.

Figure 13: Number of students enrolled in public HEIs by major field of study, 2011 – 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
SET	264,447	273,282	283,622	287,221	294,935	295,383	310,115	320,671	323,105	319,902
Business and Management	288,487	282,299	279,954	272,409	273,828	264,934	278,930	283,194	265,973	280,489
Other Humanities	220,326	229,184	247,131	243,426	245,899	238,535	252,826	267,553	274,377	294,986
Education	164,939	168,608	172,991	166,099	170,550	176,986	195,113	214,151	211,274	199,432

Source: (DHET, 2015; 16; 17; 19; 20; 21;22)

The noticeable decrease in enrolment implies that SETAs will need to strengthen the pipeline of skills supply for the services sector-related qualifications over the five years. The low rate of skills supply for the services sector is made pale by the low rate of enrolment of SETA-related qualifications in the TVET College space. For TVET colleges, Occupational qualifications are directly aligned with the SETA training facilitation mandate. As Figure 14 illustrates, enrolment in SETA-related qualifications has been the lowest among the rest. This state of affairs, once again, highlights the need for the Services SETA to work closely with TVET Colleges to strengthen the pipeline of skills supply.

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Figure 14: Learner enrolment by type of qualifications in TVET Colleges, 2011-2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NC(V)	124,658	140,575	154,960	166,433	165,459	177,261	142,373	131,212	138,912	146,637
Report 191 (N1-N6)	222,754	359,624	442,287	486,933	519,464	492,026	510,153	482,175	494,070	274,907
Occupational Qualifications	20,799	62,359	19,000	19,825	20,533	13,642	10,969	20,106	22,886	20,130
Other	32,062	95,132	23,371	29,192	32,424	22,468	24,533	23,355	14,025	3,888
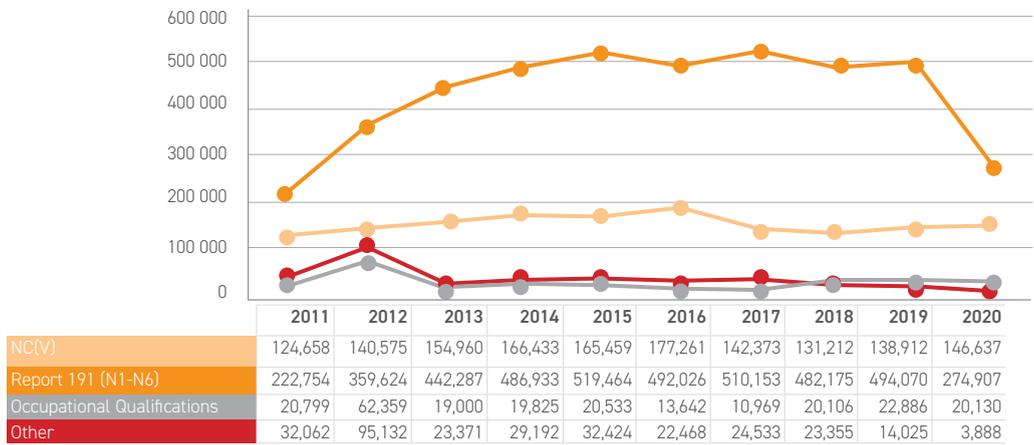
Source: (DHET, 2015; 16; 17; 19; 20; 21)

A comparison of learner enrolments and completion figures in public and private universities, TVET and CET Colleges paints a bleak picture regarding the pipeline of skills supply. As Figure 15 illustrates, completion rates fall far short of enrolment rates. The average completion rate is 16%. A detailed analysis of the data reveals a worrying trend of low completion rates within CET and TVET Colleges and public universities. Together, these institutions account for more than 90% of the student enrolment in the country. Several trace studies reveal several underlying reasons which need to be addressed for the situation to be turned around. Key among them include access to learning materials and the quality of the school-leaving qualifications.

Figure 15: Comparison of enrolment and completion in HEIs, 2020

Source: (DHET, 2015; 16; 17; 19; 20; 21;22)

Services SETA Sector Skills Plan 2023/24
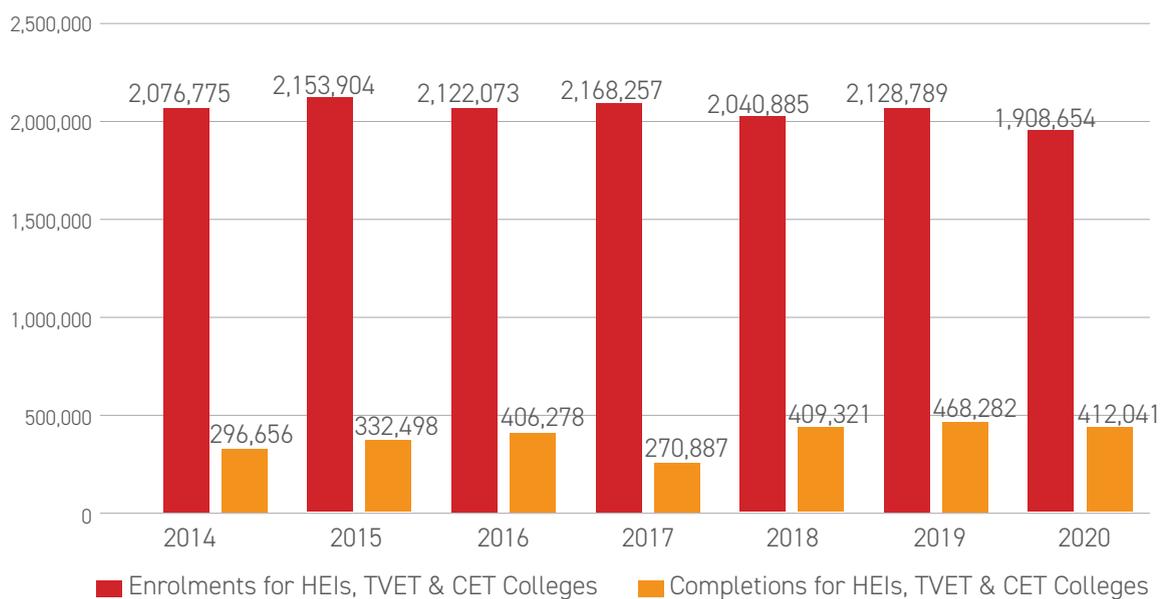
The following section explores the sector Education and Training Authorities' skills supply situation. Like the HEIs, completion rates in the SETA space are worrying. The big challenge in the latter is insufficient workplaces that afford learners experiential learning opportunities. Unlike HEIs qualifications, occupational qualifications offered by SETAs include a workplace learning component.

Sector Education and Training Authorities

There are 21 SETAs responsible for different sectors as determined by DHET – see Figure 16 for the full list and alignment to major industries. There has been a steady increase in the enrolment of learners over the last five years. Enrolment in Skills Programmes has consistently surpassed others, followed by Learnerships. Figure 16 illustrates this picture. These developments could be attributed to the fact that, firstly, the learning pathway is of short duration and mostly targets employed learners. The brief duration of the programme is attractive to employed learners who cannot afford to be away from work.

Secondly, Skills Programmes are top-up learning interventions. Top-up learning interventions are ideally suited for people who are already in a job. The purpose is to empower them in areas where they are lacking, like leadership skills, negotiation skills and advanced computer skills.

Figure 16: Learner enrolment in all 21s SETAs

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Learnerships	43,871	50,885	75,782	77,931	94,369	101,447	111,681	105,548	81,988	46,546
Internships	3,452	6,127	8,017	12,006	13,135	17,216	12,935	15,482	11,784	6,022
Skills Programme	87,906	74,587	92,508	137,880	123,593	131,017	144,531	150,674	128,438	65,973
Total	135,229	131,599	176,307	227,817	231,097	249,680	269,147	271,704	222,210	118,541

Source: (DHET, 2015; 16; 17; 19; 20)

In line with the enrolment trend above, Skills Programmes registered the highest completion rates, followed by Learnerships. Whilst also realising a steady increase in completion rates, Internship programmes' completion rates are far lower than the enrolments, as Figure 17 illustrates. This is a problem common across all SETAs that needs closer scrutiny.

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Figure 17: Learner completion in all 21s SETAs

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Learnerships	29,197	37,158	38,796	40,891	43,322	58,080	48,002	61,841	57,888	37,684
Internships	878	2,195	2,510	3,663	3,352	6,777	6,496	6,123	7,711	7,405
Skills Programme	87,527	86,491	109,547	106,459	127,144	116,141	122,979	144,460	114,032	81,636
Total	117,602	125,844	150,853	151,013	173,818	180,998	177,477	212,424	179,631	126,725
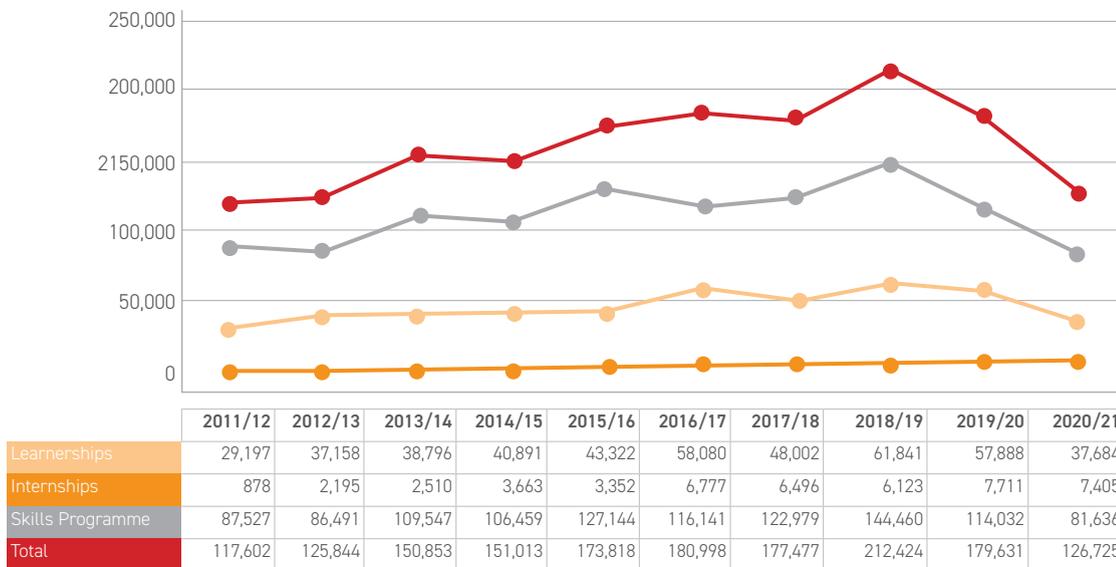
Source: (DHET, 2015; 16; 17; 19; 20)

The discrepancy between enrolment and completion rates is aptly illustrated in Figure 18. The gap between the two is increasing instead of declining. Even more worrying is that completion rates appear to decline more instead of increasing or remaining constant.

