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Employment, Skills, and Covid-19: An Analysis of the 2022 Sector Education and Training Authorities Employer Interviews

Labour Market Intelligence
research programme

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PART 1

Introduction



Characterised by a high unemployment rate and skills shortages, South Africa's labour market is central to addressing poverty and extreme inequality in the country. The performance of the labour market in terms of job creation is, however, constrained by the performance of the broader economy: without sufficient economic growth, the country's growing labour force will not be absorbed into employment at a pace that is consistent with falling unemployment.

An important challenge in this regard relates to skills. In order for employers to be productive and responsive to their customers' needs, workers—both current and prospective—need the kinds of skills that are necessary to effectively perform their functions. The education and training system therefore needs to be aligned with this aim and support the acquisition of appropriate skills by individuals before they enter the labour force. At the same time, employees also need to be able to access education and training opportunities to continually deepen and further their skills.

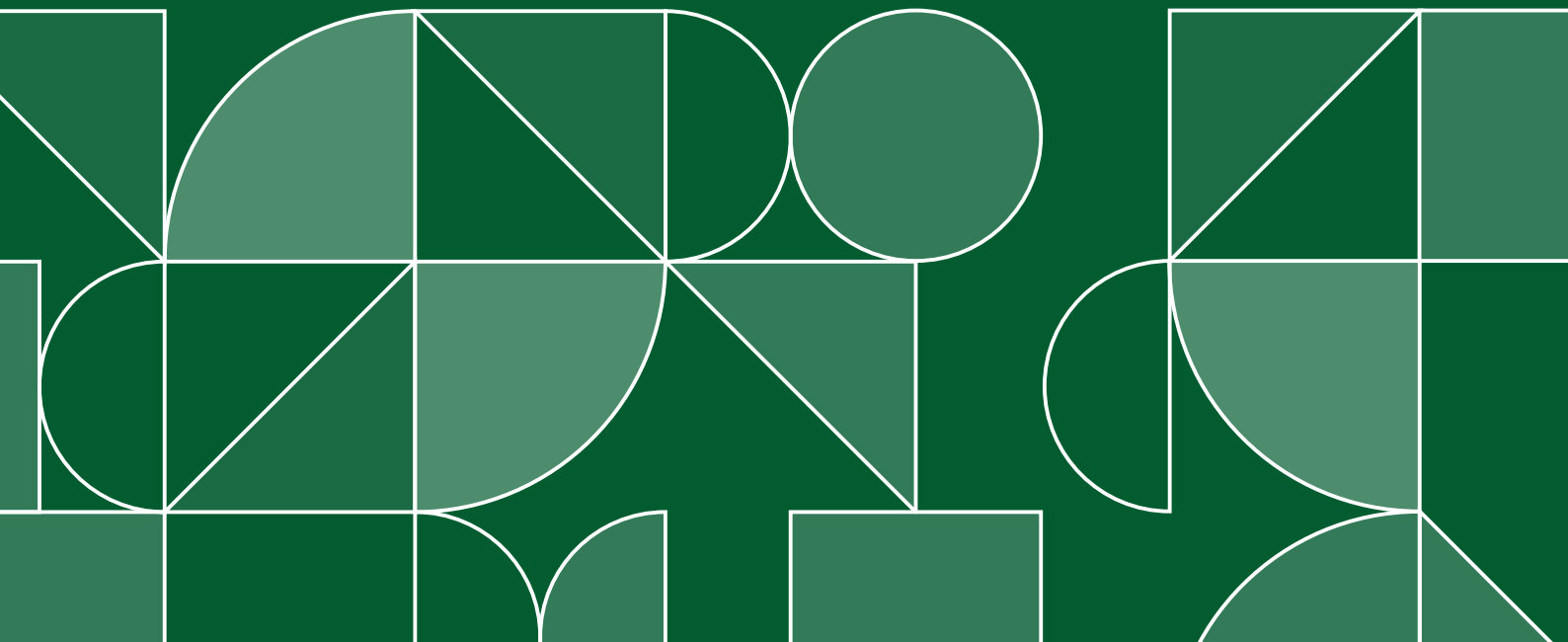
The Sector Education and Training Authorities (SETAs) are crucial in this process, providing a link between employers (the demand side in terms of skills) and the education and training system (the supply side). In their direct interactions with employers, the SETAs receive signals of skills that are in demand that they must then translate into specific skills interventions and programmes as they engage with education and training providers. One of the ways in which these signals are collected is through the Workplace Skills Plan and Annual Training Report.

The Department of Higher Education and Training (DHET) has identified the need for more qualitative research to complement the quantitative information on skills in order to form a comprehensive picture of skills shortages and gaps in the South African economy. To this end, the SETAs and the DHET work together to conduct employer interviews on an annual basis. Together, the information gleaned from these interviews, conducted across a broad range of subsectors, is used to provide insights into skills development issues across the economy.

This report analyses the quantitative and qualitative data collected through these employer interviews in the second half of 2022 in an effort to develop a broader understanding of skills issues in and the effects of the Covid-19 pandemic on the South African economy. This report is the third in the series of publications discussing employer interviews, with previous iterations based on interviews conducted in 2020 and 2022.

PART 2

Methodology



The analysis presented in this report relies on data collected by the SETAs through a series of interviews with selected employers in their respective sectors. These interviews were conducted in the second half of 2022 and respondents included representatives of small, medium, and large employers across a broad range of subsectors and in all nine provinces of South Africa.¹

As in previous years, SETAs were provided with a guide for the interviews in the form of a template for them to record employers' responses. The guide was developed based on the template used for the interviews conducted in 2022; SETAs were invited to provide input on the guide. The template included seven main sections, namely: general information, the impact of Covid-19, hard-to-fill vacancies, skills gaps, change drivers, future skills, and priority education and training interventions. Both quantitative and qualitative data were collected during the employer interviews. Quantitative data was reported by SETAs in a tabular form that reflected the distribution of respondents across response categories, while qualitative data required some synthesis of employer responses by the SETAs. Figure 1 provides an example of how quantitative data was reported by SETAs, and Figure 2 provides an example of how qualitative data was reported by SETAs.

FIGURE 1: Example of a question to collect quantitative data

| 2. HARD-TO-FILL VACANCIES | | | | | |
|--|------------|---------------------------|------------------------------|---------------------------|-------|
| 2.1 Did your organisation have occupations that were hard to fill over the past 12 months? | | | | | |
| <i>Instruction: Please provide counts of employer responses by organisation size.</i> | | | | | |
| | | Small (1–50 employees) | Medium (51–149 employees) | Large (150+ employees) | Total |
| Y | YES | | | | |
| N | NO | | | | |
| Total | | | | | |

¹ According to the SETAs, the following subsectors were not covered by the interviews:

- Milling, pet food, animal feed, seed, and pest control (AgriSETA)
- Electrical construction (CETA)
- Research organisations, political parties, library information, and archival services (ETDP SETA)
- Distribution of purchased electric energy only, transmission of energy, marketing of energy, steam and hot water supply, construction of pylons for electric transmission lines, industrial research for electrical energy, collection, purification, and distribution of water, private water companies, and irrigation boards (EWSETA)
- SARS and national and provincial treasuries (Fasset)
- Breakfast subsector (FoodBev SETA)
- Footwear, general goods, leather, packaging, and textiles (FP&M SETA)
- Residential care activities, the manufacturing of pharmaceuticals, and the manufacturing of medical and dental instruments (HWSETA)
- Unit trusts, risk management, and insurance and pension funding excluding compulsory social security (Inseta)
- Diamond mining and diamond processing (MQA)
- Beauty treatment, contact centres, collective services, domestic services, hair care, and hiring services (SSETA)
- Rail (TETA)

FIGURE 2: Example of a question to collect qualitative data

| 4. CHANGE DRIVERS | | |
|---|--------------------------------|--|
| 4.1 Please identify three (3) major change drivers in your organisation. What are the implications of these change drivers for skills development in your organisation? | | |
| <i>Instruction: Please provide consolidated information based on interviews across all employers, irrespective of size. Only provide a maximum of three change drivers relevant to the sector, along with an explanation of the implications for skills development. Do not add rows to this table.</i> | | |
| | Major Change Drivers in Sector | Explanation of Implications for Skills Development |
| 1 | | |
| 2 | | |
| 3 | | |

The intention of the exercise was that SETAs would act as ‘analytical intermediaries’ for the qualitative data. As the SETAs were directly engaged in conversation with employers, they were best placed to extract the key information and recurring themes from the interviews. Thus, based on the interviews, SETAs would transmit the summarised responses in a standard format as illustrated in Figure 2. This process of analysis required that SETAs’ interviewers use their best judgement about how to consolidate the interviewed employers’ responses to the qualitative questions in a way that was most representative of the views expressed.

Responses from each SETA—both quantitative and qualitative—were transmitted back to the DHET via an Excel spreadsheet. These individual spreadsheets were then consolidated by the DHET into a single spreadsheet that was shared with the authors of this report for analysis.

In preparation for the employer interviews, the DHET stipulated that the SETAs should interview at least 10 but no more than 50 employers. This range was to ensure that the interviews were not overly burdensome on the SETAs, that it was relatively straightforward to collate the data collected during the interviews, and that respondents were relatively evenly spread across SETAs, while providing some flexibility to those SETAs that felt they needed more interviews to fully cover their sectors. In the 2021 round of interviews, for example, 756 employers were interviewed by 20 SETAs for an average of just under 38 employers per SETA; actual numbers of interviews per SETA ranged from five to 149 (Oosthuizen and De Villiers, 2022). In 2022, a total of 437 employers were interviewed by 21 SETAs, yielding an average of just under 21 employers per SETA.^{2,3,4} As illustrated in the lefthand panel of Figure 3, there was still substantial variation in the numbers of respondents in each SETA, although the range was narrower than in 2021 with BANKSETA and SASSETA representing the two extremes (interviewing five and 50 employers, respectively).

The SETAs that interviewed the most employers were SASSETA (50 employers, 11.4% of all respondents), TETA (49 employers, 11.2%), and Inseta (32 employers, 7.3%). AgriSETA, CATHSSETA, ETDP SETA, EWSETA, Fasset, HWSETA, LGSETA, and MICT SETA each interviewed between 20 and 29 employers. All SETAs, except BANKSETA (five employers, 1.1% of all respondents) and FP&M SETA (nine employers, 2.1%), interviewed at least 10 employers.

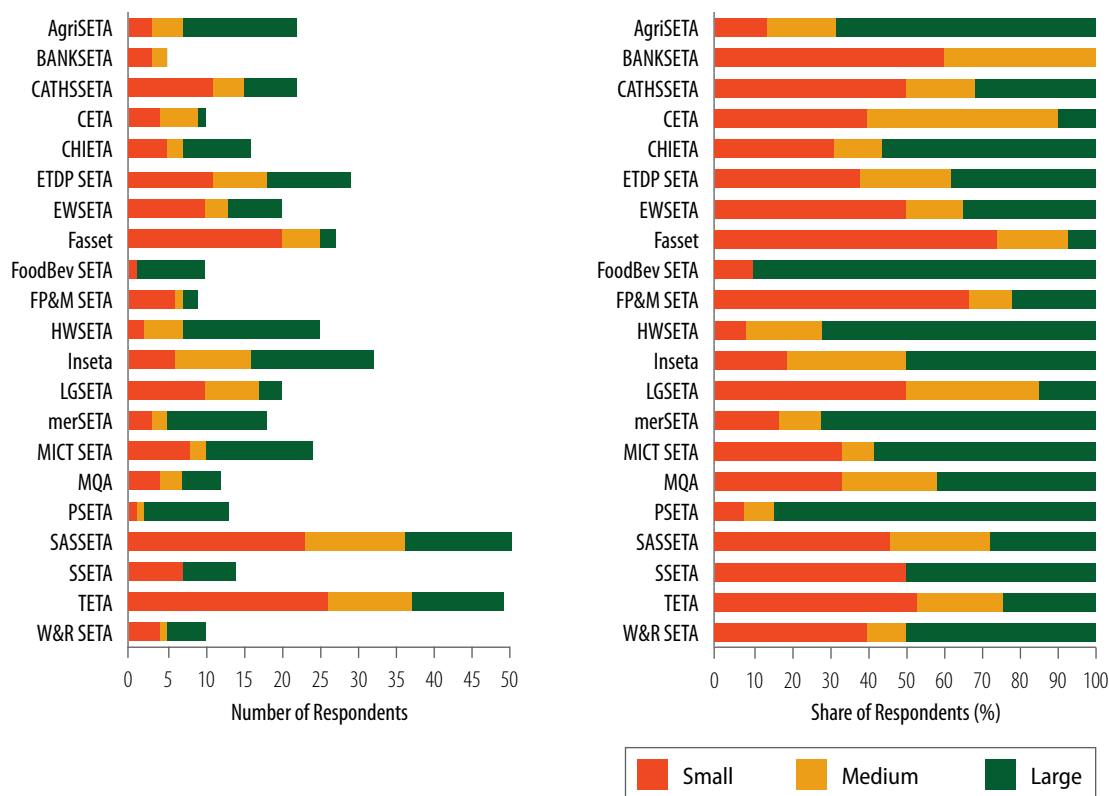
2 Across the 437 interviews, SETAs reported that the 204 interviewees (46.7%) were in senior positions, while 166 interviewees (38.0%) were in mid-level positions and just 27.0% were in lower-level positions. One SETA provided no information on the level of the interviewees and one provided partial information. Three SETAs reported more interviewees than employers, which may be the result of interviewing two or more people at the same time for a particular employer.

3 In terms of geographical coverage, SETAs most frequently indicated that they interviewed employers in the Western Cape and Gauteng (20 SETAs each), followed by KwaZulu-Natal (18 SETAs) and Mpumalanga (16 SETAs). Only four SETAs reported interviewing employers in the Free State, while nine interviewed employers from the Northern Cape. Full details of provincial coverage can be found in Table 14 of the Appendix.

4 Inconsistencies in the interpretation of the question across SETAs make it challenging to provide an assessment of the sectoral coverage of interviews. SETAs typically report covering a majority of their subsectors, irrespective of their interpretation of the term ‘subsector’, while the median SETA reported covering close to nine out of every ten subsectors.

Of the 437 employers interviewed by SETAs, 181 were large employers with more than 150 employees, 168 were small employers (up to 50 employees), and the remaining 88 were medium employers with 51–150 employees. Thus, just over two fifths of the respondents (41.4%) were large employers, just under two fifths (38.4%) were small employers, and one fifth (20.1%) were medium employers. The righthand panel of Figure 3 shows that the composition of respondents within SETAs often differed markedly from these overall proportions. Small employers constituted particularly large proportions of respondents interviewed by Fasset (74.1%), FP&M SETA (66.7%), and BANKSETA (60.0%) but were least frequently interviewed by PSETA (7.7%), HWSETA (8.0%), and FoodBev SETA (10.0%). Medium employers constituted particularly large shares of respondents within CETA (50.0%), BANKSETA (40.0%), and LGSETA (35.0%) but especially small shares within FoodBev SETA and SSETA, neither of which interviewed small employers, and PSETA where they accounted for 7.7% of respondents. Finally, large employers were most dominant among respondents within FoodBev SETA (90.0%), PSETA (84.6%), and merSETA (72.2%) but accounted for none of BANKSETA’s interviews, and just 7.4% and 10.0% of interviews by Fasset and CETA, respectively. This variation may be partly explained by differences between SETAs in the composition of employers by size, but it is also the result of the choices made by SETAs in determining which employers to interview and whether or not those employers eventually chose to participate in the study.

FIGURE 3: Survey respondents



Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

Actual numbers of respondents and distributions across firm sizes are provided in Table 15 of the Appendix. Small employers are defined as having 1–50 employees, medium employers have 51–150 employees, and large employers have 151 or more employees.

These issues have important implications for the degree to which the quantitative and qualitative data from these interviews can be considered as representative of all employers in South Africa. Simply put, the quantitative analysis presented below should not be viewed as representative of all employers, formal sector employers, or levy-paying employers, and readers should therefore not attempt to generalise the report's findings to these groups. There has been no attempt to sample employers for participation in a systematic way across SETAs, and it seems unlikely that individual SETAs followed a random process of sampling employers within their respective sectors. Indeed, given the nature of the interviews, it is likely that the SETAs approached employers with whom they had pre-existing relationships and that these employers differ in important ways from the broader population of levy-paying employers. Furthermore, by its very nature, qualitative data is not broadly generalisable beyond those from whom the data is collected.

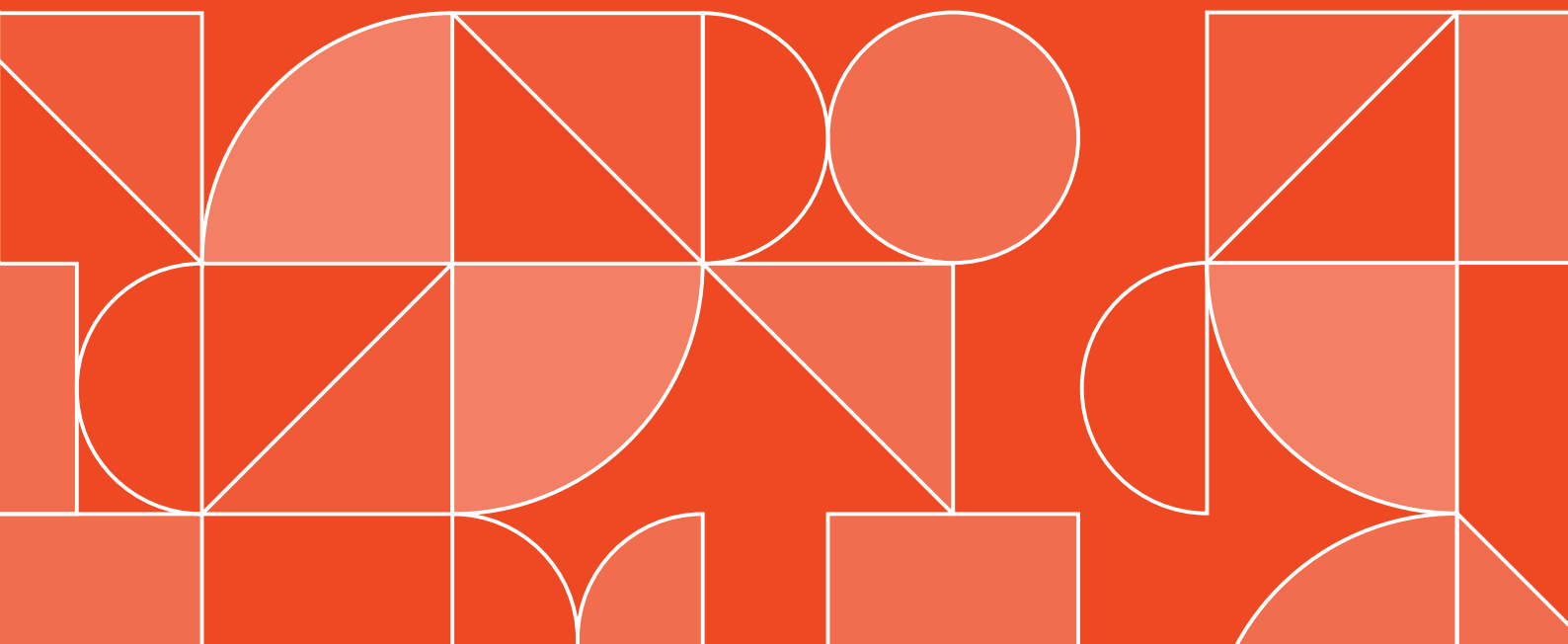
While there has been an improvement relative to the 2021 interviews, in reducing the variation in the numbers of respondents across SETAs, Figure 3 confirmed that there remains significant variation in the 2022 interviews. Importantly, this variation is not necessarily the result of differences in the sizes of the SETAs, as proxied by the number of levy-paying employers within their sectors. Thus, for example, while EWSETA has slightly more respondents than merSETA, this does not necessarily reflect that EWSETA has more levy-paying employers than merSETA. For this reason, we follow the same approach as Oosthuizen and De Villiers (2022) by presenting certain analyses in two ways. First, statistics are presented for the full sample of 437 employers, with calculations treating all employers equally. Second, statistics are estimated by weighting employers so that each SETA is treated equally.

