



WORKPLACE SKILLS PLAN ANALYSIS REPORT:
Examining the Submission trends of
2012, 2013, and 2014 - A Database
Analysis

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ACRONYMS

HWSETA	Health and Welfare Sector Education and Training Authority
IR	Implementation Report
NSDS	National Skills Development Strategy
SDF	Skills Development Facilitators
SETA	Sector Education and Training Authority
WSP	Workplace Skills Plan

1. INTRODUCTION

It is essential to have qualified and skilled employees in South Africa's Health and Welfare sectors; the Workplace Skills Plan (WSP) was implemented to realise this objective. The WSP is a plan that informs the Health and Welfare Sector Education and Training Authority (HWSETA) about the skills shortages and training programmes or courses that companies plan to provide for their employees based on their operational requirements. The WSPs are submitted to the HWSETA by the 30th of April each year.

Generally, levy-paying companies that are registered with the Health and Welfare SETA submit their WSPs thereby making them eligible for a Mandatory Grant. Mandatory Grants are grants paid to levy-paying organisations that submit WSPs to the SETAs. The SETAs are obliged to pay these grants if the organisations that submit the grant applications comply with the minimum requirements. The National Skills Development Strategy (NSDS) III recommends a cutback in the mandatory grant from 50% to 40% and a 10% that would go towards funding Pivotal Grants (Figure 1)¹. Furthermore, levy-exempt companies that submit their WSPs qualify for the Sector Priority Discretionary Grant.

The WSP submission contains both the Workplace Skills Plan and the Implementation Report (IR) which indicates what actual training and development has taken place at the workplace and also gives reasons for deviations, if any, from the WSP submitted previously. The report for the previous financial year and the plan for the current financial year need to be submitted together in order to qualify for the mandatory grant unless an organisation is participating for the first time. The submission of the WSP and IR is a process that allows employers to participate in skills development and also receive their mandatory grants from levy contributions made to the SETA. However, prior to the submission of the IR, the organisation must ensure that the following are in order:

- Registered Skills Development facilitators (SDFs) who will serve as the liaison persons between the SETA and the Organisation
- A valid Skills Development Levy number or T-number
- The organisation is up-to-date with its levy payments (only in the case of levy-paying organisations)
- The SDF is in possession of a valid Username and Password

The successful submission of a WSP equates to the automatic submission of the IR. Thus, throughout this report, the reference to WSP encompasses both the WSP and the IR. Although submitted together, the two sections of the submission deal with separate elements of skills

¹ Department of Higher Education and Training. 2010. Framework for the National Skills Development Strategy 2011/12 – 2015/16. Published at http://www.inseta.org.za/downloads/framework_for_NSDS_3.pdf. (Accessed 23 January 2012)

development. The WSP section contains the administration details, Levy payment details, BBEE Compliance, and budget information. The section continues with the provincial, employment, and education profiles. Finally, the section concludes with the planned training and information on the scarce and critical skills that the organisation requires. The planned training includes Adult Training, Pivotal Employee Training, and Pivotal Training for the unemployed. The IR section provides information on the actual training of the preceding year. This document specifically states the details of Adult training and Pivotal training for both the employed and unemployed. This is preceded by the variance reports for both the Planned and Pivotal Training. The section concludes with the Impact Assessment of the training period and how it has affected the organisation.

Having mechanisms such as the WSP encourages the sector to develop its employees and provide continuous updates on the skills needs of the sector while the HWSETA monitors skills trends. WSPs encourage organisations/firms to provide training for their employees thereby improving service delivery. Apart from the direct benefit of the WSP, the HWSETA is able to provide recent information on skills trends that would be beneficial to the national government and prospective employees of the sector. However, in order for the HWSETA to achieve this, it needs to know the submission trends of organisations. The paper basically aims to provide a comparative view of the submission trends and the organisations' profiles from 2012 to 2014.

