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SECTOR SKILLS STRATEGY

GLOBAL BUSINESS SERVICES

BPIESA

Business Process
Enabling
South Africa

GLOBAL BUSINESS SERVICES

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SECTOR ACRONYMS

AI	Artificial Intelligence
ASDSA	Association for Skills Development South Africa
BPESA	Business Process Enabling South Africa
BPO	Business Process Outsourcing
BPS	Business Process Services
CCMG	Contact Centre Management Group
CFA	Chartered Financial Analyst
CHE	Council for Higher Education
CoS	Centres of Specialisation
CSDP	Customer Service Delivery Platform
CSTO	Co-ordinating SETA TVET Office
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
DJA	Digital Jobs Africa
DMR	Department of Mineral Resources
DoL	Department of Labour
DSPP	Dual System Pilot Project
DVA	Domestic Value Added
ECASA	Electrical Contractors Association of South Africa
EOA	European Outsourcing Association
FDI	Foreign Direct Investment
GBS	Global Business Services
GCIS	Government Communication Information System
GDPR	General Data Protection Regulation
GIZ	German International Cooperation
IFC	International Finance Corporation
IOPSA	Institute of Plumbers of South Africa
IAOP	International Association of Outsourcing Professionals
IoT	Internet of Things

INTRODUCTION AND CONTEXT



Pivoting for the future: ensuring skills for current and future growth needs of the sector, are a top priority focus for BPESA

BPESA is a not-for-profit company, that serves as the industry body and trade association for Global Business Services in South Africa serving the international and domestic markets. Its purpose is to market South Africa to the world as an attractive place to offshore their business processes, thereby stimulating local job creation, particularly for unemployed youth. Developing a Sector Skill Strategy is a key mandate of BPESA to spearhead a coordinated effort of industry role players to provide a sustainable supply of suitably skilled people to enable the sector to improve its existing competitiveness position and to grow substantially.

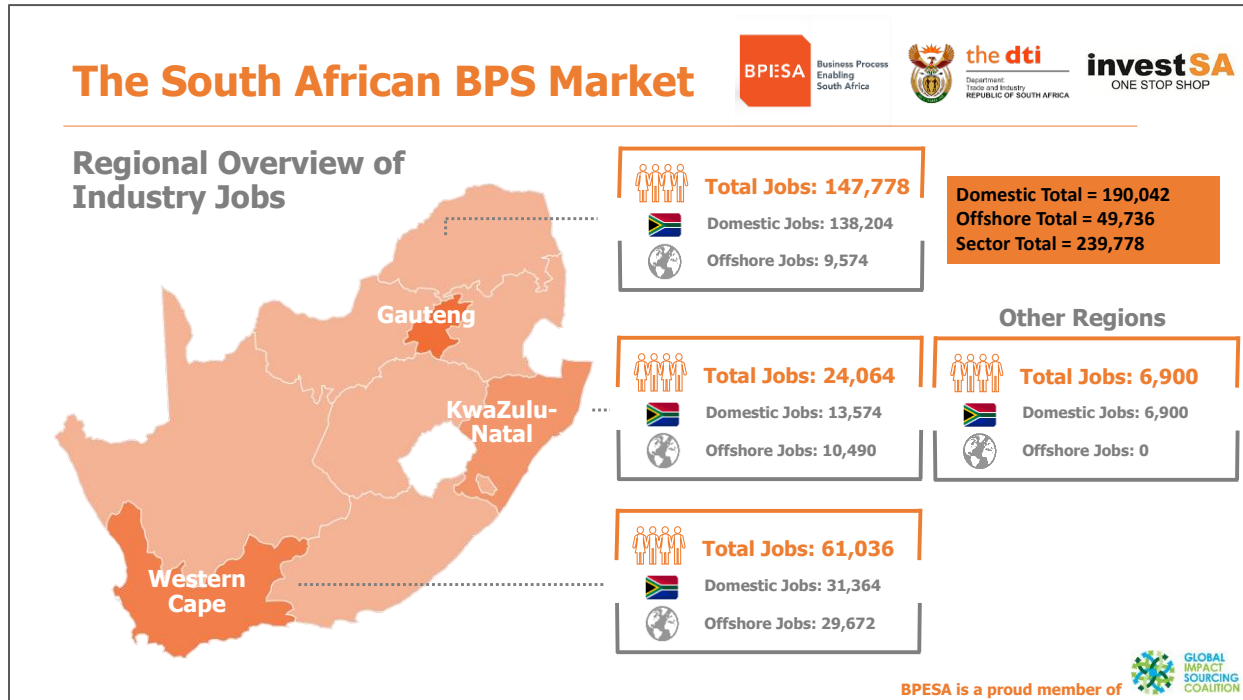
The following introductory sections provide an overview of the sector, its growth prospects and provides the drivers for an aligned Sector Skills strategy for Global Business Services.

Overview of the Global Business Services (GBS) Sector

Over the past twenty years, businesses around the world have been using outsourcing and shared services to improve service delivery and reduce costs within defined parts of their businesses, traditionally known as Business Process Outsourcing (BPO) and Business Process Services (BPS). More recently, leading organisations are pivoting towards Global Business Services (GBS). Instead of operating numerous shared service centres and managing outsourcing vendors independently, they are implementing GBS, providing integration of governance, locations and business practices to all shared services and outsourcing activities across the enterprise (Deloitte, 2019 website). This systemic approach is yielding greater efficiencies and performance and is emerging as a significant component of a company's operating model. A GBS model also requires organisations around the world to rethink where it provides support services from. This Chapter describes historical progress of the BPS sector in South Africa and projections for significant and sustained growth of GBS.

The South African market for BPS (including those services that are outsourced to 3rd parties or within an organisation in a “captive” model) consists of a mature and sizeable domestic market that employs approximately 190,000 people and a vibrant and growing international market (delivering export services from South Africa and employing approximately 50,000 people).

Figure 1: The South African BPS Market



It is a people intensive sector that is enabled and impacted by technology that enjoys higher growth than many other sectors of the South Africa economy and is consequently able to have a major impact on youth unemployment. The roles are skilled roles but do not in general require any tertiary qualification. The skills that young people build by working in the sector are easily transferable to other sectors and also lay a foundation for career growth and development into specialist and leadership roles essential for our economy.

More than 85% of employees in the Sector are youth, under the age of 35. The 2018 jobs data showed that of 11,167 new jobs created in the year (servicing the international market), 63.75% were for females and 36.25% for males.

The BPS operators deliver a range of services for their local and global clients including contact centre services, finance and accounting services, legal services, information technology services, education services, HR services and knowledge services while captive operators provide shared services to their corporate divisions and business units. The following sections provide an overview of the sector. Additional information can be drawn from the South Africa Business Process Services Key Indicator Report (2018): <http://www.bpesa.org.za/wp-content/uploads/2018/10/Key-Indicator-2018-Report.pdf>

Gauteng Province holds 73% of the domestic market share, the Western Cape holds 16%, and KwaZulu-Natal (KZN) holds 7% with the balance distributed across the other provinces. The regional market's share for the international segment is very different with the Western Cape holding 60%, KZN holding 21% and Gauteng holding 19%; the balance is distributed across the other provinces.

The domestic market is dominated by financial services (66,5%) followed by Telecommunications at (8,7%) and IT at (5,4%) while the international market profile looks quite different, being shaped by demand from our source markets, with Technology and Communications representing (59%) of all offshore work, Retail (11%), Financial services (7%) and a variety of other services representing (24%).

Domestic market outlook

The domestic market, employing 85% of the current work force, enjoyed steady double-digit growth between 2004 and 2010 but this growth has slowed in recent years to less than 1% CAGR since 2015. It is further argued that this growth will remain static or decline over the short to medium term (South Africa Business Process Services Key Indicator Report, 2018).

This segment of the market faces similar challenges to the international market with the rise of (robotic) process automation, the impact of Artificial Intelligence (AI) on job roles, the impact that the Internet of Things (IoT) is having on the way we work, and the rise of new job types driven by the digital economy. Recent research conducted in the United Kingdom (UK) Contact Centre and BPS market projected that between 3% and 5% of jobs could be lost in the UK to automation by 2021¹. It is conceivable that the same impact could be experienced in South Africa.

Skills cut multiple industries for the domestic market. When adding an average annual attrition rate in this market segment of approximately 18%, that could put between 21% and 23% of domestic BPS jobs per year at risk by 2021 (i.e., between 39,900 and 43,700 jobs per year).

This risk also presents the opportunity of reskilling, upskilling and future-skilling the workforce to adapt and prepare for Industry 4.0. By reskilling the incumbent workforce and adequately equipping new entrants to the BPS market with relevant future skills, this risk could be largely mitigated, and the GBS Sector could be repurposed to be competitive in the marketplace shaped by Industry 4.0. In addition, an opportunity exists to transition the excess workforce into in-demand, international (export) market vacancies. Although the domestic market contributes significantly to the economy and employs 190,000 people, the zone of opportunity for significant growth potential and job creation is firmly in the international (export) market.

¹ <https://www.theguardian.com/business/2018/may/12/robot-technology-threat-terminist-uk-call-centre-workforce>

International (Export) market outlook

The international market was formally recognised as a growth sector in South Africa in 2005, after the dti implemented and signed off the growth strategy. The sector has experienced significant growth in the Global Business Services (GBS) industry – previously referred to as the Business Process Outsourcing (BPO) Sector – over the past four years (2014 – 2018). It has grown by between 21% - 23% annually (28% in 2018) which is twice the global industry growth rate, and three times faster than India and the Philippines (Genesis/Everest, 2018). South Africa has built its growth off a zero base when it entered the global market for offshored customer service in 2004/2005.

Figure 2: GBS Export Market Growth



Having invested much time, effort and funding over the years (Government and private Sector), South Africa has now established good brand awareness in the UK market and is growing its brand in the USA, Canada and Australia (the major English language speaking source markets). Many global and regional companies have set up or expanded their operations in South Africa; these companies represent a variety of industry verticals, such as technology and communications, financial services, legal, retail and healthcare.

A new and compelling value proposition has recently been formulated and efforts are underway to use this to attract new foreign direct investment which has the potential to scale up the rate and quantum of growth significantly over the next 5 plus years to create 50,000 new direct jobs (and 150,000 indirect jobs)² in the GBS Sector alone.

Over the past several years, South Africa’s value proposition and credible offering have been recognized by a number of international awards. These include the National Outsourcing Association (NOA) Offshoring Destination of the year award in 2012, the European Outsourcing Association (EOA) Offshoring Destination of the Year award in 2013, The NOA Skills Development Programme of the Year award in 2014, the Global Sourcing Association’s (GSA) Offshore Destination of the year in 2017 and in 2018 and the 2nd Most Favourable Offshore Location Global GBS Executive Research: Ryan Strategic Advisory 2018, 2019. BPESA, through its partner Harambee, was also recognised with the 2019 IAOP Global Impact Sourcing Award for influencing Global Business Service solutions for excluded youth at scale.

The awards are a validation of significant efforts to position South Africa as a GBS destination of choice. It is also a validation of export operations demonstrating competitive return on investment when benchmarked against other countries. While contact centre delivery continues to play a dominant role in South Africa’s value proposition, capabilities in other functions are accelerating (BPESA, Everest Group, 2018). The GBS services headcount by functions delivered in 2017 include:

Functions	Percentage delivered
Legal Services	2%
Information Technology	5%
Non-voice business services	20%
Contact centre	73%

The functions are delivered primarily for three English-speaking markets. The United Kingdom has been one of the major locations served out of South Africa for many years for customer support. This work is now evolving to include customer experience management from an omni-channel perspective. Other niche functions in the financial services space are also growing in terms of global delivery.

Markets	Percentage delivered
United Kingdom	63%
Australia	25%
Rest of Europe	5%
United States	4%
Others	3%

South Africa serves countries spanning multiple time zones for GBS delivery. United Kingdom and Australia have leveraged South Africa for many years for customer support; this work is

² A multiplier of 3 indirect jobs per 1 direct job is applied to the 42,000 jobs at the upper range of potential growth (this is the multiplier used in the original estimation of job creation in the BPO CSDP of 2005).

evolving to include customer experience management (upskilling, retention, chats and social media interaction, customer analytics, etc.).

Increasingly, Australia and the United States are also becoming key source geographies for South Africa as more companies look for viable delivery location alternatives to the Philippines and India. Companies in the United States also have setups in South Africa in spite of time zone concerns – the quality of talent and lower cost of operations in South Africa supersedes these concerns.

There is now a real need to focus efforts to ensure a sustainable supply of skills to meet current and future needs of the South African BPS sector. BPESA’s Sector Skills Strategy for GBS is therefore demand-orientated and aligned to the growth strategy developed at South Africa’s Job Summit in 2018 and incorporated into the President’s Jobs Summit Framework Agreement (Framework for Jobs Summit – BPS, 2018). The BPS growth strategy is geared to achieve significant positive impact over a five-year period (2019 – 2023) on job growth, the economy, equity, poverty and on employability.

This impact is summarized as follows:

Impact on Job Growth	<ul style="list-style-type: none"> • 50,000 Direct new sustained jobs, plus • 50,000 Work opportunities, plus • 150 000 Indirect jobs created = • 250,000 Total number of people impacted = 250,000.
Impact on the Economy	<ul style="list-style-type: none"> • Each new international job generates approximately USD 18,477³ in Foreign Direct Investment (FDI) per year • FDI potential of between USD 3,56bn and USD 4,48bn of compounded FDI for the period • This number would increase substantially when the ICT Jobs growth opportunities are realized – an additional 10,000 new jobs planned over the same period.
Impact on Equity	<ul style="list-style-type: none"> • 94% of the jobs are typically held by black people and 6% by white people. 62% of employees are typically female and 38% male. Between 25% and 30% of the entry level workers in the Sector are previously unemployed youth.
Impact on Poverty	<ul style="list-style-type: none"> • Basic monthly salaries for entry level customer service agents start at R3,500, with a median between R5,500 and R8,500 in year one • Many jobs can be performed in communities (with high speed fibre access to the internet) creating the potential to positively impact on township economies.
Impact on Employability	<ul style="list-style-type: none"> • BPS Skills are highly transferable to other sectors such as Tourism, Hospitality, ICT, Retail and Finance, making people who have entered the BPS Sector highly employable in other jobs or

³ The Exchange Rate of 13,53 ZAR: 1USD was used and applied to an average annual FDI per job of R250,000

	Sectors. This also grows the skills pool available for the SMEs and public sector institutions which require them.
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The new BPS value proposition is projected to accelerate foreign direct investment and growth of the sector. Nonetheless, although South Africa is increasingly being recognised for its compelling BPS value proposition in the global market, further optimization is required on the supply side to improve South Africa’s competitive positioning. There is especially a real risk of demand outstripping supply. First, there is a need to ensure an accelerated supply of demand-focused work ready skills suited to the Sector’s in-demand services. Second, greater flexibility is required in the skills development regulatory environment (for example, more recognition for relevant yet non-accredited short courses and micro learning; addressing the requirement for the matric certificate which is currently a barrier to participation in Government funded skills programmes; and shorter lead time to register new learning programmes).

Drivers for an Industry Skills Strategy refresh

The 2011 Industry Skills strategy (BPESA, 2011) recognised that to be attractive to foreign direct investment the industry needs to develop a broad and deep talent pool of essential skills aligned to operator’s needs. To this end, the 2011 – 2015 Industry Skills Strategy focused on:

- Educating the domestic and export market about human capital and skills context, trends and risks
- Connecting the BPESA membership to the ecosystem to understand role players, policy and engage on best practice
- Provision of comprehensive high-value industry related information, including standardized and accessible industry benchmark metrics
- Creating a sustainable supply of skills for:
 - Entry level functions
 - Specialist support such as analysts, coaches and quality assurance
 - Leadership.

The 2011 strategy and its execution provided a strong foundation towards addressing the supply demand mismatch. However, since 2011, the market and industry have changed, and this requires additional and new focus areas for a refreshed skills strategy. A key driver for this change is the significant impact of omni-channel service delivery, digitisation and Industry 4.0. on new skills requirements.

Digitisation and Industry 4.0 requires a pivot towards new skills capabilities and requirements

In the macro environment, digitalisation in the workplace has had a significant impact on current and future skills we need to develop. By its nature, offshore operations work remotely and require technology, processes and people to work in synchronicity. Client and service delivery diversity

is also increasing, and this is evident in servicing an expanding network of countries requiring knowledge of country culture and customer segments. Digitisation has also increased enterprise risk including the risk of data theft, hacking, fraud and even sabotage. As a result, cybersecurity and compliance, including General Data Protection Regulation (GDPR) and the Protection of Personal Information (PoPI) Act are essential as both a prerequisite and an enabler for Industry 4.0. This has required the vetting of human capital and a new impetus to drive high levels of compliance and quality control, which in turn has necessitated improvements to cybersecurity and compliance systems, focused training and rigorous monitoring and evaluation.

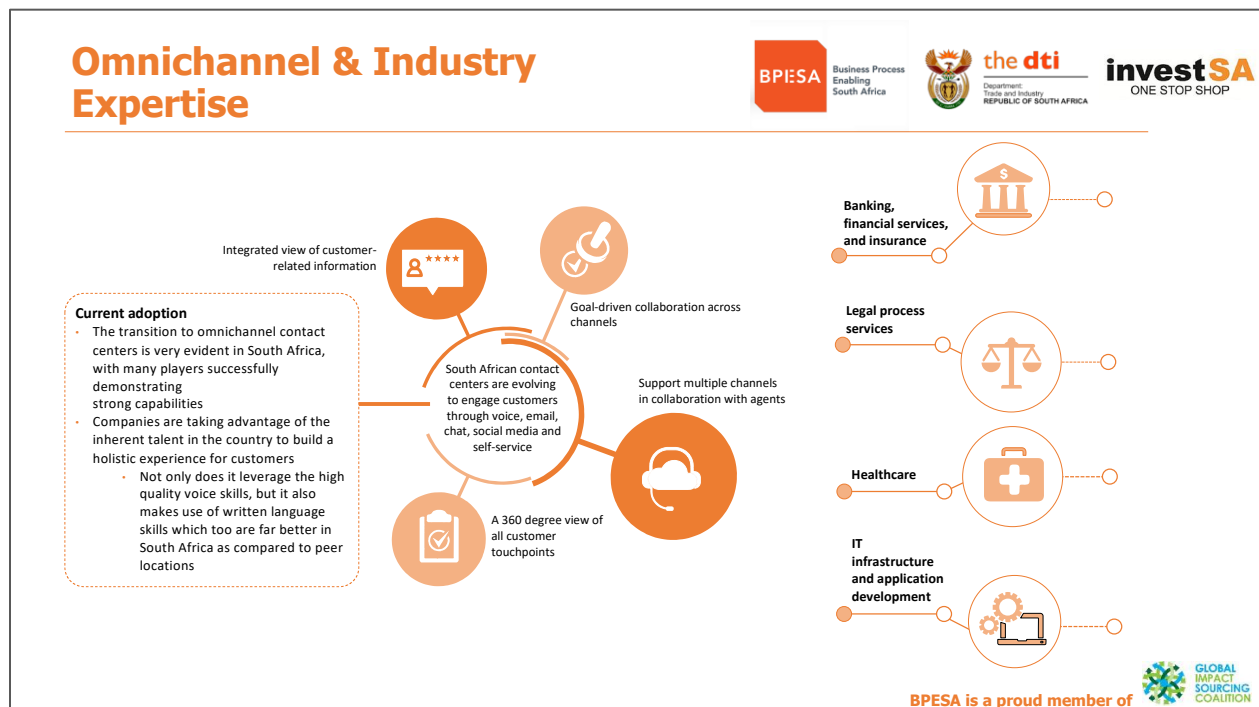
In addition, the integration of omni-channel capabilities require new skills sets and it is now recognised that voice alone is no longer sufficient to attract new FDI. South African contact centres are evolving to engage customers through voice, email, chat, social media and self-service. The transition to omni-channel contact centres is very evident in South Africa, with many players successfully demonstrating capabilities. Many companies in the GBS sector in South Africa recognise the importance of customer experience, as a result 84,2% of companies surveyed in the BPESA BPS Key Indicator Report (2018), are working digital transformation of their contact centres for omni-channel integration. Customer experience is a key focal point for the South African GBS deliverables. Companies are also taking advantage of the inherent talent in the country to build a holistic experience for customers.



Case Study: A recruitment consulting company was able to achieve 95% success rate in providing video, chat and voice training in English language to clients in China, Japan and Taiwan:

- 95% of the language consultants achieved 95% or higher rating in terms of client satisfaction through omni-channel
- The client operated out of 4 other global sites, and after observing the exceptional success of the South African centre, moved almost all of its global delivery work to South Africa.

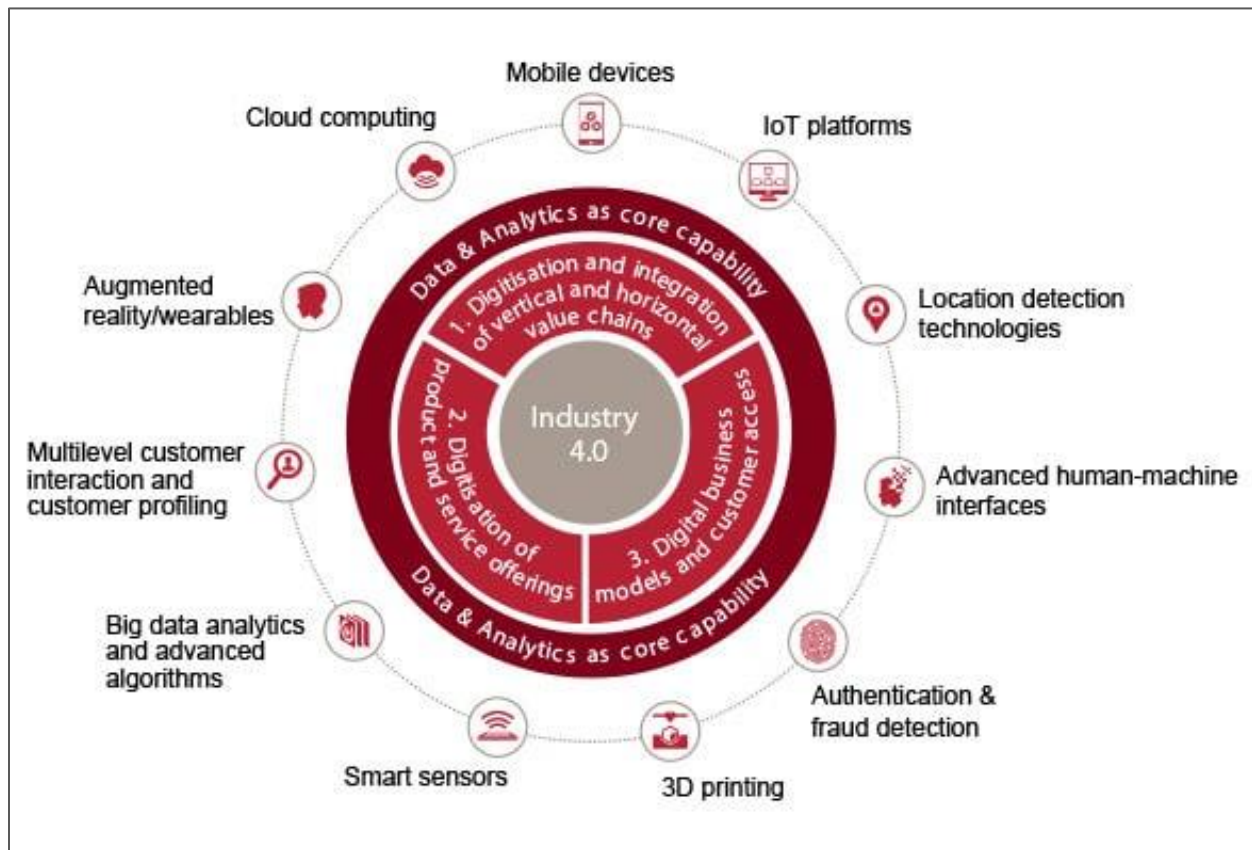
Figure 3: Omnichannel and Industry Expertise



The migration towards Industry 4.0 requires significant changes to business strategy, organisation design, process efficiencies and skills and capability requirements. Industry 4.0 encompasses end-to-end digitisation and data integration of the value chain: offering digital products and services, operating connected physical and virtual assets, transforming and integrating all operations and internal activities, building partnerships and optimising customer-facing activities (PwC, Global Digital Operations 2018 Survey). In this survey, 27% of companies rated their level of digitisation as high, and this value is expected to rise to 64% within the next five years.

Industry 4.0 creates the digital enterprise comprising of digitised and integrated processes, products and business models (PwC Global Industry 4.0 survey, 2016).

Figure 4: Industry 4.0 Digital Enterprise



Aligning skills and capability to this accelerating need is a critical pivot for the GBS sector. The PwC survey finds that most South African companies (two-thirds of the sample) moving towards Industry 4.0 opportunities lack the vision, strategy and culture to support digital transformation. This covers skills, mind-set and behaviour, relationships and skill sources, as well as career development to support digital transformation.

association in partnership with the Department of Trade and Industry (dti) and Harambee Youth Employment Accelerator (Harambee), developed and submitted a proposal to government. The proposal was developed in consultation with industry stakeholders including labour, government and business. The proposal addresses significant South African challenges of economic stagnation, unemployment, poverty and exclusion in a more meaningful way and is intended to leverage the industry's growth potential to create jobs at scale and especially for unemployed youth.

