

The Voice of the Employer

Detailed report of employer survey results

December 2014



Fibre Processing & Manufacturing Sector Education and Training Authority



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Executive Summary

Background and objective

This paper presents findings from data collected from employers as part of the FP&M SETA-funded Tracking and Tracing Research Project. The Tracking and Tracing project is an empirical study of the impact of the FP&M SETA's key skills development interventions: learnerships, bursaries and apprenticeships. This report provides a detailed analysis of the qualitative learnership survey results. This is one report in a series of reports, each of which presents findings from the various components of the overall study.

This particular study covers the views of employers who are levy-paying companies in any one of the 13 subsectors of the FP&M SETA. Ten employers were engaged through in-depth personal discussions and 267 employers responded via an online survey. This report provides a detailed discussion of the research findings, and a high level summary is provided in this section.

Main conclusion

Employers are convinced of the value of learnerships, apprenticeships and bursaries, both to the student and to themselves. These skills interventions create multi-skilled employees that contribute positively to the productivity of the companies who employ them. Employers cannot employ all learners trained, due to economic and other pressures, yet this brings trained employees into the market, which benefits smaller companies who cannot afford, or do not qualify to train employees. Employers do face challenges during the delivery of the course, and have made suggestions for improvements, but would greatly regret not having access to these training initiatives, and all in all consider it worth the effort.

Detailed summary

Nearly half of the responding employers indicated that they had not offered learnerships, apprenticeships or bursaries in the last three-to-four years. The main reasons for this differ according to sector with, for example, General Goods and Publishing are more likely to feel that there is no relevant training available, while Printing and Print Media companies feel that their size prohibits them from offering training. Ignorance of the application process is also often mentioned.

Employers from all of the FP&M subsectors have taken part in the learnership, bursaries or apprenticeship surveys. Responding employers are knowledgeable about skills and training matters, as most are employed in HR positions, training managers or skills facilitators and they know the FP&M SETA fairly, or very, well.

Employers interviewed highlighted that it is more attractive to offer learnerships to current employees. Some are concerned about the contract requiring them to take unemployed learners on for a period of six months. The learnership survey showed that 37% of companies offering learnerships, prefer to offer them exclusively to their own staff. Employers are more likely to offer apprenticeships to external candidates, with only 25% selecting only their current staff.

Irrespective of where companies source the candidates for learnerships or apprenticeships, they find that even applicants or employees with a Matric Certificate struggle to read and write at the required levels. In some sectors, this is less of a concern, such as Forestry, but is more of a concern in Clothing and Textiles. Employers offering apprenticeships feel even more strongly that the basic level of education of candidates is insufficient, most likely as these courses require a higher degree of intellectual commitment.

Behaviour and motivation of learners during the training is good, as indicated by most employers. Some employers, however, highlight that unemployed learners sometimes chose the learnership only for the stipend, and motivation is therefore low and the dropout rate high when they find a different job that pays more.

A third of employers offered 100% of their recent learnership graduates permanent positions, with an additional 27% offering at least 75% of learners a position, either permanent or part time. Apprenticeships perform even better in terms of employment, with 63% of employers offering all

apprentices permanent positions. Limited positions and tough economic conditions are often to blame. However, sometimes more learners are trained, and only the best are employed.

Those offering learnerships and apprenticeships highlight the following benefits to the learner:

- Provides learners with training opportunities that they would have had no other way of obtaining (78% of employers agree).
- Improves learners' knowledge of the industry, which in turns improves their employability (73% agreement). Qualitative interviews also highlight that this new knowledge makes them proud of their jobs, as they understand their role in sector.
- Learners would be more eligible for promotion in the future (67% agree), and employers interviewed also mention that learners are likely to move into managerial positions, not always due to the increased skills, but sometimes due to showing an attitude of willingness to learn.
- Anecdotal evidence that learners come back more confident people, in general. The online survey found that 72% of employers agree that employees with a completed learnership, show an improved attitude at work.
- Anecdotal evidence that basic reading, writing and mathematical skills are improved during the learnership.

Employers also experience a number of benefits to their organisations:

- Firstly, learning interventions seem to bridge the *gap somewhat between the poor quality of basic education and the needs of the workplace*, by improving literacy and numeracy.
- Learnerships create multi-skilled employees who can be used across the organisation.
- Nearly all employers agree that trained learners are more efficient at doing their jobs and get up to speed more quickly than untrained employees, even by as much as three years when compared to untrained entry level employees.
- The benefit of having learnership graduates extends beyond work efficiencies and the knowledge of work process, but include other value-adds, such as an improved focus on quality, health and safety. It also sends a positive message to other staff, which inspires and encourages them to further their own skills. In addition, learnerships improve the learners' understanding of the industry, which ultimately leads to improved productivity for the company.
- Employers benefit from offering bursaries, as it allows them to do career planning for employees and offers a chance for individuals to obtain a formal qualification to match their experience; one that they would not otherwise have had.

Employers do face a number of challenges in delivering the programmes. The most frequently mentioned challenge is that of slow and inefficient communication from SETA staff. Employers highlight that it is difficult to identify and make contact with the appropriate person with the SETA and that there is a need for clarity on notices of information sessions, official lists of training providers and courses.

Other challenges relate to slow grant disbursement and limited grant funds funding. Companies complain that SETA funding is not sufficient, and that low stipends are often to blame for dropouts. Also, the lag in payment from the FP&M SETA puts pressure on the cash flow of the business. This may force small businesses to limit training, as they cannot risk their cash flow being compromised.

Particularly in some sectors, companies are challenged by a lack of training providers. For example, Forestry plantations are located equally in Mpumalanga and KwaZulu-Natal, yet there are not enough training providers in Mpumalanga. Forestry companies in Mpumalanga opt to send their learners to KwaZulu-Natal, which incurs further cost to the company.

The FP&M SETA is aware of many of these issues and has identified their root causes as stemming from organisational design and IT infrastructure limitations that resulted after the amalgamation. The SETA has been working on a new business model aimed at addressing these challenges by focussing on three key elements: Efficiency, Customer Satisfaction and Relevance.

Methodology

1. Objectives and background

The FP&M SETA commissioned a Tracking and Tracing study that would empirically examine the impact of Learnerships, Apprenticeships and Bursaries on learners, and determine the extent to which these programmes are achieving their objectives. This project served to understand, explore and document key features, trends, challenges and the impact of these three skills interventions in the different FP&M sub-sectors. The Tracking and Tracing study was undertaken to assist in further developing a sustainable skills development strategy for the FP&M SETA.

To accomplish the objectives of the study, data has been collected from learners, employers and training providers using a range of different qualitative and quantitative methodologies. This report presents the detailed findings from research conducted with employers, including the result of an online survey, as well as the results from ten in-depth interviews. The detailed findings from the data collected from learners are presented in the “Voice of the Learner” and “Voice of the Apprentice” reports. A summary and discussion of all main findings are presented in the overall report titled “A Tracking and Tracing study of the impact of learnerships, apprenticeships and bursaries funded by FP&M SETA”.

Data collected from employers took the form of qualitative in-depth interviews, using semi-structured questions, as well as an online survey. Specific objectives that were addressed in the research with employers include:

- Measuring the absorption rates of learners from learnerships and apprenticeships after the completion of their training.
- Determining the value that employers find in learnerships, apprenticeships and bursaries, as well as the benefits to the learners as perceived by employers.
- Measuring perceptions around the sufficiency of funding by the SETA, as well as satisfaction with administrative elements.
- Understanding the companies’ contributions to training, as well as general training practices, such as working hours and stipends paid.
- Gauging the future of employment and trends that will influence employment levels.

2. Methodology for the quantitative survey

Population

The population for this study is defined as: “All employers who pay levies to the FP&M SETA and who have submitted a Workplace Skills Plan during the last 3 years”. According to the FP&M database, 3 339 companies pay levies to the SETA. All of these companies would theoretically have access to learning interventions by means of the levy that they pay.

Sample frame, sample and response rate

Once a WSP (Workplace Skills Plan) is submitted, the contact details for the appropriate contact person in the employer organisation is recorded, and these lists, which contains email addresses, were considered as the sample frame for the study. The Communication and Marketing department of the FP&M provided a list of emails to which the survey could be sent. A final sample of 259 employers were found. This represents a 7% response of all levy-paying companies. However, the response rate among those offering training is much higher. For example, the approximate response rate among employers who offer apprenticeships is 28%. Considering that the organisational contact person might change companies, and details might be out of date, this is an adequate response rate to reflect on the views of the population.

Data collection

Three surveys were created, which employers could choose to complete: one for learnerships, one for bursaries and one for apprenticeships. The surveys were programmed using online survey software. A

single survey link was sent to all respondents, but depending on the learning interventions that they offer, employers would have answered the learnership survey, and/or bursary survey, or the apprenticeship survey. In an attempt to limit the length of the survey, employers who offer apprenticeships and other learning interventions, were presented with the apprenticeship survey only. Those offering no apprenticeships but offering learnerships and bursaries, rated both learnership and bursaries.

The single survey invitation link was distributed via email to employers. Once an employer clicked on the link, they would complete the relevant survey online and all data would be automatically captured by the survey software.

Data Analysis

The data was exported from the survey system directly to the analysis software SPSS. SPSS is an analysis programme from IBM. The descriptive statistics were computed using SPSS and are presented in this report through the use of tables and graphs.

Response to the different surveys

The types of learning interventions that the sample rated are presented in Figure 1 below. The figure also provides an analysis map for rest of the report, indicating which areas are addressed for each of the interventions (or lack thereof).



Figure 1: Number of employers rating each learning intervention

3. Methodology for the in-depth qualitative interviews

Qualitative personal discussions were conducted with 10 employers. These employers were selected from the list of employers and training providers that were supplied by the FP&M SETA. Employers were grouped by the sector in which they operate and then randomly chosen from within different sectors to ensure a spread of interviews across different subsectors.

Respondents were approached telephonically to participate in the study and the formal letter explaining the purpose was emailed to those requesting more information. Interviews were conducted using a combination of telephone and face-to-face interviews.

The interviews were summarised according to main themes and the results of individual interviews are presented in this report.

1. Survey Findings

1.1 Offering no learnerships, apprenticeships or bursaries

This section presents the results for the 121 employers who indicated that they had not offered learnerships, apprenticeships or bursaries in the last three-to-four years. This is a rather large percentage of the total sample – 45%. These companies were probed on the reasons for not offer learnerships. The main reasons provided are a lack of knowledge on the process and a lack of relevant training available. Being too small a company is often also provided as a reason (22%). Others simply have not thought of it yet, and a few have had a poor experience while working with the SETA or find the process too cumbersome.

Table 1: Main reasons for not offering learnerships (multi-mentions)

Reasons	Percentage
Do not know how to go about doing this	31%
There are no relevant courses or training applicable to our company	30%
Our company is too small	22%
Poor experience in working with the SETA	17%
The process of working with the SETA is too cumbersome	17%
We have just not thought about it yet/ not gotten around to it	14%
The funding from SETA is not enough	13%
It takes too long to get the funding from the SETA	7%
Bad experience with learners from learnerships in the past	2%

A view of those sectors not offering any learning interventions is given in Table 2. Caution is recommended when interpreting the results of sectors with small bases sizes, such as Leather and Wood products.

Most of the Forestry companies do not offer any learnership, apprenticeships or bursaries, and claim that they don't know how to go about offering this training. Interestingly, those few Forestry companies who do offer learnerships tend to train a large number of learners per year.

Companies in the General Goods sector feel that there are no relevant training options available for them, which indeed might be a valid claim, as this sector includes a number of diverse companies.

Printing and Print Media comprises many small companies and they feel that their size prohibits them from offering these training options. Publishing companies require a highly educated employee and they have fewer opportunities to offer learnerships, opting rather for bursaries, which was confirmed during an interview with McMillan Publishers. It is therefore not surprising that 80% of Publishing companies do not offer any of these learning interventions and feel that there are no relevant training courses available.

Learnerships are a dominant training method in the Textile and Clothing sectors and therefore these sectors tend to show a higher percentage offering training (above 60% offering training). Around half of Textile and Clothing employers who do not offer training, claim to have ceased their training due to service delivery issues from the SETA.

Table 2: Sectors not offering any learnerships, apprenticeships or bursaries

Sector	Total sample size	% not offering learning interventions	Main reasons
Forestry	25	64%	Don't know how to go about this
Paper and Pulp	9	11%	No relevant training courses
Printing	21	40%	No relevant training courses, Company is too small, Don't know how to go about this
Print media	13	54%	No relevant training courses, Company is too small
Publishing	10	80%	Don't know how to go about this, No relevant training courses
Leather	6	67%	No relevant training courses, Company is too small
Clothing	36	36%	Poor experience working with SETA
Textiles	44	39%	Don't know how to go about this, Poor experience working with SETA
Footwear	10	40%	Don't know how to go about this, funding is not enough
Packaging	20	40%	Don't know how to go about this, No relevant training courses
Wood products	8	38%	Don't know how to go about this
Furniture	21	48%	Have not thought about it yet, don't know how to go about this
Other / General	12	75%	There are no relevant training courses, The process is cumbersome

It needs to be noted that the above question refers specifically to the offering of learnerships, apprenticeships or bursaries. Many employers are indeed submitting a Workplace Skills Plan and, most likely, are offering other types of training, such as skills training. The qualitative interviews confirm that they often offer Adult Education and Training (AET). Only 12% have never submitted a WSP from 2011 to date. Some of the verbatim comments relating to their reasons for non-submission include:

- Too small

"Too small an organisation, hardly any budget, let alone training budget, to speak of"

"My company [is] still small between 1-4 employees"

"The company is too small. Time management: it seems like a lot of work and almost need to employ someone to help with implementing a WSP. We are a small company of 20-30 employers. Would just not be cost effective for me to employ someone to implement a WSP"

- Ignorance

"Because we did not know they existed"

"Just never done one and do not know how to."

- Economic conditions

"Training is one of the first expense items that can be cut and not affect production. Training is expensive in management time even if you get a grant."

- Bad experience

"Too much red tape and also because of the changing of the goal posts all the time. I have experience in other areas that tells me this is a recurring problem."

1.2 Employer Learnership Survey

Who are the employers who rated learnerships?

The results in this section are based on those 71 employers who responded to the learnerships section of the questionnaire. These employers have at least offered learnerships once, or more often over the last three-to-four years.

Employers from nearly all of the FP&M subsectors took part in the learnership survey. Most responses came from the Clothing, Textiles and Furniture sectors. Packaging is not represented in this learnership sample. However, apprenticeships are the main training mechanism for the Packaging sector, and their views are represented in the apprenticeship survey. Sector comparisons are only made for sectors with sample sizes of ten or above. An exception is made for Forestry, seeing as these 6 companies train, on average, a large number of learners per year.

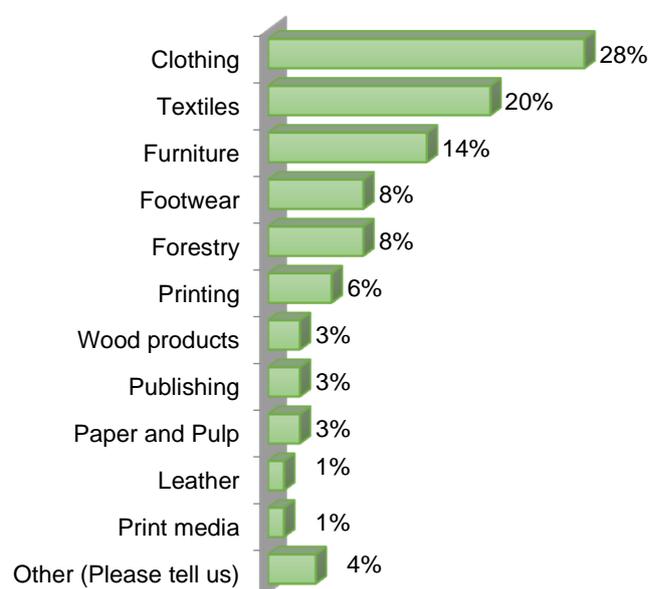


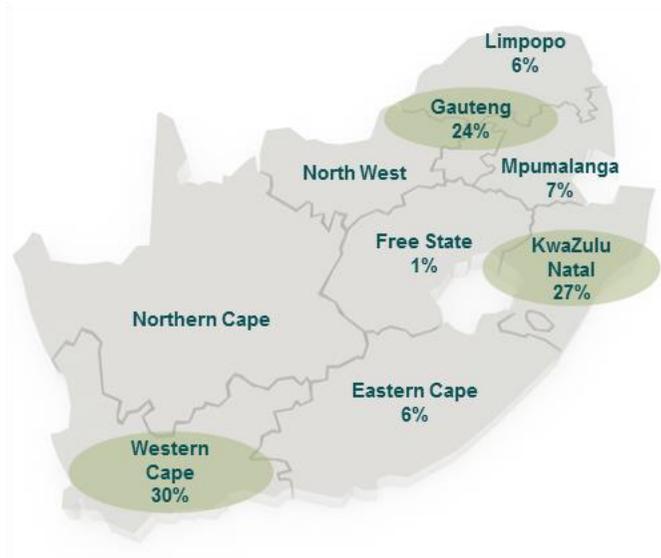
Figure 2: Sector split for employers who offer learnerships

Table 3: Number of employers per sector in employer learnership sample

	Base size
Clothing	20
Textiles	14
Furniture	10
Forestry	6
Footwear	6
Printing	4
Paper and Pulp	2
Publishing	2
Wood products	2
Print media	1
Leather	1
Other (Please tell us)	3

Most responding employers have their head offices located in the Western Cape, KwaZulu-Natal and Gauteng. These are the main provinces where learnerships are offered, as is evident from the figure depicting the geographic distribution of all learnerships (from MIS data).

Employer location



All learnership offered

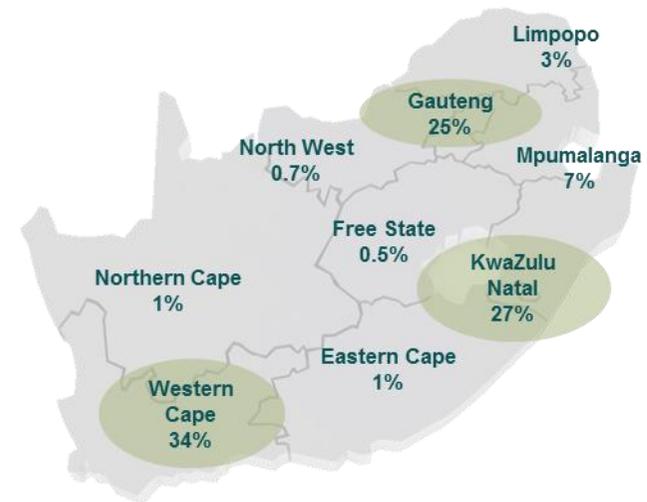


Figure 3: Location of head office of employers vs. location of all learnerships offered as per MIS database

Around half of employers who responded to the learnerships survey are from medium-sized companies who have between 100 and 499 employees (49%). A quarter of the companies who offer learnerships can be classified as small (1-99 employees). 14% are large enterprises (500-999 employees) and 11% are very large, with more than 1 000 employees.

A comparison of the size of companies in the subsectors is provided in Table 4. The results indicate that Furniture companies, in this learnerships sample, are mostly small (70%), while Textiles companies are predominately medium-sized (86%). While many companies in Forestry and Clothing sectors are medium-sized, these sectors also have many larger companies responding.

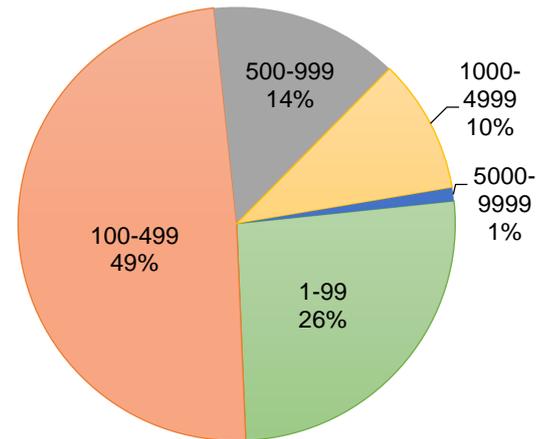


Figure 4: Size of the companies that rated learnerships

Table 4: Size of company by sector in employer learnership survey

Number of employees	Forestry	Clothing	Textiles	Furniture
1-99	17%	20%	7%	70%
100-499	50%	40%	86%	10%
500-999	17%	20%	0%	20%
1000-4999	17%	20%	7%	0%
5000-9999	0%	0%	0%	0%
10000+	0%	0%	0%	0%

The job description of the respondents is provided in the table below. Respondents are mostly within the Human Resources function (33%) or are performing training or skills development roles (35%). Considering the large number of smaller companies, it is not surprising that a few CEOs / owners also responded to the survey. From the roles that respondents perform in their organisations, it is clear that the sample has a good working knowledge of the issues relating to skills development and training.