As an example, in estimating the proportion of employers who make use of the sector skills plans (SSP) within their SETA, the first approach would count all employers who reported using the SSP and express that as a proportion of the total number of employers in the dataset (that is, 437 employers). The second approach, however, would effectively calculate this proportion separately for each SETA and would then calculate the average proportion across the 21 SETAs.

It is important to note that these approaches are only relevant for analysing the quantitative data from the interviews. For the qualitative data, we have tried to ensure that SETAs provide no more than a set number of responses (for example, the SETAs are asked to provide up to three of the most common skills gaps for a particular occupation).

PART 3

Context and the Impact of Covid-19

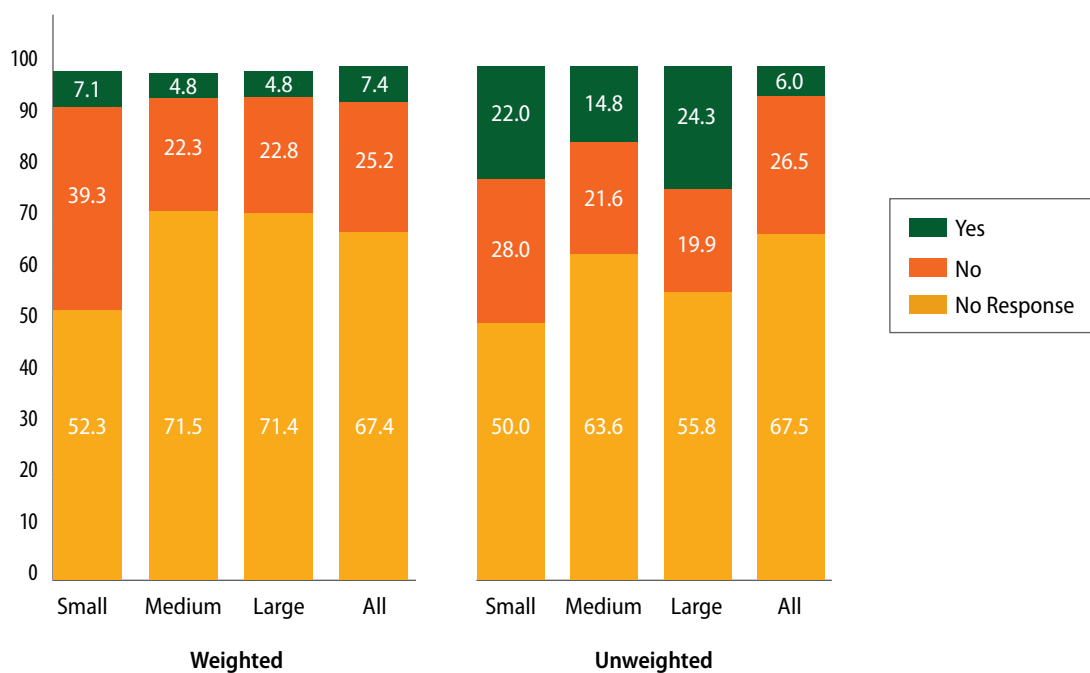


3.1 Utilisation of the Sector Skills Plans

One of the objectives of the SSPs is to provide data and analysis to inform skills planning at the sectoral level. At one level, these plans would be used by the SETAs and education and training institutions as they develop and adjust interventions aimed at providing sectors with the necessary skills. Ideally, though, they should also be useful to employers, providing them with labour market intelligence that is sector-specific and relevant to their needs as they grapple with the challenge of ensuring that they have a sufficiently skilled workforce.

The utilisation of the SSPs for skills planning was briefly probed in the interviews, and the results for 17 SETAs are presented in Figure 4. Around two thirds of respondents indicated that they used their SETA's SSP when planning for skills development, while around a quarter said that they did not use the SSP. This is true whether or not the responses were weighted, although it should be noted that these results may present a more favourable picture than what might be the general case, given that respondents may be relatively more engaged with the SETAs and their outputs than the average employer. Respondents may also not wish to reveal to the interviewers that they do not make use of a key publication in their field like the SSP.

FIGURE 4: Utilisation of the SSP for skills planning, by employer size



Source: Own calculations, SETA interviews with employers 2022 dataset.

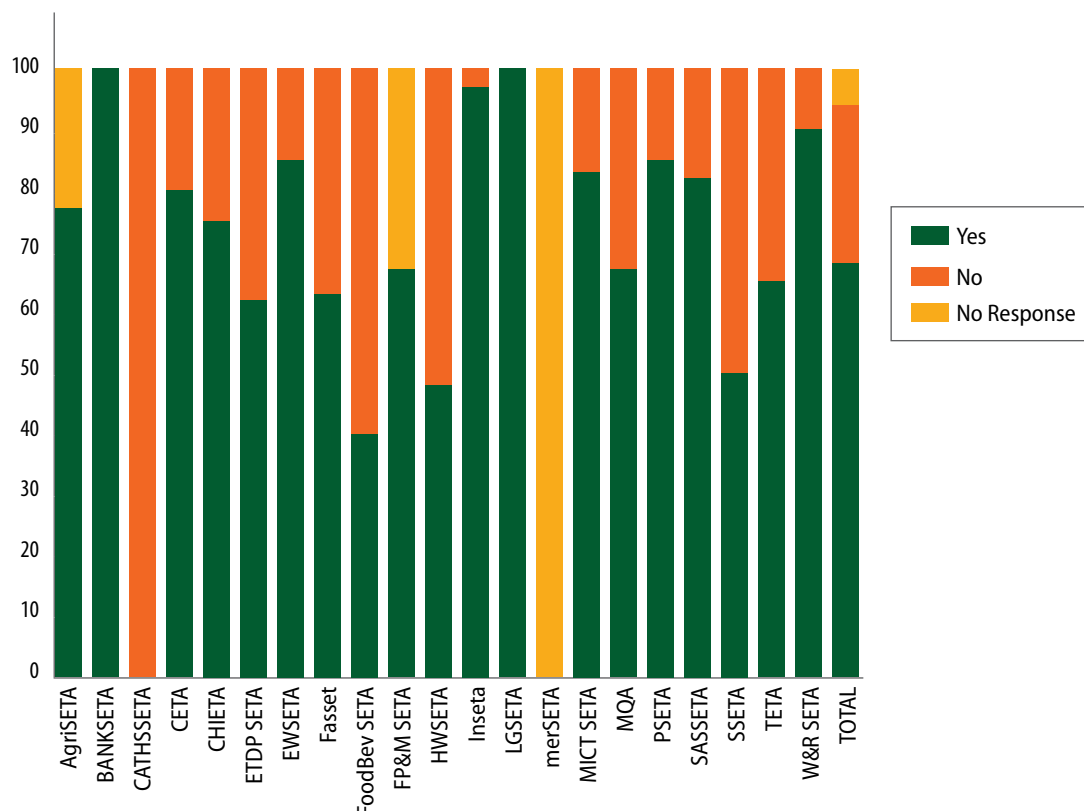
Note:

Small employers are defined as having 1–50 employees, medium employers have 51–150 employees, and large employers have 151 or more employees. Both sets of estimates exclude responses from AgriSETA, Fasset, and MICT SETA as the categorisation of responses was inconsistent with the stated size distribution of employers interviewed. merSETA did not provide any responses to this question.

Small employers were less likely than larger employers to make use of the SSP: the weighted estimates indicate that, on average, 39.3% of small employers reported not using the SSP, compared to less than 23% of medium and large employers. This result may reflect weaker capacity among smaller employers to engage with documents such as SSPs or, indeed, to actively engage in skills planning.

Figure 5 presents the reported utilisation of the SSP for skills planning by respondents from each SETA. Reported utilisation of the SSP by employers was particularly high within BANKSETA and LGSETA, where all respondents reported using it, as well as Inseta (96.9% of employers) and W&R SETA (90.0%). In contrast, none of the respondents from CATHSSETA reported using the SSP, while negative responses were received from 60.0% of FoodBev SETA respondents, 52.0% of those in HWSETA, and 50.0% of those in SSETA.

FIGURE 5: Utilisation of the SSP for skills planning, by SETA



Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

SETA-specific estimates reflect the distribution of respondents within each SETA, irrespective of whether SETAs correctly categorised these responses against the employer size. Total figures are unweighted and are therefore consistent with the overall unweighted estimates presented in Figure 4.

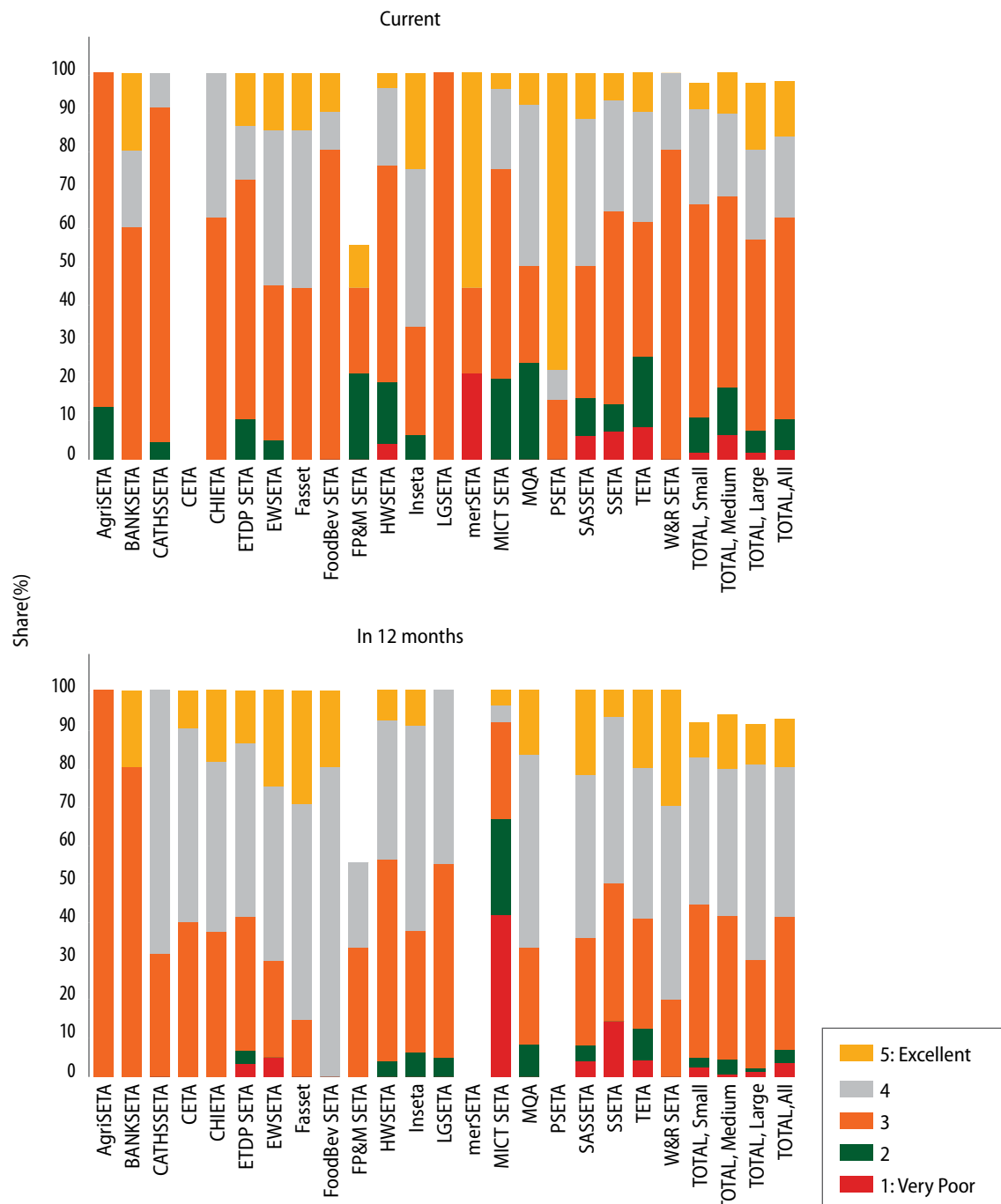
3.2 Business Conditions

When asked to rate current business conditions in their respective industries on a five-point scale from 1 (very poor) to 5 (excellent), the majority of respondents (55.2%) selected a score of 3 (see Figure 6). On average across the SETAs, roughly three out of 10 respondents rated current business conditions favourably, with a score of either 4 (24.5%) or 5 (6.9%). In contrast, just one in 10 respondents provided an unfavourable rating, with 9.0% responding with a score of 2 and 1.8% responding with a score of 1.

Assessments of the current business environment were most favourable among medium employers and least favourable among small employers. This result is true when considering both the proportions

of respondents who rated business conditions favourably and the proportions of those who rated business conditions unfavourably. Thus, while on average two fifths of respondents from medium employers rated current business conditions favourably, this was true of 35.3% of respondents from large employers and 31.9% of those from small employers. Conversely, just 7.5% of respondents from medium employers provided a negative assessment of current business conditions, compared to 10.3% and 18.7% of those from large and small employers, respectively.

FIGURE 6: Assessment of industry-level business conditions, by SETA



Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

SETA-specific estimates reflect the distribution of respondents within each SETA, irrespective of whether SETAs correctly categorised these responses against the employer size (as long as the number of responses to this question was less than or equal to the number of reported interviews). Total figures are weighted.

However, there is considerable variation across SETAs. Half or more of the respondents from EWSETA, Fasset, Inseta, merSETA, MQA, PSETA, and SASSETA provided favourable ratings of the current business environment within their industries. More than eight out of 10 respondents from PSETA (84.6%) provided favourable ratings, as did two thirds (65.6%) of those from Inseta and 55.6% of those from merSETA. In contrast, no respondents from AgriSETA or LGSETA viewed current business conditions favourably, while this was true for just 9.1% of those from CATHSSETA. In terms of unfavourable ratings, these were most likely from employers from TETA (26.5%), MQA (25.0%), and merSETA and FP&M SETA (both 22.2%). In contrast, no respondents from BANKSETA, CHIETA, Fasset, FoodBev SETA, LGSETA, PSETA, or W&R SETA rated current business conditions as unfavourable.

At the time of the interviews, respondents were typically optimistic about future business conditions, with almost half (47.0%) providing a favourable rating and just one in 20 (4.9%) providing an unfavourable rating. While two fifths of respondents on average provided a neutral assessment (a score of 3 on the five-point scale) of future business conditions, there was a roughly 15-percentage-point shift from a score of 3 to scores greater than 3. At the same time, the proportion that provided a negative assessment of future business conditions was 4.9%, which is less than half the proportion that provided the same assessment of current business conditions. These interviews were, however, undertaken prior to the extended bout of electricity loadshedding that began in late 2022 and persisted into 2023.

Respondents from medium employers were again more optimistic than their counterparts from small and large employers. Three fifths of respondents from medium employers (60.9%) rated future business conditions favourably, while just 2.0% rated them negatively. In contrast, favourable ratings were provided by 51.3% of respondents from large employers and 52.4% of those from small employers. 6.8% and 4.5% of respondents from large and small employers, respectively, provided unfavourable ratings.

Across most SETAs, more respondents provided favourable assessments of the future business environment than the current business environment. The difference is particularly stark among employers from FoodBev SETA (a difference of 80.0%), W&R SETA (60.0%), and CATHSSETA (59.1%). However, differences of more than 20 percentage points are also observed for CHIETA (25.0%), ETD P SETA (31.0%), Fasset (29.6%), LGSETA (45.0%), and TETA (20.4%). In only one SETA did respondents have a much more negative view of future business conditions relative to current business conditions. Two thirds (66.7%) of respondents from MICT SETA provided an unfavourable rating of future business conditions, a proportion that is 45.8 percentage points higher than for the corresponding rating of current business conditions. Indeed, MICT SETA is the only SETA where a majority of respondents provided an unfavourable assessment of future business conditions.

3.3 The Impact of Covid-19

While the worst effects of the Covid-19 pandemic were felt during 2020 in particular, firms have continued to grapple with ongoing challenges and shifts related to the pandemic and associated lockdowns. One of the important challenges in terms of understanding the impact of Covid-19 is the need to disentangle the effects of other factors (one-off events with significant economic impact and longer-term trends affecting the economy) from those of the pandemic itself. Such an effort is, however, beyond the scope of this report and the analysis presented here relies on how respondents attribute shifts in business outcomes to the pandemic.

3.3.1 Retrenchments

The Covid-19 pandemic and, perhaps more directly, the lockdowns had a significant negative impact on the South African labour market. According to Statistics South Africa (2021), total employment declined by 1.4 million or 8.5% in the 12 months between the first quarters of 2020 and 2021. This result was a notably larger labour market impact than was observed in the aftermath of the recession triggered by the 2008 global financial crisis, when approximately 818 000 jobs were lost between the first quarters of 2008 and 2009 (own calculations, Statistics South Africa 2008 and 2009). The first question asked of respondents was therefore about the retrenchment of staff due to Covid-19.

Table 1 presents the distribution of respondents according to the severity of retrenchments directly attributed by them to Covid-19. It is clear that the majority of respondents claim that they did not retrench staff due to the pandemic. This is true whether or not the data is weighted. According to the weighted data, two thirds (66.6%) of respondents reported not making any retrenchments. Nevertheless, this still means that almost a third of respondents did retrench workers, since 4.5% of respondents did not provide a response. The majority of those reporting retrenchments—18.5% of respondents—reported retrenching up to 10% of staff, while 3.9% retrenched between 11% and 20% of staff. However, a small number of respondents was significantly impacted, with around 4.5% of employers reporting retrenchments of more than 40% of their staff. It is also important to note that these interviews do not cover employers who closed down their businesses in the post-Covid-19 period and who would therefore have retrenched all their staff, implying that the data presented here underestimates the extent of large-scale retrenchments.

TABLE 1: Proportion of employers reporting retrenchments due to Covid-19, by employer size

| PROPORTION OF STAFF RETRENCHED | WEIGHTED | | | | UNWEIGHTED | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Small | Medium | Large | All | Small | Medium | Large | All |
| None (0%) | 57.6 | 64.0 | 69.7 | 66.6 | 50.6 | 61.4 | 63.0 | 60.2 |
| 1–10% | 28.7 | 14.4 | 13.0 | 18.5 | 17.3 | 9.1 | 13.3 | 15.3 |
| 11–20% | 0.2 | 9.8 | 6.5 | 3.9 | 0.6 | 3.4 | 4.4 | 3.0 |
| 21–30% | 0.5 | 0.6 | 0.8 | 0.6 | 0.6 | 1.1 | 0.6 | 0.9 |
| 31–40% | 1.8 | 0.5 | 1.1 | 1.5 | 2.4 | 1.1 | 0.6 | 1.6 |
| 41–50% | 5.3 | 1.5 | 1.3 | 3.0 | 4.8 | 1.1 | 1.1 | 2.7 |
| 51% or more | 3.9 | 0.5 | 1.2 | 1.4 | 2.4 | 1.1 | 1.1 | 2.5 |
| No response | 2.0 | 8.8 | 6.4 | 4.5 | 21.4 | 21.6 | 16.0 | 13.7 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

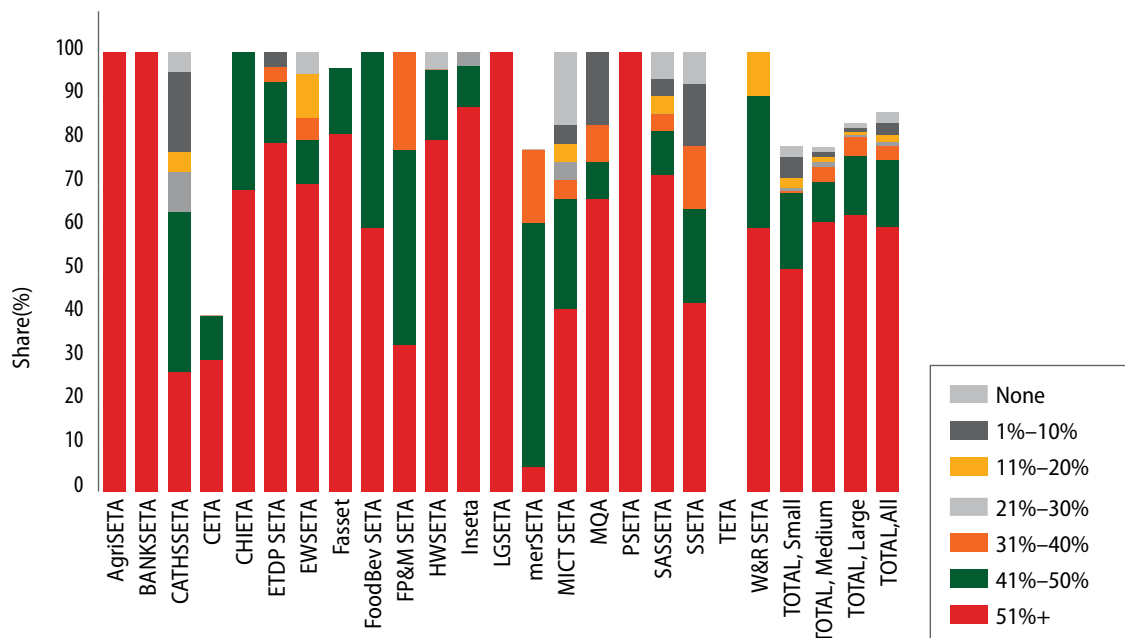
Small employers are defined as having 1–50 employees, medium employers have 51–150 employees, and large employers have 151 or more employees. Both sets of estimates exclude responses from MICT SETA as categorisation of responses was inconsistent with the stated size distribution of employers interviewed. TETA did not provide responses to this question.