The President's Jobs Summit Framework Agreement has identified a number of key strategic initiatives for the Global Business Services (GBS) sector to stimulate demand and create a sustainable supply of skills (these are delineated in greater detail in the following chapters). The Jobs Summit Framework Agreement was signed off by the President of South Africa and forms the basis of the sector growth strategy and in turn, the need for an aligned Skills Strategy. The growth strategy is underpinned by a detailed programme of outcomes; performance indicators; activities; accountability; timelines and progress are measured and reported on quarterly to the President's quarterly working group. The Strategic Initiatives are highlighted in a latter chapter.

BPESA, Harambee and the dti have been working collaboratively since 2017 to stimulate demand and create an ecosystem for the Global Business Services (GBS) sector in South Africa that will be conducive to high levels of growth and youth employment over the next five years. The Parties demonstrated this collaboration and shared common vision and goals for the GBS Sector in the strategic growth proposal, which was adopted in the Presidential Jobs Summit Framework Agreement in October 2018.

Further progress has been made to formalise this programme in a Memorandum of Agreement (MOA) together with the Department of Trade and Industry (dti), BPESA and Harambee and defines the following:

- *The main goal to create 50,000 new jobs over the next five years of which 20% or more are to be for excluded youth*
- *the key initiatives for demand-side, supply-side, and mobilization that underpin this goal*
- *the measurement and reporting of performance*
- *the roles, responsibilities and contributions of the Parties*
- *the Parties' engagement with each other, through the Global Business Services Partnership Group, the National Steering Committee, the BPESA Board and EXCO structures, various technical working groups, and with other structures such as the Presidential and Technical committees for the Jobs Summit programme.*

The MOA's intent is to provide a focused and highly engaged platform to deliver effective outcomes to meet the growth strategy's ambitious targets. Committed goals of the Agreement, governance and reporting arrangements are detailed in Chapters 7 and 11 respectively.

The Skills Strategy recognises that the domestic and export market supply-side needs are inextricably linked

The demand-side initiatives encompassed in the President's Job Summit Framework Agreement, are primarily focused on stimulating FDI in the export market. Nonetheless the skills strategy also recognises that skills needs cross over into the domestic market needs. As a trade organisation, BPESA represents both domestic and export communities and its responsibility is to stimulate trade and growth in the full value chain, from emerging entrepreneurs in the domestic market, to operators wanting to grow their international presence in South Africa.

The domestic market growth is static, but it does provide employment for more than 190,000 people and is a significant contributor to the economy. Nonetheless, a risk exists that the high growth export market will poach talent from the domestic market if there are no supply-side interventions to develop a talent pool that meets this sector's growth requirements.

In addition - and as discussed earlier - the domestic segment of the market is especially vulnerable to jobs being lost as a result of the evolving digital economy and Industry 4.0. There is therefore an accelerated need to up-skill and future-skill the incumbent workforce in the domestic sector. Opportunities also exist for some candidates aspiring to enter a career in the export market to first enter the domestic sector as an initial pathway to developing experience and competencies for more complex roles in the GBS sector.

With Industry 4.0, digitisation and omni channel skills requirements impacting on both domestic and export sectors, progress has been made towards developing a future-skills framework.

Progress towards a developing a future-skills framework

The domestic and export sectors have historically experienced demand outstripping supply, often "forcing" businesses to poach. This has been exacerbated by a systemic problem of a supply push into the market not aligned to jobs in demand. The problem is evidenced by training providers and businesses receiving grants and learnerships from government to develop skills that are throughput orientated and which do not meet the operational needs of the market. The Services SETA reported in 2017 that of 31,876 enrolments for unemployed learnerships only 8,114 people completed their programmes (Annual Report: Services SETA, 2018).

It is also recognised that a pivot towards quality outcomes is required (e.g., a job resulting in a sustainable career pathway), rather than a traditional focus on outputs such as certificates that do not necessarily equip people for the requirements of a job. In addition, the current operating

model does not make training providers accountable for pathwaying students into employment after training.

For example, and as described above, for every one hundred students enrolling in the Services SETA, only 25% complete their qualification, and of these only 5 - 15% enter a job opportunity successfully. This is poor use of resources and unacceptable return on investment. There is a real need for demand-led training and a coordinated effort to align institutional and systemic initiatives to current and future in-demand jobs.

To this end, a consultative and research process initiated in 2018 with industry has further informed the Skills Strategy. BPESA facilitated several skills forums across the country to identify new roles and competencies required for the BPS workplace of the future. The first stage of the process - defining a future-skills framework - has been completed. In parallel to this, public and private sector training providers have been implementing programmes for digital jobs applicable in the BPS sector and for new competencies driven by growing adoption of AI, IoT, RPA and analytics.

Proposals are being tabled and discussed with industry stakeholders to introduce a 'future skills platform' accessible to the domestic and export market workforce in the BPS sector. This will be modelled along the lines of the successful NASSCOM future skills programme and platform. Future Skills is an industry utility to accelerate India on a journey to build its skills pipeline and become the global hub for talent in the emerging technologies. The programme is powered by a platform that facilitates self-managed learning through on-line courses that addresses competency requirements of jobs that are in high demand.

The Future Skills Framework (discussed in the Roles, Competencies and Critical Skills Chapter) provides directional thinking and identifies a number of gaps in the skills institutional and delivery ecosystem that are mis-aligned to the framework and need to be addressed. For example, gaps identified include programme accreditation, curriculum alignment and delivery methodology at institutional and training provider levels.

The Future Skills framework has been validated by academics, business and working groups such as the Council for Economic Development and forms an important element of the Sector Skills Strategy.

The refreshed GBS Sector Skills Strategy is intended to provide a context, a plan and an executable roadmap to:

- Address the Job Summit Framework Agreement targets for growth and employment
- Ensure a sustainable supply of skills to meet the needs of both export and domestic markets
- Pivot skills alignment towards Industry 4.0., digitisation and omni channel needs to improve South Africa's competitive proposition.

In addition, the Skills Strategy:

- is positioned from a strategic perspective for sector growth and a catalyst for accelerating youth employment in South Africa
- articulates the challenges, risks and mitigation measures
- provides a clear plan and roadmap for National Strategy execution for stakeholders in the BPS sector value chain
- provides clarity and accessible information for a range of stakeholders, including domestic and international businesses investing offshoring operations; training institutions; SETAs; and sector service providers etc.
- delineates in-demand roles for the sector’s current and future needs
- provides links to additional resources such as funding sources from SETAs
- is a reference document for key information and a catalyst for innovative solutions to localised skills strategies and interventions
- maps the skill supply chain and opportunities for stakeholder engagement to optimize skills development in the sector
- provides guidance for regional skills strategy and programme design
- focuses efforts towards demand-driven training to optimise investment and resource efficiencies
- shifts the dial towards outcomes (e.g., a job) rather than outputs (e.g., a certificate) and links this to funding initiatives
- provides a catalyst for innovative inclusive hiring practices to leverage untapped talent pools and to address the supply-demand mismatch.

The GBS Skills Strategy will enable the export and domestic sectors to make fundamental and sustainable changes to the skills environment that will support growth at scale and transform the workforce for the future. Alignment of the strategy towards a market orientation is critical. The following chapter provides a deep dive into the demand-side drivers and context.

GBS is recognised as a priority sector to stimulate the economy and generate employment

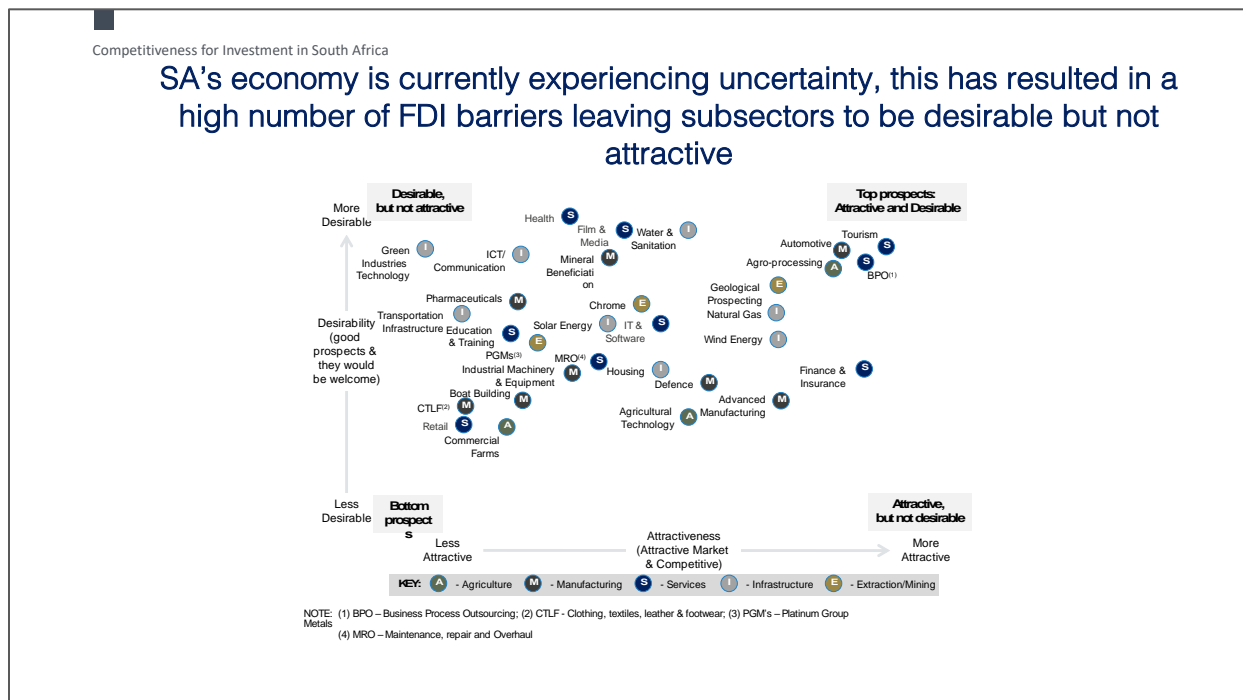
The World Bank Group (WBG), including the World Bank, IFC and MIGA, recently tabled a report (South Africa Investment Promotion Strategy and Target Sector Assessment, 2019) to identify where the WBG can be most helpful to offer its support to South Africa in strengthening its economy and generating more employment and output, while reducing inequality. It highlights the downward FDI trend over the past five years from \$8.3 Billion to \$1.3 Billion. It states that South Africa’s new objective of \$100 Billion FDI over the next five years is achievable but will require considerable effort.

The report describes four different investor categories:

- Market-seeking
- Natural resource seeking
- Strategic asset-seeking
- Efficiency-seeking

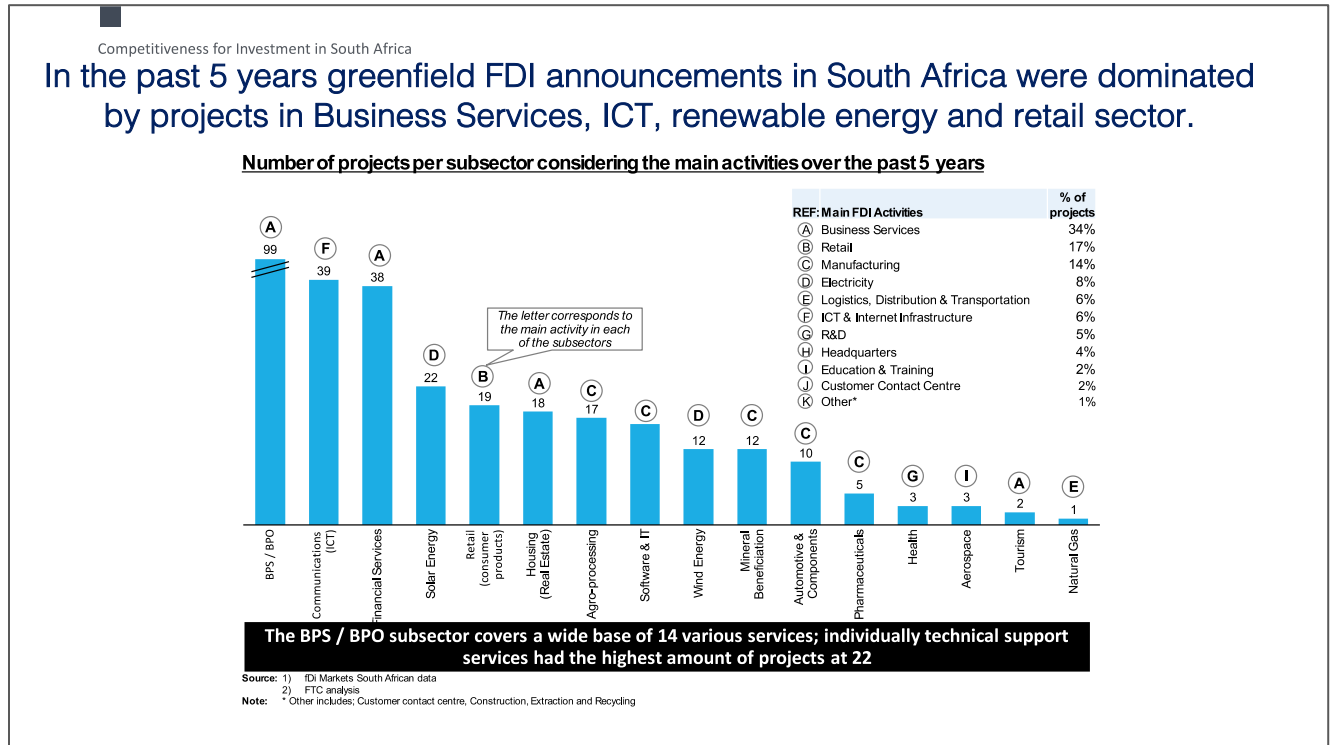
It places BPO (GBS) in the efficiency-seeking class of investors and designates the sector as both attractive and desirable in its analysis. The WBG also identifies “top prospects” which have the potential of attracting FDI, creating jobs, Domestic Value Added (DVA) contribution and for exports.

Figure 6: Economic Positioning of South African Sectors



The report notes that the largest number of foreign investments over the past five years have been in BPO, confirming the attractiveness of this sector for FDI.

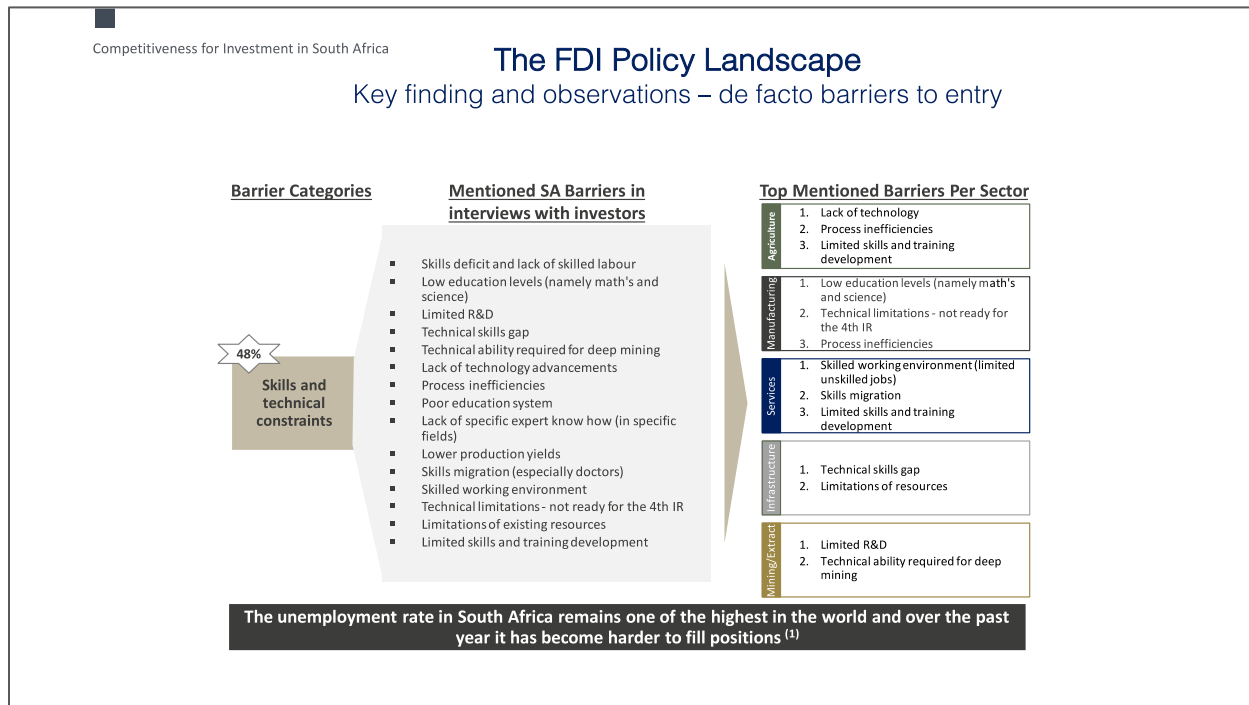
Figure 7: BPS Driving Greenfield FDI in South Africa



Nonetheless, the WBG report states the importance that investors place on the evaluating de facto barriers to entry, including:

- Policy Uncertainty
- Political Uncertainty and Governance Issues
- Skills and Technical Constraints (summarised in the slide below)

Figure 8: Skill and Technical Constraints to Investment



The report especially emphasises the importance that investors place on assessing their investment risk based on the availability and quality of skills in the market. BPESA supports this premise and its sector skills strategy for GBS is therefore both demand-driven and focused towards mitigating skills risks. A further factor influencing investors is the attractiveness of the country incentive programme. The Department of Trade and Industry (dti) has launched a revised Incentive programme to enhance South Africa's value proposition as a GBS destination of choice.

New dti incentive to attract GBS investment and create jobs

As indicated in the introductory chapter, there is a combined effort together with the dti to attract new FDI which has the potential to scale up the rate and quantum of growth significantly over the next 5 plus years. This is planned to create 50,000 new jobs when ICT jobs servicing international markets are included and effectively doubles the size of the sector over this period.

The dti has revised the incentive package after continuous monitoring of the GBS sector, conducting a global benchmarking study and investor engagements. ⁴ According to the Minister of Trade and Industry, Dr Rob Davies, the BPS incentive launched in 2014 was successful in creating jobs in the BPS sector, stimulating economic growth and it was instrumental in enhancing

⁴ Further information on dti Incentive applications, guidelines and contact details are available on the following link: (http://www.thedti.gov.za/financial_assistance/financial_incentive.jsp?id=71&subthemeid=26)

cost competitiveness, crucial to the South African business case for BPS investments (<https://www.thedti.gov.za/editmedia.jsp?id=5728>, 2019). Furthermore, strong demonstration of government support resonates favourably with investors and the incentive administration is viewed as efficient.

However, due to the tapering nature of the incentive and inflation, South Africa has been losing its competitiveness in relation to other countries:

- South Africa offers 55-70% arbitrage potential (excluding incentives) from source locations (e.g., UK, U.S., Australia) on a steady-state basis, however, multiple competing countries such as Egypt, India, Philippines and Kenya offer a higher arbitrage potential compared to South Africa
 - South Africa’s cost competitiveness for non-complex jobs (excluding incentives) has weakened in comparison to multiple competing locations (e.g., Romania, Philippines, Egypt) since 2014, driven by higher CPI and wage inflation in South Africa
 - In addition, South Africa’s cost gap with competitors increases for complex work compared to non-complex work
- The current incentives scheme has been successful in strengthening South Africa’s cost competitiveness and increasing the arbitrage potential from source locations to date
 - However, the incentives offered in South Africa as of 2018 are lower than most competing countries, given the taper-down structure of the current scheme (current incentives are significantly lower than incentives offered in 2014)
 - In addition, amendments to the tax treatment of government grants³ has further reduced the effective incentive value for companies
 - Other competing countries continue to provide incentives and are likely to sustain their incentives at least for the next 5-6 years.

The highlights of the revised package include a 3-tier incentive programme and a reduction in the minimum criteria of jobs.

The 3 tiers are segmented across complexity of jobs and the value of the incentive increases across the 3 tiers:

- Non-complex
- Medium complexity
- High complexity

The minimum criteria are also reduced from 50 jobs across all levels of work to a minimum of 30 jobs for medium to high complexity jobs. The eligibility criteria are also amended to include a minimum salary threshold of R60,000 per annum for entry level roles.

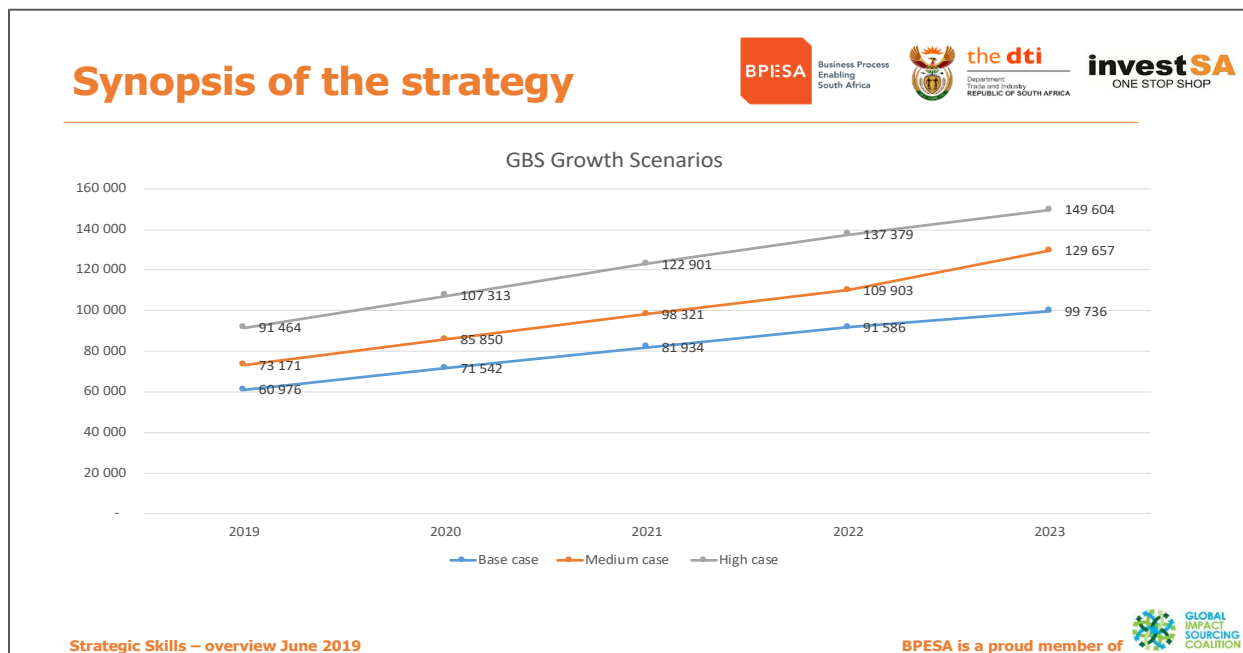
The dti incentive package is expected to attract a significant share of the GBS export opportunities and will ensure that South Africa remains competitive.

GBS growth is expected across South African geography and sectors

A Memorandum of Agreement (MOA) between the dti, BPESA and Harambee have jointly committed to the goal of creating 50,000 new jobs over the next five years of which at least 20% of the new jobs will be for Excluded Youth. BPESA, Harambee and the dti have been working collaboratively since 2017 to stimulate demand and create an ecosystem for the GBS sector in South Africa that will be conducive to growth and youth employment over the next five years. The shared vision and collaboration were further demonstrated in the strategic growth proposal, which was adopted in the Presidential Job Summit Framework Agreement in October 2018 (discussed in Chapter 1).

The Figure below outlines three growth scenarios. The base case scenario is already contracted between BPESA, Harambee and the dti. The medium case scenario assumes 20% more growth than the base case (and includes digital and ICT growth forecasts). The high case assumes 50% more growth than the base case. Forecasting growth scenarios are critical inputs to the GBS Skills Strategy and will be updated regularly as an when new data is available to improve sector growth predictions. Nonetheless, the sector would not want skills to be an inhibiting factor to higher levels of FDI and GBS sector growth, and therefore BPESA recommends a more bullish and optimistic view to mitigate a supply-demand mismatch.

Figure 9: GBS Growth Scenarios



Although growth has slowed for the domestic market, the offshore market continues to accelerate its expansion across South Africa geographies (South Africa Business Process Services Key Indicator Report, 2018).