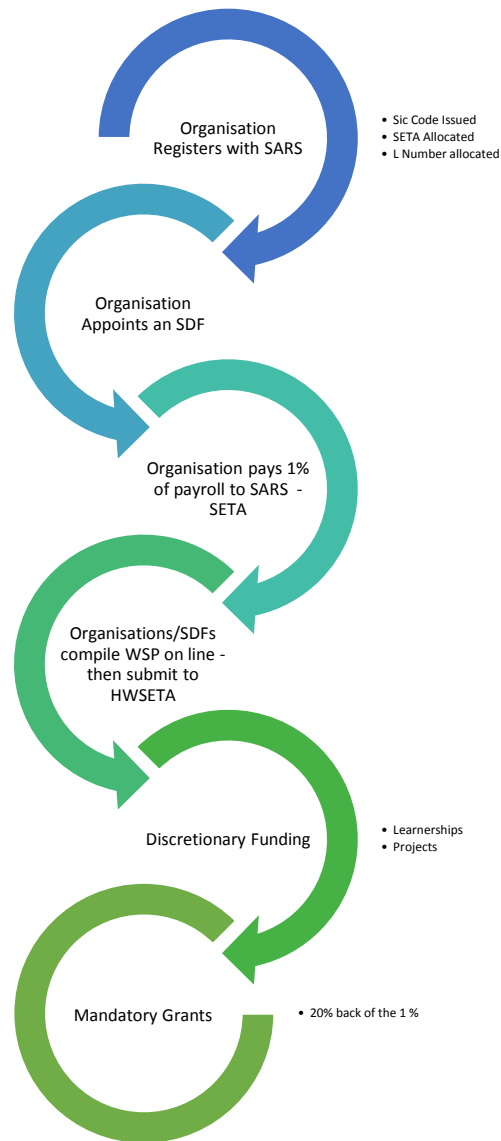


Figure 1: Flow Chart of the process to receive Mandatory Grants

1.1 Objectives of the Analysis

The analysis aims to achieve the following objectives:

- To estimate the rate of WSP and IR submissions for the years 2012, 2013 and 2014
- To compare the WSP and IR submissions of the participating organisations for the years 2012, 2013, and 2014
- To profile the participating organisations for the years 2012, 2013, and 2014

1.2 Methodology

1.2.1 Research Methodology

The study used secondary data from the Workplace Skills Plan Database to achieve the objectives outlined. Since this study was a comparative one, the data from the years 2012, 2013, and 2014 was analysed. The data was analysed using Microsoft Excel.

1.2.2 Sampling Technique

There was no specific sampling technique employed; however, only the organisations' WSPs that were accepted every year from 2012 to 2014 were included in the study.

1.2.3 Study Limitations

- First, the WSP database that was used in this study presented an obstacle with regards to variables not corresponding with each other. For example, the Planning Grant Status (WSP) does not correspond with the Implementation Grant Status (IR). This is inaccurate because when the WSP is accepted the IR is automatically accepted.
- Second, the datasets were limiting because the data was restricted to a few variables, thus limiting the scope of the analysis. The database did not have variables such as SIC codes, urban/rural distributions, and the type of sector.
- Third, the data was limited to the accepted WSPs so the study could not provide a broader picture on the total number of submissions and out of those how many were rejected.

2. FINDINGS

2.1 Introduction

This section presents the findings of the analysis conducted on the 2012, 2013, and 2014 WSP submissions. First, the section presents the submission trends of 2012 through to 2014. Second, the section presents the profiles of submitting organisations. Results indicate that the number of submissions is rising. Organisations from the Gauteng and Western Cape provinces had submitted over 500 reports each year. Small organisations had submitted more reports than the other firms combined over the three years. There were significantly more levy-paying organisations (96%) than organisations exempt from levies over the three years. The increasing number of SDFs in the sector is positive but the allocation of organisations is unequally distributed.

2.2 Submission trends of 2012, 2013, and 2014

Table 1: WSP Submission Trends from 2012 to 2014

Year	No. of Submissions	
	Number	Percentage Growth
2012	708	-25%
2013	879	24%
2014	898	2%

