



# The PSETA Sector Skills Plan Update for 2018-2019

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Public Service Sector Education and Training Authority (PSETA)

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higher education  
& training

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Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

## Foreword

Skills planning in the Public Service sector provides the strategic direction needed to guide the development of human capital that is required by the state in order to deliver on its developmental goals and objectives. The National Development Plan (NDP) provides an evidence-based analysis of the priority focus areas in this regard. This Sector Skills Plan maps out the specific agreed priorities, as well as the areas of uncertainty, and the partnerships and processes through which PSETA will further define and take forward this agenda.

A range of secondary legal, regulatory and policy frameworks elaborate the strategic direction required to achieve the NDP objectives. For example, the National Integrated Human Resource Development (NIHRD) Plan 2014-2018 emphasises the need to professionalise the Public Service, opening it as a training space and promoting the Public Service as a career of choice. The Department of Public Service and Administration (DPSA) and other lead departments provide the strategic imperatives through policies and strategies such as this. PSETA (in partnership with the National School of Government (NSG) and other key players, under the leadership of Department of Higher Education and Training (DHET) coordinates resources and efforts to support such developmental objectives across the “skills pipeline”. From general foundational learning (delivered by Technical and Vocational Education and Training (TVET) colleges and Higher Education Institutions (HEIs), through job-specific learning delivered by state academies and “bridging into work” interventions, to on-the-job learning done within departments, the PSETA interventions outlined in this SSP aim to build “a skilled and capable workforce for an efficient, effective and development-oriented public service”. These interventions are not restricted to skills at the level of individual human beings. They aim to embed skills development in building state organisational capabilities aimed at improving service delivery to the citizens of South Africa.

The Sector Skills Plan provides the evidence base within which the PSETA Accounting Authority uses to guide decision making; and informs its plans including the Strategic, Annual Performance and Operational plans, to ensure that the utilisation of public funds under PSETA’s managerial control addresses the needs of the sector. Human resource development efforts and resources are spread across the sector and strategic partnerships are therefore at the heart of how PSETA is taking forward the goal of educating, mobilising the Public Service sector behind our coordinated strategy for delivering on the vision and objectives of the National Development Plan.



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**Ms. Koko Mashigo**  
**Accounting Authority Chairperson**

## AUTHORISATION OF THE PSETA SECTOR SKILLS PLAN FOR 2018/19

We, the undersigned, hereby endorse and approve, on behalf of the Public Service Sector Education and Training Authority and Management, the contents of the Sector Skills Plan Update for the year 2018–2019.

Signature:



Date: 14 /07/ 2017

ACTING CEO

Signature:



Date: 27/ 07/ 2017

ACCOUNTING AUTHORITY CHAIRPERSON

## EXECUTIVE SUMMARY

This PSETA Sector Skills Plan (SSP) Update builds on the foundations established in the previous four (4) SSPs, in which a clear approach was developed for identifying and prioritising skills and training needs in the Public Service. This approach has been workshopped with the sector, and was presented and discussed with a wider audience at a national skills colloquium hosted by the PSETA in March 2015. The approach highlights that skills development priorities cannot be identified simply from an analysis of the scarce skills and competency gaps of individual employees if we are to develop the state capabilities called for, in the National Development Plan.

The approach uses organisational performance as the lens to thematise skills needs: a priority skill is one that will make the biggest difference to the performance of Public Service sector. Skill development for the public service is informed by the following concept: **“Skills development in isolation will not yield a more capable state”, skills development must be integrated with wider organisational development initiatives if it is to be effective** (DPSA/HRDC 2013). Thus, the identification of priority skills and training needs should be informed by an analysis of the major drivers / inhibitors of public sector organisations’ performance in South Africa; and not simply by an analysis of current labour shortages and skills gaps across organisations in the Public Service.

Furthermore, the SSP draws on primary research relating to sector specific skills issues, analysis of major government policies and their implications for skills planning, relevant databases (including PERSAL, WSP/Annexure2 data and HR Plans) and secondary literature. PSETA has also conducted a number of research studies to inform skills needs in the National and Provincial Legislatures and certain Public Entities sub-sectors. Plans for a SSP seminar to engage sector stakeholders on the findings of the respective research studies are in place for later in the financial year.

The key change drivers impacting skills in the sector which have been identified include; new policy directions and priorities initiated by Government which may impact employment and the skills demand in the sector; the organisation of the state, the service delivery models and structure of operations which may have implications for which kinds of capacities the state needs to develop; and the increased focus on capacity building of Human Resources Management (HRM) and Human Resource Development (HRD) Units in the Public Service to shape the extent to which skills needs and gaps are appropriately identified.

The PIVOTAL list of skills needs for the sector have been identified employing various sources to analyse skills demand and supply. The key training priority needs informed by the key strategic objectives of the departments and public entities, accompanied by the frequency of priority areas were analyzed to generate initial findings. The top 10 list was produced through frequency analysis and triangulation with information and data from the Human Resource plans submitted by the sector. It is however important to note that the PIVOTAL list of skills generated does not adequately cover the needs of the sector. It should not be regarded as a prescriptive list of skills, but rather as a heuristic guide.

PSETA engages in a wide variety of partnerships with key stakeholders as well as the supply side providers in order to deliver on its mandate. To support the development of the sector, inter-SETA partnerships; partnerships with national departments leading the development of priority state capabilities and Offices of the Premier; as well as partnerships with TVET Colleges and Higher Education Institutions, are imperative to the successful implementation of PSETA projects. PSETA

partnerships are also extending into the international domain: a European Union partnership is underway to network public entities with highly specialized skills needs with international counterparts. This partnership is already extending into the SADC region. Detailed information on the SETA's partnerships have been outlined in chapter four of this SSP.

PSETA continues to prioritise development of the following state capabilities as interventions to support the priorities identified in the NDP Chapter 13:

- Professional and technical competencies, through a focus on support for the Strategic Integrated Projects (SIPs);
- Development of more operationally competent and skilled management;
- Improve technical competencies in Supply Chain Management (SCM), including contract management;
- Improve competencies in Human Resource Development (HRD) and Management (HRM). With regards to HRD in particular, this will include a focus on improving departments' competencies to provide training through e-learning and improving their competencies to support work integrated learning and bridging into work.

Broadly, these priorities will be supported through the following mechanisms:

- Work with relevant central government 'champions' of the competencies (the Chief Procurement Officer in the case of procurement, the Department of Public Service and Administration in the case of HRD etc.) to ensure alignment of training across the Public Service and to more precisely identify the mechanisms through which improved competencies can best be supported;
- Support training providers (especially public providers) to develop more relevant and improved quality curriculum to address 'demand-supply' mismatches;
- Use the discretionary grants as a mechanism to encourage departments to pool resources, align their training approaches and support the development of the priority skills outlined above;
- Facilitate knowledge sharing between departments, academies and other stakeholders;
- Market the Public Service as a career of choice to support the recruitment of top graduates and artisans into the Public Service.

PSETA continues to use discretionary grants to support proposals for skills development that provide priority skills, that can show some degree of training at scale, at reasonable per capita costs, and which are in line with national approaches to skills development set by the national "champions" of these state capabilities. Departments will be supported to collaborate with other departments to maximize impact and efficiencies. Departments will also be encouraged to co-fund these programmes to improve the chances of senior level departmental support for the programmes. Through the strategic allocation of its discretionary grants and working with departments to build these proposals, PSETA thus aims to support a "change management" process in the skills development sector – moving departments toward a more strategic approach to training.

## ACRONYMS & ABBREVIATIONS

<b>AA</b>	Accounting Authority	<b>IDMS</b>	Infrastructure Delivery Management System	<b>NSG</b>	National School of Government
<b>APP</b>	Annual Performance Plan	<b>KPA</b>	Key Performance Area	<b>OFO</b>	Organising Framework for Occupations
<b>ATR</b>	Annual Training Report	<b>LGSETA</b>	Local Government Sector Education and Training Authority	<b>OSD</b>	Occupational Specific Dispensations
<b>CESM</b>	Classification of Educational Subject Matter	<b>LSS</b>	Legislative Sector Support	<b>PERSAL</b>	Personnel and Salary Information System of Government
<b>CET</b>	Community Education and Training	<b>MIS</b>	Management Information System	<b>PIVOTAL</b>	Professional, Vocational, Technical and Academic Learning
<b>CHE</b>	Council for Higher Education	<b>MMS</b>	Middle Management Services	<b>PSETA</b>	Public Service Sector Education and Training Authority
<b>CIP</b>	Compulsory Induction Programme	<b>MPAT</b>	Management Performance Assessment Tool	<b>RPL</b>	Recognition of Prior Learning
<b>DCOG</b>	Department of Cooperative Governance	<b>MTBPS</b>	Medium Term Budget Policy Statement	<b>SARB</b>	South African Reserve Bank
<b>DHA</b>	Department of Home Affairs	<b>MTEF</b>	Medium Term Expenditure Framework	<b>SCM</b>	Supply chain management
<b>DHET</b>	Department of Higher Education and Training	<b>MTSF</b>	Medium Term Strategic Framework	<b>SETA</b>	Sector Education and Training Authority
<b>DIRCO</b>	Department of International Relations and Cooperation	<b>NC (V)</b>	National Certificate (Vocational)	<b>SIC</b>	Standard Industrial Classification
<b>DPME</b>	Department of Performance Monitoring and Evaluation	<b>NDP</b>	National Development Plan	<b>SIPs</b>	Strategic Integrated Projects
<b>DPSA</b>	Department of Public Service and Administration	<b>NEHAWU</b>	National Education, Health and Allied Workers' Union	<b>SMS</b>	Senior Management Service
<b>DTI</b>	Department of Trade and Industry	<b>NIHRD</b>	National Integrated Human Resource Development	<b>SSP</b>	Sector Skills Plan
<b>ETQA</b>	Education and Training Quality Assurance	<b>NPC</b>	National Planning Commission	<b>StatsSA</b>	Statistics South Africa
<b>GDP</b>	Gross Domestic Product	<b>NQF</b>	National Qualifications Framework	<b>TVET</b>	Technical and Vocational Education and Training
<b>HRD</b>	Human Resource Development	<b>NSDS</b>	National Skills Development Strategy	<b>WIL</b>	Work-Integrated Learning
<b>HTFV</b>	Hard To Fill Vacancy	<b>NSF</b>	National Skills Fund	<b>WSP</b>	Workplace Skills Plan

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## RESEARCH PROCESS AND METHODS

Research forms a critical component of the development and update of a Sector Skills Plan. This section details the research process and methods that have been utilized in developing this SSP update. The process entailed conducting primary research and consulting secondary sources for relevant data. In the update of the last SSP, PSETA conducted a Needs Assessment study of Legislatures and parliament, Organising Framework for Occupations (OFO) analysis of the legislative sector, research into green public procurement and impact assessment of PSETA qualifications just to name a few of the nine studies conducted both in-house and externally commissioned. It is part of PSETA’s mandate of producing of a SSP that is fully reflective of the sector.

The SETA is currently conducting five primary research studies, namely a skills needs analysis in the form of skills audit for the Parliament (phase 2), research into Hard-to-fill vacancies in the Public Service sector, research into skills gaps in the public service sector, impact assessment framework for the organization and analysis of the expenditure of training by the department. In addition, the SETA will further conduct a comparative analysis of the WSP monitoring and implementation sessions by provincial departments to monitor WSP implementation and challenges thereof. The details of each study are provided in the table below.

*Table 1: Research process and methods*

Type of study	Topic	Nature (Design) of the study	Objectives of study	Data collection tool	Sample size and scope of the study	List of data sources and data sets	Time frame of the study
Skills Needs Analysis	Skills needs analysis for the National Parliament (phase 2)	Qualitative and quantitative	To understand the skills needs of parliament  This is the continuation of the phase 1 study done in 2016.	Questionnaire research tool/ skills survey	A survey sample drawn from the Parliamentarians	National Integrated Human Resource Development Plan (NIHRDP) 2014-2018  Quarterly Labour Force Survey (QLFS May 2016) Quarter 1 data.	July 2017 to Sept 2017, final report due in September 2017.

						Annexure 2/ Workplace Skills Plan 2015/16.	
<b>Vacancy Analysis</b>	Understanding the Hard to fill vacancies in the Public service sector	Qualitative and quantitative	To provide insight into identifying Hard to fill vacancies in the sector	Face to face interviews Questionnaire	Departments who are participating in the submission of the WSP/Annexure2	PSETA SSP,  WSPs 2017	May 2017 to Sept 2017, final report due in Sept 2017
<b>Skills gaps analysis</b>	Understanding the Skills gaps in the Public service sector	Quantitative	To provide insight into identifying skills gaps in the sector	Face to face interviews Questionnaire	A sample drawn from Parliament and 2 Legislatures namely: Western Cape and Gauteng Legislature.	Annexure 2/ Workplace Skills Plan WSP 2016/17, Key informant Interviews, document analysis	May 2017 to Sept 2017, final report due in Sept 2017
<b>Comparative study</b>	Comparative analysis of WSP implementation study in provincial departments	Quantitative	To monitor WSP Implementation and monitoring; To understand challenges faced with the implementation of the WSP	Questionnaire	A sample comprised of 3 representatives (Labour union member, SDF and Training committee member) from 9 provincial departments and national departments	PERSAL data  Annexure 2/ Workplace Skills Plan WSP 2016/17	November 2017 to January 2018
<b>Expenditure on training in the PS</b>	Case studies on Provincial departments learning programmes interventions reporting to PSETA.	Qualitative	To understand the departments expenditure on training.	Questionnaire and focus group guide	A sample comprise of 9 Departments	Annexure 2/ Workplace Skills Plan WSP 2016/17	July - October 2017

<b>Impact Assessment Study</b>	Impact Assessment Framework Impact assessment of PSETA learning programmes/qualifications	Qualitative	To evaluate the effectiveness, relevance, impact and efficiency of the interventions.	Questionnaire Focus group guide	A sample drawn from PSETA	ETQA database/ PSETA SMS system  SAQA Qualification ID database	July 2017 to October 2017, final report due in March 2018
<b>HRD imperatives and strategies in the Public service</b>	Understanding the extent of alignment of Provincial Skills Plan (PSP) in 9 provinces to national skills development and HRD strategies	Quantitative	To analyse the PSP that addresses the skills demands of the provincial growth and development strategies. -To understand the responsibilities in advising, monitoring and reporting on provincial skills and human resource development strategic matters.	Questionnaires, Desktop Review	A sample comprise of 9 Departments	Provincial HRD plans, DPME MPAT reports	July – December 2017

## 1. Chapter 1: Sector Profile

### 1.1. Introduction

This chapter focuses on the composition of the sector and profile in terms of size, coverage and economic performance. The scope of the Public Service sector and key role players are explored in detail, leading into a specific delineation between national and provincial government departments, legislatures and parliament, and public entities. The economic and labour market profile section outlines the sector's contribution to the economy and its labour market characteristics. The South African government employs over 1,1 million employees (which excludes the local government sector) of which approximately 575372 employees fall within the public service sector distributed across national, provincial and state owned entities (PERSAL, 2017) (PSETA MIS, 2017). Employment in the sector is a key contributor to combatting the high unemployment rate which currently prevails in the country.

### 1.2. Scope of coverage

The scope of a Sector Education and Training Authority (SETA) is based on the Standard Industrial Classification of all Economic Activities (SIC) codes. The first three digits of the SIC code indicates the sector or industry group and the first two digits indicates the major group. The Public Service Sector Education and Training Authority's (PSETA) SIC codes fall between sic code 9100 and 9108 which encompasses the Public administration related sector. Most national departments fall under sic code 91101, followed by 91102 for Provincial administrations (departments) and 91108 for Legislatures and National Parliament. Public entities are represented by any other code within the Public sector (Statistics South Africa, 2012).

PSETA is mandated to examine and forecast the nature of skills demand and supply in the Public Service sector which comprises of all national departments, provincial departments, national and provincial public entities, national parliament and provincial legislatures as outlined in figure 1. The focus and emphasis of PSETA is not however on the entire Public Service sector skills but primarily on the transversal skills within the public sector, these are the skills which are dubbed the 'business of government'. Transversal skills and functions include administration, management, planning, legislation and policy development, which form the focus to drive the development of skills and competencies in areas that will make the delivery of the business of government more effective and efficient.