Figure 18: Comparison of learner total learner enrolment and completion in all 21s SETAs

|	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Enrolment	231,097	249,680	269,147	271,704	222,210	118,541
Completion	173,818	180,998	177,477	212424	179631	126,725
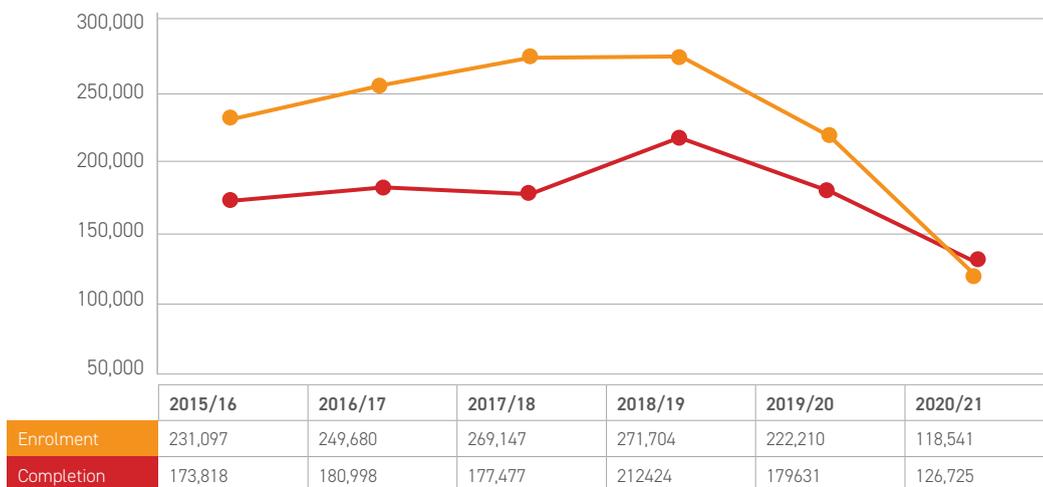
Source: (DHET, 2015; 16; 17; 19; 20)

The overall decline in enrolments and completion within the PSET system places severe pressure on SETAs to enhance the pipeline of skills supply for the labour market. The following section provides an overview of the Services SETA's contribution to the skills supply for the services sector.

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Services SETA-funded learning interventions

The Services SETA has made a noticeable contribution to skills development in the last five years. According to Figure 19, the highest enrolment rates are in the Learnership learning programme, followed by Internship. These two learning programmes are critical because they primarily benefit youth and women. The latter category is, in most cases, new entrants to the labour market. These programmes equip them with relevant work experience and exposure to the world of work.

Figure 19: Services SETA Learner enrolment, 2015-2020
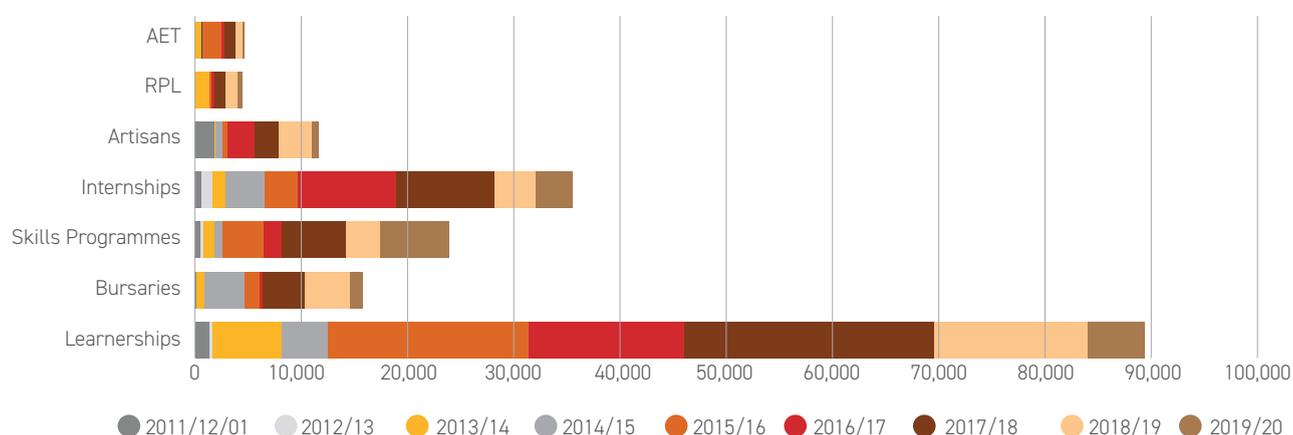
Source: (Services SETA LMIS, 2015; 16; 17; 18; 19)

Another critical area of improvement is Skills Programmes. As discussed above, this programme is ideally suited for already-employed learners who require top-up skills.

Regarding completion rates, the Services SETA, like other SETAs above, falls behind with completion – see Figure 20. Tracer studies revealed several reasons for this state of affairs. Key amongst them is the high rate of dropouts (Services SETA, 2018). Learners are often tempted to quit learning programmes when they find employment or receive enrolment acceptance from another SETA, TVET college or university.

Figure 20: Services SETA Learner enrolment and completion, 2014-2019

	2011/12/01	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Enrolment	4,312	1,540	10,622	12,480	30,780	31,876	46,692	30,564	17,647
Completion		1,421	131	3,441	548	8,114	12,035	20,131	20,311
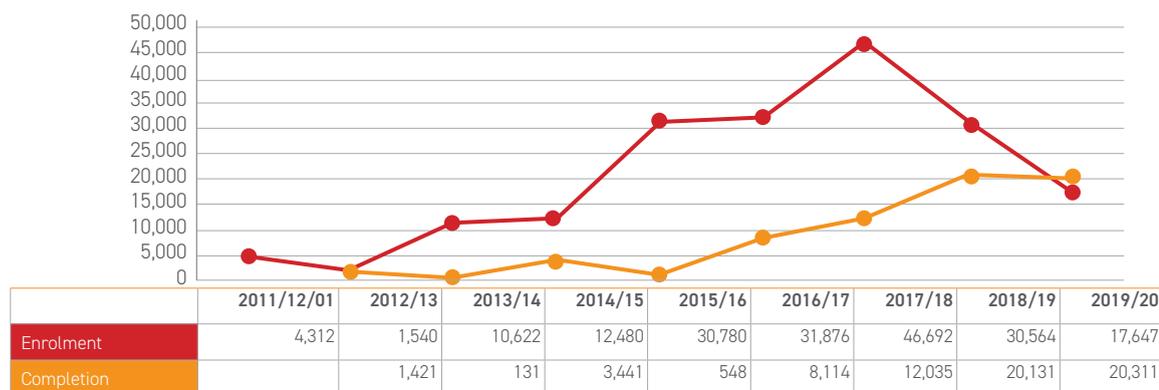
Source: (Services SETA LMIS, 2015; 16; 17; 18; 19)

The following section looks at the interventions developed by the Services SETA to improve the pipeline of skills supply for the sector.

3.3.2. The extent of occupational supply

To respond to current skills demand within the services sector, qualifications in the following occupations are being prioritised for registration, development and/or update. These are listed in Table 23 below.

Table 23: Occupations for which qualifications are prioritised

Registered occupational qualifications	Occupational qualifications in developed and submitted to QCTO 2021/22	Occupational qualifications identified for development in 2022/23
1. Garden Worker 2. Project Manager 3. Contact Centre Manager 4. Mortician 5. Hairdresser 6. Facilities Manager 7. Embalmer 8. Embalmer Assistant 9. Recruitment Manager 10. Laundry Worker 11. Laundry Sorter 12. Laundry Washer 13. Laundry Finisher 14. Market Research Analyst 15. Labour Inspector 16. Small Business Consultant 17. Office Supervisor 18. Real Estate Agent 19. Healthcare Cleaner 20. Commercial Cleaner 21. Kitchenette Cleaner 22. Ablution Cleaner 23. Above Surface Cleaner 24. Floor Cleaner 25. Image Consultant 26. Funeral Director 27. Marketing Coordinator 28. Payroll Manager 29. Quality Manager 30. Quality Assurer 31. Employment Consultant 32. Stone Mason 33. Stone Mason Engraver 34. Stone Mason Polisher 35. Stone Mason Erector	1. Auctioneer 2. Contact Centre Manager 3. Business Operations Manager 4. Cleaning Practitioner 5. Contact Centre Agent 6. Franchise Manager 7. Real Estate Agency Principal 8. Small Business Manager	1. E-Commerce Manager 2. Management Consultant 3. Coffin Marker 4. Make-up Artist 5. Marketing Manager 6. Digital Marketer 7. Public Relations Practitioner 8. Public Relations Consultant 9. Cleaning/ Operations Manager 10. Cleaning Contract Manager 11. Property Developer 12. Human Resources Clerk 13. Human Resources Advisor

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3.3.3. Supply problems experienced by employers

Employers are more often equally concerned about the work-related practical skills or competencies that current or prospective employees can perform various job tasks successfully. The significance of investment in skills supply for a business's success is ensuring that the workforce is adequately trained to cope with the changing demands of their jobs.

Complex problem-solving skills are the most sought-after skills. Technical skills such as Information and Communication Technology literacy and active learning are critical for optimum employee performance, as are cognitive abilities and process skills (World Economic Forum, 2016). To adequately address skills gaps, a mixture of soft and technical skills is preferred. Training for critical skills usually takes the form of short courses delivered in-house or externally. Due to their short duration, such programmes do not require accreditation and thus do not lead to national qualifications on the NQF.

