

# Report on the Assessment of the Public Sector Education and Training Authority's Contribution Towards the Development of Skills and Career Progression Prospects in the Public Service



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# FOREWORD

In order for the government to provide efficient and effective service delivery to the population, the Public Service requires employees with requisite competency. However, to accomplish this result, employees in the Public Service need to possess the essential skills and expertise to competently execute their functions and duties. There is a need for continuous improvement of capacity and skills development in the Public Service with the purpose of ensuring that employees who are recruited and retained in the Public Service have the requisite skills to perform their responsibilities. Governments have made efforts to address the need for improvement of skills and capacity development of employees through various interventions.




Throughout the past decade, the PSC in the course of its investigation and research conducted has established that although enabling legislation and mechanisms are in place, in most instances there is deficient basic service delivery in the Public Service. The poor skills and incapability of some employees in the Public Service have been identified as some of the contributory factors for poor service delivery which need to be addressed to turn the situation around. In an attempt to address that, the government has promulgated human resource development specific laws and policies which serve as the foundation for improving skills and competence of employees in the Public Service.

Given the importance of skills and capacity development, the Constitution of the Republic of South Africa, specifically section 195 (l) (h) and (i) sets the foundation of the regulatory framework which enables mechanisms for development of skills of employees in the Public Service. This provision is amplified in amongst others the Skills Development Act, 1998, the Public Service Act and the National Skills Development Strategy (NSDS). As a result of the provisions of the Skills Development Act, 1998, the Public Sector Education and Training Authority (PSETA) was established as one of the key government institutions mandated with the implementation of programme functions of training and skills development for employees in the Public Service. This intervention is a continued effort by the government to develop skills and capacity in order to enhance performance and service delivery in the Public Service.


It is more than a decade since the Skills Development Act, 1998 was promulgated and the PSC has undertaken a study to determine if the PSETA is fulfilling its role on the development of skills of employees in the South African Public Service. The findings of the PSC's previous researches to establish the effectiveness and the extent, to which the human resources development initiatives are being implemented, have continuously shown inadequacy on the side of Department and other role-players. Furthermore, the PSETA which was established to facilitate the implementation of the National Skills Development Strategy (NSDS) and to ensure that skills in the Public Service are given special and focused attention has never been formally assessed. The study has thus been undertaken with a view to determine the PSETA's contribution towards skills development and career progression prospects in the Public Service as it was set out to do in the enabling legislation.

The PSC is proud to now release its report on the Assessment of the PSETA's contribution towards the development of skills and career progression prospects in the Public Service.

Furthermore, the PSC wishes to acknowledge the German Technical Agency's (GTZ) assistance for funding the study for this report and officials of the departments that participated in this assessment. The PSC also extends



its gratitude to other SETAs, service provider institutions and learnership and skills programmes participants, who contributed to the study. It is anticipated that this report will not only add value to the programmes on the development of skills and competencies of employees in the Public Service, but will also encourage and promote the utilisation of the services of the PSETA on transversal training and skills development.



**DR MGIJIMA  
CHAIRPERSON  
PUBLIC SERVICE COMMISSION**





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# ACRONYMS AND ABBREVIATIONS

ABET	Adult Basic Education and Training
AgriSETA	Agriculture Sector Education and Training Authority
ATR	Annual Training Report
BMZ	German Federal Department for Economic Cooperation and Development
CEO	Chief Executive Officer
CFO	Chief Finance Officer
DIDETA	Defence Intelligence Diplomacy Education and Training Authority
DG	Director-General
DoL	Department of Labour
DPSA	Department of Public Service and Administration
ETDPSETA	Education Training and Development Practices Sector Education and Training Authority
ETQA	Education and Training Quality Assurance
EXCO	Executive Committee
FASSET	Finance, Accounting, Management Consulting and other Financial Services
FET	Further Education and Training
FY	Fiscal Year
GTZ	German Agency for Technical Cooperation
HET	Higher Education and Training
HRD	Human Resource Development
HWSETA	Health and Welfare Sector Education and Training Authority
IDASA	Institute of Democracy in South Africa
IPFA	Institute of Public Finance and Accounting
ISOE	Institute of Sector or Occupational Excellence
KRA	Key Results Area
LGSETA	Local Government Sector Education and Training Authority
MOA	Memorandum of Agreement
NGO	Non Governmental Organisation
NQF	National Qualification Framework
NSB03	National Skills Body 03
NSDS	National Skills Development Strategy
OPSC	Office of the Public Service Commission
PALAMA	Public Administration, Leadership and Management Academy
PFMA	Public Finance Management Act
PSETA	Public Services Education and Training Authority
RDP	Reconstruction and Development Programme
SAG	South African Government
SAMDI	South African Management Development Institute
SAQA	South African Qualification Authority
SDA	Skills Development Act
SDF	Skills Development Facilitators
SETA	Sector Education and Training Authority
SGB	Standards Generating Body
SLA	Service Level Agreement
SSP	Sector Skills Plan
TB	Tuberculosis
WSPs	Workplace Skills Plans



# EXECUTIVE SUMMARY

## 1 INTRODUCTION

Government agencies like the PSETA were established in terms of the Skills Development Act, 1998 to facilitate the improvement of the skills and advance competence of employees in the Public Service. This report is a result of a study on the effect PSETA has on skills development initiatives and was executed with the support from the German Technical Cooperation (GTZ). The study was conducted to assess how the PSETA performed programmatically and whether or not its institutional capacity was able to meet the desired objectives. The objectives of the assessment were to:

- 1) determine the extent to which the PSETA delivered on its mandate of addressing the skills development needs of the Public Service;
- 2) assess its institutional capacity to deliver on the mandate;
- 3) establish the extent to which Public Service personnel have benefited from the PSETA facilitated training and skills development programmes;
- 4) establish the extent to which persons that have participated in the PSETA learnerships have accessed employment in the Public Service; and
- 5) determine the extent to which the PSETA facilitated skills development programmes have influenced career progression of public servants.

## 2. KEY FINDINGS

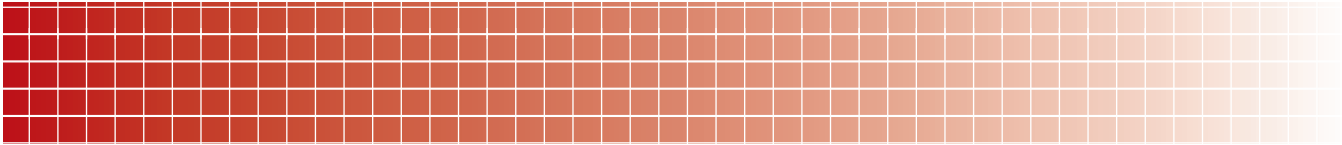
### 2.1 Programme Performance

The PSETA like all the other SETAs had to align its programmes to the National Skills Development Strategy I (NSDS I) which was effective until 31 March 2005. The period between 2004 and 2006 was a watershed for SETAs as the NSDS I was coming to an end and National Skills Development Strategy II (NSDS II) was introduced. However, there were still several challenges confronting the SETAs, and the PSETA in particular. The PSETA has proved that it is, to some extent, delivering on its mandate, as it achieved most of its goals and objectives against the Department of Labour's (DoL) indicators.

The DoL had given the PSETA a 2.8 rating in 2006/07 financial year and raised this to 3.6 during the 2007/08 financial year, resulting in the PSETA being one of the well performing SETAs during this period. During this study, few respondents (provincial and service providers) indicated dissatisfaction with the PSETA's commitment to delivering on schedule. The dissatisfaction mentioned related to the institutional and organisational arrangement of the PSETA.

#### 2.1.1 The effectiveness of PSETA

In its Annual Report (2007/08), the PSETA reported a success on all the four selected NSDS II indicators which are the achievement of targets, equity principles, governance and funds management. During the 2006/07 period, the PSETA trained 215 Skills Development Facilitators (SDFs) and by the end 2007/08, another 225 SDFs had been trained in the use of Career Guides, Reporting Templates and Skills Development Facilitation, Information Road Shows and Capacity Building workshops. This was more than double the number of SDF trainees during NSDS (I). Seven provinces confirmed this achievement and were appreciative of the PSETA's role and facilitation. The Free State went further, stating that SDF management had been significantly improved in the last two years especially in the Department of Agriculture.



In terms of co-ordinating and facilitating learnerships, the PSETA certified 1,535 learners, facilitated the enrolment of 2,485 workers in learnerships and assisted 1,270 unemployed workers into learnerships. However, all respondents complained about the PSETA's delays in responding to their requests and in processing their applications for accreditations. In terms of effectiveness, the PSETA is regarded as slightly above average in promoting and enhancing the skills and competence of personnel in the Public Service by departments and service providers.

### 2.1.2 Career Progression for learnership participants

The study examined career movement of learners over three financial years (2005/2006; 2006/2007 and 2007/2008). Of the 133 learners who completed training and were successfully followed up in this study, 76% were, by then employed by different departments, while 15% still remained unemployed. The telephonic follow-up showed that, of the remaining number of learners, 5% had found employment outside government (Vodacom, Makro and NGO), while 2% had ventured into self-employment and the other 2% had since changed jobs. Most of those unemployed indicated that their respective departments had not initially guaranteed them jobs upon completion of their learnerships and, were therefore still applying to different departments.

### 2.1.3 Institutional and organisational arrangements

The PSETA board is composed of 8 government representatives, 8 organised labour representatives, and one expert from each of the PSETA constituencies and an independent chairperson, and the CEO as an ex-officio. The board reports to the Department of Labour on education, training and development aspects, and to the DPSA on administrative, management and financial matters. This dual reporting impacted negatively on its governance.

## 3. PSETA'S SUCCESSES

- 3.1 PSETA has improved on providing capacity building support to SDFs in national and provincial departments, legislatures and parastatals and assisting with the promotion of the career guide for the public service, producing ART templates and using other important instruments.
- 3.2 In the Learnership sector, the PSETA increased its interactions with employer stakeholders and HR Departments. In the process, it surpassed its target to 30 skills programmes against a target of 20 for the year.
- 3.3 The accreditation of training providers is the cornerstone of the ETQA Unit within the PSETA. In spite of mounting challenges, the Unit accredited programmes for 23 training providers, eight academies and one Further Education and Training (FET) College. At the same time, the Unit introduced a set of evaluators and inducted them on the evaluation of learning programmes submitted to the PSETA for approval and accreditation.
- 3.4 Eastern Cape, Mpumalanga, Gauteng and North West provinces have commended the success rate of the PSETA in terms of employment of learners after completion, has been well above expectations. Mpumalanga, which has a consolidated model, was able to retrieve a database of learners for the last two years with latest information on their whereabouts. More than 76% of these are in employment.



## 4. CHALLENGES

- 4.1 The PSETA has also been faced with a host of challenges that have impacted negatively on it. The challenges include *inter alia* the following:
- 4.1.1 the PSETA's board is perceived to be weak and dysfunctional by the respondents;
  - 4.1.2 the high turnover of the executive, operating with five acting CEOs in three years;
  - 4.1.3 the lack of monitoring and feedback to its constituency;
  - 4.1.4 the small staff complement at 37% of the required total of fifty; and
  - 4.1.5 the poor strategy and delays in paying learnership allowances.

## 5. RECOMMENDATIONS

The following recommendations are made to improve the PSETA's performance in future:

- 5.1 The PSETA should design a template for standard reporting so that stakeholders and departments' contribution for updates on progress and the PSETA's Annual Reports are captured in a uniform manner;
- 5.2 The PSETA should play a more active 'hands on' approach in facilitating the employability of the 18.2 learners (unemployed), to urge and assist departments' HRD personnel in identifying appropriate vacant positions in respective directorates;
- 5.3 The PSETA should work closely with the Office of the Premier and provincial departments in Mpumalanga Province with a view to developing a broad Framework on the co-ordination, facilitation and follow-ups of learnerships. The Mpumalanga province has a working framework on the co-ordination, facilitation and follow-ups of learnerships;
- 5.4 The Service Delivery Committee of the PSETA should be re-constituted to include new members of the board and be given its own terms of reference; and
- 5.5 The PSETA board should be autonomous in order to be able to run its affairs as smoothly as possible.
- 5.6 The PSETA should be formally institutionalised into a schedule 3A entity, in line with the legislative framework which provides for its independence.

## 6. CONCLUSION

The PSETA is to some extent carrying out its mandate, despite the challenges it faces. In terms of the documented information assessed, the PSETA has facilitated access to further education and training services for thousands of public servants and in the process, it has played a role, though not too significant, in the employability of learners (both 18.1 and 18.2 of its Annual report 2006/07 and 2007/09). Due to lack of a formalised tracking system and monitoring tools, it has not been easy during this study to follow-up on the career progression of learners who have completed the programme. This is an area where the PSETA should play a role in initiating a mechanism that could be utilised across the board. The HRD model in Mpumalanga could be a starting point.

# Chapter One

## Introduction



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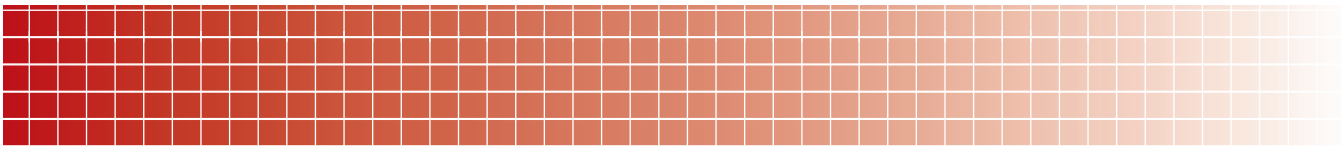
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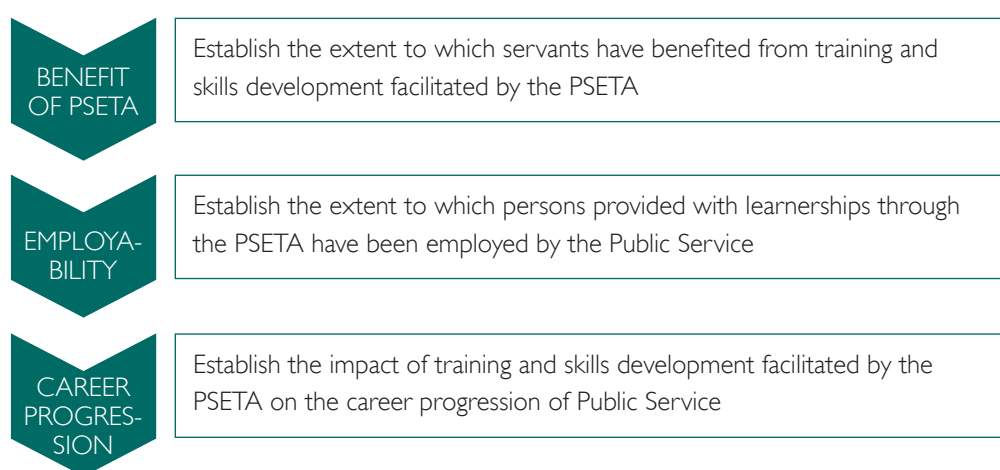
## Introduction

## 1.1 BACKGROUND

Given the importance of skills development in the South African context, institutions such as the Public Sector Education and Training Authority (PSETA), need to be evaluated from time to time to assess whether they are meeting their key objectives, and to stimulate the necessary review for improvement. Against this background, the Public Service Commission (PSC) undertook an assessment of the PSETA to determine its contribution to skills development and career progression prospects in the Public Service. The PSC undertook the study with the assistance of the German Technical Agency (GTZ).