Figure 10: Overview of Industry Growth by Region

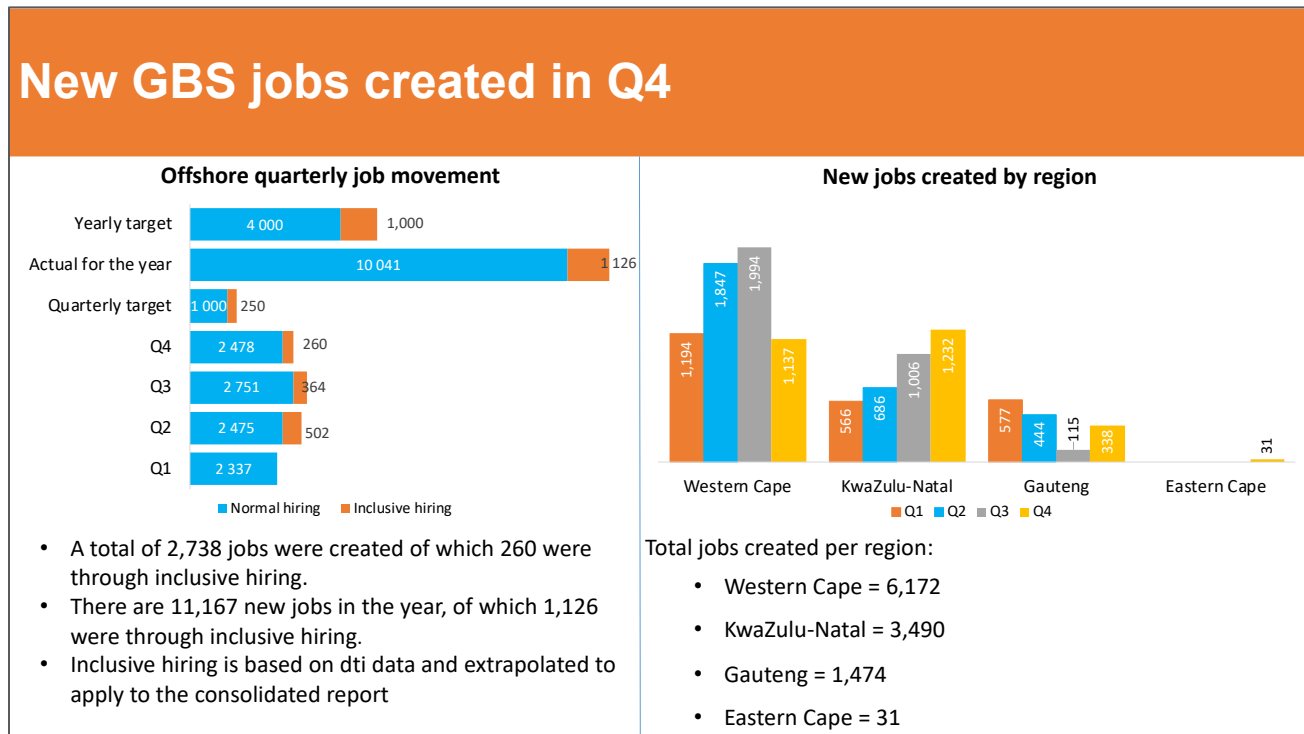
PROVINCE	DOMESTIC			OFFSHORE			TOTAL		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Gauteng	133,800	138,900	138,204	5,300	5,500	8,100	139,100	144,400	146,304
Western Cape	29,400	30,800	31,364	16,000	20,500	23,500	45,400	51,300	54,864
KwaZulu-Natal	20,100	13,300	13,574	5,400	6,500	7,000	25,500	19,800	20,574
Other	5,000	7,000	6,900	-	-	-	5,000	7,000	6,900
TOTAL JOBS	188,300	190,000	190,042	26,700	32,500	38,600	215,000	222,500	228,642

The size of the BPO/contact centre sector in South Africa, by jobs, is approximately 239,778 of which 38,600 are servicing international markets. The latter reached 49,736 in 2018. Only slight growth was recorded for the larger domestic market and this trend is expected to decline further over the next 5 years, especially as digitisation impacts on the sector.

Gauteng accounts for 64% of jobs created in the sector, and of these, only 21% are international, with the Western Cape accounting for approximately 61% of international jobs created. Cape Town is the most mature location in South Africa for GBS characterised by a sizeable and skilled talent pool and superior business infrastructure. However, this geographic concentration is unbalanced and places greater risk on supply not meeting demand driven by sector growth. Indeed, it is argued that saturation of available supply has already been reached in some areas with pressure placed on operators to headhunt skills to mobilise campaigns. This has a knock-on effect of organisations experiencing high levels of attrition and the sector inflating salaries to retain or attract staff.

The BPESA GBS jobs report for Quarter four (2018), provides an overview of the offshore quarterly job movement and new jobs created by region. BPESA will continue to report quarterly on this data.

Figure 11: New Jobs Created in Q4 2018



The GBS Sector Skills strategy supports the diversification of geographic locations where core infrastructure and skills are readily available. There is a growing recognition of both the risks and opportunities by business when considering the optimum geographic location for their operations. This trend is indicative in operators considering locations such as Kwazulu-Natal and the Eastern Cape. This is mainly driven by immediate access to alternative talent pools and reduced cost drivers. International operations are also expected to expand significantly across Gauteng over the next 5 years where access to scalable talent exists.

Cities such as Tshwane and Port Elizabeth are also becoming more attractive as they invest heavily in infrastructure and skills development programmes targeted towards the GBS sector. Durban has seen expansion in GBS operations in 2019 off an existing growth base and large infrastructure development is in progress to attract further FDI. The broadening of geographic locations for operations will help South Africa to attract FDI and meet growth demands for skills. Although cities in South Africa may compete to attract FDI, BPESA is in favour of geographies also developing areas of specialisation and promote value propositions that they are more suited towards. For example, one region may specialise in services for Utilities, while another region may focus on Retail and Banking. The regional Skills Strategies will need to take a specialisation value proposition into account. For example, a scenario could exist where Gauteng is positioned to attract higher end shared service campaigns.

The World Bank Group (2019) characterises GBS foreign direct investment as an efficiency-seeking class. For this class, South Africa is required to compete by providing an efficient location

– more efficient than other competing locations such as India and the Philippines. When selecting a region to establish a GBS operation, a due diligence to assess the availability and quality of current and next generation skills is considered a critical process. In a recent report (Everest, 2018), the following human capital value propositions from South African cities are identified as attractors for GBS operators, a number of which are focused on availability and quality of talent. Examples are captured in the Table below.

City	Skills Value proposition
Cape Town	<ul style="list-style-type: none"> • Highest employed talent pool in the GBS sector at 23,500 FTEs (2017) • More than 50,000 relevant degree holders are available for hire at the entry-level each year • Offers 65-70% lower costs than a tier-2 city in England for contact centre work • Concerted skill development initiatives: <ul style="list-style-type: none"> ○ Skills incubation programme instituted by the City of Cape Town to introduce 200 call centre learnerships ○ Bespoke programmes for developing IT, cloud infrastructure and next-generational digital skills through the CapaCiti initiative
Johannesburg	<ul style="list-style-type: none"> • More than 55,000 relevant degree holders are available for hire at the entry-level every year • 2nd highest employed talent pool in the GBS sector at approximately 7,000 FTEs (2017) • The largest relevant talent pool for GBS delivery in South Africa, especially for next-generation skills • Concerted skill development initiatives for digital delivery: <ul style="list-style-type: none"> ○ Digital learning programme initiated by the Joburg Centre for Software Engineering which focuses on developing games, applications and other ICT artefacts ○ Digital Innovation Precinct set up by the University of Witwatersrand and ICT companies to promote entrepreneurship and innovation through skills training
Durban	<ul style="list-style-type: none"> • More than 54,000 relevant degree holders are available for hire at the entry-level each year • Third largest employed talent pool in the GBS sector at 6,800 FTEs (2017) • Concerted focus on development of the technology sector: <ul style="list-style-type: none"> ○ Development of an Innovation and Technology Business Incubator (InvoTech) ○ Set up of Durban Technology Hub or SmartXchange which provides enterprise development services in the ICT sector • Superior English-speaking skills and accent neutrality • Labour pool characterised as being good at “selling” and ideal for sales work in the voice space

City	Skills Value proposition
Port Elizabeth	<ul style="list-style-type: none"> • More than 15,000 relevant degree holders are available for hire at the entry-level every year • Development of a 9000 square metre BPO “Park” in the Coega Industrial Development zone offering global competitiveness through superior infrastructure, a pipeline of 4,000 skilled workers who have direct telephony skills, training and development support • Offers superior clinical and nursing skills which are not easily available in other South African cities
Tshwane	<ul style="list-style-type: none"> • Availability of 81,000 graduates per year • Tshwane BPO Park is a project geared to accelerate industry growth and offers plug-and-play infrastructure, software capabilities and training facilities • Skills development programmes are being aggressively developed in Tshwane in conjunction with BPESA to boost the skills pipeline significantly in the near future.

Cape Town is currently the most mature location in South Africa for GBS characterised by sizeable and skilled talent pool and world class business infrastructure. However, Johannesburg is increasingly becoming a new hub for international GBS delivery, driven by a large and accessible talent pool and substantial investment in digital skills.

Figure 12: Offshore Provincial Growth and Market Share

YEAR	WESTERN CAPE	MARKET SHARE	GAUTENG	MARKET SHARE	KWAZULU - NATAL	MARKET SHARE	TOTAL
2013	8,300	48,8%	5,100	30,0%	3,600	21,2%	17,000
2014	11,700	53,9%	5,000	23,0%	5,000	23,1%	21,700
2015	16,000	59,9%	5,300	19,9%	5,400	20,2%	26,700
2016	20,500	63,1%	5,500	16,9%	6,500	20,0%	32,500
2017	23,500	60,9%	8,100	21,0%	7,000	18,1%	38,600

Many global and regional companies have set up or expanded their operations in South Africa; these companies represent a variety of industry verticals, such as technology and communications, financial services, legal, retail and healthcare.

Figure 13: Sector Breakdown - An International and Domestic Comparison

	INTERNATIONAL MARKET		DOMESTIC MARKET	
	2016	2017	2016	2017
Financial services	8,3%	18,0%	66,5%	82,6%
Retail	13,9%	25,9%	5,4%	7,5%
Telecoms	51,5%	20,7%	8,7%	2,1%
Travel	-	9,8%	-	-
Utilities/Energy	7,1%	7,2%	1,3%	-
IT	6,5%	5,4%	5,4%	-
Transport	7,4%	4,5%	2,3%	0,9%
Legal	1,8%	2,8%	0,5%	-
Education	0,8%	1,0%	0,1%	1,0%
Health care	-	0,4%	2,7%	1,5%
Public sector	-	-	3,6%	1,7%
HR Outsourcing	-	0,2%	-	0,9%
Marketing	-	0,1%	-	0,9%
Security	-	-	3,1%	0,9%
Tourism	0,1%	-	-	-
Media	-	0,5%	0,1%	-
Other	2,6%	3,5%	0,3%	-

The domestic BPO primarily operates in financial services. Retail accounts for the largest share of international market and there is a trend for further growth and diversification into other sectors and markets where South Africa has strong capabilities. These include both niche and “next gen” services summarised in the Table below:

Sector	Category	Service description
BFSI	Niche	Banking, Financial Services and Insurance (BFSI) and Fintech
Legal	Niche	Due diligence; Compliance; Litigation; Contract management/drafting; Legal research; Document services
Healthcare	Niche	Health insurance; wealth planning; care management and clinical services
Information Technology	Next gen	ICT maintenance and support; programmers, designers and development; cloud services; data mining; website design and maintenance; and business intelligence

Sector	Category	Service description
Analytics	Next gen	Analytics to improve contact centre efficiencies such Root Cause Analysis for call centre agents; Prediction Models to determine customer behaviour; Text to speech analytics for quality assurance and performance tracking; Knowledge Process Outsourcing and Digital Investment services
Edtech	Next gen	Provision of global education and training solutions; English language proficiency through video and voice chat-based learning; digital platforms for blended and on-line learning solutions.

Demand for niche and next generation services is expected to grow at a faster pace. The GBS Skills Strategy will ensure that supply-side interventions, together with training, upskilling and reskilling initiatives are aligned to demand-side factors. Similarly, the Skills Strategy needs to respond in an agile way to Operator demand dynamics.

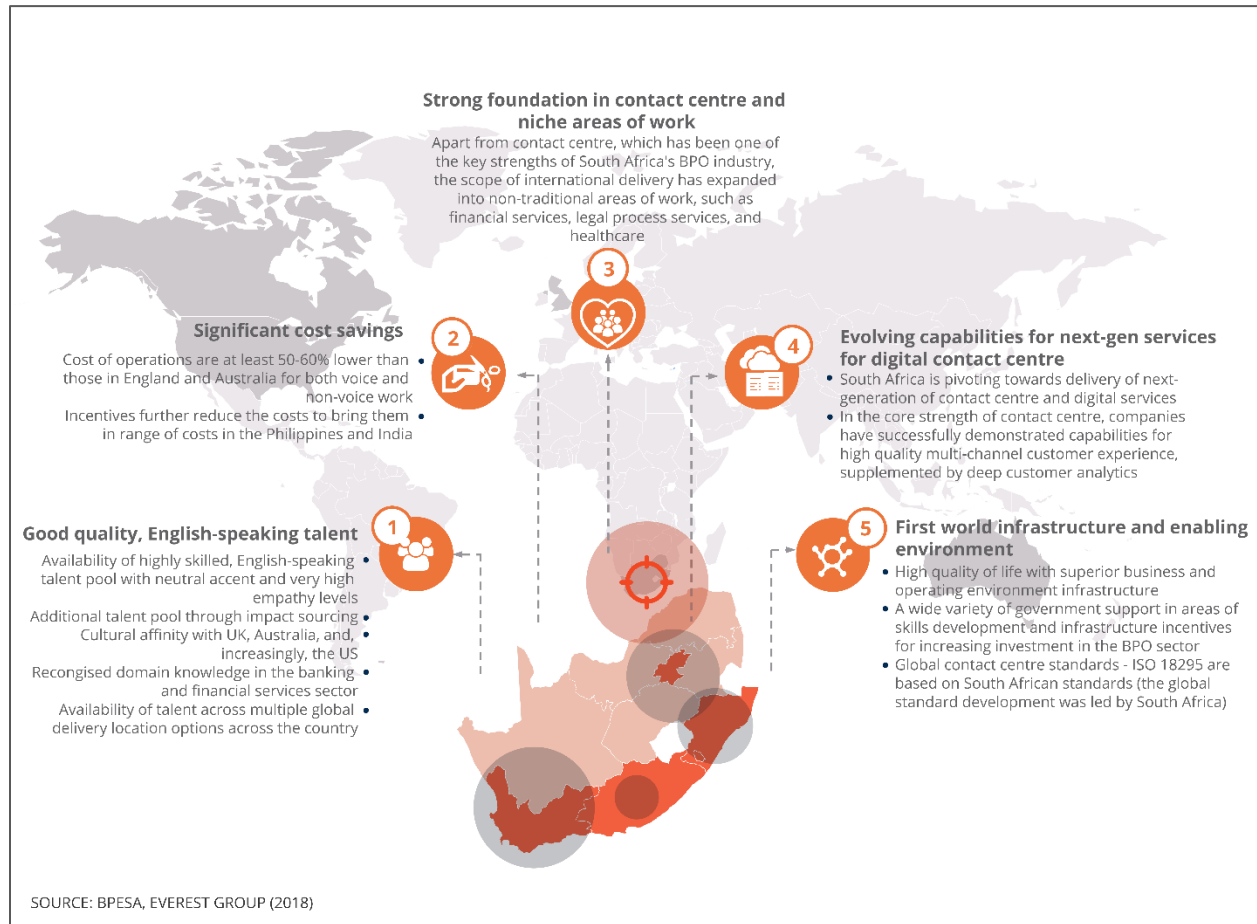
Operator demand impacts at a number of levels and factors include:

- New campaigns that require ramp-up
- Cyclical nature of seasonal peaks and outbound campaigns.

South Africa’s value proposition includes a robust enabling environment and a powerful emphasis on skills

The value proposition below summarises South Africa’s competitive positioning to sustain high future growth.

Figure 14: South Africa's GBS Value Proposition



In addition to a highly competitive lower operating cost proposition, South Africa also provides a strong human capital value driver. This includes:

- **A Broad Talent Pool:**
 - a highly skilled, English speaking talent pool with a more neutral accent as compared to those in India and other offshore geographies – this makes it ideal for contact centre delivery to the United Kingdom and Australia, and increasingly, the United States

- More than 60,000 graduates have IT, engineering and related degrees, providing a large talent pool for IT infrastructure and development work
- Additionally, ~5,000 students study law in South Africa every year – this is reflected in the niche and high-quality work that the LPO sector does
- Apart from Bachelor's degree holders, South Africa also has a large skill base in financial services. South Africa is one of the leaders in terms of availability of CFA charter holders and actuarial degree holders; in fact, the latter is almost eight times that of India.



Case Study: A United Kingdom-based company witnessed a significant improvement in performance of service desk delivery SLAs upon offshoring to South Africa and rated agent quality as top reason

- *Emails actioned in expected times increased by 48%*
- *Queries resolved at the desk increased to 93%*
- *Non-abandoned calls increased to 98%*
- *Calls answered in expected times increased from 80% to 95%*
- *Customer experience improved from 65% to 80%.*

- **Impact Sourcing (IS):**

- Impact sourcing is more than one-fourth of the global services market in South Africa. This is mainly driven by the contact centre industry which hires a large proportion of unemployed high school graduates (who qualify as IS workers)
- There has been an uptick in the number of companies hiring IS workers which is a reflection of the increasing number of programmes which the government is putting place. Additionally, companies are now aware that they have the opportunity to make a greater social impact and that the talent pool IS offers is usually more stable
- South Africa also offers a very comprehensive ecosystem of enterprises, service providers, training academies and industry support which assists in identifying, training, and hiring impact workers.



Case Study: Impact Sourcing

- *A leading customer experience and BPO company has successfully implemented the Impact Sourcing programme in partnership with Harambee*
- *It monitored the impact worker performance during its pilot programme and recorded exceptional results:*
 - *Punctuality, attendance and attrition amongst impact workers was better than the site average*
 - *Additionally, from a performance metric perspective, across call types and compliance, there was no difference between impact workers and the site average*
- *This company has been hiring impact workers from Harambee in batches and has reaped benefits in terms of revenue appreciation, stable service delivery, and improved client experience.*

- **Customer Experience excellence**
 - High levels of empathy with the customer (which is often the missing ingredient at other delivery locations)
 - Superior quality of English language capabilities, both written and spoken.



Case Study: Customer Experience

- *A global BPO provider through its South Africa centre exceeded performance targets for a large United Kingdom-based property & casualty insurance client. The client specifically called out high empathy as the key driver of superior performance from South Africa*
 - *Success is measured in terms of Net Consultant Experience (First Notice of Loss):*
 - *Within 60 days of the project going live, the BPO provider in South Africa exceeded the target of 77% to reach 82%*
 - *The performance was higher than that of India (the India team was managing this work for over a year and the performance was stagnant at 78%)*
 - *Within few months, the South African performance was comparable to the onshore / UK performance of 88%.*
- *“we have found South Africa to be a good location for collections, claims processing and underwriting work in the insurance space. Additionally, empathy comes naturally to South Africans, which makes it ideal for providing roadside assistance. If you’re in a bind and calling for insurance details, a South African will always first ask if you’re safe and well, and then, for your insurance number. Empathy cannot be taught” (EXL, 2018).*

The growth of GBS in South Africa will require an aligned Skills Strategy to ensure that current and future needs are met.

BPESA has characterised two types of demand for skills:

- Demand for additional resources adequately skilled to service, increased in growth, largely the factor of the export market
- Demand for new skills requirements, for both domestic and export markets.

While contact centre delivery (currently 73%) continues to expand with more businesses offshoring their services in South Africa, capabilities in other functions are also growing at an increasing rate. This includes non-voice business process services, information technology, legal, healthcare and financial services which is able to build off a rich skills base.

A demand-led Skills Strategy is key

BPESA supports a demand-led skills strategy and shifting our skills development towards outcomes and demand-driven training. South Africa has recently been in an environment where

demand has outstripped supply, placing the market on the back-foot and resulting in a cycle of poaching and excessive attrition that is unsustainable and indeed highly inefficient. This has been exacerbated by a systemic problem of a supply-push into the market not aligned to jobs in demand. For example, training providers have received grants and learnerships from government on a throughput model with little hope of learners transitioning into jobs due the supply/demand mismatch. The risk exists that if we are unable to provide skills for demand, the sector will be unable to stimulate growth. Demand-led training and inclusive hiring practices are therefore key factors of BPESA's Sector Skills Strategy for the GBS sector.

In addition to encouraging demand-led training interventions, BPESA proposes a paradigm shift in sector focus from outputs to outcomes. For example, equipping a person with an output such as a qualification alone, is not necessarily sufficient to achieving an outcome such as a sustainable job, a career and receiving a salary. Inadequate training exacerbates poor outcomes, hence the need for demand-led interventions that are financed against measurable outcomes. This approach will encourage training providers to manage risk and be vested in the training outcomes. Demand-led training and outcomes-based performance are key principles of BPESA's skills strategy. BPESA's leverage to shift this paradigm lies in the use of government funds to pay for outcomes as opposed to throughput and outputs.

This is especially pertinent for the sector's goal of increasing volumes and indeed specific targets for impact sourcing. BPESA is currently working with a number of operators such as Harambee Youth Accelerator, Career Box, WNS UCademy and EOH amongst others to leverage successful operating models to scale inclusive hiring outcomes.

These practices are used to open up a new talent supply chain that links excluded youth to jobs in demand. The practices are also embedded into policies to incentivise impact sourcing hiring at a high level and inclusive hiring practices at a granular level. For example, if a company was participating in the Department of Trade and Industry's (dti) incentive programme, they would be expected to hire 80% youth and a minimum of 20% would be expected to be hired from excluded talent pools. Should companies achieve these targets, then structures and resources are available to support this drive. Strategy is therefore supported by Policy with the intent of scaling successful operating models focused on inclusive hiring more widely in the sector across the country. This will supplement traditional hiring practices and enable to the sector to scale beyond the target of 50,000 new jobs to be created in the GBS sector.

The following section discusses the drivers of demand for existing and new skills and identifies key roles and critical skills for the GBS sector.

ROLES, COMPETENCIES AND CRITICAL SKILLS



The Global Business Services Sector spans many different domains including contact centres, non-voice processes, shared services, digital and ICT services. The services also support customers across many industry verticals, the most prominent being retail, financial services, energy, health care, education, legal services, and ICT.

Companies in the global business services sector deploy many different roles to deliver the services and manage the work. These are typically separated into front office type roles i.e.: those dealing directly with the customer, back office roles i.e., processing and fulfilment type work and support roles including HR, IT, Finance, Legal etc.

The people in the roles operate at different levels of complexity and with different levels of supervisory responsibility. While there is no single standard to apply to the levels of work, the Patterson grading system is used quite commonly in South Africa and has therefore been used in this strategy when referencing levels of work.

These roles or job types have been identified by the members of BPESA and will likely change over time as new roles emerge during the digitalisation of the economy and the transition into Industry 4.0.

BPESA, engaged its members through the skills forums held in 2018 and early 2019 to define a framework against which the most important skills could be mapped, terming this the GBS “Future Skills Framework”. This framework is useful in that it enables users to have sight of the key skills required for each of the domains within the sector. However, it is also limited in that it does not distinguish between levels of competency and work and neither does it map competencies to roles specifically.

Finally, BPESA conducted a survey amongst those members who are directly impacted by critical skills required to develop the export segment of the market, to identify and rank in order of importance those skills that they viewed as critical and that should, in their view be included in the Department of Home Affairs’ Critical skills list.

This chapter of the skills strategy will address each of these elements introduced above and will serve as a useful reference point for role players who are designing, developing and implementing skills development programmes.

The chapter will also address the forums through which skills requirements, and the planning of skills initiatives can be addressed within BPESA.

Roles in the Global Business Services Sector

The roles in the GBS sector have been grouped into the following two categories:

- BPO and Contact Centre Roles,
- Shared Services Roles.

BPO and Contact Centre Roles

BPO and Contact Centre Roles have been grouped into front line roles referred to as Brand Ambassador roles (to remain consistent with the naming applied by the Contact Centre Management Group - CCMG), Support roles, Operational roles, Strategic roles and Information and Data Analytics roles.