Findings revealed that skills gaps that could emerge due to COVID-19 include behavioural change (e.g., social distancing), social media, and computer skills. As demonstrated below, the Services SETA is making a gradual significant investment in Skills Programmes. Investment in this area has grown fivefold in the last seven years. Training investment cuts across all occupational categories, with a substantial bias towards low-level occupations.

3.4. Sectoral Priority Occupations and Interventions

This section presents the list of priority occupations and interventions – otherwise known as PIVOTAL – for the Services SETA for 2023/24. Identification of the list used primary and secondary research methods. 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 and desktop literature reviews.

Literature Review and Performance Information

Analysis of the priority occupations and interventions 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 Forums 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).

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 out to report on enrolled, planned or completed employer-funded and Services SETA-funded skills development interventions between 2012 and 2018. The analysis was based on key measures focused on access and participation, learner completion, relevance, and skills supply. The WSP and ATR data submitted to the Services SETA by employers between 2013 and 2021 was also analysed to investigate areas of planned training, where training takes place and areas that need interventions through the PIVOTAL programme.

Stakeholder Engagement

The Services SETA conducted virtual stakeholder engagements between 16 to 25 May 2022 to compile the draft list. More than 270 company representatives took part in the workshops. The workshops aimed 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.

The Services SETA Accounting Authority will approve the draft list of Priority programmes.

3.4.1. 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.

3.4.2. Envisaged outcomes from the identified interventions

The identified Priority list aims to close the skills gaps within the services sector. Research reveals that there is a high vacancy rate in the sector, especially in middle and senior management.

3.4.3. Consultative processes

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

3.4.4. Quantifying the SETA PIVOTAL list

The Services SETA, in consultation with key stakeholders, estimated the quantity of the Priority Skills list as reflected in Table 27. The following methodology was followed:

- The top ten occupations were identified for each chamber, based on the average number of planned interventions captured in the WSP

submissions to the Services SETA between 2021 and 2022 (excluding submissions where the chamber was listed as "Unknown");

- The average number of enterprises that submitted WSPs between 2013 and 2021 was determined for each chamber;
- The average number of planned interventions was divided by the average number of WSP submitters to determine the average number of interventions per enterprise;
- The full population of both levy-paying and non-levy-paying enterprises operating in Services SETA-related sectors were identified per chamber;and
- 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 2022 will also be applicable for future years. No other exogenous factors are considered for these projections.

3.4.5. Ranking of the Priority list

The ranking of the Priority list of the Services SETA is based on the priority of the Accounting Authority. The magnitude is based on the projection of demand, as explained above. The magnitude of the planned intervention is based on the available budget. An 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 list is provided in Table 24. The planned number of interventions was finalised after consultations with management, Accounting Authority, and the industry.

Table 24: Services SETA Priority Occupations List 2023/24

#	SETA NAME	PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED	QUANTITY NEEDED	QUANTITY TO BE SUPPORTED
1	Services SETA	2023/24	2021-333901	Auctioneer	None	Learnership/Recognition of Prior Learning (RPL) (Further Education and Training Certificate: Auctioneering Support Services – 80546)	4	y	130	130
2	Services SETA	2023/24	2021-333402	Real Estate Agent	Rental Agent, Real Estate Practitioner, Leasing Agent (Buildings)	Candidacy/RPL (Further Education and Training Certificate: Real Estate - 59097)	4	y	197	150
3	Services SETA	2023/24	2021-516301	Mortician	Funeral Practitioner	Learnership (Occupational Certificate: Mortician)	3	y	582	100
4	Services SETA	2023/24	2021-226302	Health & Safety Officer	Safety, Health, Environment and Quality (SHE&Q) Practitioner	Skills Programme –(OHS)	2		591	100
						Learnership (Occupational Certificate: Safety, Health and Quality Practitioner)	5	y	50	50
5	Services SETA	2023/24	2021-515104	Cleaning Supervisor	Cleaning Practitioner	Learnership (Occupational Certificate: Cleaning Practitioner)	3	y	198	50
6	Services SETA	2023/24	2021-122201	Advertising & Public Relations Manager	Public Relations Manager, Media and Communications Manager, Advertising Manager	Learnership (Further Education and Training Certificate: Public Relations Practice -71729)	3	y	121	50
7	Services SETA	2023/24	2021-242304	Industrial Relations Advisor	Employee Relations Advisor, Industrial Relations Advisor, Conflict Resolution Practitioner	Bursary (Degree in Labour Relations)	7	y	62	62
						Skills Programme (Labour Dispute Resolution Practice (LDRP) programme)	4		100	80
8	Services SETA	2023/24	2021-251201	Software Developer	Software Architect, Information Architect Software, Software Designer, Software Engineer, ICT Risk Specialist	Bursary (Degree in Computer Engineering)	7	y	3,728	100
9	Services SETA	2023/24	2021-252901	ICT Security Specialist	Database Security Expert, Internet Security Architect / Engineer / Consultant	Bursary (BSc in Computer Science)	7	y	1,834	50
10	Services SETA	2023/24	2021-121905	Project Manager	Project Director	Learnership (Occupational Certificate: Project Manager)	5	y	158	100

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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. Prioritisation of the list considered the priority areas of the ERRSS. The final quantity to be supported has been finalised in consultation with the Accounting Authority of the Services SETA.

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 to deliver skills development for the services sector. Progress on the existing partnerships will be provided. The NSDP's framework informs the partnership framework. The NSDP recognises that the skills development agenda requires collaborations among key role players in the ecosystem. Business and skills development providers – small and larger, private and public constitute the core of the ecosystem of the post-school education and training system. Figure 21 illustrates the NSDP partnership framework.

Figure 21: Linkage of Education and the Workplace through SETAs

Source: DHET (2009)

The framework acknowledges the importance of improving the relationship between education, training, and work. Workplace-based learning is central to achieving the policy objectives of the post-school education and training system. The role of SETAs as intermediary bodies is positioned as a critical factor in linking the world of work and education.

4.2. An analysis of existing SETA partnerships

The Services SETA has established a collaborative partnership with other SETAs, government departments, research centres and universities to promote SMME development. This initiative involves joint research to identify the skills needs of the SMMEs sector and develop relevant qualifications. This partnership has successfully brought together various SETAs with a strong presence in the SMME sector to share research and jointly develop implementing strategies. The challenges include human and financial resources. This partnership is working well. Partners meet quarterly to share intelligence on skills demand and supply in the SME sector and advise on possible interventions. The challenge experienced is the effective participation of SMEs in SETA learning interventions, especially those located in rural areas, often with limited internet access. To address this challenge, the Services SETA uses mobile offices to assist entrepreneurs in registering online and sometimes runs training interventions from these offices with training providers to promote the participation of this critical sector.

4.2.1. HEIs partnerships

Partnership with TVET Colleges

The Services SETA established partnerships with universities, TVET and CET Colleges to strengthen the supply of skilled and capable workforce for the services sector.

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Table 25: List of TVET Colleges' partnerships with the Services SETA

Name of institution/ partner organisation	Term and duration of the partnership	Objectives of partnership
1. Motheo TVET College	05 March 2015 to date	Partnership to operationalise the Skills centre
2. TVET Governors Council	1 Apr 2018/19 – 31 Mar 2022/3	Leadership and Governance development: 1. Umfolozi TVET College (TVET CGC tripartite agreement) 2. Buffalo City TVET College (TVET CGC tripartite agreement) 3. King Hintsa TVET College (TVET CGC tripartite agreement) 4. Tshwane North TVET College (TVET CGC tripartite agreement)
3. Waterberg TVET College	1 Apr 2021/22 – 31 Mar 2029/30	Non-Financial MOU to jointly address skills development
4. Vhembe TVET College		
5. Ehlanzeni TVET College		
6. False Bay TVET College		
7. NC Rural TVET		
8. Fort Hare Solutions		
9. Ikhala TVET College	1 Apr 2021/22 – 31 Mar 2029/30	Partnership to operationalise Cala skills development centre in Sakhisizwe. Municipality– provide various learning interventions
10. Eastern Cape CET		
11. KZN CET College		Partnership to operationalise Greater Kokstad Municipality skills development – provide various learning interventions
12. WC CET College		Partnership to operationalise Beaufort west Municipality skills development – provide various learning interventions
13. South Cape TVET College		
14. Nkangala TVET College	1 Apr 2019/20 – 31 Mar 2022/23	Research on occupationally directed qualifications and WIL
15. Esayidi TVET College		
16. Majuba TVET College	30 Jan 2022 – Dec 2024	Four centres of specialisation (COS) supported with DG grants to implement artisan development programmes
17. Gert Sibande TVET College		
18. Tshwane South TVET College		
19. Umfolozi TVET College		
20. Esayidi TVET College	Apr 2019/20 – 31 Mar 2022/23	Research on occupationally directed qualifications and WIL
21. Westcol TVET College	13 Jul 2021 to present	Provision of a mobile salon for experiential learning

The Motheo Partnership is working successfully, and the college is ready to take occupancy of the facility. It was also a good model of infrastructure support provided by SETAs to the TVET system. Other infrastructure support has been extended to Ikhala, Nkandla, Bambanani, Thabazimbi and Westcol TVET Colleges. The TVETCGC partnership is building on the above legacy by ensuring that in addition to providing infrastructure support to TVET colleges, attention is paid to equipping lecturers with the relevant skills. This partnership has implemented the training among TVET Lectures to expose to the industry and further provided bursary opportunities to lecturers.

Furthermore, the Services SETA has entered into a research partnership with the Nkangala and Esayidi TVET Colleges to investigate their experience with implementing the WIL programme. This partnership strengthens collaboration between the Services SETA and the TVET colleges and builds research capacity in colleges.

Partnership with universities

Universities are important supply-side partners for the services sector. However, they can often be off-limits to students with poor economic backgrounds because of their mostly unaffordable tuition fees. SETAs can play a critical role in bridging this gap. Universities are also essential for the SETA system because of their research capacity. For these reasons, the Services SETA has forged long-term partnerships with these learning institutions. As demonstrated below, partnerships forged with these institutions cover these topics.