Table 5: Job descriptions of respondents in employer learnership survey

	Percentage
HR manager / HR Admin / HR other	33%
Skills development facilitator	21%
Training manager / training facilitator	14%
Manager – General / other	12%
Financial Manager / book keeper / payroll	9%
Other	11%
(Main mentions for other include:)	
CEO / Owner / Director	8%
Admin / PA	2%
HR and Training	1%

What type of interaction do companies have with the FP&M SETA?

The current section focuses on the regularity with which the responding companies work with the FP&M SETA, as well as the types of interactions that they have with the SETA. Figure 5 below illustrates that the majority of companies in this sample interact with the SETA to obtain grants (74%).

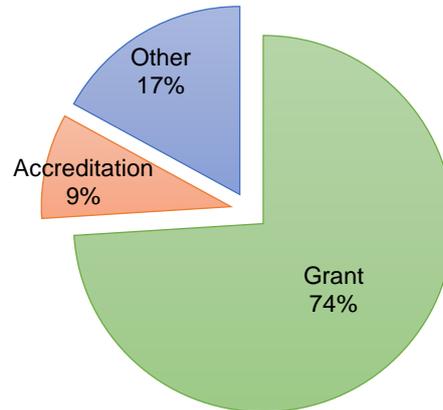


Figure 5: Ways in which employers who offer learnerships interact with the FP&M SETA

The regularity with which the employers in the sample interact with the FP&M SETA is presented in Figure 6. While one respondent has never interacted with the SETA (1%) and a few have only worked with the SETA prior to 2011 (7%), the majority have at least had some regular interaction with the SETA over the last few years (65%).

Focusing on the individual respondent's level of familiarity with the FP&M SETA, Figure 7 below illustrates that most respondents feel that they know the SETA fairly well (54%), or even very well (30%).

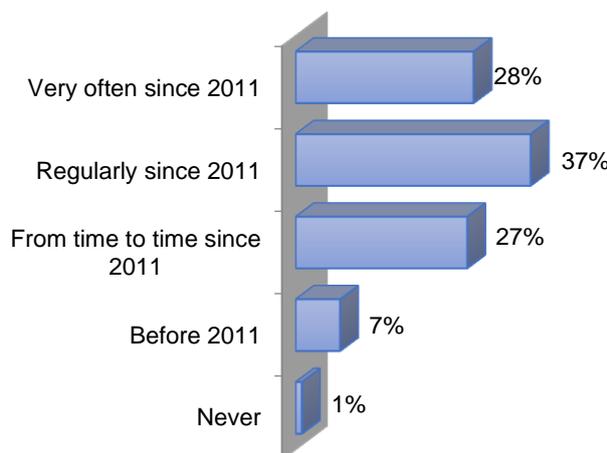


Figure 6: Regularity of working with the FP&M SETA

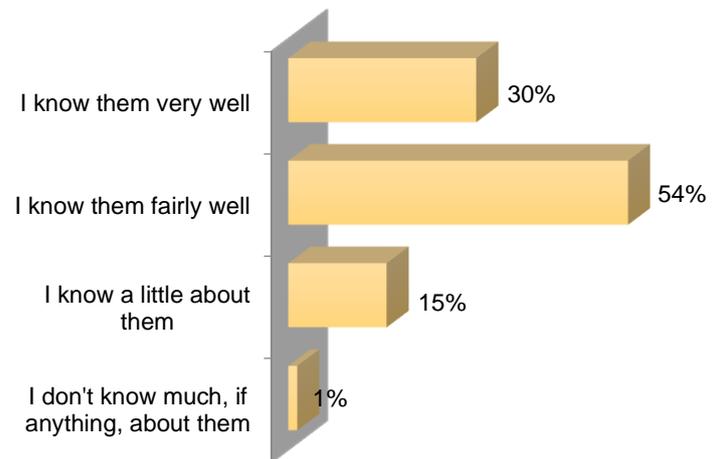


Figure 7: Individual respondent's familiarity with the FP&M SETA

The above results illustrate that the respondents are knowledgeable about the FP&M and in a good position to provide insight around training interventions and their impact on the learner and the organisation.

Details of the learnership programmes

The role of the employer during training is summarised in Figure 8. Most employers are both theory and workplace training providers (79%), or workplace trainers only (14%). A few outsource all components of the training (7%).

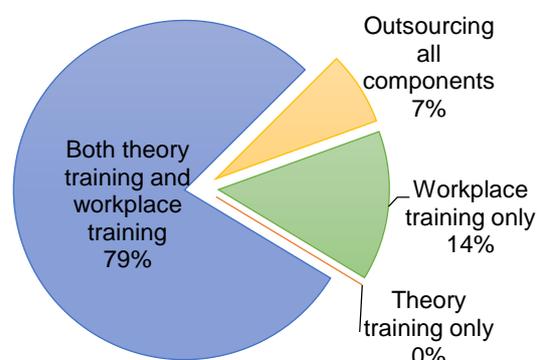


Figure 8: The role of the employer in the learnership programme

The employers were asked to indicate the number of learners that they trained from 2011 to 2014. A 5% trimmed mean is presented, which excludes the top and bottom 5% of scores. A trimmed mean helps to mediate the effect of outliers that could affect the mean. There was, in particular, one outlier that skewed the mean score. Table 6 shows that over the last few years, companies have been training progressively more learners every year. In 2011, the average intake was nine learners per year, while in 2014 this had risen to 16. Also, the numbers of companies that offer no learnerships are declining. In 2011, 42% of companies had not offered any learnerships, yet by 2014 this had dropped to 16%. Of course, all companies might not have been in existence in 2011, and verbatim comments suggest that a few are new start-ups. However, on the whole, this trend should still apply to most companies.

Table 6: Number of learners trained per year

	2011	2012	2013	2014
5% trimmed mean	9	13	16	16
No learners trained	42%	23%	19%	16%
1-10 learners trained	27%	37%	35%	30%
11-20 learners trained	16%	13%	13%	26%
20+ learners trained	15%	27%	33%	28%
	100%	100%	100%	100%

Employers find the candidates for learnership programmes from either their own staff exclusively (37%) or they advertise for learners to attend the training (29%).

20% would take people from both internally and externally, while 14% would also find learners from training providers.

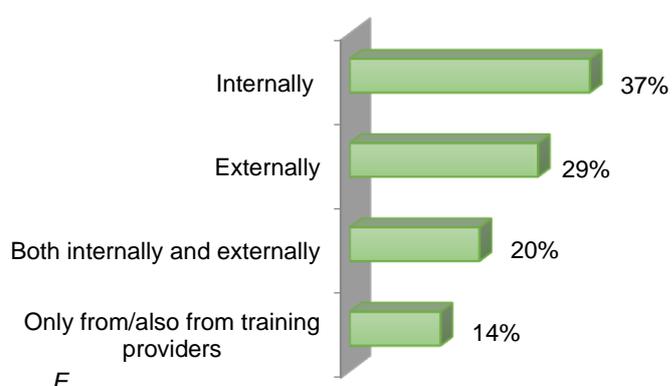


Figure 9: Source of learners for learnership programme

Irrespective of where employers find the candidates for their learnership programmes, the quality of learners’ basic education on entry into the programme, leaves much to be desired. Although the average between “Insufficient” and “Good” is near the midpoint (52), at least half of employers rated the basic education level below the midpoint. The spike around the mid-point mark, as seen in the graph below, indicates that a number of respondents chose to take a mid-point view, and not commit to either side.

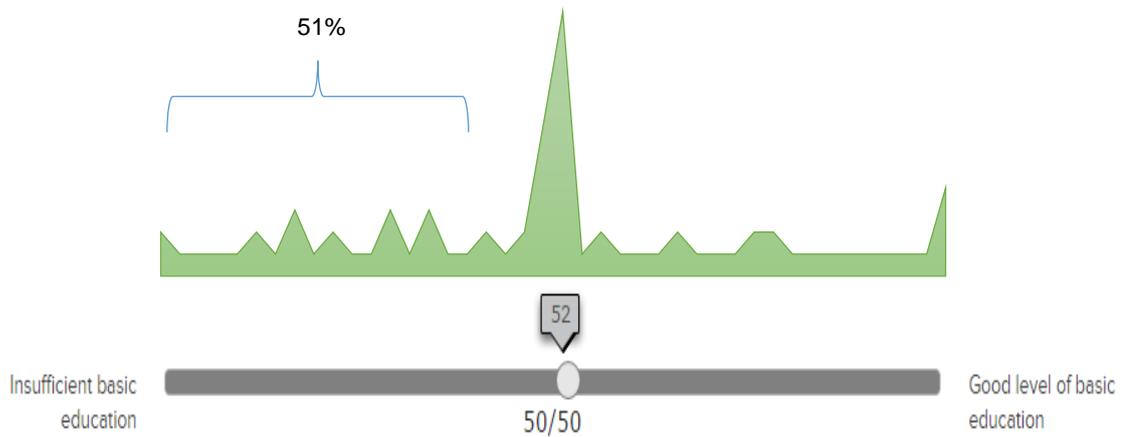


Figure 10: Histogram and average rating of the basic education level of learners on entry

Approximately seven in ten companies always pay a stipend, and a further 8% sometimes pay the stipend. While 21% of companies answered that they never pay a stipend, the reason for this is often that learners entering the programme from within an organisation already earn a salary and this is not viewed as a stipend. 60% of those not paying a stipend report this reason. Three respondents indicate that there is no reason, they just do not do it. Those who pay a stipend do so weekly (54%) or monthly (44%) and pay on average R2 662 per month or R389 per week.

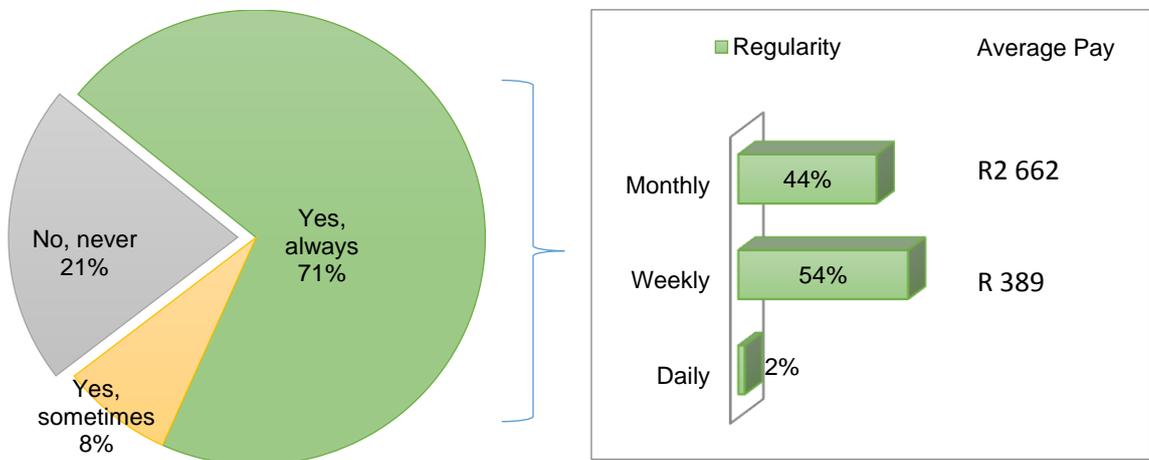


Figure 11: Payment of stipend to learners on learnership programme

Translating all payments to monthly values (e.g. weekly pay in Rands*52 / 12) enables an easier comparison between stipends paid. Table 7 below shows that on average, the monthly pay is R2 083, with the least paid being R867 per month, and the highest paid R6 000.

A rather large standard deviation of R1 209 also confirms that there is a range around the mean, and with 68% of the responses falling within one standard deviation of the mean, most employers therefore range between R874 and R3 292 per month.

Table 7: Average monthly stipend paid to learners on a learnership

	N	Minimum	Maximum	Mean	Std. Deviation
Average stipend	50	867	6 000	2 083	1 209

All of the industries for which industry results can be presented, show relatively low monthly stipends when compared to the average across all companies. It is true that in some other sectors, such as Printing and Paper and Pulp, better qualified learners are needed and therefore higher stipends are paid. These sectors influence the mean stipend reflected in Table 7.

Table 8: Average monthly stipend for learnerships by sector

	Forestry	Clothing	Textiles	Furniture
Average stipend	R1 367	R1 760	R1 963	R1 697

Verbatim comments relating to stipends highlight interesting aspects around the issues:

- **Funding is not always enough, especially in certain sectors, and it results in dropouts**

“Contribution received from the SETA for the learners was not enough. The company had to pay R400 more to get them to stay”

“Majority of the learners leave after a month or two, as the stipend is too little in their opinion”

“The government-mandated stipend is too low in relation to living costs. This causes drop offs”

“We lose most of our excellent 18.2 learners for the stipend is too little for time period on the Learnership Training Programme. Unless the Training Provider uses initiative to increase the stipend while the learner progresses in his/her practical training.”

“We recruit learners with degrees into our programmes because of the level of work. The industry is a very skills-intensive industry. If [sic] could pay at least R5000 in accordance with their qualification that will also motivate learners. R2000 is simply just too little for a person with a degree”

- **Sometimes the stipend is increased from theory to practical training, or at set times during the training**

“Yes the stipend passed by law is too low and does not cover the learners’ bus fares etc., as a result learners do not accept it. With the Company paying R700 p/week, the wage cost actually exceeds the SETA Funding drastically.”

“We pay them R1500/month when they are doing the theory part of the learnership and R7000/month when they do the practical training.”

“We pay an hourly rate of 13.20 and increase it 3 times during the learnership, upon completion of elective outcome 1, 2 and 3. We give a completion bonus of R1000 to those who graduate.”

- **An increase, or bonus, might be a solution to those experiencing drop out during practical work**

“They also drop out when they start with their practical on the production floor, where they have to do the same work as the qualified machinists, but get paid less.”

- **Some employers might not feel that learners deserve a stipend, while other employers take a more kindly attitude**

“I do not see the point of paying learners to study. We are providing free education and must also provide stipends. It is not economical for the employer.”

“It is very good as the students have an income whilst studying.”

- **One employer postulates that some companies are exploiting learners by using them as cheap labour**

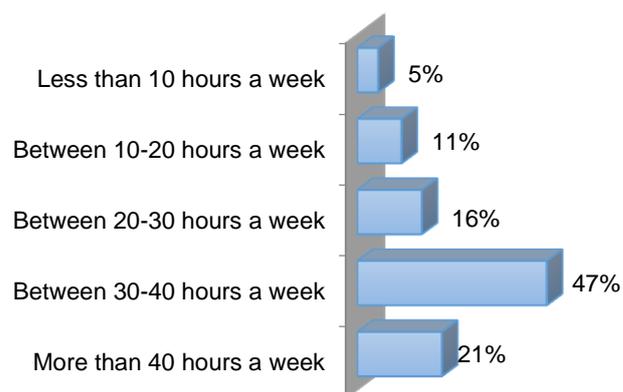
“I believe that most company's [sic] use the stipend to employ cheap labour.”

- **Stipends are not always used by learners for their intended purposes due to poverty and need**

“I believe that most learners are attracted by the stipend. Whilst the purpose of the stipend is to provide learners with the means to travel to work and to buy food, in most cases it is used to support their families.”

- **Learners are not always clear on when they are due a stipend**

“Half of them expect the organisation to keep funding them when they have failed - the other half have done well and completed the course.”



The typical working hours of learners is between 30 to 40 hours per week (47%), with 21% of employers claiming that learners work longer hours (more than 40 hours per week)

Figure 12: Working hours during learnership programme

After successfully completing the training, learners should receive a certificate of completion. Only 12% of employers can say that learners receive their certificates promptly, while around half feel that learners will eventually get their certificates, even if it takes a long time. 36% have seen that some learners never receive their certificates. The importance of a certificate has been established in the learnership survey, and the concern relating to the non-issue or issue of certificates is emphasised in this finding.

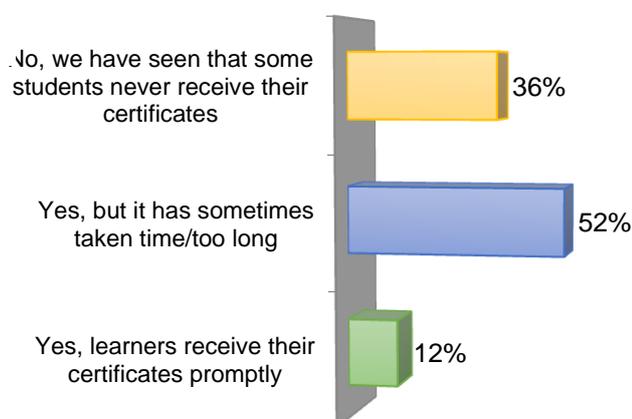


Figure 13: Learnership certificates received

Perceptions of training quality

Learnerships have two training components; theory training and workplace training. Firstly, employers were questioned about their satisfaction with the theory component of the training. Most employers feel that the theory training is indeed relevant and that it relates to the workplace training that they do. Despite the high agreement, some of the verbatim comments suggest that the theory training provides much more than is required in practice:

“Although learners enjoy working through the theoretical components of the learnership, they are in most cases not expected to practice or not practicing the principles covered e.g. productivity module.”

“It is relevant in some cases, but majority of the learners end up as machinists where they don’t really end up using any/all of the information of the theory.”

The training might be relevant, but could possibly be at a bit too high a level for learners.

“In an industry where learners are from rural areas with minimal education - even the NQF level 2 assessments are too complex for learners. NQF2 qualifications need to be revised and simplified. There also needs to be more relevance to the industry and job.”

“The 18.1 Learners who have been working for X amount of years do not always find it easy to apply the theory component part of the Learnerships. Therefore it is of utter importance to support and simplify the content for them to participate and successfully complete the learning intervention.”

An area where relatively high disagreement is seen, is in the accessibility of training in all geographical areas (29% disagreement).

“With Furntech closure in Knysna / George this area has for the first time in over 100 years, no training facility for theory and practical”

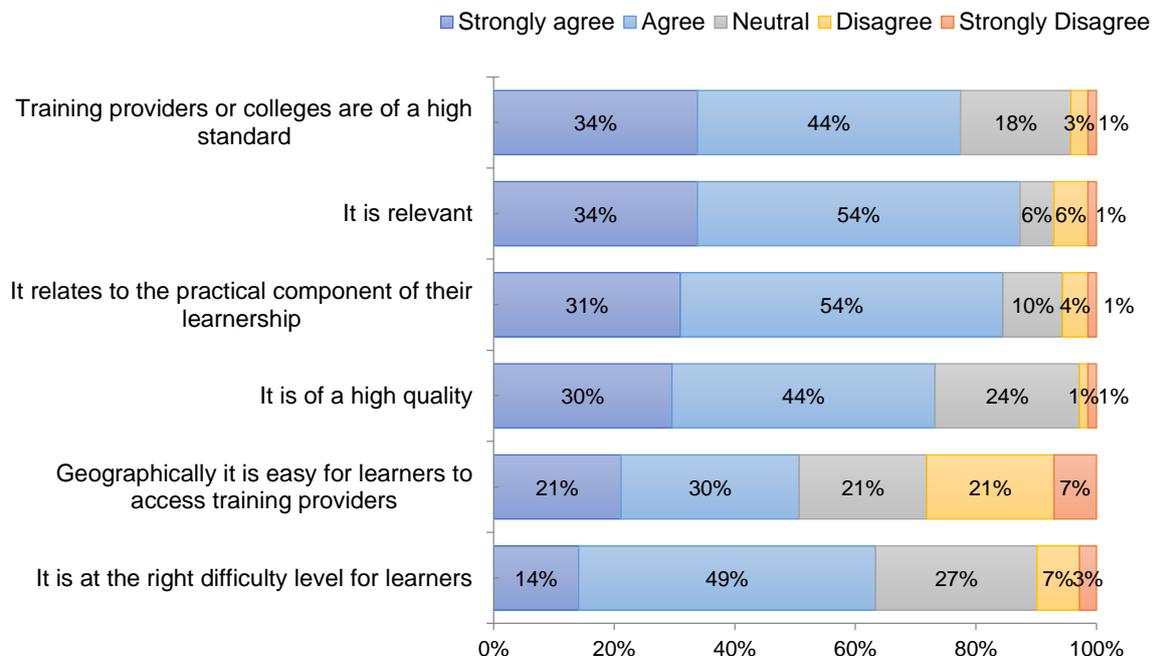


Figure 14: Satisfaction with theory training components of learnerships

During workplace training, most learners show a good work ethic rather than tending towards poor attendance. From the figure below, it appears that most employers are also positive about the good work ethic of learners, with the average out of 100 at 62, and 42% of employers rated work ethic at 70/100 or higher.