Figure 1: PSETA sub-sectors

There are three (3) autonomous spheres of government – national government, provincial government and local government. The national and provincial departments (which fall within the PSETA scope) covers all employees employed in terms of the Public Service Act of 1994 (which excludes medical practitioners, nurses, teachers, police and the military). Many departments, such as education and health have ‘dual reporting’, i.e. reporting to PSETA and a line-function SETA, such as Health and Welfare SETA in the case of health and medical practitioners. National departments are responsible for implementing laws and policies decided on by Parliament or Cabinet. There are nine (9) provincial governments. Every province has a Legislature made up of between 30 and 90 members of the Provincial Legislature. The Department of Public Service and Administration (DPSA) sets the policies and framework for the Public Service at national and provincial levels.

There are 38 national departments and 111 provincial departments registered with PSETA, of these departments a total of 33 national and 94 provincial departments have submitted their Annexure 2 (commonly referred to as the Workplace Skills Plan (WSP) and Annual Training Reports (ATR)) in 2017, reflecting a 18% increase and a 6.6% decrease in WSP participation of national departments and provincial departments respectively compared to 2016.

PSETA’s scope of coverage within Legislatures sub-sector is limited to the administrative component, with the members of parliament function falling with the scope of the Education, Training and Development Practices (ETDP) SETA. A total of the nine (9) Legislatures and parliament are registered with PSETA for the purposes of submission of the WSP. In 2017, the national parliament and seven (7) provincial legislatures submitted their WSPs to PSETA.

Public entities registered with PSETA have different mandates but the common skills cutting across these entities are transversal skills. A total of 24 public entities are registered with PSETA, with 23 currently active on the SETA Management Information System (MIS). Significant positive growth in the participation of public entities in the WSP process has been achieved. In 2017, PSETA recruited six (6) new public entities which automatically increased the number of WSPs submitted by public entities. Advocacy sessions and concerted engagements with these entities may be attributed with this success.

### 1.3. Key Role-Players

The Public Service sector is relatively well regulated with a range of statutory bodies mandated to play a role in skills development for a capable and skilled workforce. Each department, public entity and legislature is responsible for identifying skills gaps and training needs. This takes place through the submission of a WSP to PSETA and other line-function SETAs and through the submission of Human Resource Development Plans to the DPSA (in the case of departments only). Table 2 details the key role players and their influence on the sector.

Table 2: Key role players in the sector

Institution/ Statutory body	Influence on the Public Service Sector
<b>The Department of Higher Education and Training</b>	DHET provides the overall policy framework for skills development, mainly articulated in the National Skills

Institution/ Statutory body	Influence on the Public Service Sector
	Development Strategy III, and oversees the implementation of the Grants Regulations by the SETAs.
<b>The Department of Public Service and Administration</b>	DPSA plays a key role in the establishment of norms and standards across the national and provincial Government, in areas such as ; organisational structures and establishment of departments, organisational components and other governance arrangements; labour relations; conditions of service and employment practices for employees; the health and wellness of employees; information management; information and communication technology; integrity, ethics, code of conduct and anti-corruption; transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the Public Service and its ability to deliver services to the public.
<b>The National School of Government</b>	The National School of Government (NSG) provides education and training for public employees or servants and also facilitates the provision of training which is either outsourced to training providers or provided in-house.
<b>Provincial and State Academies</b>	Some Provincial administrations and a number of national departments have their own training academies. For example, the Department of Home Affairs has a learning academy whose function is to provide learning and development interventions, maintain quality and to administer, manage, and support core learning functions
<b>Human Resource Development Council</b>	The Human Resource Development Council of South Africa (HRDCSA) is a multiple stakeholder body comprising representatives from government, business, civil society, labour and training and education within the Public Service sector. It was established in 2010 to create an enabling, coordinated and integrated environment to focus on improving the human resource development base and skills of the South African people.
<b>Public Service Commission</b>	The Public Service Commission (PSC) is empowered and mandated in terms of Section 196 of the Constitution of the Republic of South Africa, to monitor and evaluate the organisation and administration of the Public Service, enhance accountability and ethics in public administration and it plays a significant role in dispute resolution.
<b>Government SETA Forum</b>	The Government SETA (GSETA) Forum comprises representatives from government SETAs of whom public sector bodies are members and coordinates skills development for government employees across sectors.
<b>Public Sector Skills Committee</b>	The Public Sector Skills Committee (PSSC) was established to coordinate an approach to skills development across the Public Service. It includes representatives from provider and workplace constituencies and includes DHET, DPSA, the GSETA Forum and others.

Institution/ Statutory body	Influence on the Public Service Sector
<b>Trade Unions</b>	Trade union representation is an accepted facet of the workforce. Almost all sectors of the economy, including the Public Service sector, have representative unions which engage employers over issues affecting their workforce including skills development issues. In line with the SETA Grants Regulations, WSPs must be consulted with labour representatives for endorsement and sign-off before submission to PSETA.
<b>Legislative Sector Support South Africa</b>	The Legislative Sector Support (LSS) is a structure that supports and acts as a communication link across and within the Legislative sector on sectoral issues. The structure ensures effective coordination of the Speakers' Forum and other sector structures.

#### 1.4. Economic Performance

The performance of the Public Service sector is intrinsically linked with the performance of the country's economy. In periods of low growth, the state sometimes seeks to lower expenditure through various avenues (although in supply-side strategies, the state sometimes expands public sector employment). One avenue for reducing expenditure is through the reduction of the state's wage bill. Thus, in order to effectively assess the economic performance of the sector, a point of departure will be to briefly outline the existing economic conditions in the country.

The National Treasury (NT) (2016) noted that due to stagnated gross domestic product (GDP) growth over the 2015 calendar year and the lower revenue than previously forecasted, a decision was taken that government expenditure be reduced for the next three years of the 2016 Medium Term Expenditure Framework (MTEF). The Treasury's Medium Term Budget Policy Statement (MTBPS) of 2016 required a reduction of a further R25 billion from government medium-term expenditure. This is expected to be achieved by a reduction of R10 billion for the 2017/18 financial year and R15 billion for the 2018/19 financial year (National Treasury, 2016). The national and provincial government department's budget will reflect these adjustments of the MTBPS (National Treasury, 2016). The likely impact of budget reductions at National and Provincial government departments may be seen within recruitment; with a reduction or constancy in head counts in the Public Service. It is expected that job prospects in the Public Service sector will likely be negatively affected by this move. Other negative consequences may be seen with budget cuts to the 1% training budget allocated for training by national and provincial departments.

According to National Treasury (2017) it is expected that GDP growth will reach 1.3% in 2017. Economic growth prospects for the country however from the point of view of the World Bank is less positive with projected growth of only 0.6% in 2017 as compared to the 2016 projection of 0.8% (World Bank, 2017). This means that the GDP per capita has contracted in the last three years (2015-17). The contraction in the economy is further worsened by the policy uncertainty which has resulted in Standard and Poor's downgrading of South Africa's long-term foreign currency-denominated debt to sub-investment grade, commonly known as "junk status" in April 2017. This was followed by Fitch's downgrading of the foreign and local

currency rating to “junk” (World Bank, 2017). It is estimated that the downgrade will further cost South Africa 1% of GDP which will plunge about 160, 000 South Africans into poverty.

South Africa, as an emerging economy and a commodity exporter continues to be under pressure and extremely impacted by declining global commodity conditions seen with decreasing demand from China. Other global factors such as the emergence of the United States from the global financial crisis has resulted in a reversal of capital flows away from the country. The drought conditions, declining investor confidence in the country stemming from policy uncertainty, has exacerbated the low growth faced by the economy (World Bank, 2017). While global developments will continue to shape the country’s economic fate, measures like investment in infrastructure, increasing flexibility in labour and capital markets and improving the quality of education and skills development may be considered to counteract the impact. The measure of importance to PSETA of course remains with enabling skills development in the sector and improving the labour productivity factor. The budget cuts reflects the vulnerability of the Public Service sector to South Africa's economic performance and shocks. It is likely that a trickledown effect will lead to the low absorption of new personnel to the Public Service sector and cuts in departmental budgets allocated for training of employees. Despite the poor economic performance of the country, the overall General Government sector has fared well when compared to the growth of other sectors.



Figure 2: Sector Growth Trends, 2017  
Source: National Treasury 2017

In order to examine the performance of the General Government Services sector against other sectors of the economy, a comparison of the sector growth trends is observed. Figure 2 shows that General Government services grew by 1.7% due to an increase in employment reported for central government (Stats SA, 2017). This makes the General Government Services sector the second largest contributor in terms of growth trends in the economy after the finance, real estate and business services sector which is currently the first in the economy. The four latter sectors have shown a decline and poor growth, with the agriculture, forestry, and fishing sector being the most negatively affected.

The sector’s contribution to value added in South Africa in Rand millions is illustrated in figure 3. Based on the South African Reserve Bank (SARB) quarterly gross value added at basic prices after seasonal adjustment data series for the general government services (which encompasses the three spheres of government) it is clear that the sector has continued to grow following an increasing trend in terms of gross value add. The percentage increase from quarter 1 of 2011 to quarter 4 of 2016 is approximately 58.67%.

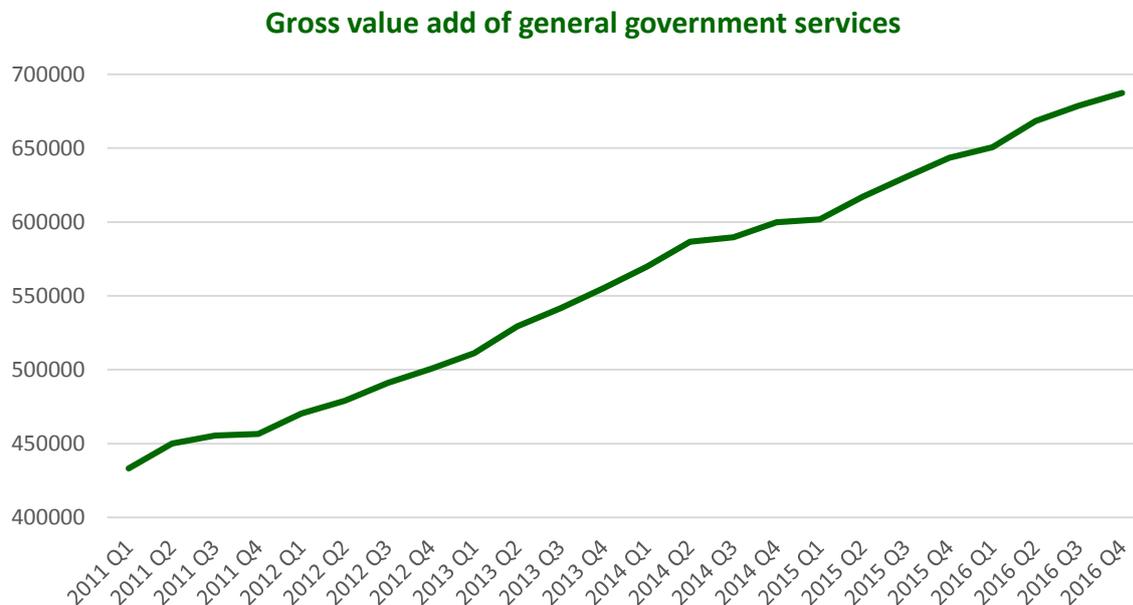


Figure 3: Gross value add of the sector Q1: 2011 to Q4: 2016  
Source: SARB

Whilst the value added by the sector is significant, consideration must be taken of the existing constraints to economic growth which have resulted in the revision of domestic growth forecasts downwards over the medium term. Rising levels of inflation, higher debt and debt-service costs, and increasing public-sector wages and slow revenue growth have been identified as threats to widening the budget deficit, thus diminishing government’s capacity to meet the targets of the NDP (National Treasury, 2016). In order to address the poor economic outlook projected for the country and achieve its fiscal goals, the 2017 budget proposal comprises a total reduction in baseline expenditure applied to the compensation budgets of national and provincial departments. To effect these measures, appointments to fill administrative and managerial vacancies have been reviewed and some blocked on government’s payroll system from April 2016 to date. Authorisation of appointments will be considered on the basis of distinct human resource plans aligned with reduced compensation budgets and greater efficiency. In many cases, these plans will need to trim employment of non-critical personnel, eliminate supernumerary positions and establish a sustainable level of authorised, funded posts that will be closely monitored in the years ahead (National Treasury, 2016).

Compensation of employees in the Public Service sector and the total government wage bill has been a focal area of intervention by the state to reduce government expenditure. Table 3 shows the percentage change year-on-year of employee compensation for the various sectors of the economy. Within the general government services sector, there has been a

6.8% increase in compensation of employees in from 2014 to 2015. This when compared to the other sectors of the economy shows that compensation increases in the sector has been the third lowest, following that of the Agriculture, forestry and fishing sector (6.1%) and the personal services sector (6.7%).

Table 3: Trend of employee compensation

<b>Compensation of employees- Current prices</b>					
<b>% change year-on-year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Agriculture, forestry and fishing	3.1	6.6	10.2	8.5	6.1
Mining and quarrying	12.8	12.6	10.0	5.3	8.8
Manufacturing	6.1	8.5	10.9	9.1	8.7
Electricity, gas and water	17.9	13.1	11.3	7.9	7.8
Construction	8.4	9.6	11.0	8.9	8.1
Trade, catering and accommodation	10.2	9.9	7.7	7.9	7.2
Transport, storage and communication	10.8	8.3	9.2	7.4	8.2
Finance, real estate and business services	11.2	8.2	10.3	9.7	9.6
<b>General government services</b>	<b>11.6</b>	<b>8.1</b>	<b>9.5</b>	<b>7.2</b>	<b>6.8</b>
Personal services	8.2	8.3	10.4	7.1	6.7
<b>Total</b>	<b>10.1</b>	<b>8.9</b>	<b>9.8</b>	<b>8.0</b>	<b>7.9</b>

Source: Stats SA, 2016

In order to reinforce the expenditure ceiling of government, an exercise to model remuneration trends is also under way. Preliminary results indicate that increases in the remuneration bill in central, administrative and policy departments are partly driven by increases in employee numbers or salary levels, without a commensurate increase in productivity. In addition, the NT, DPSA and DPME are assessing the 2015 public-sector wage negotiation process. The results of the assessment will be used to develop and propose reforms to collective bargaining and remuneration that could further enhance fiscal stability. While overall growth in spending has been slowing, spending on compensation of employees is projected to grow by 7.4% over the medium term as a result of the 2015 wage settlement. Government's efforts to curb unsustainable growth in the wage bill will see the proportion of consolidated spending consumed by compensation of employees remain at about 35% over the medium term (National Treasury, 2016).

As previously stated, the state of the economy has an impact on the size of the budget available to departments and public entities to spend on goods and services, personnel and infrastructure. This has direct implications on skills development. National Treasury assumes department management are better placed to decide where savings would least harm service delivery. Whether there are cuts and reductions in training budgets depends largely on whether there are other areas where expenditure can be reduced easily and the extent to which training is seen as a priority (interview with public sector economist Conrad Barberton, Cornerstone Consulting, July 2015). Thus, the poor economic performance of the country may have far reaching consequences in terms of the prioritization of skills development and training for the Public Service sector.

## 1.5. Employer Profile

Employment within the Public Service sector takes place within identified four (4) sub-sectors: National departments; provincial departments; Provincial Legislatures and Parliament; and some Schedule 3A Public Entities. Table 4 below outlines the number of employers, registered with PSETA within each sub-sector, their size and the proportion of which they make up the sector.

Table 4: Employers registered with PSETA

Sub-sector	Size of Employer			Number of employers registered with PSETA	% in the sector
	0-49	50-149	150+		
National departments	0	4	34	38	21%
Provincial departments	0	5	106	111	61%
Provincial Legislatures and Parliament	0	3	6	9	5%
Public entities	9	5	9	23	13%
<b>Total</b>	<b>9</b>	<b>17</b>	<b>155</b>	<b>181</b>	<b>100%</b>

Source: PSETA MIS 2017, PERSAL data 2017

Provincial departments make up the largest proportion of the sector (61%), making it the biggest sub-sector in terms of registered employers. Legislatures and parliament of course make up the smallest proportion of the sector (5%). The majority of the organizations reporting to PSETA are large employers, i.e. employers employing over 150 employees. Of the registered employers with PSETA, approximately 83% submitted their WSP for the 2017 period. There has been a decline in the submission rate when compared to 2016 submission rate which was at 93.1% despite the recruitment of six (6) new public entities reporting to PSETA.