## 1.2 OBJECTIVES OF THE STUDY

The objectives of the study are the following:



## 1.3 METHODOLOGY

The methodology followed for the study included desktop research, literature review and interviews with selected officials in some departments, learnership beneficiaries and service provider institutions. The methodology is discussed in detail below.

### 1.3.1 Desktop research and literature review

The following documents were reviewed:

- Newsletters
- Press releases of Department of Public Service and Administration (DPSA) and Department of Labour (DoL)
- Occasional research papers by Centre for Development and Enterprise and IDASA
- Polity Newsletter
- Service Provider reports
- DoL *Report on State of Skills in South Africa and the Study Report on the Implementation of the National Qualifications Framework*
- Annual Reports and Strategic Plans of the PSETA LGSETA, HWSETA, AgriSETA, EDTPSETA, Services SETA, DoL, DPSA, PSC, SAMDI
- NSDS information package
- PSC *Report on the Evaluation of the Training Needs of Senior Managers in the Public Sector*
- PSETA Case Book and various Guides for providers and beneficiaries

- KwaZulu Natal Academy Training Directory
- PALAMA facilitated Inter-Provincial Task Team workshop package.

These documents provided an overview of the legislative framework within which the PSETA operates and also described its institutional and the operational framework.

### 1.3.2 Data collection methods and instruments

Two sets of data collections instruments were designed. A semi-structured questionnaire was developed and targeted at the beneficiaries of the PSETA programmes and officials of the respondent institutions to collect general information about the beneficiaries, their present situation in terms of employment and career progression, and their views about the PSETA's institutional capacity. The questionnaire further probed ability of the PSETA to fulfil its mandate of supporting and promoting skills development in the Public Sector. In addition, the beneficiaries of the PSETA services needed to indicate their satisfaction level with the PSETA's intervention.

A general questionnaire was also designed with specific sections targeting the different categories of respondents (government officials, service provider institutions and the other SETAs). The respondents were requested to explain their role and contribution to the PSETA's performance. The data from the rest of the respondents was gathered through face-to-face and telephonic interviews.

### 1.3.3 Sampling

A representative sample of respondents who were able to provide relevant and reliable information was developed. Since this was a nationwide study the identified respondents were from both the national and provincial levels. Other respondents were identified from institutions that have a role to play in the functioning of PSETA.

**Table I** below provides the profile of respondents targeted for the study and indicates the actual number of the respondents reached.

**Table I: Profile of respondents targeted for the study and actual total reached**

Category	Target number	Respondent	Officers	Skills Development Facilitators	Learnership participants	Total reached
<b>National departments</b>	30	DPSA	5	-	8	13
		DoL	3	-		3
		Presidency	-	-	3	3
		OPSC	1	-	3	4
		TOTAL	9	-	14	23
<b>Provincial departments and Offices of the Premier</b>	124	KwaZulu Natal	1	-	-	1
		Eastern Cape	1	2	5	8
		Limpopo	1	-		1
		Gauteng	5	5	21	31
		North West	6	14	3	23
		Free State	4	3		7
		Mpumalanga	1	-	20	21
		TOTAL	19	24	49	92
<b>Provider institutions</b>	4	PALAMA	3	-	-	3
		TOTAL	3	-	-	3

Category	Target number	Respondent	Officers	Skills Development Facilitators	Learnership participants	Total reached
<b>Training providers</b>	8	Regenesys	3	-	-	3
		People's Architects	2	-	-	2
		IPFA	2	-	-	2
		TOTAL	7	-	-	7
<b>SETAs</b>	12	PSETA	6	-	-	6
		LGSETA	0	-	-	0
		HWSETA	1	-	-	1
		ETDPSETA	0	-	-	0
		AgriSETA	1	-	-	1
		TOTAL	8	-	-	8
<b>GRAND TOTAL</b>	178		46	24	63	133

The total number of respondents initially targeted was 178. **Table I** above shows that the number of respondents reached was 133, which constitute 75% of the targeted number. Focus group discussions were also held with respondents.

### 1.3.4 Data compilation and analysis

All the data was then collected and analysed to determine the following:

- (1) Whether or not the PSETA's mandate to contribute towards learners' skills development and career progression prospects in the Public Service was being fulfilled. The learners were requested to furnish the following:
  - their present employment situation
  - their career progression, if any
  - their views about the PSETA's ability to fulfil its mandate of supporting and promoting skills development in the Public Service
  - their views about the PSETA's institutional capacity
  - their views on the PSETA's successes and challenges
- (2) The effectiveness of the PSETA's corporate governance, its financial, staff complement and infrastructural capacity to execute its mandate
- (3) The PSETA's programme implementation and stakeholder relations
- (4) The impact and recommendations where necessary

The findings from the analysis of raw data were corroborated with data obtained from the desktop research. The data computation and the analysis was done using MS Excel and presented in tables, charts and graphs for visualisation of the findings.



## 1.4 REPORT STRUCTURE

The report is presented in four chapters.

- Chapter 1** Outlines the background and the objectives of the assessment of the PSETA. In addition, the methodology and limitations to the study are discussed.
- Chapter 2** Provides the legislative framework of the PSETA and briefly discusses the context of the National Skills Development Strategy. The mandate and the institutional status of the PSETA as well as its roles, functions and programmes are presented in this chapter.
- Chapter 3** Discusses the overall findings highlighting the successes achieved and the challenges faced by the PSETA's programme performance and the impact on the intended beneficiaries. It also includes a discussion on the situational status of the PSETA in terms of the organisational and management structure, financial and infrastructural capacity to execute its mandate.
- Chapter 4** Presents the recommendations and conclusion.



# Chapter Two

## Legislative and Operational Framework of PSETA

## 2.1 INTRODUCTION

The South African Constitution<sup>1</sup> requires the cultivation of good human resource management and career development practices, to maximise human potential<sup>2</sup>. To ensure this happens, an enabling policy and legislative framework to direct and maintain skills development and career progression of public servants was introduced.

This chapter provides an overview of the relevant legislative framework which guides human resource and career development policies and practices in the Public Service. The Constitution further states that national legislation must ensure the promotion of the listed values and principles<sup>3</sup>.

## 2.2 POLICY AND REGULATORY FRAMEWORK ON HUMAN RESOURCE MANAGEMENT AND CAREER DEVELOPMENT OF PUBLIC SERVANTS

The PSETA is one of the institutions that were established to ensure that the skills and competencies of public servants are systematically developed. The legislation and policy framework guiding skills development in the Public Service is reflected below.

**TABLE 2: The legislation and policy framework guiding skills development in the Public Service**

Legislation or policy	Extent of application	Relevance and purpose to skills development and career progression in Public Service
Constitution of the Republic of South Africa, Act 108 of 1996 <sup>4</sup>	The constitution is of application to all South Africans including employees and employers in all sectors.	Section 195 (1) (h) provides for public administration that must be governed by the democratic values and principles enshrined in the Constitution, including promotion of the good human-resource management and career development practices in order to maximise human potential.
Public Service Act No 38 of 1994 (as amended) <sup>5</sup>	Applies to all employees in the Public Service and to departments.	Section 7 (3) (b) states the responsibility of the Head of Department for the efficient management and administration of his/her department, including the effective utilisation and training of staff. Section 2(1) definition of employee includes persons to be employed.

1 Republic of South Africa. Constitution of the Republic of South Africa, Act 108 of 1996. section 195

2 Republic of South Africa. Constitution of the Republic of South Africa, Act 108 of 1996. section 195, Section 195(1) (h)

3 Republic of South Africa. Constitution of the Republic of South Africa, Act 108 of 1996. section 195, Section 195(3)

4 *ibid*

5 Republic of South Africa. Public Service Act No 38 of 1994 (as amended)

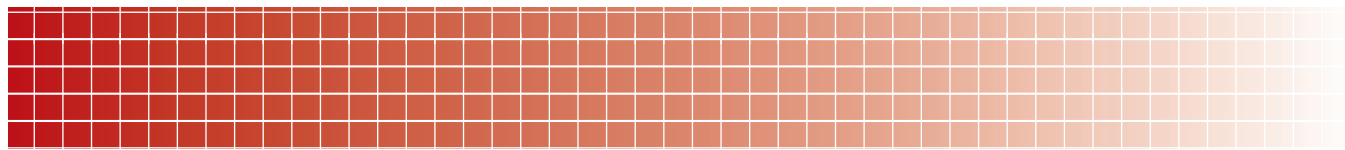
Legislation or policy	Extent of application	Relevance and purpose to skills development and career progression in Public Service
Skills Development Act No. 97 of 1998 <sup>6</sup> (SDA)	<p>Provides for institutional framework to devise and implement, sector and workplace strategies to develop and improve skills of South African workforce.</p> <p>Determines the establishment of National Skills Authority to advise the <u>Minister of Labour</u> on amongst others, national skills policy and National Skills Development Strategy (NSDS), guidelines on the implementation of the NSDS.</p> <p>Provides for the establishment of Sector Education and Training Authorities (SETAs) by the Minister of Labour.</p>	<p>The Act applies to encourage employers to use the workplace as an active learning environment, provide employees with opportunity to acquire new skills, provide for new entrants to labour market to gain work experience and employ such persons.</p> <p>Ensure quality of education and training in and for workplace.</p> <p>Further encourages workers to participate in learnerships and other training programmes.</p> <p>Improve the employment prospects of persons previously disadvantaged through training and education.</p> <p>Assist work seekers to find work, retrenched workers to re-enter the labour market and employers to find qualified employees.</p>
Skills Development Levies Act No. 9 of 1999 <sup>7</sup> (SD Levy Act)	The Act applies to all employers.	Main purpose is to provide for the imposition of skills development levy and for matters connected therewith.
South African Qualification Authority Act No. 58 of 1995 <sup>8</sup> (SAQA Act)	The establishment of South African Qualification Authority (SAQA) to develop National Qualifications Framework to oversee its implementation and advise <u>Minister of Education</u> on registrations or accreditations of bodies and institutions that provide education.	SAQA oversees the implementation of the National Qualification Framework including registration and accreditation of all SETAs including PSETA which have to apply within a week of establishment for accreditation in terms of section 5 (1) (b) of SAQA Act.
Public Service Regulations 2001 <sup>9</sup> (PSR)	The Regulations apply to all employees in the Public Service.	Employees should have ongoing and equitable access to training geared towards achieving an efficient non-partisan and representative Public Service. Training should support work performance and career development in terms of Part 9: A of the PSR.

6 Republic of South Africa. Skills Development Act No. 97 of 1998

7 Republic of South Africa. Skills Development Levies Act No. 9 of 1999

8 Republic of South Africa Skills Development Levies Act No. 9 of 1999

9 Republic of South Africa. Public Service Regulations 2001



Legislation or policy	Extent of application	Relevance and purpose to skills development and career progression in Public Service
National Skills Development Strategy I <sup>10</sup> (NSDS I)	<p>Launched by the <u>Minister of Labour</u> in February 2001 on advice of National Skills Authority for the 2001 – 2005 period.</p> <p>It guides spending of levy income required of the employers by the Skills Development Levy Act.</p> <p>Takes forward the broad objectives of the SDA by providing clear and focused five objectives and 12 indicators of success and three equity targets by 31 March 2005.</p>	<p>Transformation of education and training in South Africa by improving both quality and quantity of training to support increased competitiveness of industry and improved life for all South Africans.</p> <p>The other purpose is to decrease unemployment and improving the lives of all people.</p>
National Skills Development Strategy II <sup>11</sup> (NSDS II)	<p>Issued by Minister of Labour and provides for the areas of priorities of the NSDS II for 2005 - 2010.</p> <p>Contributes to sustainable development of skills growth, development and equity of skills development institutions by aligning their work and resources to the skills needs for effective delivery and implementation.</p> <p>Support, monitor and evaluate the delivery and quality assurance systems necessary for the implementation of the NSDS II.</p>	<p>Supports the broader goals of government to half unemployment and poverty, reduce inequality by 2014.</p> <p>Advance a culture of excellence in skills development and lifelong learning.</p> <p>Ensure that institutions of skills development use resources to advance skills revolution.</p>
Human Resources Development Strategy (HRDS) of the Public Service April 2002 <sup>12</sup>	<p>HRDS of the Public Service applied to the Public Sector between the period 2002 and 2006 and in the light of the conclusions reached, HRDS for the Public Service to cover the period 2007 – 2015 was required.</p>	<p>Serves as an essential catalyst in capacitating the state to deliver on its agenda.</p> <p>Increases the supply stream of employees in the Public Service.</p> <p>Provision of systematic training programme to ensure that capacity and competence of employees in the Public Service is enhanced and maximised.</p>
Human Resource Development Strategic Framework Vision 2015 for the Public Service <sup>13</sup>	<p>HRDS for the Public Service developed from one of the recommendations of the White paper on Public Service Training and Education (1998).</p>	

10 Republic of South Africa. National Skills Development Strategy I 2001

11 Republic of South Africa. National Skills Development Strategy II (NSDS II for 2005 – 2010)

12 Human Resource Development Strategy for South Africa, pg 4

13 Human Resource Development Strategy for South Africa, p4 - 10

The legislative framework for skills development in the Public Service is based on the Constitution. The following are the underlying features:

- the government is responsible for the establishment of an enabling environment for the promotion of good human-resource management and career development practices in order to maximise human potential;
- training programmes must be systematic in order to maximise the supply source of competent and skilled employees in the Public Service;

The legislative framework empowers the PSETA to perform functions according to the provisions of Section 10 of the SDA, and to fulfil its role of facilitation, co-ordination and monitoring the implementation of the National Skills Development Strategy in the Public Service. At the same time, as part of the SETA listing and certification, the PSETA was granted accreditation by the South African Qualifications Authority (SAQA), which mandates the PSETA to perform the function of quality assurance of skills development in the Public Service for transversal Skills Development Programmes and Learnerships. The National Qualification Framework (NQF) was developed to ensure the standardisation of skills and qualifications obtained after training has been undertaken, and it is elaborated upon below.

## 2.2.1 The National Skills Development Strategy

The Skills Development Act 97 of 1998 and the National Skills Development Strategy form the foundation of legislative framework on which the Human Resource Development Strategy (HRDS) for the Public Service is based. The purpose of the Skills Development Act is to develop the skills of the South African workforce, while also improving the quality of life of workers, their prospects of work and labour mobility.<sup>14</sup> It is operationalised through the National Skills Development Strategy (NSDS) (I) and (II).

The NSDS (I) was launched in February 2001 by the Minister of Labour. It sets priorities for skills development for the first phase (up to 2005). Procedures for planning and the implementation of skills development interventions were devolved and decentralised to the SETAs.

At the same time, the provinces were given the mandate to identify needs of the learnership beneficiaries, prepare skills plans and facilitate and co-ordinate programmes. However for transversal education and training issues, all three spheres of government were obliged to affiliate with the PSETA. The Department of Labour, which is responsible for monitoring and evaluation, commissioned an evaluation of the SETAs towards the end of Phase I, before embarking on NSDS II.

The objectives of the NSDS II <sup>15</sup> are as follows:

NSDS (II) OBJECTIVES				
Prioritising and communicating critical skills for sustainable growth, development and equity	Promoting and accelerating quality training for all in the workplace	Promoting employability and sustainable livelihoods through skills development	Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market	Improving the quality and relevance of provision

14 "Skills Development in the Public Service – Briefing to the Select Committee on Local Government and Administration" <http://www.pmg.org.za/docs/2002/appendices/020320skillsdev.htm>, p 1

15 The NSDS (II) has five objectives, 20 success indicators, some of which will be elaborated under the PSETA Operational plans and activities. National Skills Development Strategy – Implementation Report, 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2010, p 1.

