

## WHY SKILLS DEVELOPMENT MATTERS

In 1998 the Skills Development Act was introduced out in an effort to assist with the development of skills within the South African workforce by encouraging workplaces to become active learning environments and make provisions for ongoing education and skills development. The major factor preventing South Africa from fighting against poverty is the inaccessibility of higher education and training. Approximately 1.5% of South Africa's Gross Domestic Product is contributed towards education and training post school. Amongst others, most of these funds are distributed to vocational colleges and the National Skills Development Fund.

If a person cannot afford to pay for their own education, they cannot get better paying jobs and therefore cannot pull themselves out of poverty. With South Africa's university education in somewhat of a crisis and out of reach to many, the government has made alternative methods to bring education to the masses. This is done through prioritising Technical and Vocational Educational and Training (TVET) Colleges by allocating funds to TVET colleges and other skills development programmes in the hope to bring further education to the people. Through providing access to further training and education in a controlled environment, the Skills Development Act sought to empower employees and unemployed learners while enticing employers to participate with promises of increased profits.

The Skills Development Act of 1998, and Skills Development Levy Act of 1999, set the bar for focussed skills development programs, and the

Sector Education and Training Authorities (SETAs) were implemented to monitor skills development efforts and ensure that energies spent were in line with the overall Sector Skills Plans.

Whilst many learners who have had the opportunity to attend a tertiary institution like a university may be success in achieving a degree, many can also arguable confirm that having that piece of paper does not automatically translate into employment. The degree does not indicate any particular level of experience, but just the knowledge and ability to learn a textbook. Skills Development, however indicates a level of skills and therefore, more often than not, leads to employment.

There are numerous benefits of skills development for both the employer and the employee. The employer has a higher return on investment with better skilled staff with a higher level of productivity. This ultimately means that tasks are being completed faster with less mistakes leading to higher profit margins for the organisation. This leads with higher staff retention through higher job satisfaction. As employees feel important as they are being invested in, it means that employees will be loyal to the organisation.

Employers are also urged to embark on training and developing unemployed learners. Selecting suitable, motivated and eligible candidates to be trained. The organisation benefits from the training whilst the learner is in their employment, reaps the benefits of additional skills and has a pool of candidates to choose from in the event of further employment. Technical skills should always be prioritised; this usually relates to production which directly affects the company's profit margins. Secondly, there should be a focus on critical skills and scarce skills, and thirdly, on softer

skills. However, it should be aligned with the question of where the company is headed.

All employers who have an annual payroll in excess of R500 000 and who are registered with the South African Revenue Service (SARS) must also register with SARS to pay the skills development levy, totalling 1% of the value of the company's monthly payroll.

As of 2014, the deadline for submissions is 30 April. By submitting the ATR and the WSP on time, companies are able to claim back a portion of their annual skills development levy contribution.

By making training and development available to the people, in the form of learnerships, artisan courses, short courses, and workplace training people can stand the chance to educate and upskill themselves with the hopes of landing employment. This would provide South with a more skilled workforce, that is able to innovate and bring about new ideas to combat the challenges that the country and the economy are faced with. What the South African economy needs is people who have true employment. Building Skills Development builds job knowledge, increasing performance and passion - this is an economical issue and one that could be the key to employment in South Africa.

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