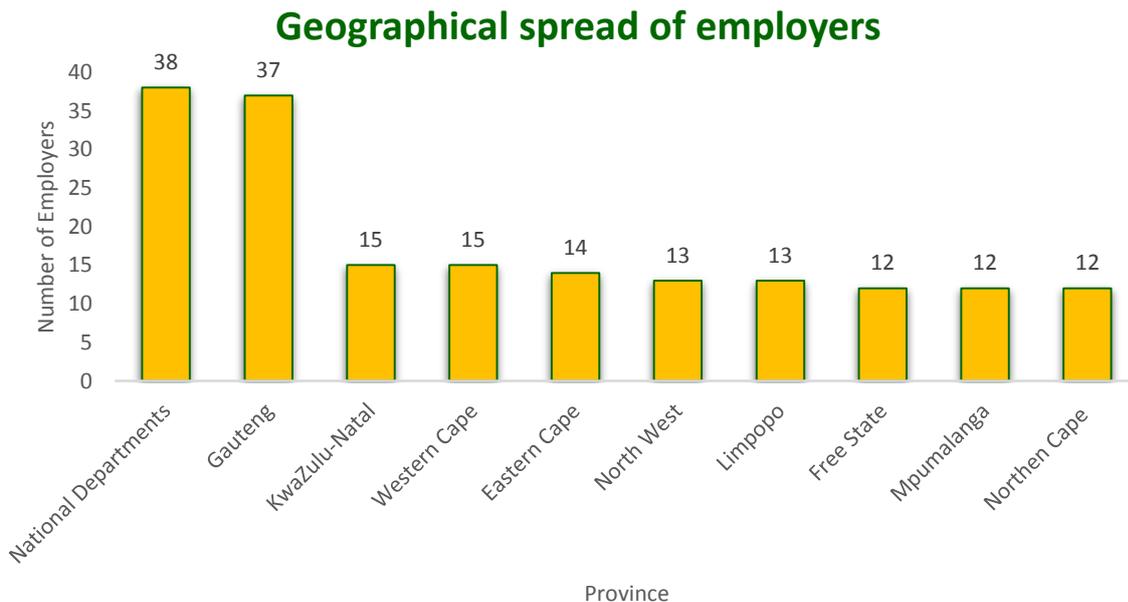


Figure 4: Geographical spread of employers

Source: PSETA MIS 2017

The analysis of the geographical spread of the sector is illustrated in figure 4. The national departments are generally located in the Gauteng province. Other employers within the sector are almost evenly distributed across the country. The Gauteng province accounts for the largest in terms of the geographic spread of employers, making up 41% when taking into account all national departments which are housed in Gauteng including their ministries which may also have offices in the Western Cape. The KwaZulu-Natal province is the third largest employer after national and Gauteng provincial department.

### 1.6. Labour Market Profile

It is important to understand the labour market profile of the sector. Analysis of the 2017 WSP data and the PERSAL data has been undertaken to assess the state of the labour market. Table 5 provides a breakdown of the number of employees per sub-sector. Information on employees for legislatures, parliament and public entities have been sourced from the 2017 WSP data, whilst the PERSAL data has been utilized for employees within national and provincial departments. The number of employees employed under the Public Service Act are defined as all employees on the database provided by the DPSSA excluding medical practitioners, nurses, teachers, police and the military personnel who falls under Health Act, education Act, etc. this analysis focus on those that are employed under the Public Service Act.

Table 5: Employees in the sector

Sub-sector	Number of employees	% in the sector
National and provincial departments	549 864	95.55%
Legislatures and parliament	2 576	0.45%
Public entities	22 932	3.99%
<b>Total</b>	<b>575 372</b>	<b>100%</b>

Source: PSETA MIS 2017 & PERSAL 2017

The gender and race demographics of the sector are presented in figure 5 and 6 respectively. By utilizing the WSP data for employees in parliament, legislatures and public entities and the PERSAL data for employees within national and provincial departments, a complete labour market profile has been provided.

### Gender Demographics of Employees

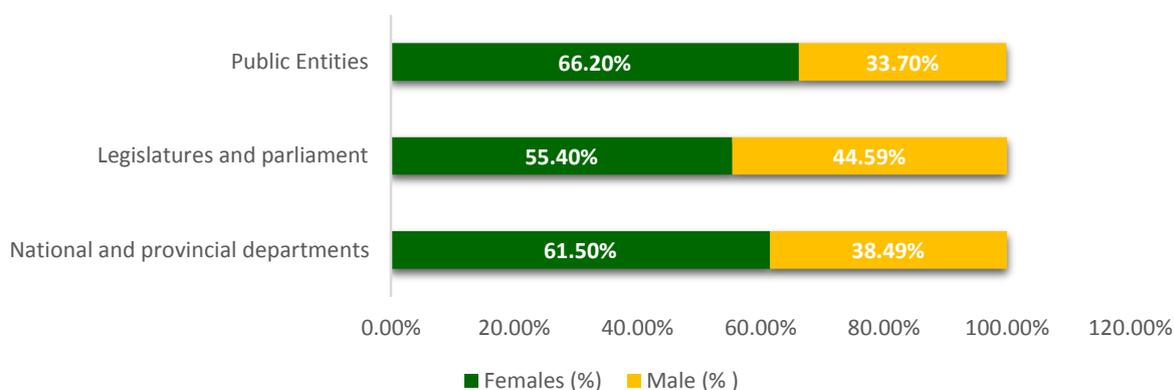


Figure 5: Gender Demographics of employees per sub-sector

Source: PSETA MIS 2017 & PERSAL 2017

The employment data by gender in the Public Service sector has remained constant with more women employed than men across the sub-sectors. The number of males have declined across the sub-sectors by approximately 2%. On average, there are approximately 15-20% more women employed in the sector. Figure 7 illustrates the race demographics. Across the sub-sectors, the race demographics of employees in the sector is in line with the race distribution of the population. Africans remains the majority across the sub-sectors comprising 80.9%. There has been an increase of Indians/Asians from 2.1% to 2.6% in the sector.

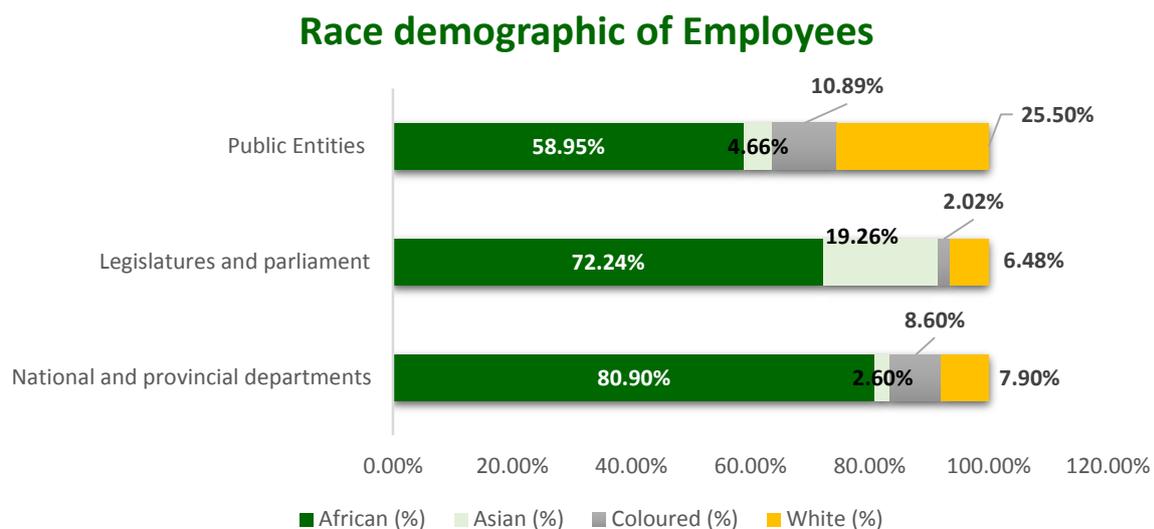


Figure 6: Race demographics of employees  
Source: PSETA MIS 2017 & PERSAL 2017

The proportion of disabled people in the sector remains at approximately 1.1%. DPSA, in 2014, introduced the Policy on Reasonable Accommodation and Assistive Devices for employees with disabilities in the public service. DPSA and PSETA continue to track progress and impact of the policy in improving the working conditions of public servants with disabilities. It must be highlighted that the policy is still new and the provision of reasonable accommodation is not applied consistently through departments, even for those that are in the same province. Most departments were still dealing with audits to establish the needs for reasonable accommodation in their organizations and therefore there was not enough information from departments (DPSA, 2015).

## Geographical spread of Employees

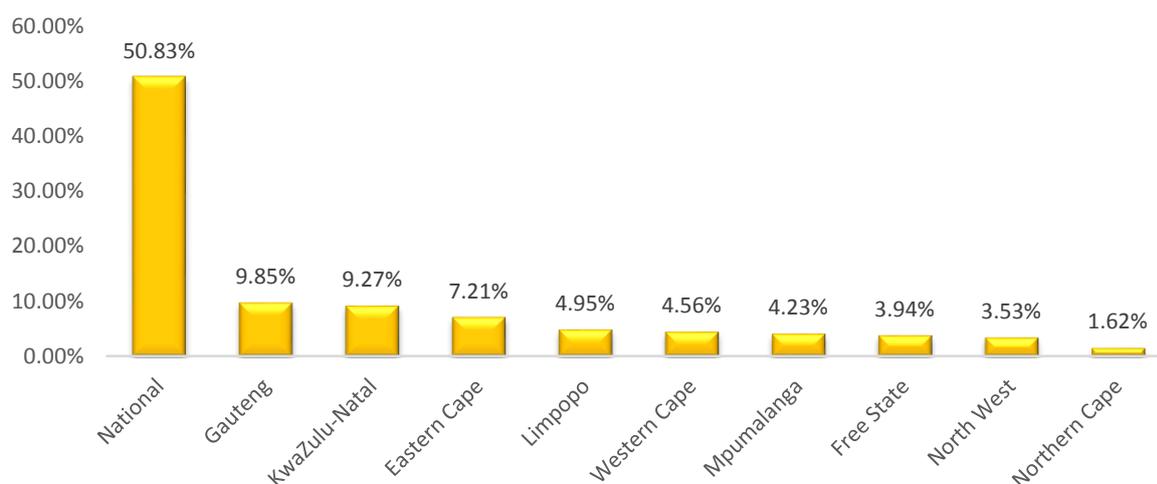


Figure 7: Geographical spread of employees  
Source: PSETA MIS 2017 & PERSAL 2017

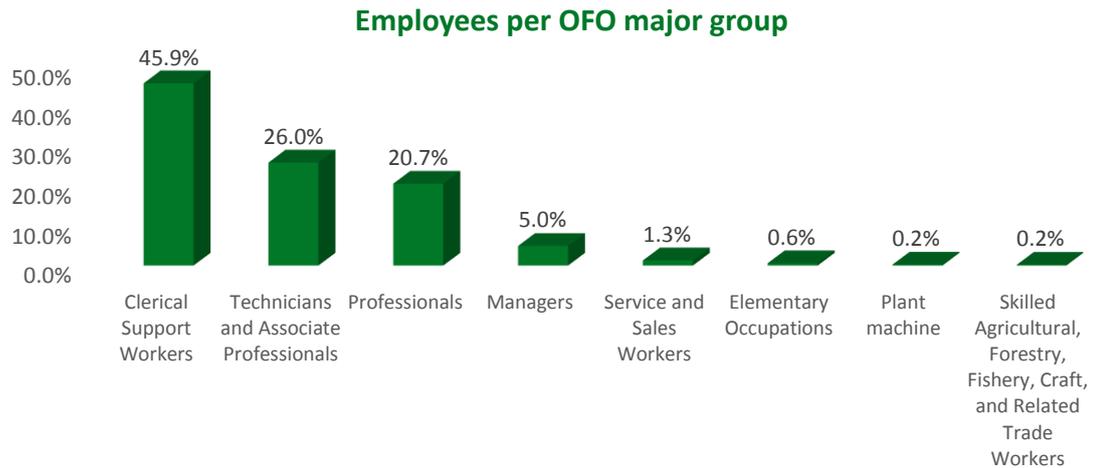
Figure 7 above shows the geographical spread of employees in the sector. The majority of the employees in the sector are employed by national departments, followed by Gauteng and KwaZulu-Natal. As the majority of national departments have their head offices in the Gauteng province, there is a skewed spread of employees to the province.

Table 6: Employment per major occupational category

Major occupational category	Number of employees	Percent
Administrative Office Workers	175 104	45.3%
Elementary occupations	121 158	31.4%
Professionals and Managers	89 939	23.3%

Source: PERSAL 2017

The table above shows the number of employees within the Public Service Act only, as reflected by PERSAL data. PERSAL does not capture occupational data per OFO categories, hence OFO major categories like Managers and Professionals have been grouped together. Based on analysis of the PERSAL data, table 6 shows that the highest number of employees are employed in the Administrative office workers category at 45.3%, followed by elementary occupations at 31.4% and then professionals and managers which is at 23.3%. PSETA focuses primarily on support to develop capacity in transversal skills, such as administration, management, planning, legislation and policy development. Therefore, the majority of PSETA interventions are targeted at employees in the Professionals, Managers and the Administrative Office Workers occupational categories.



*Figure 8: Employees per OFO major group*  
 Source: PSETA MIS 2017

Figure 8 above is based on the 2017 WSP data analysis which reflects employment by the Organising Framework for Occupations (OFO) major group. The distribution indicates that the majority of employees (45.9%) are within the Clerical Support Workers major group with 45.92%, followed by Technicians and Associate Professionals with 26.04% of employees and Professionals sitting at 20.7%. The Managers only makes up 5% of the employees at Senior Management Service (SMS) level within the Public sector services. The picture shows similar trends with PERSAL data which currently does not yet capture occupational data per OFO categories.

PSETA's support for skills development focusses on all occupations reporting only to PSETA that are transversal with the SMS making up a total of 10 014 employees in the public service sector (PERSAL, 2017). The increase in SMS is observed when compared to 9 885 SMS personnel reported in 2016 with the demographics for SMS at 72.18% for Africans, 6.6% Indian/Asian, 8.24% Coloured and 12.96% White (PERSAL, 2017). The transitioning of Middle Management Services (MMS) through training could be attributed to the overall increase in SMS personnel in particular with Indians/Asians and Coloured SMS's. The trends for MMS are similar to those of SMS (PERSAL, 2017). The age analysis on PERSAL in 2017 shows that the average age of public servants under the Public Service Act remains constant at 42.2 years, with the average length of service being just under 12 years. While the Public Service should ensure a constant stream of new recruits into the Public Service, staff retention is important to ensure strong institutional memory in order to respond to the drivers of change in the sector.

## **1.7. Conclusion**

This chapter has outlined the scope of coverage of the sector including an analysis of the key role-players, the economic performance of the sector and future outlook of the sector. Furthermore, it has analysed the employer and employee profiles reflecting trends and patterns of employment. In summary, the Public Service sector comprises predominantly large organizations with a significant contribution to the country's GDP. The economic conditions of the country impact the sector and have direct consequences on employment in

the sector. As a sector it is highly legislated with a substantial number of role-players that exist to ensure compliance and governance in the Public Service sector.

Due to the dynamics of the sector, the nature of demand and supply for labour and skills is shaped by a far more complex set of processes than in the private sector: regional labour market dynamics intersect with policy and political priorities emerging from the executive. Furthermore, long institutional histories of the state shape the nature of organisational competencies. Indicators that can be used as rough proxies of demand and supply of skill in the private sector (such as vacancy rates and the price of labour) do not provide state managers with nearly sufficient information about the nature of scarce and critical skills in their organisations. This reflection is further highlighted in chapter 2 in the identification of drivers of change for the sector. In this context, developing a strategic approach for guiding the identification and prioritization of skills in the public sector is particularly important.