Table 26: University partnerships

Name of institution/ partner organisation	Term and duration of partnership	Objectives of partnership
1. University of Cape Town	2019/20-2022/23	Bursaries for dermatology
2. USAF	2020/21 – 2019/30	Provide bursary opportunities for the missing middle students and for lecturers' development. The following universities have partnered: 1. DUT 2. University of Limpopo 3. UFS 4. Vaal University of Technology 5. CPUT 6. University of Venda 7. CUT 8. University of Zulu land 9. Mangosuthu University 10. Tshwane University of Technology
3. Cape Peninsula University of Technology	2019/20-2022/23	Bursaries for TVET College lecturers
4. University of Western Cape	Jan 2022 – 30 Sep 2022	Research partnership to improve planning through the evaluation of the NSDSIII and review of the implementation of the NSDP2030 for lessons learnt
5. Cape Peninsula University of Technology	Jan 2022 – 15 Jul 2022	Research partnership to develop a forecast model for skills demand and supply for the services sector
6. QCTO	2020/21 – 2029/30	Quality assurance: accreditation, development of new qualifications, certification, etc

The beauty industry is highly neglected from a tuition provisioning perspective, as informed by a recent study by the Services SETA. Informed by this study, the Services SETA partnered with the University of Cape Town to develop relevant qualifications. One of them for dermatology. This qualification is in place and being implemented. The Services SETA has further provided bursary opportunities for students wishing to pursue a career in this space.

Funding is one of the biggest obstacles to accessing university education for many students in the country.

The missing middle class students are hardest hit as their parents do not earn enough money to afford university tuition or qualify for a study loan. To close this gap, the Services SETA has partnered with Universities South Africa (USAF) to provide bursary opportunities for up to 800 students, including lecturers.

4.2.2. Private sector and labour partnership
The Services SETA has entered a partnership with the private sector, labour, and State-Owned Entities to support leadership development and transformation in the sector. Current partnerships are listed in Table 27.

Table 27: Private sector and labour partnership

Name of institution/ partner organisation	Term and duration of the partnership	Objectives of partnership
1. Rand Mutual/MDA	1 Apr 2020/21 - 31 Mar 2022/23	Operationalisation of Ngqeleni skills development centre
2. NEHAWU	Apr 2019/20 – to date	Supported through different learning interventions
3. SATAWU	Apr 2019/20 – to date	Supported through different learning interventions
4. COSATU	Apr 2019/20 – to date	Supported through different learning interventions
5. Workers College	Apr 2021/22 – 31 Mar 2029/30	Support with accreditation of qualifications relevant to workers' education

The SETA system is based on a tripeptide relationship between labour, business, and government. These stakeholders must participate meaningfully in the Services SETA's programmes. Pursuing this goal, the Services SETA provides skills development opportunities to trade unions, federations, and employer bodies to upskill their employees. Plans are afoot to extend training opportunities to other federations and unions. A similar long-term relationship will be developed to deepen the level of impact. This approach has proved to be a key success factor.

4.2.3. Partnership with District/ Municipalities
District/municipal is where training takes place. This

level of governance must be centrally involved in the planning and delivery of training interventions. Furthermore, the government places a great emphasis on the district-based delivery model, which requires SETAs to properly align with the planning approach and delivery of services approach. The Services SETA works with local TVET Colleges or Universities to ensure the delivery of skills training at these centres. Where necessary, the Services SETA provide financial support to ensure that the centres are of the required standard. In addition to local municipalities and community organisations, the Services SETA works closely with government departments to promote skills development.

Table 28: List of partnerships with District/Local Municipalities

Name of institution/ partner organisation	Term and duration of the partnership	Objectives of partnership
1. Raymond Mhlaba local Municipality	01 April 2015 to date	Operationalisation of a Skills Development Centre
2. Beaufort West Municipality	01 December 1015 to date	Operationalisation of a Skills Development Centre Funding of various learning interventions
3. Mkuze Local Municipality	Apr 2022/23 – 2029/30	Operationalisation of a Skills Development Centre
4. Buffalo City Metropolitan Municipality	28 June 2017 to date	Operationalisation of a Skills Development Centre – Mount Coke Funding of various learning interventions
5. Merafong Local Municipality	Apr 2022/23 – 2029/30	Implementation of learnership programmes

As the table above illustrates, the Services SETA has established long-term relationships with these district/local municipalities around skills development. The duration of the relationship has helped to build mutual trust and understanding. For this reason, the Services SETA does not experience major obstacles in implementing skills development interventions in these areas. The most significant legacy of these partnerships is the construction of skills development centres which will continue to exist in the long term for the benefit of local communities.

4.2.4. Partnership with Government Departments/SOEs

Government departments and state-owned entities are the biggest role players in skills development. In addition, to be the largest employers, they contribute skills development funds to ensure an adequate supply pipeline. Over the years, the Services SETA has successfully cultivated a working relationship with key entities. Below we list some of them and the objectives of the partnerships.

Table 29. List of partnerships with the public sector

Name of institution/ partner organisation	Term and duration of the partnership	Objectives of partnership
1. Department of Roads and Public Works Northern Cape (Prieska)	09 March 2018 to date	Development and refurbishment of a Skills Development Centre
2. Department of Social Department (Dumbe/Paul Pietersburg)	31 March 2016 to date	Development of a Skills Development Centre
3. North West Department of Economic Development, Environment, Conservation, and Tourism (DEDECT)	Apr 2019/20 – 31 Mar 2022/23	To address the twin challenges of high youth unemployment and high failure rate of start-up businesses by implementing self-funded Business Advisory Services learning interventions in the North West province.
4. NYDA	2021/22 – 2022/23	Implementation of various learning interventions
5. Disabled People in South Africa	2021/22 – 2022/23	Implementation of various learning interventions
6. CETA/ MICTSETA/ AgriSETA/ LGSETA/ WRSETA/ ETDPSETA	2021/22 – 2022/23	MOU to jointly implement skills programmes and operationalisation of completed skills development centres

Support, growth, and development of small enterprises and co-operatives is one of the critical focuses of the Services SETA. This is informed largely by the fact that the sector comprises many SMEs and the informal sector. Partnerships with the North West department of economic development, environment, conservation and tourism, and the Department of Small Business Development have been aimed primarily at supporting this sector. This partnership saw more than 200 entrepreneurs benefiting from this collaboration. Plans are underway to renew this partnership.

4.3. Planned partnerships

To support the Department of Higher Education, Science, and Innovation to improve access to higher education by the 'missing middle' students, the Services SETA entered into partnerships with Universities in South Africa to provide ring-fenced bursary funding.

The missing middle are students whose parents earn a combined household income that is higher than the NSFAS threshold yet are too poor to afford university tuition for their children. The expectation is that Universities in South Africa, an association of South Africa's universities, will identify and allocate funding to such students. The challenges to face with this partnership are due to the increased learner dropout rate.

Almost all the partnerships with tertiary institutions and training programmes experienced unprecedented disruption due to COVID-19. Both higher and vocational education training providers have had to suspend their training or shift to virtual-based learning. To strengthen these partnerships, the SETA must maintain consistent engagements with the institutions to obtain buy-in from learners.

Table 30: Planned partnerships

Name of institution/ partner organisation	Term and duration of the partnership	Objectives of partnership
Mthashane TVET College	2021/22 – 2022/23	Implementation of various learning programmes in partnership with Dumbe & Mkhuze Local Municipalities
Orbit TVET College	2021/22 – 2022/23	Implementation of various learning programmes
Elangeni TVET College	2021/22 – 2022/23	Implementation of various learning programmes
Nkangala TVET College	2021/22 – 2022/23	Implementation of various learning programmes

4.4. Successful partnership approach/model

The Services SETA's partnership model is built around bringing all key role players to the table – labour, business and government, and affected communities. The successful partnership model used for the infrastructure projects was the operationalisation

partnerships between the Services SETA, local/district municipalities on whose land these skills development centres are built, local institutions of education – universities, TVET colleges and Community Education Centres, and private sector.

This approach will ensure that Skills Development Centres will continue to serve local communities as intended. All completed Skills Development Centres are paired with an identified college for operationalisation. An example of the recently concluded partnership is that of the operationalisation of the chicken run project in Ngqeleni. The following were the stakeholders:

- The Nyandeni Local Municipality;
- The Eastern Cape CET (lead operator);
- The Services SETA (Funder);
- Mqwangqweni Traditional Council;
- The Rand Mutual Assurance (Co-funders); and
- The South African Homeless People Federation.

4.5. 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 have enhanced prioritisation. The chapter also highlighted best practices for effective partnerships for replication across the SETA landscape.

Services SETA Sector Skills Plan 2023/24

CHAPTER FIVE
SETA MONITORING AND EVALUATION

5.1. Introduction

This chapter addresses monitoring and evaluation practices at the Services SETA. It also addresses, among other things, 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. The Services SETA's approach to Monitoring and Evaluation

The Policy Framework informs the Services SETA's M&E approach for the Government-wide Monitoring and Evaluation System (GWM&E) (DPME, 2007). The GWM&E system recognises the role of evaluations, performance information, and social, economic, and demographic statistics in the M&E function. The M&E approach of the Services SETA is further informed by the government approach to planning, which places greater focus on outcomes and impact – results-based management framework embedded in the Theory of Change philosophy. The Theory of Change logical framework and alignment with Services SETA's strategic documents are highlighted in Figure 22. This planning philosophy and approach aims to help the organisation to focus on outcomes and impact as opposed to outputs (numbers), ensuring alignment with the mandate of the government of the day. Such an approach is critical for skills development interventions whose sole aim is producing quality graduates who contribute to economic growth and social development.