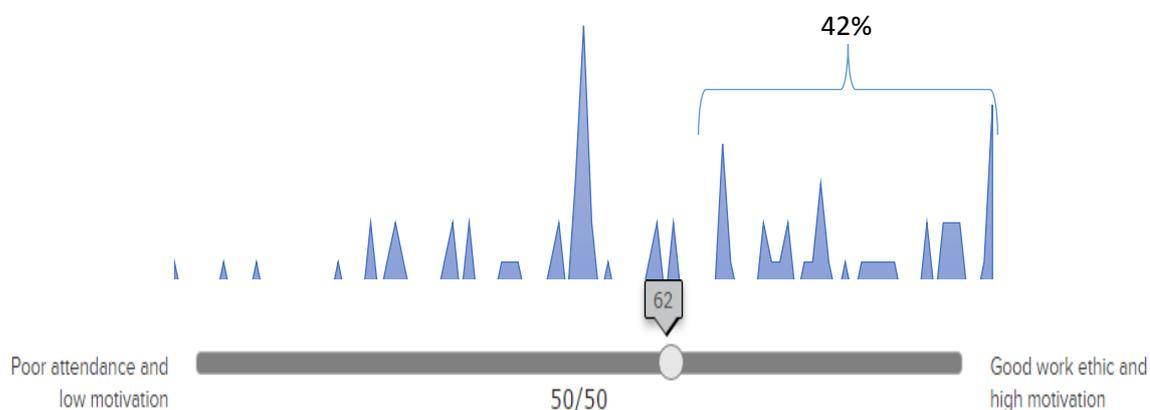


Figure 15: Histogram and average rating of the perceived work ethic of learners on a learnership

Comments from employers confirm that they do not, in general, have any problems with learners in terms of behaviour during training. Codes of conduct and workplace rules often manage behaviour. The employers that are more negative, often feel that learners exhibit an attitude of entitlement or are interested in the monetary incentive more than in the training. Other issues mentioned relate to immaturity of school leavers who are not ready for the demands of the workplace.

The perception question on how committed learners are, shows that most employers rate learners as dedicated and committed rather than likely to easily drop out. The average rating out of 100 is 60 and approximately one-third of employers rated commitment at 70/100 or higher. There are a few who are more neutral or even negative about the commitment of learners.

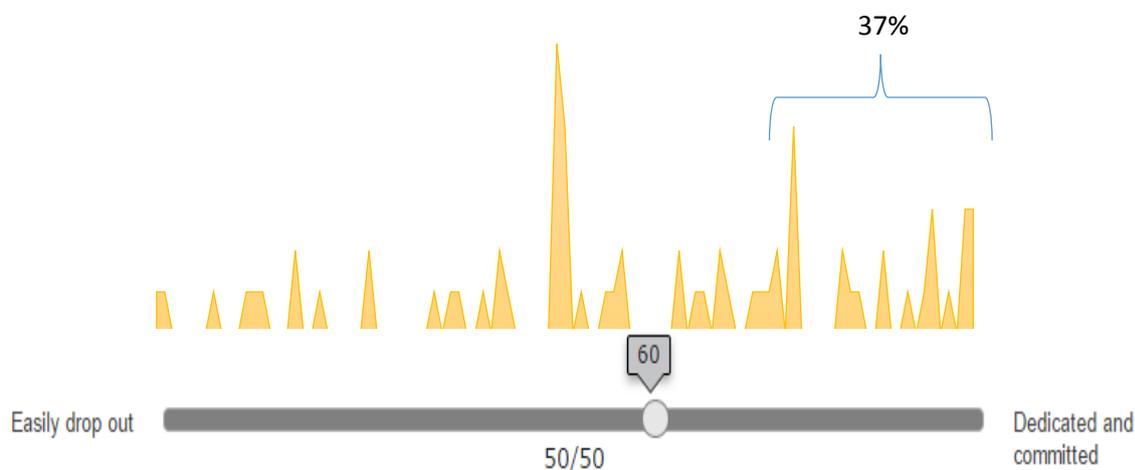


Figure 16: Histogram and average rating of the perceived dedication of learners on a learnership

Verbatim comments illustrate the views of employers:

"We have been fortunate to have learners that were all grateful for this opportunity. They all work very hard and are extremely motivated."

"Not much interest or willingness to learn. How they feel - training is being imposed on them. More interested in monetary benefits than anything else."

Around six in ten employers feel that learners who do drop out of the programme, do so because they find another job, and, related to this, is the lack of motivation (32%). One employer explains this link between finding other employment and a lack of motivation:

“The unemployed learners appreciate the opportunity to earn in an environment with high unemployment, but will drop out if they can earn a better wage. Therefore the qualification is not their reason for being on the learnerships.”

For other learners, the stipend is not enough and they don't have enough money to finish the training (38%), or develop transport or accommodation problems (18% and 9%). Family problems and pregnancy also contributes to termination. Learnership statistics show that more women enter learnerships than men (60% vs. 40%). Child care grants are also often already a source of income, even before entering the learnership. 20% of the unemployed learners in the learnership survey received money from childcare grants.

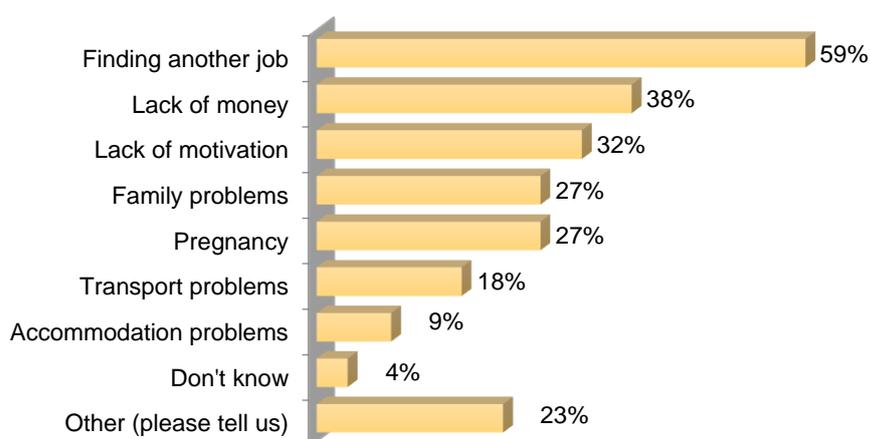


Figure 17: Perceived reasons for termination of learnership (multi-mention possible)

Four of the employers who marked “Other” remark that none of their learners have ever terminated:

“We have trained (and) never lost one of our 20 or so trainees during training. When complete most left.”

Substance abuse was mentioned as reasons for termination by two employers, both in the Clothing sector. Two other employers felt that learners were simply too lazy to work. Other single mentions include:

- Afraid of losing their disability grant
- Job incompatibility
- Lack of knowledge on career guidance
- Too young and immature

As an overall rating to the effectiveness and quality of learnership programmes, most employers who offer training agree strongly (40%) or agree (52%) that is an effective way of providing training.

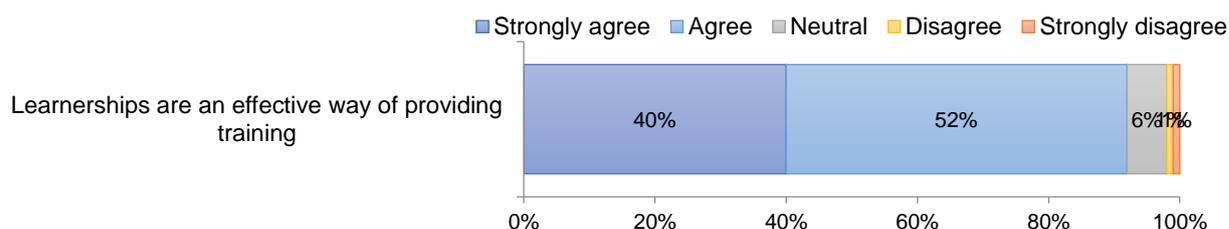


Figure 18: Rating of learnership as a training method

Absorption of learners into the organisation

Employers were asked to consider the most recent learnerships completed, and indicate how many of the learners were offered positions with their companies. They were requested to indicate the split between both permanent and contract positions. Figure 19 below indicates that 35% of companies offered all learners (100%) permanent positions and an additional 1% offered all learners contract positions. An additional 13% to 14% offered at least 75% a position, either permanent or part time.

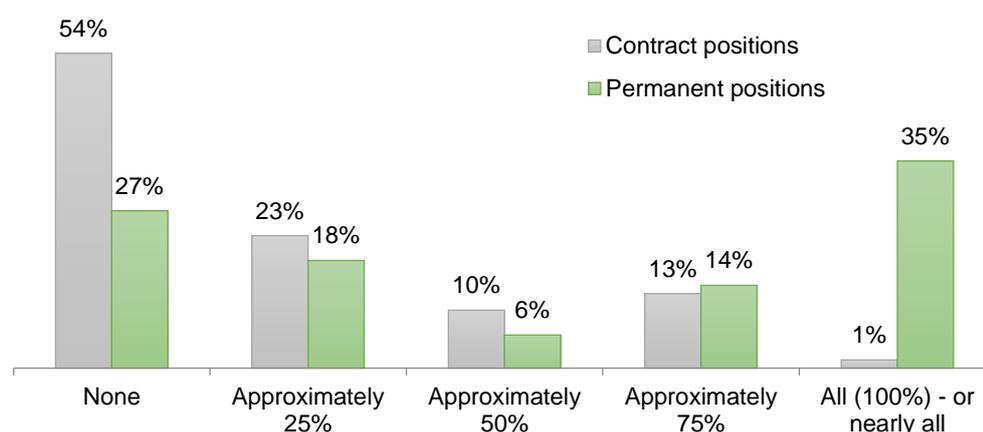


Figure 19: Thinking about the most recent learnerships completed, how many of the learners were offered positions with your company?

By taking another view of this employment data, it is seen that only 13% of employers have not employed any learners on either a permanent or contract basis on the completion of their training. Most employers prefer permanent positions (47%), while some will consider a mix of permanent and contract positions (26%). Very few would only recruit for contract positions (14%).

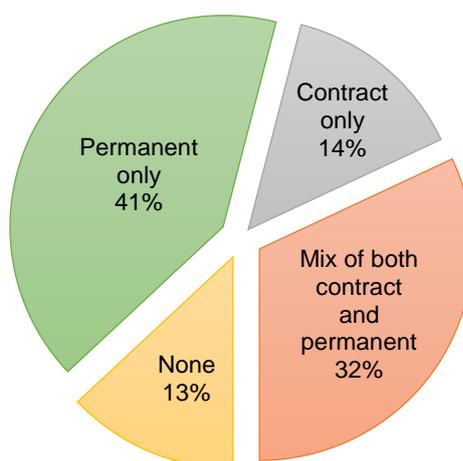


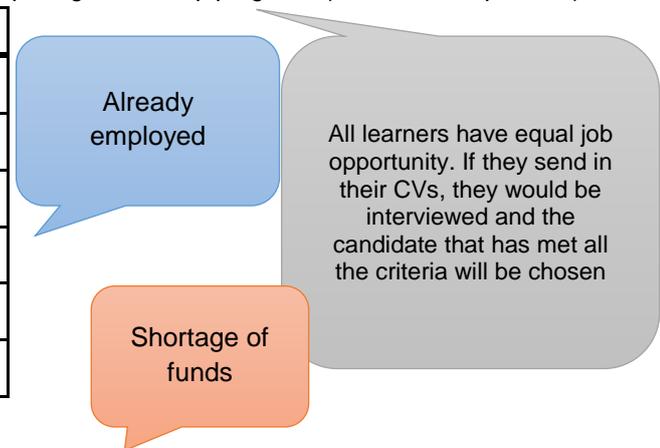
Figure 20: Types of employment offered after completion of learnership

Those employers who could not offer all graduates employment, were asked to provide an explanation and Table 9 below indicates that companies simply do not have enough open positions available. Around one-third indicated that they prefer to train more learners and then choose the best from the graduates. While some companies therefore take in more learners than they intend to employ after graduation, others might be affected by seasonal staff fluctuations or by the economic conditions. This does, however, have a benefit to other companies in the industry, especially smaller companies who might not be able to afford training

themselves. Other mentions included issues such as shortage of funds or the fact that all learners are already employees.

Table 9: Reasons why all learners could not be employed after completing learnership programs (multi-mention possible)

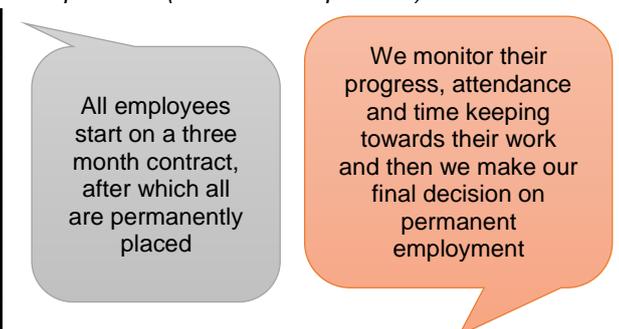
	Percentage
We had no open positions	53%
We always train more and choose the best	30%
Learners were not of a good quality	18%
Learners preferred to find another job	15%
Company retrenchments / economic reasons	13%
Other	17%



Those offering contract positions were asked why they use this form of employment as opposed to providing permanent positions. Not being able to commit financially to a permanent employee is one of the main reasons for offering contract positions (42%). 26% felt that it is simply the nature of the sector they operate in and 21% have a standard policy to rather offer contract positions. Verbatim comments in the “other” option suggest that contract positions also allow companies to evaluate candidates better before eventually offering them permanent positions.

Table 10: Reasons for offering contract positions rather than permanent positions (multi-mention possible)

	Checked
We cannot commit financially to permanent positions	42%
It's the nature of the sector we are in	26%
It is our standard policy	21%
It is just our preference	21%
It is safer as we are not sure of the quality of learners	13%
Other	16%



About two-thirds of companies (73%) employ learners to do exactly what they were trained for in the learnerships, and 18% might sometimes offer these learners something else to do, while 9% admit to starting them off in an unrelated position. Verbatim comments suggest that learnerships open up the employment opportunities for a learner into other areas, especially when there are no related positions available. Should their employment have been limited to the exact skills area they trained in, employment would have been lower. However, learnerships equip individuals with transferable skills.

“Depending on the company, if there is a need or a critical skill shortage, where the company feels that the student has some qualification and ability to do another job.”

“Learnership implies that a learner is capable of learning. If an opportunity is available and the individual has aptitude and a will to work, the skills can be acquired from the foundation already laid.”

Value of learnerships to the employer and the learner

The value of employment for a learner has already been established in the previous section. This section focuses on additional benefits that learners and the employers get from the learnerships. The first benefit examined is that of increased earnings potential. Only employers who have actually appointed learners, either from their own programmes or from other programmes, completed this question (n = 32).

With no experience, having only just completed a learnership, a learner can expect to see only a small increase in salary (73%). However, with as little as one to three years' experience, their earnings potential would have picked up and they would be earning a lot more than someone with similar experience but with no learnership (73% a lot more or significantly more).

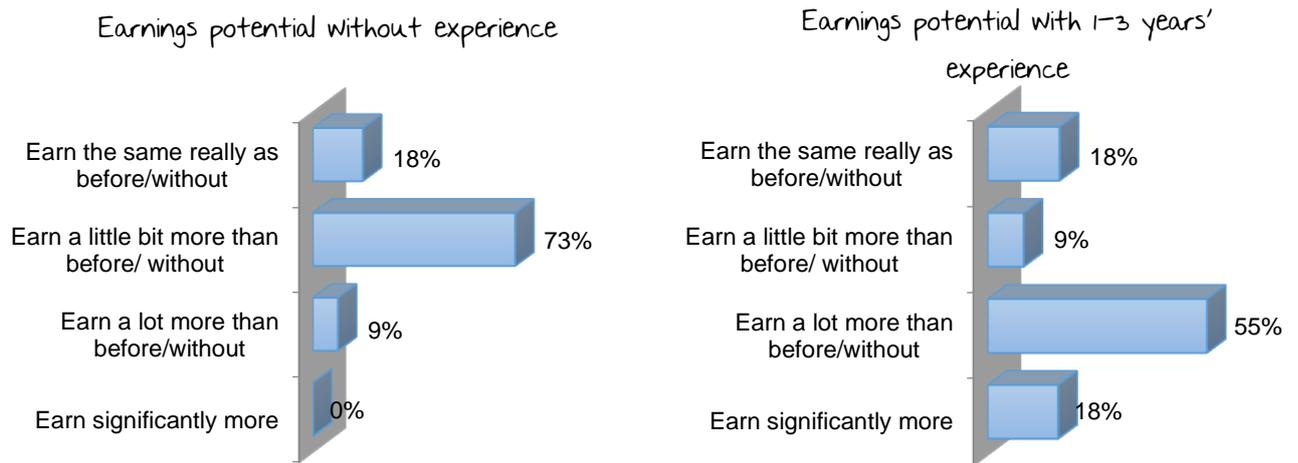


Figure 21: Earnings potential for new hires, as well as experienced learners with a learnership certificate

Trained employees can expect to see a small increase in salary right away, yet more than half of employers (57%) feel that certified learners have an unrealistic expectation of what they would earn. Many employers appear uncertain of learners' attitudes towards salary (32% neutral).

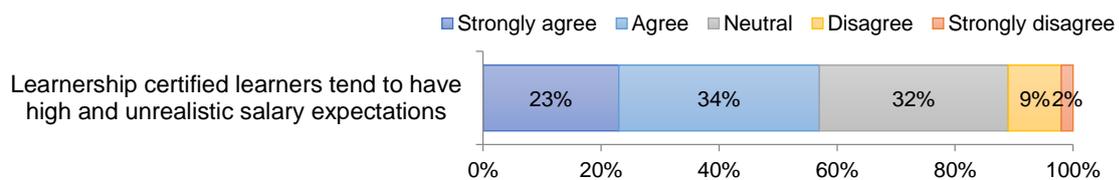


Figure 22: Perception of learner salary expectations among employers who offer learnerships

Related to salary expectations, is the expectation of promotion. Figure 23 indicates that 66% of employers who employ learners agree that certification puts you in the running for a promotion sooner. While there are 29% who are neutral, very few employers actually disagree with this statement (5%).

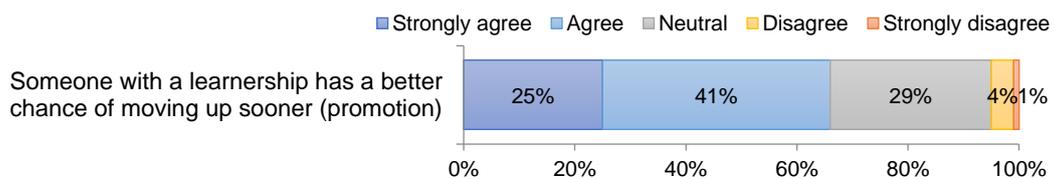


Figure 23: Improved chances of promotion according to employers who offer learnerships

The learnership does also play a significant role in improving workplace conduct once they start as full-time or contract employees. Around half of employers indicated that those who were employed before the learnerships now show better workplace behaviour, while an additional 21% feel that qualified learners show

better behaviour than employees without a learnership. This improvement in workplace conduct is a benefit to both the employee and the employer.

Table 11: Workplace conduct of learnership graduates once appointed

	Percentage
Yes, better than before (if employed before starting learnership)	49%
Yes, better than other employees of a similar level without learnerships	21%
Yes, at the right level but not better than other employees	24%
No, workplace behaviour is not always appropriate	6%

In addition, 72% agree that employees from a learnership show an improved attitude towards their work, such as a new pride in what they do.

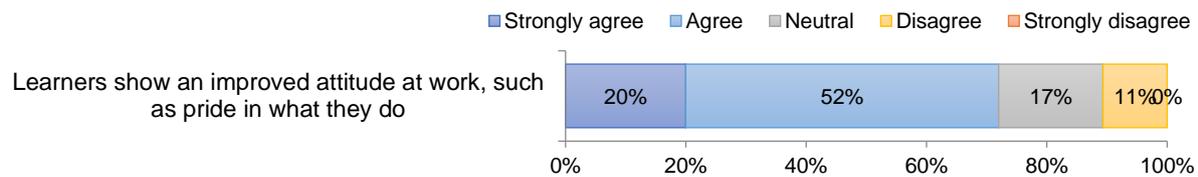


Figure 24: Perceived improvement in of learners attitude towards work

An employee, who has the needed skills and can get up to speed quickly in their new jobs, will contribute to increased productivity. These advantages to the employer are being realised through the learnership programme; 74% of companies who employ certified learners report a positive impact on company productivity.