## **2. Chapter 2: Key Skills Issues**

### **2.1. Introduction**

This chapter focuses on factors that drive change in the sector. The aim is to identify the major factors impacting skills demand and supply and the implications these have for skills planning in the sector. The chapter also looks at the National Strategies and Plans to identify their relevance to the sector. The implications these have for skills planning have been themed to show the overall interaction between mandates and the broader intended impact on the socio-economic development of the country. The change drivers and National Strategies and Plans were identified using desktop research and from engagement with different stakeholders.

There are many government priorities but for this SSP update the focus will be on the National Development Plan, the National Skills Development Strategy, Outcome 5: on “A skilled and capable workforce” and Outcome 12: on An efficient, effective and development oriented Public Service, the NSDS III, the National Skills Accord and the White Paper on Post School Education and Training, all of which are broadly linked to the goals of the NDP.

### **2.2. Change Drivers**

#### **2.2.1. Major factors impacting on skills demand and supply in the sector**

Understanding the major factors impacting on skills demand and supply in the Public Service sector provide an opportunity to better analyse why skills shortages exist. The major factors impacting on skills demand (number and type of skills demanded) in the South African Public Service are:

- **Technology:** The role of technology as a key driver of change cannot be ignored. Technology has enabled many departments to shift towards more automated systems such as electronic record keeping, automated leave systems, online services, etc. It is increasingly expected that government, in delivery of services, provide the same quality of customer service that citizens encounter in the private sector. Thus integrating consumer preferences, with technology is one way of meeting expectations. This places a demand for new skills and innovation within the sector.
- **Geographical positioning:** Another major factor which impacts the work of departments is the delivery of services within rural areas. Most provincial departments located within rural areas face a challenge with a shortage of public employees who are more attracted to employment and livelihood in metropolitan areas. This contributes to the existing situation of a skills bias within urban areas.
- **Capacity limitations:** Constraints in key skills such as Human Resources (HR) and Human Resource Development (HRD) persist due to frozen posts and cost containment measures initiated by National Treasury. This has negative consequences on the skills supply and capacity within departments. A strong assertion of building capacity of the Public Service is the need to build capacity of those in HR and HRD roles in order to ensure an enabling environment of skills development in the sector. Thus, limitations to building this capacity of HR and HRD personnel may have far reaching consequences in the sector.

- Environment: Changes in the size of the Public Service due to changes in the size of the population, the rate of retirement of public servants from the sector (replacement demand) impacts service delivery. New policy directions and priorities initiated by government can have an impact on the number of people employed and the skills demanded in the Public Service. The organisation of the state and the service delivery models through which the state chooses to deliver services and structure its operations will have implications for which kinds of capacities the state needs to develop. Changes in the nature of politics as it affects the organisation and staffing of departments.
- Another change driver that is emerging in 2016 is measuring productivity in the public sector. The National Treasury, in partnership with the DPSA and the DPME, are developing and implement a framework for measuring productivity aimed at benchmarking improvements in the public sector in the medium to long term. A draft framework was finalized in 2015 and is being piloted and tested in the sector. The framework will be refined and finalized in 2017/18. The National Treasury will provide input to help finalize the framework. It is also working on a strategy for remuneration reform that should ensure there is a strong link between wage settlements and performance at both an individual and institutional level. PSETA strongly feels that productivity should be linked or aligned to key skills needs for maximum productivity in the organization.
- Eliminating long-standing vacant posts in the Public Service sector: the DPSA with National Treasury is working on submitting a progress report on the work undertaken in freezing or eliminating long-standing vacant posts, and removing redundant Public Service posts, which has become more pressing in the context of tighter fiscal constraints. A progress report on this process is expected in the course of 2016.
- In the Legislative sub-sector the collective strategic objectives identified as a whole focus on: oversight and accountability of the Executive; improving efficacy of the law making process; effective support services; increasing public participation; improved relations with stakeholders; good governance and modernizing business practices. These impact the nature of support of skills development. Further research into the sub-sector which is currently underway will provide more insight into the major change drivers in this sub-sector.

### **2.2.2. Key skills implications**

The HRD Council has noted that skills development in the public sector should specifically aim at building the state capabilities to deliver on the NDP. This relates back to the point of policy direction and government priorities identified as a change driver in the sector. The capacity building that has already been adopted by the Public Service is seen in the case of financial management occupations where National Treasury, as the lead department, has developed competency frameworks to enable a standardized approach to building this capacity in the sector. Figure 9 outlines the approach to identifying and prioritizing state capabilities required for the sector.

In some cases it has been found that skills gaps are simply related to lack of knowledge of a very specific task, such as how to operate a computer programme, PSETA is recommending a focus on cost-effective e-learning courses. Where these gaps are more profound, they need to include mentoring and or coaching, possibly supplemented by longer-term classroom

based training, in for example, the National School of Government. The importance of workplace based capacity building has been outlined above – this is particularly so in the case of developing skills related to “organizational development”. PSETA will focus on drawings lessons and experience from departments who are developing successful and innovative approaches to workplace based training.

In an evolving world, the impact of technology cannot be ignored. Similarly, in the Public Service space technology in the form of e-learning has been identified as a crucial mechanism to delivering skills development in a cost effective and efficient manner. While much work in this area still needs to be done, PSETA with the NSG are currently conducting an e-learning programme aimed at training approximately 100 000 public service personnel. Skills development then evolves in terms of being more accessible and available to especially employed people within the sector.

On a final note: there has been much discussion in the public domain about the lack of service-orientated culture amongst many public servants. Changes in values and norms are generally not affected by time spent in short courses on values and ethics. In line with the evidence presented above about the value of training cohorts of public servants through long-term training (building skills, but also a common sense of purpose and commitment to the Public Service). The new National School of Government has the potential to play a fundamental role here if curriculum and delivery models are carefully piloted, and a strong faculty of teachers developed.

Building on PSETA’s analysis developed in the previous SSP updates, PSETA’s focus is to develop those skills linked most demonstrably to Organisational Development (OD), i.e. those most directly linked to stabilizing and improving the way in which organizations are managed and routine work is performed on a daily basis. Departments need to be supported to be able to identify the nature of their staff competency gaps and what kinds of training are most appropriate for developing capacity in these areas. This once again highlights the importance of the focus on building HRD skills. The fact remains that the capacity for the Public Service to act as a training space is highly uneven and that departments should be encouraged to build this capacity over time.

## Framework

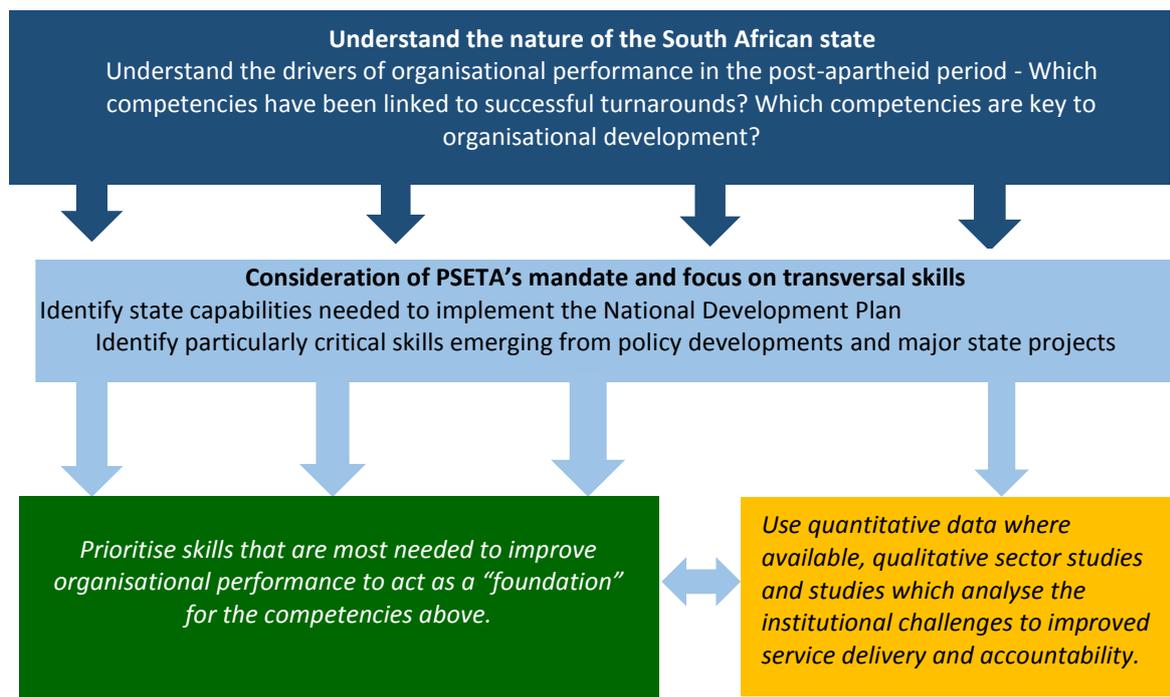


Figure 9: Framework for guiding skills identification in the Public Service  
Source: PSETA SSP 2016/17

### 2.3. Alignment with National Strategies and Plans

PSETA aligns its skills development activities to a number of public sector plans and strategy documents. A wide range of public sector plans and strategy documents have commented on the need to substantially improve the skills of public servants and the general capacity of the South African Public Service sector (NPC, 2011; NPC, 2012, MTSF, 2009; DPSA, 2013b; HRD Council, 2014).

- **The National Development Plan**

- The NDP calls for the building of a “capable state” – underpinned by “effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services, while prioritizing the nation’s developmental objectives” (NDP, 2012). According to the National Planning Commission (NPC) the state is capable to the extent “that it has the capacity to formulate and implement policies that serve the national interest” (NPC, 2012). It is developmental when “these policies focus on overcoming the root causes of poverty and inequality, and building the state’s capacity to fulfil this role” (NPC, 2012). A capable and developmental state is one that has the means to identify and deal with the causes of poverty and inequality in South Africa. Therefore identifying current and future skills demand as accurately as possible is extremely important if the goals of the National Development Plan (NDP) are to be achieved within the Public Service sector.

- The PSETA's SSP has considered the sub-outcomes outlined in the National Development Plan, Chapter 13, to "Building a capable state". The sub-outcomes from the NDP relevant for the Public Service, can be summarised as follows: A stable political-administrative interface; A Public Service which is a career of choice; Sufficient technical and specialist professional skills; Efficient and effective management and operations systems; Procurement systems that deliver value for money; Strengthened delegation, accountability and oversight; Improved inter-departmental coordination and Reduced corruption in the Public Service.
- **White Paper on Post School Education and Training:**
  - The White Paper for Post- School Education and Training (DHET, November 2013) sets out strategies for an improved post school education and training system that will meet the needs of South Africa by 2030. A sharpened focus of SETAs is proposed, limiting the scope of a SETA to training of employees within the relevant sector and unemployed persons wishing to enter the sector. It is proposed that SETAs will be further employed to provide supply-side data towards the development of a national skills system. The focus of the SETA mandatory grant will be exclusively on gathering accurate data on sector skills needs. SETA discretionary grant funding will be intended for programmes aimed at supporting both existing workers and potential new entrants to the labour market. Providers could be public, private, National School of Government or state academies, provided they have the capacity to provide all or substantial parts of qualifications.
  - As it currently stands, the White Paper reinforces the vision of the National Development Plan.
- **Ministerial Outcomes for 2014- 2019**
  - The Ministerial outcomes are published as annexures to the 2014 – 2019 Medium Term Strategic Framework of Government. Within the 14 Outcomes identified by the Government and monitored through the DPME, PSETA supports outcomes Outcome 5: 'A skilled and capable workforce to support an inclusive growth path', and Outcome 12: 'An efficient, effective and development oriented public service'. Commitment 7 of the Human Resources Development Strategy is "ensuring that the public sector has the capability to meet the strategic priorities of the South African Developmental State" (HRD Council, 2009) – reiterated in the National Skills Development Strategy III (DHET, undated). The Public Sector Skills Committee (PSSC) has integrated Ministerial Outcomes 5 and 12 as the goal for its work, i.e. developing the "skilled and capable workforce required to achieve a more efficient, effective, professional and development-oriented state." (DPSA, 2013b).
  - In "opening up the public sector to act as a training space", the public sector becomes a mechanism for capacity building rather than being the direct target of interventions to improve capacity. PSETA notes that a clearer articulation of the mechanisms for improving departments' abilities to act as a training space is needed. The following SSP provides some recommendations, as well as providing recommendations on how to "professionalize the public service".

- **The National Integrated Human Resource Development Plan 2014-2018 (NIHRDP)**
  - The NIHRDP emphasizes the need of professionalizing the Public Service, opening it as a training space and promoting Public Service as a career of choice. The PSETA and DPSA support role is clear and emphasised in the NIHRD Plan. In March 2014, the HRD Council published the ‘National Integrated Human Resource Development Plan 2014-2018’ (HRD Council, 2014). The Plan outlines a set of high-level goals, focus areas and indicators for developing human resources in South Africa. These range from improving foundation learning in schools and Early Childhood Development Centres, to improving vocational education, higher education and facilitating increased levels of entrepreneurship in the country. The goal most relevant to PSETA’s work is a “Capable Public Sector with Effective and Efficient Planning and Implementation Capabilities.” (HRD Council, 2014).
  - Here the envisioned focus is on developing departments’ and public entities’ ability to take on young graduates and those in technical and vocational training in order to provide workplace based training. (HRD Council, 2014: 38). The DPSA is identified as the ‘lead’ department for implementing these goals, with support to be provided by PSETA and a range of other institutions.
  
- **National Skills Accord**
  - Since the inception of the National Skills Accord of 2011 and in response to such, PSETA has negotiated partnerships with Departments and learning institutions. PSETA strives to ensure that the submission of training plans and reports are subject to consultation with organized labour within specific organisations. Training Committee workshops are held nationally, with the aim of establishing and empowering Training Committees in the workplace.
  
- **The National Skills Development Strategy (NSDS) III**
  - The NSDS III strategy consists of eight goals, 16 outcomes and 38 outputs to be achieved mainly by SETAs in collaboration with the DHET, TVET Colleges, Universities and the National Skills Fund (NSF).
  - Rural economic development and provision of skills for rural development as outlined in the NSDS III remains a key priority for PSETA, in order to ensure effective service delivery throughout the country.
  - The transformational and developmental imperatives of the NSDS focuses the role of SETA’s to promote transformation in the form of race, gender, age, income group, disability and location.
  
- **Strategic Integrated Projects**
  - The DPSA acts as the custodian of human resource development in the Public Service and is the Intermediate Body for Managers. As part of its mandate, the DPSA coordinates capacity building initiatives across government departments. Since all SIPs projects requires the involvement of government departments, particularly in programme and project management; budgeting, procurement, environmental management; and engineering planning it is

necessary to build its capacity to fulfil these responsibilities for the SIPs projects.

### 2.3.1. National Plans and Strategies implications for skills planning in the sector

PSETA aligns its skills development activities to a number of public sector plans and strategy documents. A wide range of public sector plans and strategy documents have commented on the need to substantially improve the skills of public servants and the general capacity of the South African Public service sector. The national strategies and plans and implications for skills planning are outlined in the table below.