Figure 22: Services SETA's planning, M&E approach
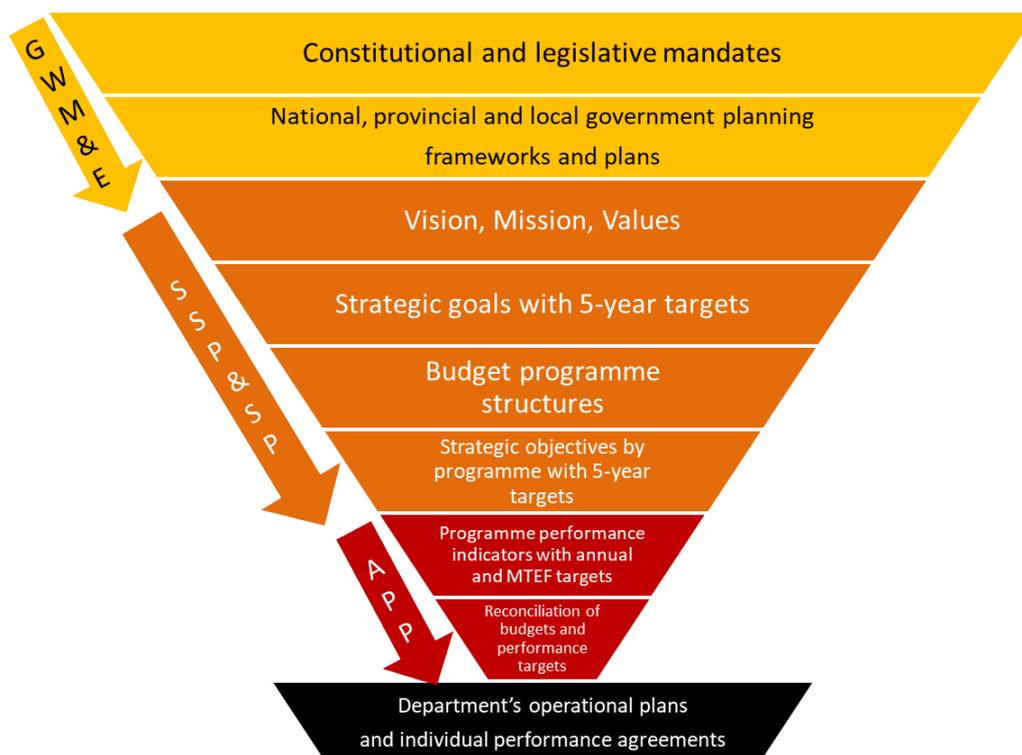
This approach to performance monitoring and evaluation is further strengthened by the realisation that monitoring and evaluation happen at different levels and intervals – e.g., organisational, department or programmatic- and can occur monthly, quarterly or annually, as demonstrated below.

Figure 23: Services SETA's M&E Framework
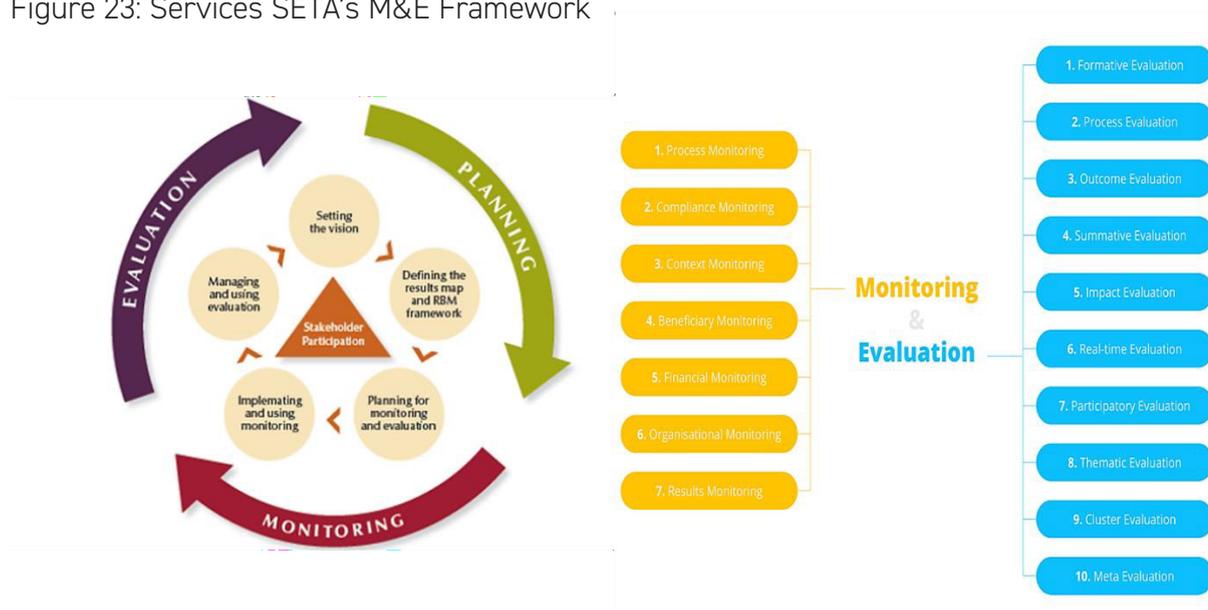
As the above framework illustrates, the Services SETA's M&E framework delineates between monitoring and evaluation activities. The monitoring function considers processes, compliance, financial and organisational performance and financial considerations. The reporting happens frequently and routinely to ensure efficiencies and improved performance. A dedicated unit – Performance Verification and Reporting, is tasked with this responsibility.

Evaluation, in its nature, is a once-off activity that takes place mid- or end-term of the project/programme. The mid-term evaluation ensures that the intervention is on the right track to achieving the intended results, whereas the end-term evaluation is meant to investigate whether the intended outcomes or impacts have been realised. As a public entity, the Services SETA holds itself accountable to ensuring value for money from its intervention. As a result, evaluation studies are conducted on strategic interventions to determine the value of money. A dedicated Unit – Impact Assessment – is tasked with this responsibility.

Outputs from the monitoring and evaluation functions are feedback into the planning process to guide strategic decision-making. A skill planning unit – SSP & SP – is tasked with the responsibility of desalinating key pointers for decision-making and incorporating them in strategic documents such as the Sector Skills, Strategic, Annual Performance Plans, and, ultimately, the Annual Report. The latter constitutes a public accountability mechanism.

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 the previous year's performance information annual reports and research reports, including tracer studies and internal and external audits, to inform research and planning.

The previous two figures informed the use of internal data for planning purposes, highlighting the approach to monitoring and evaluation and the framework for its implementation. The utilisation of internal data to inform planning at the Services SETA is framed around the widely used Monitoring, and Evaluation Learning Cycle illustrated below.

Figure 24: Monitoring and Evaluation Learning Cycle

Source: http://askinyathelo.org.za/using-monitoring-evaluation-learning/
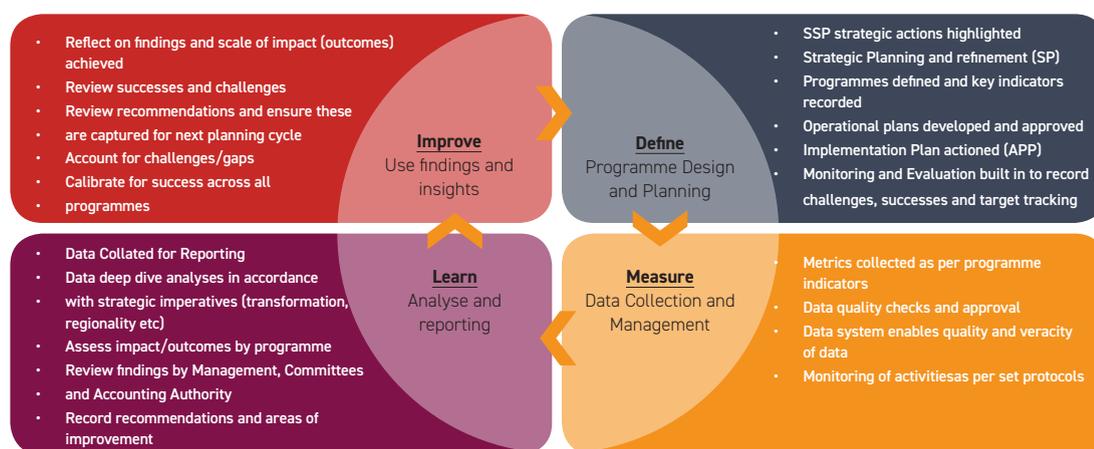
Research forms the basis of the Services SETA's plans. M&E research uses performance reports and formative as well as evaluation research to inform key strategic plans such as the SSP, Strategic Plan and Annual Performance Plan. M&E data is used to:

- Assess the effectiveness and relevance, and impact of Services SETA's interventions in responding to transformational imperatives;
- Evaluate the implementation of learning programmes targeted at sector occupational shortages list;
- Analyse why intended results are not achieved; thus, gather lessons learnt, leading to recommendations for improvement;
- Provide data for policy development and qualification development;
- To provide data for planning and implementation of future projects; and
- To provide reports used to assess the outcomes and impact of NSDS and the Services SETA's strategic objectives.

The Services SETA's Accounting Authority and the subcommittees, exercise oversight, strategic guidance and organisational performance management using the following mechanisms:

- Quarterly monitoring reviews;
- Accounting Authority Strategic Planning Session;
- Governance & Strategy Committee oversight of research, planning and reporting;
- Review of annual performance, gaps, and reasons for either under or over achievement;
- Updated research agenda and evaluation plan;
- SSP development and update; and
- Strategic Plan and Annual Performance Plan Updated.

Section 5.3. discusses measures that have been put in place to strengthen achievements and skills priorities. These measures are informed by the activities outlined above.

Services SETA Sector Skills Plan 2023/24

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 2020/21 identified four priority actions. Significant progress has been made concerning all priority actions. These action plans informed both the Strategic Plan and the Annual Performance for the 2021/22 financial year. Achievements are outlined in Table 31.

Table 31: Action Plan achievements, 2021/22

Action Plan	1. Promote social and circular economy through entrepreneurship and cooperative development initiatives
Achievement	Leveraging on its mobile office infrastructure, the Services SETA partnered with training providers to take training opportunities to peri-urban and rural areas, mostly dominated by SMEs and co-operatives. The campaign resulted in the Services SETA reaching over 900 beneficiaries which was higher than the result of 168 that was reported in the 2020/21 FY.
Action Plan	2. Increase throughput rate of occupationally directed qualifications through mobilisation of key industry role players
Achievement	In the last financial year, 10 occupational qualifications were registered, surpassing a target of 5. Development of assessment tools is currently underway. There are plans to update/align at least another 10 occupational qualifications in the current financial year.
Action Plan	3. Improve the pipeline of supply by ensuring the relevance of qualifications and capacitation of training providers, including TVET Colleges
Achievement	The Services SETA provided capacitation workshops to CET and TVET colleges and lectures on curriculum development and the SETA accreditation process to ensure alignment with QCTO occupational qualifications framework. In 2020/21 FY, this target was not achieved and was reprioritised to the 2021/22 FY.
Action Plan	4. Expand access to skills development to employees and learners residing in rural and peri-urban areas of South Africa
Achievement	There were 7 rural projects initiated for learners enrolled in skills programmes in different rural areas. This target was not achieved in the 2020/21 FY and was reprioritised to the 2021/22 FY.