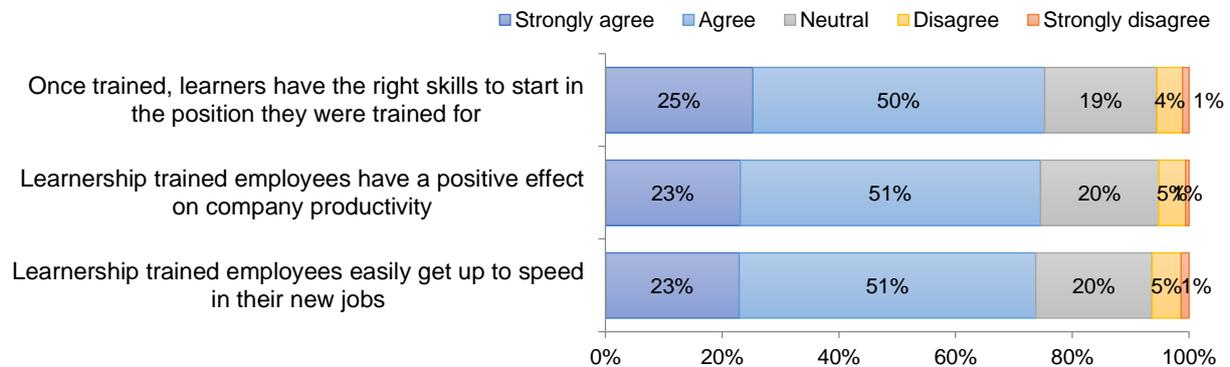


Figure 25: Benefits to the employers offering learnerships

Only half of employers felt confident enough to agree that companies in their sector place a high value on learnerships. However, there is a large neutral response of 38% and it might be that these employers could not answer for other companies in the sector.

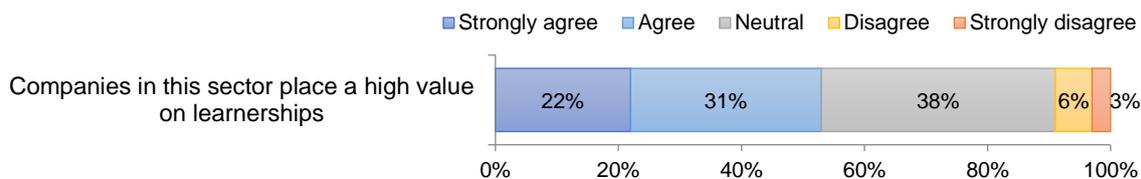


Figure 26: Value attached to learnerships by sector

The final question that relates to benefits and value created, asked respondents to tick a list of intended benefits that they feel are actually being realised through the learnership programs. All of the benefits seem to be realised, according to the majority of respondents. The biggest benefits being that the programme

provides training opportunities to those who would not have had access otherwise (78%) and that it improves learners' knowledge of the sector, thus improving their ultimate chances of finding employment in the sector (73%). 68% agreed that it creates employment opportunities for learners and 59% note that it provides employers with quality employees.

Table 12: Benefits of learnership to learners as perceived by employers (multi-mention possible)

Benefits realised	Percentage
They offered training opportunity to those who would not have been able to access training	78%
They improve the knowledge a learner has of the sector, ultimately improving their employment chances	73%
They increase employment opportunities for learners	68%
They increase learner self-esteem and confidence	67%
They provide employers with quality employees	59%
Learners show an improved attitude at work, pride in what they do	49%
They increase productivity in an organisation	47%
Other	4%

Employers were also given an opportunity to highlight the main limitations to the programme, by choosing from a list with the opportunity to add a comment.

Table 13: Main limitations or needs for improvement in learnerships (multi-mention possible)

Benefits realised	Percentage
Motivation and dedication of learners who apply	48%
The amount of funding provided	47%
Quality of learners who apply i.e. better entry qualifications needed	38%
Administration by SETA	36%
Training courses are not relevant	23%
Learners do not receive their certificates after completion	17%
Content or training is poor	14%
Other	15%

The main limitation is the amount of funding received. 47% of respondents indicated that the funding is not enough. However, this increases to 71% among those who actually offered learnerships.

"Skilled workers are hard to find and funds to train are limited as SETA does not reimburse us accordingly."

Around half of employers feel that learners who apply could be more motivated and dedicated, and verbatim comments suggest that unemployed learners especially, tend to apply to receive some sort of salary, but will leave when they find a better job opportunity. Their motivation is therefore not to complete the training.

"The unemployed learners appreciate the opportunity to earn in an environment with high unemployment, but will drop out if they can earn a better wage. Therefore the qualification is not their reason for being on the learnerships. The employed learners are on the learnerships to improve themselves and achieve a qualification."

A large percentage of employers also highlight administration by the SETA as a need for improvement (42%). Of the 17% who listed other reasons, a poor economic environment is one of the main limitations to offering learnerships. This is, however, not in the direct control of employers or the FP&M SETA.

"Although we had 1x constructive dismissal, 1x retirement and 1x resignation, we did not replace these employees due to the fact that the printing industry is under tremendous strain. Work has decreased by 30%"

Final comments on learnerships:

- **Employers confirm the benefits of learnerships**

“If possible everyone in a clothing environment should get an opportunity to go through learnership programmes, as it builds confidence, motivates learners to gain more knowledge, it is away from your normal work environment, it allows the person to multiskilling [sic], there is a qualification at the end of the programme, learners can apply for other posts. They learn about the industry. You can start your small business by using the basic knowledge of learnerships.”

“Some of them don't make it because they are not patient to allow some time before they see results. Some come in with very high expectations and become easily despondent. Many have however been successful and have been appointed permanently. It has been an interesting journey thus far and every year is not the same, bringing its own challenges and triumphs.”

- **Companies do not understand why they have not been approved to offer learnerships**

“TCIA has a strong, long history of running Learnerships since the year 2008. It is highly disappointing not to have received any learnership, yet companies we know that had applied for their first year received a fair amount”

“Our Company has applied for a grant for learnership, however it was not successful. We really want to go this route, however we do require assistance financially”

- **Some employers lack knowledge on how to go about applying for learnerships and accreditation**

“We are battling to find learnerships that apply to our organisation that are priority skills. I also don't know where to start or how to go about it”

“Want to know how to apply for accreditation”

“If SETA could provide a pamphlet as to how a company should and can go about introducing learnerships within their organisation with easy steps to follow, it could assist in teaching employers more regarding the value of learnerships within an organisation. Also if SETA could provide guidance on how to effectively implement a learnership”

- **It is a costly exercise for companies to embark on**

“It is great to have and adds value but is costly on the Company's side in terms of budget i.e. Stipend / Facilitators / Resources / Administration, etc. which outweighs the funding. Also with 18.2 Learners, after completion they leave to find other jobs in other sectors.”

- **Learnerships are not particularly applicable to all sectors yet**

“I would just like to see more, or even be made aware of learnerships in the Printing industry. Large format, Digital and Screen printing. We have not come across any learnerships for this part of the sector.”

- **Some employers find working with the SETA to be less than desirable**

“The whole process of applying for learnerships is just too cumbersome and we have now given up.”

1.3 Employers' Apprenticeship Survey

Who are the employers who rated apprenticeships

The results in this section are based on those 67 employers who responded to apprenticeship section of the questionnaire. Printing, Packaging and Textiles were the main sectors from which employers responded. Paper and Pulp shows as six responses, however, two of these are from Sappi and another two from Mpack Limited, formerly Mondi Packaging South Africa. Four of the responses in Packaging, come from Nampak. These larger companies respond from different divisions or geographic units, each offering their own apprenticeships, with unique information to present. The classification of these companies is made on the basis of the industry into which the respondent classified themselves in the survey.

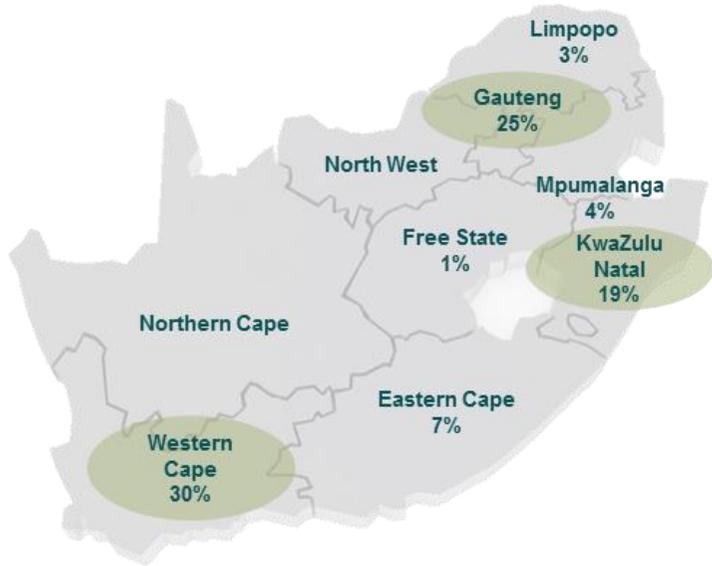
Industry comparisons can be presented for Printing, Packaging and Textiles, as the base sizes in the other sectors are too small to allow for reliable comparisons.

Table 14: Number of employers rating the apprenticeships survey per sector

Sector	Base size
Printing	23
Packaging	12
Textiles	12
Paper and Pulp	6
Print media	5
Forestry	3
Wood products	3
Clothing	2
Furniture	1

Most responding employers have their head offices located in the Western Cape, KwaZulu-Natal and Gauteng. These are the main provinces where apprenticeships are offered, as is evident from the figure depicting the geographic distribution of all apprenticeships (from MIS data).

Employer location



All apprenticeships offered (MIS)

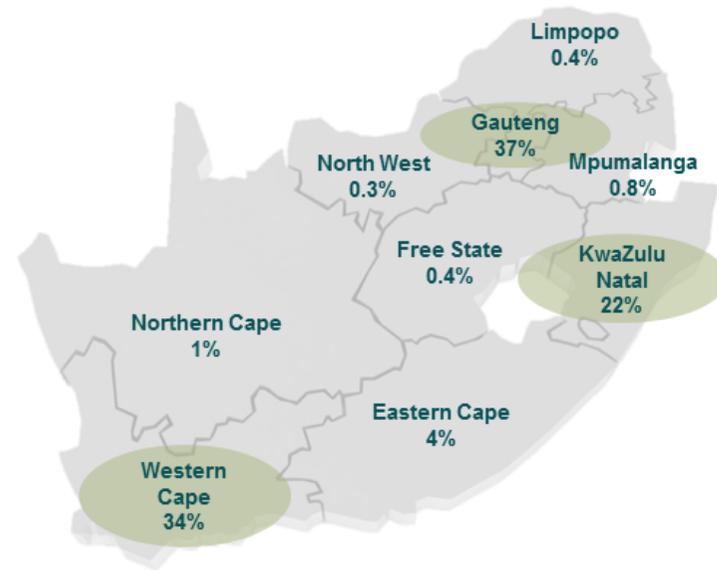


Figure 27: Location of head office of employers vs. location of all apprenticeships offered as per MIS database

Similarly to the learnership survey, around half of employers who responded to the apprenticeship survey are from medium-sized companies with between 100 and 499 employees (49%) and around a quarter can be classified as small (1-99 employees). The apprenticeships sample does, however, have a few more very large companies with 1 000+ employees than the learnership sample.

A comparison of the size of companies in Printing, Packaging and Textiles (sectors with basis sizes above 10) show that Textile companies are mostly medium-sized, while Printing companies tend to be smaller with 80% fewer than 500 employees. A few large packaging companies took part in the survey. Again here one respondent from Mpack had classified himself as Packaging rather than Paper and Pulp, as had some of the other Mpack respondents.

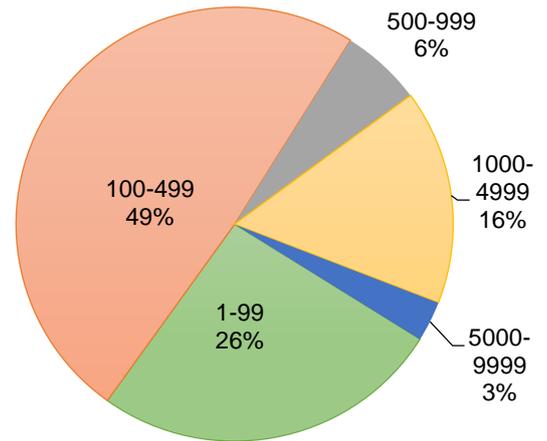


Figure 28: Size of the companies who rated apprenticeships

Table 15: Size of companies who rated apprenticeships by sector

Number of employees	Printing	Packaging	Textiles
1-99	40%	25%	8%
100-499	40%	50%	75%
500-999	20%	8%	8%
1000-4999	0%	8%	8%
5000-9999	0%	8%	0%
10000+	0%	0%	0%

The job description of the respondents is provided in the table below. Respondents are mostly within the human resources function (40%) or are performing training and skills development roles (40%). Respondents with these types of job descriptions are indeed very familiar with training issues and would provide quality responses to the survey.

Table 16: Jobs description of respondents who rated apprenticeships

	Percentage
HR manager / HR Admin / HR other	40%
Skills development facilitator	28%
Training manager / training facilitator	12%
Manager – General / other	9%
Financial Manager / book keeper / payroll	3%
Other:	7%
HR and Training	1%

What type of interaction do companies have with the FP&M SETA?

The regularity with which the employers in the apprenticeship sample interact with the FP&M SETA is presented in Figure 29. While one respondent had never interacted with the SETA (1%) and a few have only worked with the SETA prior to 2011 (6%), the majority have at least had some regular interaction with the SETA over the last few years (70%). Focusing on the individual respondent's level of familiarity with the FP&M SETA, Figure 30 below illustrates that most respondents feel that they know the SETA at least fairly well (64%), or even very well (19%). These results are similar to those of the learnerships section of the employer survey.

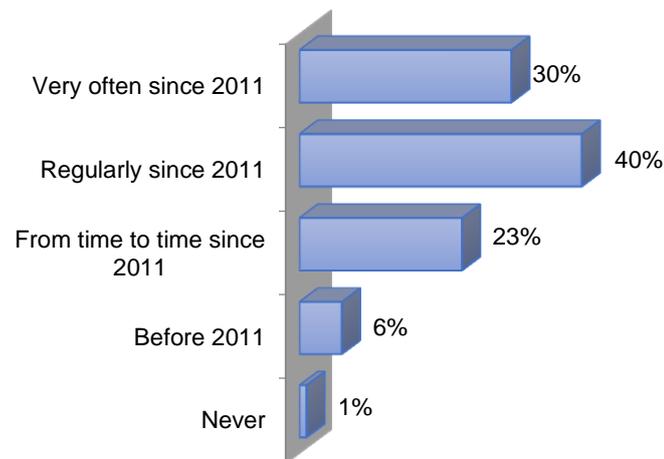


Figure 29: Regularity of working with the FP&M SETA

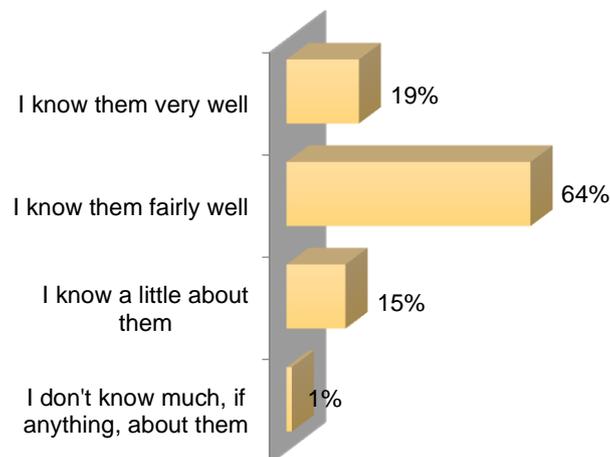


Figure 30: Individual respondent's familiarity of the FP&M SETA

The above results illustrate that the respondents are knowledgeable about the FP&M SETA, and in a good position to provide insight around training interventions and their impact on the learner and the organisation.

Details of the apprenticeship programme

The employers were asked to indicate the number of learners that they enrolled from 2011 to 2014. The total number of apprentices enrolled in each year, across all employers is presented in Table 17. While more apprenticeship positions were offered in during 2012 and 2013, there has been a drop in 2014. Therefore, more companies are offering apprenticeships in 2014, yet they are offer fewer placements per company.

Table 17: Number of apprentices trained per year

	2011	2012	2013	2014
Total enrolments for the year	316	395	395	344
None	56%	44%	32%	29%
One	8%	5%	6%	9%
Two	8%	14%	17%	20%
Three	8%	6%	8%	12%
4-10	14%	26%	26%	23%
11-20	3%	0%	9%	3%

Apprentices are often chosen from current employees (75% of employers), but could also be sourced from external applicants (69%) or even found from training providers (28%). 25% of employers only recruit from existing staff, while others might use a combination of methods. Apprenticeships seem more likely than learnerships to be recruited from external applicants.

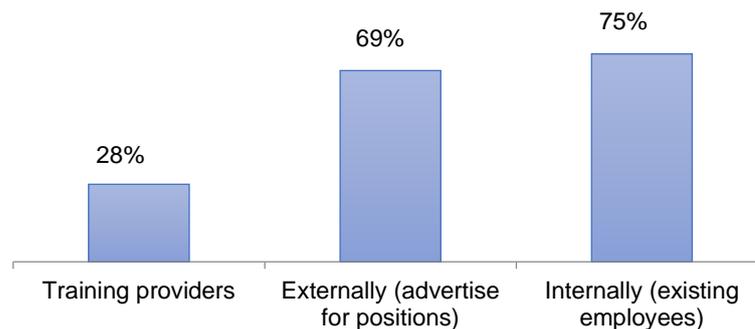


Figure 31: Source of learners for apprenticeship programme

Nine in ten employers always pay apprentices a salary, and a further 8% sometimes pay. One employer in Packaging said that they never pay a salary. It is not clear how an apprentice can sustain him- or herself for the length of time it takes to become an apprentice without a salary or some form of stipend.

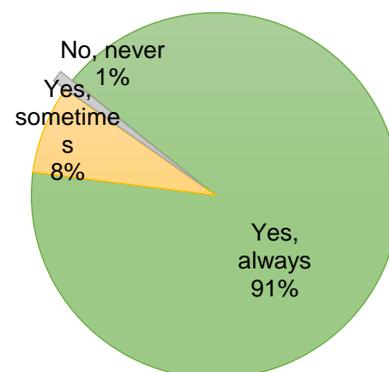


Figure 32: Salary paid during apprenticeship

The basic educational level of these apprentices tends towards being insufficient at the time they are taken into the programme. 39% of employers rated the basic education proficiency between 0 and 25%, where 0% indicates insufficient. The average score is 45. This score is lower than was found for learnerships, yet the apprenticeship programme might place a higher demand on learners, and thus require a higher level of education on entry.

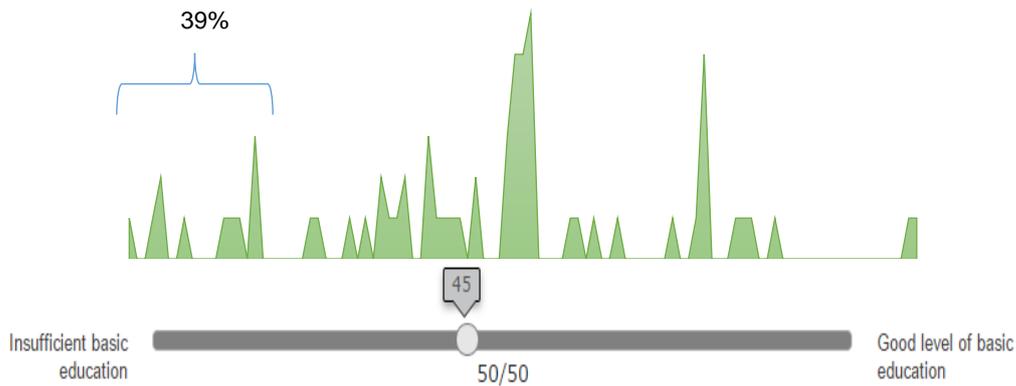


Figure 33: Histogram and average rating of the basic education level of apprentices on entry

Most employers experience apprentices to be dedicated and committed to training, rather than dropping out easily. While many chose a midpoint view around 49, 50 or 51 on the scale below, the distribution clearly falls towards the right of the graph, towards the dedicated and committed side. The average of 61 also confirms that motivation during training is not a particular concern for most, although a few employers have experienced the opposite.