Table 7: Skills implications of national strategic and plans

National plans or strategies	Implications for skills planning
National Development Plan	<p>Based on the nine outcomes of the NDP focused on building a capable state, PSETA has considered the major NDP competencies in its strategic focus areas namely:</p> <ul style="list-style-type: none"> <li>- A public service which is a career of choice.</li> <li>- Sufficient technical and specialist professional skills.</li> <li>- Efficient and effective management and operations systems.</li> <li>- Procurement systems that deliver value for money.</li> <li>- Strengthened delegation, accountability and oversight.</li> </ul> <p>These form key inputs in the strategic focus of the SETA.</p>
White Paper on Post School Education and Training	<p>In response to the sharpened focus of SETA's outlined in the White Paper, the focus on the participation of employers in the submission of the Annexure 2/WSP has been prioritized. Training of labour representatives on training committees, capacity building sessions and Skills Development Facilitator (SDF) training programmes are all initiatives aimed at responding to the White Paper and improving the quality of sector intelligence available to the SETA. In terms of the proposed Technical Vocational Education and Training (TVET) Colleges. PSETA is currently instrumental in the review of qualifications offered by TVET colleges as well as enriching the capacity of TVET college lecturers.</p>
Ministerial Outcomes Framework for 2014- 2019	<p>PSETA aligns the sectors activities to the national priorities underpinned by "effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services.</p>
The National Integrated Human Resource Development Plan 2014-18 (NIHRDP)	<p>PSETA's focus is on playing an enabling role for the sector to open up their workplaces and provide workplace based training. PSETA also collaborate closely with DPSA in the following areas:</p> <ul style="list-style-type: none"> <li>• Professionalizing the public service being implemented over the period 2015 to 2018. .</li> </ul>
The National Skills Development Strategy (NSDS) III	<p>Discretionary Grant allocations within PSETA focus on the promotion of the transformational and developmental imperatives of the NSDS III towards building a skilled Public Service.</p>

National plans or strategies	Implications for skills planning
	PSETA responded to the Youth Rural development and Integrated strategy for rural and youth development through partnering with Limpopo Office of the Premier.
Strategic Integrated Projects	PSETA has identified its role within the SIP 17-21 to include: <ul style="list-style-type: none"> <li>• Implementation of jobs in relation to the Infrastructure Delivery Management System (IDMS) to address the challenge of departments' inability to appoint key personnel in their infrastructure units to implement Infrastructure Delivery Improvement Plans.</li> <li>• Conducting skills needs analysis for identified provinces to assess the state capacity requirements to manage SIPs.</li> </ul>

The overarching implication of the analysis of the national strategies and plans may be categorized into two broad themes:

- Policy landscape: National policies and plans may not be considered in isolation of one another. While some have overlapping goals, others are contradictory or complementary to each other. In the Public Service there are a range of agencies who have overlapping mandates in relation to skills development in particular, and capacity building more widely. Thus, the need to establish partnership and coordinate efforts are key outcomes of the analysis of these plans.
- Socio-economic agenda: An inherent feature of South Africa's labour market policies is the secondary aim to address issues of both inequality, unemployment, poverty and transformation. And conversely the goal of many socio-economic policies incorporate the need to improve education and skills development, ultimately impacting the labour market. There is also a need for skills development policies to address not only issues of poverty and unemployment, but also those of economic growth and global competitiveness. In an economy highly dependent on global economic conditions, the development agenda for the country has to take into cognizance these interlinked factors. The role of skills development in promoting the broader development agenda of the country is key.

## 2.4. Conclusion

It is critical for PSETA to align the sectors activities to the national priorities outlined. In particular, the NDP mandate in building of a "capable state" – underpinned by "effectively coordinated state institutions with skilled public servants committed to the public good and capable of delivering consistently high-quality services". The key change drivers impacting skills in the sector which have been identified include new policy directions and priorities initiated by government which may impact employment and the skills demand in the sector. The organisation of the state, the service delivery models and structure of operations which may have implications for which kinds of capacities the state needs to develop are also amongst the key change drivers. Finally, a key change driver is the increased focus on capacity building of Human Resources and Human Resource Development units in the Public Service to shape the extent to which skills needs and gaps are appropriately identified.

### 3. Chapter 3: Occupational shortages and skills gaps

#### 3.1. Introduction

In this chapter, the focus is on understanding the extent of occupational shortages and skills gaps in the sector. These are derived from measuring the gap between skills demand and skills supply. Skills demand in the Public Service sector are relatively constant within the various occupational categories, but on the contrary within the Public entities and Legislatures there are vast differences depending on the complexity of the tasks carried out within the occupations. The analysis looks at the Hard to fill vacancies (HTFVs) that exist within the Public Service sector.

#### 3.2. Occupational shortages and skills gaps

##### 3.2.1. Occupations with hard-to-fill vacancies

This section focuses on Hard-to-fill-vacancies (HTFVs) in the public service sector, these are the vacancies that takes longer than 12 months to fill. The recruitment processes in the public service sector impacts on the period or duration it takes to fill the posts. As noted in table 8 below, most of the hard to fill vacancies are mainly within the SMS level, primarily senior government officials, Finance Managers, Project Managers and Policy and Planning Managers in the Public Service sector.

It is important to note that the HTFVs displayed in table 8 below were not strictly filtered by virtue of them taking longer than 12 months to be filled. The transversal occupations with hard to fill vacancies were determined through three vigorous criteria where analysis of three different sources was conducted. In total seventeen occupations with hard to fill vacancies in the public service sector were identified. The three criteria utilized include the occupations indicated as hard to fill by employers who submitted the WSP for 2017, the list of HTFVs from the 2017/18 SSP and the DHET's list of top 100 occupations in high demand. In order for an occupation to be deemed hard to fill, it had to appear on at least two of the three source lists. The number of vacancies and the reasons that they are hard to fill information is based on data collected from employers through the WSP 2017. Employers were provided with a predetermined list of reasons from which to choose from per occupational vacancy. PSETA is currently conducting a research study on HTFVs across all PSETA stakeholders using the 12 month length it takes to fill the vacancies as the main criterion. The preliminary findings from this study has informed the list of HTFVs presented here. As part of the research study, key informant interviews have been undertaken to hone in on the HTFVs within the sector.

Table 8: Transversal Occupation with Hard-to-fill Vacancies

Occupation	Number of HTFVs	Reasons for HTFVs
2015-111204 – Senior Government Official	87	Growth/expansion, new and emerging occupation, replacement demand, and geographic location.
2015-112101 – Director (Enterprise / Organisation)	2	Technological changes.

Occupation	Number of HTFVs	Reasons for HTFVs
2015-251101 – ICT Systems Analyst	6	Growth/expansion, and technological changes.
2015-121905 - Programme or Project Manager	21	Growth/expansion and geographic location.
2015-263101 – Economist	23	Growth/expansion, new and emerging occupation, equity considerations, and replacement demand.
2015-111202 - General Manager Public Service	38	Technological changes, replacement demand, and new and emerging occupation.
2015-122301 - Research and Development Manager	8	Migration, growth/expansion and replacement demand.
2015-121301 - Policy and Planning Manager	13	New and emerging occupation, and growth/expansion.
2015-242211 - Internal Auditor	6	New and emerging occupation, replacement demand.
2015-333905 - Supply Chain Practitioner	34	New and emerging occupation, technological changes, replacement demand, and equity considerations.
2015-121201 - Personnel / Human Resource Manager	18	Replacement demand.
2015-111207 - Senior Government Manager	34	Growth/expansion, geographic location, and equity considerations.
2015-121101 - Finance Manager	23	Growth/expansion, migration, replacement demand, and geographic location.
2015-242401 - Training and Development Professional	5	Replacement demand and new and emerging occupation.
2015-241107 - Financial Accountant	12	Growth/expansion.
2015-241102 - Management Accountant	3	Technological changes
2015-241108 - Forensic Accountant	4	Replacement demand

Source: WSP/Annexure 2 2017; Top 100 Occupation in High demand 2015 and PSETA SSP 2017/18

### 3.2.2. Major skills gaps

The skills gaps in the public service sector are presented in table 9. The skills gaps were finalized thorough the analysis of critical skills submitted in the WSPs to PSETA in 2017. There are skills gaps identified particularly in middle and senior management in the Public Service (MMS and SMS) specifically in managers’ ability to develop operational plans, systems and monitoring tools to effect strategic priorities set at the senior administrative and executive level. This has knock-on effects for basic administrative systems (such as accurate record keeping and archival skills etc.) There are skills gaps in public financial management in general and a need to improve skills related to strategic procurement and contract management in particular. There are also skills gaps in HRM (resource planning, recruitment and so forth) and HRD (in supporting strategic skills development and retention of experienced and skilled staff). Improved skills are needed in HR and in management in general to support work integrated learning, internships and mentoring more generally.

PSETA’s Green procurement study findings confirm that a National Review on green public supply chain management is key for skills planning and public service procurement. The greening of SCM occupations should therefore be taken into consideration in the National Treasury’s Procurement Bill that is being revised (PSETA, 2016). SCM is part of the public service sector occupations with skills gaps identified.

The skills required in the sector includes record management, management skills, leadership and business writing skills as displayed in table 9 below.

Table 9: Skills Gaps at Major Occupation levels

OFO Major group	Occupation	Skills Gaps
Manager	2015-111101 - Local or Provincial Government Legislator	Policy development
Manager	2015-111202 - General Manager Public Service; 2015-111204 - Senior Government Official; 2015-111207 - Senior Government Manager	Advanced Leadership; Governance and Public Leadership; Mentoring; Strategic Management; Change Management; Monitoring and Evaluation
Manager	2015-121101 - Finance Manager	Leadership, Ethical conduct, Operational Management
Manager	2015-121201 - Personnel / Human Resource Manager	Management Development, Records Management, Ethical Conduct, Contract Management
Manager	2015-121301 - Policy and Planning Manager	Financial Management; Monitoring and Evaluation
Manager	2015-121905 - Programme or Project Manager	Project Management in the Public Service
Manager	2015-134904 - Office Manager	Leadership Management, Financial Management,
Professionals	2015-241102 - Management Accountant	Advanced Leadership
	2015-241107 - Financial Accountant	People and Performance Management

OFO Major group	Occupation	Skills Gaps
Technicians And Associate Professionals	2015-333905 - Supply Chain Practitioner	Supply Chain Management in the Public Service; Contracts Manager; PFMA
Technicians And Associate Professionals	2015-334102 - Office Administrator;	Business Writing, Records Management, Service Delivery/Customer Orientation
Clerical Support Workers	2015-411101 - General Clerk	Business Writing, Records Management, Service Delivery/Customer Orientation

PSETA's study into the OFO analysis in the Legislative sector identified 2 occupations that could not be mapped to any OFO code, they are Serjeant-at-arms and Petitions Officer (Palladian, 2016). The closest OFO that they could be matched to was 2015-335501 Detective for the Serjeant-at-arms which does not represent their tasks performed very well (Palladian, 2016). Serjeant-at-Arms tasks involves maintaining the attendance register, keeping order during meetings and removing members who misconduct themselves (Palladian, 2016). An examination of the OFO revealed that a possible location for Serjeant-at-Arms would be within the unit group 2015- 3359. The tasks for the unit group would need to be revised to include the parliamentary / legislative element. The study concluded that most or majority of occupations in the legislative sector were accounted for on the OFO except for Committee Coordinator, Procedural Officer, Serjeant-at-Arms and Petitions Officer were the is a need to further engage with the legislatures for clarity (Palladian, 2016).

PSETA also commissioned Wits School of Governance to conduct a research study on capacity building needs for administrative and support personnel in the legislative sector. The findings from the study shows that management and leadership skills; IT; Financial Management and legal skills are equally important for the efficient operations in parliament and legislatures. Other skills deficits/gaps that were recognized included the following: project management; government communications; wellness; monitoring and evaluation; parliamentary proceedings; human resources management; corporate governance; legislative. It was recommended that a proper job analysis and job descriptions is necessary, which should include a fair and consistent remuneration practices at the point of harmonization which in turn will require the correct evaluation of jobs across the legislatures; and rationalizing the different job description templates. The harmonization project would require the re-evaluation of all jobs to ensure consistency and alignment across the legislatures and provide the foundation for a new grade and pay structure (WSG, 2017).

### 3.3. Extent and nature of supply

#### 3.3.1. Extent of occupational skills supply in the sector

The supply of skills to the Public Service sector varies given the diversity of the functions performed by the Public Service; the appropriate qualifications for public servants (where formal qualifications are needed) can potentially span the full spectrum of the post-school education and training system. Training outside of the formal qualifications system for public servants includes workplace training in the form of coaching or mentoring, internships, in-

service training by public sector academies, training offered by the National School of Government (previously known as PALAMA), provincial government, state academies, and other public and private training providers registered with PSETA. Public servants can obtain Adult Basic Education and Training certificates via a range of providers now renamed as Community Education and Training (CET) colleges (DHET, 2017). E-learning is now being introduced in the Public Service slowly as a medium for some forms of training, the challenge of accreditation of the e-learning courses however persists.

### 3.3.2. The state of education and training provision

The number of people obtaining a National Senior Certificate (NSC) (commonly known as Matric) and the achievement levels of those who pass matters for both the supply of people to the further and higher education sectors, and for the direct supply of labour for the Public Service in occupations which do not require post-school qualifications. Currently 44% of employees employed by the state have some form of post-Matric qualification (Stats SA, 2016).

The basic education stream is quite significant as it provides throughput for all post-school education and training streams. The Matric pass rate has improved over the past 20 years, from 53% in 1994 to 72.5% in 2016. However, there has been a decrease in the pass rate between 2013 and 2014 as the pass rate dropped further from 78% in 2013 to 70.7 % in class of 2015 Matric (DBE 2016), as illustrated in table 10. The Department of Basic Education attributed this decline to changes in policy that affected the learning and teaching of the 2014-2015. In 2016, there was a 2.5% increase in the pass rate as compared to 2015 matric results.

Table 10: National Pass rates of matric 2013-2016

Year	Pass rate Percentage
2013	78%
2014	75.8%
2015	70.7%
2016	72.5%

NSC Examination Technical Report (2016)

In respect of the overall pass rate, observers have expressed concern about the lowering of standards, i.e., the 30% pass mark. Observers have argued that the higher pass rate can be possibly linked to the lowered passing standards. Furthermore, it has been argued that learners are not adequately prepared for tertiary education and the labour market, and this often leads to some of them dropping-out or lower graduate rates.

Upon achievement of a Bachelor’s degree pass in the NSC examination, learners can enrol for a Bachelor’s degree at any university in SA. Government, White Paper for Post-School Education and Training, indicated that the post-school system was not meeting the needs of the economy and society as a whole. There is often a mismatch between what is produced at higher education level and what industry often requires. A major problem that has been identified in the system is the inadequacy in the provision of post-school education and training in terms of quantity, diversity and in some instances quality. The White Paper aimed

to “align the post-school education and training system with South Africa’s overall development agenda, with links to various development strategies such as the New Growth Path, the Industrial Policy Action Plan 2, the Human Resource Development Strategy for South Africa 2010-2030, and South Africa’s Ten-Year Innovation Plan”.

Table 11: Overview of Higher Education Institutions

Category	2009	2010	2011	2012	2013	2014	2015
Public HEIs	837 776	892 936	938 201	953 373	983 698	969155	<b>985212</b>
Private HEIs	77 205	90 676	97 478	97 478	119 941	142557	<b>147210</b>
First year enrolments (Public)	164 518	168 388	169 765	169 765	158 389	168356	<b>171930</b>

Source: HEMIS DHET 2017

In the university system, a number of problems relate to access, curriculum, staffing, management, student funding, and other forms of student support. The Higher Education Institutions (HEI) system consists of 26 public universities and 113 private universities. Table 11 above illustrates the number of students enrolled in public and private institution between 2009 and 2015. Almost a million students were enrolled in 23 public universities in 2013 compared to almost 120 000 students’ private universities. The number of first year student enrolments increased in 2014 and 2015 when compared to the year.

Table 12: Qualification Levels of Personnel employed in the provincial and national government

Qualification level	Number of employees	Percentage
Primary school and less	204 234	8%
Grade 9 and below	139 684	6%
Less than Grade 12	278 776	12%
Grade 12	722 986	30%
Certificate/Diploma	593 499	25%
Certificate/diploma without grade 12	20 628	1%
Bachelors	290 856	25%
Honours	103 781	4%
Masters and Above	42 712	2%
Do not know	14 576	1%
Other	2 117	0%
Total	2 413 848	100%

Source: StatsSA, Quarterly Labour Force Survey, 1<sup>st</sup> Quarter 2016

The education profile of the Public Service sector is pulled from the Statistics South Africa’ Quarterly Labour Force Survey due to unreliability of the PERSAL data on qualification levels. For this reason the data in table 12 above does not distinguish between local, provincial and national government. There results show that 25% of the employees have higher education degree. In most occupations in the Public Service minimum requirement into the Public Service is a bachelor’s degree. This has negative implication for TVETS college graduates.