Group	Functions	Roles
Brand Ambassador	Marketing	Direct Marketing agent; Lead generation/sourcing agent; Online Marketer; Research agent; Field Marketing Agent; Social Media Agent; Social Media Monitor; Online Platform Monitor; Events marketing agent; Data Capturing Agent; Administration Clerk
	Sales	Sales Agents; Quality Assessor; Data Capturing Agent; Social Media Agent; Social Media Monitor; Online Platform Monitor; New client onboarding agent; Administration Clerk
	Customer Service	Data Capturing Agent; Customer Service Agent; Social Media Agent; Social Media Monitor; Online Platform Monitor; Emergency Services Agent; Administration Clerk; ICT service desk Agent; Foreign Language speakers for specialist language support and technical or sales (German, Swiss, German, Flemish, Greek, Swedish, Danish, Italian, Dutch, Spanish, Mandarin and French)
	Retentions	Campaign planner; Data Capturing Agent; Retention Agent
	Collections	Collections Agent; Data Capturing Agent; Trace specialist
Support Professional	Human Resources	IR specialist; Org development and talent manager; Change consultant; Remuneration consultant; Staff engagement & staff wellbeing specialist; Psychometric and assessment specialist; Recruitment consultant; HR Business Partner; HR

Group	Functions	Roles
		generalist; Sourcing consultant; Occupational therapist/professional
	Learning and Development	Trainer/Facilitator; Learning and development professionals; L&D Business Partner; Content developer; Instructional designer; Graphic designer; Digital learning specialist; Web developer; LMS architect; Foreign language teachers; Product Training Specialist; Moderator; Assessor
	Finance	Claims specialist; Finance, pricing specialists
	B-BBEE	Broad-based Black Economic Empowerment specialists; Corporate Social Responsibility (CSI) specialists
	Legal	Debtors clerk; Creditors clerk; Legal and compliance-risk auditor
	Risk and Compliance	Disaster recovery specialist; Ergonomics consultant; Internal Auditor
	Campaigns	Virtual team scheduler; Workforce scheduler; Workforce planner; Project Manager; Business Development consultant; Campaign content developer; Events coordinator; Database administrator; Campaign planner; Campaign manager; Risk & Compliance Agent (POPI etc.); Business Analyst; Online Content Administrator; Digital marketing specialist - User experience designer
	Information & Communications Technology (ICT)	Solution architect; Developer (software); Tester; Information security specialist; ICT Infrastructure support specialist; ICT network support specialist; ICT network administrator; ICT applications specialist; ICT engineer; Business Process consultant
	Data	Data architect; Data engineer; Data security specialist; Data analyst; Business Intelligence (BI) analyst
	Procurement	Procurement specialist; Sourcing consultant / buyer; Procurement administrator; Procurement clerk
	Health & Safety	Wellness Therapist (proactive and reactive); Ergonomics consultant; Facilities consultant; Health and safety officer; Disaster recovery specialist

Group	Functions	Roles
	Quality Assurance	Quality Assessor; Quality Coach; QA process optimisation analyst
	Performance Optimisation	Industrial Engineer; Professional Product/Solutions designer; Industrial Engineer; Professional Product/Solutions designer; Organization and methods analyst
Operational Professionals	Management roles	Contact Centre Manager; Operations Manager; Junior Operations Manager; Contact Centre Supervisor; Contact Centre Team Manager; Contact Centre Team Leader; Quality Assurance Manager; Emergency Services Manager; Events Manager; Events Operations Manager; Quality Assurance Manager; Language and Quality Manager (voice and written); Key Account Manager; Risk & Compliance Manager ; Workforce Manager; Dialler Manager; National Account Manager; Key Account Manager; General Manager; Campaign Manager; Compliance Manager (Standards); Health and Safety Manager ; Market Intelligence, Customer Insights & Innovation Manager; Procurement Manager; Finance Manager; HR Manager; L&D Manager; Risk and Compliance Manager; Legal Manager; ICT Manager; Facilities Manager; Product Development Manager; Transformation Manager; Business Development Manager (Foreign Country-specific Networks); Channel Manager
Strategic Professionals	Executive Leadership	Operations Director/Executive; Marketing Director/Executive; Sales Director/Executive; Customer Experience (CX) Director/Executive; Collections Director/Executive; Channel Director/Executive; Executive/Strategic management in global services; Innovator and futurist; Economist; Academic
Information & Data Analytics Professionals	Enabling/Supporting Digital & ICT roles	Data Scientist; Cybersecurity Specialist; AI specialist; ML specialist; RPA Specialist; AI Specialist; Digital Specialists (a range of occupations with digital emphasis e.g. digital learning specialists, digital design, digital marketing specialists); Data and Streaming specialist; Information Specialist.

Shared Services

Shared Services Roles have been grouped according to primary service type as follows: Legal Services; Finance and Accounting Services; ICT services; HR Services; and Knowledge services.

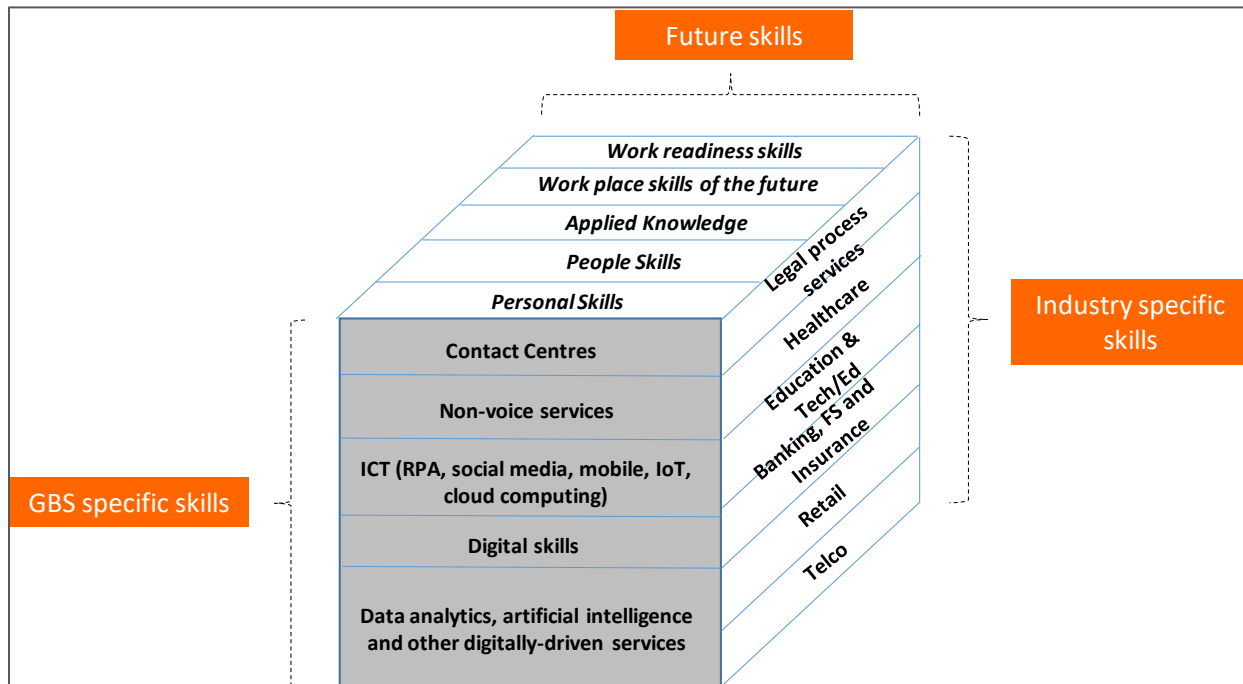
The support, operations, strategic and information and data analytics roles are mostly the same as those for BPO and contact Centres and have therefore not been repeated here.

Group	Functions	Roles
Brand Ambassadors	Legal Services	Legal services agent; Case specialist; Paralegal secretary; Legal Administrator; Compliance specialist; Contract specialist; Intellectual property specialist
	Finance & Accounting Services	Finance services agent; Management accountant; Finance accountant/clerk; Finance administrator; Procurement specialist; Creditors clerk; Debtors clerk; Risk and compliance specialist; Data capturer Claims manager
	ICT Services	ICT service (help desk) agent; ICT Technician; ICT engineer; Developer (software/web)
	Human Resource Services	HR clerk; Payroll specialist; HR administrator; IR specialist; Remuneration specialist
	Knowledge Services	Lead generation/sourcing specialist; Researcher; Business analyst
Strategic Professionals	Executive Leadership	Operations Director/Executive; Marketing Director/Executive; Sales Director/Executive; Customer Experience (CX) Director/Executive; Collections Director/Executive; Channel Director/Executive; Executive/Strategic management in global services; Innovator and futurist; Economist; Academic.

Competencies / Skills in the Global Business Services Sector

The competencies in the GBS sector were identified by BPESA members and mapped into groupings based on the future skills framework illustrated below. The outputs were based on a series of facilitated workshops undertaken in all BPESA regions. Although the outputs were lists of skills and qualitative in nature, they reflect the sector's needs, and provide a foundation for further validation and competency mapping.

Figure 15: GBS Future Skills Framework



The GBS future skills framework identifies three key categories of skills:

- Future skills that are applicable to all roles
- Skills that are applicable to specific roles (current and emerging) in the GBS Sector
- Skills applicable to the key industries serviced within the GBS Sector

Future skills

Future skills are segmented into Personal Skills, People Skills, Applied Knowledge, Workplace skills of the future, and Work Readiness Skills.

Personal Skills	People Skills	Applied Knowledge
<ul style="list-style-type: none"> • Innovative & Forward-thinking • Resilience • Cross disciplinary thinker • Versatile, Creative, Adaptive & Agile • Emotional intelligence • Negotiation skills • Initiative (start-up mentality) • Self-awareness & 	<ul style="list-style-type: none"> • Compelling communication (oral & written) • Career development • Coaching & mentoring • Conflict & Cross-cultural Management • Social intelligence • Virtual & physical collaboration • Emotional intelligence • Strong team player 	<ul style="list-style-type: none"> • Understand & embrace new technology • Financial acumen • Project management • Insight seeking & development • Creativity; Adaptability; Novel • Cognitive Load Management • Sense Making • Complex problem-solving • Analytics

Personal Skills	People Skills	Applied Knowledge
<ul style="list-style-type: none"> impression management • Self-discipline • Ownership • Personal branding Mindfulness • Learning agility; curiosity • Time management & prioritization • Personal mastery 	<ul style="list-style-type: none"> • Effective oral & written communication • Organisational awareness • Diversity management • Engaging & soliciting input • Ability to influence & persuade • Networking • Value chain awareness • Ability to give feedback • Team work 	<ul style="list-style-type: none"> • Systems thinking (synthesize) • Decision-making • Understand the business mandate & purpose • Sales • Customer service

Workplace Skills of the Future	Work Readiness Skills
<ul style="list-style-type: none"> • Design thinking • Social media savvy • Digital soft skills • STEAM skills (science, technology, engineering, arts, mathematics) • New media literacy • Trans-disciplinary approaches Computational thinking • Virtual collaboration skills • New media savvy • Leadership skills • Coding • Critical thinking • Digital literacy 	<ul style="list-style-type: none"> • General behavioural skills (language, punctuality, dress code etc.) • Workplace-aligned attitudes • Ability to receive feedback • Personal mastery • Teamwork • Diversity • Personal finance • Computer literacy • Literacy & business writing • Cognitive thinking & analytical thinking • English language (listening, voice, speech) • Customer service Sales • Operations (CC, SSC etc.) • Curiosity • Self-awareness & impression management • Health & wellness (personal hygiene) • “Shallow experts” (working knowledge of new systems - not experts) • Global/corporate citizenship • Openness to learning

Global Business Services skills

GBS skills are segmented into Contact Centres, Non-voice business processes, IT, Digital Jobs, Data Administrators, Artificial Intelligence and others.

Contact Centres	Non - Voice business processes	Information Technology
<ul style="list-style-type: none"> • Problem solving • Cultural empathy • Conflict Management • Change management • Technical competence • Commercial modelling • Compliance & process management • Time management • Strategic communication • KPI management • Industrial relations • Decision making • Relationship management • Coaching & mentoring • Ethics • Influencing • Critical thinking • Project management • Peer mentoring • Foundation technical skills • Business writing • Emotional intelligence • Sales: inbound/external 	<ul style="list-style-type: none"> • Time management • Attention to detail • Job realism • Quality control Accuracy • Focus & concentration • Analytical abilities • Critical thinking • Comprehension Systems thinking • Compelling communication • Technology insight 	<ul style="list-style-type: none"> • IT Support • RPA (service engineering; business analysis; solution architecture; testing; RPA development) • Cloud computing • Support & operations • IoT (information security; hardware design; UI/UX design; network specialists; data science) • app development; testing; solution architecture; business analysis) • Blockchain • Trouble shooting • Information storage in repository • Information security

Digital jobs	Data Analytics; Artificial Intelligence & Other
<ul style="list-style-type: none"> • Remote leadership (virtual collaboration) • Social & mobile (social engagement design; UI design; UX design; app development; testing) • Digital marketing (search marketing [SEO & PPC]; digital display advertising; email marketing; social media marketing; mobile marketing; analytics; strategy & planning; communications & consumer; ecommerce marketing; digital display marketing) • Digital & social sales (digital research; sales enablement; CRM; social content; digital sales messaging; engagement; social account management; digital sales leadership; integration & strategy) • Business (sprint foundations; data 	<ul style="list-style-type: none"> • AI (research; data science; data architecture; language processing; software testing; software development) • Big data (data analysis; business analysis; data integration; solution architecture; business & financial modelling) • Blockchain

Digital jobs	Data Analytics; Artificial Intelligence & Other
foundations; business analysis) <ul style="list-style-type: none"> • Design (web design; design tools; graphic design; user experience; game design; design thinking; 3D & animation) • Blockchain • Autonomous systems (robotics) • Data science • Artificial intelligence • Workforce management • QA: voice + facial analytics • IVR development • Propensity modelling 	

Industry Specific skills

Industry Specific Skills are segmented into Legal Process Services, Health Care, Education Technology, Financial Services, Retail, and Telecommunications.

Legal Process Services	HealthCare	Education Technology
<ul style="list-style-type: none"> • Compliance at various levels • Cognitive & analytical thinking • Problem solving • Labour relations • Mentoring & coaching • Data analysis; Digital literacy; eCommerce • Risk management; Cyber security; Escalation management • Research & development • Understanding & integrating legislative, regulatory environment • Ethics, governance, morals • Functional skills (finance; operations; HR; IT; marketing & sales; project management) • Interpreting data 	<ul style="list-style-type: none"> • Healthcare informatics; Digital soft skills; Social intelligence • Creative thinking • AI (data analysis) STEAM skills across the board • Mentoring & coaching • Embrace new technology • Personal mastery (including emotional intelligence & cultural diversity) • Data analysis; Data management; Data protection; Innovation Mechanics • Development Research & development • Digital literacy • Diagnostics • eCommerce • Risk management; Escalation management; Compliance; Understanding & integrating legislative, regulatory environ • Ethics, governance, morals • Functional skills (finance; operations; HR; IT; Marketing & Sales; Project management) 	<ul style="list-style-type: none"> • Virtual reality (optical science; VFX art; UI design; sensory architecture; security analysis; 3D modelling; graphic design; sound engineering) • Instructional design (very specific fields aimed at your experienced positions) • Innovation (concept & ideas) • Creative thinking; Strategic communication; Mentoring & coaching; Complex problem solving • Leadership & development (principles) • Data analytics • Research & development • Digital literacy; eCommerce • Risk management; Escalation management; Understanding & integrating legislative, regulatory environ • Ethics, governance, morals • Functional skills (finance; operations; HR; IT; marketing

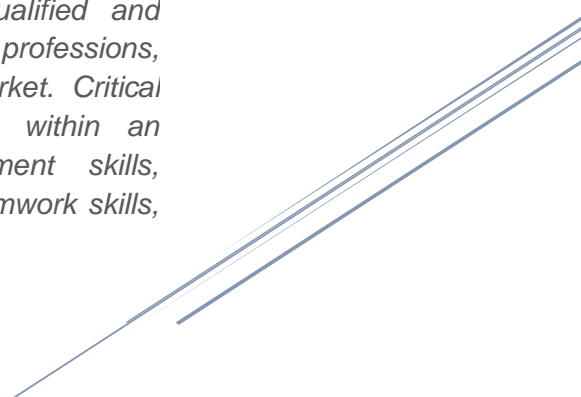
Legal Process Services	HealthCare	Education Technology
		<ul style="list-style-type: none"> & sales; project management) • Data protection/information security

Retail	Telecommunications
<ul style="list-style-type: none"> • Cross cultural competencies • Complex problem solving • Design Innovation; Data analysis Research & development; Digital literacy; eCommerce • Risk management; Escalation management; • Understanding & integrating legislative, regulatory environment, • Ethics • Governance • Values & moral management • Functional skills (finance; operations; HR; IT; marketing & sales; project management) Customer care 	<ul style="list-style-type: none"> • Data analysis Research & development • Digital literacy • Fibre engineering • Network management • Signal Diagnostics • eCommerce • Risk management • Escalation management • Infrastructure development • Security

Critical Skills in the Global Business Services Sector

Critical skills are those that are both scarce in South Africa and key to an organisation being able to expand and grow where these skills don't exist in country and yet are required to fulfil the purpose of the business. The Department of Labour defines them as follows:

“Scarce and Critical skills are defined as “an absolute or relative demand: current or in future; for skilled; qualified and experienced people to fill particular roles / professions, occupations or specialisations in the labour market. Critical skills refer to particular capabilities needed within an occupation, for example, general management skills, communication and customer handling skills, teamwork skills, and communication technology skills.”

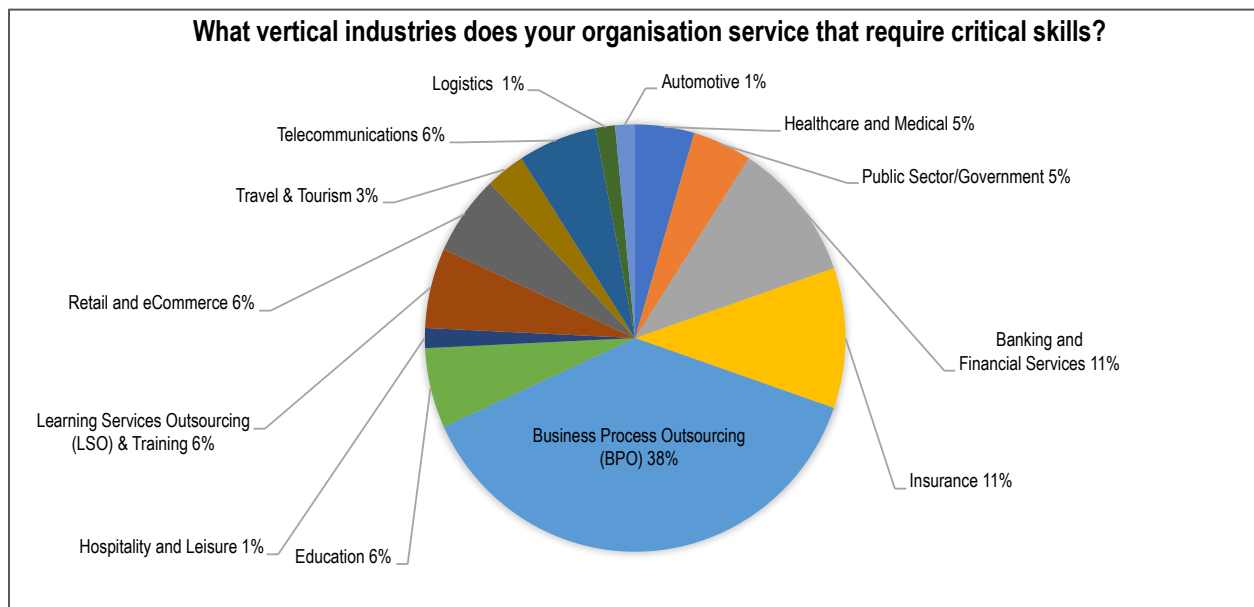


BPESA conducted a survey of its members in April 2019 to identify the critical skills across the domains of the Global Business Service Sector and to use this list to motivate for a change to the list published by the Department of Home Affairs for Critical Skills VISAs and to use it for planning of skills development initiatives.

Industry verticals in which skills have been identified as critical

The following Figure highlights the industries that GBS companies service that require critical skills.

Figure 16: Industries Served which Require Critical Skills

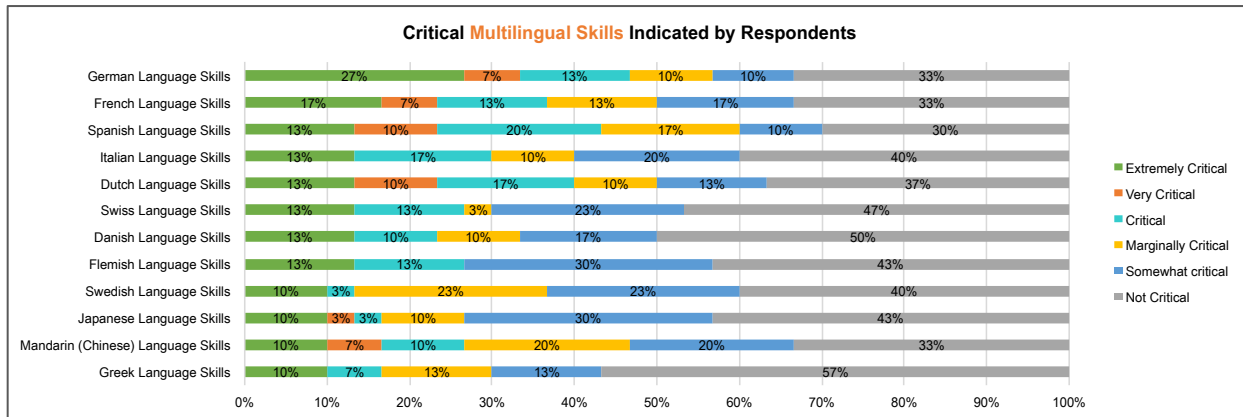


Front line multilingual roles

The rank order of critical skills for *front line multilingual roles* is:

1. German – 34%	6. Italian – 13%
2. French – 24%	7. Japanese – 13%
3. Dutch – 23%	8. Swiss – 13%
4. Spanish – 23%	9. Danish – 13%
5. Mandarin – 17%	10. Flemish – 13%

Figure 17: Multilingual Skills Needed

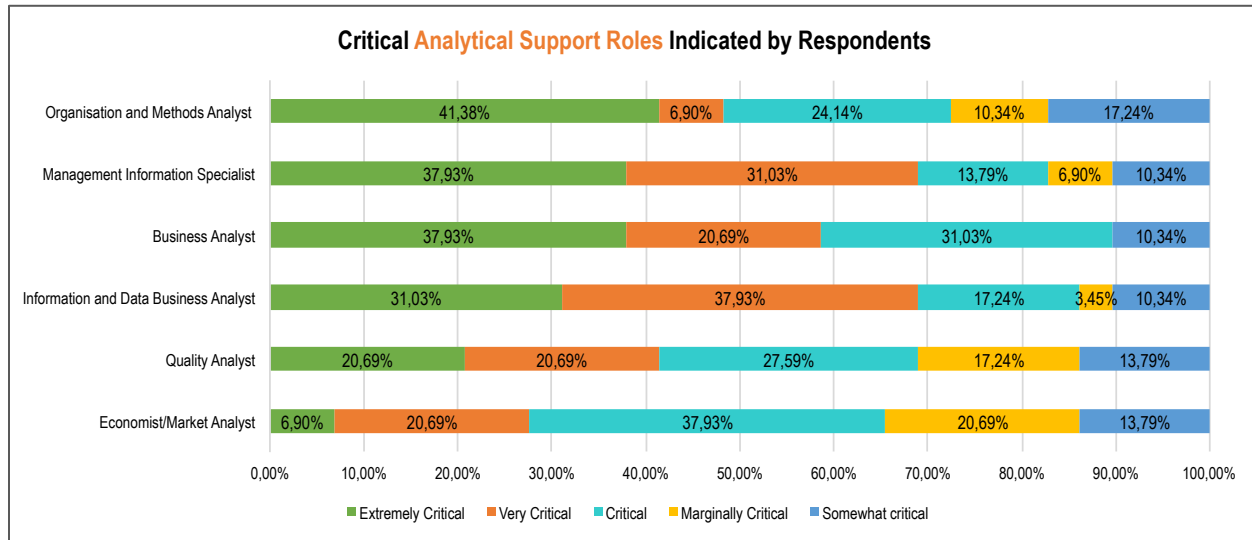


Analytical support roles

The rank order of critical skills for *analytical support roles* is:

1. Management Information Specialist – 69%	4. Organisation and Methods Analyst – 48%
2. Information and Data Business Analyst – 69%	5. Quality Analyst – 42%
3. Business Analyst – 59%	6. Economist / Market Analyst – 28%

Figure 18: Critical Analytical Support Roles

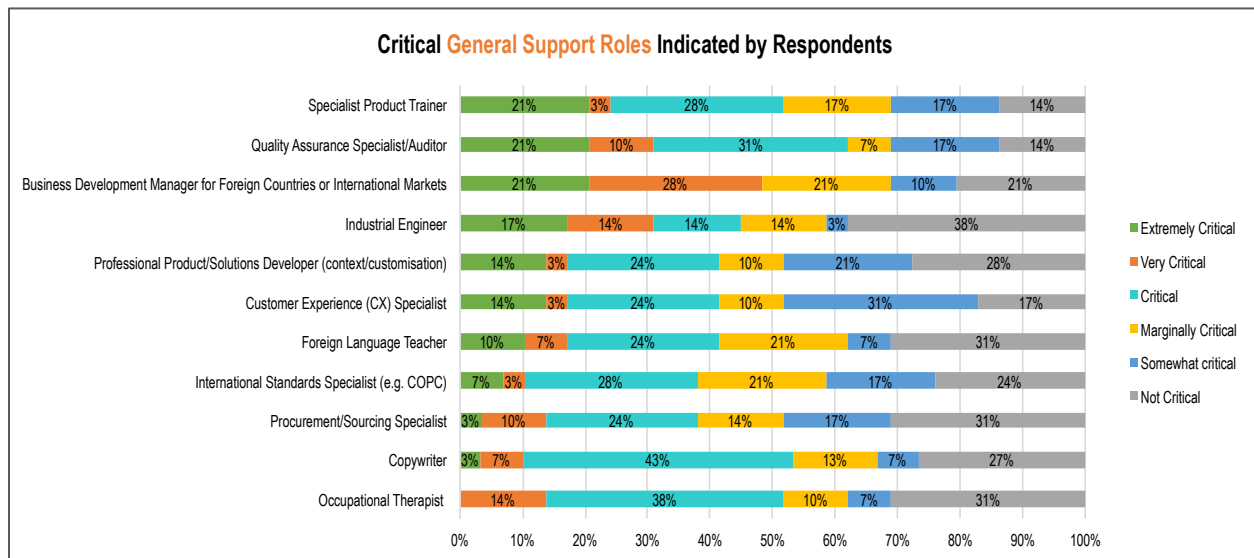


General support roles

The rank order of critical skills for **general support** roles is:

1. Business Development Manager for Foreign Countries / International Markets – 49%	6. Customer Experience (CX) Specialist – 17%
2. Quality Assurance Specialist / Auditor – 31%	7. Professional Product / Solutions Developer Context / Customisation – 17%
3. Industrial Engineer – 31%	8. Occupational Therapist – 14%
4. Specialist Product Trainer – 24%	9. Procurement / Sourcing Specialist – 13%
5. Foreign Language Teacher – 17%	10. Copywriter – 10%