The Department of Labour further states that the NSDS (II) is aimed at addressing the structural problems of the labour market inherited from the past, and at transforming the South African labour market from one with a low skills base to one characterised by rising skills, and a commitment to lifelong learning.

## 2.3 INSTITUTIONAL AND OPERATIONAL FRAMEWORK OF PSETA

### 2.3.1 Mandate

The mandate of the PSETA is derived from the Skills Development Act<sup>16</sup>, and the National Skills Development Strategy (NSDS) and it is “*facilitate, co-ordinate and monitor the implementation of the National Skills Development Strategy (NSDS) in the development of transversal skills in the public service and co-ordinate public service interests across line-function SETAs*”.

### 2.3.2 Objectives and Functions

The Constitution of the PSETA<sup>17</sup> identifies the following five main objectives:

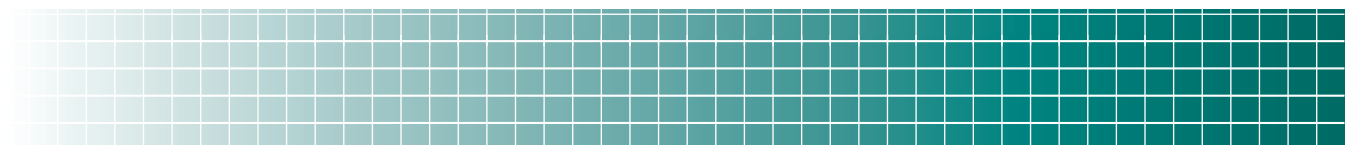
THE CONSTITUTION OF THE PSETA IDENTIFIES FIVE MAIN OBJECTIVES TO FULFIL				
Ensuring that the employer redresses imbalances in education and through programmes such as ABET	Providing employees with the opportunity to acquire skills to enable them to perform their roles optimally	Encouraging the employer to use the workplace as an active learning environment	Promoting needs-based education and training programmes which empower employees and also meet the objectives of the employer	Encouraging the employees to take responsibility for their own learning development and empowerment

Furthermore in terms of the Constitution of the PSETA, it should execute the following functions:

Develop a sector skills plan for the PSETA within the framework of the NSDS
Implement the Skills Sector Plan
Promote Learnerships
Perform the functions of an Education and Training Quality Assurance Body (ETQA) as contemplated in section 10 of the Skills Development Act and the SAQA Act
Interact with the National Skills Authority as well as other SETAs
Participate in relevant structures of the SAQA such as the National Skills Body 03 (NSBO3) and the Standards Generating Body (SGB) dealing with Public Management
Report to the Director-General on the implementation of its sector skills plan, its income and expenditure, and to consolidate its chamber/committee reports
Interact with employment services of the DoL and educational councils established in terms of educational laws of South African in order to improve the quality of information.

<sup>16</sup> Skills Development Act, 97 of 1998 and The National Skills Development Strategy – “Skills for Productive Citizenship for all, April 2001 – March 2005”, Department of Labour, Pretoria

<sup>17</sup> The Constitution further outlines powers together with detailed functions and membership of the PSETA, in <http://www.pseta.gov.za/Constitution/index.htm> p5



The essential role of the PSETA is to ensure a new approach to Public Service education, training and development, the key features of which are:

- needs and competency-based;
- supportive of work performance and career development for all the Public Service employees;
- strategically linked to the broader process of transformation and institution building within the Public Service; and
- strategically linked to the NQF and SAQA frameworks as well as the NSDS and the HRD strategy for South Africa.<sup>18</sup>

### 2.3.3 Scope of the PSETA in Public Sector Skills Development

The PSETA has a stakeholder category which includes national and provincial departments, parliament, provincial legislatures as well as identified parastatals. The PSETA is also responsible for quality assurance of transversal training across all national and provincial departments, even though some departments are members of their own 'line function' SETAs, for instance Health, Education and Agriculture.

According to the strategic objectives of the HRD Strategy, both the DPSA and the PSETA are responsible for the enhancement of 'transversal' skills which are prioritised in the Public Sector. However, the two entities have to consult with other government departments in coordinating and facilitating the education and training programmes for the sector. At the same time, the PSETA is required to play an important role in promoting and coordinating education and training programmes of the other SETAs and in the process, ensure that real training needs of the Public Service are on the agenda of the line-function SETAs.

The role of the Department of Labour, as noted above<sup>19</sup>, is that of on-going monitoring of the implementation of NSDS, through consolidated quarterly and annual progress reports on how the PSETA and the other SETAs are implementing the five objectives, 20 indicators of success, and three equity targets (for black, women and people with disabilities), which underpin the NSDS.

### 2.3.4 Corporate Governance and Organisational features of PSETA

Due to the semi-autonomous status of the PSETA, initially the Government was faced with two challenges in the operationalisation of the institution and its programme and these are:

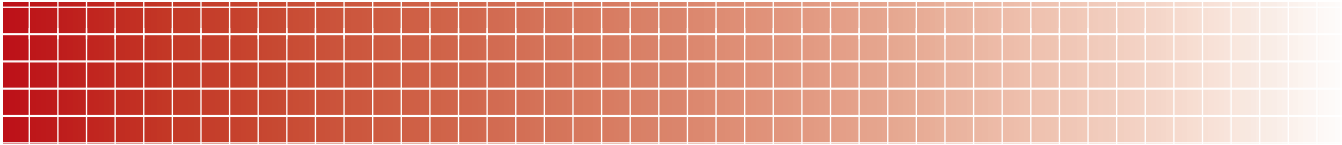
- what should be the scope of the PSETA considering that there are 'line-function' SETAs already in place? and
- what should be a viable financial formula for the PSETA since government departments have their skills development levies already committed to their line-function SETAs?

To resolve these, Cabinet decided in December 2000 that all Departments which do not have any 'line-function' SETA would become members of the PSETA, and that budget of the PSETA for administration costs would be drawn from the DPSA. This, in effect made the PSETA a 'programme' within the DPSA, with the Director-General of the DPSA becoming the Accounting Officer of the entity<sup>20</sup>. From then onwards, the DPSA began budgeting and providing administrative funds to the PSETA, while Departments were 'ring-fencing' 1% of their funding contributions for the PSETA's training costs. This was the status quo as at December 2008.

18 "Skills Development in the Public Service – Briefing to the Select Committee on Local Government and Administration" in <http://www.pmg.org.za/docs/2002/appendices/02320skillsdev.htm>, page 5

19 *Supra* paragraph 2.2.1

20 Some literature describe the PSETA as a programme within the Directorate in DPSA, while others call it a sub-directorate within a Directorate (HRD)



Because of the foregoing, the PSETA has had a dual reporting and accountability structure. During NSDS I, the PSETA was reporting to the Minister of Labour in as far as the implementation of the provisions of the Skills Development Act was concerned, while at the same time, being accountable to the Minister of Public Service and Administration on governance and management.

In 2006 the PSETA was reclassified as a Schedule 3A entity. It was expected that the PSETA would become fully operational as an independent public entity by the Financial Year 2007. However, it remains a Schedule 3A entity. The Director-General of the DPSA has been seconding from the DPSA a number of senior staff to act as CEOs of the PSETA, as well as board members and operational staff for the PSETA. The current board, which will serve for a five year period (until 2010) still reports to the MPSA. This is a situation which has consistently created tensions between management of DPSA and the PSETA board.

This has been underscored by a comment in the 2007/8 Annual Report which says that “...there have been several changes at the top, with the DPSA executives and internal managers being appointed, at various times, to the CEO’s position ...which is bound to cause a certain amount of disruption”<sup>21</sup>.

According to the constitution of the PSETA, the new board comprises of employer representatives (from government at senior management levels), organised labour representatives, the CEO of the PSETA, one expert from each of the PSETA constituencies and an independent chairperson, making a total of 20 members.

The PSETA corporate governance arrangements include the following<sup>22</sup>:

- The board is scheduled to meet four times a year, but could convene more often if there are urgent issues to be discussed. For example, during the 2007/08 financial year, the board met six times.
- The board’s key role is to provide leadership and strategic guidance to the PSETA in achieving the NSDS targets applicable to the public service sector.
- There will be standing committees of the board. Until October 2007, the PSETA was using the DPSA “Standing Committees” such as Audit, Human Resource, and Service Delivery Committees. It was supposed to select its own standing committees for the 2008/09 financial year. The Operational Standing Committees for Skills Planning, Learnerships and ETQA were established and were supposed to be meeting quarterly to provide operational support to the three programmes.
- An Executive Committee (EXCO) must be in place. The board has since established the EXCO which is responsible for ensuring that the PSETA complies with the financial requirements of the Public Finance Management Act, 1999, its constitution and other applicable Legislation. At the same time, the EXCO is responsible for supervising operational management and administration.

### 2.3.5 Management and staff complement

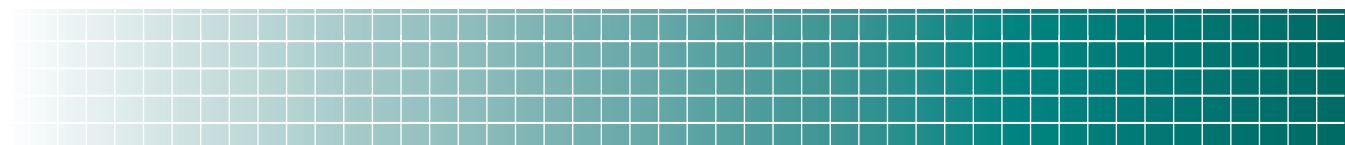
The PSETA’s management and staff complement remained constant over two years ending 31 March 2007. At that point, the staff complement was 20 with two vacant positions, whereas by 31<sup>st</sup> March 2008, the number of staff had come down to 19.

The management team comprises the CEO, the Skills Planning, Learnership and ETQA<sup>23</sup> Managers and, the Grant Disbursement Manager. Programme personnel include the Learnership Specialist, Research and Public Relations and Marketing Officer. Programme Administrative support staff consists of Administrator positions for Personal

21 PSETA Annual Report (Department of Labour) 2006 to 2007, p1

22 PSETA Annual Report (Department of Labour) 2006-2007

23 ETQA = Education and Training Quality Assurance



Assistant, Learnership, Skills Planning, Contract ETQA, Contract Learnerships and Contract CEO's office and an Intern Skills Planner. The 2007/8 Annual Report seems not to suggest any need for additional staff.

### 2.3.6 Funding and Financial capacity

Since the de-listing of the PSETA in 2006, funding for administrative costs have been channelled through the DPSA budget allocation. This has meant that the PSETA has no control over its budget allocation. The allocation mainly caters for procurement, employee compensation and routine operations. Total funding for FY2006/07 amounted to R15.5m, while that for 2007/08 was R18.4m. Since all financial expenditure is transacted through the DPSA, auditing and financial accountability lies within the Department.

## 2.4 PROGRAMME OPERATIONS

According to the Annual Report (2007/08), some of the focus areas of the PSETA are to create a framework for effective governance, improve service delivery, entrench strategic relationships, implement equity principles and develop the PSETA brand. These strategic areas are being operationalised through the following revised actions:

- Prioritise and communicate critical skills for sustainable growth, development and equity;
- Promote and accelerate quality training for all in the workplace;
- Promote employability and sustainable livelihoods through skills development;
- Assist designated groups, including learning and work-based programmes to acquire critical skills and enter the labour market or become self-employed; and
- Improve the quality and relevance of education and training.

The above goals have been implemented through the three core operational units in the PSETA<sup>24</sup>:

- The Skills Planning Unit;
- The Learnership Unit; and
- The Education and Training Quality Assurance (ETQA) Unit.

The Programme performance and achievement of results are examined in details in the next chapter on findings.

## 2.5 CONCLUSION

Since it was set up, the PSETA has had challenges due to the changes in its status over a period of seven years, (from a schedule 3 to a schedule 2 and then to schedule 3A). A legislative framework has since been introduced to guide the PSETA and the other SETAs in implementing and monitoring their programmes. Despite the changes in its status, the PSETA has always had a dual reporting requirement. In the process, the board has continuously operated with a number of Acting CEOs from the DPSA, as well as referring key strategic and operational issues to the Department of Labour for ratification or approval.

The PSETA requires representation of the board from government, labour and provincial (offices of the Premier) managers as members. The appointment of the CEO by the DPSA, and the secondment of members of staff from the Department need to be revisited given the findings in this report. The PSETA's performance, its achievements and challenges are fully discussed in the next chapter.

24 PSETA Annual report 2006/2007

# Chapter Three

## Findings and Analysis



### 3.1 INTRODUCTION

This Chapter outlines the findings on the assessment of the contribution of the PSETA towards the development of the skills of public servants and assesses the impact on their career progression prospects and employability in the Public Service. Although much emphasis of the assessment was on the contribution of the PSETA towards skills development in the Public Service, related issues were raised by the beneficiaries and key stakeholders with regard to the institutional capacity of the PSETA. Therefore this chapter also provides the findings and analysis of the PSETA's role in terms of the following:

- Programme Performance
- Institutional Capacity
- Organisational structure and management
- Financial and infrastructural capacity

This chapter further looks at the programmatic and institutional challenges faced by the PSETA in performing its duties.

### 3.2 PROGRAMME PERFORMANCE

The PSETA like all other SETAs had to align its programmes for the execution of its mandate to the NSDS I which was applicable from 2002. The period between 2004 and 2006 was important for the SETAs because the NSDS I was coming to an end and NSDS II was introduced. The rationale for this, as explained by the Department of Labour, was that skills development strategies were being aligned with government's economic and social programmes to a far greater extent.<sup>25</sup> However, there were still several challenges confronting the SETAs, and the PSETA in particular was found wanting by the Department of Labour and the DPSA as well as other stakeholders.

Some of the lessons that the PSETA had learnt by this time and was requested to address included the following:

- Most of the departments were still on a learning curve and did not fully comprehend the essence of skills development, let alone completing reports on the templates provided. Unfortunately, the PSETA was not readily available to train and support them effectively;
- The PSETA, on the other hand, placed more emphasis on compliance, than on monitoring and supporting departments especially the skills development facilitators (SDFs);
- There were very weak linkages and interaction between the PSETA and the stakeholders, where the only common denominator was compliance in submitting workplace skills plans (WSPs) and annual training reports (ATRs);
- Follow-up on learners during, and especially after completing learnerships, was non-existent. Reports indicate that neither the HRD units nor the PSETA made an effort to follow-up on learners beyond completion of learnerships. The majority of respondents acknowledged that there was no tracking system in place, let alone an exit strategy to facilitate the tracking of career progression; and
- The payment of learners' stipends was problematic and the system was open to abuse. Some of the PSETA personnel, in collaboration with the departmental HRD units, took advantage of the loose procedures and embezzled the funds meant for learnerships.

The PSETA reported having responded to these weaknesses in its 2006/07 Annual Report. The report indicated that it was establishing a new PSETA brand which would ensure that it functions optimally with correct staffing levels and adequate resources to operate efficiently and implement effective skills development programmes. It specifically highlighted the need to address learners' allowance issues and an exit strategy for learners upon

25 "The State of Skills in South Africa - 2005" Department of Labour

completion of their learnership programmes. However this still need to be observed to determine if new measures are adequate to deal with the problems highlighted above.