While this pattern applies broadly across respondents of different sizes, there are some important differences to consider. The likelihood of no retrenchments is positively correlated with a firm's size.

Where seven in 10 (69.7%) large employers reported making no retrenchments, this was true of 64.0% of medium employers and only 57.6% of small employers. Smaller employers were also more likely to make a small number of retrenchments relative to the size of their workforces: 28.7% of small employers reported retrenching up to 10% of their staff, roughly double the proportions of medium and large employers (14.4% and 13.0%, respectively). Medium and large employers were more likely to have retrenched between 11% and 20% of their staff. Despite this—and as perhaps to be expected—small employers were more likely to cut larger proportions of their staff: roughly one in 11 (9.2%) retrenched more than 40% of their staff, which is three to four times the proportions observed for medium and large employers.

At the sectoral level, it is clear from Figure 7 that the impact of the Covid-19 pandemic on retrenchments has been varied. At the one extreme are SETAs such as AgriSETA, BANKSETA, LGSETA, and PSETA, where respondents were unanimous in indicating that they made no retrenchments due to Covid-19. For LGSETA and PSETA, this should not come as much of a surprise, given that they are both public sector SETAs. Similarly, the designation of agriculture as a critical industry during the lockdowns seems to have cushioned workers in AgriSETA from retrenchments.

FIGURE 7: Proportion of employers reporting retrenchments due to Covid-19, by SETA



Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

SETA-specific estimates reflect the distribution of respondents within each SETA, irrespective of whether SETAs correctly categorised these responses against the employer size (as long as the number of responses to this question was less than or equal to the number of reported interviews). Total figures are weighted. Bars do not extend to 100% where respondents did not all provide responses.

Large proportions of employers in a number of sectors reported low levels of retrenchments (1–10%). This result was the case for merSETA, where 56% of respondents indicated retrenchments of no more than 10% of staff, as well as for FP&M SETA (44% of respondents), FoodBev SETA (40%), CATHSSETA (36%), CHIETA (31%), and W&R SETA (30%). SETAs where high levels of retrenchments were most common include CATHSSETA, where 23% of respondents reported retrenchments of more than 40% of staff, MICT SETA (21% of respondents), SSETA (21%), MQA (17%), and SASSETA (10%). MICT SETA respondents appear to have been hit particularly hard, with 17% reporting retrenching more than half of their staff.

3.3.2 Remote work

One of the notable impacts of the Covid-19 pandemic was the rapid and widespread shift to remote work, particularly during the initial lockdowns. In the aftermath of the pandemic, however, the process of bringing workers back to workplaces full-time has not been as rapid, with many employees and employers finding that the ability to work remotely had important benefits. Three years after the arrival of the Covid-19 virus in South Africa, the extent to which the pandemic has resulted in a permanent shift towards remote work remains an important question.

One of the issues probed in the employer interviews was the way that remote work has changed. Specifically, employers were asked about how the proportion of employees that worked from home changed from the pre-Covid-19 period to the time of the interview. These patterns are presented in Table 2 for all respondents. Proportions in each matrix, together with the proportion of respondents with no response, sum to 100. According to the weighted estimates, summing the proportions on the diagonal reveals that nearly three fifths of respondents reported no change in the proportion of employees working from home over the period.⁵ Of these, the vast majority, accounting for 45% of all respondents, reported no employees working from home either in the pre-Covid-19 period or at the time of the interview. This does not necessarily mean that the pandemic had no impact on the frequency of remote work for these employers in relation to those who may have simply reverted to their pre-Covid-19 mode of operation.

TABLE 2: Changes in proportion of employees working from home

| ALL RESPONDENTS | | | | | | | | | | | | | | | |
|-----------------|--------|----------------------|----------|----------|----------|----------|-------|--------------|--------|----------------------|----------|----------|----------|----------|-------|
| Weighted | | | | | | | | Unweighted | | | | | | | |
| | | AT TIME OF INTERVIEW | | | | | | | | AT TIME OF INTERVIEW | | | | | |
| | | 0% | 1-25% | 26-50% | 51-75% | 76%+ | TOTAL | | | 0% | 1-25% | 26-50% | 51-75% | 76%+ | TOTAL |
| Pre-Covid-19 | 0% | 45 | 11 | 6 | 1 | 1 | 65 | Pre-Covid-19 | 0% | 46 | 11 | 4 | 2 | 3 | 65 |
| | 1-25% | 3 | 5 | 6 | 1 | 0 | 15 | | 1-25% | 5 | 4 | 3 | 1 | 1 | 14 |
| | 26-50% | 2 | 0 | 4 | 0 | 0 | 6 | | 26-50% | 3 | 0 | 2 | 0 | 0 | 5 |
| | 51-75% | 3 | 0 | 0 | 1 | 0 | 4 | | 51-75% | 3 | 0 | 0 | 1 | 0 | 5 |
| | 76%+ | 1 | 0 | 0 | 1 | 2 | 4 | | 76%+ | 2 | 0 | 0 | 0 | 1 | 4 |
| | Total | 54 | 17 | 15 | 4 | 4 | 94 | | Total | 59 | 16 | 8 | 4 | 5 | 92 |
| No response | | | | | | | 6 | No response | | | | | | | 8 |

Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

PSETA did not provide responses to this question. Bold figures on the diagonal axis represent no significant change over the period. Figures above the diagonal point reflect increased rates of remote working, while those below the diagonal reflect decreased rates of remote working.

⁵ Given that four of the five categories used are bands spanning 25 percentage points, the diagonal does not represent no change; rather, it represents no change large enough to cause the employer to switch categories.

The data suggests an increase in the frequency of working from home among the respondent employers over the period assessed. Around two thirds (65%) of respondents reported no staff working from home pre-Covid-19, and 15% had up to 25% of their staff working from home. In contrast, at the time of the survey in 2022, 54% of respondents had no staff working from home, while just under a third (32%) reported proportions of up to 50% working remotely. Just 8% of respondents reported a majority of their staff working from home in either of the two periods. The largest changes observed included a shift of 11% of respondents who had no employees working from home to having up to 25% working remotely, as well as two shifts of 6% of respondents each from 0% and 1–25% to 26–50% of employees working from home. No other shifts accounted for more than 3% of respondents.

These shifts have been somewhat different depending on the size of the employer (see Table 3). Interestingly, pre-Covid-19, the practice of working from home appears to have been more common among respondents from small employers. Just 59% of small employers who were interviewed reported that no employees were working from home prior to Covid-19, compared to 71% and 74% of respondents from medium and large employers, respectively. By the time of the interviews, however, the results had changed dramatically: while the proportion of respondents reporting no employees working from home fell marginally to 56% among small employers, the decline was 14 percentage points to 57% among medium employers and 27 percentage points to 47% among large employers, thereby completely reversing the order.

TABLE 3: Changes in proportion of employees working from home, by employer size

| SMALL EMPLOYERS | | | | | | | | | | | | | | | |
|-----------------|----------------------|-----------|----------|----------|----------|----------|------------|----------------------|--------|-----------|----------|----------|----------|----------|----|
| Weighted | | | | | | | Unweighted | | | | | | | | |
| | AT TIME OF INTERVIEW | | | | | | | AT TIME OF INTERVIEW | | | | | | | |
| | 0% | 1–25% | 26–50% | 51–75% | 76%+ | TOTAL | | 0% | 1–25% | 26–50% | 51–75% | 76%+ | TOTAL | | |
| Pre-Covid-19 | 0% | 42 | 10 | 0 | 3 | 5 | 59 | Pre-Covid-19 | 0% | 35 | 7 | 0 | 2 | 1 | 45 |
| | 1–25% | 5 | 4 | 3 | 0 | 1 | 13 | | 1–25% | 5 | 3 | 2 | 0 | 1 | 10 |
| | 26–50% | 4 | 0 | 2 | 0 | 0 | 7 | | 26–50% | 4 | 0 | 1 | 0 | 0 | 5 |
| | 51–75% | 4 | 0 | 0 | 1 | 0 | 5 | | 51–75% | 5 | 1 | 0 | 1 | 0 | 6 |
| | 76%+ | 1 | 0 | 0 | 2 | 7 | 10 | | 76%+ | 2 | 0 | 0 | 1 | 3 | 5 |
| | Total | 56 | 14 | 6 | 5 | 13 | 94 | | Total | 50 | 10 | 3 | 3 | 5 | 71 |
| No response | | | | | | | 6 | No response | | | | | | | 29 |

| MEDIUM EMPLOYERS | | | | | | | | | | | | | | | |
|------------------|--------|----------------------|----------|----------|----------|----------|-------|--------------|--------|----------------------|----------|----------|----------|----------|-------|
| Weighted | | | | | | | | Unweighted | | | | | | | |
| | | AT TIME OF INTERVIEW | | | | | | | | AT TIME OF INTERVIEW | | | | | |
| | | 0% | 1-25% | 26-50% | 51-75% | 76%+ | TOTAL | | | 0% | 1-25% | 26-50% | 51-75% | 76%+ | TOTAL |
| Pre-Covid-19 | 0% | 48 | 19 | 2 | 1 | 1 | 71 | Pre-Covid-19 | 0% | 43 | 14 | 3 | 1 | 1 | 63 |
| | 1-25% | 1 | 1 | 4 | 3 | 0 | 8 | | 1-25% | 2 | 1 | 1 | 2 | 0 | 7 |
| | 26-50% | 1 | 0 | 4 | 0 | 0 | 4 | | 26-50% | 1 | 0 | 1 | 0 | 0 | 2 |
| | 51-75% | 7 | 0 | 0 | 1 | 1 | 9 | | 51-75% | 5 | 0 | 0 | 2 | 1 | 8 |
| | 76%+ | 0 | 0 | 0 | 0 | 0 | 0 | | 76%+ | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 57 | 20 | 9 | 5 | 1 | 93 | | Total | 51 | 15 | 6 | 6 | 2 | 80 |
| No response | | | | | | | 7 | No response | | | | | | | 20 |

| LARGE EMPLOYERS | | | | | | | | | | | | | | | |
|-----------------|--------|----------------------|----------|----------|----------|----------|-------|--------------|--------|----------------------|----------|----------|----------|----------|-------|
| Weighted | | | | | | | | Unweighted | | | | | | | |
| | | AT TIME OF INTERVIEW | | | | | | | | AT TIME OF INTERVIEW | | | | | |
| | | 0% | 1-25% | 26-50% | 51-75% | 76%+ | TOTAL | | | 0% | 1-25% | 26-50% | 51-75% | 76%+ | TOTAL |
| Pre-Covid-19 | 0% | 44 | 14 | 14 | 1 | 1 | 74 | Pre-Covid-19 | 0% | 35 | 9 | 6 | 1 | 2 | 54 |
| | 1-25% | 2 | 6 | 4 | 0 | 0 | 13 | | 1-25% | 2 | 6 | 3 | 1 | 1 | 12 |
| | 26-50% | 0 | 0 | 4 | 0 | 0 | 4 | | 26-50% | 0 | 0 | 3 | 0 | 0 | 3 |
| | 51-75% | 1 | 0 | 0 | 1 | 0 | 1 | | 51-75% | 1 | 0 | 0 | 1 | 0 | 1 |
| | 76%+ | 1 | 1 | 0 | 0 | 0 | 1 | | 76%+ | 1 | 1 | 0 | 0 | 0 | 1 |
| | Total | 47 | 20 | 22 | 2 | 2 | 93 | | Total | 39 | 15 | 12 | 2 | 2 | 71 |
| No response | | | | | | | 7 | No response | | | | | | | 29 |

Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

Small employers are defined as having 1-50 employees, medium employers have 51-150 employees, and large employers have 151 or more employees. Estimates by the employer size exclude responses from ETDP SETA, Fasset, FP&M SETA, and MICT SETA as categorisation of responses was inconsistent with the stated size distribution of employers interviewed. PSETA did not provide responses to this question. Bold figures on the diagonal axis represent no significant change over the period. Figures above the diagonal point reflect increased rates of remote working, while those below the diagonal reflect decreased rates of remote working.

Interestingly, the proportions of respondents reporting no change in the the number of employees working from home was very similar, irrespective of the size of the employer. Thus, 56% of respondents

from small employers lie on the diagonal axis of the matrix, as do 54% of those from medium employers and 55% of those from large employers. Declines in the extent of work from home were observed for 16% of small employer respondents, 9% of those from medium employers, and 5% of those from large employers, again pointing to the increased acceptance of remote work particularly among larger employers.

The biggest shift reported by respondents from small employers was a 10-percentage-point shift from no employees working from home pre-Covid-19 to up to 25% of employees working from home at the time of the interview. This was also the largest shift among medium employers, accounting for 19% of respondents. Among large employers, there were two equally strong shifts that dominated the results: 14% of respondents saw the proportion of staff working from home increase from 0% to 1–25%, and another 14% increased from 0% to 26–50%. Thus, one fifth of respondents from large employers had up to a quarter of their staff working from home at the time at the interviews (the same proportion as for medium employers), while another one fifth had between 26% and 50% of staff working from home (more than double the proportion for medium employers).

3.3.3 New roles and responsibilities

The Covid-19 pandemic also appears to have required changes to workers' roles and responsibilities, with roughly half the respondents indicating that at least some employees saw changes to their positions (see Table 4). Among all respondents, 51.2% reported that changes to roles and responsibilities impacted none of the employees, while 31.5% saw changes impacting up to 25% of employees, and a further 8.9% implemented changes for 26–50% of employees. Broader impacts of new roles and responsibilities are much less common: just over 6% of respondents indicated that a majority of employees were impacted.

TABLE 4: Proportion of employees with new roles and responsibilities due to Covid-19, by employer size

| PROPORTION OF STAFF WITH NEW ROLES AND RESPONSIBILITIES | WEIGHTED | | | | UNWEIGHTED | | | |
|---|----------|--------|-------|-------|------------|--------|-------|-------|
| | Small | Medium | Large | All | Small | Medium | Large | All |
| None (0%) | 50.2 | 49.8 | 53.9 | 51.2 | 50.0 | 48.9 | 49.7 | 52.4 |
| 1%–25% | 26.6 | 37.6 | 33.3 | 31.5 | 26.2 | 35.2 | 31.5 | 31.4 |
| 26%–50% | 8.3 | 9.0 | 9.0 | 8.9 | 7.7 | 8.0 | 9.4 | 9.8 |
| 51%–75% | 7.4 | 2.3 | 0.8 | 3.1 | 6.0 | 3.4 | 0.6 | 3.4 |
| 76%–100% | 5.0 | 1.2 | 0.4 | 3.2 | 3.6 | 2.3 | 0.6 | 2.1 |
| No response | 2.5 | 0.0 | 2.6 | 2.2 | 6.6 | 2.3 | 8.3 | 0.9 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

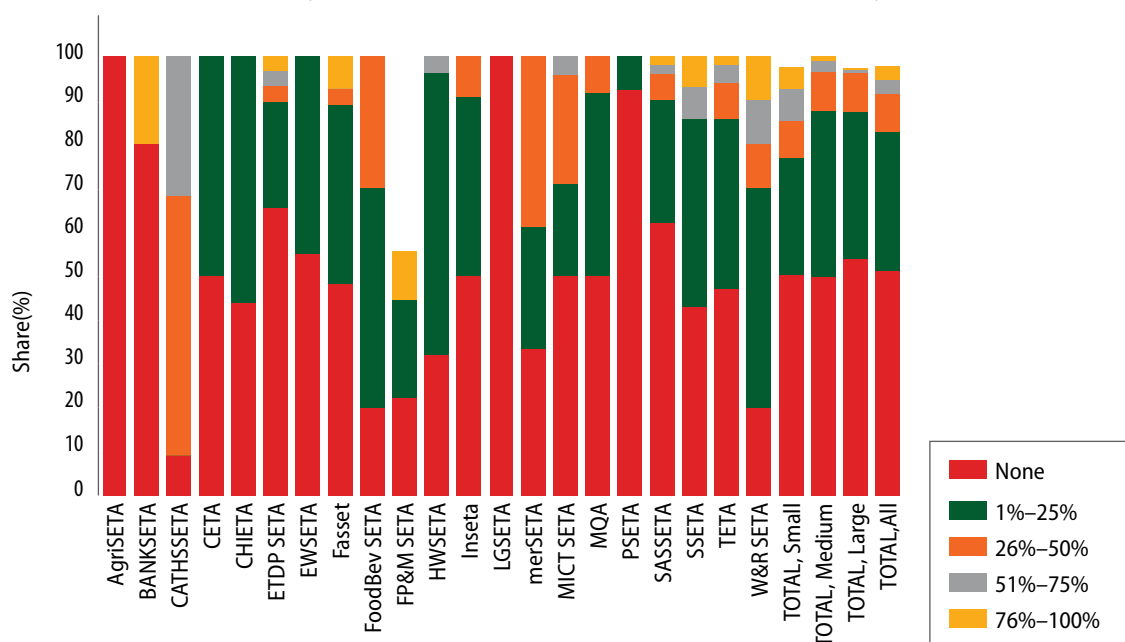
Small employers are defined as having 1–50 employees, medium employers have 51–150 employees, and large employers have 151 or more employees. Both sets of estimates exclude responses from MICT SETA as categorisation of responses was inconsistent with the stated size distribution of employers interviewed.

While the proportions of respondents reporting that none of their staff members' roles and responsibilities were impacted are similar across different firm sizes, ranging from 49.8% for medium

employers to 53.9% for large employers, it is clear from the data that smaller employers were more likely to see changes to their employees' roles and responsibilities. New roles and responsibilities were confined to up to 25% of employees for a third of large employers (33.3%) and 37.6% of medium employers. In contrast, this was the case for 26.6% of small employers. This means that, while new roles and responsibilities impacted more than half the employees in 1.2% of large employers and 3.5% of medium employers, this was true of 12.4% of small employers. This result is not surprising given that their low numbers of employees mean that small employers had less scope to cushion workers from changes to roles and responsibilities as necessitated by the pandemic.

No respondents reported any staff impacted by new roles and responsibilities in AgriSETA and LGSETA, while 92% of PSETA respondents and 80% of BANKSETA respondents indicated that no staff were impacted (see Figure 8). In contrast, this was the case for just 9% of CATHSSETA respondents and 20% of respondents from FoodBev SETA and W&R SETA. For most SETAs, the majority of the respondents who indicated new roles and responsibilities for at least some of their staff reported that this impacted no more than a quarter of their total staff.

FIGURE 8: Proportion of employees with new roles and responsibilities due to Covid-19, by SETA



Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

SETA-specific estimates reflect the distribution of respondents within each SETA, irrespective of whether SETAs correctly categorised these responses against the employer size (as long as the number of responses to this question was less than or equal to the number of reported interviews). Total figures are weighted.

The introduction of new roles and responsibilities to a majority of staff was most common in CATHSSETA (32% of respondents), BANKSETA (20%), W&R SETA (20%), SSETA (14%), and FP&M SETA (11%). While CATHSSETA employers who reported new roles and responsibilities for the majority of staff indicated that this impacted 50–75% of employees, their counterparts in BANKSETA and FP&M SETA all reported that it impacted 76–100% of staff, indicating more extensive changes.