Figure 19: Critical General Support Roles

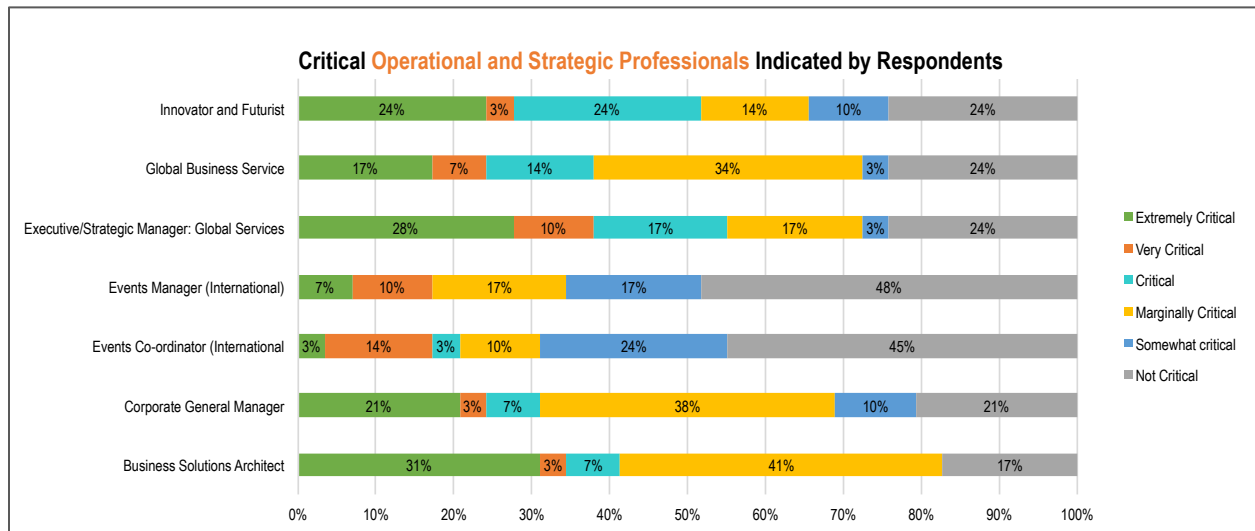


Operational and strategy roles

The rank order of critical skills for **operational and strategy professionals** is:

1. Executive / Strategic Manager: Global Services – 38%	5. Global Business Service (Academics, Subject Matter Teaching Experts at Further and Higher Education) – 24%
2. Business Solutions Architect – 34%	6. Events Manager International – 17%
3. Innovator and Futurist – 27%	7. Events Co-Ordinator International – 17%
4. Corporate General Manager – 25%	

Figure 20: Critical Operational and Strategy Roles

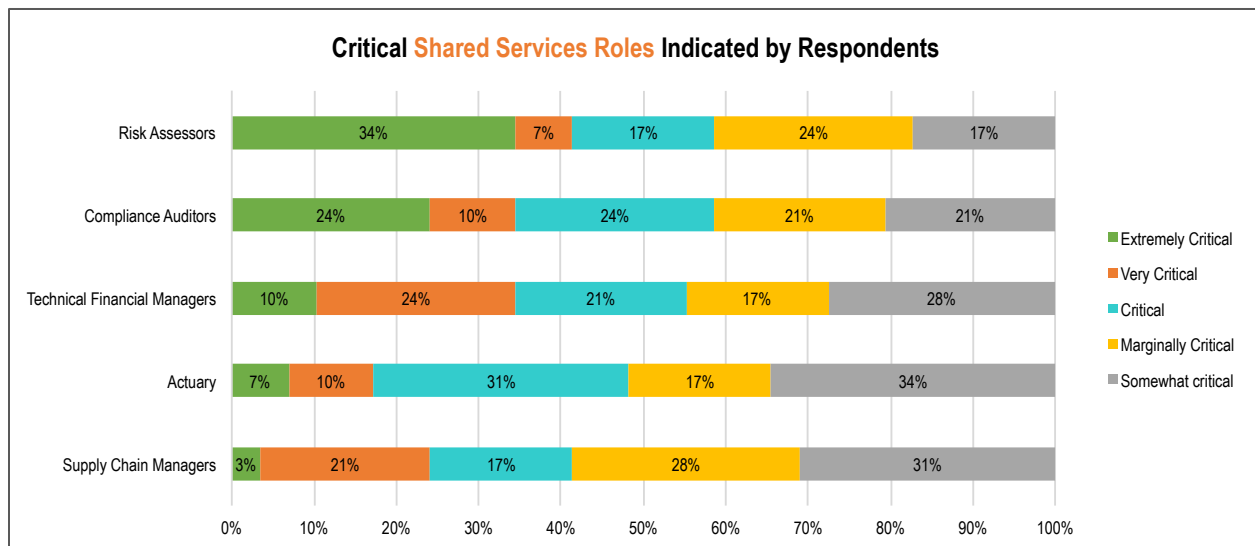


Shared Services roles

The rank order of critical skills for **shared services** roles is:

1. Risk Assessors – 41%	4. Supply Chain Managers – 24%
2. Compliance Auditors – 34%	5. Actuary – 17%
3. Technical Financial Managers – 34%	

Figure 21: Critical Shared Services Roles

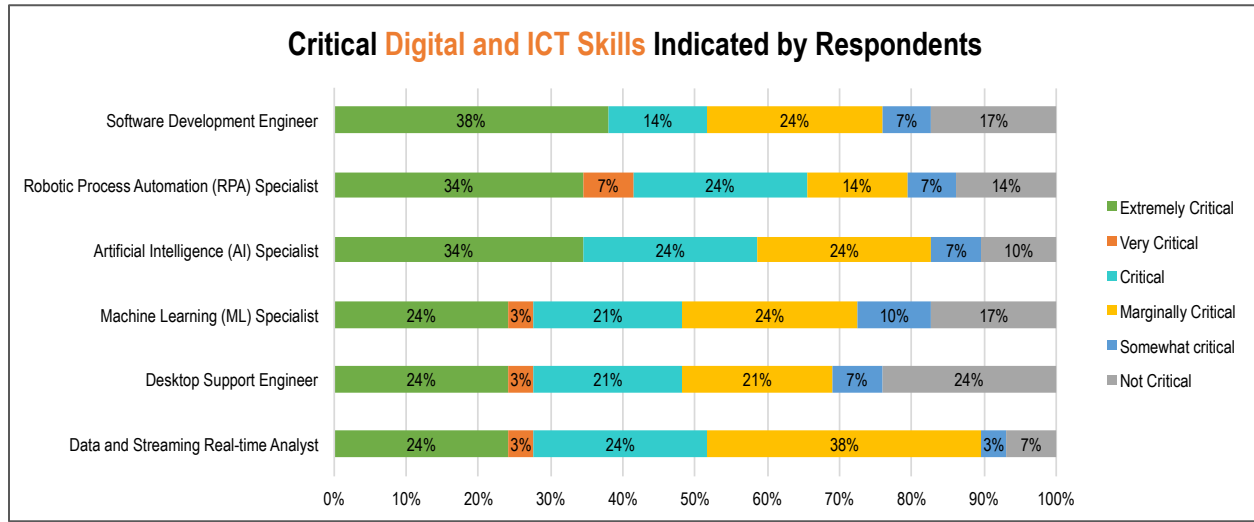


Digital and ICT roles

The rank order of critical skills for **digital and ICT** roles is:

1. Robotic Process Automation (RPA) Specialist – 41%	4. Data and Streaming Real-Time Analyst – 27%
2. Artificial Intelligence (AI) Specialist – 34%	5. Machine Learning (ML) Specialist – 27%
3. Software Development Engineer – 34%	6. Desktop Support Engineer – 27%

Figure 22: Critical Digital and ICT Roles

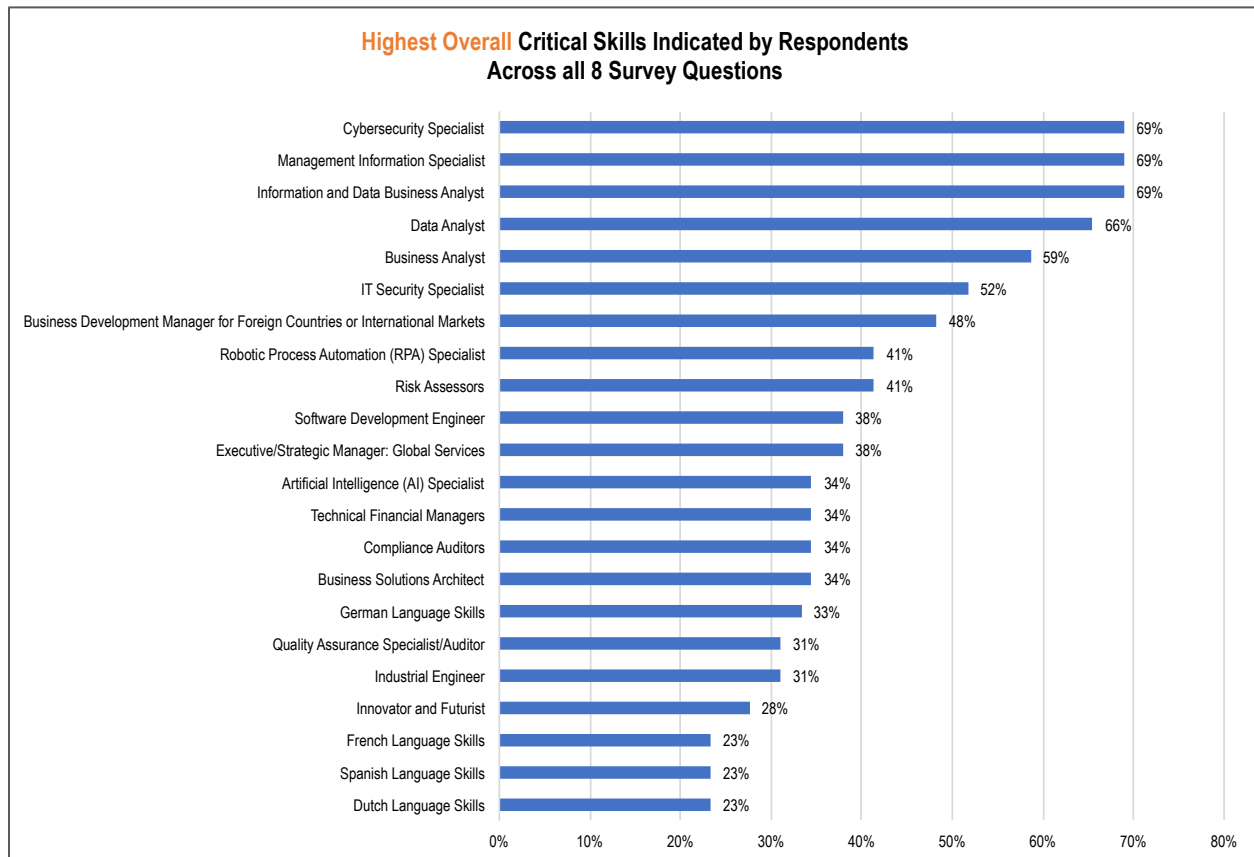


Highest overall critical skills

The top ten rank order of **critical skills** for all roles is:

1. Cybersecurity Specialist	6. IT Security Specialist
2. Management Information Specialist	7. Business Development Manager for Foreign Countries / International Markets
3. Information and Data Business Analyst	8. Robotic Process Automation (RPA) Specialist
4. Data Analyst	9. Risk Assessors
5. Business Analyst	10. Software Development Engineer

Figure 23: Highest Overall Critical Skills



The facilitation of input by BPESA members through the survey and Skills Forums have yielded a base from which to identify current and future skills needs. Further work to be undertaken includes:

- Ongoing identification of key roles for the GBS sector
- Engage with respective Professional Bodies to develop Role Profiles at every level of work
- Host an accessible online repository of Role Profiles
- Development of a competency framework
- Guideline for entry level career paths.

The following section describes the Skills Supply Chain and identifies key stakeholders and roles in the supply chain.

Synchronising GBS Skills Supply to sector growth objectives

The new and compelling Global Business Services value proposition is forecast to attract significant foreign direct which in turn has the potential to scale up the rate and quantum of growth significantly over the next five plus years. The growth forecast of the sector, evolution of the digital economy and Industry 4.0 developments provide powerful drivers for skills to be a top priority for BPESA. BPESA, in partnership with National, Provincial, City Government and in close collaboration with the industry operators and service providers acknowledge that an efficient skills supply chain is critical to achieve growth targets. This chapter provides an overview of the GBS Skills Supply Chain, acknowledges existing inefficiencies and makes specific recommendations to optimise the system further.

The Skills Supply Chain is evolving rapidly in close collaboration with all key stakeholders with the critical principle of synchronising supply and demand. It is clear that South Africa is beginning to compete more effectively for FDI into the sector and there is a real need for the Skill Supply Chain to respond directly to the current and future in-demand jobs for the GBS sector. The corresponding risk is that if demand and supply are not in synchronicity, skills may be created that are not in demand leading to inefficiencies and poor return on training investment. In a worst-case scenario, this will erode global competitiveness and result in declining FDI and a declining sector. Nonetheless, there is strong evidence of growing commitment by key sector stakeholders to increase levels of collaboration and alignment to mitigate these risks and validate South Africa's value proposition.

This is a dynamic environment and BPESA's role is to catalyse collaboration to ensure that the Supply Chain responds in an agile way to current and future in-demand roles. The skills supply chain takes its guidance from a clear understanding of roles in demand to enhance South Africa's competitiveness to attract FDI and growth of the sector. These roles are delineated in the GBS Future Skills Framework in a previous chapter and GBS stakeholders are in agreement that the Skills Supply chain needs to align to market-specific needs.

To this end, a significant paradigm shift towards Demand Driven Training and skills development is required to achieve a sustainable talent supply chain for these in-demand roles. No longer are the questions about how much training is accomplished or how much budget has been spent, but rather what is the evidence of impact, and what the results and return on investment?

BPESA continues to play an important role of coordinating the identification of future in-demand roles for the sector and optimising efficiencies in the supply chain. A number of Pilot Projects have been planned or are currently being executed to build evidence-based rigour into the Skills Supply chain framework. For example, the Services SETA Pilot Project will test outcomes-based training initiatives for 3,000 youth to pathway into new job opportunities (described in greater detail at the end of this chapter).

The goal of the Framework is to ensure that a minimum of 30,000 young people are adequately sourced, matched and skilled to enter the new jobs expected to be created by the growth of the sector over the next 5 years (30,000 is the expected number of youth to be hired as part of the 50,000 new jobs created).

The Skills Supply Chain achieves this by:

- Providing a framework against which stakeholders and intermediaries can map and define their roles, contribution and engagement intent in the supply chain across dimensions such as:
 - *Key drivers*
 - *Content and delivery focus*
 - *Delivery, and enabling role players*
 - *Assessment focus*
- Assisting role-players across the supply chain to identify where and how they are able to contribute towards creating a sustainable and relevant skills supply for the GBS sector
- Providing a springboard for scalability to meet sector growth skills needs
- Identifying bottle-necks, gaps and inefficiencies in the value chain.

In this chapter, key role players are identified and their responsibility towards skills in the GBS sector are summarised at a high level. Hyperlinks to websites and key supporting documentation are provided in an Appendix. For example, the role of the Department of Higher Education and Training (DHET) and policy information such as “The White Paper on Post School Education and Training”. The role of institutions such as the Quality Council for Trades and Occupations (QCTO) towards defining policy on vocational training are considered. BPESA and business are advocating for the recognition for non-accredited learning, and as QCTO’s main purpose is to oversee the design, implementation, assessment and certification of occupational qualifications, it would need to be engaged as part of the process. Intermediaries also play a significant role in the GBS Skills Supply Chain and this is discussed in the following section.

The Importance of Intermediaries in the Skills Supply Chain

Over the past two decades the gap between education and the world of work has been increasing. One of the symptoms of this growing gap is the lack of work readiness among graduates. This is exacerbated by the changing nature of work and the impact of technology on workplaces and business processes.

As a result, a growing number of intermediaries have emerged to try and close the gap between education and the world of work. In general, the business model of these intermediaries comprises:

- recruitment and selection of candidates
- work readiness training
- placement

- support while the candidates are on-the-job.

These intermediaries act as both a “finishing school” for graduates and school leavers while also extending and expanding the talent recruitment function in organisations. Work readiness training can be quite brief, just 3-4 days or extend up to 6 weeks. This form of training is referred to as demand-driven training or bridging.

Examples of such intermediaries include organisations such as Harambee, YesForYouth and Mentec. There are also a range of other intermediaries including recruitment specialists, non-profit organisations, corporate CSI programmes, professional bodies and industry associations. SETAs also play a role in this space by supporting such programmes with grants.

By specialising, the intermediaries provide a service which can be used by the GBS sector. It is a complex environment and to set up similar operations will be both time-consuming and expensive. Mature intermediaries have done ROI studies which demonstrate the value they bring to their clients. Their services reduce the risks to client organisations and provide value in terms of reducing churn amongst new hires, increasing employee engagement, reducing industrial relations disputes and speeding up the process to full productivity.

Education institutions have also increasingly begun to respond to the challenge by increasing student support programmes, partnering with large employers and adapting curricula. Private providers have been more proactive for some time, but public providers are now also becoming active in this space often triggered by grants from SETAs or pressure from professional bodies.

Finally, online platforms are beginning to emerge. Examples of these platforms include the BPeSA’s Consolidated Candidate Database and Provincial Pathways Platform, ABSA’s Ready-to-Work platform and Harambee’s Network platform. In the TVET College space a new platform called the Co-ordinating SETA TVET Office (CSTO) platform is being developed. This will allow employers and TVET colleges to connect directly.

In the interim it has been industry associations, professional bodies and very large employers which have created partnerships with TVETs. Examples include the Institute of Plumbers of South Africa (IOPSA), Electrical Contractors Association of South Africa (ECASA) and the South African Institute of Welding assisting the DHET to implement the Centres of Specialisation project. Private companies such as Ford Motor Company have also formed partnerships with selected campuses. Although these examples are not relevant for the GBS sector, the model can be replicated for GBS skills. The partnerships ensure that the TVET programmes become more responsive to current industry needs. The interventions include providing advice and support in terms of equipping practical facilities, lecturer development, lecturer and learner visits to industry.

The Workfit Campaign offers a toolkit (free download from www.workfitcampus.org.za) to support the development and strengthening of such partnerships. It provides an outline of the research-based best practices for such partnerships as well as the work readiness programmes. The toolkit

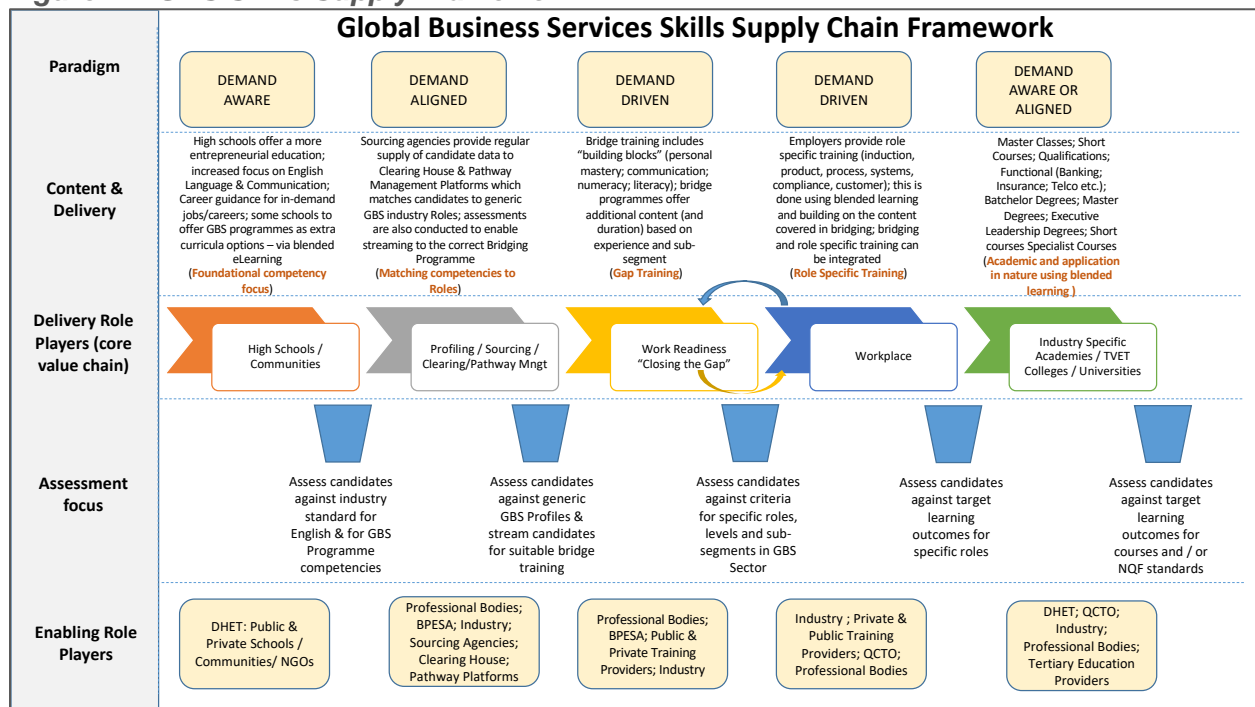
was developed with a grant from the Rockefeller Foundation in the end stages of their Digital Jobs Africa (DJA) project. The purpose of DJA was to bring disadvantaged but high potential youth into the labour market with an emphasis on ICT and GBS jobs. South African demand-driven training providers participated in the project including companies active in the GBS sector.

Intermediaries then have played an important role to date in helping employers to become more involved in talent pipeline development, helping youth navigate the education to employment transition, and helping more traditional education institutions see the benefits of adapting their programmes and cultures to the changing nature of work.

While individual GBS employers are encouraged to reach out directly to skills supply chain role-players to build partnerships, wherever it makes sense to do so on their own, the BPESA Skills Supply Chain Framework has embedded the role of intermediaries in its design, and recognises that for more employers, a BPESA facilitated value chain is the most efficient option for the foreseeable future.

The GBS Skills Supply Chain is summarised in the following Figure and described in the subsequent section.

Figure 24: GBS Skills Supply Framework



The development of skills is usually considered a sequential and linear process. Nonetheless, the value chain does not occur in a silo. There are often multiple touchpoints for different stakeholders and the objective of the GBS Skills Strategy is to ensure that there is clear accountability and role clarity across the skills supply chain. There are a range of role players across the GBS value

chain described in the figure above. BPESA plays a significant role engaging with key stakeholders and intermediaries across the skills value chain to ensure synchronicity and alignment for achieving sector growth objectives.

In the following section, key role players in the Framework are identified and their contribution towards skills in the GBS sector is summarised at a high level. Additional information and hyperlinks to websites and key supporting documentation are provided at the end of this section.

Who are the Role-Players in the Skills Supply Chain Framework?