5.3. Measures to strengthen the achievement of skills priorities

The Services SETA has placed several measures in place to improve the monitoring and evaluation function and to strengthen achievements of skills priorities.

Organisational review: To promote organisational efficiency, the Services SETA has, under the direction of the Accounting Authority, embarked on a business process review which includes the review of the M&E function. The M&E function, broadly speaking, sits across various departments such as Planning, Special Projects, Quality Management Division and Learning Interventions and Projects Coordination. The aim is to integrate various existing monitoring, reporting and evaluation policies, processes, and systems under a single framework, which guides decision-making and ongoing planning.

Discretionary Grant Policy: The Services SETA is tasked with reviewing the DG policy to improve responsiveness to NSDP and ERRSS goals. The primary goal is to improve the mobilisation of the industry to participate in work-based learning programmes and to attract quality learners.

Work Integrated Learning: In the first place, the Services SETA has embarked on an ongoing engagement with Chieft Executive Officers (CEOs) of top levy-paying companies to strengthen relationships in order to secure work placements for learners. Secondly, the Services SETA has entered into a research partnership on WIL with TVET colleges to explore effective delivery models.

Inter-SETA collaboration: The Services SETA has prioritised collaboration with other SETAs to enhance the delivery of skills development interventions. This is particularly important considering skills needed by Services SETA levy-paying employers that require the use of qualifications across the SETA landscape. These may include finance, IT, and artisan-related qualifications by way of example.

5.4. Interventions implemented in support of the ERRP Skills Strategy

The Economic Recovery and Reconstruction Plan and the Skills Strategy were launched in the middle of the financial year, allowing less time to fully incorporate them into the planned interventions and budget. Nevertheless, the Services SETA did endeavour to address related skills where possible. The ERRP considered the contact centre industry as one of the industries that can assist in reconstructing and recovering South Africa's economy post-COVID-19. In turn, the ERRSS identified key occupations and qualifications required to support the growth of this sector.

In support of the ERRP, the Services SETA provided 50 learnership opportunities to customer service managers. Current plans have made adequate provisions for ERRP Services SETA to support the reconstruction and recovery efforts of the country.

5.5. Conclusion

This chapter discussed the skills planning process at the Services SETA regarding institutional arrangements 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 have been realised.

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. The economy might be heading into a recession. Whilst some underlying causes are within the control of the South African government, others are not, like "international trade wars." COVID-19 is expected to exacerbate the already dire situation with serious implications for skills development. On the one hand, the training revenue will likely decrease due to some companies' closures or staff retrenchment. Related to the latter, there will be a need to retrain staff facing retrenchment to prepare them for alternative employment.

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%, despite the decline in the overall growth rate. The sector creates employment opportunities for more than 3 million people: an 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 many 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. To support growth, there is a need to prioritise training in the SMME space. Research reveals that medium enterprises are more likely to create new jobs than large ones. Establishing the Strategic Partnership department by the Services SETA to support SMEs is a timely intervention in this regard.

Chapter 2 addresses key drivers for change in skills development and their impact. COVID-19; Information and Communication Technology; Climate Change, Globalisation and the Economy 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 primarily impacted include marketing, contact centres, labour recruitment, business services and cleaning services. The current pandemic has highlighted gaps in the skills of citizens with regard to competencies such as digital literacy and soft skills relating to behavioural change, problem-solving and adaptability. In addition, a longer-term view is required toward a just transition, recognising the impacts and social interventions needed to secure jobs as the economy shifts to sustainable production.

The skills development system needs to recognise the rapid pace of change and seek to be responsive and proactive. Displaced workers, those losing jobs through business closures, retrenchments and obsolete skills, need to be a priority to strive to stem the further growth of unemployment, which has already reached critical levels. 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 training providers' readiness stage. The Services SETA is currently working with the industry to identify new qualifications that can best meet the sector's 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 ERRSS.

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 cannot recruit or attract suitable talent for more than six months. This serves as an indirect indicator of skills scarcity within the sector. The emergent list of hard-to-fill vacancies indicates 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 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. Notably, the PIVOTAL list was developed considering 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 information sources are 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 Priority Actions

The SSP 2022/23 identified the below-mentioned priorities. Since they are in the implementation stage, the management decided to retain them to allow time for impact evaluation. However, their descriptions have been updated to reflect current developments.

a. Foster Inter-SETA collaboration and industry partnership to promote SMME development in the services sector.

Collaboration with SETAs and SEDA in the previous financial year highlighted to need to extend collaboration to support the development and growth of the SME sector. This goal is even more important in light of the current economic climate. For this reason, the Services SETA will deepen this approach to include other SETAs that are currently not part of the collective.

b. Secure workplace training opportunities working in collaboration with the industry, employers, and the SETA.

The Services SETA has embarked on an extensive campaign of promoting the participation of large companies in funded and unfunded learning interventions and forging closer collaboration with these role players. This approach has netted some improvements. The aim is to deepen this campaign in the 2023/24 financial year.

Services SETA Sector Skills Plan 2023/24

c. Work with QCTO and industry role players to complete and implement registered occupationally directed qualifications.

Closer collaboration between the Services SETA and QCTO has resulted in up to 10 qualifications being developed and/or updated in one financial year to ensure the adequacy of supply for the services sector. Given the current backlog, this partnership will be strengthened this year to develop and/or align a further 10 qualifications.

d. Strengthen alignment between industry needs and Services SETA supply through research, implementation, and structured M&E.

Rapid developments in the South African economy, as brought about by ICT and COVID-19, require SETAs to conduct regular and relevant research to inform decision-making processes and inform training interventions. The Services SETA will foster closer collaboration with industry partners, businesses, and labour and university research institutions to conduct relevant and up-to-date research. Internal business operations will be streamlined to ensure efficient and effective implementation of learning interventions and timely monitoring and evaluation of impact.

e. Implementation of an organisational-wide M&E Framework to improve performance management

In the current financial year, the Services SETA will be developing a framework that will draw from the GWM&E system and frameworks for Evaluation, Performance Standards (Monitoring), and Social, Economic and Demographic Statistics. The Theory of Change will be used to guide the M&E framework to adequately measure the impact of Services SETA's skills development interventions. This framework will be fully implemented in 2023/24 and form part of the internal review function.

6.4. The impact of the Fourth Industrial Revolution

The world of work beyond 2022 will be significantly different from today's workplace. Therefore, the PSET system must 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:

- Engender a deliberate programme aimed at stimulating sufficient understanding of disruptive changes eminent within the services sector; and
- Resulting from the former, cultivate a workforce development strategy that is aligned to the unravelling innovation across the sector.

More specifically, to effectively engender a 4IR outlook on skills development, the Service SETA will push for the following:

- 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;
- The Services SETA has designed and launched an online learning platform to facilitate the provision of skills development training interventions; and

- The 4IR will also mitigate against the impact of COVID-19 on training interventions by providing training opportunities remotely to protect learners against possible exposure to the disease.

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

This section discusses national strategies and plans with which Sector Skills Plan is aligned. It will also provide examples of interventions put in place to support this initiative.

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 supports 16 Skills Development Centres across the country, with a 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 Cooperative Development Institute has been launched to support SEDA and SEFA in growing SMEs.

Reimagined Industrial Strategy

This policy strongly supports spurring economic growth and development potential in both local and international markets (global value chains). Re-industrialisation and localisation hold great potential if successfully achieved; currently, South Africa is faced with high unemployment rates and an enormous skills shortage which will obstruct the reindustrialisation drive before it starts. Over 6 million South Africans are unemployed, and youth unemployment remains stubbornly above 50% (Business Day, 2018). Skill interventions required in support of the Dti's IPAP, SEZs and designated trades include those related to contact or call centres and business advising.

Economic Reconstruction and Recovery Plan

The Economic Reconstruction and Recovery Plan aims to boost economic growth following the long spell of negative growth exacerbated by COVID-19. The Plan identifies key sectors of the economy that require urgent attention. The services sector is one of the industries identified. The DHET's ERRSS identifies key occupations and skills gaps required to support the implementation of the ERRP. The Services SETA has identified these occupations and skills gaps for inclusion in the current SSP.

The Department of Higher Education, Science, and Innovation has developed a skills development strategy to support this initiative. The Services SETA has identified scarce and critical skills prioritised by the Department for inclusion in this SSP update. These include Call or Contact Centre Manager; Quality Manager; Contact Centre Resource Planner; Contact Centre Forecast Analyst; Call or Contact Centre Manager; Inbound Contact Centre Consultant; Outbound Contact Centre Consultant; Contact Centre Real Time Advisor; and Call or Contact Centre Agent. These lists of scarce and critical skills have been incorporated into the lists of hard-to-fill vacancies, skills gaps, and priority lists for implementation in the next financial year. Efforts are also underway to accommodate these lists in the 2023/24 financial year.

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:

a. Foster Inter-SETA collaboration and industry partnership to promote SMME development in the services sector.

b. Secure workplace training opportunities, working in collaboration with the industry, employers, and the SETA.

c. Work with QCTO and industry role players to complete and implement registered occupationally directed qualifications.

d. Strengthen alignment between industry needs and Services SETA supply through research and structured M&E.

e. Implementation of organisational-wide M&E Framework to improve performance management.

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29 July 2022

DIRECTORATE SETA SUPPORT
DEPARTMENT OF HIGHER EDUCATION AND TRAINING

BY HAND

SERVICES SETA SECTOR SKILLS PLAN 2023/24 SUBMISSION ON 01 AUGUST 2022

This update of the Services SETA Sector Skills Plan (SSP) 2023/24 is aligned with the revised Sector Skills Plan Framework issued by the Department of Higher Education and Training (DHET); the National Skills Development Plan 2030 (NSDP); the National Development Plan (NDP), Five-Year Implementation Plan and the Economic Recovery and Reconstruction Plan (ERRP) as well as the Economic Reconstruction and Recovery Skills Strategy (ERRSS). The ERRP identifies and prioritises economic sectors that require focused attention for immediate recovery. The ERRSS identifies skills needed to support the envisaged recovery and reconstruction of key economic sectors as specified in ERRP.