3.3.4 Prioritisation of skills development

According to the weighted data, four out of five respondents indicated that skills development would be a high priority over the 12-month period following the interviews (see Table 5). A further 15.6% indicated that it would be a medium priority, and just 5.3% viewed it as a low priority. Respondents from large employers were more likely than those from smaller employers to view skills development as a high priority (79.4% compared to 73.3% for medium employers and 71.7% for small employers). As a result, respondents from small employers identified skills development as a low priority more often than those from medium and large employers (8.0% compared to 2.8% of respondents from medium employers and 4.9% of large employers). These figures are, however, somewhat impacted by high rates of non-response and the fact that responses for six SETAs exceeded the total number of interviews conducted.

TABLE 5: Prioritisation of skills development over the 12-month period following the interviews, by employer size

| | WEIGHTED | | | | UNWEIGHTED | | | |
|-----------------|----------|--------|-------|-------|------------|--------|-------|-------|
| | Small | Medium | Large | All | Small | Medium | Large | All |
| High priority | 71.7 | 73.3 | 79.4 | 78.3 | 44.0 | 40.9 | 48.6 | 49.4 |
| Medium priority | 20.3 | 23.2 | 14.1 | 15.6 | 13.7 | 20.5 | 11.0 | 15.1 |
| Low priority | 8.0 | 2.8 | 4.9 | 5.3 | 6.0 | 3.4 | 1.1 | 3.7 |
| No response | 0.0 | 0.6 | 1.5 | 0.9 | 36.3 | 35.2 | 39.2 | 31.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

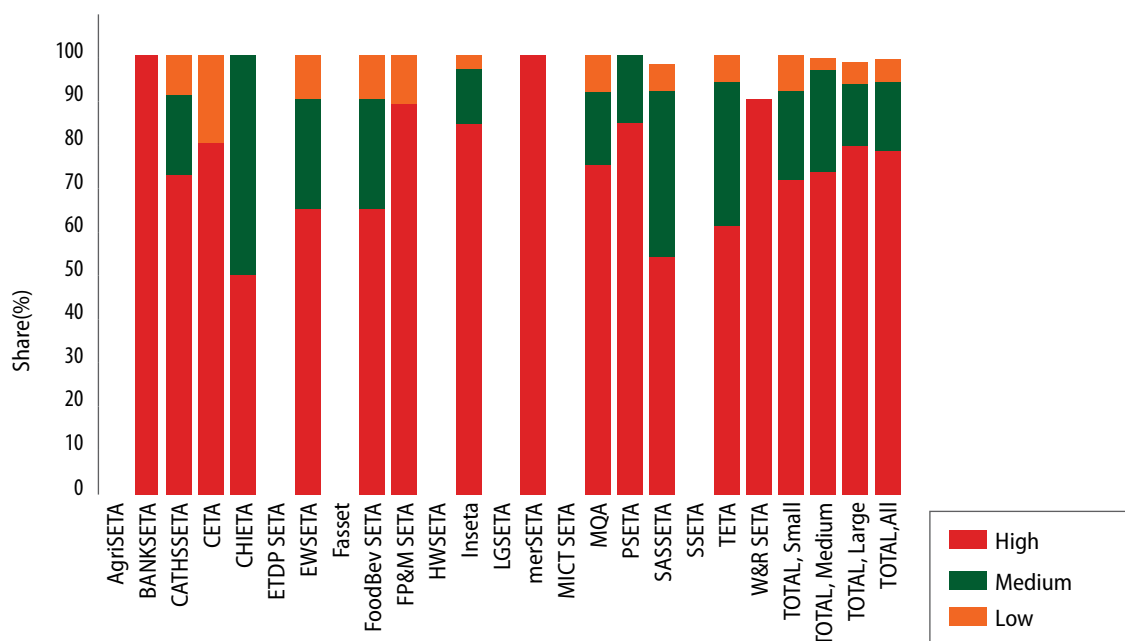
Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

Small employers are defined as having 1–50 employees, medium employers have 51–150 employees, and large employers have 151 or more employees. Both sets of estimates exclude responses from AgriSETA, ETDP SETA, Fasset, HWSETA, LGSETA, MICT SETA, and SSETA as categorisation of responses was inconsistent with the stated size distribution of employers interviewed.

Unsurprisingly, given the high proportions of respondents identifying skills development as a high priority over the next 12 months, this was true for at least half the respondents in each of the SETAs with consistent data (see Figure 9). The highest proportions for high priority are found in BANKSETA (100%), merSETA (100%), FoodBev SETA (90%), and W&R SETA (90%). On the other hand, this result was true for only 50% of CHIETA respondents and 54% of SASSETA respondents. CETA respondents were more likely than those from other SETAs to view skills development as a low priority (20%), followed by FP&M SETA (11%) and EWSETA (10%).

FIGURE 9: Prioritisation of skills development over the 12-month period following the interviews, by SETA



Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

SETA-specific estimates reflect the distribution of respondents within each SETA, irrespective of whether SETAs correctly categorised these responses against the employer size (as long as the number of responses to this question was less than or equal to the number of reported interviews). Total figures are weighted.

Analysing the reasons provided by respondents for their specific assessments of the degree to which they prioritise skills development reveals a broad acknowledgement of the positive impacts of skills development. Thus, irrespective of whether respondents assign a high, medium, or low priority, readers find references to the positive impact of skills development on worker productivity, worker well-being, worker retention and, importantly, the overall performance of the organisation, and it is clear that employers value these positive impacts. At the same time, it is also clear that, for many respondents, Covid-19 disrupted training plans by stalling or slowing the delivery of training or by necessitating different types of training. This is aside from the direct economic impact of Covid-19 that may have made it more difficult for employers to be able to afford training.

Respondents provided a wide range of reasons for their level of prioritisation of skills development. Table 6 provides an overview of the main reasons why respondents viewed skills development as a high priority, also noting which SETAs respondents belonged to. The reasons are not listed here in order of importance. Rather, they are roughly ordered with ‘pull’ reasons towards the top of the list and ‘push’ reasons towards the bottom of the list. It should be noted that readers should not infer too much from the frequency with which SETAs feature in the table as this is dependent on the number of reasons submitted by the SETAs, as well as the extent to which these reasons fell within the broad categories of reasons presented here.

TABLE 6: Key reasons for skills development being a high priority, by employer size

| | SMALL | MEDIUM | LARGE |
|---|---|-------------------------------|--|
| Skills development as a continual focus | BANKSETA, FP&M SETA | HWSETA, TETA | AgriSETA, ETDP SETA, Inseta, MQA, SASSETA, TETA, W&R SETA |
| Skills development provides a competitive edge | AgriSETA, CETA, CATHSSETA, SSETA | AgriSETA, FP&M SETA | |
| Business needs (expansion, changing products, transformation) | Inseta, MQA, SASSETA, SSETA | ETDP SETA, PSETA, SSETA | CHIETA, Inseta, merSETA, SSETA, TETA, W&R SETA |
| Changing business environment | MICT SETA | Inseta, merSETA, SSETA | |
| Need for multiskilling, new/emerging tasks, reskilling | CETA, TETA | Fasset, TETA, W&R SETA | CATHSSETA, CHIETA, ETDP SETA, FP&M SETA, PSETA, SASSETA, SSETA, TETA |
| Dire need in rural areas | BANKSETA, CATHSSETA | SASSETA | |
| Regulatory, licensing requirement, legislative demands, BBBEE | CATHSSETA, CHIETA | ETDP SETA, HWSETA, Inseta | CATHSSETA, CETA, ETDP SETA, LGSETA, SSETA |
| Staff turnover, ageing workforce, employing younger staff | FoodBev SETA, FP&M SETA, HWSETA, Inseta | CHIETA, HWSETA, Inseta, SSETA | CHIETA, ETDP SETA, SASSETA |

Source: Compiled from SETA interviews with employers 2022 dataset.

For many respondents, skills development is viewed as a continual focus for the organisation, often linked to strategic plans, thereby ensuring that the activity is viewed as a high priority. Respondents, particularly in small and medium employers, prioritised skills development because they viewed it as conveying a competitive edge to their organisations, helping them to compete in their industries and better attract customers. These two reasons are probably the clearest in terms of being ‘pull’ reasons, encouraging the prioritisation of skills development rather than forcing it.

At the opposite end of the spectrum, various respondents cited regulatory or licensing requirements, legislative demands, or BBBEE compliance as the reasons why they attach a high priority to skills development. Interestingly, some respondents attached a lower priority to skills development for the same reason, indicating that the licensing or regulatory requirements meant that they did not need to focus as keenly on skills development since their employees already met these requirements. Other ‘push’ reasons centre around issues of staff turnover, the need to be prepared for the rapid exit of their ageing workforce as they reach retirement age, and the relatively high proportion of young people within new hires.

However, reasons in this category can be quite nuanced. Thus, while many see staff turnover as driving the need for skills development—to bring new workers up to speed, for example—some respondents indicated that high staff turnover meant that they did not need to do as much training, presumably because of the infusion of new skills through this process. An ageing workforce may generally boost the

importance of skills development for employers, but also because this cohort may need to update their skills in the context of rapid technological change.

It is also clear that there are various operational reasons for prioritising skills development. Thus, various respondents cited the expansion of their operations, changes in products and technology, and efforts to transform their workforces as reasons underpinning the prioritisation of skills development. Furthermore, a number of employers highlighted the importance of skills development in facilitating processes of multiskilling, reskilling, and upskilling, as well as in helping employers prepare their employees for new and emerging tasks. Relatedly, some employers cited changes in the business environment, which typically occur rapidly, as reasons for prioritising skills development. Finally, a few employers specifically highlighted the dire need for skills development in rural areas as the reason for attaching a high priority to the activity.

For respondents that rated skills development as a medium or low priority, the reasons are quite different, although there is some overlap (see Table 7). That said, it is worth reiterating that respondents of all sizes frequently noted the benefits of skills development, irrespective of the degree to which they are prioritising the activity. The reasons noted in the table are listed in no particular order.

What is immediately clear from the table is that respondents who attach a medium or low priority to skills development frequently highlight financial constraints as a reason. In a number of instances, these were explicitly tied to the impact of Covid-19. Linked to this, some employers also highlighted the high costs associated with skills development, with some noting that this referred to both the actual cost of training as well as the associated costs (for example, transport costs to get people to the training venue).

A number of respondents explicitly referenced the trade-offs that they are often forced to make and that these have meant lower prioritisation of skills development activities. Interestingly, this is particularly evident among respondents from small employers, with no large employers providing this as a reason for assigning a medium or low priority. This speaks directly to the particular constraints facing small employers especially, whether these be financial or capacity constraints.

TABLE 7: Key reasons for skills development being a medium or low priority, by employer size

| | SMALL | | MEDIUM | | LARGE | |
|--|--------------------------------------|-----------------------------------|-------------|---------|--|------------------|
| | Medium | Low | Medium | Low | Medium | Low |
| Financial constraints, expensive training | CATHSSETA, ETDP SETA, SASSETA, SSETA | CATHSSETA, EWSETA, SASSETA, SSETA | CHIETA, MQA | SASSETA | CHIETA, ETDP SETA, EWSETA, FoodBev SETA, Inseta, LGSETA, SASSETA, TETA | CATHSSETA, SSETA |
| Skills development balanced with other demands | CHIETA, EWSETA, SASSETA, SSETA | SASSETA | SASSETA | | | |

| | SMALL | | MEDIUM | | LARGE | |
|--|----------------|-------------------|---------------------------------|------|-------------------|-----|
| | Medium | Low | Medium | Low | Medium | Low |
| Skills development as a continual focus | CHIETA, Inseta | | CATHSSETA, CHIETA, SASSETA TETA | | EWSETA | |
| Workers already have the necessary skills (or few skills gaps) | EWSETA | CETA, Inseta, MQA | TETA | | | |
| Changing business environment | SASSETA | EWSETA | MQA | TETA | CHIETA, MICT SETA | |

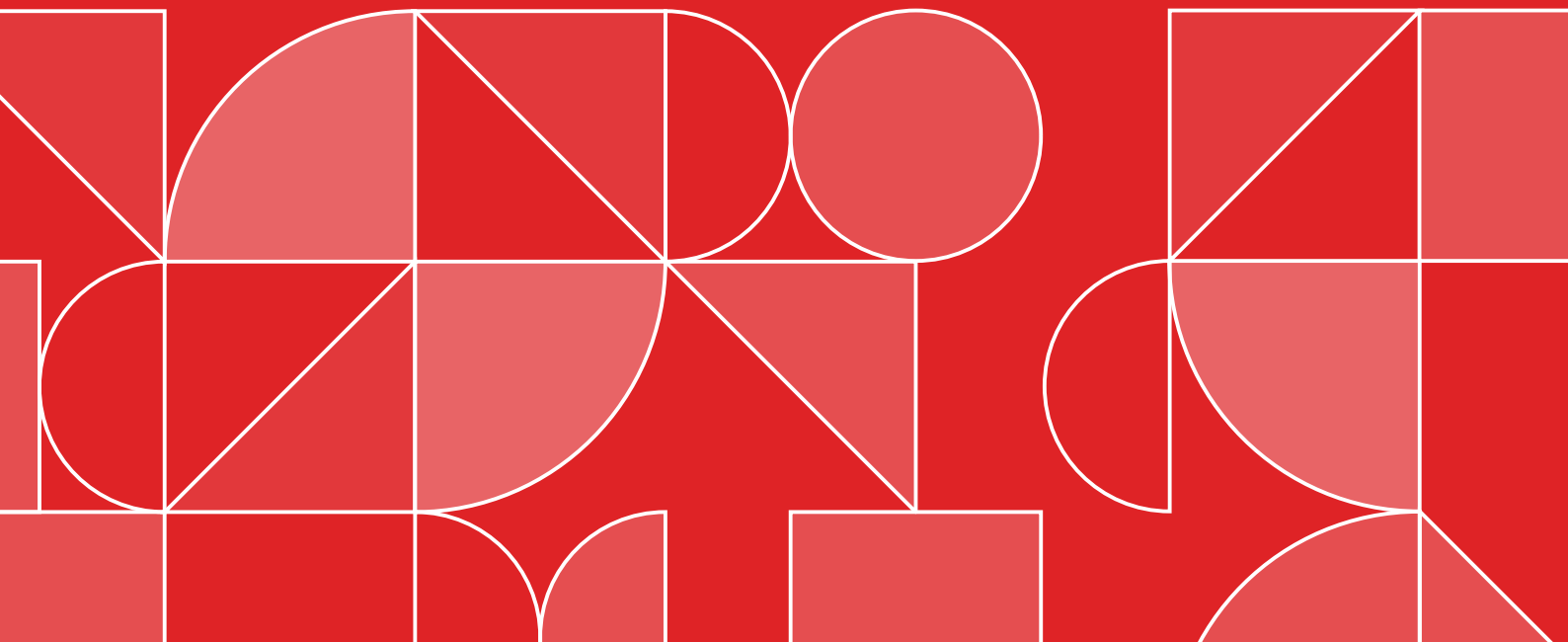
Source: Compiled from SETA interviews with employers 2022 dataset.

Interestingly, several respondents who assigned a medium priority to skills development noted that their organisations held this as an ongoing focus. In some instances, it appeared that this ongoing focus meant that it was not deemed necessary to attach a high priority to the activity given the longer-term benefits that these organisations were reaping. Importantly, however, no respondent that viewed skills development as a continual focus area attached a low priority to the activity.

Some respondents believed that their employees already had the necessary skills or that there were only a few skills gaps that had been identified, and they therefore attached a lower priority to skills development. Obviously, this would need to be continually revisited given changing circumstances and expectations for workers in their particular occupations. The dynamic business environment, perhaps also linked to financial constraints, was provided as a reason for a medium or low prioritisation of skills development by respondents across all three size categories. This often seems to entail the diverting of management attention to responding appropriately to these changes, ensuring the continued operation of the organisation and the employment of workers. Although over the longer term, placing a low priority on skills development for employees may have negative impacts on these organisations.

PART 4

Skills



4.1 Hard-to-Fill Vacancies

The second section of the questionnaire focused on hard-to-fill vacancies (HTFVs). Specifically, employers in each SETA were first asked whether their organisation had any postings that had proven difficult to fill over the preceding 12 months. Following this question, if the organisation indicated that there were HTFVs at their organisation, they were asked to list the affected occupations, along with the relevant six-digit organising framework for occupations (OFO) code, and to provide reasons as to why this occupation constituted an HTFV. Across the 20 SETAs that provided responses, a total of 231 different occupations uniquely identified by OFO codes were reported as having HTFVs.⁶ A full list of these occupations, grouped by SETA, is provided in Table 17 of the Appendix.

Table 8 provides a list of the occupations at the six-digit OFO code level mentioned by at least two SETAs as being characterised by HTFVs. Of the 43 occupations on this list, almost half (21) are professionals (major group 2), while managers (major group 1) account for a further 11 occupations (just over a quarter of the list) and technicians and associate professionals (major group 3) account for six occupations. In contrast, three major group occupations do not feature on this list at all. These are service and sales workers (major group 5), plant and machine operators and assemblers (major group 7), and elementary occupations (major group 8). By this simple measure, the responses from the interviews confirm a skills bias to HTFVs in South Africa.

At the top of the list are two IT-related professional occupations, namely ICT systems analyst (2021-251101) and software developer (2021-251201), each mentioned by five SETAs. With four mentions each, these are followed by a mix of managerial, engineering, and IT occupations, namely finance manager (2021-121101), civil engineer (2021-214201), electrical engineer (2021-215101), management consultant (2021-242101), and computer network and systems engineer (2021-252301). Of these, all are professional occupations except for finance manager, which falls under major group 1 (managers).

A further eight occupations are mentioned three times, all of which fall within the first four major groups (managers, professionals, technicians and associate professionals, and clerical support workers). It should be noted that six occupations—civil engineer (mentioned by four SETAs), quantity surveyor (three SETAs), industrial engineer, mechanical engineer, mechanical engineering technologist, and chemical engineer (all two SETAs)—may actually rank slightly higher as they fall within the three-digit code 2021-214 reported by the MQA sector. Multiple mentions across SETAs suggests that filling vacancies in these occupations may be less of a sector-specific issue and rather indicative of a general shortage of skills across the broader economy in the country.

Respondents were also asked about their reasons for the HTFVs they listed. The reasons provided as free-text responses were classified into 22 individual reasons, spread over four main categories. The categories included worker-specific reasons (lack of relevant experience, qualifications, knowledge/skills, soft skills, or individuals being over- or underskilled), job-specific reasons (changing job requirements, emerging occupations, geographical location, remuneration, or working conditions), firm- or sector-specific reasons (competition for workers, equity considerations, financial constraints, firm-specific challenges, the sector being less attractive, or slow recruitment processes), and other reasons (lack of candidates, no/few qualifications, problems in the skills pipelines, regulatory changes, scarce skills, or other reasons).

⁶ merSETA indicated that it was too difficult to provide OFO codes for HTFVs, and thus did not pose this question to employers.