Demand Aware Supply delivery

Institution	Roles
High Schools	<ul style="list-style-type: none"> The GBS talent development pipeline begins at school yet despite the achievement of near-universal and compulsory enrolment outcomes remain poor especially in critical areas of numeracy and literacy There is a need to improve baseline quality of competencies at source to meet GBS sector demand requirements. In a high school environment, there is a need to build foundational competencies to equip young people for the GBS world of work including: <ul style="list-style-type: none"> <i>Conversational English language capability</i> <i>Writing skills for omni channel delivery such as Webchat</i> <i>Critical thinking and problem solving</i> <i>Extra curriculum content such as customer service, communicating across international diversity and project management provided through accessible content and blended eLearning</i> Career awareness, education and branding has been a neglected area of both the schooling and post-schooling system until relatively recently with the Khetha initiative (see “Ecosystem and Macro Environment Chapter” for background) <ul style="list-style-type: none"> <i>As a result, learners have not been advised about career choices that are in economic demand, as well as new and emerging careers, some of which fall in the GBS space</i> <i>In the future, high schools will be able to access the BPESA Skills Portal to determine regional opportunities to guide students with career choices</i> <i>Any student considering the GBS sector as a career needs to be assessed against the standards for GBS competencies such as English and Customer Service</i> <i>The National Skills Development Plan 2030 has eight outcomes, one of which is “Support Career Development Services”</i>

Institution	Roles
	<ul style="list-style-type: none"> • <i>One outcome of this focus is that SETAs will be able to fund the development and dissemination of career information and related materials</i> • Khetha is a key potential future strategic partner for the sector. • A key recent development includes the Gauteng Provincial Schools of Specialisation (SoS) project -an initiative with several Demand Aligned learning features <ul style="list-style-type: none"> • <i>The SoS targets establishing a new operating model in 25 schools allowing increased autonomy on curriculum, recruitment and partnerships</i> • <i>The new model supports non-state partnerships and funding, allows improved selection and recruitment practices to target learners with high success potential for specific careers, and curriculum customisation</i> • <i>This development signals an increasing willingness on the part of government to adapt the schooling system to employment related demand dynamics</i>
Non-Governmental Organisations (NGOs) & Communities	<ul style="list-style-type: none"> • Throughout South Africa's political evolution, non-governmental organisations (NGOs) have played a vital role in supporting the country's development. Although government has made significant gains in education, improving the quality of education is one of the most pressing challenges in post-apartheid South Africa • NGOs play a pivotal role supporting, partnering and capacitating high schools to deliver quality supply-side outcomes • Many NGOs are involved in local communities and schools to add value to the skills supply chain. <ul style="list-style-type: none"> • <i>For example, since inception, Columba Leadership has produced 6,500 graduates in 160 schools in six provinces. Columba Leadership is an NGO that significantly increases the capacity of young people for success in life, improves employability and has shifted the leadership culture in schools, contributing to an improved learning environment. Columba Leadership youth are often ideal candidates for sourcing as they have a foundation of people skills; problem solving skills; leadership development. Organisations such as Columba Leadership are often able to provide sourcing and clearing agencies with a first filter of aligned talent for GBS entry level vacancies</i> • NGOs providing career awareness to communities, families and youth to promote and brand GBS as a viable and sustainable career • NGOs also provide psycho-social support to communities ravaged by poverty, crime, drug abuse and gangsterism • Schools, parents and the community should work together to promote the health, well-being, and learning of all students

Institution	Roles
	<ul style="list-style-type: none"> • While the NSDP 2030 does not have a specific community or NGO focus, it does have a strong co-operative, small business and entrepreneurship focus, as government is aware of decreasing employment growth in the formal sector, and the need therefore to support job creation in smaller and less formal organisations <ul style="list-style-type: none"> • <i>Together with B-BBEE incentives and the YES initiative, this represents an opportunity to craft multi-stakeholder value chains where NGOs are able to fill gaps not met by the formal university and TVET college system.</i>
Institutional & Policy roles	<ul style="list-style-type: none"> • The Department of Basic (DBE) and Higher Education (DHET) formulate policy and regulations to ensure alignment and consistency of education delivery. Their focus also includes curricula for what gets taught in public and private institutions that they are mandated to oversee • The South African Qualifications Authority's (SAQA) has overall responsibility for the advancement of the National Qualifications Framework (NQF). This includes overseeing qualification development across the three quality councils (Umalusi, QCTO, CHE) and their sub-frameworks and recognising professional bodies • The Council on Higher Education (CHE) advises the MHEST on higher education policy and is responsible for quality assurance of academic institutions and programmes spanning NQF levels 5 – 10 • The QCTO is mandated to oversee occupational qualifications spanning NQF levels 1 - 8. It is the primary quality council for SETAs and workplace learning, and delegates some of its functions to SETAs where appropriate. Whereas before 2010 each SETA had its own quality assurance body (ETQA), the QCTO has been transitioning all legacy SETA quality assurance responsibilities to itself. BPESA is engaging the QCTO to obtain recognition for non-accredited learning • SETAs are mandated to promote and facilitate the delivery of education, training and development in order to enhance the skills profile of the sectors in which they operate and contributing to the creation of employment opportunities especially for those previously disadvantaged. SETAs will play an increasing role in the future towards bridging the gap of students in order to transition them more effectively from an academic environment to the world of work • Umalusi Council sets and monitors standards for general and further education and training. Umalusi is responsible for certification of qualifications in schools (Senior Certificate and National Senior Certificate), further Education and Training Colleges (National Technical Certificate; National Senior Certificate; National Certificate Vocational) and Adult Learning Centres (General Education Training Certificate).

Demand Aligned Profiling, Sourcing and Pathway management

Institution	Roles
Professional Bodies	<ul style="list-style-type: none"> • There are statutory as well as voluntary professional bodies in South Africa that help to govern the practice of specific occupations, setting standards and curriculum design • Professional bodies provide specifications for High School subject choice and guidance on occupational competencies required for high levels of professional effectiveness • Professional bodies are responsible for evolving standards and competencies • BPESA continues to engage with relevant Professional Bodies to ensure alignment of professional standards for Accounting roles in the GBS sector • BPESA will also research and build knowledge for roles not covered by Professional bodies such as the Analyst role
Sourcing Agencies	<ul style="list-style-type: none"> • Sourcing agencies include private, public sector and not-for-profit organisations and include Recruitment and Staffing agencies; Youth Employment accelerators • Sourcing Agencies provide supply-side services to Pathway Platform organisations often in the form of available candidate data • A number of Sourcing Agencies have capability and services to match competencies to GBS roles • BPESA recommends an ideal model of proactive sourcing and engage with students exiting High School and matching their profiles and capabilities to jobs in demand. This would be reflected in an institutionalised profiling and matching process. A Pilot Project is currently being planned and mobilised in partnership with the Services SETA (expanded on later in this section)
Pathway Platforms	<ul style="list-style-type: none"> • There is increasing support for national Clearing House and Pathway Management platforms to optimise and scale the matching of competencies to roles (e.g., Harambee Youth Accelerator) • Digital Platform technology and architecture is a critical component of Pathway Platforms requiring significant investment to aggregate information across youth labour markets. In so doing, digital platforms facilitate optimum matching and channelling of young people to in-demand job pathways opportunities ranging from formal jobs to work experiences to further learning • Pathway management platforms enable operators to register their talent demand, create a profile for in-demand roles and have registered candidates seeking work, match against this requirement in a more effective and scalable manner. This approach will mitigate the risk of candidates applying for jobs that they are not suited for and optimise recruitment resources. In addition, Pathway Management platforms ensure that job opportunities are known to a registered and matched talent supply. Further work is underway to build a database and engaged pool of candidates that are accessible to operators. The Gauteng Provincial Government SETA Pilot of 3,000 candidates will provide an opportunity to Pilot this intent and to build critical mass into a talent pipeline. This is a longer-term initiative and options will be considered to house the registered candidates in the BPESA Skills Portal or Pathway Platforms. A Pathway

Institution	Roles
	<p>Platform will also be required to track an additional 27,000 candidates that make up the 30,000 youth target who would form part of the dti incentive target of 50,000 new jobs. It is envisaged that this will be a partnership with industry to contract committed demand</p> <ul style="list-style-type: none"> • <i>Pathway Management Platforms also provide opportunities for innovation to solve industry challenges. For example, GBS operators often face periods of peak demand and require high volume capacity for short term contracts. Pathway Platforms may provide a viable solution to test entry level talent for seasonal ramp ups and improve their employability by building experience in the sector. A pathway operating model will also enable the sector to explore solutions to peak periods when there is a need to take on additional resources for short-term contracts. Seasonal ramping by operators provide entry level pathways to gain work experience and improve future employability.</i>

Demand-driven Work Readiness Bridging

Institution	Role
Work Readiness	<ul style="list-style-type: none"> • Demand-driven Work Readiness Bridging has a demonstrated track record to address foundational competencies required by the GBS sector for entry level positions • Impact sourcing is more than one-fourth of the GBS market in South Africa (Everest, 2018). This is expected to accelerate with the roll-out of the revised Department of Trade and Industry’s (dti’s) Incentive programme • Government and BPESA would like to create a higher-functioning youth labour market where GBS employers offer a bigger slice of their growth jobs to more of South Africa’s excluded youth • South Africa has an excessively high unemployment rate and has 6 million young people who are <u>n</u>ot in <u>e</u>ducation, <u>e</u>mployment or <u>t</u>raining (referred to as “NEETS”) • GBS employers state that they cannot find enough candidates who are ‘ready for work’. The NEET pool provides a potential talent pool for the GBS sector, but many employers tend to see this pool as risky to hire based on their lack of experience and work readiness • A young person is not ‘ready for work’ – or to stay or progress in work – to different degrees and for a variety of reasons. Youth from poor backgrounds that are largely isolated from quality schooling and the formal economy often lack foundational behaviour and capability to transition effectively into the workplace. This includes ICT basics, writing ability, clear communication, punctuality and interview techniques. There is therefore a significant need to bridge the work readiness gap • Young people are further disadvantaged in finding work because they score poorly on standard numeracy and English tests used by GBS employers to screen for hiring • Many youth in South Africa rarely have the opportunity to hone the ‘soft skills’ necessary for professional success that employers need, such as teamwork, self-confidence, poise, future-mindedness, self-motivation and grit

Institution	Role
	<ul style="list-style-type: none"> • Pathway Platforms and Work Readiness programmes aim to accelerate the youth labour market for GBS growth jobs. They will do this when employers perceive less risk in hiring youth with no prior work experience and thereby broadening their talent pool • BPESA will work with the demand-driven partners to develop specifications and accreditation for tailored Work Readiness interventions. For example, roles may require varying degrees of work readiness processes according the following role segments: <ul style="list-style-type: none"> • <i>Experienced</i> • <i>Intermediate</i> • <i>Entry-Level</i> • Work Readiness bridging variation includes the following: <ul style="list-style-type: none"> • <i>Some candidates may not require any intervention and may enter the workplace directly</i> • <i>Other candidates undergo bridge training hat is driven by their competency gap versus role requirement and driven by the sub-segment of GBS in which they ae seeking work</i> • <i>Interventions could include: “bootcamps”; short-courses; client-centric training; certified training</i> • <i>All bridge training will include the “building blocks” that have already been established as critical success factors such as: personal mastery; communication; numeracy and literacy).</i>

Demand Driven Workplace Training and Demand Aware/Aligned Institutional Training

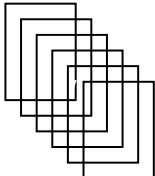

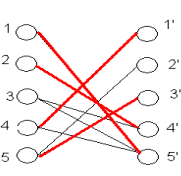
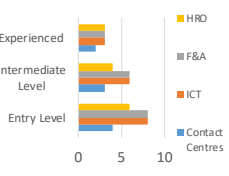

Institution	Roles
GBS Employers	<ul style="list-style-type: none"> • As candidates transition, and are contracted into the workplace, employers become responsible for role-specific training, their coaching, learning and development and career development • The focus of training orientates towards outcomes to build knowledge and skills for specific roles. These changes demand shifts towards different and new methods of learning to include blended learning; micro learning and responding to changes in how people consume content • Continuous learning is encouraged to meet rapidly changing business needs and youth may track in and out of tertiary education to have an academic qualification to supplement vocational qualifications
Training Providers & Institutions	<ul style="list-style-type: none"> • Demand-focused training for specific roles is undertaken by: <ul style="list-style-type: none"> • Private and Public Training companies • QTCO • Professional Bodies • SETAs • Industry • Academies, Colleges and Universities have an industry focus, providing opportunities for students to complete an academic qualification including master classes, general degrees, short-courses and specialist degrees

Institution	Roles
	<ul style="list-style-type: none"> Some institutions may focus more towards academic and theory orientation such as universities, while TVETS are increasingly adopting a Dual apprenticeship model of introducing students to practical application of theory while studying

A Conceptual Overview of a GBS Skills Supply Chain Operating Model

The following section provides a blueprint of a GBS Skills Supply Chain operating model with an emphasis on processes that have demonstrated success. It is recognised that further engagement is required at institutional, policy, communities and high schools and these aspects will be built into the operating model over time. The blueprint provides descriptions of key dimensions and processes and identifies key role players to deliver scalable skills solutions for GBS growth demands in the short term.

Figure 25: GBS Skills Operating Model

Diagnostic / Profiling	Sourcing	Pathway Management	Bridging	Workplace
<ul style="list-style-type: none"> Profiles are developed by Industry to cover all BPS sub-segments, roles and levels of work 	<ul style="list-style-type: none"> Sourcing role players share data in a consolidated Provincial candidate database 	<ul style="list-style-type: none"> Provincial Pathway Platform matches candidate data to role profiles & conducts battery of assessments to filter those with best fit and to identify competency gaps 	<ul style="list-style-type: none"> Training is provided to “bridge” the assessed competency gap between current work-readiness and requirements of the role profile 	<ul style="list-style-type: none"> Employers provide business specific training on-the-job and support staff with structured coaching and continuous career development
<p>Generic Role Profiles (GBS)</p> 	<p>Consolidated candidate database</p> 	<p>Provincial GBS Clearing House</p> 	<p>Bridging Training</p> 	<p>Workplace training, coaching & support</p> 
<p>CSF: Currency, accuracy, completeness of profiles</p>	<p>CSF: Availability, currency, accuracy, completeness of data</p>	<p>CSF: Standard assessment tools & scale of clearing operations</p>	<p>CSF: Relevance of curricula, capability of suppliers</p>	<p>CSF: L&D Capability of employers; coaching and retention</p>
<ul style="list-style-type: none"> CCMG develop and maintain profiles for CC sub-segment Other Professional bodies develop and maintain profiles for ICT, HRO, LPO, KPO, F&A 	<ul style="list-style-type: none"> Harambee; Afrika Tikkun; Maharishi Institute; Columba Leadership; MS Youthworks; Schools; Colleges; Universities; BPESA; CCMG; the dti; NYDA; etc. provide candidate data to Clearing House or upload to central db 	<ul style="list-style-type: none"> Harambee provides a Provincial Pathway Management & Clearing House Function to GBS Sector (and other sectors) People not suited to roles in GBS are mapped to job opportunities in other sectors 	<ul style="list-style-type: none"> Private and public sector training providers offer bridging programmes for different levels of experience (Levels of work) across all sub-segments of GBS All providers must work on a pay for output model 	<ul style="list-style-type: none"> Domestic and International / Public and Private sector employers take responsibility for business specific training, coaching and career development They are encouraged to align to GBS standards and qualifications

Diagnostic/Profiling

Institution	Roles
Process	<ul style="list-style-type: none"> Industry members (employers and service providers), coordinated by their relevant Professional Body (e.g.: CCMG for Contact Centres) develop and maintain Generic Role Profiles for each GBS sub-segment, each level, and each job family The profiles are uploaded to a web-based application (social network platform) and filed in a logical location The Provincial Clearing house access the Role Profiles during the Clearing stage of the supply chain
Data	<ul style="list-style-type: none"> Sub-segment; role name and description; job family; level; entry criteria; knowledge requirements; skill levels; behavioural requirements; experience; special requirements
Technology	<ul style="list-style-type: none"> Cloud-based collaboration tool (social network platform) e.g.: IBM Connections Document management and workflow for content creation, reviews and approvals, version control
Role Players	<ul style="list-style-type: none"> Employers and other industry role players Professional Bodies per sub-segment Provincial Clearing House
Location	<ul style="list-style-type: none"> The collaboration platform is housed centrally (Data Centre for the Clearing House) but accessed virtually
Critical Success Factors	<ul style="list-style-type: none"> Industry collaboration with Role definitions and profiling Currency, accuracy, completeness of profiles Alignment of Role Profiles to Professional Designations on OFO, where applicable.

Sourcing

Institution	Roles
Process	<ul style="list-style-type: none"> Sourcing role players upload their candidate data to the centralised Provincial Candidate database (manual or systematically) Individuals can upload data directly (via portal) The Provincial Clearing House filters the data and stores it according to sector, sub-segment, role, experience, skills and other relevant criteria Candidate status is recorded as “not assessed” and their records are allocated accordingly – updating the skills heat map
Data	<ul style="list-style-type: none"> Personal details (Full Name; ID; Home Address; Contact Details; other relevant demographic information; location) Previous experience; educational background; other

Institution	Roles
Technology	<ul style="list-style-type: none"> • Collaboration tool (social network platform) e.g.: IBM Connections with cloud database • Centralised data base • Live interfaces with other databases / systems
Role Players	<ul style="list-style-type: none"> • All role players (public and private sector) willing and able to share their candidate data with the Province at no cost
Location	<ul style="list-style-type: none"> • The collaboration platform and Provincial database is housed centrally (Data Centre for the Clearing House) but accessed virtually
Critical Success Factors	<ul style="list-style-type: none"> • Collaboration of the sourcing role players • Technical enablement for digitalisation of content • Availability, currency, accuracy, completeness of data.

Pathway Management

Institution	Roles
Process	<ul style="list-style-type: none"> • The Provincial Clearing House matches candidates to roles using the candidate data in the centralised database and the generic industry role profiles • The Provincial Clearing House then conducts assessments (using a range of assessment tools representing an acceptable industry standard) to filter those candidates with the best fit to a role and to identify competency gaps to be addressed in bridging • Candidate status is updated to “assessed” and their records are allocated accordingly – updating the skills heat map • Records show candidates competency gaps and group candidate records based on a recommended bridge
Data	<ul style="list-style-type: none"> • Candidate data • Role profile data • Assessment data
Technology	<ul style="list-style-type: none"> • Clearing technology (and back end algorithms) • Assessment tools and scorecards • Centralised candidate database •
Role Players	<ul style="list-style-type: none"> • Provincial Pathway Management Platform • Specialist assessors (work for the Pathway Management Platform provider)
Location	<ul style="list-style-type: none"> • The collaboration platform and Provincial database is housed centrally (Data Centre for the Pathway Management Platform) but accessed virtually
Critical Success Factors	<ul style="list-style-type: none"> • Collaboration of the sourcing role players • Technical enablement for digitalisation of content • Availability, currency, accuracy, completeness of data.

Work Readiness Bridging

Institution	Roles
Process	<ul style="list-style-type: none"> Once the Clearing House has assessed a candidate, they will be flagged for a particular work readiness intervention Work Readiness programmes will vary in structure, content and duration based on the level of experience of candidates catered for and based on the sub segment in which the role is located Public and Private Sector training providers (endorsed by BPESA and the relevant professional Bodies) deliver training on a pay per output model – training is order based Candidate status is updated to “trained” and their records are allocated accordingly – updating the skills heat map
Data	<ul style="list-style-type: none"> Candidate training results, scorecards and records Training provider details (Certified to train; location; capacity; schedules; programme details etc.) Training content
Technology	<ul style="list-style-type: none"> Skills Portal (for training scheduling, results etc.) Digital learning platform (fully enabled for social collaboration) Interface of skills portal with centralised candidate database
Role Players	<ul style="list-style-type: none"> Public and Private Sector training providers DHET BPESA Professional Bodies
Location	<ul style="list-style-type: none"> Location dependent on training providers (across provinces where GBS operations exist or are planned)
Critical Success Factors	<ul style="list-style-type: none"> Relevance of curricula Capability of training providers to deliver bridging training to target outcomes.

Workplace training, coaching and support

Institution	Roles
Process	<ul style="list-style-type: none"> Employers receive candidates directly via the Pathway Management Platform or from the bridging providers (depending on the route followed by the candidates) Employers provide work specific training to candidates (induction, process, systems, product, compliance, customer, etc.) to prepare them for the role Note: For inclusively hired candidates, employers emphasise a supported glide path to ensure that speed to performance is achieved Employers or learners update their learning status directly in the centralised candidate database – the heat map is updated automatically

Institution	Roles
	<ul style="list-style-type: none"> Employers provide coaching support and continuous development to support the candidates career development; including support for CPD activities Learning methods include: face-to-face; online; self-paced and blended channels
Data	<ul style="list-style-type: none"> Candidate learning data from the workplace CPD data
Technology	<ul style="list-style-type: none"> Digital learning platform (fully enabled for social collaboration) Centralised candidate database
Role Players	<ul style="list-style-type: none"> Public and Private Sector Employers Training providers Professional Bodies DHET
Location	<ul style="list-style-type: none"> Location dependent on employer
Critical Success Factors	<ul style="list-style-type: none"> L&D capability of employers Coaching and retention effectiveness Updating learner data throughout their career Alignment to BPS standards and qualifications.

The GBS Skills Supply Chain framework provides a powerful basis to test and optimise model for rapid scalability and to ensure effective outcomes. The Pilot Project below provides an example of this process.



Case Study: Pilot Project to test the GBS Skills Supply Chain operating model in collaboration with the Services SETA

Overview:

- The Pilot Project is a collaborative intervention between the Services SETA, Harambee and BPESA that brings respective experience, networks, resources and capabilities of the parties together to accelerate the supply of demand-focused work ready skills suited to the GBS sector's in-demand services. The proposal aligns directly to the strategic growth programme formulated by BPESA, Harambee and the dti and formally adopted in the President's Job Summit Framework Agreement.*
- The proposed collaboration aligns to each party's mandate while collectively tackling our national challenges of economic growth, poverty, exclusion, skills development and youth unemployment. The model proposed is targeted at a high growth Sector that falls within the mandate of the Services SETA and remains within the budget of the Services SETA for the 2019/2020 Financial Year. More importantly, it introduces a funding model that minimises the risk to the Services SETA of underspending on budget and optimises government*

investment on priority projects, while it will drive a culture amongst Services SETA beneficiaries that is outcomes focussed.

Problem Statement:

- *The GBS Sector is a high growth sector with demand to create 50,000 (plus) new youth jobs in five years. Yet it is desperately short of suitably prepared and skilled youth to fill entry level roles. The Services SETA mission is to provide the facilitation of quality skills development for employment and entrepreneurship in the Service Sector for national economic growth. Despite achieving high levels of enrolment of unemployed learners for learnerships and skills programmes, the following challenges have undermined the outputs and outcomes of Services SETA programmes over the past few years:*
 - *Inadequate research into skills in demand*
 - *A supplier driven approach to learnerships with inadequate supply/demand synchronicity*
 - *Low completion rates*
 - *Low impact on conversion to employment.*

The Solution:

- *The intention is that the proposed model be implemented as a pilot programme by the parties for 3,000 learners in the 2019/2020 FY before refining it and ramping it up to meet the entry level skill requirements of the Sector at full growth over the next five years (i.e., a further 27,000 unemployed and inexperienced learners). The delivery steps of the project are envisaged as follows:*
 1. *Secure demand from employers with high growth*
 2. *Match supply to demand with correct role fit and demand led training*
 3. *Introduce a proven work readiness programme (as a new skills programme) to set learners up for success in the workplace*
 4. *Seamless transition into the work environment and enrolment on the learnership*
 5. *Dynamic management of drop-off and replacement*
 6. *Contracted higher transition into employment*
 7. *Outcomes based funding model with end-to-end management of outcomes.*

Outcomes:

- ✓ 3,000 unemployed work-ready youth enrol for funded learnership and set up for success
- ✓ 2,250 (67%) completion rate on learnership versus current 25%
- ✓ 1,800 (60%) conversion from learnership employment versus less than 15% for current conversion

10% increase in direct cost per learner for a 42% increase in completion rate and a 45% increase in employment.

The following section provides an overview of the key Role Players and Intermediaries in the GBS Skills Supply Chain. It is a non-exhaustive list and will be added to and updated on the BPESA website (<https://www.bpesa.org.za/skills-development#landscape>).

Role Player Profiles

This section is a collection of brief organisational profiles intended as a reference and resource for GBS stakeholders and intermediaries to navigate the skills supply landscape and identify talent pipeline partners. The profiles are based on data from the SAQA NQFPedia, the National Skills Development Handbook and online sources. The role player list is based on current GBS sector linkages, ***is non-exhaustive and the list will be added to as additional stakeholders are identified or become engaged in the sector.***

National Government Departments

Department of Trade and Industry (dti)

The dti's mandate is to provide a sustainable environment for the development of the economy of South Africa. In the context of the GBS sector, the dti is mandated to market South Africa as an attractive investment destination for the sector and does so with the aid of specifically designed Government incentives and support programmes.

Implications for GBS Stakeholders

The dti, BPESA and Harambee have formalised a commitment in the Presidential Jobs Summit Agreement to create 50,000 new jobs over the next five years of which 20% or more are to be inclusively hired. The dti has also revised the GBS incentive to reduce the cost gap between South Africa and its key competitors and to strengthen the country's position as a preferred location for GBS.

 <http://www.thedti.gov.za/>

Department of Employment & Labour (DEAL)

Formerly known as Department of Labour (DoL), this department was at one point the home for what is now the skills development branch of the DHET. Since losing the skills branch to DHET in 2009, DoL has played a smaller role in the skills supply chain, but its national network of labour centres offering employment services for work-seekers and employers is a valuable resource. The addition of "Employment" to the department's title may indicate a more strategic role for this entity in the new Ramaphosa administration.

Implications for GBS Stakeholders

The DoL provides GBS businesses who are wanting to recruit, free access to the Employment Services of South Africa's (ESSA's) work seeker database.

 <http://www.labour.gov.za/>

Department of Basic Education (DBE)

The DBE is responsible for national education from Grade R to Grade 12 (also known as matric). Adult literacy was also located in their ambit but is now moving to DHET in the Community College branch.

Implications for GBS Stakeholders

The DBE will increasingly play a role towards developing programmes and interventions for foundational skill required for the GBS sector, in addition to providing career advice to students for in-demand sectors, occupations and career paths.



<http://www.education.gov.za/>

Post-School Education & Training (PSET) Sector

This is an umbrella term for all public and private role-players serving post-school youth spanning the formal qualification frameworks of the TVET college system, the SETA system, and the university system, as well as short courses and informal programmes of employers, NGOs and other providers. The sector serves those who have completed their schooling, those who have never been to school, and those who dropped out of school. Within the sector there are 25 public universities, 50 public TVET colleges with 250 campuses, 9 public community colleges, private universities and TVET colleges, 23 SETAs, the National Skills Authority, the National Skills Fund, the South African Qualifications Authority, and three quality councils (the Council on Higher Education, Umalusi and the Quality Council for Trades & Occupations).

Implications for GBS Stakeholders

The PSET sector is the immediate skills pipeline for GBS employers, as well as a source of education and training incentives and grants. It is distinct from the Basic Education sector responsible for schooling.

Department of Higher Education, Science & Technology (DHET)

Formerly known as Higher Education and Training (DHET), this is the government line ministry tasked with the governance of the PSET sector and the most PSET institutions are directly responsible to the Minister of HEST. It comprises several units, of which the following three are most likely of direct relevance to GBS stakeholders: the Skills Development branch, the TVET Branch and the University Branch.

Implications for GBS Stakeholders

DHET is a key GBS stakeholder due to its centrality to the PSET landscape however the cross-cutting nature of education and training requires coordination across several government line ministries including the Department of Trade & Industry, Department of Telecommunications & Postal Services, and Department of Small Business Development.