This update of the SSP takes place in an environment of a mixed bag of socioeconomic successes and challenges. The country is gradually emerging from the COVID-19 pandemic and its social and economic devastations. Due to the reduction in infection rates and the lifting of regulations meant to combat the spread of the pandemic, normal teaching and learning can now occur, including face-to-face teaching. As a result, the economy is recovering gradually from its steep decline. Employment figures are also slowly picking up. These developments create a conducive environment that allows the Services SETA to fulfil its mandate of developing a skilled and capable service sector workforce.

At the same time, a new set of challenges has emerged. In the recent past, the country has experienced violent unrest, which led to the destruction of property and business, especially in the provinces of KwaZulu- Natal and Gauteng. Whilst efforts were underway to rebuild critical infrastructure and businesses, devastating floods hit the coastal areas of KwaZulu-Natal. These developments, along with the rising fuel prices, directly impact the services sector's economy. The Services SETA, working with the industry, is closely monitoring the situation to ensure appropriate interventions.

www.serviceseta.org.za

Services SETA Sector Skills Plan 2023/24

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The update of this SSP reflects deeply on the organisation's performance against the first two years of the NSDP 2030 and identifies areas for improvement.

The latter includes strengthening the pipeline of a skilled workforce by ensuring the alignment of skills development interventions to industry needs through rigorous research that involves the active participation of industry stakeholders. Against this background, this update uses no less than eight research study findings and up to ten internal and external consultations. Moreover, a record 4,560 companies submitted WSP/ATRs, thus strengthening the depth and reach of input data.

This SSP update has been able to conclude a forecast of skills demand and supply for all Hard-To-Fill-Vacancies.

Yours sincerely

MR MENZI FAKUDE
CHIEF EXECUTIVE OFFICER

MR STEPHEN DE VRIES
CHAIRPERSON: ACCOUNTING AUTHORITY

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Annexure A
Continuous Improvement Plan: SSP 2023/24 - 25/26

Contents

1. Introduction

The revised Sector Skills Plan Framework and Guidelines issued by the Department of Higher Education and Training in 2022 require 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 2022/23 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 2022/23 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 and to investigate the impact of key change drivers on the services sector and implications for skills planning. This recommendation was addressed through triangulation of findings by using:

i. Services Sector Economic and Skills Demand and Supply Analysis (WSP/ATR analysis);

ii. The impact of COVID-19 on the services sector;

iii. Labour Market Outcome of the 2018/19- 2020/21 Cohort (Learner Tracer);

iv. Investigation of the TVET-Work-Integrated Learning Nexus: The Experience of Nkangala TVET College;

v. Investigation of the TVET-Work-Integrated Learning Nexus: The Experience of Esayidi TVET College;

vi. Research on skills needs of established and emergent cooperatives: Personal Care Services;

vii. A skills demand and supply analysis and forecast model for the Services SETA;

viii. Evaluation of the implementation of NSDS III and NSDP2030; and

ix. Stakeholder consultations:

    a. Management & Business Services Chamber - 16 May 2022.

    b. Cleaning & Hiring Services Chamber - 17 May 2022.

    c. Personal Care Services Chamber – 17 May 2022.

    d. Real Estate Services Chamber - 18 May 2022.

    e. Labour & Collective Services Chamber - 18 May 2022.

    f. Communication & Marketing Services Chamber - 25 May 2022.

    g. Services SETA Management – 06 June 2022.

    h. Governance Risk and Strategy Committee of the Accounting Authority – 07 June 2022.

    i. Management and Business Services Chamber – 08 June 2022.

    j. Labour and Collective Services Chamber Committee – 10 June 2022.

    k. Communication and Marketing Services Chamber – 14 June 2022.

Feedback from the Review Panel, established by DHET and DHET's Skills Planning Branch, highlighted the need to strengthen Chapters 1 & 4, Sector Profile (especially economic analysis) and SETA Partnerships, respectively. The economic analysis section drilled through the Stats SA GPD and QLFS data to adequately demonstrate the sector's performance. Analysis of the nature and purpose of partnerships, including underlying reasons for success, has been strengthened. A further improvement has been the close collaboration between Strategy and Planning Department and the Mandatory Grant Unit. This collaboration has helped improve the quality and integrity of WSP/ATR data for use to update the SSP 2023-24.

More work is being done to the Services SETA Learner Information Management System in order to improve the integrity of learner and employer data for use in the final SSP 2023-24 update. The system has been successfully 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 Economic Reconstruction and Recovery Plan Skills Plan as well as the Economic Reconstruction and Recovery Skills Strategy.

3. CIP Matters

MATTER	CURRENT STATUS	PROGRESS MADE	ACTION PLAN
3.1. Research Agenda and Strategy	The Research Agenda 2022/23 has been updated. The update considered planned research.	The following research projects were conducted: 1. Sector Skills Plan 2023-24 2. Impact of COVID-19 on the services sector – follow-up 3. Skills Demand for Personal Care SMEs 4. Learner Tracer Study 5. Research into WIL and occupationally directed qualifications	The following research projects are underway: 1. Skills demand and forecasting 2. NSDSIII and NSDP2030 Impact Evaluation. The implementation strategy of the 2022/23 research agenda is currently underway and will be finalised before the final submission of the SSP.
3.2. Collaboration	Collaboration with TVET Colleges: The SETA has entered into a capacity-building partnership with the TVET Colleges Governors' Council.	The project's first phase was successfully implemented late last year, with more than 100 lecturers benefiting from various interventions.	The remaining phases of the project will be completed this financial year.
	Services SETA has entered into research partnerships with three TVET Colleges on WIL and occupationally directed qualifications.	The two researchprojects have been completed.	As part of the APP implementation strategy, the Services SETA is considering the option of continuing the partnership with the two colleges or approaching others. This will be clarified before the final submission of the SSP.

MATTER	CURRENT STATUS	PROGRESS MADE	ACTION PLAN
3.3. Improving Data Sources	**Mandatory Grant:** low participation by Employers.	A concerted effort involving Chambers to mobilise employers to participate in WSP/ATR Submissions.	Continuous mobilisation based on the devised implementation plan.
	Performance information: there are no significant challenges with the performance information. There are small gaps in relation to its Completeness.	The Planning Department will be working closely with the implementing department and ICT to ensure completeness of reporting by awareness raising/capacity building interventions.	Capacity-building workshops have been planned with internal staff on complete reporting of information.
	Stakeholder information: Stakeholder information is sufficiently up to date.	A stakeholder materiality framework has been developed and is monitored monthly.	Monthly update of the materiality framework and events calendar.
	Primary research: The Services SETA conducts regular research to understand trends in the services sector which have an impact on skills demand and supply.	Five research studies were conducted this year. Findings from these research studies were used to update the current Sector Skills Plan. The Services SETA Research Agenda has also been updated.	It is envisaged that the following research studies will be completed this year, and a new research agenda will be implemented. 1. Skills demand forecast model 2. NSDSIII and NSDP2030 impact evaluation
3.4. Organising Framework for Occupations (OFO) and Sector PIVOTAL list	Services Sector stakeholders require regular updates and capacitation on the use of the OFO Code.	As part of stakeholder capacity-building, OFO Code was covered during WSP/ATR submissions roadshows. And SSP validation workshops.	Online capacitation workshops are envisaged for the current financial year with the view to updating the OFO Code.
3.5. Developing mechanisms for Skills Planning	The Services SETA annually conducts employer surveys and learner tracer studies to strengthen skills surveillance.	The Services SETA established five research partnerships with: 1. CPUT 2. UWC 3. Mzabalazo 4. Esayidi TVET College 5. Nkangala TVET College	The plan is to start two new partnerships to conduct research on occupationally directed qualifications in the TVET system.

Services SETA Sector Skills Plan 2023/24

MATTER	CURRENT STATUS	PROGRESS MADE	ACTION PLAN
3.6. Alignment with Government Priorities	The Government of SA developed an Economic Reconstruction and Recovery Plan to respond to the impact of COVID-19 on the economy. An Economic Reconstruction and Recovery Skills Plan aims to ensure the adequacy of the skills supply.	The Services SETA has prioritised the implementation of the ERRSP scarce skills list to support government initiatives through DG windows.	The Services SETA has allocated funds to support the YES programme for the current financial year.
3.7. Research Capacity in the System	Planning Department: The Planning Department is responsible for research, monitoring, evaluation, and sector coordination.	The Services SETA has strengthened the research capacity with the incorporation of chamber coordination and qualifications development. Plans are underway to enhance the project monitoring and evaluation unit.	The OD process will be tasked with this responsibility.
	External Service Provider: The scope of the Services SETA is very large, requiring support from external service providers to carry out research.	The Services SETA entered into a research partnership with two universities and one reputable research house to strengthen research capacity.	The research agenda is being finalised and will determine the mode of delivery.
3.8. Career Advice System	The Services SETA runs a series of career exhibitions and outreach programmes through the Corporate Services Department. The Provincial offices, located in all nine provinces with two offices in Eastern Cape, also support the outreach programmes and are the closest port of call for learners and employers.	• 18 workshops were initiated on career development services in different provinces, which resulted in achieving the target. • 40 practitioners were trained, with a minimum of 25 credits on the Occupational Certificate: Career Development Practitioner qualification.	Chamber operations to support Marketing and Communications department with mobilisation and content.

MATTER	CURRENT STATUS	PROGRESS MADE	ACTION PLAN
3.9. Role of Accounting Authority in the Development of the SSP	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.	A consultation with the Governance Risk and Strategy Committee of the Accounting Authority took place on 07 June 2022.	Further consultations are envisaged prior to the final submission of the SSP on 01 August 2022.
3.10. Stakeholder Engagements in Preparation for the SSP	Key stakeholders participate in various stages of the SSP, including formative research.	Stakeholder workshops were held in the development of SSP 2023/24 updates as outlined in the SSP.	Feedback sessions have been planned to update stakeholders.

4. Conclusion

The Services SETA has strengthened the use of primary research to update SSP 2023/24. Improvements in the research methods include employer surveys and virtual chamber skills analysis to enhance the quality and credibility of data.

Interactions with key stakeholders through industry engagements continue along the previous method of interacting via virtual platforms, as face-to-face contact is still restricted. The Governance Risk and Strategic Committee made valuable contributions to the Research Agenda.

The Services SETA has strengthened inter-SETA collaboration in research and policy to strengthen the Post-School Education and Training system by establishing research partnerships with three TVET Colleges.