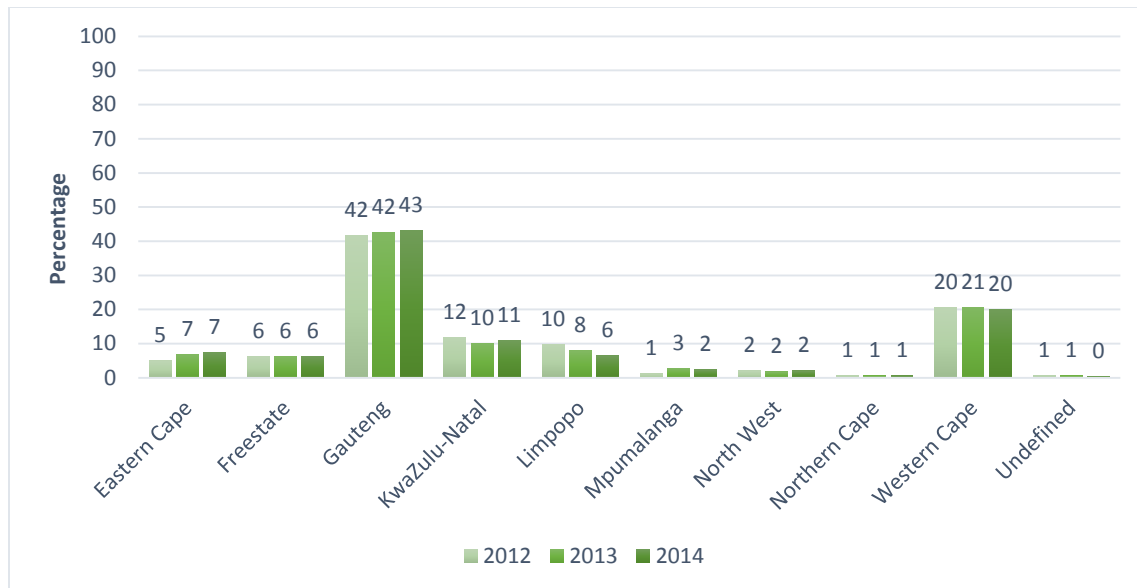


Figure 2: WSP Submission Trends by province

Table 1 and Figure 2 illustrate the submissions trends of 2012, 2013, and 2014. Table 1 shows that there has been an increase in the percentage of submissions from 2012 to 2014. In 2012, 708 WSP's were submitted; this was a decrease of 25% from the 945 submissions in 2011. However, 2012's figure increased significantly by 24% to 879 submissions in 2013. 2014 received 2% more submissions than 2013. In relation to provincial distribution (Figure 2), a significant percentage of submissions came from the Gauteng and Western Cape provinces from 2012 to 2014. On average, the two provinces contributed over 500 reports in each year. The other nine provinces, on average, submitted just under 300 reports each year.