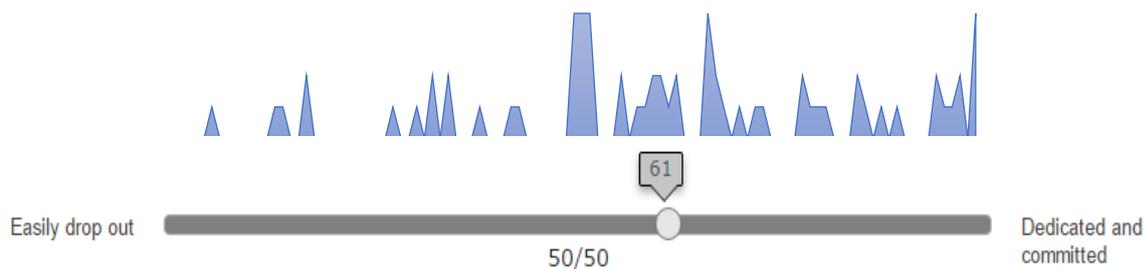


Figure 34: Histogram and average rating of the perceived work ethic of apprentices

Apprentices also show good work ethic during their training, with Figure 35 indicating that most responses falling above the 50/50 mark, lean towards the “Good work ethic and high motivation” side of the scale. The average is 65. Verbatim comments from respondents indicate that, of course, not all learners are the same, and some might be motivated while others are not:

- “Yes unfortunately in some circumstances there is an attitude of entitlement and not of hard work from themselves. But in some cases we have had very hard working motivated students”
- “The group varies, and also backgrounds differ. I think mostly it is adaptability.”

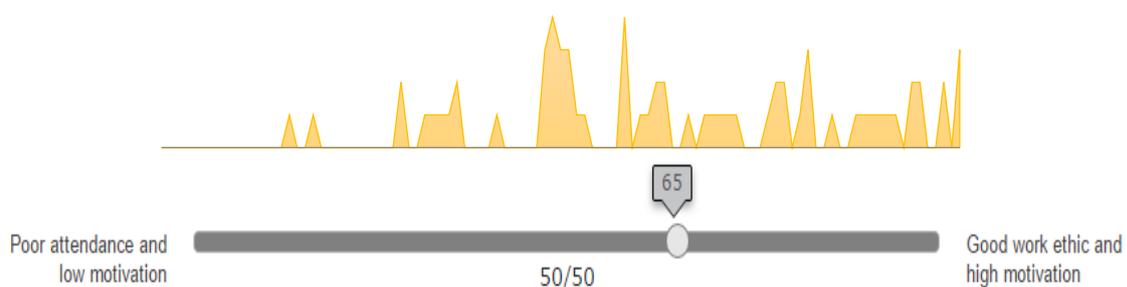


Figure 35: Histogram and average rating of the perceived dedication of apprentices

A few comments from employers highlight their positive view on work ethic:

- “Hard workers, want to advance in their jobs and have a better life”
- “They [are] so well behaved and looking forward to be qualified.”

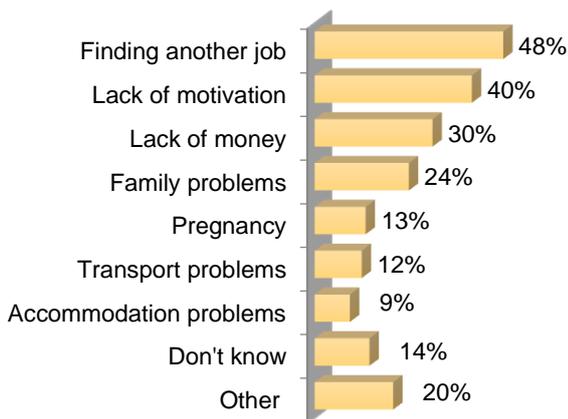
One respondent implies that basic educational levels also influence behaviour:

- “Work ethics differ from Province to Province depending on the level of education.”

One commonly raised issue that does affect the behaviour and adaptability of an apprenticeship is youthfulness, or entering directly out of school. Employers feel that these young apprentices are not as dedicated, more likely to feel entitled to the training, or unsure of what they want to do with their lives.

- “Difficult to determine if they have the right aptitude for a technical apprenticeship. Often school leavers that just want a job, but then after a while realise they don't like working in the factory (want an admin job).”
- “The younger they are the less they value the apprentice training. Those that achieve start to think they are better than they actually are and fail from an attitude aspect.”

While motivation is generally not a concern overall, it is perceived to be one of drivers to drop out (40%). Getting a better job or lack of money are also main reasons for dropout. Some respondents, marked under the *Other* category, have not yet experienced any dropouts and can therefore not comment. Some learners leave to pursue other studies



Some other mentions include the difficulty of theory training for those with low entry education:

“Theory unobtainable due to insufficient education, especially in language (different to home language) which theory is presented in. The practical (in-house training) is obtainable and mastered” and “Drop outs occur mainly due to them not passing the Theory component of the training.”

Figure 36: Perceived reasons for termination of apprenticeships (Multi-mention possible)

Those employers who offer apprenticeships were asked if they feel that it is an effective method of training. The answer is a resounding “yes”, with 97% agreement, of which 67% strongly agree. While this method is an effective training tool, one respondent’s comment suggests that the training material might benefit from being updated: “Training material is so outdated and does not motivate the young apprentices.”

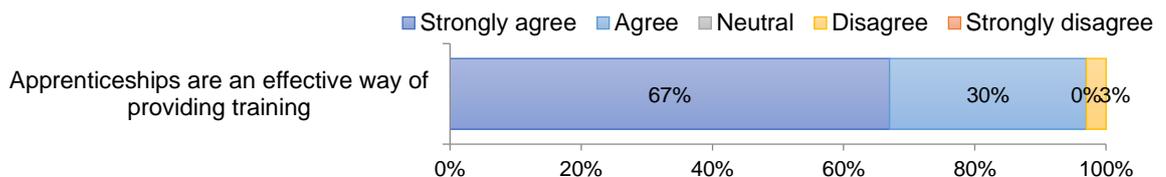


Figure 37: Rating of apprenticeship as a training method

Absorption of apprentices into the organisation

Employers were asked to consider the most recent apprenticeships completed, and indicate how many of their latest apprentice graduates were offered positions with their companies. 63% of companies indicated that they had given all apprentices permanent positions, while a further 10% have offered at least 75% either a permanent or contract position. Therefore, 75% of employers offered all, or at least most apprentices a position. Three employers had not offered any apprentices positions, however, one of these has only recently started with apprenticeships and does not yet have a graduated learner, while another indicated that their learner had chosen to work somewhere else.

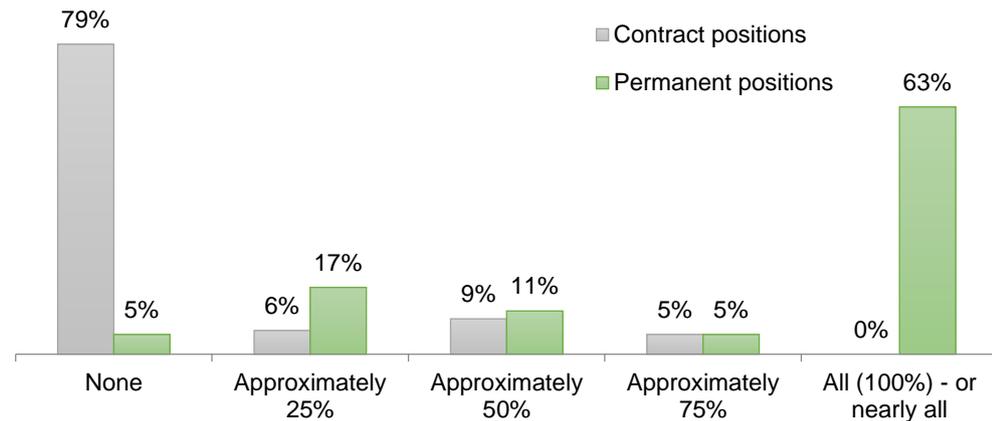


Figure 38: Thinking about the most recent apprenticeship completed, how many of the apprentices were offered positions with your company?

Contract positions are not preferred for qualified apprentices and all those who offer contract positions to some learners prefer permanent positions. Companies mostly offer these contract positions when they are unsure if they can financially commit to permanent positions. Companies do seem to try their best to eventually get these learners employed in permanent positions: *“If vacancy is available, first option is permanent position. If no vacancy, we try our best to offer a fixed term contract to accommodate the learner”* and *“We fill when vacancies are available otherwise we put them on fixed term contracts.”*

Value of apprenticeship to the employer and the learner

The previous section has established that apprentices do benefit from the apprenticeship programme by receiving employment at the end of the training. Figure 39 indicates that learners also benefit by receiving promotion sooner than non-qualified employees, as 82% of employers agree.

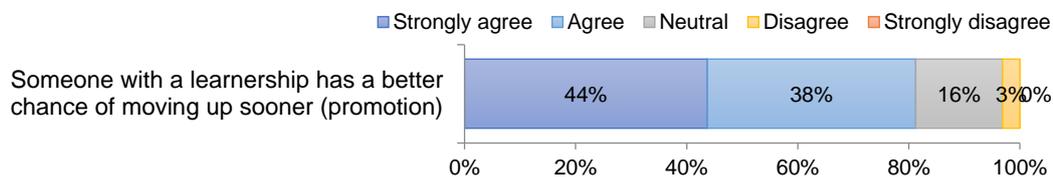


Figure 39: Improved chances of promotion according to employers who offer learnerships

In addition to the benefits of the apprenticeship to the apprentice, the employers also benefit by employing workers who have the right skills and show the right workplace behaviour. These types of individuals increase company productivity and improve the value of the employee to the employer. Figure 40 below indicates that 82% of employers agree that apprentices show an improved attitude at work. Agreement is not, however, at the strongly agree level. Nearly all employers agree that apprenticeship training equips an employee with the right skills (97%)

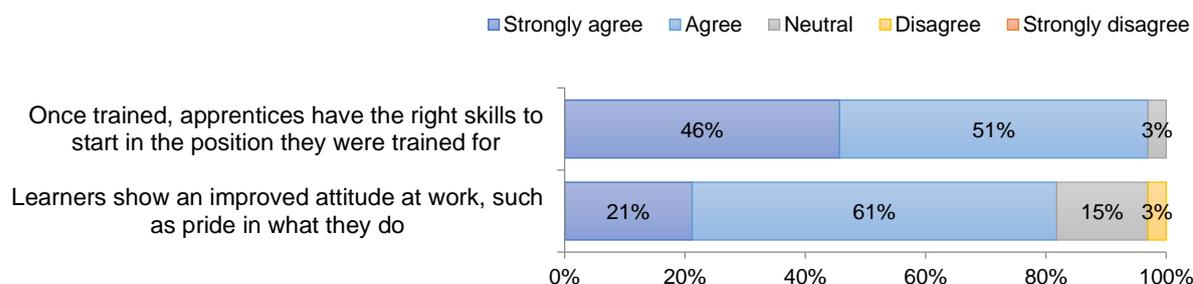


Figure 40: Perceived improvement in attitude and skills of apprentices

With the benefit of well-trained employees who show the appropriate workplace behaviour, it is not surprising that eight in ten employers agree that these apprentices have a positive effect on the company's productivity and that the industry places a high value on the apprenticeships, as is evident from Figure 41 and Figure 42 below.

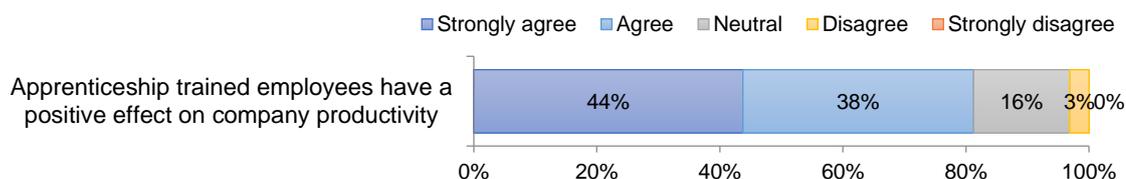


Figure 41: Influence of apprentices on company productivity

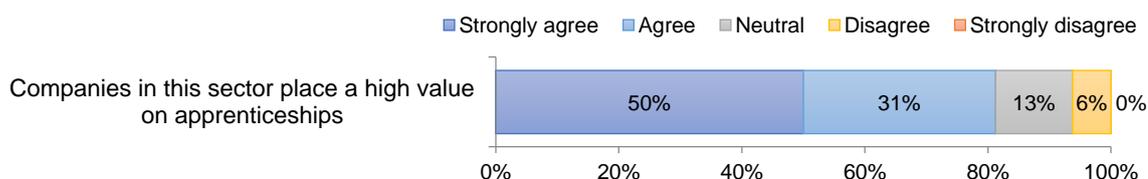


Figure 42: Value of apprenticeships to the sector

Finally, employers who offer apprenticeships were asked to summarise the main value that they perceived as being realised for the apprentices and employers, and these results are summarised in Table 18. Employers realise that the apprenticeship programme provides them with well qualified employees (79%).

They also feel that it offers employment to those who would not otherwise have had the opportunity (76%). Seven in ten employers could also claim improved employability as a main advantage to apprentices.

Table 18: Benefits to apprentices as perceived by employers (multi-mention possible)

Benefits realised	Percentage
They provide employers with quality employees	79%
They offer training opportunity to those who would not have been able to access training	76%
They improve the knowledge a learner has of the sector, ultimately improving their employment chances	73%
They increase employment opportunities for learners	70%
They increase productivity in an organisation	55%
They increase learner self-esteem and confidence	55%
Learners show an improved attitude at work, pride in what they do	48%

Employers were also given an opportunity to highlight the main limitations to the programme. Around half of those responding chose learner motivation and the amount of funding as the main limitations (55%). The basic education levels of learners on entry, as well as administration by the SETA, are other issues highlighted for improvement.

Table 19: Main limitations or needs for improvement to apprenticeship programme (multi-mention possible)

Benefits realised	Percentage
Motivation and dedication of learners who apply	55%
The amount of funding provided	55%
Quality of learners who apply, i.e. better entry qualifications needed	52%
Administration by SETA	52%
Content or training is poor	24%
Employers delay too long in providing trade tests	24%
Training courses are not relevant	9%
Other	18%

Others issues highlighted through comments by employers include the issue of trade test certification. One employer mentions the limited availability of accredited companies that provide training to pass the trade test, while others mention the long time they have to wait to get employees trade test certified.

- *“I am still today awaiting trade test certificate for one of our learners who completed his training in 2013. This highly not acceptable.”*
- *“SETA to improve on very long certification waiting periods.”*
- *“Await certification longer than 15 months.”*

One employer comments on the Further Education and Training (FET) colleges:

- *“The FET colleges are the weak link in the process. They do not understand and are not equipped to deal with the SETA requirements. The SETA needs to initiate the education of the FET college staff on the admin requirements for Apprentices.”*

1.4 Bursaries Survey

The results in this section are based on those 23 employers who responded to the bursary section of the questionnaire. These employers have offered bursaries at least once over the last three-to-four years. Those employers who rated the bursaries section of the survey, come mostly from Clothing, Textiles and Printing, with only a few responses from Leather, Print Media and Furniture. As a result of the fact that employers who rated apprenticeships were not also asked to rate bursaries, to limit the length of the survey, this industry split is not representative of all employers who offer bursaries.

Table 20: Sector of employers offering bursaries

Sector	Base size
Clothing	7
Textiles	5
Printing	4
Forestry	3
Leather	2
Print media	1
Furniture	1

details of the bursary programme

Bursary applications are most often made for internal staff, as 48% of employers apply only for current employees, while an additional 43% apply for both employed and unemployed candidates. Only one employer claims to apply only for external candidates. Bursaries are often provided for tertiary education at universities and involve a substantial financial commitment. Companies might be reluctant to offer this to external, unproven candidates. From qualitative interviews with employers, it also transpired that bursaries are used for the career development of internal staff.

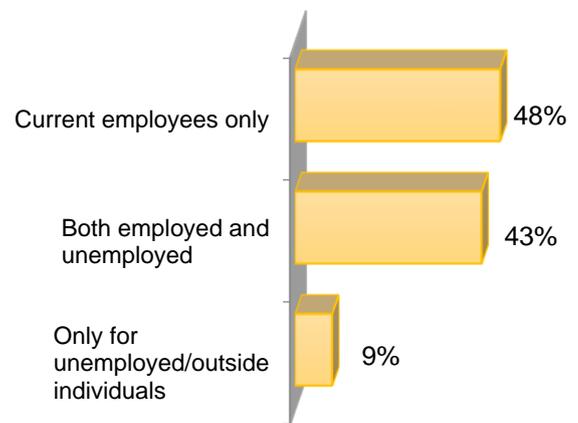


Figure 43: Source of candidates for bursaries

Employers were asked to indicate the number of bursaries they have applied for from 2011 to 2014. A 5% trimmed mean is presented to negate the effect of any outliers. There are a few companies who offer up to ten, or even more, bursaries per year. However, on average, most companies offer around two bursaries a year. Contrary to the other training initiatives addressed in this survey, there has not been any particular strong trend to increase the numbers over the last few years.

Table 21: Number of Bursaries applied for per year

	2011	2012	2013	2014
5% trimmed mean	2	2	2	2
No Bursaries	43%	24%	21%	21%
1	21%	24%	37%	26%
2	0%	18%	11%	26%
3	7%	6%	11%	0%
4 to 5	7%	18%	5%	0%
6 to 10	21%	12%	11%	16%
10+	0%	0%	5%	11%

Value of bursaries to the employer and the learner

The survey aimed to gain an understanding how employers benefit from offering bursaries. Figure 44 indicates that 70% agree that a bursary benefits both the company and the individual receiving the bursary. No employers disagree, and the remaining 30% chose a neutral stance on this question.

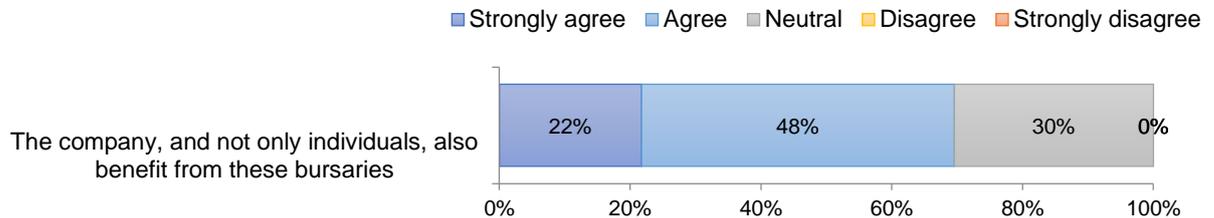


Figure 44: Agreement about company and individuals benefitting from bursaries

Employers indicate that employees become better qualified and therefore can be promoted, which helps with Employment Equity, Skills Development and the Broad-based Black Economic Empowerment (BBBEE) score card. Another employer felt that it makes it easy to do succession planning, as the skills obtained by the employee in turn benefit the company.

One employer mentioned that the bursary does not only benefit the company, but it also helps to strike a balance between the employees' qualification and experience and have an opportunity to be promoted. Another employer indicated a benefit from giving bursary students projects during study vacations and in so doing, also gaining information on new trends that keep the company up to date on market changes.

Verbatim comments: How does the company benefit?

"It makes it so much easier to do Succession Planning."

"Employees are better qualified for their respective positions in the organisation."

"In our company people have many years of experience but no qualifications."

"Once an unemployed student completes his/her studies, we are able to employ thereby helping us in the recruitment sector."

Many employers (43%) feel that the bursary applicants would not have found another way of studying, disagreeing with the statement in Figure 46.