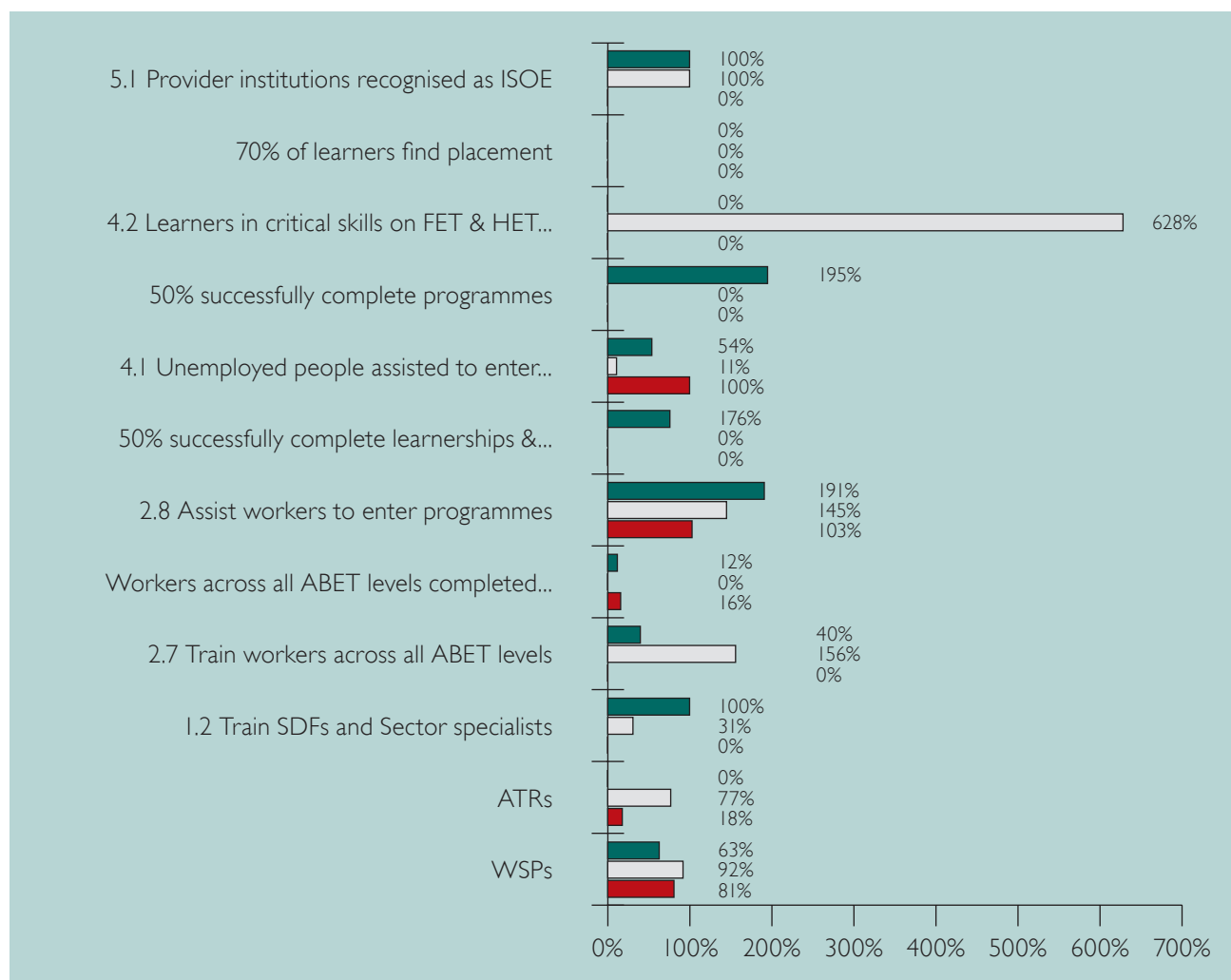
### 3.2.1 Overall achievement of objectives

A trend analysis of the PSETA performance on selected indicators between 2005 and 2008 indicates a high achievement rate (628%) in *assisting learners in critical skills on FET and HET agreements to gain work experience for employment*<sup>26</sup>. This figure is, however, based on reporting of information from the DPSA PERSAL database, which demonstrates the unsystematic approach to reporting and data collection. The increase must, therefore, be viewed with circumspection. There is a need for a standardised system of reporting on all elements of skills development which can be used by all SETAs.

The information presented in the **Figure 3.1**<sup>27</sup> below shows the PSETA's performance over a four year period (2005 – 2008).

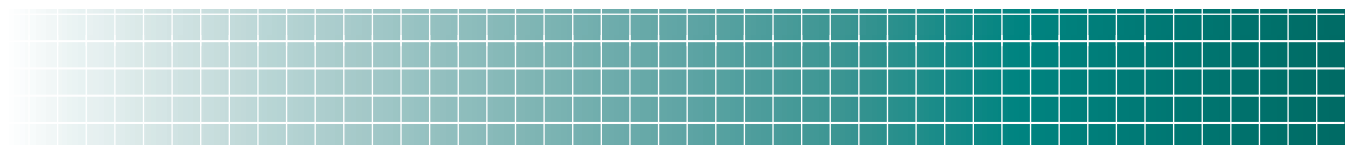
**Figure 3.1: Achievement of results against targets for selected indicators**

#### PSETA performance trend on selected indicators between 200 and 2008



26 Republic of South Africa. The Public Sector education and training authority's Annual Reports for 2004/2005 p 8&9; 2006/2007 p17 – 19; 2007/2008 p 11&12

27 Republic of South Africa. The Public Sector education and training authority's Annual Reports for 2004/2005 FY pages 8 - 9; 2006/2007 FY pages 17 - 19; 2007/2008 FY pages 11 - 12



The **figure 3.1** shows a high rate of achievement by the PSETA in assisting workers to enter programmes including learnerships and apprenticeship.

### 3.2.2 PSETA's performance in relation to training and education facilitation

The PSETA is responsible for co-ordinating transversal training for national and provincial departments and other public entities. Whereas this had been a challenge in the previous years, the PSETA has greatly improved its performance to an extent that during the 2007/08 period, it had serviced more than 140 departments, together with all the ten legislatures and fifteen parastatals. Given the shortage of professional staff at the PSETA, this was a commendable achievement.

This achievement was acknowledged by six provinces, one national department and three service providers, who indicated an improvement in the PSETA's performance over the previous two years ending in 2008. They commended the PSETA's achievements in the following areas:

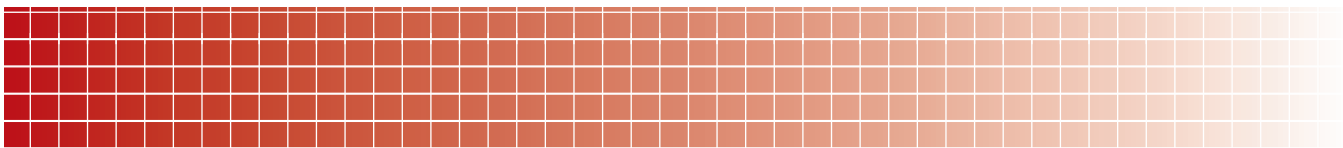
- producing a sector skills plan and facilitating the formulation of WSPs by departmental HRD units;
- conducting learnership promotion road shows in all provinces;
- producing guides for skills development facilitation, service provider accreditation and public sector careers;
- accrediting several transversal qualifications; and
- conducting capacity building training workshops for skills development facilitators (SDFs).

However, during the enquiries for this report, all the stakeholders complained about delays in responding to their requests and applications for accreditation, especially the lack of feedback to most of the issues raised with different units in the PSETA. The concerns were acknowledged by the Skills Planning and the Education and Training Qualification Assurance Managers. They clearly indicated that the acute shortage of programme support staff undermined their efforts on service delivery, hence the huge backlog of responses to different stakeholders. The PSETA and PALAMA noted that there were 'grey areas' and overlaps in facilitating line-function and transversal training between the PSETA and other SETAs. The PSETA managers felt that since their entity was the coordinator of skills development for the Public Service, the coordination of the activities and information management pertaining to public sector skills development was their responsibility. This was clearly an area of contestation that was identified. However, it was noted that PALAMA's shift of focus to facilitating skills development for public servants from Level 7 upwards had begun to address some of the overlaps.

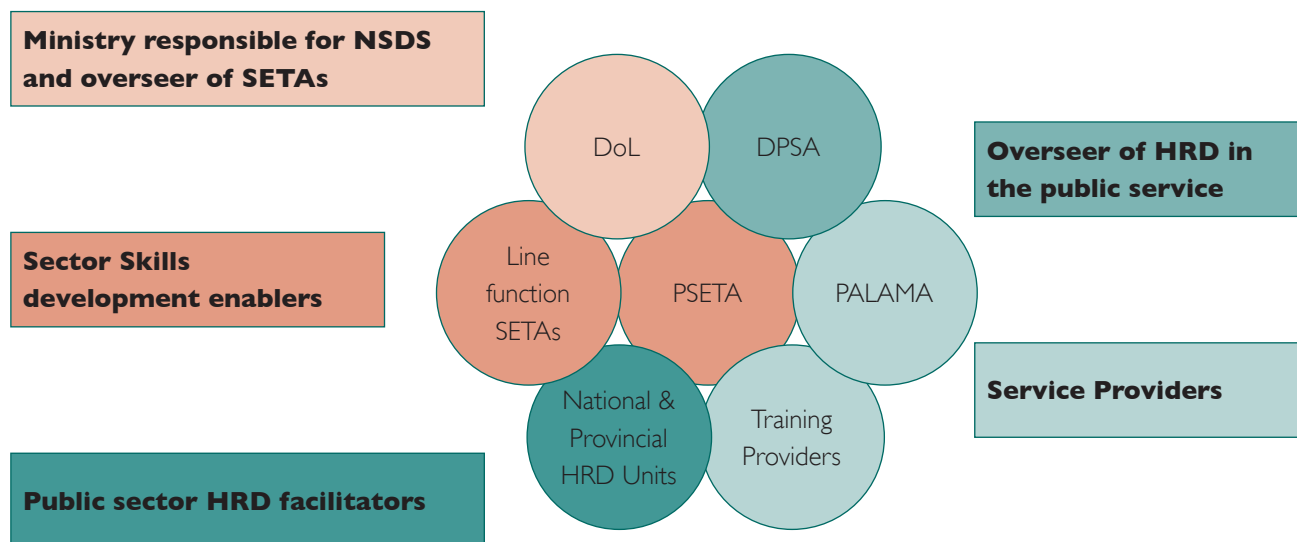
PALAMA reported that it valued the role and functions of the PSETA and singled-out the training of SDFs, the rolling out of learnership programmes and the facilitation of skills training programmes for public servants as major achievements. But, just like the other stakeholders, PALAMA was quite critical of the PSETA's delayed turnaround response period for the accreditation of qualifications and service providers.

Respondents also commented extensively on PSETA's relationships with its stakeholders. While the relationships with HRD departments were straightforward, those with the DoL, DPSA and PALAMA generated debate around issues of efficacy, responsibility, ethics and mandates. The various parties suggested that the PSETA should be independent of the DPSA and operate like PALAMA. The issue of relationships is important and the intricate relationship of the PSETA with six of its key role players is illustrated in **Figure 3.2** which follows. The diagram highlights the PSETA's central role of:

- liaising with the DoL and DPSA as overseers of NSDS and HRD for the public service;
- coordinating learnerships and skills development programmes of the public sector; and
- collaborating with sector skills development enablers and overseeing the performance of service providers



**Figure 3.2: Interrelations between PSETA and its key stakeholders**



During the 2006/07 reporting period, the PSETA had trained 215 Skills Development Facilitators (SDFs) and by the end of the 2007/08 period, another 225 SDFs had been trained on the use of the guides on sector careers and skills development facilitation. At the same time, a series of information road shows and capacity building workshops for SDF were conducted in all provinces.

This was confirmed by all seven provinces whose officials were interviewed during the study. Of special mention were officials from the Limpopo and the Free State provinces who were very appreciative of the PSETA's role, especially as their provincial Training Academies were formally being institutionalised. The line-function Departments of Agriculture and Education in the Free State complimented PSETA and felt they were indebted to the PSETA for the support given while facilitating their respective learnerships.

However, all the provinces complained about delays in feedback and sometimes non-response on critical issues, especially on quality assurance. Some respondents were sympathetic and felt that the PSETA was spread so thinly and ill-capacitated, that its managers were only readily available at the beginning of every fiscal year, and not the remainder. This was cited as a problem as there was no follow-up from the management.

The challenge of the staff complement becomes a critical point across all functions of the PSETA. Given the large number of departments (144), 10 legislatures and 14 parastatals, it is impractical for 19 employees to effectively provide for all their training and accreditation needs during a twelve months cycle. It has been argued that with only three staff members in the ETQA unit out of the required 12, it is unrealistic to expect 'top quality' efficient service from the unit in its present state. The staff complement of the PSETA therefore needs to be beefed up to improve effectiveness and quality of service.

### 3.2.3 Skills planning processes

Skills planning is a key output in terms of NSDS II for government Departments. The Sector Skills Plans (SSPs) and Workplace Skills Plans (WSPs) provide the monitoring, evaluation, reporting frameworks and baseline data. The PSETA Skills Planning Unit has demonstrated responsibility by ensuring that departmental HRD units submit WSPs and Annual Training Reports (ATRs) in time for reporting to DoL. The PSETA Skills Planning Unit is also responsible for the monitoring and evaluation of the implemented plans, as well as co-ordinating research aimed at enhancing skills development in the sector. Capacity building workshops which were held on reviewing the "complicated reporting templates" resulted in these templates being simplified for use in the 2007/08 period.





Other than the Gauteng and the Western Cape Provinces which scored a submission rate of 100% for their ATRs, the rest of the provinces performed below the expected targets. The worst performers were the Free State (25%), national departments, (35%) and the Eastern Cape (41%). The average submission rate for provincial legislatures was 50% while that of the North-West was highest at 83%.

Interviews with the Skills Planning Unit officials revealed that the PSETA's performance in the 2006/2007 reporting period reflected a marked improvement from the previous three years and attributed the improvement to its capacity building initiatives. During the workshops on capacity building, provinces clearly stated that the challenge for submission of WSPs and ATRs was two-fold:

- The templates used by the PSETA were difficult to complete and were different from the ones used by line-function SETAs.
- In addition, the PSETA workshops were only held at the beginning of each year. There were no follow-ups by the unit to support the SDFs in HRD units that were experiencing difficulties in completing the templates on their own.

It was only after embarking on NSDS II that most SDFs were able to grasp the process of completing WSPs and ATRs. However, as late as December 2008, Gauteng reported that some SDFs were still going through a learning curve.

Once again, the issue of the PSETA's capacity repeatedly came up in most of the discussions held. With regards to staff complement, the Skills Planning Unit also complained that only four staff members out of a total unit staff complement of 13 are in employment and servicing all the stakeholders. During the assessment, it could not be established why the vacancy rate was so high. This scenario explains why two of the provinces visited were very critical of the Unit's poor response rate and feedback on WSPs and ATRs.

### 3.2.4 Facilitation of Learnerships

The Learnership Unit is the bridge between the PSETA and service provider stakeholders. It plays a significant role in enabling, facilitating and co-ordinating the development, registration, accreditation and promotion of learnerships, skills training courses and other education programmes in the Public Service. It also facilitates the consolidation and management of information on learnerships outputs and help to inform and highlight lessons learnt<sup>28</sup> in implementation of the PSETA programmes.

Measured against its own performance indicators, the PSETA has overachieved by 191% in assisting workers to enter programmes including learnerships and apprenticeship. It has also reached 176% for the target of "50% of workers successfully completing learnership and apprenticeship programmes". The objective of assisting unemployed people to enter skills development programmes was underachieved. Once again, the interpretation of these figures should be done with caution. The outputs reported often overlap between different reporting periods, due to the completion times for learners being affected by delays in assessment and the awarding of certificates.

The following section examines the impact of learnerships by looking at the benefits to participants in terms of improved competencies, increased employability opportunities and the potential for career progression.