2.3 Profiles of submitting organisations

2.3.1 Submissions by the size of organisations

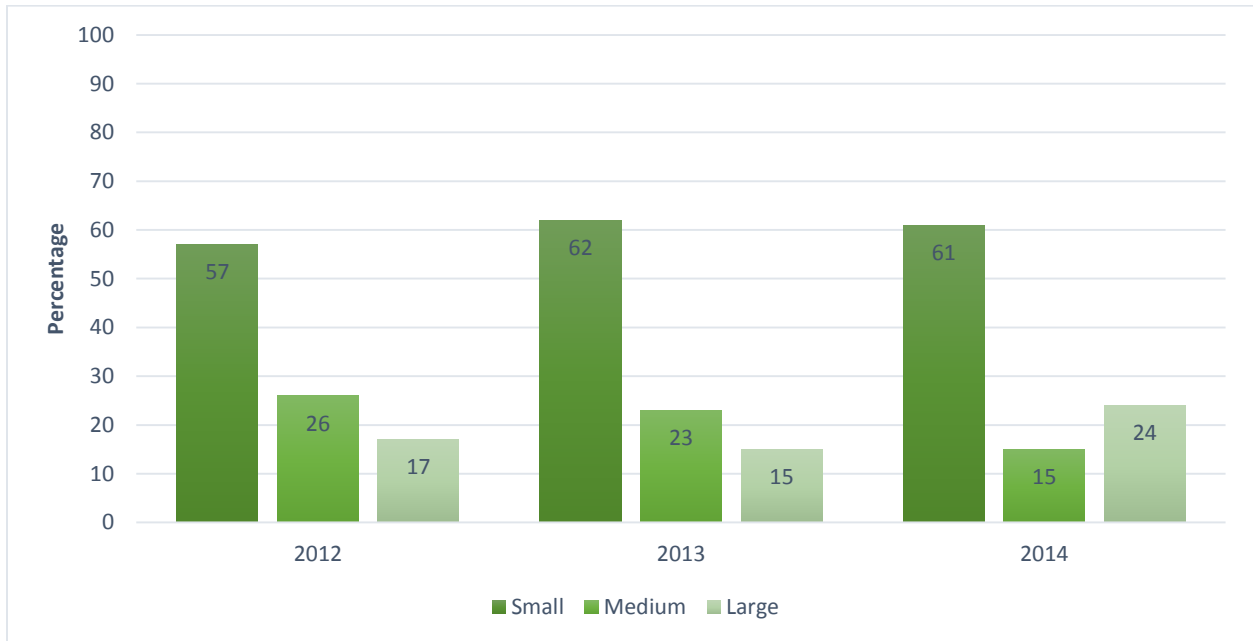


Figure 3: WSP Submission Trends by the size of organisations

Figure 3 shows that the sector is dominated by small firms and most of the submissions over the three years were from these firms. Based on the number of submissions, there have been a fair amount of inconsistencies across the 3 years. Small firms had increased their submission rate from 57% to 62% in 2013 but decreased in 2014. Submissions from medium-sized firms decreased from 26% in 2012, 23% in 2013, to 15% in 2014. The percentage of submissions from large organisations have shown fluctuations from 17% in 2012 to an increase of 24% in 2014.