 <http://www.dhet.gov.za/>

DHET Career Development Services (Khetha)

[Also covered in the Ecosystem and Macro Environment Chapter.](#)

Khetha was established as a career guidance initiative within SAQA with funding from the Canadian government in 2010. The initiative has since become a permanent unit with DHET although it retains much of the youthful, vibrant, and independent ethos it started with. The unit operates a multi-channel call-centre and mobile unit which interfaces directly with scholars seeking subject choice guidance, matriculants seeking career or further study guidance, and work seekers needing help with job search and work readiness. Khetha has built a video library of scarce skill careers to help raise awareness amongst youth on new and emerging occupations in short supply. It also receives extensive free radio and TV airtime for its work through the Government Communication and Information System (GCIS).

Khetha extended its youth focus to service career development practitioners and TVET college staff needing to offer work readiness interventions for final year students. It also has the capacity to train TVET staff in designing and delivering their own work readiness interventions. Khetha also seeks to partner with employers to raise awareness of career pathways and to facilitate workplace-based exposure for scholars and TVET students.

As a shared service across all 50 public TVET colleges, Khetha represents a significant positive leverage point for interfacing with colleges, designing partnerships and obtaining third party mediation and support in bridging talent pipeline gaps. Khetha can also provide feedback to DHET executives and policy makers on systemic issues that need to be resolved to unlock the potential for youth employment.

Implications for GBS Stakeholders

Khetha can be an ally in linking youth employment projects across the PSET system as well as helping to shift the system to a more market facing and customer-centric culture.

 <http://www.careerhelp.org.za>

 <http://ncap.careerhelp.org.za/>

National Skills Fund (NSF)

The NSF was established in 1999 as a Schedule 3A public entity with relative autonomy within the DHET. It receives 20% of the Skills Development Levy collected monthly by SARS from employers with a payroll of over R500,000 per annum. The funding is earmarked for vulnerable groups outside of the formal labour market who are not reached by workplace training. Beneficiaries include rural communities, women, unemployed youth and people with disabilities.

Implications for GBS Stakeholders

The NSF accepts funding applications aligned to its mandate from employers and other role-players. It may also partner with SETAs to jointly fund projects that overlap with its mandate. Elements of the BPESA Skills Supply Chain such as community organisations, non-profits and schools may fall outside of SETA funding mandates but may qualify for NSF funding.

 <http://www.dhet.gov.za/NSF/>

National Skills Authority (NSA)

The NSA was established in 1998 to provide advice to the Minister of HEST from a broad range of education and training stakeholders, both public and private. It has since evolved to include research, monitoring and evaluation of SETAs and the National Skills Development Strategy, at the time a five-year plan. The NSA board consists of stakeholders from the community, labour, business and education and training providers.

Implications for GBS Stakeholders

The NSA is influential in advising changes to DHET strategy and policies and already has strong business representation. The change in focus of the body towards research, monitoring and evaluation is an opportunity to raise the profile of the GBS skills strategy and motivate for greater support across the PSET sector.

 <http://www.nationalskillsauthority.org.za/>

National Qualifications Framework (NQF)

The comprehensive system for the classification, registration, publication and articulation of quality-assured national qualifications and part-qualifications. The South African NQF is a single integrated system comprising three co-ordinated qualifications sub-frameworks namely for: General and Further Education and Training (Umalusi); Higher Education (CHE); and Trades and Occupations (QCTO), where the organisation in brackets is the quality council with oversight for that specific sub-framework.

Implications for GBS Stakeholders

For GBS stakeholders the NQF can help benchmark and standardise the sometimes confusing proliferation of programmes available in the country, although at times it comes with a bureaucratic weight which is not well suited to employers' needs for agility and flexibility. A Regional Qualifications Framework covering the Southern African Development Community (SADeC) is also at an advanced stage of development and will provide further scope for articulation and rationalisation.

 <http://www.saqa.org.za/>

South African Qualifications Authority (SAQA)

SAQA has overall responsibility for the advancement of the National Qualifications Framework (NQF). This includes overseeing qualification development across the three quality councils (Umalusi, QCTO, CHE) and their sub-frameworks as well as formally recognising professional bodies that meet national criteria for recognition.

Implications for GBS Stakeholders

For GBS stakeholders SAQA is an important stakeholder in the process of new qualification development as well as changes to policy that would give greater recognition to informal learning and short courses, which are an essential part of the Demand Driven Learning paradigm. While individual quality councils may not be responsive to requests for systemic change, SAQA is uniquely positioned to research and recommend changes to policy to enhance the implementation of the NQF.

 <http://www.saqa.org.za/>

Quality Council for Trades & Occupations (QCTO)

One of the three quality councils established under SAQA to oversee learning in the NQF, responsible for the Occupational Qualifications Sub-Framework and reporting to the Minister of DHET. The QCTO oversees occupational qualifications spanning NQF levels 1 - 8. It is the primary quality council for SETAs and workplace learning, and delegates some of its functions to SETAs where appropriate. Whereas before 2010 each SETA had its own quality assurance body (ETQA), the QCTO has been transitioning all legacy SETA quality assurance responsibilities to itself.

Implications for GBS Stakeholders

BPESA is advocating for the recognition for non-accredited learning and the QCTO will be engaged as part of this process.

 <http://www.qcto.org.za/>

Council on Higher Education (CHE)

One of the three quality councils established under SAQA to oversee learning in the NQF, responsible for the Higher Education Qualifications Sub-Framework and reporting to the Minister of DHET. The CHE oversees the quality assurance of higher education spanning NQF levels 5 - 10. It is the primary quality council for public universities and private Higher Education Institutions (HEIs). All undergraduate and postgraduate qualifications fall under the CHE along with the national research policy and infrastructure. See also Universities South Africa (USAF) later.

Implications for GBS Stakeholders

With the expanding range of complex work roles incorporated in Global Business Services, the higher education sub-framework is of increasing relevance to talent development for employers. BPESA has relationships with several public universities and private HEIs and intends to explore deeper partnerships with the CHE.

 <http://www.che.ac.za/>

Umalusi

One of the three quality councils established under SAQA to oversee learning in the NQF, responsible for the General and Further Education & Training Qualifications Sub-Framework and reporting to the Minister of Basic Education. Umalusi is responsible for the quality assurance of higher education spanning NQF levels 1 - 4. It is the primary quality council for ABET provision, primary and secondary schooling, as well as TVET colleges.

Implications for GBS Stakeholders

As the schooling system becomes more involved in preparing youth for employment, such as in the Gauteng Schools of Specialisation initiative mentioned in the Ecosystem and Macro Environment chapter, Umalusi may become an important role-player to engage for curriculum innovation.

 <http://www.umalusi.org.za/>

Sector Education & Training Authorities (SETAs)

SETAs represent employer, labour and government interests in education and training for each sector of the economy, with a special emphasis on workplace learning. There are currently 21 SETAs, down from an initial 27 established in 1998. Additional mergers are expected to take place which will reduce the number slightly. SETAs are not funded via the national budget but rather through a 1% monthly tax on payroll (the Skills Development Levy). SETAs do not directly engage in training but rather fund education and training institutions, including employers, to deliver interventions identified in their sector skills plans, which are developed through research and consultation with employers and other sector stakeholders.

Collectively SETAs marshal approximately R16bn per annum and can be very influential in human capital development in their sectors when employers second senior staff to SETA board positions, and actively engage in SETA projects. SETAs have strongly influenced the design of the Skills Development Element of the B-BEE Codes of Good Practice and have a strong emphasis on social transformation and youth employment. Some SETAs are taking the Fourth Industrial Revolution very seriously and are investing in research and new programme development to prepare for the impact.

The QCTO is responsible for quality assurance of the bulk of SETA learning programmes, and delegates some of its work to SETAs where no professional or industry body exists. SETAs also fund higher education substantially through bursaries, lecturer development, research chairs and infrastructure grants.

A list of SETA websites is available here:

 <http://www.dhet.gov.zaSitePages/SETALinks.aspx/>

Implications for GBS Stakeholders

When registering for the first time, choose your SETA carefully, as more than one SETA may be relevant to your core business, and some SETAs are more effective and responsive than others. Having selected a SETA nominate senior executives for board membership, provide detailed input and feedback to the SETA's five year Sector Skills Plan, and annual updates, attend roadshows and workshops to ensure your needs are expressed, and be sure to report poor performance, maladministration or corruption to the Skills Branch of the DHET, which has the power to put SETAs under administration. Review your SETAs annual Discretionary Grant Funding Windows to ensure you apply for funding for relevant opportunities. Partner with BPESA and your SETA wherever possible, as the PSET system gives industry associations and professional bodies significant weight in workplace learning issues.

Registering with one SETA does not preclude you from applying for support from another SETA under their funding windows, although all sources of joint funding must be declared to avoid double-dipping. Cross-cutting skills in areas such as management, programming and data analytics may be funded by all SETAs.

SETAs that many GBS employers will find relevant are: [Services SETA](#) (the largest SETA by levy income), [BankSETA](#) (the banking sector), [InSETA](#) (the insurance and risk sector), [MICTSETA](#) (the ICT sector).

 <http://www.education.gov.za/>

Professional bodies and Institutions

SA Board for People Practices (SABPP)

The SABPP is a SAQA recognised professional body for the human resources profession. Its membership includes most large employers and spans both the public and private sector. It has active provincial committees as well as specialist committees in most of the HR disciplines and hosts professional development workshops, conferences and seminars on a range of relevant topics. It also works as a Quality Partner of the QCTO.

Implications for GBS Stakeholders

The SABPP is a key partner of BPESA in our vision to craft an optimal skills supply chain. GBS stakeholders can benefit from membership of the SABPP.

 <http://www.sabpp.co.za/>

Universities South Africa (USAF)

USAF is a representative body for public universities in South Africa, lobbying and advocating for the transformation of higher education and a better operating environment for the research, community engagement and teaching activities of their members. USAF membership includes 26 public universities and its directors consists of the vice-chancellors of each university.

Implications for GBS Stakeholders

USAF can play a leading advocacy and sector coordination role in South African public universities to position the need for higher complexity GBS roles for the future.

 <http://www.usaf.ac.za/>

Association for Skills Development South Africa (ASDSA)

The ASDSA is a representative body for skills development professionals including education and training practitioners and organisations. It was one of the first bodies to offer Skills Development Facilitators support and guidance in the newly legislated role required by the Skills Development Act of 1998.

Implications for GBS Stakeholders

ASDA provides a resource to obtain inputs on changes in policy and legislation and to share the latest news in learning and development in South Africa.

 <http://www.asdsa.org.za/>

Intermediaries

Harambee Youth Employment Accelerator

Harambee is a youth employment Accelerator (non-profit). Harambee connects employers looking for entry level talent to young, high potential work-seekers who are currently locked out of the formal economy. Harambee recruits candidates where existing corporate recruitment networks do not reach, assess their competencies and match them to jobs where they are most likely to succeed. Harambee has connected over 115,000 youth to work experience and jobs. Harambee has been a key partner, together with BPESA and the dti to attract FDI and to target 50,000 new jobs for the GBS sector.

Harambee is a not-for-profit company focussed on building and facilitating solutions as an ecosystem manager to address the “mismatch of demand and supply” in the youth labour market. With an in-depth understanding of demand-side and supply-side mismatch, Harambee defines and demonstrates alternative pathways for transition into the economy. Amongst other things, it uses its large network to contract with funders whose mandates are aligned to closing the gap and converting an economically excluded NEET (not in employment, education or training) youth into a state of work readiness. It identifies and supports suitable organizations to build and deploy the capabilities required as operators to upskill the youth; and it convenes stakeholders to identify, design and implement solutions to address systemic challenges inhibiting economic growth and job creation in targeted sectors. Harambee works with 500+ South African employers – from large corporates to small businesses to microenterprises – across all economic sectors – and partners with industry bodies, Government, social investors and other social partners to achieve its goals.

Implications for GBS Stakeholders

Harambee has worked extensively in the GBS sector, to source, match and bridge (work readiness) unemployed youth for GBS job opportunities. Harambee’s candidates meet the dti’s incentive requirements for Impact Sourcing. Harambee has demonstrated ROI for a number of GBS operators when considering KPIs such as improved retention; reduced grievance and disciplinary procedures and increased levels of customer satisfaction. The organisation is innovating solutions and talent pipelines for in-demand digital jobs to meet 4IR needs. GBS operators and clients can also engage with Harambee to leverage their insights and deep sector skills knowledge to optimise their own processes and prepare for investment in South Africa’s GBS sector

 <http://www.harambee.co.za/>

WorkFit Campus

WorkFit was established with a grant from the Rockefeller Foundation as the last of its [Digital Jobs Africa](#) projects with a view to sharing research and tools developed from the best practices of the top ten global demand driven training providers with the public TVET and university system in South Africa. WorkFit is actively facilitating linkages between employers and TVET colleges using the WorkFit Toolkit, which can be downloaded from their website, as a primary resource.

Implications for GBS Stakeholders

WorkFit can assist stakeholders with advice and guidance on TVET college partnerships as well as the design and optimisation of work readiness interventions. The Demand Focused Learning Continuum and Youth Employability Value Chain referenced in this document are drawn from WorkFit, and WorkFit has provided inputs to the Ecosystem and Macro Environment chapter as well as this chapter.

 <http://www.workfitcampus.org.za/>

Mentec Foundation

Mentec Foundation's main objective is to develop African leaders in ICT while bringing niche ICT solutions such as SAP ERP, JAVA, Oracle, along with industry specific curricula and innovative ICT programmes to ordinary community members in townships and rural areas. It targets youth between the ages of 18 to 35, that have matric and ideally a tertiary qualification.

Implications for GBS Stakeholders

Mentec provides GBS businesses with access to youth trained in ICT and in-demand digital skills

 <http://www.mentecfoundation.org.za/>

Impact Sourcing Academy

Maharishi Institute, established in 2007 by the Community and Individual Development Association founded in 1979, launched the Impact Sourcing Academy (ISA) – Non-profit - vocational training programme in Johannesburg in 2013 and in Durban in 2014. The goal of ISA is to train unemployed youth for jobs available in the growth sectors including South African call centre industry and BPO sector. Curriculum covers work readiness, communication and life skills, a wide range of BPO topics including call management, IT Skills through IT partners and access to a degree programme for further study. Maharishi institute practices Consciousness Based Education (CBE), a process of learning by connecting each discipline with the student's personal experience; all students learn and practice transcendental meditation twice daily.

Implications for GBS Stakeholders

The ISA provides GBS operators with a supply of work ready youth who would meet impact sourcing criteria

 <http://maharishiinstitute.org/the-institute/about-the-institute/>

CareerBox

CareerBox is a for-profit recruitment and skills development organisation, specialising in customer contact and recruitment induction. Careerbox sources and develops young talent and equips them with capabilities to excel within a contact centre environment, interfacing with customers and driving brands forward. Target groups are for youth aged between 18 – 35, with English language proficiency, basic computer skills and from disadvantaged backgrounds.

Implications for GBS Stakeholders

CareerBox provides GBS operators with a supply of work ready youth who would meet impact sourcing criteria



<http://www.careerbox.co.za/>

The GBS Skills Supply Chain Framework continues to evolve in collaboration with key stakeholders. Significant progress has been achieved to segment accountabilities for delivery roles along the skills value chain with the goal of ensuring that supply is matched to demand created as a result of the growth of the sector over the next five years.

Nonetheless, it is recognised that the Skills Supply Chain operates within an eco-system and macro environment that has potential to impact GBS growth objectives, both positively and negatively. In the following Chapter, these variables are explored and discussed in greater detail to ensure that risks are mitigated, and the eco-system is augmented further.

ECOSYSTEM AND MACRO ENVIRONMENT



Creating a sustainable skills pipeline is necessary to encourage foreign direct investment into the GBS sector. Understanding the skills landscape is a prerequisite to developing a comprehensive sector Skills Strategy. For this to occur, the Skills Strategy highlights current and future jobs in demand and suggests areas for policy alignment to enable growth in the sector. The ecosystem within which skills development and delivery takes place includes multiple components that must align and where possible and be sequenced and prioritised correctly. BPESA plays a significant role as an Industry Enabler in the GBS sector and this Chapter provides an overview of the changing macro environment and ecosystem that the GBS sector operates in.

Why is the macro environment more important than ever?

Global economic and political turmoil together with rapid technological change are placing unique pressures on public and private role-players to coordinate more closely in order to optimise scarce resources and overcome trans-national challenges that may span the domains of previously independent authorities. The GBS sector needs to be cognizant and respond in an agile way to the changing macro environment and play an active role towards aligning the broader factors that have a direct impact on growth of the sector.

The South African skills system is one of the key parts of the macro environment that GBS needs to understand and integrate with (or adapt to) because of the importance of creating a sustainable skills pipeline in encouraging foreign direct investment (as highlighted by several investor surveys). Understanding the skills landscape is therefore a prerequisite to developing a comprehensive sector Skills Strategy and an important part of this document. BPESA is ideally positioned to play the role of systems integrator and Industry enabler for the GBS sector. The chapter highlights key macro environment factors, challenges and identifies policy and institutional changes necessary to support the sector's growth.

Why we often miss important changes and trends?

Many role-players in the South African GBS system work so closely to the coalface that they may not be aware of the long-term, gradual but decisive changes taking place in the environment. The value of documents like this skills strategy lies partly in the high-level overview they offer through which role-players can take a fresh look at their paradigms and strategies to identify opportunities for updating and revision.

This chapter offers a current perspective on long-term changes taking place in the formal supply side system, what is often called the Post-school Education & Training (PSET) System, influenced by adjacent systems such as the non-governmental youth employability system and the private human capital development system.

The patterns suggested in this chapter - while supported by actual developments on the ground - may have alternative, equally valid interpretations. This chapter sees a broad pattern of increasing convergence between the demand side and supply side role-players, towards greater appreciation for demand driven learning which is a significant shift, and one that should be

supported and amplified wherever possible by all South African GBS stakeholders. The environmental factors need to be understood, aligned and reorganised to enable more effective learning and skills development.

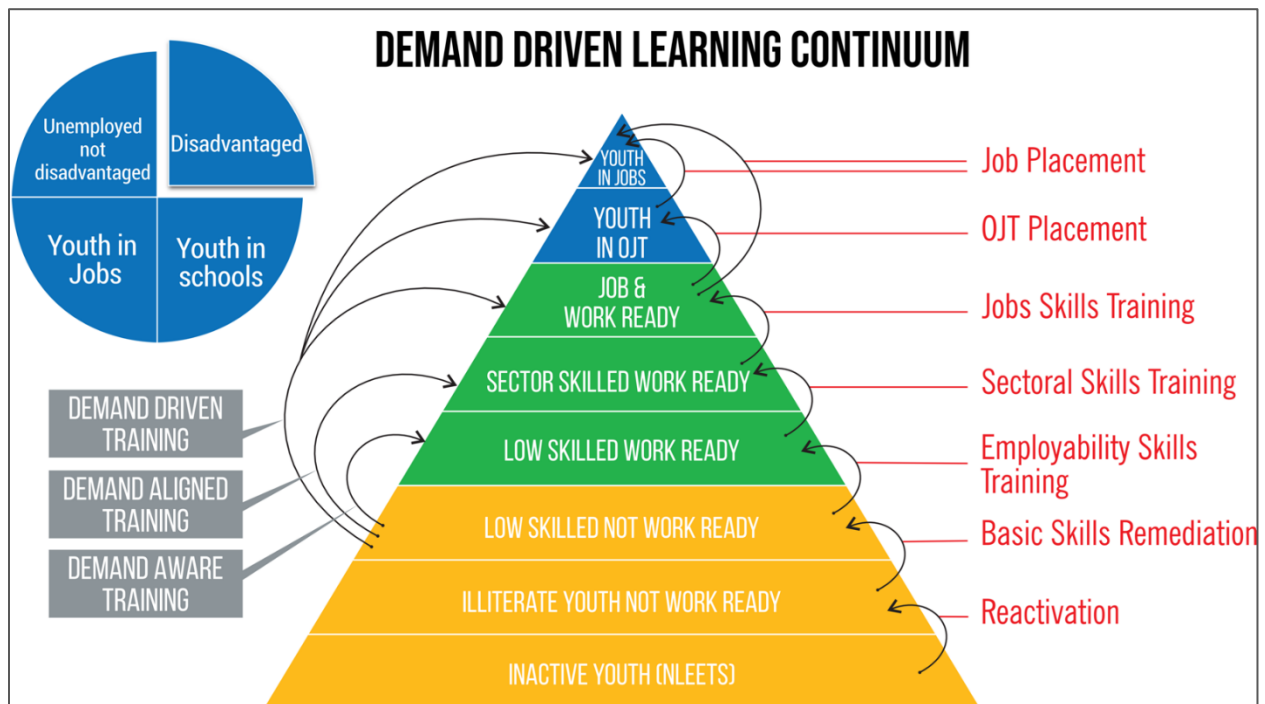
Two lenses to view the macro environment are suggested:

- Lens 1: The Demand Focused Learning Continuum
- Lens 2: The Youth Employability Value Chain.

Lens 1: The Demand Focused Learning Continuum

Understanding the Demand Focused Learning Continuum can provide a useful lens on the changing macro environment. As described in the research framework “Scaling Demand Driven Training Programs” (page 4, Making Cents International, 2017), it is helpful to think of youth employability initiatives as a continuum of learning opportunities spanning the range of Demand Aware to Demand Aligned to Demand Driven as illustrated below.

Figure 26: Demand Driven Learning Continuum



While the Continuum is not discrete, examples of the three types of initiatives can be broadly generalised as follows:

- *Demand Driven initiatives:* Harambee Youth Employment Accelerator, Careerbox, Mentec, Impact Sourcing Academy, EOH Youth Job Creation Initiative

- *Demand Aligned initiatives:* SETA skills development providers offering occupational qualifications
- *Demand Aware initiatives:* TVET college institutions offering vocational qualifications.

The funnel of progression towards ever closer alignment with the specific needs of a job role can be seen moving from top to bottom of the diagram. While employers are typically concerned with the “final product” at the top of the funnel, they are significantly impacted by problems earlier in the funnel where other stakeholders such as Sector Education & Training Authorities (SETAs), TVET colleges or the schooling system, may not “deliver” the fundamentals that on-the-job training requires.

In an ideal system, **Demand Aware** training institutions (typically operating at a basic schooling or ABET level) would equip youth with a sufficient base of general education to enter **Demand Aligned** training opportunities such as those offered at a TVET college or SETA with a vocational or (closer to the top of the funnel) occupational flavour and a work readiness element. This would enable the “last mile” training for specific organisational needs to be efficiently offered by highly specialised **Demand Driven** training providers within a minimal period of time and with a high level of efficiency.

In South Africa this continuum is flawed with many matriculants entering the labour market without the literacy or numeracy needed for work or further learning. In the Demand Aligned space these problems are then experienced as poor throughput and low-quality outcomes compounded by poor alignment to a rapidly changing job market and infrequent work readiness preparation. This pushes up the cost to employers of hiring and retaining new entrants, with many employers preferring to pay a premium for experienced hires. Meanwhile youth remain locked out of the labour market and crisis unemployment levels degrade an increasingly fragile business environment.

The situation is further exacerbated by accredited programme structures and systems being inflexible or unresponsive to be applied to in-demand learning needs for GBS businesses. In many cases, accredited training is motivated by B-BBEE improvement ratings rather than to develop in-demand skills.

Implications for GBS Stakeholders

The Demand Focused Learning Continuum is a tool to help understand the different roles played by supply side and demand side role-players in transitioning youth from education to employment. GBS stakeholders can use the Continuum at a strategic level to identify gaps, and types of interventions needed to optimise their youth talent pipelines.

Lens 2: The Youth Employability Value Chain

While the Demand Focused Learning Continuum offers a strategic lens for viewing skills pipelines, another lens is needed to dig deeper and surface the tactical level of detail for these pipelines: the multistage youth employability value chain. This lens alerts us to the process and role gaps in our interventions and opens up opportunities to partner with exponentially more role-players across more diverse environments and at scales not previously possible in order to save on costs and improve impact. The two lenses together then can empower employers and education and training institutions to craft partnerships that are realistic in terms of current constraints yet effective in end results.

The Youth Employability Value Chain offered here is drawn from the research framework “[Scaling Demand Driven Training Programs](#)” (page 12, Making Cents International, 2017), can be found in poster format in Appendix 1, and is summarised here in terms of its major stages. Please view the detailed version in the Appendix in order to grasp the nuances not captured in the summary below:

1. Partner engagement
 - a. Outreach, sales, marketing and networking process
 - b. Partnering process
 - c. Curriculum design customisation process
2. Youth engagement
 - a. Outreach, recruitment and mobilisation process
 - b. Selection process
 - c. Skills development process
 - d. Workplace learning process
 - e. Post-placement support process
 - f. Placement into jobs process.

While a **Demand Driven** provider operates to some extent in all of the above domains, a **Demand Aligned** provider may only engage employers to a limited extent for labour market intelligence and general input to curriculum design and also have less specific recruitment and selection criteria for youth as part of a broader public good mandate funded by taxpayers. A **Demand Aware** provider may engage in a one-way consultation with employer representatives on generalised curriculum design and may apply limited learner selection criteria with simulated workplace learning substituting for actual work experience, and no post-placement support offered

Implications for GBS Stakeholders

Use the Demand Focused Learning Continuum and the Youth Employability Value Chain to assess and improve your current youth talent pipeline strategy and tactics. Also identify areas where partnering with supply side role-players could save costs and / or improve impact. Use these tools to have a conversation with supply-side role-players where you discuss your current approach, and how and where you would like to partner with them. BPESA is actively facilitating such pilot projects across the Skills Supply Chain and can help you with this process as well as introduce you to suitable partners and potential funders.