Within the Public Service sector the qualification levels that departments require of their staff vary from department to department, depending on their mandate. The DTI, for example, requires the majority of its personnel to have degrees or diplomas whereas this is not necessary in Home Affairs (interviews with Director at Home Affairs Academy). However, senior officials responsible for HRD in Home Affairs state that they are increasingly hiring staff with higher education qualifications in posts historically not requiring these qualifications (staff with degrees and diplomas are assumed to be more autonomous, better prepared to use their discretion appropriately etc.).

Stats SA Quarterly Labour Force Survey data shows that while the state employs 22% of the workforce, it employs 43% of graduates in South Africa (StatsSA Quarterly Labour Force Survey, 1st Quarter 2016). Based on interviews with a small sample of departments, as well as estimating the kinds of professional skills required with the implementation of SIPs and other policies, including the National Skills Accord, it is estimated that there will be an increased demand for personnel with post-Matric qualifications, and in particular, those with degrees. An increased supply of well-educated graduates is therefore needed to meet demand in the Public Service. There has been an increase in the number of students completing undergraduate and postgraduate qualifications in South Africa over the five-year period, 2010 to 2015, the number of undergraduates that graduated at public HEI in 2015 was 191 524 which was a 3.3% increase from 185 375 students that graduated in 2014. While the postgraduate students was 12, 1 % respectively (PSET report, 2015).

TVET Colleges have been identified by government as a vehicle to improve throughput rates and expand the numbers of qualified people entering the workforce. Improved quality through effective training of college managers and academic staff, and improved student support was envisaged in the White Paper for Post-Schooling Education and Training. According to the White Paper, improving the quality will entail “the development of appropriate programmes; upgrading lecturer qualifications; capacity building for management and governance; improved learner support; utilising appropriate information technology systems for both learning and management; and building strong partnerships between colleges and employers in both the public and private sectors” and growing an appropriate skills development pipeline.

An analysis of the employment of new recruits indicate that the sector does not favour the employment of TVET graduates yet the TVET system in producing a significant number of learners in Public administration, office administration and other important transversal skills. Most TVET college programmes will require placement in workplace and the completion of a period of work experience in order to qualify for their certificate or diploma. In 2013/14, 15 277 artisans were certified in South Africa (DHET, 2015). A range of interventions have been initiated to improve learning outcomes in the case of the TVET college sector. The Quality Council for Trades and Occupations (QCTO) is tasked with improving the availability, relevance and quality of occupational qualifications to meet industry needs. To the extent that there is trade-off between increasing enrolments and attention to improving the quality of education and passes, there appears to be a need for a far greater focus on the latter now that a healthier enrolment had been achieved.

Table 13: Number of students in TVET Colleges completed report 190/1 N6 part qualification

NC(V) Level 4 Programme	Total Number completed
Public Management	1 046
Marketing Management	1 443
Management Assistant	2 516
Human Resources Management	3 503
Financial Management	2 910
Public Relations	220

Source: DHET 2015

Table 13 above shows TVET qualifications which fall within the PSETA mandate. The completion rates remain low when compared to Higher education institutions that produced 5951 undergraduates in public administration in the same year. We should note though that in practice, entry into many positions in the Public Service requires an undergraduate degree with minimum of 24 months experience. This practice does not favour TVET graduates and this remains a challenge within the Public Service sector recruiting strategy.

Table 14: List of PSETA Qualifications

ID	Qualification Title / Learning Programme Title	NQF Level
86946	Further Education and Training Certificate: Democracy, Active Citizenship and Parliamentary Services	Level 4
57824	Further Education and Training Certificate: Public Administration	Level 4
58346	Further Education and Training Certificate: Public Administration Management	Level 4
49197	Further Education and Training Certificate: Social Housing Supervision	Level 4
49257	National Certificate: Conflict Management and Transformation	Level 5
49055	National Certificate: Foreign Economic Representation	Level 6
66869	National Certificate: Home Affairs Services	Level 5
49107	National Certificate: Inspection and Enforcement Services	Level 5
48761	National Certificate: Mission Administration	Level 5
64330	National Certificate: Mission Corporate Services Management	Level 6
65649	National Certificate: Official Statistics	Level 5
57804	National Certificate: Public Administration	Level 3
50060	National Certificate: Public Administration	Level 5
64670	National Certificate: Public Financial Oversight and Accountability	Level 6
57805	National Certificate: Public Sector Employment and Skills Development Practices	Level 5

ID	Qualification Title / Learning Programme Title	NQF Level
50585	National Certificate: Public Service Communication	Level 6
50583	National Certificate: Public Service Communication	Level 5
49196	National Certificate: Social Housing Property Development	Level 6
49198	National Certificate: Social Housing Property Management	Level 6
64329	National Diploma: Diplomacy	Level 7
57827	National Diploma: Public Administration	Level 7
57897	National Diploma: Public Administration	Level 6
99054	Occupational Certificate: Diplomat	Level 7

Source: SAQA 2017, PSETA MIS 2017

The PSETA Education and Training Quality Assurance (ETQA) have 23 registered qualifications shown in table 14. The 23 qualifications include registered unit standards, qualifications and learning provision including learnerships. ETQA also focuses on accrediting training providers, registering assessors and moderators, auditing the quality of learning provision and assessment, as well as certifying learners.

### Number of learners completing PSETA Qualifications

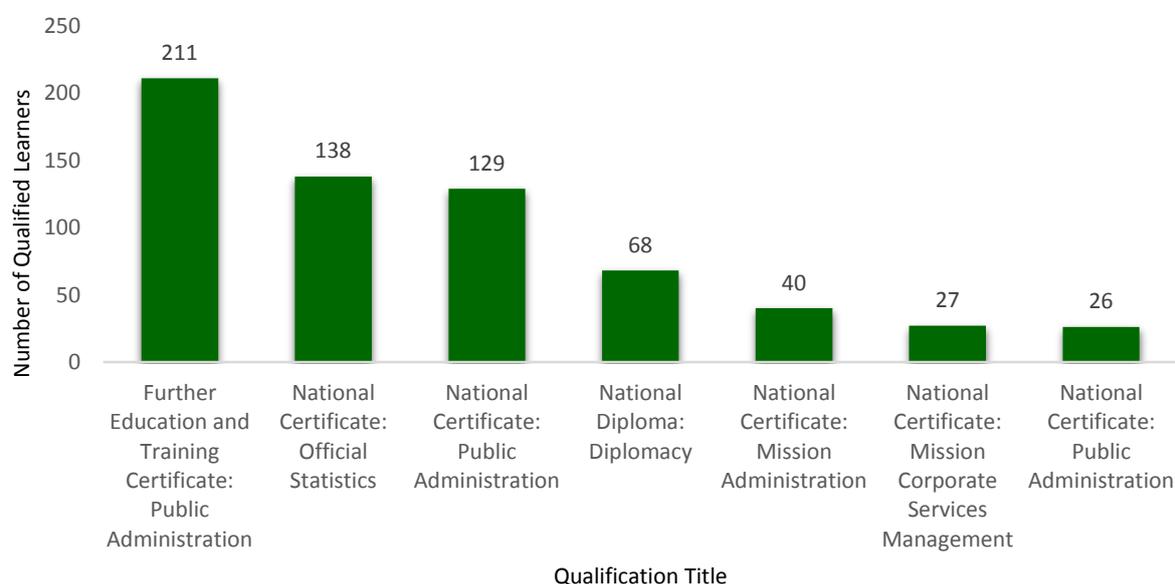


Figure 10 Number of learners completing PSETA Qualifications, 2016  
SAQA, NLRD 2017

Figure 10 above shows the number of learners that have completed PSETA qualifications in 2016. The Further Education and Training Certificate: Public Administration has reported more completions with 211 learners than other qualifications, followed by National Certificate: Official Statistics with 138 completions and National Certificate: Public Administration with 26 completions.

Administration with 129 completions in 2017. At the moment PSETA has seven qualifications with learner completions. PSETA's ETQA department has a new QCTO qualification for Diplomats that was registered with SAQA at the end of 2016. The Parliament and Provincial Legislature qualification is still under review.

### **3.3.3. Supply problems firms are experiencing**

Entry requirements into Public Service sector remains a challenge for TVETs graduates due to minimum requirements criteria set for entry into the Public Service sector. PSETA understands that there have been problems with the slow roll out of Compulsory Induction Training (CIP) training which affects the National and Provincial departments' ability to confirm the permanent appointment of new staff at the end of their probationary period. The initial plan was that employees on probation who have not undergone CIP training shall not be confirmed for permanent employment. DPSA has issued a circular in 2015 on implementation of CIP and in section 2 of the circular it says the departments are advised to amend the PERSAL which will enable confirmation of probation without completing the Module 1 of CIP." A lot of public service employees have received skills programmes training by NSG but most of the training is short courses that are not accredited. QCTO challenges is the duration or long period it takes to register the qualification, this affects other 20 SETAs.

As part of the policy focus on "opening up the Public Service as a training space" (HRD Council, 2014), departments have been encouraged to take on an increased numbers of interns. Just over 1 528 sector-funded interns are recorded on the PSETA Quarterly Monitoring Report of 2016/2017 (PSETA, 2017).

According to the DPSA Directive of 2013 on the Utilisation of Training Budgets in the Public Service, 20% of the 1% departmental training budget should be set aside for training and development of the unemployed. These funds should be utilised for implementing Learnerships, internships, artisan and technician development (DPSA, 2013). In the 2016/17 financial year, PSETA funded 119 unemployed learners to enter various learnership programmes within the Public Service. In 2015/16 financial year PSETA facilitated placement of learners requiring Work Integrated Learning in the Public Service sector.

Internships are potentially the most important bridge between the skills pipeline and Public Service employment. The DPSA Policy on Internships directs all departments to take on a minimum of 5% of their staff complement as interns each year. The internships are sometimes funded through departments' skills development budgets, but in many cases are funded over and above the budget departments allocate for skills development in departments. Internships are therefore an expensive strategy. Not only do departments incur the direct costs of the stipends paid to interns, but also time invested by existing employees in recruiting, inducting and supervising interns is a substantial indirect cost. Improving the recruitment, selection, placement, induction, coaching and subsequent absorption of interns is therefore key to building a more skilled and capable workforce, and to improving the return on this substantial investment.

The success of learnerships, artisanships, and internships rests on the ability of departments and public entities to effectively provide workplace training. The recent government commitment to opening up the Public Service to act as a training space is welcome. Yet not all departments and public entities currently have the capacity to effectively train those

learners and interns placed in their organisations. Last year's SSP noted that reviews have shown that in some departments, interns have not been appropriately placed in units/functions that build on their formal skills training and that they have not been effectively supported to improve their skills. A few departments have developed more effective internship programmes.

It is of course, not only new entrants into the Public Service that require training. We have outlined some of the areas in which public servants require capacity building earlier. Reviews of skills development initiatives undertaken by the Public Service show that over the last two decades a substantial proportion of public servants have received training and that substantial funding has been spent on this training. These studies also show, however, that the return on investment has generally been low in terms of the impact on public sector performance (PSC, 2011; PSETA, 2011; DPSA, 2013; Pillay et al, 2011; interviews with officials in the DPSA, June 2013). Much of the training has been in the form of short courses by private providers (Huluman, 2011), which appears not to have substantially altered the skills profile of officials, even where the stated outcome of the training is in line with the skills requirements of the officials' job. The NPC has noted that the "management" or "leadership" training undertaken by public servants has not had the intended impact on improving performance (NPC, 2012). The PSC (2011) has found that departments do not use the skills budgets effectively or efficiently. Interviews with the DPSA suggest that in many cases departments have not shaped their training initiatives strategically, and many staff have attended training in areas unrelated to their work (personal communication, Chief Director in the DPSA, June 2013). Individual training needs to be linked to organisational contexts, goals and capacity needs. Yet PSETA's research for this and previous SSPs has shown that most departments are not shaping their training needs and that training needs are often identified by simply aggregating individual Personal Development Plans.

The focus on developing the Public Service as a training space requires developing the competency of public servants already in the system – especially those of managers. The previous year's SSP emphasized that this capacity is unlikely to be developed primarily through formal training qualifications. Research suggests that "most learning in the workplace is incidental, rather than the product of formal training" (O'Keeffe, 2002). Proficiency or competency in a particular occupation or area of work (especially at middle management and operational levels) is often learnt "on the job" and perfected over long periods of service in a particular area and deep familiarity with a particular scope of work or subject matter. We have noted that Department of Home Affairs (DHA) attributes the successful training of officials associated with its turnaround strategy (the dramatic improvement in the efficient delivery of identity books) to a focus on on-the-job training and mentoring, rather than external, "classroom training" (Mkhize, 2011). The Department notes that, "The DHA's experience demonstrates there is also a need for on-the-job training, coaching and mentoring as a learning methodology, especially for turning around frontline service delivery processes" (Mkhize, 2011).

Building capacity in the NT was supported by the long-term secondment of expertise from other departments, and foreign Governments Treasuries. A case study of the post-apartheid NT notes that long-term secondments were preferred over short term contracting of consultants, which saw the transfer of capacity over time (Dagut, 2007).

There are thus a number of departments who are developing strong strategies to support training and capacity building in their organisations. Training and recruitment of new officials has been shaped by a strategic prioritisation of the skills needs of the departments' interviews with HRD in DPSA, June 2013; Department of Trade and Industry (DTI), DHA and NT, 2013). Success in these departments also appears to have been tied to departments building partnerships with education institutions that help shape the most appropriate form of sector specific training for new and existing staff – this includes training aimed at developing both technical and generic skills. Departments in the Public Service that have managed to develop a culture of mentoring staff have established this on the basis of a number of “preconditions”. These included stabilising the senior management and retaining experienced managers and professionals, the strategic placement of HRM and recruitment of HR Practitioners with strong proven abilities in HRD, and stringent criteria for selecting new staff.

HRD remain the cornerstone of the departments if a capable skilled public work force is to be realized. It is therefore necessary to adopt a rigorous capacity building around HR competences. Also strengthen the SMS capacity. Further analysis confirmed that the analysis earlier in presiding chapters pointed to the following skills in demand and/or in need of further development across the Public Service.

There is a need for more personnel to take up positions in technical and professional occupations, including artisans posts – especially technical skills needed to support infrastructure development and maintenance and SIPS. There is also a need to improve the skills of artisans and trades aid through RPL in the public service sector. In the case of many of these occupations, the responsibility of supporting increased supply of personnel lies primarily with other SETAs. However, PSETA is partnering with appropriate organisations to help address these shortages, especially where such partnerships help address the managerial competencies of professionals in management positions (build environment specialists managing large infrastructure projects for example).

Challenges to recruiting and utilising the skills of artisans lie in the fact that the TVET college training is not equipping artisans for their trade, and that the State, as an employer has a limited ability to professionally mentor and supervise new artisans. A 2013 PSSC report notes that, “The trades remain a key skills shortage in the country as a whole” and that forecasts show that even with the increased focus on training new artisans, the increase will not be sufficient to respond to demand over the next five years.” (DPSA, 2013).

The scarcity of engineering and artisan skills also has implications for South Africa being able to transition to a more ‘green economy’. The Department of Environmental Affairs, in partnership with associated government departments and civil society, has embarked on initiatives focusing on addressing skills gaps in the environmental sector.

### **3.4. PIVOTAL list**

PSETA has adapted both a qualitative and quantitative approach in determining the PIVOTAL list. PIVOTAL list was identified through the same methodology that was employed in

identifying the HTFVs however the occupations that met all three criteria after the analysis made it to the top ten list of the PIVOTAL list. First, it was evident that there is a basic problem which can be addressed through training. It may also be necessary to address the problem through non-training measures. So it is important to identify clearly the training gap. This is found by comparing an existing situation with a future, desirable situation, and then finding out how training can bring us from here to there. Various methods were used to do this, including the following:

- Analysis of vacancies based on their absolute and relative scarcity outlined in the WSPs submitted to PSETA in 2017.
- Analysis the absolute and relative scarcity transversal occupations list against the 2016 scarce skills list.
- Cross referencing the absolute and relative scarcity transversal occupations list against the Top 100 list of occupations in High demand by DHET (2015).
- All occupations that met the three criteria mentioned above made the PIVOTAL list.
- PSETA is conducting a research study on Hard to fill vacancies across all PSETA stakeholders using the 12 months length it takes to fill the vacancies as the main criterion. The preliminary findings from this study has informed the list of HTFVs presented here. As part of the research study, key informant interviews have been undertaken to hone in on the HTFVs within the sector.