Alignment to the Government's ERRP and ERRSP has been to support Government policies and programmes to grow the economy during and beyond COVID-19.

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

5. Approval

This CIP has been informed by the research agenda originally adopted by the Governance Risk and Strategic Committee and updated in accordance with implementation developments. It is submitted as an annexure to the Services SETA Sector Skills Plan 2023/24.

Approved by:

Ms Mamabele Motla
Executive Manager: Strategy & Planning
Date: 29 July 2022

Signature:

Mr Menzi Fakude
Chief Executive Officer
Date: 29 July 2022

Signature:

Mr Stephen De Vries
Chairperson: Accounting Authority
Date: 29 July 2022

Signature:

Research Agenda 2023-24

Contents

Authorisation of the Research Agenda

I, the undersigned, hereby approve, on behalf of the Services SETA, the contents of the draft Research Agenda for the 2023/24 period.

Approved by:

Ms Mamabele Motla   Signature: _____

Executive Manager: Strategy & Planning   Date: 29 July 2022

Mr. Menzi Fakude   Signature: _____

Chief Executive Officer   Date: 29 July 2022

Mr. Stephen De Vries   Signature: _____

Chairperson: Accounting Authority   Date: 29 July 2022

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Glossary

4IR	Fourth Industrial Revolution
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
NSDP	National Skills Development Plan
NQF	National Qualifications Framework
PSET	Post-school Education and Training
SAQA	South African Qualifications Authority
SETAs	Sector Education and Training Authorities
SIC	Standard Industrial Classification Codes
SP	Strategic Plan
SSP	Sector Skills Plan
STATS SA	Statistics South Africa
TVET	Technical Vocational Education and Training

Services SETA Sector Skills Plan 2023/24

1. Introduction

The Services SETA was 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.

In the South African skills development context, the services sector refers to a cluster of 68 Standard Industrial Classification Codes (SIC) codes 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.

For operational purposes, the Services SETA has clustered the 68 SIC codes into 16 subsectors and six chambers, as illustrated in Figure 1.

Figure 1. Services SETA Chambers and Sub-sectors

	Cleaning & Hiring Services	1. Hiring services 2. Household services 3. Cleaning services
	Communications & Marketing Services	1. Marketing services 2. Contact Centres 3. Postal Services
	Labour & Collective Services	1. Labour Recruitment Services 2. Collective Services
	Management & Business Services	1. Business Services 2. Project Management
	Personal Care Services	1. Hair care 2. Beauty Treatment 3. Funeral services 4. Fashion
	Real Estate & Related Services	1. Real Estate Services

The Strategy and Planning Department of the Services SETA is primarily responsible for developing the Sector Skills Plan and engaging in skills development research required to underpin the development of appropriate interventions to meet the sector's demands. The unit is further responsible for producing the Strategic Plan (SP), Annual Performance Plan (APP) and Annual Operational Plan.

This Research Agenda aims to position Services SETA as the research partner of choice for all skills development research within the services sector. It, furthermore, seeks to respond to the National Skills Development Plan (NSDP) outcomes and principles.

Services SETA Sector Skills Plan 2023/24

2. Why a Research Agenda

Post School Education and Training should be planned, executed, and assessed by scientific methods to guarantee effectiveness. As such, one of the main measures is to study and understand the required interventions of an effective Post-school Education and Training (PSET) system. Identifying the required knowledge, skills and capacities demanded by industry requires scientific research. Needless to say, efficient development and quality enhancement of PSET programmes can be fulfilled more effectively by scientific research because research findings increase confidence in plans and the achievement of their objectives.

Research on PSET should be based on one of the main processes of a training system: planning, performing, reporting and evaluation. Planning of PSET is one of the main stages of the process, and its basis is related to educational needs, which should be collected and applied by scientific methods. In other words, an educational needs assessment can help increase the effectiveness of learning programmes. Research, therefore, plays a vital role in the overall development of pedagogy, learning programmes, and policy formulation.

The primary purpose of this research is to expand the existing body of knowledge by providing solutions to the challenges faced by the national system of education and training and an innovative new mechanism for delivery and success. 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 workplace training.

3. What will a Research Agenda Achieve

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 2023 to March 2024. It has been developed to:

3.1. Inform planning processes within the Services SETA;

3.2. Support the annual production of the Services SETA Sector Skills Plan Update;

3.3. Inform research stakeholders of the Services SETA's research priorities and assist the Services SETA in guiding resource allocation for research;

3.4. Co-ordinate all research and benchmarking activity within the services sector;

3.5. Collect and disseminate information that impacts skills development in the services sector, especially information that pertains to and influences the implementation of the National Skills Development Plan (NSDP), National Qualifications Framework (NQF) and related socioeconomic national and sectoral priorities;

3.6. Introduce standards/principles to which all Services SETA commissioned research should adhere;

3.7. Develop a conceptual model to support coherent skills planning and implementation, and

3.8. Build partnerships and collaborate with key research agencies such as the Human Sciences Research Council (HSRC), the Department of Higher Education and Training (DHET) PSET Research, Statistics South Africa (STATS SA), South African Qualifications Authority (SAQA), and universities and research units within the services sector.

4. Research Priorities

The research agenda comprises six focus areas of skills development derived inter alia from the NSDP, 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 seek innovative ways to expand access. As the DHET (2014) notes, equity is a serious dimension of access. Therefore, it is 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 workplaces; and
- Funding mechanisms or modalities for rural learners and learners with disability.

b. Education and the workplace

Work-based learning is a critical component of occupationally directed qualifications implemented by the Services SETA. The lack of sufficient opportunities for workplace learning has resulted in many learners being unable to exit the system. Resolving this conundrum requires closer collaboration between the Services SETA, employers and training providers. The Services SETA is committed to this level of partnership. As a result, key interventions will be embarked upon, as highlighted herein.

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 assessment of the use of the SETA mandatory grant;
- Impact of SETAs (cost-benefit analysis);
- The efficacy of work-based skills programmes; and
- Modalities to strengthen the link between the world of work and the world of education.

c. Skills planning: analysis of demand-side signals

Skills demand and supply analysis lie at the heart of Services SETA's research agenda. This exercise cannot be a once-off activity. The exercise must be repeated continuously to ensure that training interventions address key skills the economy requires.

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

- Vacancy analysis;
- Long-term projections of occupational needs;
- Value-chain analysis of the services sector industries to understand skills requirements;

- Under-reporting investment in training and development in the workplace by employers;
- An investigation into the characteristics of employability (what kinds of knowledge, skills and attributes are employers looking for?);
- Pathways for 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; and
- Analysis of economic policies and strategies to access future skills demands.

5. Research Funding and Procurement

The Services SETA premises the achievement of this research agenda on collaborative partnerships with both public and private institutions working within the broader PSET ecosystem. Where possible, 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 the advice of credible evaluators informs its research procurement processes.

6. Research Topic

Linked Goal	Research topic	Objective of the research study	PLANNED RESEARCH PROJECT / TOPICS 2023/20234 FINANCIAL YEAR (DHET feedback session inputs/changes)		Name of Service Provider/ Research Partner	Status	Time Frame
			Research questions	Research Method			
Goals 1 & 2	1. Services SETA Sector Skills Plan 2024/25	• Review and update Sector Skills Plan	• What is the sector's contribution to the country's economic growth? • What is the sector's contribution to the country's employment rate? • What are the growth trends of the sector? • What are the key drivers of skills demand in the sector? • What are the scarce and critical skills for the sector? • What are the organisational skills development priorities?	• Desktop analysis of existing literature • Interviews with employers surveys • Employer survey • Analysis of WSP • Consultations with industry representatives	Inhouse	• Planned	Quarter 2
Goals 1 & 2	2. SETAs' strategies evaluation approaches and use of outcomes	• To evaluate strategies adopted by SETAs to reflect on their performance • Understand the areas of reflection are methods used • Investigate the use of findings to inform strategy updates	• Do SETAs conduct internal reflections? • How often do SETAs conduct internal reflections? • What approaches do SETAs follow to conduct internal reflections? • How are findings used to inform strategies	• Strategy documents review • Review research reports • Interviews	TBC	• Planned	Quarter 2

PLANNED RESEARCH PROJECT / TOPICS 2023/20234 FINANCIAL YEAR (DHET feedback session inputs/changes)

Linked Goal	Research topic	Objective of the research study	Research questions	Research Method	Name of Service Provider / Research Partner	Status	Time Frame
Goals 1&2	3. SETAs approaches to attracting and retaining employer members and key stakeholders	• To evaluate strategies SETA employs to attract and retain stakeholders	• Who are Seta's primary stakeholders? • What initiatives do SETAs put in place to attract new stakeholders? • What strategies do SETAs employ to retain stakeholders?	• Interviews • Survey questionnaires	TBC	• Planned	Quarter 2
Goals 1&2	4. Alignment of SSP Frameworks with the industry's future skills needs in preparation for the Fourth Industrial Revolution (4IR)	• To investigate the extent to which the framework assists alignment of SSP to industry skills needs in response to the Fourth Industrial Revolution (4IR)	• To understand the extent to which the SSP framework allows SPP to adequately align with industry skills needs in response to 4IR • How effectively are these needs addressed- that is how the impact is demonstrated • Is the terminology used in discussions regarding the fourth industrial revolution accessible to industry role players?	• Desktop analysis of existing literature • Documents reviewframeworks, SSPs • Interviews	TBC	• Planned	Quarter 3
Goals 1 & 2	5. The informal sector and its impact on the subsectors in the cleaning and hiring as well as personal care services chambers skills needs	• To understand the informal sector and its impact on the specific sub-sector's skills needs	• Who are Seta's primary stakeholders? • What initiatives do SETAs put in place to attract new stakeholders? • What strategies do SETAs employ to retain stakeholders?	• Interviews • Survey questionnaires	• TBC	• Planned	Quarter 2

7. Conclusion

This research agenda closely aligns with the thematic areas covered in the White Paper for Post-School Education and Training. The key themes covered relate to a PSET system which is characterised by expanded access, improved quality, increased diversity of provision, and a stronger and more cooperative relationship between education and training institutions and the workplace. The realisation of this research agenda will, therefore, allow the Service SETA to build an evidence base for its programmatic interventions, facilitate continuous improvement and develop as a learning organisation.

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