#### 3.2.4.1 Learnership benefits

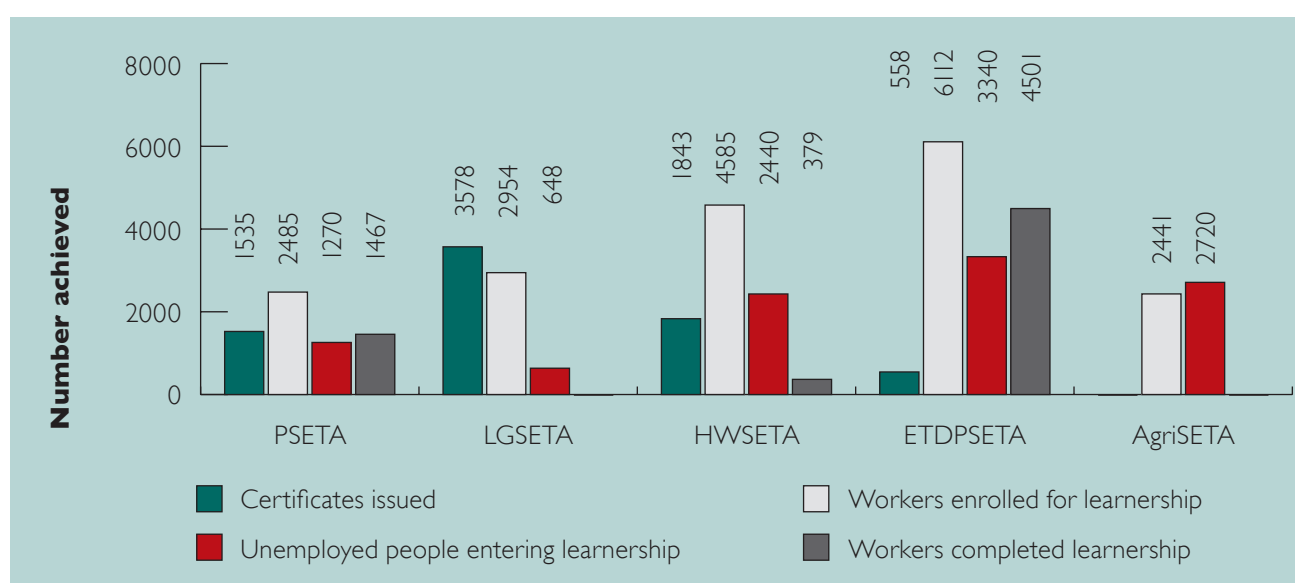
Looking at the four selected NSDS II indicators which are the achievement of targets, equity principles, governance and funds management, **Figure 3.3** illustrates that PSETA is making a contribution towards skills development

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in the Public Service. The 2007/08 Annual Report recorded 1535 certificates that were issued, 2485 workers who enrolled in learnerships, 1270 unemployed workers who entered learnerships and 1467 workers who completed learnerships.

The achievements of the PSETA are comparable to those of the other four SETAs during the same 2007/08 period. Furthermore the PSETA recorded achievements for all four indicators. The Education Training and Development Practices Sector Education and Training Authority (ETDPSETA) has the highest scores in three indicators as it provides for the highest category of employees in the Public Service. The PSETA is the only one amongst the other SETAs that managed to issue certificates to 62% of the total number of workers enrolled for learnerships compared to other SETAs.

**Figure 3.3: PSETA performance on selected NSDS II indicators compared with other SETAs<sup>29</sup>**



According to the **Figure 3.3** above, the completion rate for learnerships in respect of all SETAs is low with AgriSETA not having any learnerships completed. Given the limited capacity of staff in the PSETA, its efforts in facilitating enrolments into learnerships and achieving close to a 60% completion rate is notable. Unemployed learners who underwent the PSETA Learnership programme constituted just over 50% of the total number of workers enrolled for learnership. It is also encouraging to note that the total number of learners who completed the programme is more than 50%. Since the current limited number of personnel within the PSETA is unable to work optimally as they cannot attend to all the objectives, this may have a negative impact on the PSETA's potential performance that has thus far prevailed over the other SETAs whose completion rate has been less than 50%. More analysis of Figure 3.3 is made under the "achievement of competencies" below.

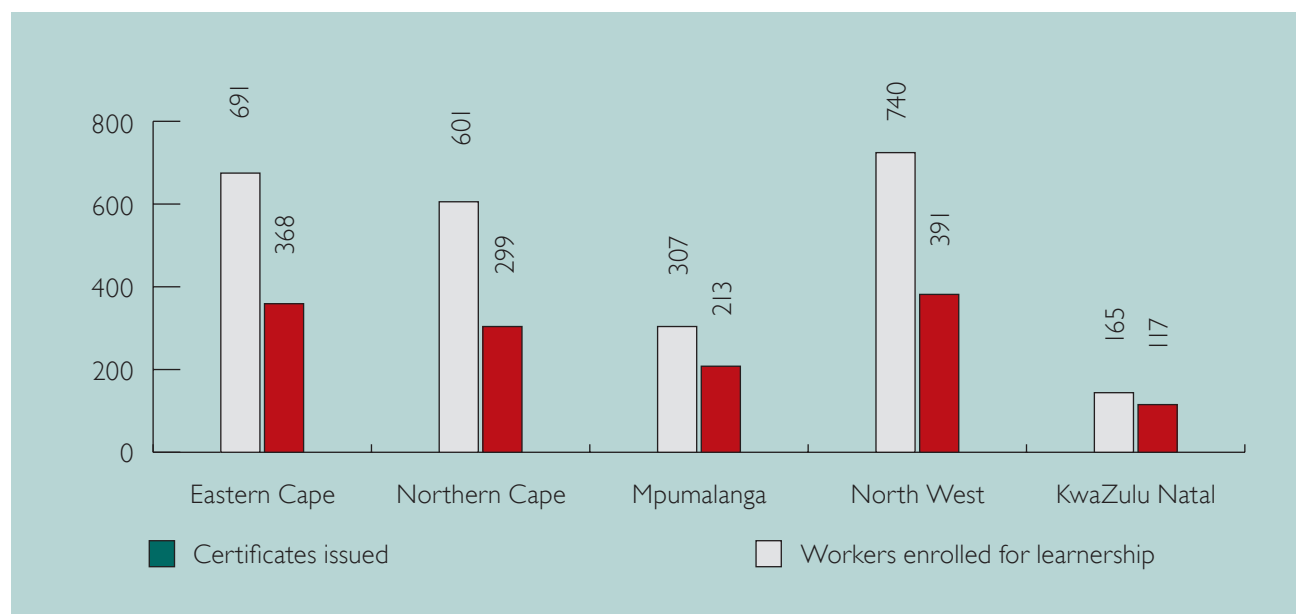
### 3.2.4.2 Achievement of competencies

To view the performance of the PSETA in perspective, the PSC reviewed records on competency assessments for the Public Finance Management Learnerships. As can be seen in **Figure 3.3** above, the data for learners who participated in one of the pilot learnerships during the 2005/06 programme on Public Finance Management reveals low completion rates. The data was obtained from one of the service providers contracted and accredited by the PSETA for the pilot programme.

<sup>29</sup> Republic of South Africa. Annual reports of: The Public Sector education and training authority 2007/08 FY pages 11 - 14 & 24 ; AgriSETA 2007/08 FY pages 53; LGSETA 2007.08 pages 13 & 19; HWSETA 2007/08 FY pages 21, 31-32, 37 & 45; ETDPSETA 2007/2008bpages 53 & 54

Five provinces; Eastern Cape, Northern Cape, Mpumalanga, North-West and KwaZulu-Natal were selected for the initial pilot learnership programme. The completion rate of learners who were assessed and completed the programme in these provinces is compared in **Figure 3.4**.

**Figure 3.4: Competency rating reported on 2005/06 pilot Public Finance Management learnerships<sup>30</sup>**



The sample shows that in the Eastern Cape only 53% of learners that had completed the programme and assessed, achieved the relevant competence. In the Northern Cape, only 50% were assessed as competent, while in the North-West, the figure was 52%. On the other hand, 69% in Mpumalanga and 70% in KwaZulu-Natal had achieved higher competency rates.

During an interview with a provincial official, it was learnt that such a high failure rate in three of the five provinces that participated in the pilot learnership, could be as a result of the following:

- The whole process of implementing the learnership was facilitated and co-ordinated by the PSETA, including the recruitment of service providers, their accreditation, monitoring, follow-up as well as assessments. Due to lack of capacity some of the tasks were not completed. Consequently, some service providers were only accredited towards the end of the learnership programme. Assessment took more than six months to be finalised and certification was only done more than one year after completion of the programme.
- The PSETA had contracted only one service provider for all the provinces. It emerged that the service provider lacked the capacity to manage the programme, a development which also stretched the PSETA to an extent that the actual training was not monitored, and consequently, quality assurance was not properly conducted.
- Programme implementation itself was flawed as most of the 18.2<sup>31</sup> category of workers (unemployed learners) were being placed in non-finance operating positions/directorates, where there were no mentors and/or coaches to assist them.
- Even in finance-related directorates, learners were being used as photocopy specialists, transport clerks, messengers or given other unrelated tasks. It was worse for those placed in HR departments.

<sup>30</sup> Republic of South Africa. Institute of Public Finance and Auditing (IPFA) FY 2005/06 assessment records. Database spreadsheets on learner assessments provided by IPFA

<sup>31</sup> The NSDS' (II) five objectives, 20 success indicators and National Skills Development Strategy – Implementation Report, 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2010, p1.

- Qualifications were accredited by Financial and Accounting Services (FASSET) and SAQA. However, the PSETA did not make concerted efforts to effectively engage these institutions and failed to sustain the relationship for the duration of the pilot phase.

This pilot learnership programme provided a practical learning curve for provincial departments, the PSETA and FASSET, and above all, to the service provider. This was reflected in the PSETA's Learnership Report as contained in the 2006/07 Annual Report which documented 'lessons learnt'.

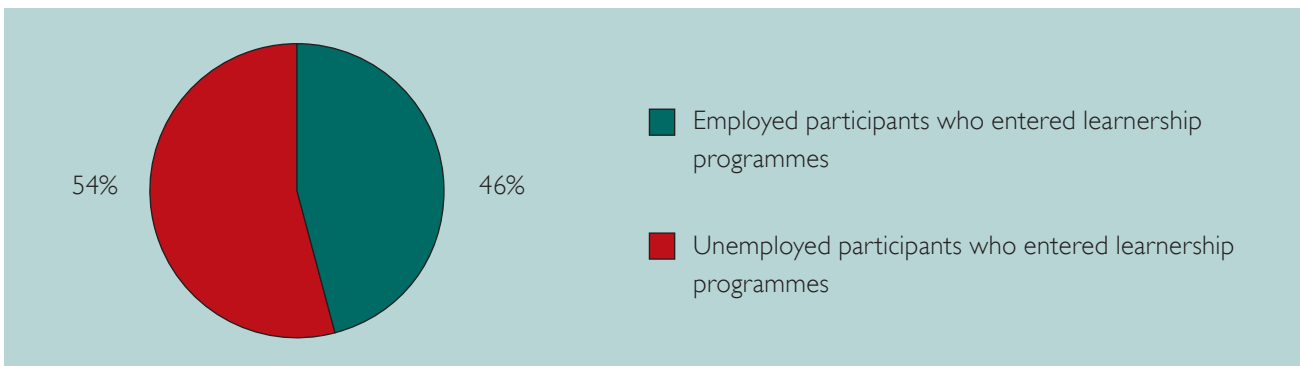
Despite being critical of the PSETA performance during the pilot phase, provinces have continued to interact with the SETA, with ever-improving results. The role of the PSETA and its functions cannot be under-estimated, given its pivotal role in dealing with public servants at level 6 and below.

### 3.2.4.3 Composition of workers entering learnerships

The other objective of the study was to make a follow-up with learners who had participated in both the 2005/06 and 2006/07 HR, Financial Accounting, Project Management and Business Administration learnership programmes. The next three charts (**Figures 3.5, 3.6 and 3.7**) depict the findings from the telephonic interviews held with the learners.

**Figure 3.5** shows the percentage split between the employed and unemployed participants who entered learnership. Out of a total of 75 learners that were contacted for telephonic interviews, 63 were reached. Those reached were still using their original contact details (Cell phone and telephone numbers). The chart shows that 46% of learners on the programme were already in employment, while 54% were unemployed when they joined the programme.

**Figure 3.5: Percentage of employed and unemployed workers entering learnership programmes**



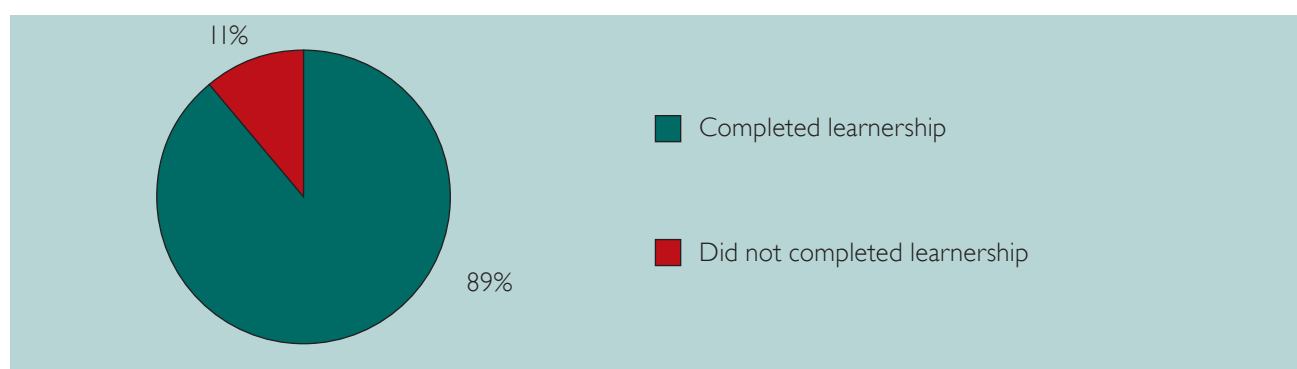
This randomly selected sample was drawn from lists of names provided by the Eastern Cape, North-West, Mpumalanga and Gauteng provinces, DPSA, the Presidency and OPSC. Almost all learners, except three, commended the learnership programme, although some complained about difficulties in understanding theoretical materials. Despite the challenges faced by the PSETA and its stakeholder partners, the learnerships were implemented for the 2005/2006 financial year and in the process provided useful lessons.

### 3.2.4.4 Learnerships completion rate

The number of participants completing the learnership programme is one of the critical factors in determining the effectiveness of the PSETA. **Figure 3.6** demonstrates an important aspect of the learnership initiative. One of the questions posed to the interviewees was whether they had completed the learnership. The responses showed that 89% of them had completed their respective learnerships.

Those who did not complete the learnerships, amongst others, forwarded the following reasons. One had absconded, one had a judgement against him and was advised to discontinue, one left because the department did not guarantee him a permanent job after completion and another had to go and attend a brother's funeral when the class was writing the final examination for that module. A fifth learner had been offered a better paying learnership, and consequently changed courses.

**Figure 3.6: Completion rate for participants of learnerships**



Most learners who did not complete their programmes had been registered in Gauteng. Another finding is that service providers had up-to-date records of the learners, because they were the last 'port of call', especially when final assessments were undertaken to determine competence.

Absence of readily available information on trainees from departments is indicative of a problem with data management and storage. None of the respondents except DPSA, the Mpumalanga provincial administration and the PSETA were able to produce records when required. It is therefore critical reliable records like databases of all learners are kept for easy follow-up on progress as well as for information and planning purposes.

