

Skills Development; A Compliance Issue That's Failing

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The amendments to the Skills Development Act have had far reaching consequences for training institutions, employees that seek to develop their skills, and the companies that employ them. Factor in Broad-Based Black Economic Empowerment (BBBEE) point requirements, and training once again becomes a compliance issue instead of the correct reaction to skills gaps that would increase productivity.

While this may increase the application of skills development in the workplace, Gizelle McIntyre, Director of the Institute of People Development (IPD), worries that the focus and approach to training will be negatively affected. "The concern is that people are being trained with the sole purpose of garnering 25 'magical' points," says McIntyre. "This means that the training is often not based on real skills needed, according to a gap analysis, but rather on whichever training will achieve the most points, in the shortest time - or worse still, whichever training provider has the best ratings rather than the best solutions. The result is that training providers will be chosen as compliance partners, rather than leaders in skills development."

This begs the question – when will South Africa opt for a healthy skills development approach? "The key is to employ skills development in order to foster better engaged workers, build people's proficiencies and upskill the nation; and not to gain some BBBEE points or tick a tick box on your scorecard," believes McIntyre. This process is garnering some cynicism and a feeling of exhaustion amongst the true believers of real skills development and transformation. Ironic, considering the points can still be gained with a focus on meeting real needs.

McIntyre foresees a bad year to come for the skills development industry, as rumours abound that Skills Levy claims for discretionary grants might fall away or be limited to 10 percent and to using public entities. "Too many corporations have made their Skills Levy claim their entire training budget. If the claims fall away, as expected, these businesses will have no source of funding left for skills development. Training departments are instructed to 'find the money' – but do we ask our accountants to find the money to cover their fees? Some offer one percent of an employee's salary for training. Has anyone ever calculated what this equates to? If they had, they would have realised that not much can be done with that limited budget."

The Skills Development Facilitator's role will also change as a result of the Skills Levy changes. "They will no longer be tasked with claiming against the Levy and acting as financiers. Instead

they will have to revert to their original role, what it always should have been about; learning and development.”

Strategic planning and decision making should involve the L&D Practitioners and Human Resources department, consider skills gaps and evaluate the consequences of not training staff. “What we really need is a complete shift in the perception of what skills development is, and what real return on investment looks like.”

Although some companies have established in-house training facilities, this training won't be awarded any BBBEE points. The only way to upskill staff effectively *and* attain the elusive 25 points is through an accredited training provider - either an EME provider or has a good BBBEE level - and delivers in the correct categories. “The unfortunate consequence is that training teams are being retrenched and valuable training centres are closing their doors. Is there ever going to come a time when corporate South Africa will train for the right reasons?” concludes McIntyre.

The changes recommended in the NSLP 2015 proposal document gazetted as Government Gazette No. 39386, include that 80 percent of the current SETA Discretionary Grant would be shifted to the National Skills Fund (equivalent to the entire current PIVOTAL Grant). Employers would still be able to apply for the 20 percent Mandatory Grant (unchanged) and 10 percent of the remaining Discretionary Grant (renamed Sector Specific Grant).

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Boilerplate:

Founded in 1999, Workplace Skills Solutions t/a The Institute of People Development (IPD) strives to equip, prepare and certify practitioners to serve South Africa's skills development strategy and facilitate the transformation of education and training. Over the years, IPD has become the preferred people development partner to most state owned and private enterprises in Southern Africa. IPD has assisted over 500 public and private training providers across most sectors of the economy to achieve or maintain accreditation through consulting, training and providing published guidelines. For more information, please contact IPD at trainingenquiries@peopledev.co.za on (011) 315 2913 or visit www.peopledevelopment.co.za.