2.3.2 Submission trends by the size of organisations in each province

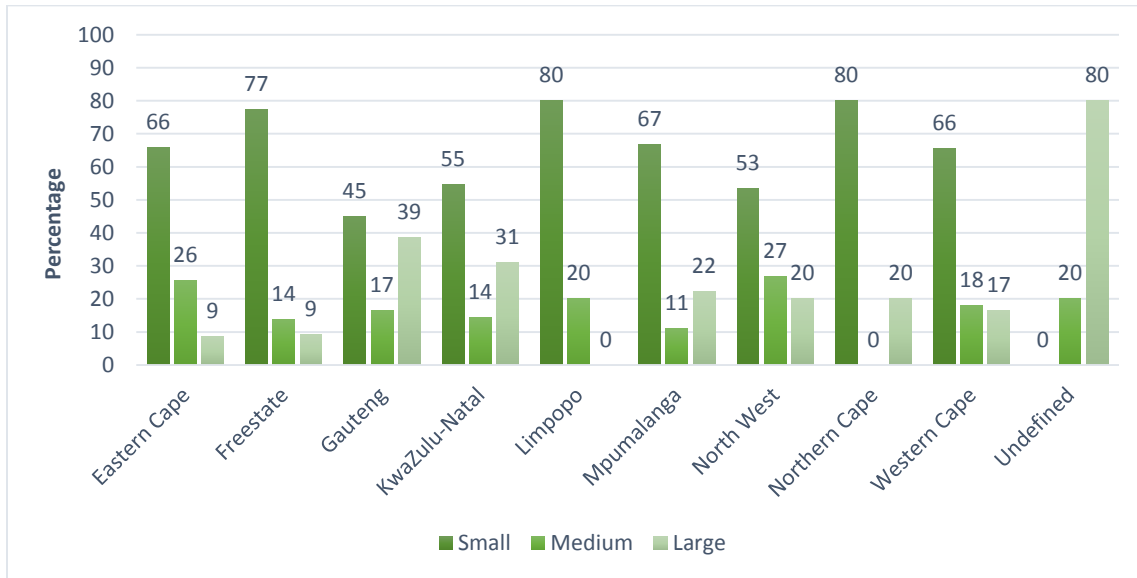


Figure 4: 2012 WSP Submission Trends of organisation by province

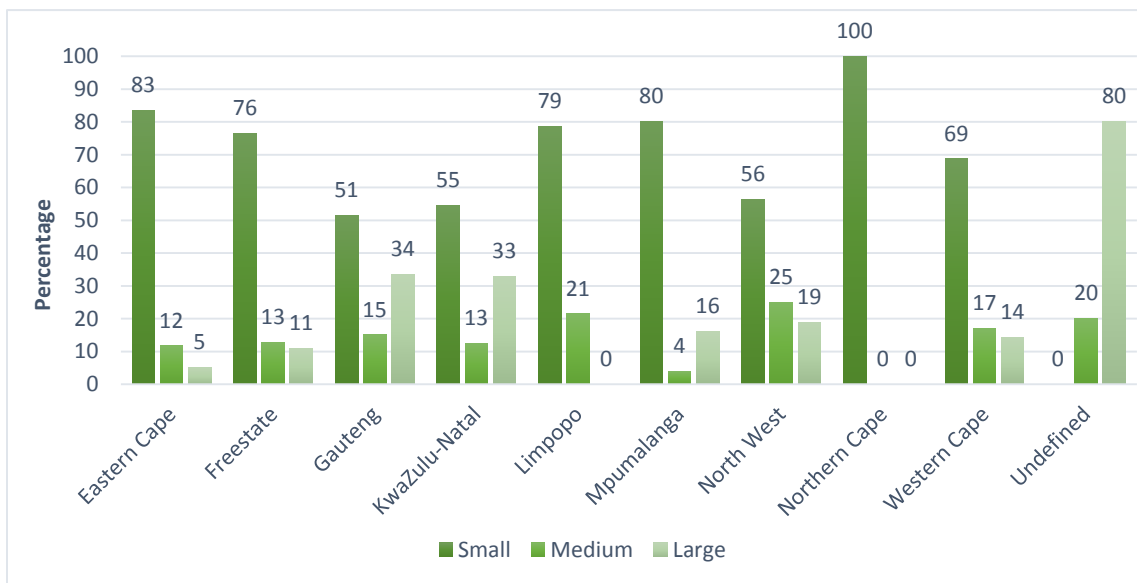


Figure 5: 2013 WSP Submission Trends of organisations by province

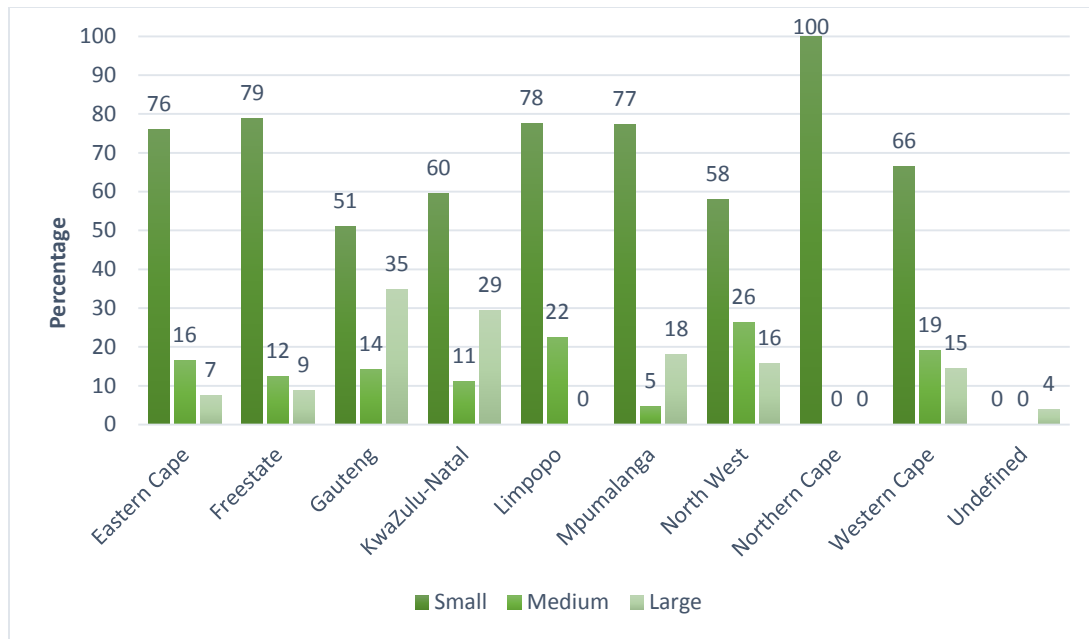


Figure 6: 2014 WSP Submission Trends of organisations by province

In 2012, most of the WSP reports were submitted by small firms and many of these submissions came from the provinces of Gauteng and Western Cape (Figure 4). In the other seven provinces, the same trend was observed: that smaller firms were submitting more WSPs compared to other firms. Figure 5 illustrates that this was also the trend in 2013 except that the percentage of submissions increased in several provinces. Eastern Cape, Free State, Gauteng, KZN, Mpumalanga, and Western Cape all showed a slight increase of submissions from small firms. Only the Gauteng and Western Cape provinces observed an increase in submissions from medium-sized firms. Submissions from large firms increased in Gauteng and Western Cape while submissions from other provinces did not change significantly. In 2014, submissions from small firms in the Gauteng, Eastern Cape, Free State, and North West provinces increased while those of medium-sized firms had not changed significantly (Figure 6). Large firms in Gauteng were the only ones that increased their submissions. The changes in submissions from year to year may be a result of new submissions and existing firms not submitting regularly.

2.3.3 Submissions by levy-paying and exempt organisations

Table 2: Percentage of Levy-paying and exempt submissions in 2012, 2013, and 2014

Year	Levy paying and exempt submissions	
	Levy Paying	Levy Exempt
2012	95%	5%
2013	97%	3%
2014	96%	4%

Table 2 shows the percentage of levy-paying and levy-exempt organisations over the three years. The percentage of levy-paying organisations have shown consistency over the years from 95% in 2012, 97% in 2013, to 96% in 2014. The percentage of levy-exempt organisations (i.e. NPOs) has remained low over the same period at 5%. The percentage of levy-exempt submissions over the three years is lower than that of 2011 which was at 6%². This finding is also confirmed by the NPO report which indicated that the majority of NPOs failed to submit their WSPs in the years 2013 and 2014. Only 8% submitted the WSPs³.