TABLE 8: Occupations with HTFVs most frequently mentioned by SETAs

| OCCUPATION DESCRIPTION | OFO CODE | SETAS |
|---------------------------------------|--------------|-------|
| ICT systems analyst | 2021-251101 | 5 |
| Software developer | 2021-251201 | 5 |
| Finance manager | 2021-121101 | 4 |
| Civil engineer | 2021-214201* | 4 |
| Electrical engineer | 2021-215101 | 4 |
| Management consultant | 2021-242101 | 4 |
| Computer network and systems engineer | 2021-252301 | 4 |
| Programme or project manager | 2021-121905 | 3 |
| Engineering manager | 2021-132104 | 3 |
| Quantity surveyor | 2021-214904* | 3 |
| Internal auditor | 2021-242211 | 3 |
| Market research analyst | 2021-243102 | 3 |
| Chemistry technician | 2021-311101 | 3 |
| Engineering supervisor | 2021-312103 | 3 |
| Programme or project administrator | 2021-441903 | 3 |
| Director (enterprise/organisation) | 2021-112101 | 2 |
| Health and safety manager | 2021-121206 | 2 |
| Corporate general manager | 2021-121901 | 2 |
| Sales and marketing manager | 2021-122101 | 2 |
| Sales manager | 2021-122102 | 2 |
| Manufacturing operations manager | 2021-132102 | 2 |
| Small business manager | 2021-134903 | 2 |
| Facilities manager | 2021-143901 | 2 |
| Food and beverage scientist | 2021-213205 | 2 |
| Industrial engineer | 2021-214101* | 2 |
| Mechanical engineer | 2021-214401* | 2 |
| Mechanical engineering technologist | 2021-214402* | 2 |
| Chemical engineer | 2021-214501* | 2 |
| General medical practitioner | 2021-221101 | 2 |
| Retail pharmacist | 2021-226203 | 2 |
| Financial investment advisor | 2021-241301 | 2 |
| Marketing practitioner | 2021-243103 | 2 |
| Data scientist | 2021-251102 | 2 |
| Developer/programmer | 2021-251203 | 2 |

| OCCUPATION DESCRIPTION | OFO CODE | SETAS |
|--|-------------|-------|
| ICT security specialist | 2021-252901 | 2 |
| Electronic engineering technician | 2021-311401 | 2 |
| Water process controller | 2021-313203 | 2 |
| Metal manufacturing process control technician | 2021-313501 | 2 |
| Insurance agent | 2021-332101 | 2 |
| Data entry operator | 2021-413201 | 2 |
| Boiler maker | 2021-651302 | 2 |
| Fitter and turner | 2021-652302 | 2 |
| Millwright | 2021-671202 | 2 |

Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

merSETA did not pose this question to interviewees. PSETA provided no OFO codes, and some SETAs did not provide OFO codes for all occupations listed. In addition, MQA lists engineering professionals (excluding those in electrotechnology) at the three-digit level (OFO code 2021-214), which covers occupations at the six-digit level marked with an asterisk (*).

Of the 20 SETAs reporting HTFVs, 19 provided reasons for these vacancies. In order to obtain an understanding of the extent to which these challenges pervade across the South African economy, Figure 10 shows the number of SETAs (out of 19) that indicated a given reason for HTFVs. The results show that across all SETAs, the most pervasive reasons for HTFVs were worker-specific reasons, particularly workers lacking the relevant experience (reported by 16, or 84.2% of, SETAs) and workers lacking relevant qualifications (reported by 15, or 78.9% of, SETAs). This result matches the findings of Oosthuizen and De Villiers (2022), who also noted that a lack of experience and qualifications were the two most prevalent reasons for HTFVs across SETAs in 2021.

FIGURE 10: Reasons for HTFVs



Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

BankSETA and merSETA did not provide answers to this question. Thus, the maximum number of SETAs that can report a given reason is 19. Original responses were recoded into the above categories.

Further common reasons for HTFVs include scarce skills (reported by 13, or 68.4% of, SETAs) and the geographical location of the job, or challenges in providing competitive remuneration for the job (each reported by 12, or 63.2% of, SETAs). Equity considerations are also a large concern reported by just over half the SETAs (10). “Other” reasons for HTFVs are reported by nine of the 19 SETAs and include reasons such as the emigration of suitable candidates, preferences for contract work rather than permanent employment, and poor career path prospects for particular occupations.

A further breakdown of the reasons for HTFVs by SETA is provided in Table 9. This table indicates exactly which of the 22 reasons for HTFVs were listed by each SETA. SETAs listed between three and 12 reasons for HTFVs, with an average of approximately seven reasons per SETA. The SETAs that listed the broadest range of reasons for HTFVs were SSETA and HWSETA, with 12 of the 22 reasons indicated. Closely behind them are AgriSETA and SASSETA, each reporting 11 of the 22 reasons. SETAs with the lowest number of reasons cited for HTFVs are MICT SETA (reporting only three of the 22 reasons) and CATHSETA, CETA, and FoodBev SETA (each reporting four of the 22 reasons). Although these SETAs recorded the lowest number of reasons, this should not be taken to indicate that they have the smallest challenge in HTFVs. It is perhaps rather indicative that the reasons for vacancies are more concentrated among a smaller, narrower field of reasons, possibly because of the scope of the SETA or the type of occupations required by organisations within that SETA.

TABLE 9: Reasons for HTFVs, by SETA

| | AGRISETA | BANKSETA | CATHSETA | CETA | CHIETA | ETDP SETA | EWSSETA | FASSET | FOODBEV SETA | FP&M SETA | HWSETA | INSETA | LGSETA | MERSETA | MICT SETA | MOA | PSETA | SASSETA | SSETA | TETA | W&R SETA |
|----------------------------|---------------------------------------|----------|----------|------|--------|-----------|---------|--------|--------------|-----------|--------|--------|--------|---------|-----------|-----|-------|---------|-------|------|----------|
| Worker-specific | Lack relevant experience | X | | X | X | X | X | | X | | X | X | X | | X | X | X | X | X | X | X |
| | Lack relevant qualification | X | | X | X | X | X | | X | | X | X | X | | X | X | | X | X | X | X |
| | Lack sector-specific knowledge/skills | X | | | X | X | | | | | X | X | | | | | | X | X | | |
| | Lack soft skills | X | | | | X | | | X | | | | | | | | | X | X | | |
| | Over- or under-skilled | | | | | | | | | | | | | | | | | X | | | |
| Job-specific | Changing job requirements | | | | X | | | | X | | X | | | | | | | | X | | |
| | Emerging occupation | | | | | | | | | | | | | | | | | X | | | |
| | Geographical location | X | | X | X | X | X | | X | | X | | | | | | | X | X | X | X |
| | Remuneration | | | | | X | X | X | | | X | X | | | | | | X | X | X | X |
| | Working conditions | X | | | | | | | | | | | | | | | | X | | X | |
| Firm/sector-specific | Competition for workers | | | | | | | | | | X | X | | | X | X | | X | X | X | X |
| | Equity considerations | X | | | X | X | X | | | | X | X | | | | | | X | X | | X |
| | Financial constraints | | | | | | | X | | | | X | | | | | X | | | | |
| | Firm-specific challenges | | | | | | | X | | | | | | | | | | | | | |
| | Sector is less attractive | X | | | | | X | | X | | | | X | | | | | | | | X |
| Slow recruitment processes | | | | | | | X | | | | | X | X | | | | | | | | |

| | AGRISETA | BANKSETA | CATHSETA | CETA | CHIETA | ETDP SETA | EWSSETA | FASSET | FOODBEV SETA | FP&M SETA | HWSETA | INSETA | LGSETA | MERSETA | MICT SETA | MOA | PSETA | SASSETA | SSETA | TETA | W&R SETA | |
|-----------------------------|-----------|----------|----------|----------|----------|-----------|----------|----------|--------------|-----------|-----------|----------|----------|----------|-----------|----------|----------|-----------|-----------|----------|----------|----------|
| Lack of candidates | | | | | X | | | | | | X | | | | | | | | | | | |
| No/few qualifications | X | | | | | | | | X | | | | | | | | | | | | | |
| Problems in skills pipeline | | | | | | | | | | | X | | | | | X | | | | | | |
| Regulatory changes | | | | | | | | | | | | | | | | | | | | | | |
| Scarce skill | X | | | X | | X | | X | | X | X | X | | | | X | X | X | X | X | X | X |
| Other | X | | | X | | X | | | | | X | X | | | | | X | | | X | X | X |
| Count | 11 | - | 4 | 4 | 7 | 9 | 6 | 5 | 4 | 5 | 12 | 9 | 5 | - | 3 | 9 | 5 | 11 | 12 | 8 | 6 | 6 |

Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:
Original responses were recoded into the above categories.

Table 10 provides a list of the various reasons for HTFVs offered by employers for occupations mentioned by at least three SETAs as being characterised by HTFVs (see Table 8). Lack of qualifications, lack of experience, poor remuneration, and unfavourable geographic location of the position are the key reasons mentioned.

TABLE 10: Detailed reasons for HTFVs for occupations mentioned by at least three SETAs

| OCCUPATION DESCRIPTION | OFO CODE | REASONS |
|---------------------------------------|-------------|---|
| ICT systems analyst | 2021-251101 | Poor remuneration, unfavourable geographic location, highly sought after |
| Software developer | 2021-251201 | International competition for skills, highly sought after, poor remuneration, shortage of skilled candidates, shortage of experienced candidates |
| Finance manager | 2021-121101 | Poor remuneration, lack of relevant experience |
| Civil engineer | 2021-214201 | Lack of relevant qualifications, lack of relevant experience, sector is unattractive, ageing workforce |
| Electrical engineer | 2021-215101 | Lack of relevant qualifications, lack of relevant experience |
| Management consultant | 2021-242101 | Lack of relevant qualifications, lack of relevant experience, lack of required skills, poor remuneration |
| Computer network and systems engineer | 2021-252301 | Lack of relevant qualifications, lack of relevant experience, highly sought after |
| Programme or project manager | 2021-121905 | Unfavourable geographic location, lack of relevant experience, equity considerations |
| Engineering manager | 2021-132104 | Lack of relevant qualifications, lack of relevant experience, unfavourable geographic location |
| Quantity surveyor | 2021-214904 | Lack of relevant qualifications, lack of relevant experience |
| Internal auditor | 2021-242211 | Poor remuneration, lack of relevant qualifications |
| Market research analyst | 2021-243102 | Lack of relevant qualifications, lack of relevant experience, poor remuneration, lack of required skills, equity considerations |
| Chemistry technician | 2021-311101 | Lack of interest in employer, lack of experience or qualifications among youth |
| Engineering supervisor | 2021-312103 | Lack of relevant qualifications, poor remuneration, lack of relevant experience, unfavourable geographic location, international competition for skills |
| Programme or project administrators | 2021-441903 | Poor remuneration |

Source: Own calculations, SETA interviews with employers 2022 dataset.

4.2 Skills Gaps

Section 3 of the questionnaire asked employers to list the top three skills gaps that most commonly occur within their organisations. As Khuluvhe et al. explain in their 2022 study, a skills gap is defined as an instance where a worker is lacking in one or more particular skills that are required for them to effectively perform their job. Employers were specifically asked to provide skills gaps across three different occupational groupings: high-level occupations (managers and professionals), mid-level occupations (technicians, associate professionals, artisans, and clerical occupations), and lower-level occupations (plant operators and elementary occupations).

For each occupation grouping, each SETA was asked to provide the top three skills gaps as reported during the employer interviews. These responses were then recoded and simplified for easier analysis, while keeping responses as close as possible to their original form. Due to certain inapplicable responses being recorded and cleaned out, this ultimately resulted in a total of 66 individual skills gaps for high-level occupations, 62 individual skills gaps for mid-level occupations, and 60 individual skills gaps for lower-level occupations. The results of the skills gaps for each occupation group are presented in Figure 11 (high-level occupations), Figure 12 (mid-level occupations), and Figure 13 (lower-level occupations). In each case, the size of the text is directly proportional to the number of times a given skills gap was mentioned across SETAs, whereas larger text indicates more frequent mentions of a given skills gap.

Figure 11 shows the skills gaps most commonly reported for high-level occupations (managers and professionals). The most common skills gaps reported across SETAs were for leadership (reported 14 times), communication (reported six times) and project management (reported five times). These responses clearly indicate a shortage of individuals with general leadership and management skills in high-level occupations. While general management skills gaps are noted as important, supply chain management, financial management, and remote work management are also listed as more management-related skills gaps, indicating a need for both general and organisation- or occupation-specific management skills. In addition, soft skills such as communication, emotional intelligence, decision-making skills, critical thinking, and independence are also mentioned by employers.

FIGURE 11: Skills gaps in high-level occupations



Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:
High-level occupations refer to managers and professionals.

4.3 Change Drivers

Change drivers are those factors, both within and outside of organisations, that encourage changes in the operations of an organisation. They can fundamentally change the way organisations operate through the types of activities they engage in or through the types of technology they employ, but they can also have large impacts on the types of skills that organisations demand in the future or the types of training interventions organisations may opt to engage in.

As part of the interviews conducted in this study, employers were asked to identify up to three major change drivers that they had experienced in their organisations and to discuss what impact these drivers would have for the promotion of skills development in the organisations. Table 11 presents a summary of the major change drivers listed by employers within each SETAs and their distribution across SETAs. Change drivers were classified within 11 categories:

- Covid-19
- Remote working
- Technology
- Political environment
- Economic environment
- Legislation, regulation, and compliance
- Transformation
- Climate change, environment, and green technology
- Industry-specific
- Education and training
- Other

The types of change drivers that were captured in the “other” category include the expansion of the gig economy, constraints to service delivery, the implementation of research and development, and the presentation of varied growth opportunities.

Similar to the 2022 findings by Oosthuizen and De Villiers, SETAs in the 2022 employer interviews cited technology as the single largest change driver impacting their operations. This outcome was reported by 19 of the 21 SETAs, indicating a broad, cross-cutting theme of technology leading to real changes within organisations. Interestingly, however, in contrast to Oosthuizen and De Villiers’s findings cited above, the impact of Covid-19 has substantially dropped in importance for the majority of the SETAs. While this change driver is still reported by six SETAs, this number is substantially less than the 14 SETAs that mentioned it in 2021. This decrease could indicate that respondents had adapted to the impact the pandemic had had on their operations between 2021 and 2022, or—possibly more likely—that the return to normal operations following the end of the country’s national state of disaster in mid-2022 led to Covid-19 being considered a less critical driver of industrial change by employers.

It is also interesting to note that there are very few other change drivers that seem to be listed by a large proportion of SETAs. The second-most listed change driver was the economic environment, listed by eight out of 21 SETAs. The joint-third-most listed change drivers were Covid-19 and legislation, regulation, and compliance, which were listed by six out of 21 SETAs. Comparing this to Oosthuizen and De Villiers’s 2022 results, where the top three change drivers were listed by a minimum of 11 SETAs, it seems that the drivers of change for organisations in 2022 are much more concentrated in technological change than in any other areas.

TABLE 11: Major change drivers reported by employers, by SETA

| | AGRISETA | BANKSETA | CATHSETA | CETA | CHIETA | ETDP SETA | EWSSETA | FASSET | FOODBEV SETA | FP&M SETA | HWSETA | INSETA | LGSETA | MERSETA | MICT SETA | MOA | PSETA | SASSETA | SSETA | TETA | W&R SETA | COUNT |
|---|----------|----------|----------|------|--------|-----------|---------|--------|--------------|-----------|--------|--------|--------|---------|-----------|-----|-------|---------|-------|------|----------|-------|
| Covid-19 | | | X | | | X | X | | | | | X | | | | | | X | | | | 6 |
| Remote working | | X | | | | | | X | | | | | | | | | X | | | | | 3 |
| Technology | X | | X | X | X | X | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 19 |
| Political environment | X | | | | | | | | | | | | | | | | | | | | | 1 |
| Economic environment | | | | | | | X | | | X | X | | X | | | X | | X | | | X | 8 |
| Legislation, regulation, and compliance | | X | | X | X | X | | X | | | | | | | | | X | | | | | 6 |
| Transformation | | | | | | | | | X | | | | | | | | | | | | | 1 |
| Climate change, environment, green technology | X | | | | | | X | | X | | | | | X | | | | | | | | 4 |
| Industry-specific | | | | | | | | | | | X | X | | | | X | | | | X | | 4 |
| Education and training | | X | | X | X | | | | | | | | | X | | | | | | | X | 5 |
| Other | | | X | | | | | | X | | | | X | | | | | | | X | | 4 |

Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:
Original responses were recoded into the above categories.

Some of the key ideas emerging from the interviews in relation to the top change drivers and their implications for skills development are highlighted below.

Technology

Respondents highlighted the far-reaching effects of technology within their organisations through digitisation and automation and the simplification of processes, altogether changing the ways in which employers are organised and how they work. In addition, the shift to online work has also opened up new areas of concern for employers, particularly associated with privacy and cybersecurity risks. While technological change has been an important driver for some time, respondents have also acknowledged the way it manifested during the Covid-19 period, which accelerated or accentuated some of the underlying shifts that were already underway.

Organisations that adopt and adapt to changing technologies may enjoy significant benefits, with employers highlighting improvements in efficiency and in the quality of goods and services produced. As such, the ability to adopt new technologies is identified as key to competitiveness, with one SETA noting that technology is a “game changer” in terms of competitiveness. However, some respondents note that employers are not equally well-positioned in terms of being able to adopt new technologies. In particular, smaller employers may find themselves less able to adopt new technologies, potentially negatively impacting their competitiveness vis-à-vis larger employers.

This process of technological change and the accompanying pressures to adopt new technologies also pose challenges. Respondents highlight the fact that technological change is continuous, for example. It is therefore something that requires continual attention from employers in terms of keeping abreast of newly available technologies, but also in terms of ensuring that they have access to the appropriate levels and kinds of skills required to successfully employ these technologies. In changing ways of work, there seems to be broad agreement that technological change presents a strong incentive for upskilling and/or reskilling existing staff and that this entails not a one-off intervention but a continual effort at developing workers’ skills. In addition, employers are adjusting their recruitment strategies to ensure that they are able to find staff with the kinds of skills that are appropriate for the increasingly digitised and/or automated environment in which they operate. At the same time, technology is recognised as contributing to the retrenchment of staff. In responding to this need for reskilling or upskilling, respondents note the importance of curricula that are responsive to technological changes and are able to equip workers with up-to-date skills. Thus, for employers where large proportions of the workforce shifted to remote work during Covid-19 (and for those where remote work remains important), skills related to remote work technologies are important areas of concern.

4.4 Economic Environment and Future Skills

The questionnaire asked employers four questions related to future skills. First, employers were asked about how Covid-19 had impacted the types of skills that their organisation would need in the future. Second, they were asked how other change drivers would have affected the types of skills that their organisation would require in the future. Third, employers were asked to list any new and emerging occupations they had identified within their organisation (along with the relevant OFO code). Fourth, they were asked to identify any new and emerging skills gaps within their organisation.

The first two questions both dealt with how change drivers impacted employers' needs for future skills, firstly regarding the pandemic in particular, then for other change drivers more broadly. Table 12 presents the responses across all SETAs for both of these questions. Analysing the responses provided from all SETAs, a number of themes appear about how future skills will be impacted across the sectors. First and foremost, a theme that arises through both the impact of Covid-19 as well as other change drivers is the impact of technology on future skills. Many respondents across SETAs reported seeing how the pandemic forced workers to learn how to work remotely, and thus learn to become more comfortable with integrating technology into their work on a day-to-day basis. Similarly, the advent of the Fourth Industrial Revolution (4IR) was identified as a major change driver that has pushed workers to learn how to adapt to new technologies as part of their jobs. Employers also identified that advances in technology may change the nature of jobs and require workers to take on new responsibilities as a result of technological advancement, or address skills gaps through the use of remote learning to upskill and prepare for the changing nature of work.

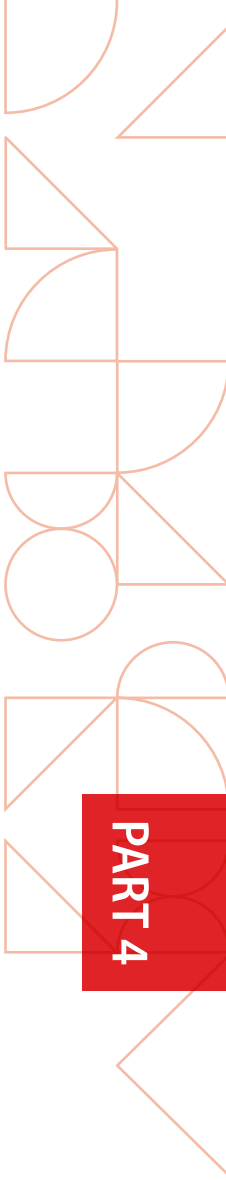
Another way in which change drivers could impact future skills was through green skills. Some SETAs identified a need for green skills to become more important as green technology and green jobs become more prevalent in the workplace. A number of SETAs also suggested that data analysis (and particularly big data analysis) would be a key skill required as a result of change drivers that have impacted the economic and business landscape in South Africa.