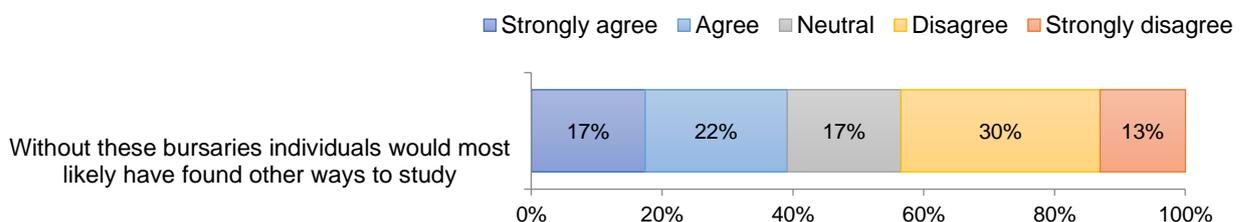


Figure 45: Agreement on benefit of opening up limited opportunities

Regarding the aspect of the application administration and sufficiency of funding, the majority (70%) of the employers indicated that the process of applying for bursaries is efficient, while only 34% felt that the funding provided is generally adequate. Verbatim comments indicate that some employers are not pleased with the manner in which the funding is allocated, as some reported that they have not been getting bursary approvals from the SETA lately.

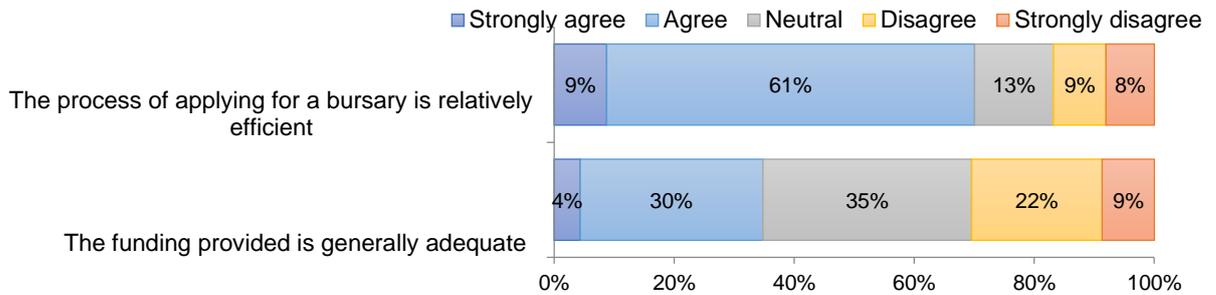


Figure 46: Satisfaction with application process and funding

Suggestions for improvement of the bursary application process:

"We have not been able to receive approval for bursary payments through the SETA."

"I think the discretionary grant application process has greatly improved, however the paperwork is a killer!"

"We are a company that has always complied with all FPM regulations. We spend millions worth of Rand every year training unemployed, youth, women and disabled people yet the FPM SETA fails to recognise our organisation. 2014 DG grant applications were disappointing and employees feel demotivated."

2. Qualitative employer interviews

Discussions with employers were conducted from 9 September 2014 to 16 September 2014, either telephonically or in person. These interviews mostly focused on the offering of different learning interventions, or the reasons for not offering any, and the benefits of these learning interventions. Also addressed were the perceptions of the FP&M SETA. Most of the employers could relate to learnerships much better than to apprenticeships and bursaries. Some of the main trends from discussions relating to learnerships include:

Benefits to learners

Employers see no negative aspect to an employee doing a learnership apart from the time lost in the workplace. Some of the positive outcomes are:

- Employees have a greater understanding of their role in the industry.
- Proud and confident of their role as a result of their understanding.
- Work more efficiently and more productively from the start.
- They come back more confident people in general.
- Basic reading, writing and mathematics skills are improved.
- Would be more eligible for management roles in the future.
- Better value the person finds in life.

Benefits to the employer

Employers are positive about the value of the learnerships to their organisations.

- Firstly, it seems to bridge the gap somewhat between the poor quality of basic education and the needs of the workplace, by improving literacy and numeracy.
- Learnerships create multi-skilled employees who can be used across the organisation.
- Nearly all agree that trained learners are more efficient at doing their jobs and get up to speed more quickly than untrained employees, even by as much as three years when compared to untrained entry employees.
- The benefit of having learnership graduates extends beyond work efficiencies and the knowledge of work process, but include other value-adds, such as an improved focus on quality, health and safety. It also sends a positive message to other staff, which inspires and encourages them to further their own skills. In addition, learnerships improve the learner's understanding of the industry, which ultimately leads to improved productivity for the company.

Learner intake

Interviewed employers mentioned that it is more attractive to offer learnerships to current employees, as the financial commitment by the company is better spent on its own employees than unemployed individuals. Companies prefer better-qualified candidates for their learnerships and will accept candidates with at least a Matric Certificate, provided that the person has some mathematical aptitude and good communication skills in English (indicated to be the business language).

However, it is often found that even with a Matric Certificate, some candidates can barely read and write, and have no computer, mathematical or other literacy abilities. The Forestry sector is able to absorb workers with lower levels of qualifications, however, employers find those with more experience tend to make unreasonable salary demands.

Employers would like the FP&M SETA to assist in improving the basic education levels of learners, by, for example, also paying for programmes that improve basic literacy and other skills. Besides basic education level, current employees who show interest, capability and willingness, are chosen for the learnerships. Some current employees are required to volunteer for learnerships, thereby showing their interest to further their own training.

Challenges to the employers

The SETA-funded training programmes have their clear benefits, and companies generally feel positive about working with the FP&M SETA. There are, however, also challenges faced by the employers in delivering the programmes. The most frequent challenge mentioned is that of a communication breakdown between the FP&M SETA and the employer. The companies highlight the following communication issues in particular:

- Difficult to make contact and to get in touch with the correct persons.
- FP&M SETA is slow to respond to queries.
- Too many processes involved. Everything needs to be simplified.

Related to the need for improved communication, is the need for clarity on notices of information sessions, and official lists of training providers and courses.

Other challenges relate to funding and a lag in paying out the grants. Companies feel that SETA funding is not sufficient and that the lag in payment from the SETA puts pressure on the cash flow of the business. This results in many small businesses opting not to offer training at all, as they cannot risk their cash flow being compromised. In essence, some companies felt that they carry the cost of training twice; once when they have to pay a skills levy, and again when they carry the cost of the training, which is not covered by the funding.

The limited funding also affects the learners, as the cost of travelling to and from the company puts a burden on learners. Employers indicated that some learners drop out because of the heavy travel burden. SETA funding is not sufficient to cover these costs to the learner.

Particularly in some sectors, companies are challenged by a lack of training providers. For example, Forestry plantations are located equally in Mpumalanga and KwaZulu-Natal, yet there are not enough training providers in Mpumalanga. Forestry companies in Mpumalanga opt to send their learners to KwaZulu-Natal and incur further cost to the company.

Some employers are aware that stakeholders who serve on the SETA Board and other decision-making forums, such as the ETQA committee, have a personal interest in the allocation of grants and other decisions taken. These employers are concerned that these same parties seem to be continuously involved in projects and getting monetary advantage, and feel that general board transparency is needed.

Suggestion regarding quality assurance

There is a suggestion that companies should be inspected / audited on a more regular basis to ensure that training is properly done, and that documents are not completed and signed just for the sake of claiming grants. This implies, therefore, that it is possible that some companies are doing this, which would explain why some learners contacted during the learnership survey, had not done a learnership, despite it being indicated that these learners had started their training.

Detailed interview write-ups:

1. Bullet Proofing Technology

Date: 9 September 2014
Place: BPT Offices
Interviewee: Judith Kerr, Financial Director

Sub-sector: General Goods
Province: Gauteng
Submit WSP: Yes



Company description

BPT specialises in armour protection materials and systems for personnel, vehicles, aircraft, ships and buildings. BPT was founded in 1992 by Deon du Plessis (CEO). During 1997, the company moved to its current location in Krugersdorp, 30km west of Johannesburg, South Africa. This new facility enabled BPT to expand and install advanced equipment.

The facilities and equipment include:

- 2 000 square meters production space
- In-house 20m shooting range
- 3 x large capacity heated platen presses
- Autoclave of 6m x 1,5m
- 2 x double bed heated vacuum bonding presses
- 30m sq curing oven
- 4m x 2m Water-jet cutting machine
- 3 x diamond ceramic cutting machines

Presently BPT employs 70 permanent employees, as well as up to 50 employees on a contract basis, depending on specific projects.

Body Armour plates:

- 50% of turnover
- Ceramic, Steel, Aramid, HPPE and GRP
- 100 000 to 200 000 per year
- To many different standards and client requirements
- Export and local

Vehicle Armour:

- 45% of turnover
- Ceramic, Aramid, GRP, HPPE and Polymer
- Mainly military
- Road vehicles, Aircrafts and Ships
- 300 to 500 sets per year
- Different protection requirements
- Inside as well as outside of vehicles

Products include:

1. **Body armour**
BPT manufactures a wide variety of hard body armour plates, including lightweight plates, multi-tile plates, monolithic ceramic plates and flexible ceramic plates. The composition of the plates depends on the requirements and materials used, which include Ceramic, Aramid Fibre, HPPE, Armour Steel, Fiberglass, special polymers and composites of these materials.
2. **Vehicle armour**
Improvised Explosive Devices (IED), Explosively Formed Projectiles (EFP) and the use of armour piercing bullets have increased to such an extent, that it is now a basic requirement that all military vehicles should be fitted with enhanced add-on armour, to ensure survival of the crew in case of an attack.
3. **Aircraft armour**
BPT can produce lightweight armour that is used in armoured aircrafts, by utilising composites of advanced materials. The most common applications are armoured helicopter seats and armoured floor panels.
BPT have supplied these products to various international clients.
4. **Ship armour**
BPT offers a wide range of armour protection materials and systems to armour naval vessels and ships against a wide range of threats, ranging from small calibre rifles to HE projectiles. Primary and secondary shrapnel can also be stopped by using BPT's spall lining.
5. **Research and Development**
BPT has its own indoor ballistic testing facility, catering for all hand gun testing and all rifles up to 7.62mm calibre.
In collaboration with partners such as Armscor Defence Institute, development and testing is performed against larger calibre threats.
6. **Other products and services**
Building armour, bullet traps, shields and waterjet cutting.

Interview feedback

IQ Business conducted an interview with the Financial Manager of BPT, Judith Kerr, on 9 September 2014 at 11am on the BPT premises in Krugersdorp, Gauteng.

Section 1: Context

BPT manufactures body armour plates for bullet proof vest manufacturers, add-ons to vehicles and ships to improve their level of bullet-proofing, and bullet traps. They add ceramic add-on armour to trucks made of military steel, as they are not completely bulletproof. FP&M SETA has difficulty classifying this company into a sub-sector. The FP&M data has BPT classified as Textiles in one database, as Footwear in another and then later, through email clarification as General Goods. According to BPT, the main industry that BPT operates in is classified as Armour Protection Services.

BPT is able to employ workers with as little as Grade 10 and mostly train workers from scratch. UniCollege West Rand is located less than 500m from BPT; a perfect location for workers to spend a half day a week on other skills courses.

Section 2: Awareness and engagement with FP&M SETA

BPT's response to the question of how much they know about, or interact with, the FP&M SETA was "nothing". While BPT has in the past submitted a WSP and pays its levies, attempts to have any FP&M SETA supported training done has been met with frustration and confusion. BPT has been unable to make contact with appropriate people in the FP&M SETA to answer any of the questions that they have and while the interviewee vaguely remembers a single email being received, numerous emails to FP&M SETA have fallen on deaf ears.

BPT feels that FP&M SETA's rigid policies and lack of understanding that certain criteria simply cannot be met by smaller businesses, hinders the progress that could be made in developing their workers and expanding their business. BPT was considering changing to another SETA, but is not sure how "it all fits together".

BPT is able to take in workers who have as little basic education as Grade 10. They have found that workers, even with a matric certificate, do not have sufficient reading skills. Entry level employees would earn around R5 000 per month and have the possibility to earn R8 000 – R15 000 for a managing position in the factory.

Section 3: General Employment and Future Trends

BPT's staff numbers are declining rapidly. They have had to retrench 15 workers in the last year, reducing their work force from 65 to 40 workers. Turnover for the most recent financial year (FY14) has seen a two-thirds drop. BPT recorded a turnover of R60 million in FY13, but only R15 million in FY14. The main reason for the decline in business is the slow renewal of government and other contracts for armour. BPT foresees a difficult time for the next year, with some contracts expected to be renewed by government, but the approval process is slow. This puts extreme pressure on the business and further layoffs may occur.

As BPT's technology is classified and patented, they feel that they cannot afford to lose workers trained in this field and have applied for Training Layoff Scheme assistance. This application process has also been slow and confusing. The company is so negative about working with the FP&M SETA that they feel that once the approved funds for the Training Layoff Scheme is paid to FP&M SETA, it will be impossible to have access to the funds.

Section 4: General perception on training and skills

There is a lack of skilled workers in this industry. The technology used in production is confidential and trained personnel in this industry are scarce. Generally, workers are hired on a referral basis and the company has found that this approach yields the best results, ensuring that even soft skills, such as behaviour and attitudes, are correct for the business. The technology and processes used are confidential and the training provided by the company would not be available anywhere else. Therefore, even if an individual has another qualification, they would all need specialised training. The company believes in improving the basic skills of employees, such as basic financial skills and computer literacy through an AET program. With these skills improved, learners take approximately one year less to complete their specialised training. The company has had a similar experience pertaining to an employee who has passed a learnership who would have improved soft and other skills, and would then also take approximately one year less to train in their field, and therefore the company is positive about the impact of learnerships.

Some of the other training they have offered, besides for specialised in-house training, includes a production module at Damelin College, at an approximate cost of R4 500 per learner, as well as courses such as ABC of Supervisors and courses in stocks and stores.

Problems experienced in previous attempts to do training include:

- Not meeting the requirements to provide learnerships; they are a small company and do not meet the minimum amount of people that can be trained at once.
- They would need smaller modules of learnerships to be presented in sections and less time a week lost on work and productivity.

- Communication from FP&M SETA is almost non-existent.

Section 5: Employers providing training for employees

Not applicable to BPT.

Section 6: Suggestions

BPT would benefit from entry level workers with better basic education that will enable them to work with numbers and be able to work out puzzles. As such, AET is a great solution that could improve learners' skill levels. They are unable to have workers off for a full day or have these workers attend after hours training. Workers come from far and already have an extremely long work day. An AET course that is close or on the premises of BPT, where these workers can be split into teams and rotate between working and learning, would be an excellent solution.

A course in general production would add value to the company in the sense that workers will have an understanding of the work they are doing and how to manage time and resources efficiently.

BPT indicates that they would benefit from a very basic computer course. Not so much as to work with programmes, but rather simplistic things, such as where to turn a computer on and basic operational tasks. Some of these workers have never worked with a computer and, although this would not necessarily benefit their work productivity, it would benefit their personal skills development.

BPT would also like to invest in the people they hire on a contract basis, when large contracts come in. They have a vision of these contract workers leaving BPT with a certificate of some sort to show for their training. Unfortunately they do not feel that this is possible to achieve at this time.

2. Saddler Belts and Leathercraft

Date: 10 September 2014

Place: Telephonic interview

Interviewee: Brad Carmicheal, Financial Manager and Jay Earnest, Factory Manager



Sub-sector: Leather

Province: KwaZulu-Natal

Submit WSP: Yes

Saddler Belts & Leathercraft (Pty) Ltd was created in 1991 in Durban, South Africa. Durban is the largest city on the East Coast of the African continent, with the busiest port in Africa. From a humble family-run business, Saddler Belts initially grew on the back of increased sales to the retail chain stores, and has expanded its offerings to many other sectors. It supplies most retail chains in South Africa and its African footprint is ever-expanding. Its long association with the larger retailers has created an environment at Saddler of consistent quality, quick turnaround times and tailoring the end products to meet their needs.

Saddler has a vast independent store customer base, supplying upmarket smart and casual belts, as well as exotic leather belts to tourist-orientated shops.

Products include belts (formal, casual, exotic and security), wallets, purses and coasters.

Interview feedback

IQ Business conducted a telephonic interview with the Financial Manager and Factory Manager of Saddler Belts and Leathercraft, Brad Carmicheal and Jay Earnest, on 10 September 2014 at 1pm.

Section 1: Context

The interviewee, Jay Earnest, is the Factory Manager and Facilitator for training. They are currently not undertaking any learnerships, but do focus on AET. The company operates at a target level and makes sure that learners are putting in the hours that are required in a programme. The main industry in which Saddler Belts and Leathercraft operates is Leatherworks.

Section 2: Awareness and engagement with FP&M SETA

Saddler claims to have a relatively good understanding of FP&M SETA, but has indicated that it is a "broad stroke" one. They do submit a WSP, yet has struggled to obtain a deeper knowledge of the SETA. The company had attempted to contact the FP&M SETA to start a discussion on what the SETA is and what they offer, but the company did not manage to reach the appropriate persons in the FP&M SETA.

Recent contact that Saddler has had with FP&M SETA, was as a result of problems occurring while trying to do submissions on the FP&M SETA system. FP&M SETA was slow to respond to the queries and, in the end, the submission had to be taken into the FP&M SETA offices to be entered manually.

Another example of communication breakdown is the difficulty experienced when trying to follow up on outstanding payments. They had difficulty contacting the correct person and are still waiting for rebates to be paid, of approximately R90 000, that have been outstanding for more than a year.

Section 3: General Employment and Future trends

Staff numbers have decreased from 38 to 30 in the period from December of 2013 to July 2014. The reason for this being that sales are decreasing, but they remain optimistic for the next 12 months and hope that their situation will improve.

Saddler is governed by a bargaining council. The council stipulates that a general worker, for example a packer, should earn R826.54 per week. There is not much room for promotion in the factory, but persons with qualifications tend to become team leaders, which may result in a slight pay raise.

Section 4: General perception on training/skills

Saddler does look for specific skills in the persons they would hire. Most of the qualifications they look for are difficult to find, and most workers are hired at an entry level position. Saddler would benefit from people trained in Cutting, Buckling, Sewing and general Machine operations.

In future, Saddler will be looking to hire persons with at least a literacy of Level 3 and numerical literacy of Level 3 to 4. Employing staff with a poor level of basic education, results in valuable work-time being lost on training and the cost of these employees then exceeds the benefit to the company.

Learnership-trained employees do provide an advantage to the company. Employees who have passed learnerships or other training to this level, catch up more quickly and work accurately and efficiently. Trained individuals are "absolutely more productive from the start of employment". The difference in productivity can be as much as three years between a trained and untrained individual. These learners have a definite positive impact on time spent on the production line and wastage in the factory, for example, when calculations and measurements are correct. There is not much room for promotion in the factory, although a worker can become a team leader and have more responsibilities with a minor pay raise. The chances of promotions are improved, again up to three years.

No negative aspects can be seen in an individual obtaining a learnership or apprenticeship.

Section 5: Employers providing training for employees

Saddler does train employees and claim back from the SETA. They focus mainly on AET and in the past three years, have had 15 people in training; however this number has decreased to eight as a result of retrenchments.

Workers are selected for learnerships based on the need they have for basic skills, showing the motivation to further their skills and are most likely to stay with the company. They provide training only to current employees and do not advertise positions for new learners. Training is facilitated by an external company; Media Works.

Once trained, employees generally stay in the same positions as there is not much room for promotions in the factory. Individuals who have trained are definitely better equipped to perform at the required level for their role. The company has a very low turnover and have had no workers leave to work for other companies in the past year.

The funding by the SETA has not yet been received for the previous year, putting extreme pressure on the cash flow of the business.

Section 6: Suggestions

Improved communication is the primary recommendation by Saddler. They wish to have a personal relationship with their SETA and would appreciate a consultant dropping in or calling to identify the needs they have and what the SETA can offer to assist.

Saddler suggests that the FP&M SETA could drive AET training. A suggestion made was to have the SETA arrange and pay directly for the AET training to be done on premises or close to the premise. Saddler also suggested that the failure rate of this course would then be chargeable to the company. This will still motivate employees to enable their staff to benefit to the full and pass the courses, without incurring the inconvenience and possible detrimental effect of cash flow situations.