The PSETA interventions are informed by the policies developed for the public service by the DPSA, HR Strategy and relevant legislation. Furthermore the SSP findings has shaped the discretionary grant funding that will inform the interventions addressing the PIVOTAL list agreed on. The interventions were also derived and informed by the strategic objectives of both national and provincial departments. The MMS focused training for transition from MMS into assuming SMS position.

The PIVOTAL list was presented to the PSETA's Executive Management Team (EMT) and Management Committee (MANCO) during the presentation of the SSP consultation processes, wherein inputs received were incorporated prior to submission to the PSETA Governance and Strategy Committee (GSC) of the Accounting Authority (AA). The GSC structure is made up of the representatives from the DTI, DHA, and Labour Representatives namely NEHAWU, PSA and POPCRU. The final consultation on the PIVOTAL list was done with the AA of the PSETA before it is endorsed and approved.

The main findings informing the PIVOTAL list are in line with DPSA's directive that emphasized the need to train the MMS for transitioning into SMS in the Public Service Sector. The quantity required is based on data collected from employers through the WSP 2017 and is not ranked in any particular order.

## PSETA PIVOTAL List 2018-2019

Table 15: Top 10 PIVOTAL list

OFO MAJOR GROUP	OFO CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED	QUANTITY NEEDED	QUANTITY TO BE SUPPORTED BY SETA	COMMENTS
MANAGERS	2015-111204	Senior Government Official	Chief of Staff/ Commissioner	Public Administration and/or Management (postgraduate); Management Development, Public Development Management, Monitoring and Evaluation (postgraduate); Governance and Public Leadership	7,8,9	Yes	87	87	
MANAGERS	2015-121905	Programme or Project Manager	Project Director	Public Management, Advanced Project Management.	6,7	Yes	21	21	
MANAGERS	2015-111202	General Manager Public Service	Labour Inspectorate Manager/ Diplomatic Mission Administrator	Public Administration and/or Management (postgraduate); Management Development, Public Development Management, Monitoring and Evaluation (postgraduate); Financial Management	7,8,9	Yes	38	38	
MANAGERS	2015-121301	Policy and Planning Manager	Strategic Planning Manager/ Public Policy Manager/ Planning & Development Manager/ Corporate Planning Manager	Public Policy Development, Monitoring & Evaluation	8	Yes	13	13	

OFO MAJOR GROUP	OFO CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED	QUANTITY NEEDED	QUANTITY TO BE SUPPORTED BY SETA	COM- MENTS
PROFESSIONALS	2015-242211	Internal Auditor		Internal Audit	5,6,7	Yes	6	6	
TECHNICIANS AND ASSOCIATE PROFESSIONALS	2015-333905	Supply Chain Practitioner	Supply Chain Administrator	Supply Chain Management in the Public Service, Contract Management	5,6	Yes	34	34	
MANAGERS	2015-121201	Personnel / Human Resource Manager	Employee Relations Manager/ Transition Manager	Operations Management, Middle Management Development Programme	6	Yes	18	18	
MANAGERS	2015-111207	Senior Government Manager	Head of Department/ Superintendent-general	Public Administration and/or Management (postgraduate); Management Development, Public Development Management, Monitoring and Evaluation (postgraduate); Governance and Public Leadership	7,8,9	Yes	34	34	
MANAGERS	2015-121101	Finance Manager	Chief Financial Officer (CFO)/ Chief Accountant/ Financial Controller	Advanced Financial Management, Postgraduate Diploma in Management	6,7,8	Yes	23	23	
PROFESSIONALS	2015-241107	Financial Accountant	Business Group Accountant/ Corporate Accountant/ Company Accountant	Accounting, Financial Management	5,6,7	Yes	12	12	

### **3.5. Conclusion**

Given this analysis, the list of attached HTFVs, skills gaps and PIVOTAL list, with relevance for PSETA's scope of coverage, were agreed by PSETA's stakeholders through consultation processes internally. The supply of skills to the sector appears to be significantly impacted by the lack of sufficient experience and persistence of skills gaps with the SMS and MMS levels.

The Public Service sector has the potential to play a fundamental role in shaping the curriculum and delivery models through carefully piloting, and building supply-side capabilities through strong faculty of teachers who have the necessary contextual and subject matter competencies required.

## **4. Chapter 4: Sector Partnerships**

### **4.1. Introduction**

Over the NSDS III period, the PSETA has enjoyed partnerships with various sector stakeholders to develop skills for the Public Service sector. The sector partnerships chapter provides a description and analysis of the current partners that PSETA works with and collaborates with in ensuring that it delivers its mandate in the sector. Over and above the existing partnerships, this chapter will further deliberate upon the new partnerships which PSETA has recently entered into with various key sector stakeholders. To this end the PSETA has adopted a partnerships model with the aim to increase the support to PSETA partners that help drive its mandate to create a skills base essential for better service delivery.

This partnerships approach is determined by the vision that PSETA will enhance its capacity to assist the sector in achieving its goal through key partnerships and strong associations. The PSETA's effectiveness in achieving its goals will be enhanced by an organization-wide directive on the disbursement of discretionary grants through the partnerships model. The execution of the partnerships model will enable a re-assessment of existing partnerships, as well as the identification of promising extents for new partnerships. It should not only enhance the performance of PSETA but also contribute to the gradual awareness that partnerships are a core element of the approach to be taken in its work.

Existing partnerships provide either support to projects or serve as service delivery partners in strategic projects. For the PSETA to carry out its mandate effectively it has to collaborate and partner with those institutions that are also tasked with skills development within the Public Service. These partners include:

- Department of Public Service and Administration
- Public Service Commission
- National School of Government
- Provincial and Sectoral Academies
- Offices of the Premier
- Lead National and Provincial departments
- Public TVET and Higher Education Institutions
- The Quality Council for Trades and Occupations
- Relevant professional bodies
- Public Entities and
- Parliament and the nine Provincial Legislatures

The PSETA views partnerships as relationships/ collaborations/ co-operation with key role-players within the Public Service sector. These partnerships involve a relationship where "all parties make a contribution to the output and the achievement of the objectives not limited to a solely financial relationship". By deciding to get involved in a partnership, partners accept the need to share risks and confront them together, based on a foundation of mutual trust.

## 4.2. Existing Partnerships

Higher Education Institutions and TVET Colleges that support training and skills development for the world of work are also classified as partnerships. Engagements with TVET Colleges and HEIs are defined in a Memorandum of Understanding that is entered into between the PSETA and the public institution. To operationalise the Memorandum of Understanding, the relevant stakeholders entered into a Memorandum of Agreement which sets out the deliverables, project plan, milestones and the project budget. The categories of partnerships that exist are as follows:

Table 16: PSETA existing partnerships with TVET colleges

Partnerships with TVET Colleges	
To encourage work integrated learning for TVET College graduates, the PSETA currently has partnerships with several TVET Colleges. A concerted effort to build lecturer capacity and accreditation of TVET Colleges is undertaken.	
Name of TVET College	Nature of Partnership
Gert Sibande TVET College	Work Integrated Learning programmes to assist colleges to make links with Public Service employers in order for learners to obtain the requisite workplace experience thereby equipping them for absorption into the labour market.
Sekhukhune TVET College	
Letaba TVET College	
Vhembe TVET College	
King Sabata Dalidyebo TVET College	
Mopani South East TVET College	
Boland TVET College	
Goldfields TVET College	
College of Cape Town	

In addition to the promotion and funding of TVET WIL, the PSETA has developed lecturer exposure to the Public Service strategy in the 2013/14 financial year. At the time the strategy focused on TVET lecturers only and excluded the higher education institution lecturers. The strategy is currently under review to include the latter category of lecturers.

Table 17: PSETA existing partnerships with HEIs and other training providers

Partnerships with HEIs	
The partnerships between the PSETA and HEIs are largely of a research nature. Recently some of their scopes have been extended to include occupationally directed and academic qualification bursaries for employees in the key departments with which the PSETA has strategic partnerships. The PSETA also covers funding of bursaries for unemployed learners through some of these partnership agreements.	
Name of HEI/Training provider	Nature of Partnership
Wits School of Governance	Bursaries for the employed and Research Partner
Public Affairs Research Institute	PhD Scholar, Masters Bursaries and Research Partner
University of Johannesburg	Bursaries for the unemployed
Mangosuthu University of Technology	WIL
Durban University of Technology	WIL
Fort Hare Trading Solution (PTY)LTD	Skills Programme
National School of Government and Provincial Sectoral Academies	PSETA has also partnered with the NSG and Sectoral Academies and the Provincial Legislature with a view of developing the sector occupationally based qualifications.

Memoranda of Agreements will be signed with any partner that the PSETA may fund to drive its agenda in meeting its Service Level Agreement target in the year under review.

Table 18: PSETA existing partnerships with government departments

<b>Strategic Partnerships with Government Departments</b>	
To develop comprehensive business cases that will be used by contracting parties as the blueprint for collaborations over the short, medium and long-term. The design, the development and delivery of agreed priority learning programs for building specific state capabilities (such as financial management; planning, monitoring and evaluation; etc).	
<b>Name of Department</b>	<b>Nature of Partnership</b>
DPSA	Memorandum of understanding to support collaboration on the sharing of data relevant to skills planning and HRD in the Public Service, and to support better integration of data reporting templates. Business case for improving management and operational efficiency in the Public Service, including Human Resource Management and Human Resource Development.
DPME	To develop a Theory of Change and Logical Framework for the capacity development interventions and map out existing competency frameworks for planning, monitoring and evaluation.
NT	To develop a Theory of Change and Logical Framework for the capacity development interventions and map out existing competency frameworks for financial management and supply chain management for the public sector.
DHA	Unemployed youth cadet programme: National Certificate: Home Affairs Services Qualification NQF 5. Sharing lessons and resources more widely in the sector to improve bridging into work strategies.
Offices of The Premier in various Provincial Administrations	MoUs have been entered into with Offices of the Premier in the following provinces: Free State, Mpumalanga, Northern Cape, Western Cape and Limpopo. The purpose of these partnerships is to centralize coordination of training with the respective Provinces.
Parliament	Memorandum of Understanding to support collaboration around areas of research, legislative drafting and qualification development.

Partnerships with national departments and provinces are focused on “champions” of particular state capabilities and Offices of the Premier. These partnerships enable capacity-building with weak national or provincial departments. Specific interventions include technology-enhanced learning programs through NSG and state academies; bursary programs; training managers as mentors to support work integrated learning; as well as artisan development and learnerships. The partnerships ensure that relevant competency frameworks are in place; and are translated into job profiles and performance agreements, so the skills acquired can be applied in the workplaces.

The PSETA also aims to further develop dialogue and communities of practice on critical issues affecting skills development in the Public Service, such as ensuring that performance management systems in departments incentivise skills development, and that clearer policy guidelines are developed on the use of budgets and others resources for skills development

Table 19: PSETA existing partnerships with SETAs

Partnerships with SETAs	
Inter-SETA partnerships aim to coordinate SETA expenditure and efforts, to improve economy, efficiency and effectiveness of skills development efforts. The 16 Government SETAs (G-SETA cluster) include 5 SETAs whose core constituents are organs of state; and another 11 who have at least some organs of state reporting to them. All organs of state have transversal functions which fall under PSETA; and most have some functions that fall under other SETAs. A few current or emerging partnerships are described below to illustrate this principle of collaboration.	
Name of SETA	Nature of Partnership
LGSETA	Identifying the state capacity building required within provinces to deliver the SIPs (at provincial and local levels simultaneously); and interventions to respond to these needs.
ETDP SETA	Exposing unemployed youth and learners to Public Service careers.
HWSETA	Collaboration to build the technical capabilities to maintain health infrastructure in provinces.
TETA	Collaboration to build the technical capabilities within Department of Roads and Transport Eastern Cape to maintain government vehicles, instead of outsourcing
FASSET	Developing the state's financial management capabilities.
MICTSETA	Building the ICT capabilities of the state.

#### 4.2.1. Successful Partnerships

PSETA has begun evaluating existing partnerships to identify the lessons learned. A noteworthy successful partnership remains that which PSETA has with PARI, an institute of the University of Witwatersrand. PARI has provided research support for the PSETA's annual SSP updates over the past few years. The partnership also includes the PSETA-PARI scholarship programme, which provides scholarships to postgraduate students focused on research relevant to PSETA's mandate.

This partnership has yielded better results than intended as the scope has been extended to include building the capacity of personnel in the Skills Planning and Research department of the PSETA. PARI has a set of capacity building interventions scheduled for skills planning personnel which include block sessions attended at the research institute. The partnership has resulted in the PSETA capacitated enough to write its SSP in-house and PARI playing a mentorship role in this regard. This partnership is still ongoing and the memorandum of understating between the two parties has been extended to 31 March 2018, in line with the extension of NSDS III.

Written Memoranda of Agreements have provided a strong base on which many of the PSETA partnerships are cemented. To this extent, the roles and responsibilities of each party are concisely outlined to ensure successful partnerships.

#### 4.2.2. Problems experienced with partnerships

PSETA's partnerships have not been without challenges. Our partnerships with TVET colleges in particular have been difficult. Many TVET colleges are stretched for capacity, both administrative and management. TVETs often lack the appropriate learning programs for delivery of artisan development; or the physical infrastructure or teaching expertise to deliver

programs needed in the Public Service. Developing an effective partnership with a TVET colleges require long-range planning and support.

Further, better clarity is needed in the post-school education and training sector and the Public Service as to the precise role that the TVET college sector should ideally play in the development of transversal skills for the Public Service, and in qualifications outside of the technical occupations (for example, in the range of administrative and clerical occupations). The recruitment and HR practices more broadly in the Public Service then needs to align with the role envisioned for TVET colleges and the qualifications they produce.

Partnerships with HEIs have also been challenging, with HEIs treating PSETA as a client or profit centre rather than a partner; and competing with one another rather than collaborating. HEIs also frequently lack an adequate understanding of the Public Service, and their perception of themselves as “experts” undermines their ability to take contextual imperatives more fully into consideration. Again, long-range collaborations and deep conversations are needed to forge true partnerships.

One of the challenges facing PSETA’s inter-SETA work is that PSETA is not able to report (in terms of the current reporting formats) the time staff put into facilitating such partnerships, whereas these projects can be reported on by other SETAs. Further, there are also technical constraints to developing co-funding arrangements with other SETAs. As such the PSETA does not have any joint projects with other SETAs outside of the normal Inter-SETA collaboration. PSETA plans to discuss these issues with NT over the next year to find mechanisms to better support such arrangements.

Partnerships with other departments also take lengthy periods to establish. Parties need to reach agreement on goals and resource allocations; put these into their plans and budgets; allocate appropriate staffing; and establish joint project structures and communication/decision-making protocols.

### 4.3. New Partnerships

Some PSETA partnerships are innovative in nature. PSETA was awarded project funding by the European Union under the Trade Development Cooperation Agreement Facility, locally branded as the “Dialogue Facility.” The Dialogue Facility is designed to support strengthen relations and policy engagement between South Africa and the EU. The PSETA, in partnership with the EU, hosted dialogues for public entities within the PSETA ambit to engage with their international counterparts on human resource development matters. The intended outcome of the project is to establish international communities of practice where all relevant parties can share knowledge and resources. This PSETA-EU Partnership will see public entities within the PSETA scope continuing to enjoy further dialogues with international counterparts.

Table 20: New partnerships

New Partnerships
The PSETA has looked to form partnerships with not only organisations that support its skills development mandate, but also to reduce costs for implementing certain projects. To this end the PSETA has entered into a European Union funded partnership to embark on an international benchmarking exercise on human resources development dialogues for public entities with their EU counterparts.