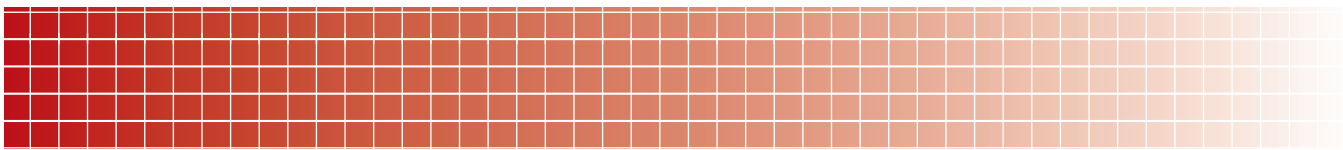
#### 3.2.4.5 Career progression for learnership participants

An important aspect in assessing the effectiveness of the PSETA is the extent to which training provided had contributed to the career progression of learners. The study found that the majority of the learner employees (76%) were employed by various departments while 15% remained unemployed after completing their learnerships (**Figure 3.7**). Of the remaining learners, 5% had found employment elsewhere, 2% had created their own employment and another 2% had since changed employment.

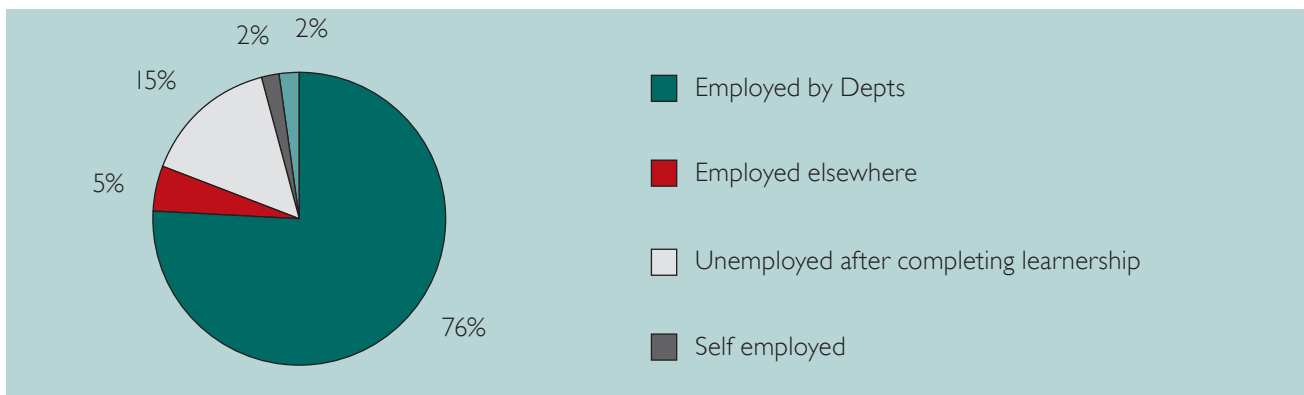
Several respondents who were still unemployed said that the respective departments where they had served their internship had not guaranteed them jobs after completion. As such they were applying to different national and provincial departments, hoping that at some stage they would be successful. Incidentally, all except one had pursued a learnership in HR. He is the only one who had completed a project management course but failed to secure placement within the department.

The learners who indicated that they were employed elsewhere were at the time of the assessment working for Vodacom, Makro, a TB clinic and an NGO. The self-employed learner had successfully established a small sewing enterprise.





**Figure 3.7: Employment status of workers who participated in learnerships**



A cause for concern is that there were several participants who were assessed and declared competent but remained unemployed after completing the learnership. Secondly, the absorption rate into different departments of the originally unemployed category of workers is remarkable. It demonstrates the government's commitment to addressing unemployment in the country. However, a 15% unemployment rate after graduation from learnerships is still a worrisome result, given the vacant positions in the public service that are advertised weekly. Concerted efforts need to be applied to begin reducing such statistics.

### 3.2.5 Education and Training Quality Assurance

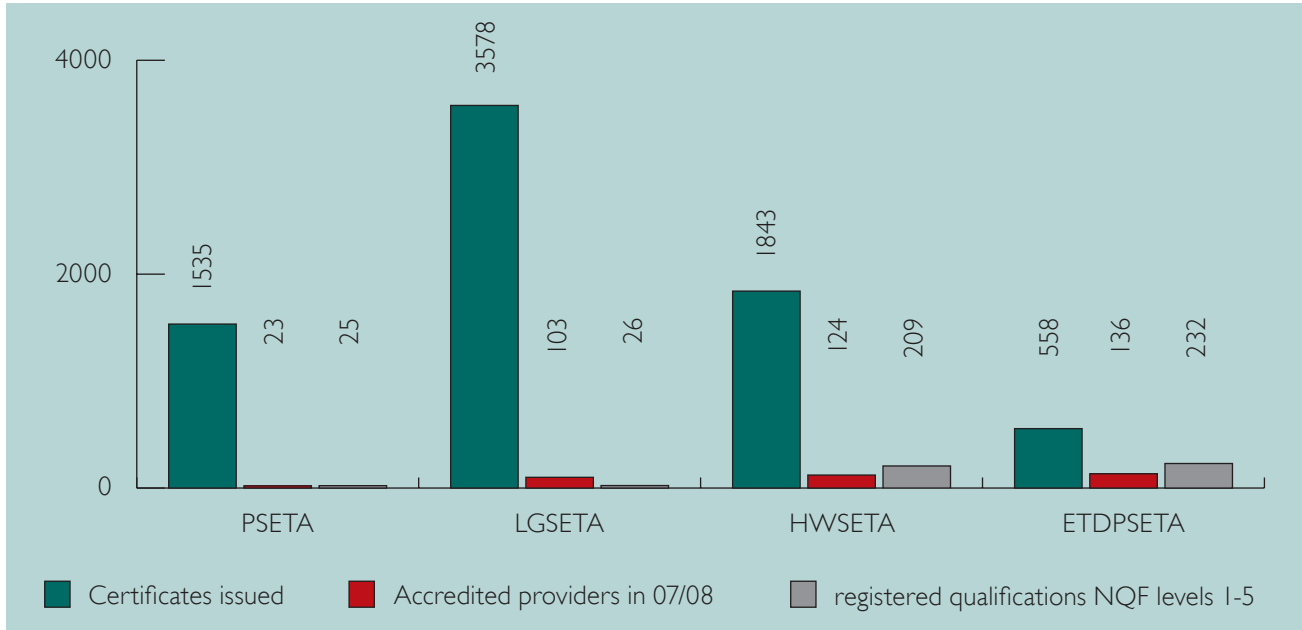
The PSETA 2007/08 Annual Report contains information on ETQA activities in terms of numbers of certificates issued, service providers accredited and learnership qualifications registered. As indicated in **Figure 3.8** the PSETA performs poorly with regards to accreditation of providers and registration of qualifications. This picture concurs with the views expressed by officials of PALAMA who expressed frustration with the slow pace at which the PSETA operates. They were dissatisfied with the long timeframes experienced in the processing of registration of qualifications and the accreditation of providers. The poor performance was attributed to lack of capacity. However it was recommended that the scope of PSETA be limited to NQF level 4 and below. In this way the workload for this scope of work would be manageable within the PSETA's capacity levels.

The recommendation seems to be a logical suggestion in that it would greatly assist in focussing the energies of skills development for the lower ranks of public servants. Data on the staff complement in **Figure 3.7** above, show that administrative and support staff comprise the largest group of the workforce that falls in the scope of the PSETA. Except for the PSETA which has a 48% admin and support staff contingent, the other SETAs have more than 50% of this group of workers. It is, therefore, logical to mobilise training and skills development opportunities for this group of workers.



Figure 3.8 shows the total numbers of certificates issued as well as the registered qualifications NQF 1 – 5.

**Figure 3.8: PSETA ETQA performance indicators and for selected SETAs**



Facilitation of learnership implementation especially for transversal skills across the national and provincial department spectrum of public servants is key to skills development. It is befitting that (Education and Training Quality Assurance) ETQA be a priority area for the PSETA. This will help to minimise the complaints and concerns about low output, inadequate support and slow programme implementation by the PSETA. Service provider accreditation was also cited as an area that requires a lot of improvement. The service providers and learnership participants expressed their concern with the delays in accrediting training providers and issuing competency certificates. This has impacted on their images since their learners could not be considered for advancement or placement into the workplace without the certification of their qualification achievements. The performance of the PSETA ETQA unit which is reported to “leave a lot to be desired” in several quarterly reports of the Gauteng Province skills development programme definitely requires a revamp.

### 3.2.6 The effectiveness of PSETA

The PSETA has demonstrated a high degree of resilience due to the challenges it faces. Despite a whole range of challenges brought about by its structural organisation, lack of board commitment, high turnover of its executive staff, the PSETA has survived and continued to attract positive reviews from across the stakeholder spectrum with widespread criticism as well. The PSETA’s effectiveness has been determined by, amongst others, its direct beneficiary groups (Departments and service providers), while its impact has been felt by both the stakeholders and the participants on the learnerships and skills development programmes. Some of its major highlights are discussed below:

- The PSETA is now confident in producing Sector Skills Plans and Work Skills Plans in alignment with the Department of Labour requirements. It is able to sign the annual Service Level Agreements with the DoL and deliver the Annual Training Reports to DoL timeously. On the whole, the PSETA business activities are now fully aligned with the sector-related strategic objectives of the NSDS II and those of the government’s Accelerated and Shared Growth Initiatives for South Africa (AsgiSA) and the Joint Initiative for Priority Skills Acquisition (JIPSA), (Annual Report 2007/08). Its SLA score card results by DoL improved from 1.5 in 2006/07 to 3.5 in the 2007/08 reporting period.

- The PSETA says that it is not only concentrating on fulfilling DoL requirements for compliance's sake, but it has genuinely improved on its provision of capacity building support to SDFs in national and provincial departments, legislatures and parastatals and assisting with promotion of the career guide for the public service, producing ART templates and using other important instruments.
- In the Learnership sector, the PSETA increased its interactions with employer stakeholders and HR Departments, thereby encouraging them in the usage of Learnerships registered with both the PSETA and line-function SETAs and ETQAs. In the process, it surpassed its target to 30 skills programmes against a target of 20 for the year.
- The accreditation of training providers is the cornerstone of the ETQA Unit within the PSETA. In spite of mounting challenges, the unit accredited programmes for 23 training providers, eight academies and one-Further Education and Training (FET) College. At the same time, the Unit introduced a set of evaluators and inducted them on the evaluation of learning programmes submitted to the PSETA for approval and accreditation.
- Stakeholders like the Eastern Cape, Mpumalanga, Gauteng and North West provinces commended that while the Learnership programme has had its own share of problems, the success rate in terms of employment of learners after completion, has been well above expectations. Mpumalanga, which has a consolidated model (managed within the Office of the Premier together with respective departments), was able to retrieve a database of learners for the last two years with latest information on their whereabouts. More than 76% of these are in employment.
- There are PSETA success stories at individual partnership level with different stakeholders which should be acknowledged.
  - The fulfilment of equity requirements by the OPSC in recruiting 95% of its participants from people with disabilities in two years is a first of its kind. The first batch of 10 learners recruited by the OPSC has since been employed within and outside government.
  - PALAMA still uses the PSETA for accrediting its programmes which is a vote of confidence in the entity. Thus, the "Massification training strategy of PALAMA, which emphasises collaboration and less competition, had renewed interest in the public sector's training needs". (PSETA Annual Report 2007/08).
  - Provincial Training Academies of KwaZulu-Natal, Free State, Gauteng and Mpumalanga have gone through their own institutionalisation over the last three years. They have commented that even if the PSETA is not fully organised, they find it more effective if all departmental needs and training programmes are facilitated and coordinated through the Office of the Premier. In the Free State both the Departments of Education and Agriculture have given credit to the PSETA through such a partnership.

The following case study is about Ms X from the Gauteng Roads and Transport Department who enrolled as an ABET learner and graduated with a certificate in Business Administration. The case study indicates some of the success stories of the PSETA learnership programme in the development of skills in the Public Service.

## **Text box I: Case Study on Career progression for an ABET learner who acquired a certificate in Business Administration**

### **CASE STUDY 1**

#### **Sixty year old Ms X employed with the Gauteng Roads and Transport Department enrolled as an ABET learner and graduated with a certificate in Business Administration**

At the age of 55, Ms X decided to go back to school as the new political dispensation had opened up opportunities to everyone. With only a Grade 5 level of education, Ms X had not been promoted, except for receiving annual salary increase.

With the support and encouragement of her supervisor, Ms X registered for the ABET Learnership Level 2 in 2004, and went on to complete Level 4 with good grades. The next step was to go for the Business Administration Learnership (a certificate course) in 2007 which seemed too complicated for her. Despite her excitement of learning in English, she had to contend with sitting next to the students who were her son's age; she was being exposed to new language of budgeting, essay writing, formulating sentences in English and, above all, presenting to her classmates her work in English. Had it not been for her supervisor who was also studying for a degree, Ms X would have given up. The most challenging experience was the 30% to 70% format of learnership (30% class work and 70% office work).

The exposure to the computer (machines that she had been cleaning all along), to type her course work besides using it for office work in the interim boosted her ego and morale. That was when she realised that education was the answer to most challenges.

She has been promoted to a Senior Clerk in the Human Resource Directorate. At the same time, three of her counterparts at work (cleaners) have also registered on the ABET course as they have since been inspired by her.

Ms X will be turning 60 in June 2009. She is now discussing with her new supervisor so that she registers for a degree learnership and ensures to qualify three years later just before she retires in five years to come.

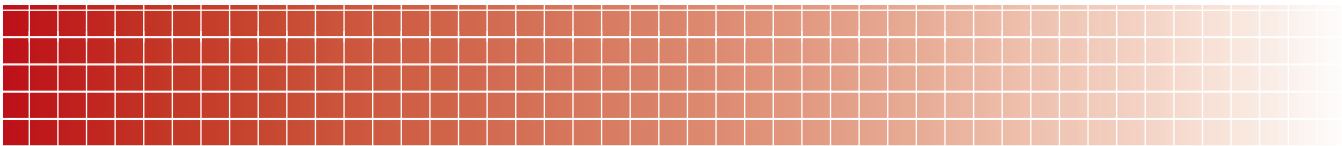
## **3.3 THE INSTITUTIONAL CAPACITY OF PSETA**

The institutional analysis of the PSETA's status examines its governance structure, the organisational and management structure, financial and infrastructural capacity, as well as the challenges.

### **3.3.1 Governance Structure**

An examination of the responses provided by all respondents regarding corporate governance indicates that almost all respondents, except one service provider feel that the board is either weak or dysfunctional. The senior managers of the PSETA felt strongly that the board is weak and uncommitted, and that it lacked clout in performing its functions of providing the necessary strategic leadership and direction to the institution. It was observed that on more occasions particularly for the financial year 2007/08, the board failed to form a quorum.

Unfortunately, no interviews were conducted with any board member. All telephonic and written requests for appointments were not granted, let alone acknowledged. The views of the Acting CEO, however, were positive. He claimed that the board was functional. Poor participation by board members can be attributed to the serious tensions existing between the PSETA board and the DPSA over financial and operational matters.



Other factors advanced by respondents which impact negatively on PSETA's good governance include the following.