3. Ninian Lester

Date: 11 September 2014
Place: Telephonic interview
Interviewee: Mariana Dreyer, Training Manager

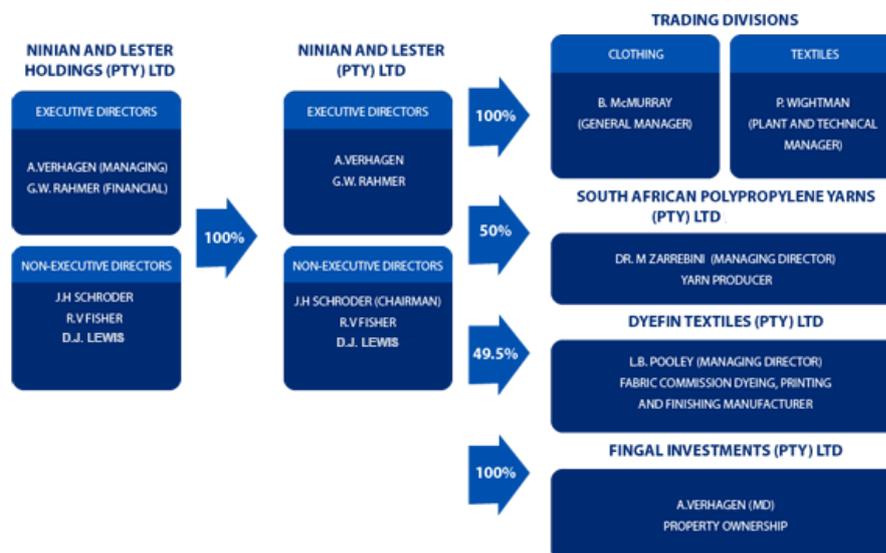
Sub-sector: Clothing
Province: KwaZulu-Natal
Submit WSP: Yes



Ninian & Lester is a vertically operated Textile and Clothing manufacturing operation, which was founded in 1936. In 1951, it was awarded the South African franchise for the world-renowned American Jockey brand and launched their first menswear ranges shortly afterwards. In the mid-1980s, the ladies wear range was introduced and the brand has continued to grow, to the point where it is currently the dominant underwear brand in Southern Africa, with over 90% of the product and its raw materials still manufactured in South Africa.

In 1965 the company diversified into the production of knitted fabrics with the opening of a textile factory in Pinetown. Its main reason for doing this was to secure its own supply base in respect of raw material for garment manufacture. The textile division grew to be one of the most successful local manufacturers of warp and circular knitted fabric.

Company structure:



The Ninian & Lester Group of Companies:

- **Jockey**
In 1951, the South African franchise for Jockey was awarded to Ninian & Lester.
- **Ninian & Lester Textiles**
Ninian & Lester's Textile Division (Nintex) is a leading circular knitted fabric supplier.
- **Dyefin Textiles**
Dyefin Textiles undertakes all dyeing, finishing and printing for Nintex.
- **SAPY**
SAPY has over 20 years of experience in research and market development in textiles.

Interview feedback

IQ Business conducted a telephonic interview with the Training Manager of Ninian Lester, Mariana Dreyer on 11 September 2014 at 7am.

Section 1: Context

Mariana is the Training Manager of Ninian Lester Group. She is responsible for training needs analysis and she coordinates and facilitates all the training, as well as submits the WSP of Ninian Lester. The main industry Ninian Lester operates in, is Clothing manufacturing.

Section 2: Awareness and Engagement with FP&M SETA

Mariana worked for the FP&M SETA for 13 years before joining Ninian Lester five years ago. She is therefore very knowledgeable and knows the roles and responsibilities of the FP&M SETA. Ninian Lester Group does submit a WSP.

Section 3: General Employment and Future Trends

Staff numbers have grown by approximately 250 additional staff in the past five years. The cyclical nature of the industry that Ninian Lester operates in, means that they tend to lay off most of the temporary staff January of each year, but then would approach the staff to be rehired in June/July when production picks up again. Jockey, a subsidiary of Ninian Lester, has thus far been in a unique position in that they have been performing well financially, despite the Clothing industry struggling. This year is to be the first year where they have found themselves in rough waters and have had to implement a "reduced hours" scheme.

New technologies are definitely implemented in Ninian Lester. This technology has not affected staff numbers as yet, but does assist with efficiency of production.

An entry level Machinist will earn R984-80 per week. The interviewee notes that it is approximately R25 more than the Bargaining Council rate.

Section 4: General Perception on training/skills

Ninian Lester does recruit for specific skills that are not readily available. A few mentioned were Designers, Mechanics, Work Study Officers and persons with advisory skills. There is a lack of interest at the moment.

When appointing new employees, Ninian Lester looks for people with at least a Matric Certificate. They are able to train these employees further. Learners who have passed a learnership generally have a higher level of literacy and numeracy. These learners are more prepared for the workplace and have a better understanding of the industry and their role in the industry after completing a learnership. The interviewee also mentions that they are multi-skilled and this makes it easier for the company to swap workers around in the factory and the operations can continue uninterrupted, when for example, some workers are sick. A learner with a qualification is more productive from the start. The learners catch up about 18 months quicker than a person without qualifications. The interviewee claims that learnerships do make workers more efficient and that it definitely has a positive impact on the company. An additional benefit mentioned, is that it gives employees pride in their work when they are able to grasp the full impact that the work they are doing has. In turn, it assists in the growth of the company.

Learners are generally trained for the specific role that they already are employed for. For example, a machine operator is employed by the company and is sent on a learnership to further his/her skills. This worker is taken back into his role, but with the added benefit of being multi-skilled.

The learners who have learnerships do not necessarily get promoted more easily, only if they stand out, would they be considered for promotions or leadership roles.

Offering learnerships to unemployed people is a concern. The contract states that these learners then have to be kept on for at least six months. The company feels that this is a "huge" responsibility and this clause

makes the company reluctant to take unemployed learners into the programme. They do not want to face the possibility of workers with 25 years of service being retrenchment only because the company cannot let the unemployed trained learner go before the six months is over.

According to the interviewee, Mariana, it would be “disastrous” if there were no learnerships or apprenticeships offered. Mariana went on to further explain that the educational system is letting them down and that applicants with Matric Certificates can sometimes hardly speak to them or calculate anything. This results in about 50% of applicants being turned down.

Section 5: Employers providing training for employees

Ninian Lester does train employees and put a claim in to the SETA. They have trained “a lot” of people over the past few years, specifically in AET. Their workforce averages around 900 – 1 200 people. They estimate that they train around 300 – 350 employees per annum.

Training is advertised internally and employees can then volunteer for the training. Applicants go through a screening process where their level of numeracy and literacy skills are tested. If they have adequate skills, they are enrolled in the learnerships. If they do not, they will be placed in an AET programme first, and will be able to apply for learnerships in the future.

Ninian Lester trains employees internally. They are fully equipped to the requirements by FP&M SETA and they are accredited with FP&M SETA.

There is a blend between on the job training and theoretical training. It does depend on the type of learnership, but generally there is about a third of training that will be done on the job.

Employees generally stay in the same position, doing the same job they were doing after completion of the training. The objective of the learnership is to make them better at their job, and therefore they are better equipped to perform at the required level for their current job.

Ninian Lester has an over 90% retention rate of employees, and trained employees tend to stay on with Ninian Lester.

Section 6: Suggestions

Mariana was a Regional Manager in the SETA before working for Ninian Lester and, given the opportunity to advise the FP&M SETA, Mariana would like for the SETA to address the following issues:

- Contracts and Memorandum of Agreements that are to be signed by stakeholders should not be one-sided documents, as this gives companies no recourse should any dispute arise.
- Communication between stakeholders and the SETA needs to improve drastically.
- Discretionary grant funding should not be made available to "non-Levy paying" parties and grants should be allocated more generously to levy paying companies who delivered the training according to standards.
- Companies should be inspected/audited on a more regular basis to ensure that training is properly done and that documents are not completed and signed for the sake of claiming grants.
- It is a grave concern that stakeholders who have a personal interest in allocation of grants and other decision-making are serving on the SETA Board and other decision making forums, such as the ETQA committee.
- It is also a grave concern that the same parties are continuously involved in projects etc. and getting monetary advantage, and whose members are serving on the Board.
- It is also a concern that millions in grant funding is allocated to parties that are using and submitting learning material that has been developed by other parties, which constitutes plagiarism.
- Stakeholders could not be expected to sign legal documents that are generated by the SETAs Indicium system with incorrect information.
- Concerns raised by stakeholders should be given the attention that it deserves, and systems and Government should not be blamed for incompetence if answers could not be provided by the SETA.

4. Brits Nonwoven

Date: 15 September 2014

Place: Telephonic interview

Interviewee: Linda Bremner, HR Manager

Sub-sector: Textiles

Province: Western Cape, KwaZulu-Natal, Gauteng

Submit WSP: Yes



Brits Nonwoven was formed out of the amalgamation of the Seardel Investment Corporation Ltd. Nonwoven Cluster companies: Brits Nonwoven, Brits Automotive Systems, Frame Fibres and Frame Industrials. It is one of the largest specialist nonwoven producers in South Africa. Brits Nonwoven's Head Office and primary factory is situated in Pinetown, KZN Province, South Africa. It also has factories in Johannesburg, Gauteng Province, and Atlantis in the Western Cape.

Brits Nonwoven manufactures and supplies nonwoven fabrics specifically designed for the following application areas:

- Automotive products: Seat interlayer, bonnet liner, interior trims, trunk liners, parcel shelves and wheel house liners.
- Apparel: Lofted linings for jackets, shoulder padding and jacket fronts.
- Blankets: Transport protection, pet care and utility blankets (general warmth).
- Building materials: Sound absorption / thermal insulation products and waterproofing membranes.
- Filtration: Pocket-filter media and filter mats.
- Flooring: Underlay felt and non-slip products.
- Mattress components: Quilt panels, mid and spring protector pads.
- Quilting: General quilt backers for home textiles.
- Upholstery: Various wadding grades for all applications.
- General industrial applications.

Brits Nonwoven is a member company of Seardel Investment Corporation Ltd., which is fully owned by its holding company, Hosken Consolidated Investments Ltd. (HCI).

The Durban facility specialises in:

- Needle punching
- Web forming
- Stitch bonding
- Thermal bonding

The Cape Town facility specialises in:

- Dry-laid lofted thermo-bonds
- Dry-laid lofted spray bonds
- Light needle punching

The Johannesburg facility specialises in:

- Dry-laid lofted thermo-bonds
- Light needle punching

Interview feedback

IQ Business conducted a telephonic interview with the HR Manager of Brits Nonwoven, Linda Bremner on 15 September 2014 at 3:30pm.

Section 1: Context

Linda is the Training and HR manager for Seardel, the holding company of Brits Nonwoven. She is responsible for anything relating to skills training and is the person who would deal with FP&M SETA when the need arises. The main industry Brits Nonwoven operates in, is Textiles.

Section 2: Awareness and Engagement with FP&M SETA

Linda rates herself as being reasonably informed on the SETA's roles and responsibilities. She works for large companies and manages her workings with FP&M as efficiently as possible. Brits Nonwoven does submit a WSP.

Section 3: General Employment and Future Trends

Staff numbers are generally stable across Brits Nonwoven and Seardel. A trend that should continue – Linda adds, hopefully.

There are new technologies in the textile industry, but they would not necessarily have an impact on staff numbers.

An entry level employee would earn about R950 per week and a trained individual would earn R1 000 per week and above.

Section 4: General Perception on training/skills

Linda indicates that there is a lack of senior managers in the industry. They generally employ unskilled workers and train them from scratch; they are spoiled for choice. They generally look for at least a Matric Certificate and good English speaking capabilities. Depending on the role they are recruiting for, they would look for numerical proficiency, as well as English proficiency. Linda adds that English is the business language and they simply cannot employ anyone who cannot understand and speak it.

Trained individuals generally have a greater understanding of the manufacturing process. Not only the process itself, but value-adds such as value of quality, and health and safety. Workers are generally more skilled and efficient in their positions when they received training. The workers are better equipped to do their jobs and would be in a better position to be eligible to be a development candidate, which leads to a leadership position. Workers who have completed training are much more productive from the start and would catch up approximately six months more quickly than a non-trained individual.

Learnerships have a positive impact on the organisation. Not only through work efficiencies, but also the message it sends to other workers. The graduates inspire the other workers and encourage them to further their own skills.

Employees would be eligible to be a development candidate and are more likely to be promoted to a management position after a learnership. The exact amount of time would depend on the person, the role and level of the job. It was not possible to ascertain a specific amount of time.

Linda does not foresee any negative aspects for a worker to complete a learnership.

If there were no learnerships or apprenticeships, no workers would be trained and this would have “a catastrophic impact for the company, industry and economy”.

Linda indicates that there is a lack of middle to senior management trained individuals.

Section 5: Employers providing training for employees

Brits Nonwoven and Seardel do training and claim back from FP&M SETA. In the last year, Brits Nonwoven has trained 65 individuals and is currently training approximately 15 workers.

Workers are selected to go on training through applications and management recommendation. Training committees are set up to make the final decision. The company does advertise some positions and would take in an unemployed person for a programme.

Training is done in combination with an outside partner. Practical training is done in-house and theoretical training from the external partner. Approximately 75% of training is done on the job. Employed learners are trained for a specific position and would re-enter the workforce in that position.

The company does have a high turnover of trained individuals. Unemployed persons are employed for a minimum time of one year in both Brits Nonwoven and Seardel.

Section 6: Suggestions

The interviewee claims that “dealings with FP&M SETA are a paperwork nightmare”. She suggests that the application process needs to be streamlined and paperwork reduced. Linda feels that the application process might appear to assist in the training process, but in reality blocks the training process. Linda describes that she has had to go into the FP&M SETA offices numerous times with what she thinks is all of the paperwork (“a ton of them”), only to find that she is missing one. Upon returning with additional paperwork she would then be told that she is missing another. At this point many applicants give up on the process and lose out on much needed training. Less paperwork equates to more training.

The perception Linda has is that FP&M SETA themselves are drowning in paperwork and would be more effective if an efficient, streamlined process were to be in place. Processes relating to FP&M SETA are time consuming, which often costs companies more to complete than the funding they receive from training. This results in many individuals losing out on training opportunities.

Linda works for a number of large companies, handling their skills development. She is constantly travelling between the Cape Town, KwaZulu-Natal and Gauteng areas. At this point in time, she is not able to do her business with FP&M SETA at any branch and has to travel all the way back to her KwaZulu-Natal office to handle any issues relating to FP&M SETA.

Brits Nonwoven would like to see more transparency regarding the board members and their interest in the companies offering learnerships. Linda mentions that employers are aware that learnership materials are sometimes created by companies in which certain board members have an interest and that funding is also given to a board member’s company. Brits Nonwoven would like to raise the question of conflict of interest. She feels that “FP&M SETA should keep the ordinary folks informed on decisions and reasoning for decisions.”

5. Fast Fox Footwear (Little Slipper Company)

Date: 16 September 2014
Place: Telephonic interview
Interviewee: Jacky Hay, HR Manager

Sub-sector: Footwear
Province: Eastern Cape
Submit WSP: Yes



Fast Fox PTY LTD trades as The Little Slipper Company.

Little Slipper Company is a family-owned business that designs and manufacturer's slippers and leather children's shoes in the Nelson Mandela Metropolitan area, South Africa.

Their footwear combines style and comfort with 22 years of uncompromising quality and innovation. The Little Slipper Company does not aim to be the biggest shoe company - they just want to be the best.

After working in the footwear industry for 25 years, Chris Horne started the Little Slipper Company in 1991. The journey continues today with the management team of Chris, Brendon, Melanie, Kate, Brett and Jacky who combined, have more than 100 years of shoe-making experience. The company employs over 350 people and their shoes are distributed over the African continent.

Their design process combines international design trends with the latest technology to create an exclusive range of footwear, such as Walkmates for Woolworths South Africa.

Their shoes are developed with podiatry experts to include benefits such as breathable leather uppers, flexible lightweight soling, soft underfoot cushioning, nickel-free components and adjustable straps for fit and ease of use. Extensive wear testing, material development and fit testing forms an integral part of the development process.

The manufacturing process combines the skill of craftsmen with the latest technology to consistently produce quality products. Their diverse production facilities are able to produce lasted, stitchdown and Strobel lasted footwear from a range of fabrics, leathers and components sourced in South Africa and from around the world.

Interview feedback

IQ Business conducted a telephonic interview with the HR Manager of Little Slipper Company, Jacky Hay, on 16 September 2014 at 1:30pm.

Section 1: Context

Jacky is the HR Manager for Fast Fox and is responsible for training assessments and implementation as well as applying grants and dealings with FP&M SETA. The main industry that Fast Fox operates in, is the Footwear industry.

Section 2: Awareness and Engagement with FP&M SETA

Jacky would rate her knowledge of FP&M SETA highly. She also feels, like other interviewees, that communication is poor. Her company does not know who to contact at the FP&M for different reasons. When they do know who to contact, they seldom get responses. A recent example of interaction with the SETA that has left the company dissatisfied, is when they received numerous notices about compulsory

workshops that were only available in Cape Town, Durban and Gauteng, only to find, after considering purchasing flights, that the workshops were cancelled. The company does submit a WSP.

Section 3: General Employment and Future Trends

Staff numbers are stable at the moment. Recent mergers had resulted in an increase of staff numbers, yet numbers are expected to stay stable in the near future and, hopefully, increase as the business is expected to grow in the future. Growth will be achieved through supplying to more companies, opening more factory shops and exporting their goods. New technologies are available in the designing and fashion section and new machinery makes processes more efficient. These new machines, such as embroidery machines, have created jobs, as the company is now able to produce more. Their pursuit for growth ensures that they can continue to increase employment in the Nelson Mandela Metropolitan.

Section 4: General Perception on training/skills

The training and mentoring of unskilled youth is key to their long-term success and is making a lasting impact on education and unemployment in South Africa. The company supports local charitable organisations through sponsorships and/or donations of footwear. They are continuously finding ways to reduce, re-use and recycle in areas such as packaging and power usage (Little Slipper, 2014).

The company struggles to find skills relating to designers, pattern cutters, leather clickers, sewing machine mechanics, heavy machine masters and heavy stitchers – basically everything relating to the footwear sector. FP&M SETA assisted in the basic training, but more training is done by the company.

The company has a rule of a minimum qualification of Matric, but if the person has the required skills for the job, they do bend the rules to obtain that skill.

Employees with learnerships would be promoted over one without a learnership, because of the skills acquired and determination shown to further themselves. The type of person who would put themselves forward for a learnership would be more likely to be promoted in any event. In the learnership programme, they are able to show their skills and willingness to learn. Graduate learners' practical skills are better and they would come back into the workspace as more determined employees.

Training generally would be provided to a worker in an unskilled position and the worker would then be able to do a more advanced job once they have completed the learnership. The workers return book smart and would not have much hands-on experience. Workers are required to volunteer for the programme, as it shows a willingness to learn. In previous systems where the workers were nominated, they had a higher dropout rate.

Employees would generally earn the same across basic levels. Once promoted, they would then have a pay increase.

Learnerships and apprenticeships have a positive impact on the organisations. The company has seen an increase in applications as other workers see the change in the learners who have completed their courses. The workers who completed their courses inspire others to do the same. No negative aspects can be seen in an employee doing a learnership, apart from the time lost working on the line.

If there were no learnerships offered, the company would have to do their own internal training. This training would be less structured and perhaps have less value. The theory components to learnerships do benefit learners.

Section 5: Employers providing training for employees

In the past year, Little Slipper has trained 141 people. In 2013 and 2012, they trained 56 and 38 people, giving them a total trained learner number of 235.

The company would advertise training internally and workers would volunteer to do the course. There would also be nominations from supervisors who spot talent and skills shortages. The company would also advertise to the unemployed.

Training is done in combination with a partner who facilitates the core and fundamentals of the course. Practical experience would be attained from in-house training. About three full days are spent on fundamental training and the remainder on practical training.

Employees receive training for the position they are in and would be better equipped to perform the required tasks. The company does not have a high turnover of workers and have not as yet lost a worker who has done training.

Unemployed people who are taken in, would be employed full time. Only one learner was not kept on, as she did not complete the course and did not show the required skills.

The funding by FP&M SETA was inadequate for training through a skills grant. No learnerships were offered for the required skills either. The most recent course cost the company about R20 000 per learner (51 credits) and they only received R7 200 per learner from FP&M SETA. There is not even one course available for the required credits with a cost within the R7 200 limit.

Section 6: Suggestions

Jacky suggests that FP&M SETA informs stakeholders more effectively. The website needs to have contact details, which includes specific names, numbers and emails, for the relevant people who would need to be contacted. These lists need to be updated regularly, as the turnover in the SETA seems to be very high. Jacky mentions that she has resorted to latching on to one person in the Durban office who is very helpful, Charmaine, but mentioned a lot of previously helpful people who are not in their positions any more. This perhaps shows that anyone remotely helpful would be drowning in requests.

A time schedule should be made available to employers to know when and where workshops will be held and be given adequate time to make arrangements to attend - keeping in mind that the workshops themselves have to improve in order to be understandable to the general attendee. Explanations should be around what is available for these companies. Jacky suggests that a list be compiled of training courses and providers of training.

FP&M SETA's presence in the Eastern Cape is very poor. There are no local training providers and no one who can offer learnerships. The university is not able to assist, as documentation blocks the whole process.