Name of Role-player	Nature of Partnership
EU Dialogue Facility	To create a platform in which South African Public Entities will identify skills needs and capacity constraints that are not sufficiently supported in the country and unpack these with their counterparts in order to bridge the identified shortcomings
French Embassy	To strengthen the Special Investigations Unit Cyber Forensic first responders' capabilities.
Chinese Embassy	The Ministry of Commerce of the People's Republic of China and the Department of Higher Education and Training of the Republic of South Africa have agreed on an Action Plan on Cooperation in Human Resource Development with a view to further strengthen the cooperation in human resource development, promoting personnel exchanges, and enhancing mutual friendship within the context that both parties jointly believe that HRD is a priority area and one of the key elements of bilateral cooperation. The PSETA is the coordinating SETA for this project for the benefit of the public sector.

The PSETA has an important role to play in supporting the integration of skills development initiatives across government departments. The PSETA will encourage departments to pool portions of their skills development budgets to achieve training more efficiently, and at scale. They will also be encouraged to ensure that the training proposals are in line with the approach to the development of competencies outlined by relevant “champion departments.” The Office of the Chief Procurement Officer will champion supply chain management related initiatives and the DPSA will champion human resource development and related initiatives.

A partnership with the NSG and the State Academies Forum in addressing the development of training on a range of generic skills through e-learning is underway. Strong capacity on e-learning is needed to provide Public Service training on a larger scale. In addition, a number of partners have indicated a willingness to share their existing programmes on generic skills that may be of wider value. To mention a few examples of these are the DIRCO programme on writing a submission; Stats Academy programs on basic statistical analysis; and Justice Academy programmes on the Promotion of Administrative Justice Act.

The PSETA is planning to extend its partnerships with TVET colleges. This work will take a number of forms. The first will be in further expanding PSETA’s work with TVETs in developing career guidance practitioners with a specialisation in providing advice on careers in the Public Service. The PSETA will draw on the resources already developed by organisations such as the Council on Higher Education (CHE) who has developed useful guidelines on supporting work-integrated learning in organisations.

Furthermore, the PSETA will expand its role in the placement of learners in government departments. In this instance, PSETA aims to use existing databases – such as the DHET’s Public Service recruitment database – to link learners to workplace opportunities, and then to further develop these IT platforms to improve the accurate “matching” of learners to workplace opportunities in line with their formal qualifications.

#### **4.4. Conclusion**

The PSETA's partnerships approach with departments that hold regulatory power in relation to the NDP capabilities will see the SETA playing its skills development authority role more effectively and efficiently going forward. The partnership agreements include the DPME partnership aims at strengthening the planning, monitoring and evaluation capabilities in the state. The PSETA partnership with the National Treasury includes collaboration around strengthening financial management and state procurement capabilities. Similar partnerships are being forged with other national departments and provinces.

The strategic role of the PSETA through these partnership agreements is to embed skills development within wider organisational development strategies, and to build departmental capabilities to plan and manage such skills development activities better. The driving force behind this approach is to ensure that interventions reach larger numbers, more economically, efficiently and effectively. This is a response to the strategic imperatives identified in Chapters 1 – 3, to ensure the sector trains current and future employees, cheaper, better and faster.

## 5. Chapter 5: Skills Priority Actions

### 5.1. Introduction

This final chapter of the SSP presents the key findings from previous chapters. These key findings then inform the skills priority actions that PSETA will focus on to address these findings. Consideration of national strategies and plans has also been taken into account to ensure alignment with government’s priorities. An analytical approach to determining skills priorities has been retained from the previous SSP updates which highlights that skills development priorities cannot be identified simply from an analysis of the scarce skills and competency gaps of individual employees if we are to develop the state capabilities called for in the NDP. Rather the use of organizational performance as the lens to thematise skills needs is required where a priority skill is one that will make the biggest difference to the performance of the Public Service. Responding to skills needs requires building demand-side, supply-side and bridging into work capabilities within the sector. This approach is represented in the form of a conceptual framework. The priority actions detailed in this chapter have been identified using this approach to analyse the information presented in the previous chapters. This chapter provides an illustrative set of priority actions and is not a detailed strategic or operational plan.

### 5.2. Findings from previous chapters

The key findings from previous chapters have been summarized in the table below:

Table 21: Key findings

Chapter	Key findings
Chapter 1	<ul style="list-style-type: none"> <li>• The general government services sector – which includes all employees employed within the Public Service is the largest employer in the country.</li> <li>• The country’s economic performance directly impacts the Public Service sector through the government’s restrictive fiscal policies implemented. Prioritisation of the reduction of government’s wage bill and blocking of administrative and managerial vacancies, when seen in isolation, have a negative impact on employment in the sector.</li> <li>• The PSETA sector specifically however, continues to add value to the GDP of the country and employment to over 575 000 people.</li> <li>• Employment statistics from the WSP process and the PERSAL data provides encouraging findings in that there are approximately 15-20% more women employed across the sector and the race demographics of employees in the sector is in line with national norms in terms of population.</li> <li>• Employment within the sector has increased by approximately 5.2% from 2016 to 2017.</li> <li>• The sector covers a very wide range of sub-sectors, and the nature of demand and supply for labour and skills is shaped by a far more complex set of processes than in the private sector: regional labour market dynamics intersect with policy and political priorities emerging from the executive.</li> <li>• PSETA is primarily responsible for the provision of transversal skills (i.e. the business of government) which include administration, management, planning, legislation and policy development, which form the focus to drive the development of skills and competencies in areas that will make the delivery of the business of government more effective and efficient.</li> </ul>

Chapter	Key findings
Chapter 2	<p>Major change drivers impacting on skills demand in the Public Service sector are:</p> <ul style="list-style-type: none"> <li>• Technological changes and the introduction of more modern and innovative service delivery interfaces requires specific skills.</li> <li>• Changes in the size of the Public Service due to changes in the size of the population, the rate of retirement of public servants from the administration (replacement demand).</li> <li>• New policy directions, directives and priorities initiated by government have an impact on the number of people employed and the skills demanded in the Public Service.</li> <li>• The organisation of the government and the service delivery models through which the government chooses to deliver services and structure its operations will have implications for which kinds of capacities the state needs to develop.</li> <li>• Changes in the nature of politics as it affect the organisation and staffing of departments.</li> <li>• The capacity of HR and HRD units in the Public Service shapes the extent to which skills needs and gaps are appropriately identified. Improvements or a decline in this capacity affect the nature of skills demanded.</li> </ul>
Chapter 3	<ul style="list-style-type: none"> <li>• Most of the hard to fill vacancies are mainly within the SMS level, primarily senior government officials, Finance Managers, Project Managers and Policy and Planning Managers in the Public Service sector.</li> <li>• There are skills gaps identified particularly in middle and senior management in the Public Service (MMS and SMS) specifically in managers' ability to develop operational plans, systems and monitoring tools to effect strategic priorities set at the senior administrative and executive level.</li> <li>• Stats SA Quarterly Labour Force Survey data shows that while the state employs 22% of the workforce, it employs 43% of graduates in South Africa.</li> <li>• The PSETA ETQA has 23 registered qualifications which include registered unit standards, qualifications and learning provision including learnerships.</li> <li>• Approximately 25% of employees across government have higher education degrees.</li> <li>• "Opening up the Public Service as a training space" remains a main focus area in bridging such skills into Public Service employment opportunities.</li> <li>• TVET College graduates remain largely unemployable in the Public Service sector due to minimum entry requirements and not meeting the employers' expectations in terms of skill requirements.</li> <li>• The need for capacity building of Public Service managers SMS in response to DPSA directive.</li> <li>• Capacity constraints for HRD units in the departments.</li> <li>• TVETs Graduates in the sector are generally viewed as not meeting employer expectations in terms of skills requirements.</li> </ul>
Chapter 4	<ul style="list-style-type: none"> <li>• PSETA has adopted a partnerships model with the aim to increase the support to its partners that help drive its mandate to create a skills base essential for better service delivery.</li> <li>• The PSETA's effectiveness in achieving its goals will be enhanced by an organization-wide directive on the disbursement of discretionary grants through the partnerships model.</li> <li>• Partnerships with national departments and provinces are focused on "champions" of particular state capabilities and Offices of the Premier.</li> </ul>

Chapter	Key findings
	<ul style="list-style-type: none"> <li>Existing partnerships have provided valuable lessons on what is needed to make partnerships work, and are being used to inform the new partnerships.</li> </ul>

### 5.3. Recommended Actions

PSETA regards sector skills planning as an evidence-based, stakeholder-led strategy-making process. During 2015/16 financial year PSETA developed the approach to stakeholder leadership of the process; provided baseline research to inform the strategy-making; and formalised some of the partnerships through which the sector will continuously identify and respond to their needs. A continued focus is on identifying and addressing the skills needed to improve the state capabilities listed as priorities in Chapter 13 of the NDP. The conceptual framework, shown here in figure 11, which has been adapted in the Public Service, aims to significantly improve economy and efficiency in skills efforts and will be utilised in the directing of skills efforts towards building state capabilities to deliver the NDP.

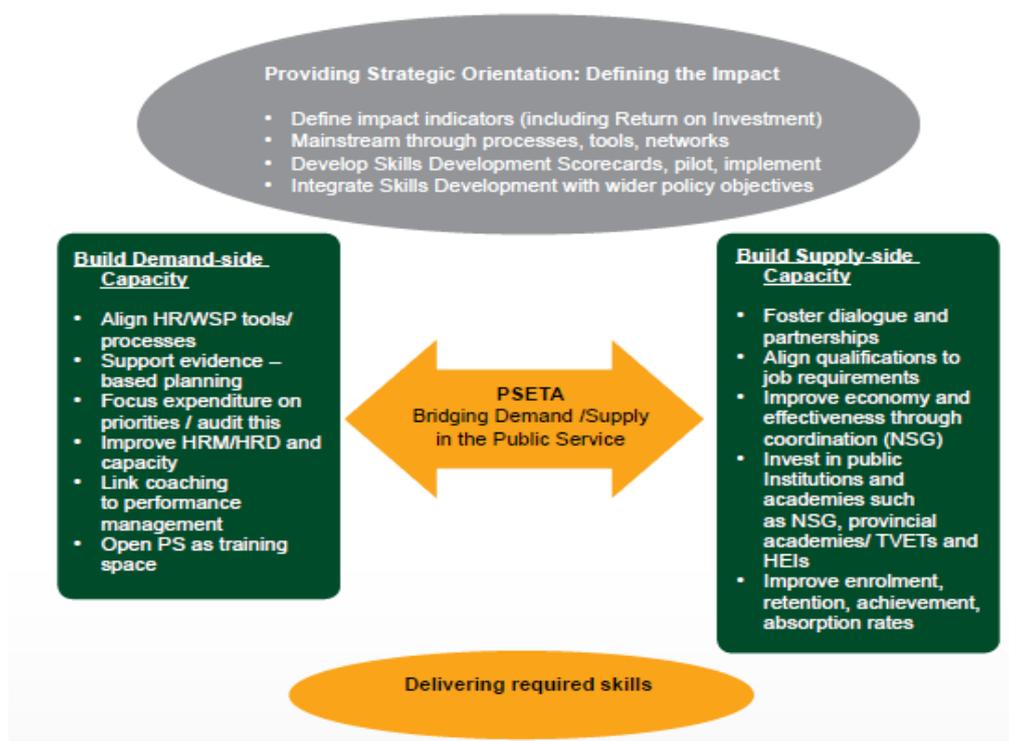


Figure 11: Conceptual Framework

This framework forms the basis of the identified following four (4) strategic focus priorities of the PSETA which will be delivered through relevant projects.

- Priority 1: Establishing strategic partnerships with key departments
- Priority 2: Improving the capacity of state training and learning institutions in the sector
- Priority 3: Focus on workplace based learning to leading to making the workplace a training space
- Priority 4: Delivery of training through alternative, cost effective and efficient mechanisms (e-learning and recognition of prior learning (RPL))

### **Skills Priority 1: Establishing strategic partnerships with key departments**

The key strategic projects will establish the sector partnerships; agree the priority skills; design, develop and pilot technology-enhanced learning to deliver these; embed the delivery within wider strategies to build organizational capabilities; build state academy capacity to provide the training under the NSG; and build capacity at workplace level to provide appropriate infrastructure and capacity to support technology enhanced learning. Business cases to inform partnership are currently underway. It is anticipated a MoU being established for each priority NDP capability.

### **Skills Priority 2: Improving the capacity of state training and learning institutions in the sector**

The aim is to align supply-side provision to demand-side needs; and to bridge current supply-demand “mismatches”. It includes work to align qualifications to OFO codes; build HEI and TVET college capacity to deliver the qualifications; and improve economy and efficiency on the supply side. It includes promoting the growth of a public provider (NSG, sectoral and provincial academies and TVET colleges) system that is responsive to sector, local, regional and national skills needs and priorities.

### **Skills Priority 3: Focus on workplace based learning to leading to making the workplace a training space**

This priority is to focus training interventions for existing and future employees on priority skills required to deliver the National Development Plan; and to bridge unemployed graduates and learners into internship and placement opportunities in the Public Service. The goal aims to open up the Public Service as a training space and to encourage workplace learning and work integrated learning. It will increase access to occupationally directed programmes; encourage better use of workplace based skills development and build career and vocational guidance.

### **Skills Priority 4: Delivery of training through alternative, cost effective and efficient mechanisms (e-learning and recognition of prior learning (RPL))**

In order to explore cost effective and efficient mechanisms such as e-learning and RPL, PSETA will commission development and advocacy of a spectrum of e-learning, blended learning or facilitated e-learning programmes. PSETA will also capacitate state academies to develop and deliver e-learning; support conversion of ten existing programmes from state academies into e-learning programmes; and hold a national workshop on establishing e-learning infrastructure within departments.

## **5.4. Measures to support national strategies and plans**

Government strategies and policies that derive from or are inter-related with the NDP (such as the New Growth Path and associated Strategic Infrastructure Projects) also provide key reference points for the strategic direction of the SETA. The impetus to support National strategies and plans is embedded in the PSETA strategy and these are implemented in the following manner

- In support of the SIPs, PSETA’s role has been defined as identifying and building the state capabilities required to deliver on steps 17 – 20 of the DHET 21 Step SIPs skills development strategy. Specific programmes (such as research into the greening of state procurement, or skills programmes around the new Treasury Infrastructure

Procurement Standard and the Infrastructure Delivery Management System) are the implementation strategies arising from how PSETA interprets the policy mandates.

- One of the key focus areas of the White Paper on Post School Education and Training area is the importance of adequate research capacity, economics/ labour market and industry expertise, data management, and planning expertise. PSETA has over the last three years, improved its quality of the SSP, which has gained credibility with its employer stakeholders, particularly the DPSA. This was achieved through a partnership with a Public Sector research expert, namely the Public Affairs Research Institute (PARI) at WITS. PSETA has also developed internal research capacity and this SSP update has been prepared by the Skills Planning and Research unit. Strengthening research capabilities in the sector has been suggested as a priority by the PSETA's Governance and Strategy Committee.
- The White Paper also directs SETAs to have a strong Work Integrated Learning (WIL) programme to enable learners to acquire the relevant work experience as a prerequisite to acquiring their qualifications, particularly TVET learners. The PSETA has established a strategy to "open up the Public Service as a Training Space" and will continue with more efforts to bridge education and work through identifying workplaces for practical work experience. Workplace learning will be an integral part of qualification and programmes. Sharing best practices and resources across the sector is key to achieving this goal.
- In the National Integrated Human Resource Development Plan (NIHRDP) 2014-2018 launched by the HRDCSA in March 2014, strategic outcome-oriented goal 3 is "Capable Public Sector with Effective and Efficient Planning and Implementation Capabilities". PSETA is a supporting partner to DPSA in two goal statements: firstly to revise the Public Service HRD Strategies and Plans in Line with the Vision of the NDP for a Professional and Capable Public Service and secondly to turn the Public Sector into a Training Space.

## **5.5. Conclusion**

The Public Service sector with its wide ranging functions is an essential contributor to the South African economy. As such embedding skills development within wider efforts to build organisational capabilities in the sector is important. The skills priorities identified in this chapter are aimed at building the supply-side; building the demand-side; improving the bridging into work; and improving the economy, efficiency, effectiveness and equity of training and skills development in the sector.

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