- The DPSA is seen to be micro-managing the PSETA to an extent that the board is rendered almost redundant. The fact that the DG of DPSA can overturn a decision made by the CEO to suspend a public servant was enough evidence of such micro-management<sup>32</sup>.
- The PSETA has gone through seven Acting CEOs and one contracted CEO within four years (2004 to 2008). This was viewed as an indictment on DPSA's seriousness in working with the SETA. It was one of the factors that made stakeholders label the PSETA dysfunctional.
- Media reports as well as parliament and briefing papers on SETA performance have often raised concerns that several SETAs are "institutionally unstable since they are always in transition and, their CEOs are replaced quite often." However, the case of the PSETA has been highlighted as very worrisome. The CEO likened the PSETA's situation to an entity operating on a 'life-support machine'. It was not self-supporting because the board is hardly there to provide strategic direction.<sup>33</sup> Even three previous board members of the PSETA who were consulted expressed deep concerns about the manner in which the PSETA was being managed.
- Deep-rooted tension was evident between the PSETA board and the DPSA, on the one hand, and between the board and management, on the other, as highlighted by the PSETA senior managers. The tensions came as a result of the perceived or alleged interference from the DPSA.

These are certainly very serious issues that must be addressed if the PSETA is to survive and perform its functions effectively. The Acting CEO also confirmed this *status quo* in his progress report to the DPSA (2008) where he said, "there is a lot of poison in the air in the PSETA. Orchestrated misrepresentation of facts, gossip, targeted lobbying by some people at DPSA and elsewhere, and attempting to influence them against the PSETA, for their own gain, is rampant."<sup>34</sup> This was a very serious assessment made by the CEO, himself a previous chairperson of the PSETA.

Information from the PSETA 2007/08 Annual Report suggests that the PSETA has complied with the requirements of board composition according to its constitution. Its board is composed of 20 members as shown in **Figure 3.9**. The 20 board members are representatives of the workers and employers as required by legislation.

Compared with the boards of four SETAs selected for comparative purposes, it shows that other than the ETDPSETA which has a board comprising of 54 members, the rest of the SETAs have on average similar board sizes ranging from 19 to 26 members. It is understandable for the ETDPSETA to have such a high board representation due to the nature and size of the education sector and the stakeholders that it represents.

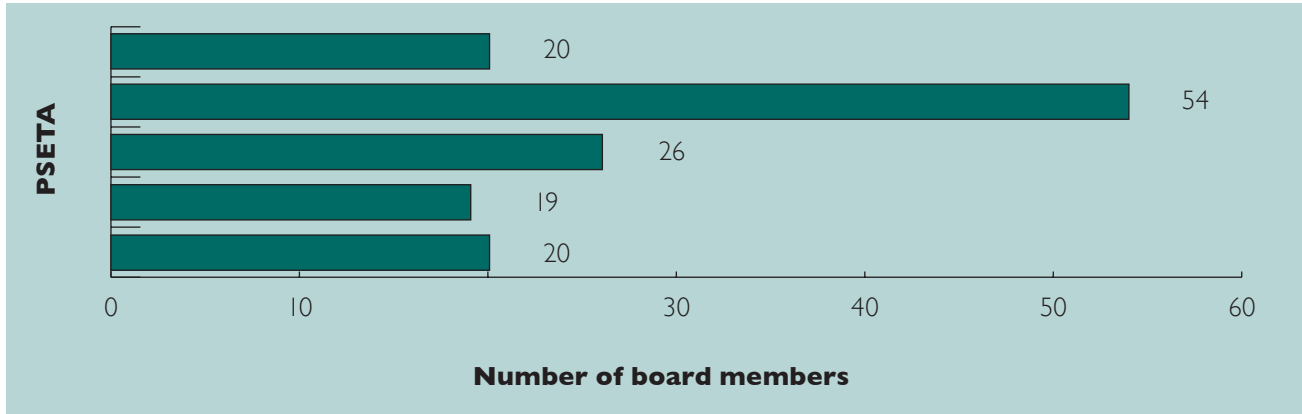
The size of the PSETA board on its own does not necessarily explain the dysfunctional tendencies ascribed to it by stakeholders. However, when compared with the participation levels of board members illustrated in **Figure 3.9**, it is noticeable that despite being well represented by relevant stakeholders, their contribution to the corporate governance of the PSETA is not as effective as desired, an issue discussed above.

32 This view was expressed by the acting CEO

33 This view was expressed by respondents at both provincial and national levels

34 The Acting CEO stated that dual reporting procedures to DoL and DPSA had the effect of obscuring accountability and, the situation lent itself handy to the miscreant element; in *Caretaker CEO Status and Progress Report, PSETA, February to July 2008*, p8

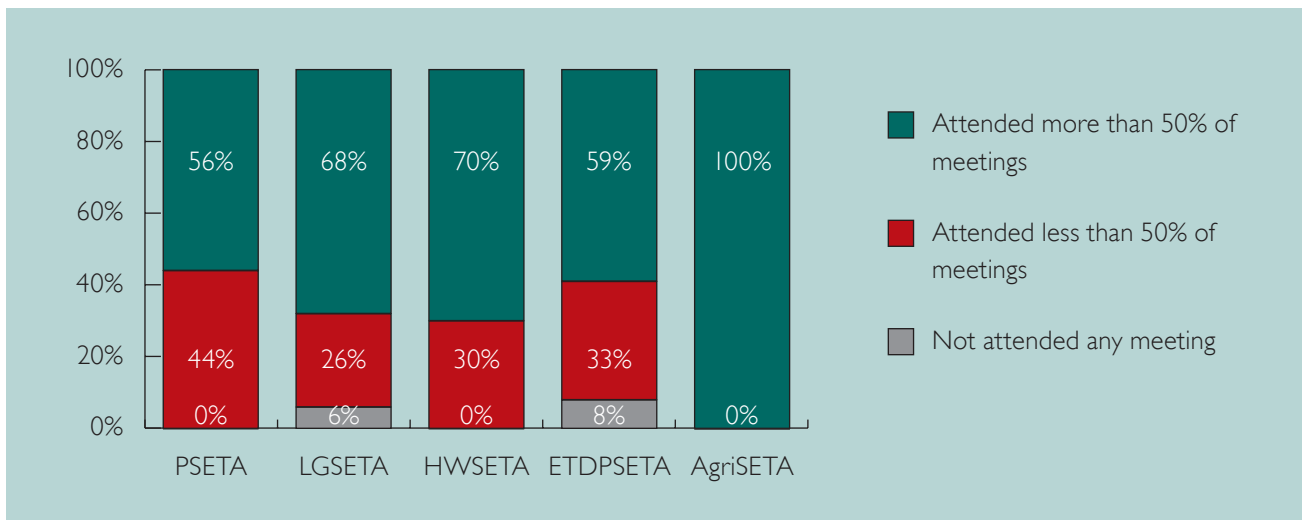
**Figure 3.9: PSETA board size compared with selected SETAs**



As regards to the participation of the PSETA board members at board meetings, **Figure 3.10** below confirms the concern of the majority of stakeholders who had indicated that they had observed poor attendance to board meetings. The PSETA has the highest percentage (44%) of board members who have attended less than 50% of the board meetings. Compared with the other SETAs, the AgriSETA has the highest attendance rate with board members attending more than 50% of board meetings.

This low attendance rate of the PSETA board members to board meetings, seems to support the view expressed by the PSETA senior managers who claimed that board meetings often failed to form a quorum although those present proceeded to conduct board meetings, the outcomes of which are not communicated to staff and other stakeholders officially.

**Figure 3.10: PSETA board meetings attendance compared with selected SETAs**



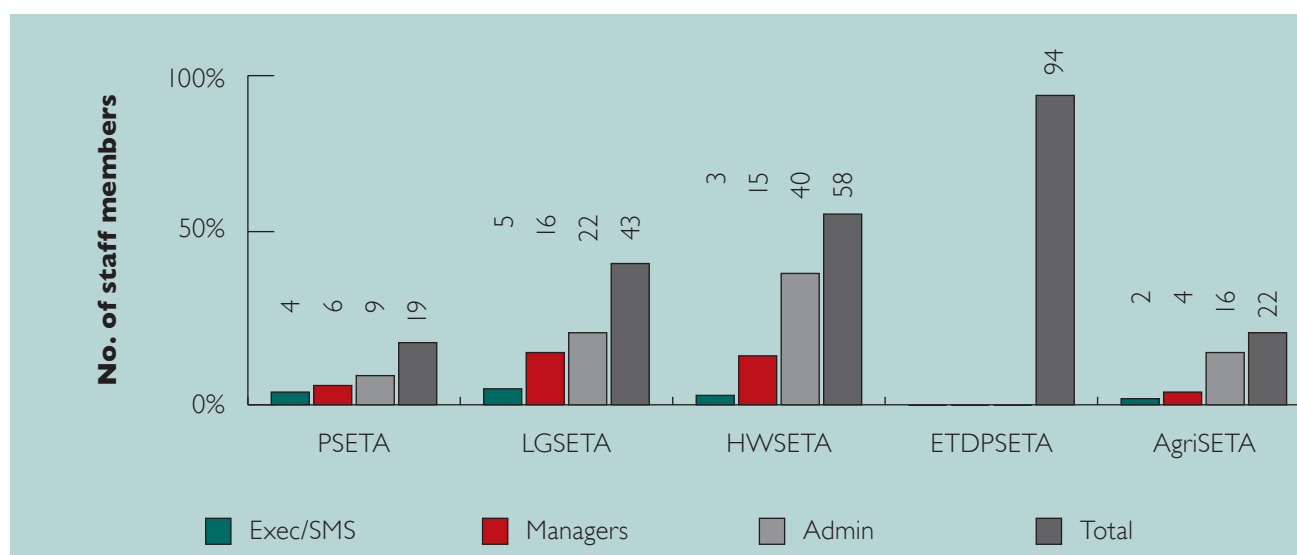
### 3.3.2 Organisational Structure and Management

As noted above, the PSETA has been operating with Acting CEOs since 2004, except during the 2006/7 period when it had contracted a CEO who lasted for only a year. According to the organisational structure, the CEO is the main authority of the PSETA, who reports directly to the board on policy and strategic issues and reports to the DG of DPSA on operational issues. At the same time, the CEO reports to DoL on programme performance.

While each of these programme units (Skills Planning, Learnerships, ETQA and Corporate affairs), is headed by a senior manager, PSETA seems not to be adequately staffed to be able to deliver on its mandate effectively and efficiently. Both the CEO and senior management highlighted this as the most frustrating factor for the SETA. While views on the number of staff required varied, it was suggested that the PSETA would require a staff complement of between 45 and 50 people to operate at optimum levels and achieve its NSDS II targets successfully. They all agreed that the current 19 employees are stretched too thinly to effect the expected impact.

**Figure 3.11** below illustrates the PSETA staff complement. It also gives a breakdown of the numbers of three main categories of staff i.e. the executive/senior management service level, middle management and the administrative/clerical level. Compared with the staffing levels of other SETAs, it is only the PSETA and AgriSETA which have staffing levels of 19 and 22 respectively. Three other SETAs have staff complements of more than 40 while that of ETDPSETA is as high as 94. Comparatively, therefore, the PSETA has the least number of employees among the five SETAs and it probably makes the assertion that the PSETA is understaffed relevant.

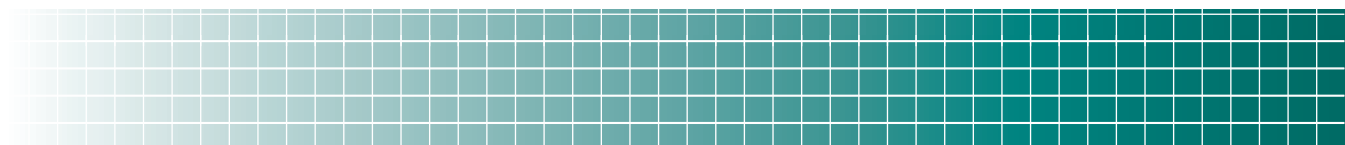
**Figure 3.11: Staff compliment of PSETA compared with selected SETAs**



Almost all respondents lamented the lack of capacity in the PSETA, which they believe has impacted negatively on its ability to deliver on its mandate. While respondents of national and provincial departments as well as service providers complained of the protracted turnaround response period, lack of supervision and monitoring, overbearing bureaucracy, high staff turnover and lack of adequate resources in the PSETA, they were, on the whole, positive about the calibre and competence of its senior managers and the need for its services.

Once, again, asked why the PSETA had not had a full complement of staff, the PSETA managers and respondents attributed this problem to the DPSA and cited the following views as some of the reasons for the PSETA's lack of capacity:

- The DPSA had all along deliberately frustrated the PSETA to ensure it failed so that the organisation should close shop.
- The DPSA had set-up the PSETA for failure because had it delivered more successfully, the PSETA would have received more credit for championing skills development in the public sector than the DPSA itself – a Department that is responsible for public service capacity enhancement.
- The DPSA was seconding some of its senior managers to the PSETA (as Acting CEOs) for short periods to ensure that there was no continuity and, in the process, frustrated staff members who were essentially DPSA employees.

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- Since DPSA had already decided in 2005 to let the PSETA become an independent entity, there was no justification for increasing the number of its own staff on secondment to the PSETA. Continued staff shortages were said to be crippling PSETA and hampering its performance.

### 3.3.3 Financial and Infrastructural Capacity

The current funding model for the PSETA does not give it control over the management of its finances and resources. Obviously, when it gains its autonomous status, it will be able to determine, control and manage its financial and infrastructural capacity. It can be assumed that the resources at present in terms of finances, equipment and furniture are in the inventory of the DPSA just as all staff is on secondment from the DPSA. Similarly, the administrative and operational systems are those of the DPSA. The moving of the PSETA offices out of the DPSA premises in Batho Pele Building in Pretoria is the first step towards its achievement of autonomy.

## 3.4 CHALLENGES

The assessment has established that the challenges to the PSETA are many and varied, but they are surmountable. Some of these challenges are in relation to its structural set-up, corporate governance, funding model and limited capacity to deliver programmes and services effectively.

### 3.4.1 The impact of the structural arrangements on the governance of PSETA

The challenge of the Legislative framework has been extensively discussed in the previous chapter. The fact that the PSETA has been a directorate or programme within DPSA, has made its board and CEO to be perceived as ineffective. Since the PSETA's policy and strategic decisions have to be approved and/or ratified by the DG in DPSA, this has fundamentally compromised the PSETA's independence and autonomy; thereby making its institutional status different from the other SETAs.

DPSA itself has been described as a challenge to the growth and achievements of the PSETA. The high turnover of acting CEOs seconded to the PSETA over the years has continuously destabilised the entity. According to PSETA officials, the overriding powers of the DG of DPSA on the PSETA's policy and strategic decisions have paralysed the organisation, to an extent where the board has been rendered ineffective.

The loose inter-relationships with key stakeholders, especially line departments, have to a certain extent, a negative impact on the learning aspects of some learners on the different programmes. The lack of preliminary consultations, coupled with no monitoring and follow-up between the PSETA and line departments affects unemployed learners who are placed in irrelevant directorates. Two service providers indicated that this was still the case with financial accounting and business administration learners who were being attached to HR or such related directorates, where they ended up as messengers or photocopy specialists. It should be the responsibility of the PSETA to monitor and address such anomalies.

### 3.4.2 Capacity constrains

The small staff complement, (37% of the required number of 50) has always compromised the delivery of the PSETA programme activities. All these members of staff have also been seconded from the DPSA and, therefore their allegiance has always been with the mother department.

The funding arrangements of having the PSETA budget administered by the DPSA has rendered it incapacitated with regards to decision-making and control over programme expenditure which has contributed to its under-performance.



### 3.4.3 Effectiveness of programme delivery

The PSETA has been accused of concentrating on 'Compliance' over and above everything else. When the assessment team requested a database of learners who had completed their programmes over the last two years, and where they were at that time, it was referred to service providers as the ones who would have the latest information. The PSETA data base (for Gauteng) was for learners who had only completed their learnerships.