TABLE 12: How Covid-19 and other change drivers affected future skills, by SETA

| SETA | HOW COVID-19 AFFECTED FUTURE SKILLS | HOW OTHER CHANGE DRIVERS AFFECTED FUTURE SKILLS |
|----------|---|---|
| AgriSETA | <p>The pandemic resulted in a high demand of occupational health and safety skills and advanced computer skills, but the industry bodies indicated that there are no Covid-specific future skills that have been identified since the pandemic does not currently have any dire impact on the sector.</p> | <p>Civil unrest or uncertainty: Upskilling and capacitating South Africa’s commercial and small-scale farmers with skills that will increase their ability to produce enough production inputs like seeds and fertilisers. Increased production of wheat and sunflower for oil (among other commodities) will ensure that the country’s food basket is not significantly affected by sanctions to countries affected by wars; mentoring and skills development support of land reform beneficiaries to increase their ability to be the main producers of the commodities that South Africa depends on from other countries; upskilling South African agricultural businesses so that they are capacitated enough to be able to develop recovery strategies that will enable them to deal with disruptions that result from political uncertainties. Skills such as strategic development and disaster management should be prioritized.</p> <p>4IR: During stakeholder engagements, hydroponics operation, computer skills, and big data analysts skills (among others) were identified as those that organisations should prioritise to upskill their employees on due to the technological advancement.</p> <p>Environmental changes: Interventions on water harvesting, animal and plant health, pest surveillance skills and pest quarantine skills, drastic climate resistant crops and animal production skills, organic pests and disease control techniques. Skills development for smart early warning systems need to be prioritised for skills interventions.</p> |
| BankSETA | <p>Focus on how to effectively collaborate under hybrid working conditions, slightly more emphasis on computer/technological skills, reskilling the workforce to adapt to post Covid-19 hybrid work. Most training interventions require a remote approach.</p> | <p>More automation: Individuals need to get up to speed with technology faster, slightly more emphasis on computer/technological skills, emphasis on online learning.</p> |

| SETA | HOW COVID-19 AFFECTED FUTURE SKILLS | HOW OTHER CHANGE DRIVERS AFFECTED FUTURE SKILLS |
|----------|---|---|
| CATHSETA | <p>Change management is necessary as staff members need to adapt to new emerging digital technologies and new regulations. Organisations are forced to operate from online platforms because of the restrictions brought about by Covid-19. There is a need to change the legislation towards operations and allow for innovation in organisations. Critical thinking skills are therefore a high priority.</p> <p>Organisations in the gaming and lotteries sector are moving into online/live gaming, which will require a change of organisational culture and mindset for the current staff. Employees need to be clued up on technology as this is a requirement in the digital world and it affects productivity and remote work. Elementary workers with a lack of computer skills miss beneficial training due to an inability to employ digital resources.</p> | <p>Remote learning has become a cost-effective intervention for skills development. However, interventions are still needed in terms of accessibility to electronic devices and the internet.</p> <p>Considering a green economy, organisations are forced to adapt to more efficient ways of energy saving. Constant power cuts also affect the operating system of organisations, and new ways of generating electricity need to be looked at. Socio-economic challenges including the recent KwaZulu-Natal (KZN) floods and increased inflation hinder skills development as organisations cannot operate fully, which results in a reduced budget for the training of employees and learners.</p> |
| CETA | <p>Remote work was not a factor pre-Covid. The sector has since then implemented a hybrid work system. Software competencies and computer skills have become paramount to make this system work effectively. The pandemic has a big effect on the sector because it has reduced the pool of skilled persons such as steel fixers, bricklayers, painters, and plumbers. An artificial intelligence system has thus become a need in the industry to work effectively.</p> <p>Due to the loss of income during the pandemic and an inability to pay or renew memberships, gaps have occurred, especially in professional accreditations. A major system to test the health and safety of employees has become a need, and this will assist in preventing infections at workplaces.</p> | <p>Enabling new ways to access and supply labor. Change drivers may substitute labor with machines, and the lack of continuity impedes growth in companies. Other drivers will help the sector educate, train, and develop employees towards skills that will be needed in the future.</p> |





| SETA | HOW COVID-19 AFFECTED FUTURE SKILLS | HOW OTHER CHANGE DRIVERS AFFECTED FUTURE SKILLS |
|-----------|--|--|
| CHIETA | <p>The pandemic demonstrated that individuals really need new and exciting skills that will allow for a hybrid working environment. More traditional skills have reached their maturity, which renders them ineffective. Some of the traditional roles include packers, tea ladies, container labellers, and laboratory assistants. These roles have been replaced by sophisticated machines, which are quicker, more effective, and stress-free as more focus is on digitalisation and working remotely.</p> <p>Lack of computer literacy and connectivity to the internet: More computer skills are needed now and in the future.</p> <p>Agile thinking, adaptability, and the ability to work across diverse cultures: there is a need to understand cultural differences and at least more than one language, and to be able to work effectively in an unstructured, remote environment (without needing to train face to face).</p> | <p>4IR has demonstrated the need for the sector to move with speed in developing digital and new sales and marketing skills to attract a growing and more sophisticated target market in order to effectively compete in the congested market.</p> <p>Digitisation and working in the electronic space: Due to changes in technology especially in the chemical industry, companies have no choice but to comply with the latest technology in terms of automated machines and advanced computer software for their organisation's data/information.</p> <p>The green and hydrogen economy is leading companies to identify future skills requirements for green and hydrogen technologies.</p> <p>Management needs to acquire more commercial acumen skills to ensure that the sector remains competitive in an increasingly difficult operating environment. The scope of required skills for the job was redefined.</p> |
| ETDP SETA | <p>Remote working: Information and communication technology (ICT) skills and automated business processes, mental health and well-being, hybrid organisational models, and digital literacy.</p> | <p>Virtual learning, critical thinking, problem solving, strategic planning, monitoring and evaluation.</p> |
| EWSETA | <p>More ICT skills and computer literacy required, greater focus on health and safety training, and higher need for skills relating to the management of employees' mental health.</p> | <p>More education and training interventions on renewable energy and other emerging technologies and methods, enhanced sales and financial management skills required to navigate depressed business conditions or economic downturns, and skills in community engagement and relations required to deal with the rising influence of community forums where businesses are located.</p> |

| SETA | HOW COVID-19 AFFECTED FUTURE SKILLS | HOW OTHER CHANGE DRIVERS AFFECTED FUTURE SKILLS |
|--------------|---|---|
| Fasset | <p>The pandemic resulted in a high demand of occupational health and safety skills and advanced computer skills, but the industry bodies indicated that there are no Covid-specific future skills that have been identified since the pandemic does not currently have any dire impact on the sector.</p> | <p>Environmental sustainability: Top-up skills on reduced energy and water consumption, pollution and waste, protecting or restoring biodiversity and ecosystems, and water harvesting and saving techniques are required. Stakeholders have reported challenges they have experienced due to small-scale land reform beneficiaries' lack of necessary skills. These included inconsistencies in the supply of produce, poor quality, and insufficient quantities produced by these new entrants. Therefore, training on business management skills is required, as well as production skills training to ensure improvements on the quality and quantities of produce.</p> |
| FoodBev SETA | <p>Covid-19 outbreaks slowed down productivity and the turnaround of staff on factory floors. Thus, companies had to introduce automated systems that would ensure an effective rotation of employees. These systems would require more technological adaptation skills like coding, advanced system skills, advanced Excel skills, and similar.</p> <p>The pandemic changed the way the industry functions. Companies have noted the importance of business impact and risk practitioners. These skills were not primarily needed until the pandemic disrupted day-to-day operations. The need for these skills has escalated and companies are intentional in mitigating against potential shocks.</p> <p>Teaching and learning in companies was also impacted: teaching skills need to be enhanced to incorporate online teaching.</p> <p>Small, micro, and medium enterprises need to be supported to innovate and develop risk management strategies. The development of business and entrepreneurial skills is key in this regard.</p> <p>The pandemic has increased efforts to reskill and upskill workers, with the intention to rebuild back better and achieve full employment.</p> | <p>Nutrition and consumer demands have forced companies to respond to consumer needs while keeping costs down. Food technologists, biotechnologists, and nutritionists are essential in effectively responding to consumer demands.</p> <p>Globalisation and competition are fundamental drivers in the business. To remain competitive in the global economy, food manufacturers must necessarily develop a capacity to innovate quickly and effectively.</p> <p>Food safety will continue to drive skills development as the sector will need to develop targeted training programmes for food safety, hazard analysis and critical control points (HACCP) standards, risk management, supply chain communication, food quality, and related regulations and link them to vocational training on occupational safety and health issues.</p> |



| SETA | HOW COVID-19 AFFECTED FUTURE SKILLS | HOW OTHER CHANGE DRIVERS AFFECTED FUTURE SKILLS |
|-----------|--|--|
| FP&M SETA | <p>Varied knowledge and experience of university students, digital skills, IT and 4IR skills, smaller groups, online platform investment, added administration and expense.</p> | <p>Research and data analysts and information technology (IT) specialists, technical equipment (such as cutting equipment), automation engineers and technicians, digital design and AutoCAD skills, a dire need for powerful soft skills management, furniture design and CAD modelling, call and design centres.</p> |
| HWSETA | <p>Skills needed to pre-emptively focus on contagious diseases, skills needed in terms of mental health in the aftermath of the pandemic, skills needed for online/virtual operations (including e-learning), adaptive leadership skills (new ways of leadership), resilience skills.</p> | <p>Business re-engineering skills needed because of economic challenges, digitisation skills—the implementation of new technology, data analytical skills regarding big health data, more emphasis on monitoring and evaluation skills, special fund-raising skills in certain subsectors.</p> |
| Inseta | <p>Power skills (soft skills) are no longer optional or nice to have but have become critical for businesses to sustain or boost productivity and employee retention. Interpersonal skills, effective communication, planning and time management, change management, life and financial skills, collaboration, critical thinking, innovation, optimism, agility, emotional intelligence, resilience and adaptability, analytics, artificial intelligence, and machine learning are needed by employers and employees to assist the sector with keeping up with the pace of change and data-driven decision-making.</p> <p>The pandemic has affected the types of skills that will be needed in the future in a positive way, because businesses know what skills they need and how to prepare for them. They are able to retain staff and improve morale and job satisfaction.</p> <p>Since social distancing was one of the precautionary measures used to curb the spread of Covid-19, the mechanism of teamwork no longer functioned as effectively as it usually would have. The world of work has changed, due to technology and the extensive application of digital tools as a result of physical interaction being limited by social distancing restrictions.</p> | <p>The need for upskilling and reskilling for the new world of work necessitates the lifelong development of t-shaped skills, aligned with business needs and individual aspirations or interests.</p> <p>A new reliance on hybrid work justifies rapid technological skills development, the development of good customer relationships, and the improvement of performance recruitment. The future of remote working needs communication and the prioritising of digital systems, cyber security and behavioural skills, and increased digital e-learning platforms on company and employee apps that enable learning outside the confines of the office environment—virtually and at any location locally and worldwide.</p> <p>Digital innovation has impacted the types of roles that exist within organisations; that is, the move from manual work to system fit-for-purpose roles.</p> |

| SETA | HOW COVID-19 AFFECTED FUTURE SKILLS | HOW OTHER CHANGE DRIVERS AFFECTED FUTURE SKILLS |
|----------------|--|--|
| <p>LGSETA</p> | <p>The pandemic has increased the need for change management and disaster management through continuous training programmes.</p> <p>Municipalities need to adapt to new methods of learning, such as virtual or e-learning.</p> <p>Occupations in cyber security have become increasingly necessary.</p> <p>Employees need to be more capacitated in IT and advanced computer skills as most activities need to be undertaken electronically and remotely.</p> | <p>Spatial integration and inclusive development (rural and urban): The transformation of rural and urban areas is required to realise the vision of creating an integrated, inclusive, sustainable, and competitive national economy. New forms of urban living and urban spaces will become drivers for innovation, creativity, and societal transformation. Urban development will result in the creation of smart cities, which are municipalities that use ICT to optimise the quality and performance of urban services. Smart cities will revolutionise how key basic services such as energy, transportation, and utilities are provided. It is also important to align the human resources policies to the Disaster Management Act to address skills needs posed by the recent KZN floods and civil unrest in the Gauteng and KZN provinces.</p> <p>Political change: Many senior officials are in acting positions, and the direction of service delivery is constantly changing. These dynamics require change management and relevant skills development programmes. The leadership of the municipalities determines service delivery and new regulations related to Covid-19 and the impact of flooding in KZN, which should be reviewed to ensure that the respective municipality changes the way it conducts training (for example, implementing e-learning).</p> <p>Food safety: This aspect will continue to drive skills development in the sector as the sector will need to develop targeted training programmes for food safety, HACCP standards, risk management, supply chain communication, food quality, and related regulations and link them to vocational training on occupational safety and health issues.</p> <p>Economic climate and reduced staff: Skills needed for efficiency and streamlining processes.</p> <p>Ageing artisans leaving the sector: Ensuring that ageing employees continue to train and that young people enter the sector.</p> <p>Training challenges: Having less money for training hampers the ability of the sector to keep pace with training needs to stay competitive. Higher production costs and inflation make the future uncertain and impacts negatively on training intensity.</p> |
| <p>merSETA</p> | <p>Increased focus on health and safety, ensuring that individuals are computer literate and able to use electronic tools of trade, empowering employees to do more and have multiple skills for efficiency, capacitating employees with new skills needed for a changing world.</p> | <p>Economic climate and reduced staff: Skills needed for efficiency and streamlining processes.</p> <p>Ageing artisans leaving the sector: Ensuring that ageing employees continue to train and that young people enter the sector.</p> <p>Training challenges: Having less money for training hampers the ability of the sector to keep pace with training needs to stay competitive. Higher production costs and inflation make the future uncertain and impacts negatively on training intensity.</p> |



| SETA | HOW COVID-19 AFFECTED FUTURE SKILLS | HOW OTHER CHANGE DRIVERS AFFECTED FUTURE SKILLS |
|-----------|--|---|
| MICT SETA | <p>The film industry's financing has become more expensive and riskier, due to increased health security and insurance costs, thus a reluctance in recruiting new staff and graduates. The pandemic has led to advertising cuts, smaller print-runs, and distribution challenges, with online advertising going mostly to tech giants such as Facebook, Google, and YouTube. As such, advertising companies have found an alternative by hiring social media influencers at a lesser cost.</p> | <p>Positive impacts: Increased offshore services, the improved ability to innovate, and remote working, which allows for the hiring of people in other provinces.</p> <p>Negative impacts: Retrenchments, reduced numbers of students trained (learnerships and internships), some stores closing, reduced income, less revenue, clients asking for deferred payments.</p> |
| MQA | <p>Need for digital skills, automation-related skills, self-managed employees, effective online communication, and time management.</p> | <p>Higher skill set required as well as software skills, consulting and project management skills, the ability to adapt to e-learning and mixed-method learning, and green skills.</p> |
| PSETA | <p>More digital skills training is required. Teamwork and collaborations need to be re-imagined in the new world of work. Employees' self management has become more pronounced. Resilience and agility need to be acquired in order to cope with the ongoing changes as well as future changes. Change management is necessary for the entire workforce.</p> | <p>A need for more digital skills training and partnering with digital skills stakeholders, SMS competency training in line with ethical and visionary leadership, training priorities derived from strategic objectives (senior management to make sure there is a plan in place), anticipating and developing skills needed for economic change, increased focus on the emotional and social health of the workforce, and continuous development of staff, taking into consideration youth, gender, and disability.</p> |
| SASSETA | <p>Increased virtual meetings and less face-to-face meetings, more 4IR technical skills, increased need for digital literacy and leadership skills to facilitate remote working, limited opportunities for training staff to address skills gaps.</p> <p>Covid-19 has proven that working from home is a possibility and needed for modernisation and the use of technology in workplaces. From now on, the sector needs employees with legal software knowledge.</p> | <p>Cultivating the ability to work remotely from time to time, increased need for data analytics and data science, skills development implementation for the 2022/23 limited recruitment option, change in policy process and procedure, innovative solutions and offering to customers for the challenge of technology replacing workers, employees required to be multi-skilled (taking on various responsibilities).</p> |

| SETA | HOW COVID-19 AFFECTED FUTURE SKILLS | HOW OTHER CHANGE DRIVERS AFFECTED FUTURE SKILLS |
|----------|--|---|
| SSETA | <p>Changes in businesses strategic focus, remote working, retrenchment, staff's physical and emotional wellness affected negatively, retraining and upskilling of the labour force.</p> | <p>4IR and ICT: Retraining and upskilling the labour force, introducing document digitalisation, ease of remote working, enhanced collaboration.</p> <p>Economy: Declining GDP leading to business closures and retrenchment, dynamic nature of economy requires changes in strategic focus to remain profitable, retraining and upskilling the labour force to remain relevant and employable.</p> |
| TETA | <p>More technology-related training is required, and computer literacy became a priority.</p> <p>Companies had to become agile and adapt quickly to changes: employees empowered to become solution-driven and self-motivated, output-driven employment relationship formed, situational leadership implemented by management, broader understanding of health and safety (together with associated legislation) gained.</p> | <p>Due to the need for an empowered culture, solution-driven skills are required, as are resourcefulness as a result of an increased need for efficiency and self-driven employees.</p> <p>There is now a huge emphasis on technology and employee wellness programmes, which were not a top priority in the past. Thus, there is a significant focus on people and soft skills as critical for employee productivity. Companies are forced to unlearn and learn new skills very quickly in order to remain functional.</p> <p>Economic factors have affected the growth of businesses negatively, which has ultimately affected the types of skills that organisations will require in the future until they can recover financially and focus on future growth. The industry has taught that resilience and adaptability are needed for survival.</p> |
| W&R SETA | <p>ICT-related skills to better respond to disruptions, communication and leadership, big data analysis, customer-focused service, marketing and sales.</p> | <p>Entrepreneurship development, support for the informal economy, eCommerce specialists, HR and financial systems, ICT skills, and data analysis.</p> |

Source: Own calculations, SETA Interviews with Employers 2022 dataset.

After discussing the ways in which change drivers could impact future skills, employers were asked to list the new and emerging occupations in their sectors. Respondents across all 21 SETAs listed a total of 163 occupations. Of these, employers provided OFO codes for 95 (approximately 60%) of them. In many cases, the reason for OFO codes not being provided was because the occupation was new and thus could not be identified within the current OFO framework. Of those occupations that could be identified, the most common emerging occupations were data scientist (OFO code 2021-251102), which was listed eight times, ICT security specialist (2021-252901), listed four times, and marketing practitioner (2021-243103), listed three times (see Table 13).

TABLE 13: Top-mentioned new and emerging occupations

| OCCUPATION DESCRIPTION | OFO CODE | MENTIONS |
|---|-------------|----------|
| Data scientist | 2021-251102 | 8 |
| ICT security specialist | 2021-252901 | 4 |
| Marketing practitioner | 2021-243103 | 3 |
| Programme or project manager | 2021-121905 | 2 |
| Industrial engineer | 2021-214101 | 2 |
| Industrial designer | 2021-216302 | 2 |
| Safety, health, environment, and quality (SHE&Q) practitioner | 2021-226302 | 2 |
| Market research analyst | 2021-243102 | 2 |
| Software developer | 2021-251201 | 2 |
| Programmer analyst | 2021-251202 | 2 |
| Database designer and administrator | 2021-252101 | 2 |
| Computer network and systems engineer | 2021-252301 | 2 |
| Data entry operator | 2021-413201 | 2 |

Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

This list excludes occupations for which OFO codes were not provided by SETAs. In some instances, this occurred because the SETA stated that an OFO code for the occupation did not exist; in other instances, SETAs did not explain the lack of OFO codes. No attempt was made at post-coding responses due to the complexity of matching occupations with OFO codes without sufficient context. A full list of new and emerging occupations by SETA is presented in Table 18 of the Appendix.

A total of 74 OFO codes for unique, emerging occupations were identified across all SETAs, and of these, 13 were mentioned two or more times. 33 occupations (45%) are professional, while a further 18 (24%) are managerial, as designated by the first digit of their respective OFO codes. Occupations within the category of technicians and associate professionals accounted for a further 11 (15%) new and emerging occupations. Interestingly, each major group has at least one new and emerging occupation, pointing to change along the entire skills distribution. A detailed list of the new and emerging occupations listed by each SETA is provided in the Appendix.