2.3.4 Submission trends by the number of SDF's

Table 3: Number of SDF's per 100 organisations in 2012, 2013, and 2014

Year	No of SDF's per Organisations	
	No. of SDF's	No. of SDFs per 100 Organisations
2012	700	99
2013	864	98
2014	884	98

Table 3 shows the number of SDFs per 100 organisations in the years 2012, 2013, and 2014. It is important to observe this variable because some SDFs submit on behalf of their organisations. According to Table 3, the number of SDFs has increased over the years from 700 in 2012 to 884 in 2014. The proportion of SDFs per 100 organisations has remained constant at 98 to 99. This is an indication that SDFs are not overwhelmed by the number of organisations they facilitated. However, it has to be noted that even though SDFs are not overburdened, some SDFs facilitate

² Miya, S. (2011). 2011 WSP Analysis: Investigating Skills Development Trends as Reported in the WSPs submitted. HWSETA. Johannesburg

³ Machava, R., Phago, M., Thwala, L., and Miya, S. (2014). Skills Needs of the Non-Profit Making Organisations: Understanding the Skills Needs of the NPOs Operating within the Health and Welfare Sectors. HWSETA. Johannesburg

significantly more organisations than their colleagues. This then raises an issue of allocation and whether the current system is effective long term.

Table 4: Distribution of SDFs by province in 2012, 2013 and 2014

Provinces	No of SDFs in 2012, 2013 and 2014			Total
	2012	2013	2014	
Eastern Cape	35	59	66	160
Free State	42	53	57	152
Gauteng	292	365	336	993
KwaZulu-Natal	84	87	92	263
Limpopo	70	70	55	195
Mpumalanga	9	24	22	55
North West	15	16	18	49
Northern Cape	5	5	6	16
Western Cape	143	180	178	501
SA National	1	1	0	2
Undefined	4	4	4	12
Total	700	864	834	2398

Most of the SDFs were from the Gauteng (993) and Western Cape (501) provinces, however they have not shown consistent increases. Based on the number of submissions, there have been increases in the number of SDFs across provinces. KwaZulu-Natal (263), Eastern Cape (160), North West (49) and the Free State (152) have seen steady increases over the three years. However, the increases do not total the numbers observed in Gauteng and the Western Cape which is where most of the submissions originated.