As part of the PSETA's function to facilitate the employability of learners, it is imperative that it develops a consolidated data-base of all learners that are passing through by engaging and linking with the service provider and the respective line-function department and/or the line-function SETA. Assessment of impact would require this aspect being up-to-date, so that anyone of the partners could be in a position to make necessary follow-ups.

The high turnover of staff in the public service has drastically affected the increase in numbers of SDFs being trained by the PSETA. Every year a certain number of SDFs is lost to other departments or to the private sector, let alone, to other SETAs. Since recruitment processes are too slow in the public service, replacements take ages to be completed.

In April 2005, the Gauteng Provincial Government wrote (annual report on 'SETA support and involvement' 2005) that the participation of the PSETA with regard to the Skills Development Agenda was not up to the required standard. Departmental reports reflected a dire lack of the PSETA support and willingness to assist with funding and advice on the implementation of skills planning processes, registration of learnerships and drawing of MOUs with other SETAs (GPG Annual Report 2005). All provinces strongly shared this view between 2005 and 2007, but of late, the PSETA's main criticism has remained lack of feedback on critical requests, delays in accrediting programmes and the long wait in turnaround in processing competence assessments for completed learnership programmes. While capacity building of SDFs is conducted early in each new fiscal year, follow-up is almost non-existent. The acting CEO of PSETA confirmed these as still being shortcomings, mainly due to a shortage of staff.

Payment of learners' stipends has always been a problem with most SETAs. The PSETA is not different. As late as 2007, the PSETA reported in its Annual Report that it was developing a 'lessons learnt' document which would deal with issues such as payment of learner allowances. The general complaint was that the system was open to abuse by internal PSETA financial staff and some individuals outside the SETA system. A forensic investigation was commissioned by the PSETA in June 2007, which revealed that the PSETA has lost almost R800 000 in fraudulent activities by an internal finance official during the 2005/06 period. Now that the PSETA is moving towards financial autonomy, this area should be addressed effectively.<sup>35</sup>

### 3.4.4 Coordination and linkage with other SETAs and stakeholders

Related to the challenges stated above is the issue of the PSETA's relationship with other SETAs. Respondents clearly stated that they had problems of engaging the PSETA on programmes related to line-function SETAs. Examples included the PSETA and FASSET on financial management training. The role of the PSETA was not being fully realised from the expectations of the service providers. This could not be confirmed with the SETAs mentioned as requests for interviews were perpetually postponed beyond the cut-off date. It should be noted that inadequate reporting in Annual Reports of the SETAs further limited the availability and quality of information for meaningful assessment and analysis.

<sup>35</sup> PSETA Business Case Submission to DoL, November, 2008.



### 3.5 SUMMARY

This chapter has discussed the findings on the assessment of the contribution of the PSETA towards the development of skills of public servants, their career progression prospects and the employability of persons provided with learnership through the PSETA in the Public Service. The situational analysis of the institutional capacity and the organisational arrangements of the PSETA have shown that the initial legislative framework which placed it within the DPSA had limited the PSETA's performance. While respondents agreed that the PSETA was delivering on its mandate, they strongly felt that the DPSA's control on the PSETA's governance, executive and management structures had compromised its effectiveness.

Secondly, it should be noted that the DPSA's secondment of its senior staff to the PSETA (at both governance and staff level), negatively affected delivery of its mandate. There were tensions between the board and DPSA and between staff and the board. It was further speculated that because of the secondment strategy, the DPSA was not willing to deploy more than 20 of its staff to the PSETA, even if the PSETA needed more than 50 personnel to operate.

In terms of programme delivery, the PSETA had greatly improved on its 2005/06 performance, to an extent that, by the 2007/08 period, DoL's assessment of the entity had increased from 2.5 to 3.5 out of 5 which was regarded as above average. By this time, the PSETA had serviced more than 140 departments, 10 legislatures and 15 parastatals, which was more than 90% of its intended stakeholder targets. The PSETA had by then trained and assisted line function departments in completing templates on work skills plans and annual training reports, learnership road shows, career guide and capacity building of SDFs in the above. Comparisons have been made with other SETAs on the PSETA's performance and, on the whole, its performance has been commendable.

Some of its success factors have been noted in the high numbers of unemployed people entering the learnership programme, as well as the very high rate (76%) of these learners being employed by departments. The commitment of the senior managers in the PSETA, in the midst of all these challenges, has greatly enhanced the achievements of the SETA.

However, challenges still impacting on the PSETA have slowed down its performance and given it a bad name at times. The high turnover of CEOs in the organisation has definitely affected the morale of staff, frustrated key stakeholders and tarnished the image of the PSETA. Due to the shortage of staff, the PSETA has been seen to delay in providing feedback and accrediting stakeholder programmes and service providers.

The next chapter presents the recommendations and conclusions based on the analytical findings that have been presented. The recommendations are aligned to the objectives of the study.



# Chapter Four

## Recommendations and Conclusion



## 4.1 INTRODUCTION

In the previous chapter a number of critical issues that are impacting on the PSETA's effective performance were highlighted. Information collected from the literature review and interviews conducted was analysed which demonstrates that the PSETA has made marked achievements against its set targets. In assessing the institutional and programmatic status of the PSETA, some successes and challenges have been identified.

This chapter presents the recommendations based on an analytical examination of the findings. The recommendations are presented for each aspect of analysis reported in the findings.

## 4.2 RECOMMENDATIONS

### 4.2.1 Legislative Framework

The preference of an overwhelming majority of respondents is for the PSETA to become an independent entity. The legislative framework had already been effected in October 2006, but there is a delay in implementation. It is therefore recommended that the PSETA should be formally institutionalised into a schedule 3A entity, in line with the legislative framework.

### 4.2.2 Corporate Governance

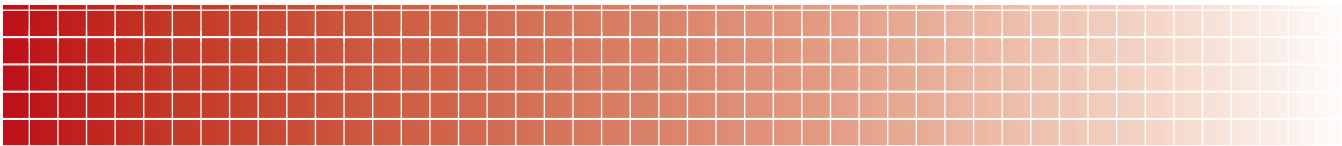
As a follow-up to formalising the PSETA into an independent entity, the board must be reconstituted to include members from the private sector as it is evident that a percentage of learners from the PSETA's programmes are absorbed in the private sector. Moreover, one of the SETAs indicated that boards operate more effectively and efficiently if and when the corporate world is represented.

At the same time, the issue of having Labour seconding shop stewards while government sends in senior managers (DDGs) as board representatives should be addressed promptly to ensure that there is a balance of representation. In addition, the complaint by senior managers in the PSETA that on several occasions the board did not form a quorum to proceed with its business should be investigated and the Board reconstituted with more committed members.

### 4.2.3 Organisational Structure and Management

This aspect should be dealt with as quickly as possible and, the following recommendations should be considered:

- 4.2.3.1 The board should be the final decision-maker. In this context, therefore, the CEO should be reporting directly to the board which in turn will report to the Minister, and not through the board to DPSA.
- 4.2.3.2 The position of the CEO should be filled by an employee on the basis of a well defined contract agreement. This will dispense with the tradition of relying on Acting CEOs.
- 4.2.3.3 A structured approach should be undertaken for all members of staff who have been seconded from the DPSA to consider and decide if they would like to go back to DPSA or be incorporated into the new PSETA.
- 4.2.3.4 Recruitment and selection to fill vacant positions should be completed within the first three months of the PSETA being formalised as a schedule 3A entity. The PSETA could outsource the recruitment process, but liaise with an HR specialist in the DPSA to get strategic guidance on how to redefine



the organisational structure and create relevant positions. A comparative analysis with other SETAs e.g. the ETDPSETA and Services SETA would be helpful.

- 4.2.4.5 The recruitment of a Chief Finance Officer should take into account the lessons learnt with the previous officer during the 2005/06 period. Appropriate policies and procedures should be introduced in line with the Public Finance Management Act.

#### 4.2.4 PSETA branding

Five provinces, three service providers and one national department indicated that the name PSETA had generated negative connotations and is associated more with the DPSA than with other SETAs. They strongly suggested that the PSETA should re-brand itself in the new dispensation. It is therefore recommended that:

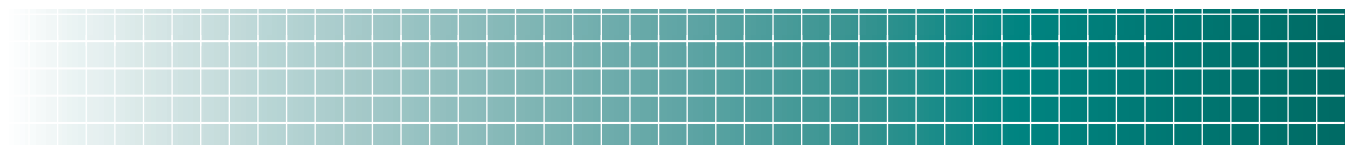
- 4.2.4.1 The new entity with a full staff complement should within six months after formalisation review the current status and strategise for a more attractive brand. This may entail the change of name, if the legislative framework provides for that;
- 4.2.4.2 A consultation workshop, with key stakeholders, be held to flesh-out the challenges of the PSETA and chart a path for a more redefined, practical, inclusive, proactive and responsive entity;
- 4.2.4.3 Aggressive marketing, education and awareness campaigns should be conducted among the key stakeholders, with other SETAs and out to the public. Unlike other SETAs, the PSETA is not widely known outside the network of skills development practitioners.<sup>36</sup> The PSETA's website has outdated information and needs reconstruction; and
- 4.2.4.4 The development of a new PSETA Business Case, based on the previous ones, but responding to the current and potential challenges should be a priority for the PSETA. The Business Case should talk to the PSETA as an independent entity and should establish the funding levels of the new entity so that the PSETA starts on a clean slate in terms of budgeting and financial accounting.

#### 4.2.5 Programme Performance

It was noted in the preceding sections that the PSETA was able to deliver on its mandate and, that its activities are now fully aligned with the sector-related strategic objectives of the NSDS II. However, the PSETA has been found wanting on several aspects of programme delivery. In the light of this, therefore, a set of recommendations are outlined below to assist the PSETA in moving forward and addressing the issues raised.

- 4.2.5.1 Inadequate reporting seems to be a common trend among SETAs. Different SETAs report their information and data differently, especially in their annual reports. This makes comparative analysis problematic. Sometimes, the same SETA presents its annual report differently in different reporting periods. For example, the PSETA's three annual reports (2004/05, 2006/07 and 2007/08) contain different formats. It is recommended that as a 'flag bearer', the PSETA should develop a framework for reporting procedures, which can be adapted and adopted by other SETAs. Just as the case with the **ART** template from DoL, the PSETA could outline a detailed template providing space for all relevant data and information to be entered on by different units within the entity. The process should review templates of the other SETAs to see if a global template can be developed for use by all the SETAs.

<sup>36</sup> Actually five provinces stated that public servants keep on asking them what PSETA is all about. DoL also reckons that the PSETA will have to come out of their hideout and market themselves aggressively.



4.2.5.2 While the PSETA has shown improvement in certain areas, the emphasis on compliance over everything else is still problematic. The PSETA should in the interim consider outsourcing some of the most important functions which require urgent attention, namely:

- assessment of programmes for accreditation;
- training of SDFs and consequent follow ups on mentoring;
- accreditation of service providers;
- compliance by departments with registration and implementation procedures for learnerships.

4.2.5.3 The PSETA could gradually take-over these responsibilities as it increases its staff complement through recruitment;

4.2.5.3 Facilitating the employability of learners for the 18.2 category of workers is crucial. Other than the Public Works Department and the Agricultural sector, several departments, including the PSETA, are not absorbing as many learners as would be preferred.

The Free State Province indicates that the success of the learnership programme largely depends on the cooperation between the PSETA and the Office of the Premier. This success could only be feasible when the Premier's Office is more focussed, with a hands-on approach and liaises with line departments continuously.

It is therefore recommended that the PSETA and other departments could learn more from Mpumalanga, where all learnerships are coordinated and facilitated from the HRD unit in the Office of the Premier. The HRD unit works hand-in-hand with all departments, where a data-base has been developed on all programmes for all learners.

The HRD unit together with the responsible line department should follow-up on all learners until they complete the learnership, and are assessed and receive their competence certificates. Thereafter the two parties discuss the appropriate exit strategy for each learner. The fact that the assessment team was able to track all the ten learners (employed and unemployed) was evidence of a system that is working. The same was true with the Training Academy and line departments in Gauteng.

4.2.5.5 The PSETA's Service Delivery Committee is almost dysfunctional which is indicative of the challenges facing the institution. The committee only met once during the 2007/08 period and, considering the tensions between the board and senior managers, such a result was very likely.

The reconstituting of the board and appointment of a permanent CEO should be able to reintroduce the Committee. Given the set of challenges the PSETA is facing, the Committee should be given its own terms of reference to discuss and deal with these challenges. It would thereafter monitor and check progress, programme performance and achievements during its quarterly meetings.

4.2.5.5 The study did not show a position or an individual in the PSETA responsible for establishing and managing stakeholders. Given the diverse nature of partners and stakeholders, coupled with the range of programmes and delivery expectations, it is imperative that the PSETA dedicate a specialist experienced in linkage and programme development. To expect the existing unit managers to perform this task, over and above their portfolio, would be asking for their failure to meet the required performance standards in their own duties.



## 4.3 CONCLUSION

The PSETA must be looked at holistically instead of isolating institutional issues and making them the basis of addressing the challenges facing the organisation. While the issues of governance are critical to the successful operation of the PSETA, the small pocket of committed senior managers and their staff have demonstrated the ability to deliver on the mandate although under very trying circumstances. The issues of programming are as critical as those of institutional development. The PSETA will not be considered as a fully-fledged SETA by its constituency, unless it deals with issues of response, turnaround timeframes, learnership exit strategy, service delivery, and stakeholder relationships, over and above those of compliance, accreditation and capacity building.

The PSETA's role and scope is as relevant today as it was when the entity was being established and, it will be equally relevant when the NSDS II targets are being reviewed and evaluated in 2010. It is therefore important that these recommendations be implemented in order to take the PSETA further on its journey of education, training and skills development.

Based on the recommendations offered as possible responses to the challenges, three key areas for remedial action have been identified.

1. Need to effect the institutionalisation of PSETA as a schedule 3A public entity. Specific action to include:
  - Board reconstitution especially system of representation by employer and employee representatives;
  - Review of the organisational structure to show reporting channels;
  - Permanent position of CEO;
  - Recruitment of CFO;
  - Confirmation of existing staff wishing to be on PSETA payroll;
  - Filling vacancies; and
  - Establishing required standing committees like audit, programme delivery (skills planning, learnerships & skills training, ETQA), finance, HR, corporate services and marketing.
2. Need to strategise programme implementation for improved service delivery. To be reviewed are:
  - Reporting systems and templates;
  - M&E, data capture/storage and management systems;
  - Outsourcing systems for some tasks to professionals reduce workload on managers in the interim. Some of the tasks for outsourcing could be compliance assessments for accreditation, SDF training, tracking system to follow-up on learners; and
  - Tracking system for workers after learnership to determine employability and career progression.
3. Need to enhance the PSETA's corporate image. Attention to focus on:
  - Branding and marketing of the autonomous public entity;
  - Development of an up-to-date Business Case to feature PSETA's current status; and
  - Stakeholder engagement and management for shared information, collaboration and partnerships.



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