In addition to the occupations listed with corresponding OFO codes, a number of other occupations were mentioned by the SETAs. Three main groups of occupations emerge, concentrated within the IT and software, digital and social media, and data-focused categories. The group of IT and software occupations includes cloud computing specialist, cyber security engineer or officer, drone operator or technician (including remote operation of heavy equipment), ICT specialist, programmer, robotics software engineer, robotics technician, and system specialist. In the digital and social media space, employers note occupations such as content creator, digital marketing expert, manager, or officer, digital public relations officer, digital strategist, digital design specialist, graphic designer, marketing specialist, online customer consultant, social media manager or specialist, and eCommerce manager or specialist. Data-focused occupations include big data manager, business intelligence analyst, data analyst, data scientist, and data specialist.

Employers were then asked to identify new and emerging skills gaps that they foresaw as being important in the sector. These skills gaps were once again cleaned and summarised for ease of analysis, while keeping the responses as true to the original information as possible. Figure 14 below shows the resulting analysis for new and emerging skills gaps. A total of 191 gaps were listed across SETAs, with the most commonly listed ones being in data analysis (listed 10 times), communication and IT skills (each listed eight times), digital marketing skills (listed seven times), and digital skills, problem solving, and software skills (each listed six times). This set of emerging skills gaps is highly concentrated among digital skills, which is consistent with the notion that technology is a strong change driver that employers identified as impacting the skills needs of their organisations. Furthermore, data analysis is a strong emerging skill gap that is correlated with the most commonly mentioned emerging occupation (data scientist). In addition, the list includes a number of interpersonal skills, including communication, leadership, emotional intelligence, and conflict management, and soft skills such as problem solving, critical thinking, organisation and planning, innovative thinking, presentation skills, and time management.

FIGURE 14: Emerging skills gaps



Source: Compiled from SETA interviews with employers 2022 dataset.

4.5 Priority Education and Training Interventions

The final question in the questionnaire asked employers to list the three education and training interventions that they considered the top priorities for their sector. Employers were asked to both list and describe these interventions. Responses to this question were then categorised into 12 broader categories of education and training interventions:

- Leadership-related training
- Management-related training
- Occupation-specific training
- Financial management training
- Technical skills training
- Computer-related skills training
- Cyber security training
- Legislation- or regulation-related training
- Health, safety, and wellness training
- Soft skills training
- Mentorship training
- Other training

The final category (other training) specifically included training interventions such as the provision of graduate placement programmes, the provision of bursaries for students in desired fields, prioritising the development of entrepreneurship skills, and training in robotics.

Table 14 shows the priority education and training interventions listed by each SETA across these 12 broader categories. The SETAs most commonly listed requiring occupation-specific education and training interventions for their workers. Examples of the type of training requested in this category include on-the-job training programmes, secondment programmes, upskilling of individuals in specialist skills (particularly in HWSETA for nursing), and internships. A total of 11 out of 21 SETAs mentioned needing occupation-specific education and training programmes for their workers, which may indicate the need for a deep dive into specific skills gaps among employers and support for them to try and bridge the gaps they have identified.

The second-most commonly cited priority education and training intervention was for computer-related skills, including basic digital literacy and more advanced computer coding skills. Nearly half of all SETAs (nine) reported requiring computer skills interventions, which they attributed to the advent of 4IR and the resultant need for increased comfortability with using computers. The third-most commonly cited priority intervention was for soft skills (reported by seven SETAs), which were often cited to be for skills such as emotional intelligence and creative problem-solving. Leadership-related skills interventions were mentioned by six SETAs, while management-related and technical skills interventions were each mentioned by five SETAs. The remaining interventions were mentioned by four or fewer SETAs.

TABLE 14: Types of priority education and training interventions, by SETA

| | AGRISETA | BANKSETA | CATHSETA | CETA | CHIETA | ETDP SETA | EWSSSETA | FASSET | FOODBEV SETA | FP&M SETA | HWSETA | INSETA | LGSETA | MERSETA | MICT SETA | MQA | PSETA | SASSETA | SSETA | TETA | W&R SETA | COUNT |
|------------------------------------|----------|----------|----------|----------|----------|-----------|----------|----------|--------------|-----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|----------|----------|-------|
| Leadership-related | | | | X | | X | | | | | X | X | | X | | X | | | | | | 6 |
| Management-related | | | | X | | X | | | | | | | X | | | X | X | | | | | 5 |
| Occupation-specific | X | | X | X | X | | | X | | X | X | | | | X | | | | X | X | | 11 |
| Financial management | X | | | | | | X | | | | | | X | | | | | | | X | | 4 |
| Technical skills | | X | | | | | | | | | X | | | X | X | X | | | | | | 5 |
| Computer-related skills | | | | | | X | X | | X | X | | | X | X | | X | X | X | X | | X | 9 |
| Cyber security | | | | | | | | | | | | | X | | X | | X | | | | | 4 |
| Legislation- or regulation-related | | X | | | | | | | | | | | | | | | | | | | | 1 |
| Health, safety, wellness | | | | | | | | | X | | | | | | | | | X | | | | 2 |
| Soft skills | | X | | | X | X | | | | | | X | | X | | | | X | X | X | | 7 |
| Mentorship | | | | | | | | X | | | | X | | | X | | | | | | | 3 |
| Other | X | | | | X | | | | | | | | | X | | | | | | | X | 4 |
| Count | 3 | 3 | 1 | 3 | 3 | 4 | 2 | 2 | - | 3 | 3 | 3 | 4 | 5 | 4 | 4 | 2 | 3 | 3 | 3 | 3 | |

Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:
Original responses were recoded into the above categories.

Conclusion



The data from this second round of employer interviews has provided useful information in relation to skills within the South African labour market.

In terms of the economic context, respondents were optimistic and more likely to provide favourable ratings of the economic conditions 12 months ahead than they were at the time of the survey. Medium employers were generally more optimistic than other employers, and this pattern of rating future business conditions as more favourable than current conditions held across most SETAs. Encouragingly, the majority of respondents reported making use of the SSPs for skills planning. This was true irrespective of the employer's size and for the majority of the SETAs.

The impact of the Covid-19 pandemic was varied. Two thirds of respondents reported making no retrenchments in response to the pandemic, with one in five employers reporting retrenching between 1% and 10% of their staff. Retrenchments appear to have been more likely among small employers, and this is certainly true for the more substantial cuts (over 40% of staff retrenched). However, since employers that closed down their businesses following the onset of the pandemic are not included in this sample of firms, the overall effect of Covid-19 on retrenchment is likely understated.

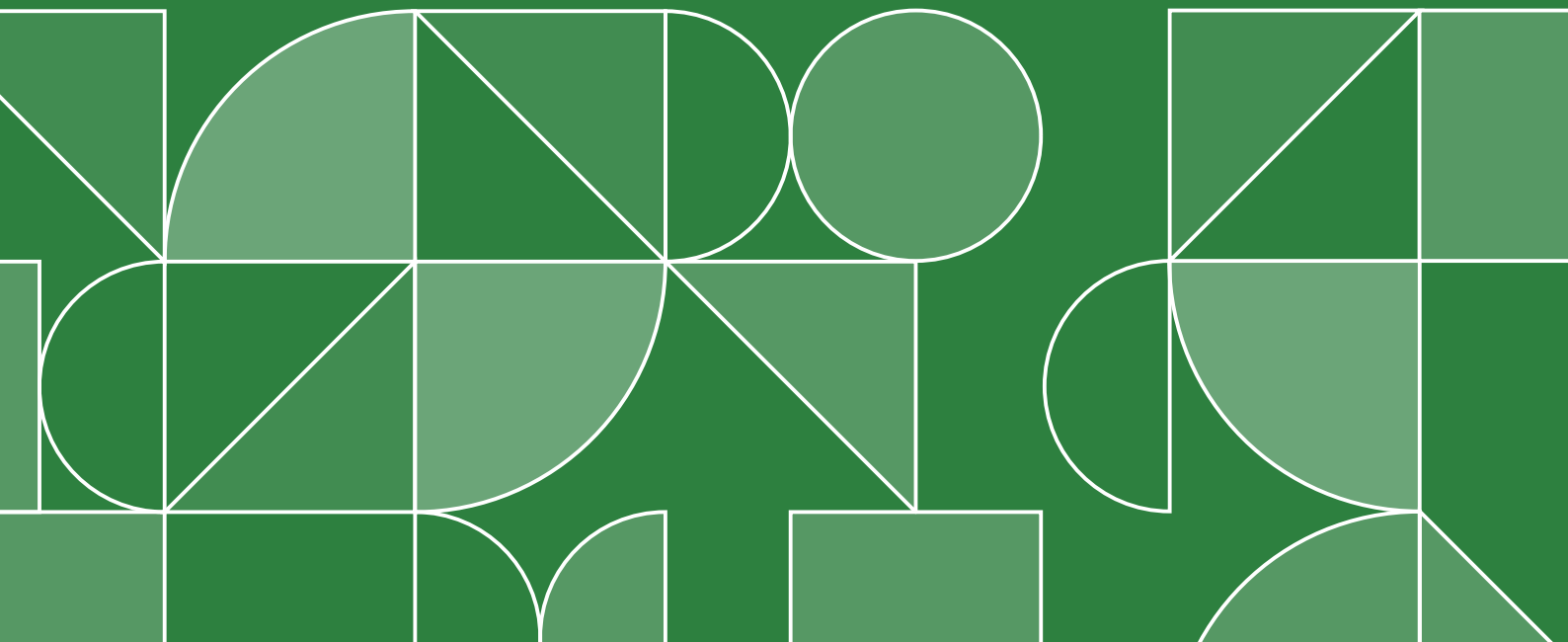
The data also suggests an increase in the frequency of working from home among employers, with the proportion of respondents who reported no staff working remotely falling from 65% pre-Covid-19 to 54% at the time of the interview. The proportion of respondents where more than a quarter of staff members worked from home rose from 14% pre-Covid-19 to 23% at the time of the interview. This effect was most significant among large employers. Just under half the respondents reported that at least some staff had new roles or responsibilities as a result of the pandemic, with the majority of these—just under a third of all respondents—indicating that this impacted up to a quarter of their staff. However, extensive changes impacting more than half of their staff were reported by fewer than one in 15 respondents.

Roughly four out of five respondents viewed skills development as a high priority over the 12-month period following the interviews, while one in 20 viewed it as a low priority. These patterns were very similar across employer sizes and a majority of respondents in almost all SETAs with valid data deemed skills development a high priority. There was consistent appreciation for the benefits of skills development, both for the employee and the employer, irrespective of the employer size or the priority level attached to skills development. Among those who viewed it a high priority, reasons included the organisations' continual focus on skills development, that skills development provided a competitive edge, the need for multiskilling or reskilling, and as a response to new and emerging tasks, staff turnover, and an ageing workforce. For those who attached a lower priority, the key reason was financial constraints and the direct and indirect costs of training.

The most widespread reason for respondents struggling to hire suitable candidates into occupations with HTFVs was a lack of relevant experience and qualifications. While these factors were dominant, the geographical location of jobs and the lack of internationally competitive remuneration packages were also listed as challenges to filling these vacancies. Among respondents, nearly a third of the listed unique occupation titles were mentioned multiple times, indicating that respondents across the economy are facing similar challenges in finding workers to hire into these HTFVs.

Technology has overtaken Covid-19 as the key change driver impacting respondents in 2022. Skills gaps identified by respondents varied according to the type of occupation under discussion, but the majority of employers identified technology as the largest change driver underlying these skills gaps. This factor was generally attributed by respondents as a result of the advent of 4IR. Other new and emerging skills identified by employers showed a large emphasis on green skills and data analysis in the future. In order to bridge these emerging skills gaps, respondents most commonly identified occupation-specific education and training interventions for their workers, followed by computer- and technology-based training.

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PART 7

Appendix



7.1 Additional Tables

TABLE 15: Respondents across SETAs, by employer size

| SETA | NUMBER OF RESPONDENTS | | | | SHARE (%) | | |
|--------------|-----------------------|-------|--------|-------|-----------|--------|-------|
| | Total | Small | Medium | Large | Small | Medium | Large |
| AgriSETA | 22 | 3 | 4 | 15 | 13.6 | 18.2 | 68.2 |
| BANKSETA | 5 | 3 | 2 | 0 | 60.0 | 40.0 | 0.0 |
| CATHSSETA | 22 | 11 | 4 | 7 | 50.0 | 18.2 | 31.8 |
| CETA | 10 | 4 | 5 | 1 | 40.0 | 50.0 | 10.0 |
| CHIETA | 16 | 5 | 2 | 9 | 31.3 | 12.5 | 56.3 |
| ETDP SETA | 29 | 11 | 7 | 11 | 37.9 | 24.1 | 37.9 |
| EWSETA | 20 | 10 | 3 | 7 | 50.0 | 15.0 | 35.0 |
| Fasset | 27 | 20 | 5 | 2 | 74.1 | 18.5 | 7.4 |
| FoodBev SETA | 10 | 1 | 0 | 9 | 10.0 | 0.0 | 90.0 |
| FP&M SETA | 9 | 6 | 1 | 2 | 66.7 | 11.1 | 22.2 |
| HWSETA | 25 | 2 | 5 | 18 | 8.0 | 20.0 | 72.0 |
| Inseta | 32 | 6 | 10 | 16 | 18.8 | 31.3 | 50.0 |
| LGSETA | 20 | 10 | 7 | 3 | 50.0 | 35.0 | 15.0 |
| merSETA | 18 | 3 | 2 | 13 | 16.7 | 11.1 | 72.2 |
| MICT SETA | 24 | 8 | 2 | 14 | 33.3 | 8.3 | 58.3 |
| MQA | 12 | 4 | 3 | 5 | 33.3 | 25.0 | 41.7 |
| PSETA | 13 | 1 | 1 | 11 | 7.7 | 7.7 | 84.6 |
| SASSETA | 50 | 23 | 13 | 14 | 46.0 | 26.0 | 28.0 |
| SSETA | 14 | 7 | 0 | 7 | 50.0 | 0.0 | 50.0 |
| TETA | 49 | 26 | 11 | 12 | 53.1 | 22.4 | 24.5 |
| W&R SETA | 10 | 4 | 1 | 5 | 40.0 | 10.0 | 50.0 |
| TOTAL | 437 | 168 | 88 | 181 | 38.4 | 20.1 | 41.4 |

Source: Compiled from SETA interviews with employers 2022 dataset.

TABLE 16: Provincial coverage of interviews, by SETA

| | WESTERN CAPE | EASTERN CAPE | NORTHERN CAPE | FREE STATE | KWAZULU-NATAL | GAUTENG | NORTH WEST | MPUMALANGA | LIMPOPO | COUNT |
|--------------|--------------|--------------|---------------|------------|---------------|-----------|------------|------------|-----------|-------|
| AgriSETA | Yes | | | | Yes | Yes | Yes | Yes | | 5 |
| BANKSETA | Yes | | Yes | Yes | Yes | | Yes | Yes | | 6 |
| CATHSSETA | Yes | Yes | | Yes | Yes | Yes | | Yes | Yes | 7 |
| CETA | Yes | | | | | Yes | | Yes | Yes | 4 |
| CHIETA | | Yes | Yes | | Yes | Yes | Yes | Yes | Yes | 7 |
| ETDP SETA | Yes | | Yes | | Yes | Yes | Yes | | Yes | 6 |
| EWSETA | Yes | Yes | | | Yes | Yes | Yes | Yes | | 6 |
| Fasset | Yes | | | | Yes | Yes | | Yes | Yes | 5 |
| FoodBev SETA | Yes | Yes | Yes | | Yes | Yes | Yes | Yes | Yes | 8 |
| FP&M SETA | Yes | Yes | Yes | | Yes | Yes | Yes | Yes | Yes | 8 |
| HWSETA | Yes | Yes | Yes | | Yes | Yes | Yes | Yes | Yes | 8 |
| Inseta | Yes | | | | | Yes | | | Yes | 3 |
| LGSETA | Yes | Yes | Yes | | Yes | Yes | Yes | Yes | Yes | 8 |
| merSETA | Yes | Yes | | | Yes | Yes | Yes | | | 5 |
| MICT SETA | Yes | Yes | | | Yes | Yes | | | Yes | 5 |
| MQA | Yes | | | Yes | Yes | Yes | Yes | Yes | | 6 |
| PSETA | Yes | | | | Yes | Yes | | Yes | | 4 |
| SASSETA | Yes | Yes | Yes | | Yes | Yes | Yes | Yes | Yes | 8 |
| SSETA | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 9 |
| TETA | Yes | Yes | | | Yes | Yes | Yes | Yes | Yes | 7 |
| W&R SETA | Yes | Yes | | | | Yes | | | | 3 |
| TOTAL | 20 | 13 | 9 | 4 | 18 | 20 | 14 | 16 | 14 | |

Source: Compiled from SETA interviews with employers 2022 dataset.

TABLE 17: Occupations with HTFVs, by SETA

| SETA | OCCUPATION TITLES |
|--------------|--|
| AgriSETA | Market research analyst, tobacco grader, tobacco valuator, tobacco agronomist, learning and development officer, human research officer, data capturer, marketing or brand manager, winemaker assistant or cellar clerk or assistant, supply chain practitioner, silo manager, administrator, agricultural engineer, ICT systems analyst, sugar pan boiler, aquatic vet, aquatic scientist, truck driver, agricultural farm manager, accountant, mixed crop farm production manager or foreman |
| BankSETA | Software engineer, cybersecurity expert, sales representative |
| CATHSETA | Digital artist, small business manager, finance manager, intellectual property advisor, business analyst, risk manager, bookmaker, sports writer, fitness centre manager, sports scientist, ICT systems analyst, marketing practitioner, tour guide |
| CETA | Construction manager, project manager, civil engineer, health and safety officer, mechanical engineer, quantity surveyor, electrical engineer |
| CHIETA | Lab technician, data, financial, and pricing analyst, e-commerce consumer activation manager, head of digital, e-commerce manager, market analyst, engineer, artisan, regulatory affairs pharmacist, millwright (t), environmental health officer, engineering manager, management accountant, metal fabricator, purchasing officer, asset protection manager, fabrication engineer, factory inspector, reliability engineer, memu controller, memu assistant, product manager (food), head of business development and applications, business development manager (polymers), emerging roles in BSA, business transformation manager (not BBEE-focused), data analysts, e-commerce customer support, manufacturing manager, sales manager, instrument technician, maintenance lead, mechanical technician, data processing manager, mechanical foreman, business analyst, IT security manager, welder, boilermaker, supervisor, general manager of operations |
| ETDP SETA | Professor (general linguistics and modern languages, African languages and culture, politics and international studies, information studies, psychology), lecturer (IT, medicine, engineering, chartered accounting, agricultural economics, computer science, applied and pure mathematics, statistics, space science, telecommunications), chief operating officer, director (enterprise or organisation), chief executive officer, chief financial officer, learning and development practitioner, programme or project manager, research manager, faculty head, business manager, facilities manager, health and safety officer, teaching with technology coordinator, communication strategist, software developer, senior application developer, senior learning management, systems developer, e-learning project manager, electrician, programme or project administrator, plumber |
| EWSETA | Chief financial officer, project manager, process engineer, civil engineer, maintenance, technologist, chemical engineer, chief quantity surveyor, electrical engineer, ICT internal, auditor, ICT business systems analyst, systems engineer, laboratory technician, water process controller, process controller, project planner |
| Fasset | Trainee accountant, IT developer, management consultant or consulting cohort, Intacct consultant, audit supervisor |
| FoodBev SETA | Seafood packer, boilermaker, health and safety manager, dairyperson, data systems analysis, production and operations supervisor, IT developer, food technologist, sales manager, mechanic, millwright, engineer manager, manufacturing operations manager, refrigeration mechanic |
| FP&M SETA | Production manager, work study engineer, computerised pattern maker, grader, business turnaround specialist, business coach, sustainable energy expert, cabinet maker, upholsterer, dealer (looking for independent partners to service and supply the retail networks that the sector works with) |

| SETA | OCCUPATION TITLES |
|-----------|--|
| HWSETA | Enrolled nurse, registered nurse (critical care and emergency), registered nurse (operating theatre), registered nurse (surgical), paediatrics nurse, psychiatrist, general medical practitioner, biomedical or laboratory technologist, marketing practitioner (digital), data scientist (analyst), intensive care ambulance paramedic, ambulance paramedic, business or development officer, veterinarian, veterinary nurse, community development practitioner, pharmacy technician, orthopaedic surgeon (paediatrics), cardio-thoracic surgeon, statistical analyst, health economist, retail pharmacist, clinical engineer, medical scientist, case manager (hospital set-up) |
| Inseta | Compensation and benefits manager, financial accountant, insurance broker, insurance claims manager, insurance loss adjuster, insurance underwriter, compliance officer (financial sector), business operations manager, actuary manager, insurance sales consultant, clinical nurse specialist, ICT development manager, marketing manager, network programmer or analyst, software and applications developer, investment research analyst, portfolio manager, audit and assurance manager, audit consultant |
| LGSETA | Engineering manager, civil engineer, disaster management officer, water quality technician, electrical engineer, data scientist, data operations manager |
| merSETA | - |
| MICT SETA | Software developer, computer network and systems engineer, ICT systems analyst, ICT security specialist, multimedia specialist, ICT project manager |
| MQA | Rock engineer, geologist, environmental officer, mining consultant, mining engineer, mine surveyor, engineering foreperson, rigger, goldsmith, instrument mechanic, blaster |
| PSETA | Compliance officer, liabilities specialist, IT auditor, strategy development and management director, senior government official, project manager, engineer |
| SASSETA | Technician, security guard, alarm, security, or surveillance monitor, candidate attorney, security drone operator, litigation support officer, conveyancing secretary, financial advisor, human resource manager, conveyancing paralegal, data capturer, armed response, operation manager, receptionist, court bailiff, personal assistant (estate and bonds) |
| SSETA | Electrician, custom manager, business development support, business advisor, web developer, real estate agent, marketing manager, graphic designer, sales and digital marketer, professional image consultant, managing director, operations manager, hygiene controller (cleaner), software developer, engineer, construction manager (with a wireperson's licence), financial advisor (qualified commission only) |
| TETA | Driver (cross-border experience), fishing vessel officer, fishing vessel engineer, seafarer, export coordinator, export documentation coordinator, sales executive, logistics coordinator, aircraft maintenance engineer, ships agent, tug master, marine technician, manager, helicopter captain, researcher, business developer |
| W&R SETA | Chief financial officer, project manager, process engineer, civil engineer, maintenance, technologist, chemical engineer, chief quantity surveyor, electrical engineer, ICT internal, auditor, ICT business systems analyst, systems engineer, laboratory technician, water process controller, process controller, project planner |

Source: Own calculations, SETA interviews with employers 2022 dataset.