Table 5: Number of Employees by the Size of Organisation in 2012, 2013, and 2014

Size of Organisation	Number of Employees over the 3 years			Total
	2012	2013	2014	
Small	7725	9733	9569	27027
Medium	9593	10627	11032	31252
Large	181075	187765	173014	541854
Total	198393	208125	193615	600133

The table above shows the total number of employees of small, medium, and large firms over the three years. The number of employees in small firms has fluctuated while in medium and large firms there has been a steady increase. In the case of small firms, the fluctuation from 7725 in 2012, 9733 in 2013, and 9569 in 2014 shows that these firms are struggling either to retain or

increase staff. However, for medium-sized firms, staffing levels were consistent from year to year. These firms have shown a steady increase from 9593 in 2012 to 11032 in 2014. This is an indication that these organisations are able to retain and recruit more staff. However, large firms over the three years have shown fluctuations from 181075 in 2012, 187765 in 2013 down to 173014 in their staffing levels.

2.4 Reasons for non-submissions

Limited capacity, exemption from the process, no time, too much effort, and bureaucracy were some of the reasons given for not submitting WSPs. This finding was established by The Non-Profit-Making Organisation Report⁴ which aimed to profile levy-exempt organisations and understand their current skills requirements. The report further found that levy-exempt organisations did not have much incentive to submit WSPs and that there were technological barriers.

The following criteria is used to accept WSP submissions: minimum of 60% of employees have to receive training; and the submission of relevant documents. Failure to adhere to the criteria results in the automatic rejection of the WSP submission.

2.5 Synopsis of the findings

The findings generally suggest that the submission of WSPs is on the increase. This trend was observed between 2012 and 2013 with a significant increase of 24%. This increase is an indication of the number of new submissions while a percentage increase of less than 3% suggests that these are existing organisations that have not been consistent in submitting their WSP reports. More small firms submitted WSPs, followed by medium and larger firms. The firms from Gauteng and Western Cape dominated submissions. Considering that these two provinces are the most economically active in the country⁵, the result was anticipated. However, Eastern Cape, Free State, KZN, and Limpopo are showing signs of increasing their submission rates which is positive for the sector. Most of the submissions (96%) were from levy-paying organisations.

The proportion of SDFs to organisations was 98 to 99 from 2012 to 2014 and these are mostly from the Gauteng province. Results indicate that the sector's SDFs are able to handle the organisations allocated to them. However, the allocation of SDFs to organisations should be monitored to ensure that SDFs are able to carry out their responsibilities effectively.

⁴ Machava, R., Phago, M., Thwala, L., and Miya, S. (2014). Skills Needs of the Non-Profit Making Organisations: Understanding the Skills Needs of the NPOs Operating within the Health and Welfare Sectors. HWSETA. Johannesburg

⁵ Statistics South Africa. (2011). *Census 2011 Statistical Release*. Retrieved from <http://www.statssa.gov.za/Publications/P03014/P030142011.pdf>

3. CONCLUSION AND RECOMMENDATIONS

In conclusion, the submissions of WSPs are on the increase with many of the participating firms from the Gauteng and Western Cape provinces. Provincially, there has been an increase in WSP submissions which is a positive step towards up-skilling employees and consequently improving service delivery. The results show that the sector is growing and firms recognise the importance of submitting WSPs.

- It is recommended that awareness workshops should be conducted to locate new firms and increase the number of submissions.

Obviously, the sector is growing, based on the 24% increase in 2013, and more effort is required to obtain more firms in each province. This can be achieved through inviting registered and unregistered organisations to participate in awareness workshops. In these workshops, HWSETA would inform and remind organisations about the importance of submitting a Workplace Skills Plan. Furthermore, through these workshops, new organisations can be identified and encouraged to submit WSPs. Existing firms would also be encouraged to continue submitting consistently for the benefit of the sector.

- Identify and recruit SDFs who will specifically cater for levy-exempt organisations.

For many levy-exempt organisations, submitting WSPs takes too much time and the bureaucracy of submitting reports that are not beneficial to them becomes a deterrence. Catering for them by specifically providing a SDF who will physically come to them, compile the WSP, and submit it on their behalf would ensure that more levy-exempt organisations submit.

- There has to be an active campaign to increase the number of WSP submissions in provinces that have shown low submissions tallies.

This can be achieved by locating organisations, through the media, that have been in existence but have not yet registered with the SETA. Through this process, registrations with the SETA and submissions of WSPs would increase.

4. REFERENCES

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