Payments from the SETA take too long to be made. This puts pressure on the business's cash flow. Jacky adds that if they were not a large organisation, they would not be able to sustain business without this cash. Of the R400 000 they are out of pocket for training, they have only received approximately R100 000 – 75% of their training costs are thus being carried by the company on top of the skills levy being paid.

6. Timbernet cc

Date: 15 September 2014

Place: Telephonic interview

Interviewee: Busisiwe Ndimande, Skills Development Facilitator

Sub-sector: Forrestry

Province: Mpumalanga

Submit WSP: Yes

Interview feedback

IQ Business conducted an interview with the Skills development Facilitator of Timbernet cc, Busisiwe Ndimande on 15 September 2014.

Section 1: Context

Timbernet cc operates in the forestry sector. The company's main area of operation is harvesting and plantations. The industry within which the company operates, is characterised by seasonal work.

As a Training Facilitator, Busisiwe oversees the training process and also ensures that workers receive the training they need as per the industry requirements.

Section 2: Awareness and engagement with FP&M SETA

In answering the question on how well they know the FP&M SETA, the skills development facilitator stated that she knows the FP&M SETA very well, as the company submits a WSP annually. She further stated that the company also understands the WSP submissions process and has not experienced any challenges with submissions and accessing training funds.

Section 3: General Employment and Future Trends

Timbernet cc staff numbers change rapidly due to the seasonal nature of the industry. The numbers are not stable, especially in the plantations subsector. Workers resign during the winter season. The company is therefore subjected to recruiting new workers in summer.

Timbernet cc reported that there is no role they struggle to recruit for, as workers receive training if they enter the company without the necessary skills.

Section 4: General perception on training and skills

The company does not offer any learnerships at the current point, however, it is considering involvement in learnerships in the near future.

A large number of Timbernet cc workers are individuals with as little education as Grade 9 or even less, as the nature of the work the company performs does not require a higher education qualification. Grade 12 and a higher qualification is only a prerequisite for workers who have a managerial or supervisor position. However, all machine operators and chocker-men are required to have experience because of the danger an individual without experience could be exposed to while operating the machinery.

The company provides these individuals with an employment opportunity. While a higher education qualification is not a prerequisite, the company provides in-house and external training where they do not have the necessary expertise. According to the skills development facilitator, Busisiwe Ndimande, this is done to ensure the workers' safety and also that they understand the work they do.

The lack of harvest machine operator training providers in Nelspruit was also raised as a concern. The company resorts to sending their workers to KwaZulu-Natal for this training, as there are no providers in

Nelspruit. The skills development facilitator reported that the company ends up incurring additional costs, as it would have to pay for the workers' accommodation during the training period.

Busisiwe attributes the effectiveness of the training to having facilitators who are well equipped to do the training. She is also of the view that a worker who has done some form of training definitely performs better than one who does not have any form of training.

Section 5: Employers providing training for employees

Although Timbernet cc currently relies on unskilled labour the company ensures that all workers receive training for the work they perform, this is achieved through combining on-the-job training with external training funded by the SETA. Timbernet cc is currently training ten chainsaw operators and has trained 150 employees over the past three years. Timbernet cc's blend between on-the-job training and theoretical training is a 60/40 split, with 60% allocated to on-the-job training and 40% to theoretical training.

On average, training costs the company R600 per person. Training is scheduled such that six months does not pass without training for each and every worker employed by Timbernet. The type of training offered to the workers is highly dependent on the type of work they do; for example, the company ensures that chainsaw operators receive training at least twice a year. While offering training once a year to other workers is sufficient if complemented by in-house training, such as first aid training. Workers' selection for training is based on a matrix that the company compiles at the beginning of the year.

Formal training takes place every six months, as these are the industry regulations. In addition to this training, workers who have just joined the company would receive on the job training from co-workers.

As stated by the skills facilitator, mobility that occurs due to obtaining better skills or leaving for a better position is very rare, however, she still raised concerns about employees who leave the company for a better job elsewhere shortly after receiving training. Normally some of the workers would be trained for the next level and then offered a promotion in that level, but the workers would still resign despite receiving the training and promotion. Timbernet cc believes that the training is effective, as their workers come out of the training better equipped to perform at the required level for the new role they are assigned upon completing the training.

Section 6: Suggestions

Ensuring that training providers for all forestry operations are within close proximity was the primary suggestion from Timbernet cc.

The company's secondary suggestion was receiving occasional visits and gift packs from the FP&M SETA, the company viewed this gesture as a form of encouragement and appreciation from the SETA that was responsible for training funding before the FP&M SETA took over.

7. Lawa-Estates (Pty) Ltd

Date: 22 September 2014
Place: Telephonic interview
Interviewee: Lewis Rosouw



Sub-sector: Forestry
Province: Mpumalanga
Submit WSP: Yes

Lawa-Estate (Pty) Ltd was established in 1966. The company is situated in Mpumalanga, about 65km from Ermelo. Lawa-Estate (Pty) Ltd operates in the wood industry, mainly producing structural timber for the building industry, with industrial timber also being added to their production lists. The company also produces broomsticks, pine chips and pine shavings with their off-cuts.

The products produced by Lawa-Estate include:

1. Structural Timber SATAS approved
2. Structural Timber Black Cross
3. Industrial Timber WOS
4. Wood pallets
5. Pine shavings
6. Pine chips
7. Broom sticks

Interview feedback

IQ conducted an interview with the Skills development Facilitator of Lawa-Estate (Pty) Ltd., Lewis Rosouw. Lewis has been with the company for the past four years, and she is responsible for training and learnerships.

Section 1: Context

Lawa-Estates operates in the Wood industry. The company is made up of seven companies that operate in Forestry, Timber cutting, Plantations and Extraction of essential oils. The four main departments are the finger-joint department, wet mill, dry mill and small logline department.

Section 2: Awareness and engagement with FP&M SETA

When asked about her awareness and involvement with the FP&M SETA, Lewis stated that although she is aware of the FP&M's existence, she has never dealt with the SETA directly, as the company subcontracts SETA dealings to a training provider by the name of Tirhani Skills for Africa. The training provider handles the company's WSP and BEE documentation.

Section 3: General Employment and Future Trends

When the company offered learnerships, their learners were mainly black South African citizens, the gender was a 50/50 split and the focus was on the 25-40 age group. The company offered three learners permanent positions after the learnership but the learners left the company after six months.

Section 4: General perception on training and skills

The company employs workers who occupy the informal settlements of Mpumalanga. The type of work performed by the workers does not require a specific qualification, as it can be easily grasped through on-the-job training and external training. New employees usually start at the ground level and progress into higher occupations as they gain experience. That company only requires that entry level employees submit their banking details and a tax reference number in order to get the job.

Lawa-Estates has experienced challenges with recruiting Bell drivers. Bell driving is regarded as a very rare skill in the wood industry and therefore workers who have this skill tend to make unreasonable salary demands.

The only challenge Lawa-Estate has faced with training is the lack of chainsaw training providers in the surrounding areas. Rosouw raised a concern with letting chainsaw operators go on training for a period of two weeks due to the fact that this slows down production.

Rosouw was certain that the entry level employees recruited from the learnership were better equipped, compared to entry level employees who have never been involved in a learnership programme. When the learners start employment as permanent workers, like any other entry level worker they are assigned positions in departments suited to their skills. If they experience challenges with work, they are moved to a different department until they find an area they are comfortable in. In terms of remuneration, they receive a minimum wage, accompanied by a 6.6% increase per annum. Entry level workers who do not have learnership experience are normally trained by supervisors.

Section 5: Employers providing training for employees

Lawa-Estates used to offer both training for their employees, and learnerships for the community and the workers' family members, but the company has stopped offering learnerships due to numerous bad experiences. Two years have passed since the company offered learnerships.

Learnerships were advertised through word of mouth; the workers would be asked to spread the word about learnerships to their families and communities. The challenges faced with the learners include the learners' lack of interest in the practical aspect of the learnership. Some of the learners were only interested in the theoretical component of the learnership. Some of the learners demanded a stipend equivalent to permanent workers' salaries, despite the fact that the company was already contributing R400 per learner on top of the stipend from the funding received for the SETA, so that the learners can at least get a stipend close to R1000 a month. Rosouw expressed that the company tried by all means to create favourable learning conditions for the learners; the learners were not expected to work over the weekend and their practicals were scheduled for half a day on week days only, but the learners could not appreciate those conditions and hence the company is pedantic about offering learnerships.

In terms of training current employees, the company ensures that they are provided with training on machinery annually, in addition to this training, employees also receive training on fire fighting, health and safety, first aid and boiler operating. The selection process relies heavily on a committee of supervisors, as they are the ones who assist with selecting the workers who require training, however, they do take the workers' potential and interest in the training into consideration.

The company is currently training 80 employees and has trained 340 to 360 workers over the past three years. Lawa-Estates uses external training providers and also does in-house training on machines once a year. Lawa-Estates is of the view that training is effective, as workers become more confident and competent in the work they perform, although most of them tend to move to other companies once they've received the training.

Section 6: Suggestions

Lawa-Estates suggested that the FP&M SETA up the learners' stipend so that they do not lose motivation, as some of them are poverty stricken and have to survive under harsh conditions. Some of the learners terminate their learnership due to transport problems, as some spend R250 on transport a week.

8. Lion Match Products (Pty) Ltd

Date: 21 October 2014
Place: Telephonic interview
Interviewee: Isaac Masemola



Sub-sector: Wood products
Province: Gauteng
Submit WSP: Yes

Lion Match Products (Pty) Ltd was established over 100 years ago. The Lion Match Company (Pty) Ltd has developed South Africa's home care and lifestyle brands such as Lion Safety Matches and personal grooming products. Lion Match Products (Pty) Ltd has three subsidiaries: Baketime Ltd (UK), Nkunzi Unsgaard and Beige Holdings acquired in 2010. Under Beige Holdings, sits Quality Products (Pty) Ltd, Crystal Pack (Pty) Ltd and Argo Soap and Chemical Industries (Pty) Ltd.

Lion Match Products (Pty) Ltd adopted a tree planting scheme across South Africa in 1922 in an effort to reduce its dependence on imported timber. This initiative evolved into a forestry operations based in Mpumalanga and KwaZulu-Natal.

The products produced by Lion Match Products include:

1. Lion Safety Matches
2. Lion Shoe polish
3. Lion Firelighters
4. Lion Strikers
5. Clearlite Candles and Lamp Oils

Interview feedback

IQ Business conducted an interview with the Human Resource officer and Skills Development Facilitator of Lion Match Products (Pty) Ltd., Isaac Masemola, has been with the HR office and SDF for Lion Match Products for four years.

Section 1: Context

Lion Match Products manufactures matches and a range of body care products. The company also repackages products such as razor blades. As the company's core business is manufacturing, when recruiting for entry level positions, employees who do not have a senior certificate are also taken into consideration and brought up to speed through training.

Section 2: Awareness and engagement with FP&M SETA

Masemola indicated that Lion Match Products (Pty) Ltd has a very good relationship with the FP&M SETA. He also stated that he has had good dealings with the SETA and also found the WSP process easy, as the SETA provides support on submissions. The communication on matters pertaining to WSP submissions has also been good. Masemola also stated that the funding of training by the FP&M SETA has been adequate.

Section 3: General Employment and Future Trends

Although consistent, Lion Match Products staff numbers fluctuate from time to time due to business climate and economic issues. Masemola also indicated that the numbers have declined as a result of resignations and retirement. In terms of race, there is a balance between African and Asian employees, however the gender split seems to be a challenge as the industry is male-dominated because of the type of work the company performs. The age group is a split of 75% young people (below the age of 50) and 25% older than 50 years old. Currently, there are no foreseen changes that may affect the organisation's employment figures. Lion Match Products (Pty) Ltd has had a good staff turnover over the past 14 years.

Lion Match Products does not offer any learnership at present. The organisation offers apprenticeships, however, this is done through the manufacturing SETA (MerSETA). The only dealings the company has with the FP&M SETA involve submitting a WSP for training their current staff. During the discussion, Masemola expressed that the company is looking into offering learnerships in the near future.

Section 4: General perception on training and skills

When asked whether entry level employees with an apprenticeship qualification get a promotion sooner than their counterparts who do not have an apprenticeship qualification, the HR manager specified that the entry level employees who do not have an apprenticeship are always assigned to an operator role, while those with an apprenticeship are in maintenance. He further explained that the reason an employee with an apprenticeship is assigned the maintenance role, is because they are well versed with machines. When asked about the entry level worker's earnings, the HR officer preferred to not disclose this information. His comment was: "They earn very well for an entry level position".

With regards to upward mobility, Masemola stated that promotions are not only dependent on having been trained for a particular skill, but on individual skills and the needs of the department.

The HR officer believes that the training has been effective as the company always sees an improvement in the work of trained individuals.

Section 5: Employers providing training for employees

Lion Match Products (Pty) Ltd has trained close to 500 employees to date. The company is currently training just over 200 employees.

The training matrix for the company's permanent employees is structured in such a way that each worker is able to operate at least three machines or have three skills. Lion Match Products ensure that all employees receive training; new employees receive on-the-job training before they start carrying out their duties. Their training for all workers is in-house, as the company has permanent training facilitators who have also worked as operators. However, the company does in some instances send employees for external training.

30% of the training is dedicated to the theoretical and 70% to the practical component. The theoretical component is focused on taking employees through the training manual and helping them to understand the importance of safety and machine components. When asked the selection criteria, the HR officer stated that the selection of employees for the training is usually based on the company's operational and departmental needs. According to the Masemola, the final decision lies with the line managers, as they are the ones who work closely with employees and therefore would be knowledgeable about their skills and the training they need.

Section 6: Suggestions

Masemola did not have any further comments other than affirming that Lion Match Products (Pty) Ltd is happy with what the FP&M SETA has done for the company.

9. Fair Price Furnishers Cc

Date: 03 November 2014
Place: Telephonic interview
Interviewee: Shamshunnisha Kajee



Sub-sector: Furniture
Province: Gauteng
Submit WSP: Yes

Fair Price Furnishers cc specialises in manufacturing furniture products such as wardrobes, TV units, bedroom suites, wall units and kitchen cupboards.

Fair Price has retail outlets located in Gauteng, North West, Mpumalanga and Limpopo Provinces of South Africa. There are currently 65 stores and they will be expanding into other provinces and two factories.

Interview feedback

IQ Business conducted an interview with the training officer of Fair Price, Shamshunisha Kajee. Shamshunisha has recently joined the training department. Her duties include liaising with the HR manager and the company's external training provider, among others.

Section 1: Context

Fair Price manufactures and retails household furniture. Over the past few years, the company has focused its resources on expanding into rural areas. Kajee expressed that the expansion also enables the organisation to up-skill people who live in rural areas by offering learnership opportunities and job placements closer to their homes upon completing the learnership. Fair Price has been involved in offering learnership opportunities for the past three years.

Section 2: Awareness and engagement with FP&M SETA

Kajee does not know much about the FP&M SETA, as the company has used an external skills development facilitator over the past two years. Shamshunisha indicated that from what she has seen, the funding provided by the FP&M SETA has been adequate, although they only received 20% of the funding. She also mentioned that the FP&M process was not as complicated as she thought it to be.

Section 3: General Employment and Future Trends

Fair Price tries to increase the number of employees year-on-year, however the company's turnover is still high. According to Kajee, this is caused by the employees' lack of understanding and cooperation, especially on issues concerning working overtime when required. As part of their retention strategy, the organisation also offers learnership opportunities to the permanent employees.

Section 4: General perception on training and skills

Fair Price trains their staff through providing learnership opportunities, regardless of their position within the company. The majority of learners who form the Fair Price learnership programme, are black Africans from the ages of 17 to 42, and are mostly male. The organisation trains internal staff, but also uses the services of a recruitment agency to provide them with good learnership candidates. These unemployed learners tend to be placed in permanent positions after completing their learnership programme.

Section 5: Employers providing training for employees

Regular training for permanent employees takes ten days; five days spent on the theoretical training and the remainder on the technical training. Currently, employed learners are offered both the stipend and their salary. Kajee expressed gratitude for the opportunity the SETA has provided for up-skilling their managers, as the company was not happy with the quality of some of their managers.

Section 6: Suggestions

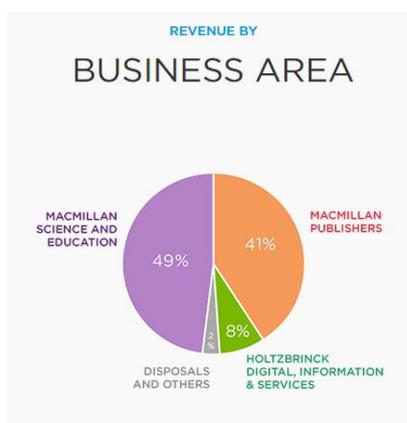
The only suggestion Kajee had for the SETA is improvement in communication.

10. Macmillan Publishing

Date: 24 October
Place: MACMILLAN offices
Interviewee: Palesa Maloi, HRO
Type: Personal Interview



Sub-sector: Publishing
Province: Gauteng
Submit WSP: Yes



Macmillan Education is a global publisher with a strong presence in Africa. With operations in over 50 countries, it is part of one of the world's best known publishing groups.

Macmillan Science and Education and Macmillan Publishers are divisions of the Holtzbrinck Publishing Group, a family-owned company headquartered in Germany, and one of the leading media companies in the world.

They do not only focus on print, but also on digital and online educational publishing.

Interview feedback

Section 1: Context

Palesa Maloi is the HRO for Pan Macmillan, and is responsible for the training, learning and development as well as recruitment of a number of subsidiaries. There are only four people in the HR department that meets the needs of a number of companies. She interacts with the FP&M directly and is responsible for reports in terms of Macmillan's skills plan.

Section 2: Awareness and Engagement with FP&M SETA

Palesa Maloi often deals with the FP&M SETA through the submission of the WSP and feels that she knows the FP&M SETA fairly well. She has been working the SETA from its inception and is happy to report that, although they still need improvement, they are "not where they used to be". She would rate the SETA as a 3 out of 5 and appreciates some of the improvements that they have been making. As seen in nearly all of the other interviews, her frustration when engaging with the SETA is a lack of communication. She mentions that they would receive messages from the SETA, however, the individuals do not have their own telephone numbers on which to contact them, and she struggles to return messages.

Section 3: General Employment and Future Trends

Employment opportunities in publishing are generally available to those with a degree. The interviewee mentions that even publishing assistants must hold a publishing degree from a university. With the need for qualified employees, she does not see how they would use someone with a learnership. She said that someone with a learnership could possibly be considered for administrative positions, such as a data capturer, for which they hardly ever recruit and for which anyone with relevant experience would be considered.

Regarding the digital trend, she does not seem worried, and feels that it has been around for a while and they are successfully adapting. Despite their move to digital they are still printing a lot of paper books. The move to digital is not for everyone, she claims. Ms Maloi explains that Macmillan deals with content and that

irrespective of digital or paper, they would still need an editor and publisher. She therefore does feel that the digital trend will not influence staff numbers to any great degree.

Section 4: General Perception on training/skills

Macmillan has never offered any learnership. The interviewee explains that this is because they do not have the administrative capabilities. The business structure, where only 4 people in HR service multiple companies through Africa, means that they do not have the manpower to administer a learnership. She feels that "one needs a lot of manpower to make sure that it gets done in a certain way". They therefore don't even consider learnerships. They do offer internships, giving work experience to graduates, such as for example students with an honours degree from WITS. All of these interns would have a Publishing degree, and would gain work experience for a stipend. She does not feel that there are any apprenticeships applicable specific to their industry.

When training is offered, the company first provide the training and then report it to the SETA. The SETA will then, to their own discretion, pay out some of the times. She knows that it is not a given that when you submit a report that you will get the money. She understands that not all training can be funded, and expressed her awareness of the need to apply business sense to the awarding of grants. However she is still disappointed by the refusal to reimburse two AET courses from the discretionary grants funding. She feels that these two courses could just as well have been approved as they were providing the necessary skills to previously disadvantaged employees. No specific reasons are ever given for non-approval. However, other courses were approved, such as bursaries that are also linked to equity.

Macmillan only applies for bursaries for employed individuals, with the aim of improving their career paths and enabling those with work experience to move up the career ladder by adding the necessary academic elements. They engage these students in a contract, to stay for a certain number of years. Macmillan therefore benefits by retaining skills and the employee benefits by obtaining a qualification and opportunity for promotion. She feels that at least half of these employees would not have had the opportunity to further their studies without this bursary.

Section 6: Suggestions

She suggests that a dedicated contact be appointed within the SETA for Macmillan. This will enable her to always reach the right person to clarify questions and obtain information from them.