Note:

merSETA did not ask this question to stakeholders, thus they provided no occupations with HTFVs.

TABLE 18: New and emerging occupations, by SETA

| SETA | EMERGING OCCUPATION TITLES |
|--------------|--|
| AgriSETA | Business intelligence analyst, innovations and technology specialist, industrial and milling specialist, aquatic veterinarian, data scientist, data analyst, digital marketing manager, ICT programmer, robotics or drone technician |
| BankSETA | Data scientist |
| CATHSETA | Restoration specialist, social media specialist, wellness officer, social media manager, digital media specialist, content creator, website designer, online sports facilitator, e-learning expert, e-commerce manager, business analyst, hygiene specialist, events manager, systems engineer, software developer, restaurant manager, ICT manager, legal practitioner, marketing practitioner, social researcher, travel consultant, archaeologist, palaeontologist |
| CETA | Project coordinator for remote work, plant mechanic, engineer (mostly with the design experience from an engineering consulting company), occupational health and safety officer, earth work supervisor and trainee, business analyst |
| CHIETA | Digital and e-commerce positions, brand manager, machine operator, quality assurer, ICT programmer, research and development manager, IT manager, business services manager, physical asset manager, fabrication technologist, reliability engineer, chemical production machine operator, business transformation manager (not BBBEE-focused), product design manager, data analyst, e-commerce customer support, hydro power plant process controller, price and financial analyst, market analyst, consumer index analyst, business forecast professional |
| ETDP SETA | Cloud computing developer, website administrator, data quality officer, wellness and psychological counsellor |
| EWSETA | Electrical engineer, data analyst, solar power plant process controller |
| Fasset | Business intelligence analyst, innovations and technology specialist, industrial and milling specialist, aquatic veterinarian, data scientist, data analyst, digital marketing manager, ICT programmer, robotics or drone technician |
| FoodBev SETA | Online logistics specialist, supply chain specialist, packaging engineer, research analyst, IT developer, project manager, e-commerce specialist, systems analyst, marketing and sales specialist |
| FP&M SETA | ICT programmer, finance manager, garment costing and productivity efficiency specialist, automation and human-machine interface engineer (for integration of automation in a sector that has predominantly manual, upholstery, and wood machinery), online marketing manager |
| HWSETA | Nursing informatician (OFO: Data scientist), nurse navigator, bio informatician (OFO: Biometrician), quality improvement practitioner (OFO: SHE&Q practitioner), forensic analyst (OFO: Forensic pathologist), telemedicine |
| Inseta | Robotics technician, big data and cyber security analyst, business manager: strategy and analysis, IT network security specialist, digital design specialist, new business and underwriting operations manager and leads administrator, data scientist, advertising and public relations manager |
| LGSETA | ICT security specialist (cyber security), data scientist (big data), disaster management officer |
| merSETA* | Plastics welder (emerging as a sought-after skill and requires specialised skills), mechatronics technician (auto components sector, specialised mechatronics) |
| MICT SETA | Cloud computing specialist, cyber security engineer, solutions architect, retoucher |

| SETA | EMERGING OCCUPATION TITLES |
|----------|--|
| MQA | Health and safety officer, risk assessor, single and double blade saw operator, control room monitor, heavy equipment operator (remote), millwright |
| PSETA | Monitoring and evaluation officer, ICT security officer, cyber security officer, intergovernmental relations specialist |
| SASSETA | Transit protection driver, ICT security specialist, compliance officer, anti-money laundering surveillance security analyst, data capturer (easy roster), data administrator, legal secretary, drone operator, security consultant, software developer, security risk assessment manager, debt collector, financial advisor |
| SSETA | Business development support manager, data analyst, digital marketing manager, digital public relations officer, digitally trained delivery driver, graphic designer, digital marketing officer, social media specialist, content manager, digital marketing expert, marketing consultant, big data manager, employee relations officer, strategic account manager (researching skills, engaging with clients on gaps) |
| TETA | Export coordinator, data scientist, robotics software engineer, digital strategist, system specialist |
| W&R SETA | ICT specialist, social and governance specialist, compliance officer (Covid-19), HR specialist, data scientist, marketing specialist (mostly done by managing director), data specialist (power data analysis), e-commerce manager and specialist, digital marketer and analyst, online customer consultant, programmer |

Source: Compiled from SETA interviews with employers 2022 dataset.

7.2 Interview Guide

SETA INTERVIEWS WITH EMPLOYERS

TEMPLATE FOR CONSOLIDATED INFORMATION

The intention for this template is to consolidate the information collected during the interviews with employers. This will require some processing and interpretation of the collected data. Please see specific instructions provided for each question. Please note that tables require totals as a way to ensure that data is accurately tabulated and that responses are not accidentally omitted.

| GENERAL INFORMATION | | | | | | | | |
|---|------------------------------|----------------------------|----|----|----|----|----|----|
| SETA INFORMATION | | | | | | | | |
| SETA | | | | | | | | |
| Contact person for this project | | | | | | | | |
| Submission date | | | | | | | | |
| INFORMATION ON INTERVIEWS | | | | | | | | |
| Number of organisations interviewed | | | | | | | | |
| Distribution of interviewees by level of position | | | | | | | | |
| Senior positions | Mid-level positions | Lower-level positions | | | | | | |
| | | | | | | | | |
| Distribution of interviews by size of organisation | | | | | | | | |
| Small (1–50 employees) | Medium (51–149 employees) | Large (150 + employees) | | | | | | |
| | | | | | | | | |
| SUBSECTORS COVERED BY INTERVIEWS | | | | | | | | |
| | | | | | | | | |
| SUBSECTORS NOT COVERED BY INTERVIEWS | | | | | | | | |
| | | | | | | | | |
| PROVINCES COVERED BY INTERVIEWS (MARK RELEVANT PROVINCES) | | | | | | | | |
| WC | EC | NC | FS | KZ | NW | GP | MP | LP |

0. GENERAL INFORMATION

0.1 Does your organisation make use of the sector skills plan when planning for skills development in your organisation?

Instruction: Please provide counts of employer responses by organisation size.

| | | Total number of organisations by size | | | |
|--------------|-----|---------------------------------------|------------------------------|----------------------------|-------|
| | | Small (1–50 employees) | Medium (51–149 employees) | Large (150 + employees) | Total |
| Y | Yes | | | | |
| N | No | | | | |
| Total | | | | | |

0.2 What is your assessment of current business conditions in your industry?

Instruction: Please provide counts of employer responses by organisation size.

| | | Total number of organisations by size | | | |
|--------------|---------------|---------------------------------------|------------------------------|----------------------------|-------|
| | | Small (1–50 employees) | Medium (51–149 employees) | Large (150 + employees) | Total |
| 1 | 1 = Very Poor | | | | |
| 2 | 2 | | | | |
| 3 | 3 | | | | |
| 4 | 4 | | | | |
| 5 | 5 = Excellent | | | | |
| Total | | | | | |

0.3 What is your expectation of business conditions in your industry in 12 months' time?

Instruction: Please provide counts of employer responses by organisation size.

| | | Total number of organisations by size | | | |
|--------------|---------------|---------------------------------------|------------------------------|----------------------------|-------|
| | | Small (1–50 employees) | Medium (51–149 employees) | Large (150 + employees) | Total |
| 1 | 1 = Very Poor | | | | |
| 2 | 2 | | | | |
| 3 | 3 | | | | |
| 4 | 4 | | | | |
| 5 | 5 = Excellent | | | | |
| Total | | | | | |

1. THE IMPACT OF COVID-19 ON YOUR ORGANISATION TO DATE

1.1 What proportion of staff have been retrenched due to Covid-19?

Instruction: Please provide counts of employer responses by organisation size.

| | | Total number of organisations by size | | | |
|--------------|--------------------------|---------------------------------------|------------------------------|----------------------------|-------|
| | | Small (1–50 employees) | Medium (51–149 employees) | Large (150 + employees) | Total |
| A | No staff retrenched (0%) | | | | |
| B | 1–10% of staff | | | | |
| C | 11–20% of staff | | | | |
| D | 21–30% of staff | | | | |
| E | 31–40% of staff | | | | |
| F | 41–50% of staff | | | | |
| G | 51% of staff or more | | | | |
| Total | | | | | |

1.2 What proportion of staff were/are working from home?

Instruction: Please provide counts of employer responses by organisation size.

SMALL (1–50 EMPLOYEES)

| | | 1.2.2 Proportion currently | | | | | Total |
|-------------------------------|-----------|----------------------------|------------|-------------|-------------|--------------|-------|
| | | A None (0%) | B 1–25% | C 26–50% | D 51–75% | E 76–100% | |
| 1.2.1 Proportion pre-Covid-19 | | | | | | | |
| A | None (0%) | | | | | | |
| B | 1–25% | | | | | | |
| C | 26–50% | | | | | | |
| D | 51–75% | | | | | | |
| E | 76–100% | | | | | | |
| Total | | | | | | | |

MEDIUM (50–149 EMPLOYEES)

| | | 1.2.2 Proportion currently | | | | | Total |
|-------------------------------|-----------|----------------------------|------------|-------------|-------------|--------------|-------|
| | | A None (0%) | B 1–25% | C 26–50% | D 51–75% | E 76–100% | |
| 1.2.1 Proportion pre-Covid-19 | | | | | | | |
| A | None (0%) | | | | | | |
| B | 1–25% | | | | | | |
| C | 26–50% | | | | | | |
| D | 51–75% | | | | | | |
| E | 76–100% | | | | | | |
| Total | | | | | | | |

LARGE (150 + EMPLOYEES)

| | | 1.2.2 Proportion currently | | | | | Total |
|-------------------------------|-----------|----------------------------|------------|-------------|-------------|--------------|-------|
| | | A None (0%) | B 1–25% | C 26–50% | D 51–75% | E 76–100% | |
| 1.2.1 Proportion pre-Covid-19 | | | | | | | |
| A | None (0%) | | | | | | |
| B | 1–25% | | | | | | |
| C | 26–50% | | | | | | |
| D | 51–75% | | | | | | |
| E | 76–100% | | | | | | |
| Total | | | | | | | |

1.3 What proportion of staff have new roles and responsibilities due to Covid-19?

Instruction: Please provide counts of employer responses by organisation size.

| | | Total number of organisations by size | | | |
|--------------|------------------|---------------------------------------|---------------------------------|-------------------------------|-------|
| | | Small (1–50 employees) | Medium (51–149 employees) | Large (150 + employees) | Total |
| A | None (0%) | | | | |
| B | 1–25% of staff | | | | |
| C | 26–50% of staff | | | | |
| D | 51–75% of staff | | | | |
| E | 76–100% of staff | | | | |
| Total | | | | | |

1.4 To what extent will skills development be a priority for your organisation over the next 12 months?

Instruction: Please provide consolidated information based on interviews by organisation size. Key reasons to be consolidated within each size category.

| SMALL (1–50 EMPLOYEES) | HIGH | MEDIUM | LOW |
|-------------------------|------|--------|-----|
| Number of organisations | | | |
| Key reasons | | | |

| MEDIUM (51–149 EMPLOYEES) | HIGH | MEDIUM | LOW |
|---------------------------|------|--------|-----|
| Number of organisations | | | |
| Key reasons | | | |

| LARGE (150 + EMPLOYEES) | HIGH | MEDIUM | LOW |
|-------------------------|------|--------|-----|
| Number of organisations | | | |
| Key reasons | | | |

2. HARD-TO-FILL VACANCIES (HTFVS)

2.1 Did your organisation have occupations that were hard to fill over the past 12 months?

Instruction: Please provide counts of employer responses by organisation size.

| | | Total number of organisations by size | | | |
|--------------|-----|---------------------------------------|---------------------------------|----------------------------|-------|
| | | Small (1–50 employees) | Medium (51–149 employees) | Large (150 + employees) | Total |
| Y | Yes | | | | |
| N | No | | | | |
| Total | | | | | |

2.2 and 2.3 Occupations with HTFVs in the last 12 months

Instruction: Please provide consolidated information based on interviews across all employers, irrespective of size. Reasons must be listed next to the relevant occupation.

| | OCCUPATION | OFO CODE (SIX-DIGIT) | REASON(S) FOR HTFVS IN SPECIFIED OCCUPATION |
|---|------------|----------------------|---|
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |

<<< add rows as required >>>

3. SKILLS GAPS (TOP-UP SKILLS)

3.1, 3.2, and 3.3 What are the three most common skills gaps in your organisation?

Instruction: Please provide consolidated information based on interviews across all employers, irrespective of size. Only provide a maximum of three skills gaps per occupational level. Do not add rows to this table.

| OCCUPATIONAL LEVEL | SKILLS GAPS | | |
|---|-------------|--|--|
| High-level occupations (managers and professionals) | 1 | | |
| | 2 | | |
| | 3 | | |
| Mid-level occupations (technicians, associates, artisans, and clerical workers) | 1 | | |
| | 2 | | |
| | 3 | | |
| Lower-level occupations (plant operators and elementary workers) | 1 | | |
| | 2 | | |
| | 3 | | |

4. CHANGE DRIVERS

4.1 Please identify three major change drivers in your organisation. What are the implications of these change drivers for skills development in your organisation?

Instruction: Please provide consolidated information based on interviews across all employers, irrespective of size. Only provide a maximum of three change drivers relevant to the sector, along with an explanation of the implications for skills development. Do not add rows to this table.

| | MAJOR CHANGE DRIVERS IN SECTOR | EXPLANATION OF IMPLICATIONS FOR SKILLS DEVELOPMENT |
|---|--------------------------------|--|
| 1 | | |
| 2 | | |
| 3 | | |

5. FUTURE SKILLS

5.1 How has Covid-19 affected the kinds of skills your organisation will need in the future?

Instruction: Please provide consolidated information based on interviews across all employers, irrespective of size. Do not add rows to this table.

MAJOR WAYS IN WHICH COVID-19 HAS BEEN CITED TO HAVE AFFECTED THE SKILLS THE SECTOR WILL NEED IN THE FUTURE

| | |
|---|--|
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |

5.2 How have other change drivers affected the kinds of skills your organisation will need in the future?

Instruction: Please provide consolidated information based on interviews across all employers, irrespective of size. Do not add rows to this table.

MAJOR WAYS IN WHICH OTHER CHANGE DRIVERS HAVE BEEN CITED TO HAVE AFFECTED THE SKILLS THE SECTOR WILL NEED IN THE FUTURE

| | |
|---|--|
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |

5.3 New and emerging occupations in the sector

Instruction: Please provide consolidated information based on interviews across all employers, irrespective of size. If possible, please provide the corresponding OFO code.

| | OCCUPATION | OFO CODE (SIX-DIGIT) |
|---|------------|----------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |

<<< add rows as required >>>

5.3 New and emerging skills gaps in the sector

Instruction: Please provide consolidated information based on interviews across all employers, irrespective of size.

| | SKILLS GAP |
|---|------------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |

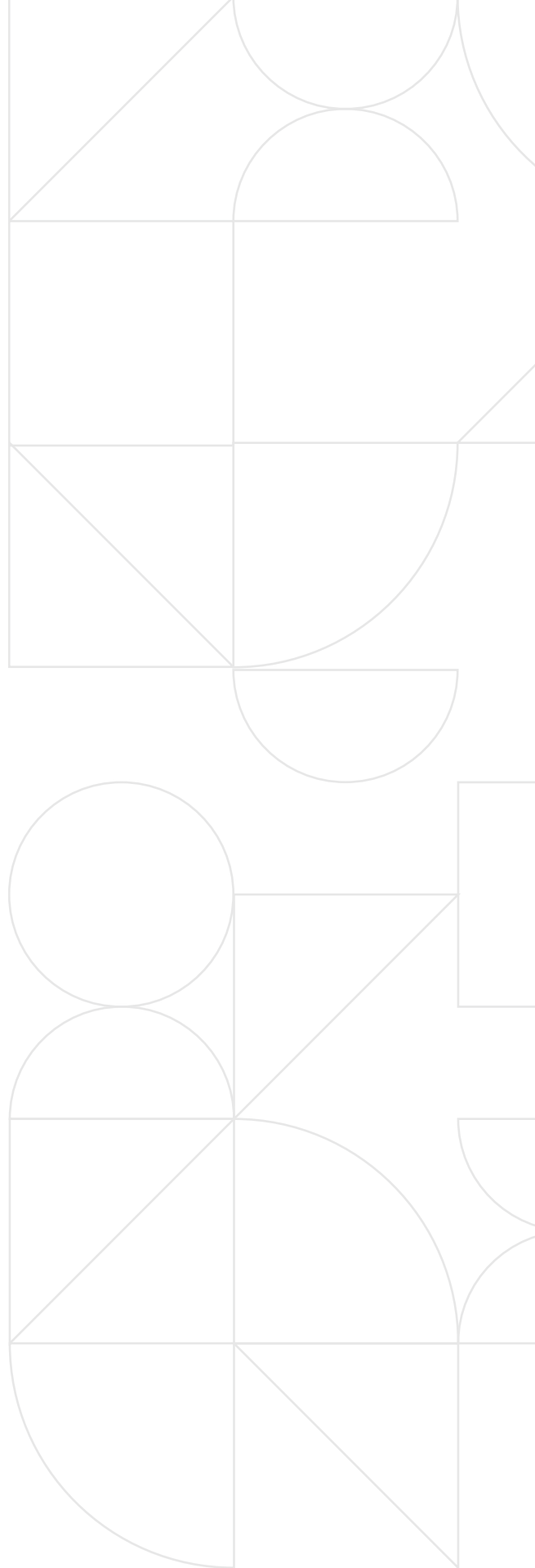
<<< add rows as required >>>

6. PRIORITY EDUCATION AND TRAINING INTERVENTIONS

6.1 List the top three priority education and training interventions for the sector

Instruction: Please provide consolidated information based on interviews across all employers, irrespective of size. Do not add rows to this table.

| | TRAINING INTERVENTION | DESCRIPTION |
|---|-----------------------|-------------|
| 1 | | |
| 2 | | |
| 3 | | |





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