Joining of skills supply and demand into a seamless value chain

This section surfaces a distinct trend towards Demand Driven learning taking place in the formal South African education and training landscape.

The disjunction between supply and demand in the labour market was baked into the new democratic South Africa immediately after 1994, despite forces working to the contrary, and the struggle for closer integration is still playing out in the institutional landscape 25 years later. The South African Qualifications Authority (SAQA) tried to integrate the disparate schooling, TVET, and university systems, but the new skills development impetus was isolated to the Department of Labour, with the traditional supply side institutions reporting to the Minister of Education. This represented a distinct boundary between the more Demand Aligned focus of the former Ministry and the less Demand Aware focus of the latter.

The Department of Labour became a hub of innovation as the democratic impetus for worker empowerment found expression outside the Department of Education in a range of new institutions and processes including the Sector Education & Training Authorities, the Skills Development Levy Grant System, Learnerships, unit standards based learning, new qualification development processes designed to draw employer participation (National Standards Boards), and other Demand Aligned innovations.

However unemployed youth were not the primary focus of the skills development system, which served firstly the needs of employed workers and the limited number of new entrants to the labour market who enrolled on learnerships, apprenticeships and skills programmes. The bulk of South Africa's unemployed youth were matriculants from the basic education system and graduates of the public TVET college system, both reporting to the Department of Education. Furthermore, the bulk of the fiscus education expenditure went to the university and TVET systems, with skills development financed directly through the Skills Development Levy paid by employers. The skills system could therefore never scale to meet the challenge of youth employment, a fact which became increasingly apparent in the years leading up to the 2009 national election.

Implications for GBS Stakeholders

It's important to understand the structural barriers that have kept the TVET colleges, universities and SETAs so poorly integrated so that we can approach these role-players with more awareness of their challenges and with a realistic sense of the risks involved. This will provide a contextual foundation for much needed collaboration for generating in-demand skills required for GBS sector growth.

Shift towards demand aligned approach in the public TVET system

Demand alignment in the public TVET system is important because this is one of the primary youth talent pools for GBS employers in South Africa.

As digitisation and Industry 4.0 accelerates and the need for omni-channel delivery increases, the GBS sector requires higher level skills and capabilities. The public TVET system is one of the primary youth talent pipelines for South African GBS employers in all job roles other than those of the highest complexity, where the university system would be the primary pipeline. Yet the TVET system has traditionally had the weakest academic outcomes, and the poorest relationships with employers, compared with the SETA system and the university system.

The SETA system does engage with unemployed youth, but with its primary focus being the employed workforce, it will never reach the scale of the geographically distributed public TVET system and its 800,000-student headcount. In instances where the SETA system does play a role in the education to employment transition, it is generally working with TVET graduates or matriculants.

In 2009 a new, more integrated Ministry of Higher Education & Training brought the TVET and SETA systems together under the same Ministry. It took a further eight years before the public TVET colleges began to test the offering of occupational qualifications under the Dual System Pilot Project (DSPP), as the Demand Aligned programmes of the SETAs found traction and appeal to policy makers responsible for the Demand Aware colleges.

The TVET system currently consists of 50 colleges and 267 campuses across the nine provinces. More than 18,000 employees run this system which serves approximately 800,000 students every year and receives 12% of the DHET budget. In contrast the public university system has approximately 1,1 million students enrolled annually and receives 59% of the DHET budget. Further shifts are now taking place in the public TVET system which are discussed later in this document.

Implications for GBS Stakeholders

The pace of change in the South African public education and training system has picked up significantly since 2009 but the huge size of this sector and its bureaucratic constraints means that we are only now starting to see these changes on the surface. Significant changes are envisaged in the TVET system and there will be an increasing need for GBS businesses to collaborate with TVET colleges to ensure that students exiting the system meet the skills needs of business.

National Skills Development Plan 2030

The SETA system will from 2020 be governed by the new National Skills Development Plan.

From the year 2000, the skills system under the Department of Labour operated under five-year skills strategies with SETAs being optionally re-established at the end of each period. The impermanence of this arrangement introduced instabilities and uncertainties which degraded long-term impact and over-emphasized short-term numerical targets. Consequently, the White Paper on Post-school Education & Training in 2014 proposed a new long-term approach to the skills system which is due to be published in 2019 as the National Skills Development Plan 2030, and which comes into effect from March 2020.

Aside from establishing SETAs as permanent structures, the Plan solidifies the Demand Aligned occupational emphasis of the system, which had been gaining traction steadily, and identifies partnerships with employers as a key success factor across all dimensions of the sector. It is expected that each SETA will embody the Plan in their five-year sector skills plans which means developing strategies to deepen employer and civic partnerships and to fund new occupational qualifications development.

The National Skills Development Plan 2030 states the following about education and employment:

“Improving the relationship between education and training and work is a key policy goal of the WP-PSET (White Paper for Post-school Education & Training). The WP-PSET is unequivocal that the main purpose of TVET is to prepare students for the world of work, a position that is in line with international practice. The OECD’s review of TVET systems in 20 countries concluded that a key feature common to effective TVET systems everywhere is a focus on training for employment. Workplace-based learning is important for the employment prospects of students in the system.”⁵

Implications for GBS Stakeholders

We can expect greater stability and policy coherence in the SETA system, as well as an expansion of its occupational focus and an emphasis on partnerships with employers. The NSDP calls for greater integration of universities, TVET colleges and SETAs, so we can expect a knock-on effect on the whole education and training sector.

⁵ Government Gazette Number 42290 (4 March 2019), page 9

Occupational Qualifications Paradigm Shift

Occupational Qualifications are a Demand Driven programme type that is gaining rapid traction in the public education and training system.

The National Qualifications Act and the amended Skills Development Acts of 2008 created a new landscape for qualifications with an occupational purpose. The newly established Quality Council for Trades and Occupations manages the development, registration and implementation of occupational qualifications. These are distinguished from previous occupational-directed qualifications by requiring work experience of a specified nature and duration in addition to the acquisition of related knowledge and practical skills.

These qualifications create the space for the development of a Demand Driven education and training system. BPESA continues to work with a number of professional boards to develop in-demand Contact Centre qualifications. In the main providers in this space have been private providers. But in the past few years the public Technical Vocational Education and Training (TVET) system has started to pilot and scale the introduction of occupational qualifications in TVET colleges.

The National Skills Development Plan 2030 suggests that SETAs will prioritise funding for new occupational qualification development, which can help reduce the cost to employers of creating new, more relevant learning pathways:

“Although there might be some flexibility in the design of different qualifications, there is no doubt that the system requires better and more systemic arrangements for workplace-based learning in order for the programmes to inspire confidence among employers and to improve employment outcomes for students. Skills levy institutions through their funding will play an important role in supporting the increased production of occupationally directed programmes.”

Government Gazette Number 42290 (4 March 2019), page 12

Implications for GBS Stakeholders

The TVET system is recognising the need to become more Demand Aligned and is increasingly receptive to aligning programme outcomes to current and future skills needs, specified by business. This provides opportunities for GBS businesses to engage with local TVET colleges to develop talent pipelines.

Dual System Pilot Project (DSPP)

The DSPP is an example of a Demand Driven programme which has been successfully piloted in the public TVET system with a view to scaling to more colleges. A key success factor was the support and active participation of industry and professional bodies.

With the assistance of the German funding agency German International Cooperation (GIZ) the Department of Higher Education (DHET) introduced two trades (electrician and plumber) into four colleges. The implementation was based on the European Dual System model. The main features of this project were:

- Apprentices are employed before beginning the programme
- Intermediaries employed the apprentices and then placed them with host employers
- Apprentices alternated between college and the workplace in 5-week blocks
- Lecturers became facilitators and used a project-based learning approach (no subjects, and an integration of the general and theoretical knowledge with practical activities)
- The guidelines for this approach are National Occupational Curriculum Content (NOCC)
- This document structures the QCTO curriculum content in such a way so that what was learned at the college prepares the apprentices for particular tasks in the workplace
- The project-based learning approach enhances problem-solving skills as well as so-called “soft skills” such as teamwork, communication, planning, assessing the quality of their work etc.

These features exhibit obvious Demand Driven characteristics. The first apprentices in this programme will be doing their trades tests in the middle of 2019. As a pilot project it has identified a number of systemic and practical problems and there have been a number of lessons learned. This is understandable given that the TVET system until now has primarily operated in the Demand Aware paradigm, and there is a significant leap required to operating at a Demand Driven level. The project has been running for nearly three years and has also tested the medium-term viability of the approach second and third intakes of apprentices.

The scope of the project included the development of:

- Learner support materials
- Training infrastructure
- Lecturer capacity
- College management
- Employer relationships and readiness
- Candidate criteria and selection
- Quality assurance and assessment
- Mechanisms and processes to support dual programmes
- Monitoring and evaluation framework.

The broad consensus of all the role players is that despite the challenges experienced, the project has created the basis for expanding the approach to other occupations. The approach also

recognises the need to integrate theoretical learning and practical application in the workplace that optimises speed to performance.

Implications for GBS Stakeholders

The groundwork has been laid for BPESA and other GBS role-players to partner with the DHET to pilot new Demand Driven programme types in the public TVET college system.

Centres of Specialisation (CoS) Project

The Cos Project represents a scaling of the DSPP project which in itself is evidence that the Demand Driven paradigm is gaining further traction within DHET. While the immediate focus of the CoS project is around technical trades outside of the GBS sector, the strategy behind the shift is to build the capacity of the TVET public colleges to offer occupational qualifications, the new demand driven programme type which is the staple of the SETA system. TVET colleges will ultimately be geared to offer occupational qualifications in scarce skills fields including GBS occupations.

Launched early in 2019 the CoS project is implementing 13 priority trades identified as needed for the government's Strategic Integrated Projects (SIP). There are 26 campuses at 19 colleges across all provinces participating in the project.

A key objective in the project is that the centres of specialisation become "sites of good practice" which others can follow in due course. This will address the current lack of capacity in many colleges to offer such Demand Driven training.

From the beginning, the project used people from industry to assist with the design and implementation. Industry bodies formed occupational teams to assist the colleges prepare for and implement the trades.

The National Skills Development 2030 says the following about this new Demand Driven approach:

"Centres of Specialisation will be advocated to be the mode of delivery of identified occupational programmes, where this is practically possible. This mode of delivery will be encouraged, promoted and expanded in the TVET institutional type as it places the role of the employer at the centre with other stakeholders, such as SETAs. The role of the social partners remains central to the success of this methodology."¹

Government Gazette Number 42290 (4 March 2019), page 13

Implications for GBS Stakeholders

Demand Driven programme types have passed the Minimum Viable Product stage in terms of their adoption into the public TVET system.

Other similar projects

The principles and tools used in the DSPP and CoS projects are also being applied at other colleges and for non-trade qualifications, for example:

- The Cooperative project between the Indian and South African governments at the Gandhi Mandela Centre of Specialisation at Tshwane South TVET College
- Computer Technician (part of the Apprenticeship Game Changer project in the Western Cape)
- ICT4APP is a merSETA - CSIR initiative to use a technology platform to matchmake employers and Solar Geyser installers for the purpose of workplace learning towards occupational qualifications. This sector has only small contractor employers and the application therefore facilitates “stackable” employment gigs and micro-credentialing to achieve required learning outcomes. Although these qualifications are not relevant to the GBS sector, the methodology of micro-credentialing provides a more agile response for in demand GBS skills and qualifications.

Implications for GBS Stakeholders

Wider stakeholders are already exploiting the interest in Demand Driven learning to fork into new occupations or new and innovative partnerships. Partnerships meeting scarce skills needs or bringing together role-players at a mezzanine level are leading the way. Micro-credentialing provides an innovative and agile solution for 4 IR skills needs in the GBS sector.

Industry and Professional body participation

An essential ingredient in a demand driven learning system is the active participation of employers and their representatives in the design and delivery of programmes. Despite this, it is only relatively recently that these role-players have found a meaningful way to participate.

The establishment of the National Qualifications Sub-Framework for Occupations (OQSF) was intended to address labour market demand. From the very beginning there was an unexpected interest in the development of occupational qualifications at higher levels of the NQF for new, emerging professions and professional specialisations by professional bodies, industry associations and government departments to develop occupational qualifications for their sectors.

- At level 8 on the NQF, examples include Tax Professional and Organisational Risk Manager. These qualifications were registered at NQF Level 8 because they require a degree as an entry qualification
- At level 6 examples are Compliance Officer (the very first qualification registered on the OQSF), Organisational Risk Practitioner and the paraprofessional Tax Technician
- At levels 4 and 5 examples include Early Childhood Development Practitioners, mining technicians of various types, Career Development Information Officers, Community Development Practitioners and Solar Photovoltaic Service Technicians.

There has been significant interest from government departments, professional bodies and industry associations in developing occupational qualifications, e.g. dti and security industry, DIRCO, DoL (qualifications related to public safety and occupational health and safety), DMR (regulated mining occupations), National Treasury in association with professional bodies, DoT/TETA.

The OQSF still faces many criticisms from employers for insufficient demand alignment. However, the new sub-framework remains relatively open and comparatively innovative with respect to Demand Driven initiatives. For example a digital badging initiative has been raised with the QCTO by the WorkFit Campaign, and there is a willingness to explore a more flexible, Demand Driven layer to the OQSF which would be loosely coupled to the more formal framework, and yet still facilitate progression and mobility of learners across the boundary.

The opening of the NQF to professional bodies and the rapid growth in these new qualifications is another indication of the shift towards greater Demand Aligned learning and this is a zone of opportunity BPESA has investigated and participated in, in collaboration with CCMG, the SAQA recognised professional body for several GBS occupations.

Implications for GBS Stakeholders

We are witnessing a period of renewal and innovation in new programme development which empowers industry associations and professional bodies to play a greater role than previously possible.

Workplace-based Learning at TVET Colleges

Workplace-based learning is an essential element of Demand Driven learning. A range of initiatives have been implemented in the public TVET system since 2015 to expose lecturers and students to the work dimension of learning. This is a definite step towards closer demand alignment and needs to be encouraged and reinforced by GBS stakeholders.

Recognising that SETAs, universities and TVET colleges all engaged to some extent in workplace-based learning, and wanting to increase the scale of these engagements, the DHET began developing a Workplace-based Learning (WPBL) Policy in 2015.

The policy plans to clarify the varying purposes of WPBL across the public system, the roles and responsibilities of all role-players and the range of conflicting terminology. It also sees WPBL as being a requirement for students and for the professional development of lecturers (academic staff), described as Lecturer Work Experience (LWE). WPBL is treated as a continuum consisting of at least the following distinct flavours:

- Workplace Exposure (WE)
- Workplace-based Experience (WEB)
- Internships
- Learnerships
- Apprenticeships.

However, except in Apprenticeship and Learnership programmes, WPBL is not seen as a requirement for graduation, and the duration of the experiences varies from half a day to 15 days. Nevertheless the policy has already resulted in several pilot projects facilitated by the Swiss South African Co-operation Initiative (SSACI) which have developed planning resources, guideline documents, task books and activity logs. SSACI now supports provincial Work Integrated Learning forums to foster communities of practice in the TVET system.

Implications for GBS Stakeholders

Workplace-based Learning is experiencing a revival in the public TVET system, and with it, colleges are re-discovering the natural and synergistic relationship between work and learning. Together with SETA grants and Broad-based Black Economic Empowerment incentives, this represents an important entry point to building youth talent pipelines with colleges. For GBS operators, WPBL provides a framework for partnering with TVET colleges to develop and incubate in-demand skills. For students, WPBL provides opportunities to experience the sector first-hand and to envisage career path prospects in a growth sector.

Improving accountability of public institutions

Employer resistance to partnering with public education and training institutions is sometimes grounded in negative perceptions of the governance and performance of these bodies, whether a result of poor branding, fake news, or actual failures. It is important therefore to understand how the accountability of these bodies is improving.

South Africa has had more than its fair share of fraud and corruption scandals in both the public and private sectors over the past decade, and weaknesses in the SETA system and the public TVET system, have been exposed in this global trend of increasing expectations for transparency and accountability of public funds.

Partly in response to this trend and partly as a general trend towards centralisation of government, the public supply side system has been subject to increasing governance oversight and control. For example, the sector has seen regulations to govern the establishment and performance of SETA accounting authorities (boards of governance), the recruitment and selection of CEOs, the transfer of college staff from a responsibility of provincial government to national government, and other governance tweaks.

This trend of improving accountability is reinforced for the foreseeable future by the NSDP 2030 which includes as one of its nine foundational principles (see Appendix for list), a “strong emphasis on accountability” which seeks to:

“5.6.1. Improve the [post-school institutional] governance oversight and monitoring and evaluation mechanisms and capacity, with strong social partners’ involvement;

5.6.2. Institute mechanisms to ensure that actions are taken based on findings from these monitoring and evaluation systems. This, with a view to understanding the strengths, challenges and impact of the system;

5.6.3. Review the system where evidence suggests that there are obstacles that are preventing the realisation of the agreed upon outcomes. This will ensure that the Minister can act where there is non-performance or maladministration;

5.6.4. Introduce mechanisms for instructions to the SETAs by the Minister, where there are challenges; and

5.6.5. Review the SETA Standard Constitution to strengthen governance and accountability mechanisms.”⁶

While the actual impact of stated policy intentions such as these may vary from instance to instance, it is generally a prerequisite for impact that intentions are stated as explicitly as they are here, and the phrase “with strong social partners’ involvement” could be interpreted as an invitation for employers to hold the state accountable.

Implications for GBS Stakeholders

National government is aware of the performance and governance failures in parts of the SETA and TVET systems and needs our help to identify challenges before they escalate into failures, and to strengthen these systems by partnering with them for reasons of business and social impact. BPESA continues to play an active role to coordinate input from its members in order to improve the skills base for future growth of the sector.

⁶ Government Gazette Number 42290 (4 March 2019), page 20.

Employment and attempts to catalyse economic growth

While the macro environment is seeing a convergence of supply and demand in the education and training sphere, the economic sphere is seeing a convergence of employment creation and economic growth initiatives.

South African society has become increasingly concerned with its crisis levels of youth unemployment, one which has exploded since the Global Financial Crisis of 2007-8. As a result of this crisis, youth employment is now a cross-cutting theme addressed in numerous strategic and operational plans at all levels of government, in all provinces, and has recently been further elevated at the presidential level by President Ramaphosa's championing of the Youth Employment Service (YES) Initiative.

This has shifted the national emphasis from the worker empowerment thrust of the first two decades of democracy to a youth employment thrust, and the public TVET college system has been the primary focus for the Department of Higher Education & Training in efforts to reduce youth unemployment for two reasons, (1) disadvantaged, vulnerable youth can access the almost free, and geographically widespread, TVET system and (2) the system has the weakest educational and employment outcomes in the PSET sector, thus being one of the biggest contributors to the problem.

As a result of the TVET focus, the colleges have undergone rapid changes, with government driving multiple initiatives aimed at increasing the quality and quantity of TVET graduates. Initiatives over the past decade include the college recapitalisation program, the development of the new National Curriculum (Vocational) programmes, the Colleges Turnaround Strategy (2012 – ongoing) which included changing the colleges from a provincial government responsibility to a national government responsibility, the provision of full financial support to students, and the training of campus managers in managerial skills. The colleges have also received R2,5 billion from the National Skills Fund towards the construction of new colleges and the refurbishment of existing ones.

This strategy identifies two developments in the public TVET space which are particularly important in understanding the Demand Driven shift taking place and in designing talent pipeline partnerships into the public system: (1) the DHET Career Development Services (Khetha) unit and (2) the Coordinating SETA - TVET Offices initiative.

Implications for GBS Stakeholders

Employers are increasingly expected to host learners (or fund the hosting of learners with other employers) for work experience purposes in tandem with, or following, skills development programmes. If your talent pipeline is seen as an integrated journey from the schooling system to full performance, this expectation can support your work. YES provides an opportunity for GBS operators to improve their B-BBEE rating and provides a cost

effective programme of incubating a talent pipeline in addition to building the supplier base for the sector.

DHET Career Development Services (Khetha)

Khetha was established as a career guidance initiative within SAQA with funding from the Canadian government in 2010.

The initiative has since become a permanent unit with DHET although it retains much of the youthful, vibrant, and independent ethos it started with. The unit operates a multi-channel call-centre and mobile unit which interfaces directly with scholars seeking subject choice guidance, matriculants seeking career or further study guidance, and work seekers needing help with job search and work readiness. Khetha also has a website (<https://www.careerhelp.org.za/>) that helps individuals make informed education, training and career choices built a video library of scarce skill careers to help raise awareness amongst youth on new and emerging occupations in short supply. It also receives extensive free radio and TV airtime for its work through the Government Communication and Information System (GCIS).

Khetha extended its youth focus to service career development practitioners and TVET college staff needing to offer work readiness interventions for final year students. It also has the capacity to train TVET staff in designing and delivering their own work readiness interventions. Khetha's daily conversations with struggling, unemployed youth across the country puts it in the unique position of having a bird's eye view of the disjuncture between supply and demand in the public system, and also being able to do something about it through its services to college staff.

As a shared service across all 50 public TVET colleges, Khetha represents a significant positive leverage point for interfacing with colleges, designing partnerships and obtaining third party mediation and support in bridging talent pipeline gaps. Khetha can also provide feedback to DHET executives and policy makers on systemic issues that need to be resolved to unlock the potential for youth employment.

Implications for GBS Stakeholders

Khetha is a key potential future strategic partner for the sector. Khetha also seeks to partner with employers to raise awareness of career pathways and to facilitate workplace-based exposure for scholars and TVET students. This is an area of their mandate which could grow considerably in the future, especially as 4IR disrupts traditional career pathways and introduces new skills sets and work roles.

Coordinating SETA - TVET Offices (CSTO) Project

The CSTO initiative is an official DHET project to improve the employability of TVET students in the labour market.

It started life as the Lead SETA Offices Project in 2012 with the realisation that SETAs were generally closer to the labour market and had better employer relationships than TVET colleges, as well as funding to incentivise employer participation, yet colleges housed the bulk of the future youth workforce. By identifying a “lead SETA” for each college, and setting up a physical office on campus, it was hoped that TVETs would become more Demand Aligned.

With the appointment of JET Education Services to support the project, a research study was commissioned in 2016 and resulted in a formal theory of change and guidelines for Coordinating SETA - TVET Offices as the project became known. Nine pilot sites were established in 2017, with six participating SETAs, and JET is currently busy with an evaluation report which will lead to rolling out the project to all SETA and TVET colleges.

The CSTO project is adopting a virtual office approach to linking colleges, SETAs and employers on a platform that helps identify youth employment partnership opportunities and streamlines communication for partnership design, inception, monitoring and evaluation.

There already exist SETA and employer platforms for programme delivery which the CSTO will not duplicate. At its simplest level the CSTO virtual platform will be a dashboard of past, current and planned youth employment partnerships amongst SETAs, TVET colleges and employers which can be searched by industry sector, qualification type, student profile and geographic location. At a deeper level the platform will signal talent availability and placement opportunities and assist the employer - college matchmaking process from end to end with an opportunity for intermediaries to resolve blockages. The platform aims to eventually facilitate employer - college collaboration at curriculum level.

Implications for GBS Stakeholders

The CSTO project represents another sector level entry point for GBS stakeholders to understand the public TVET skills pipeline and build partnerships where risk can be minimised, while gaining access to a larger talent pool, and positively influencing the system towards a Demand Driven focus. SETAs will potentially bring incentives and capacity to resolve blockages which was previously lacking in TVET - employer projects. DHET oversight will potentially bring faster resolution to problems, and also give real-time feedback to policy makers about improvements to the enabling environment which need to be made.

YES Initiative

Another indication that South Africa has reached “peak youth employment” awareness is the business-led collaboration with government and labour - Yes4Youth - launched in April 2018 with President Ramaphosa bringing the national brand to lead the effort.

YES emerged out of the CEO Pledge in late 2015 and may be the most ambitious youth employment project in South African history.

To date YES has 87,000 youth registered on their system and in the first four months of 2019 they have assessed, selected and placed 16,200 interns. YES relies on the pull factor built into the revised B-BBEE regulations and enables companies to make significant improvements in their B-BBEE level by employing youth for 12 months or funding their placements with other employers. South African businesses are encouraged to create one-year positions for unemployed youth over and above current employment. During the 12-month period, the objective is to develop youths’ skills and workplace experience to pursue permanent employment opportunities.

YES focuses on good assessment and selection of candidates. The assessment is based on behaviours and suitability to the type of work, not only on academic results. YES also provides online work readiness training to those registered on their system. Once youth are placed they receive a mobile phone and can access additional learning resources. YES has developed a number of partnerships to improve outcomes. One example is the partnership with LinkedIn which includes: creation of profiles with assistance from LinkedIn; connecting youth with local and global employers via a centralised, custom portal; and analytics and insights to identify skills gaps across the world and supporting YES in custom curriculum and content development for YES youth.

A requirement for the B-BBEE regulations is that employers must provide a “quality work experience” and YES has developed a guideline for this.

Implications for GBS Stakeholders

YES raises the importance of youth employment on the national radar and provides additional B-BBEE incentives for participating employers. YES also steps outside of the “learning and work” model of apprenticeships and learnerships, and focuses exclusively on work experience. Lastly it gives the public education and training system another good (and high profile) reason to partner with employers for youth employability.

Impact Sourcing

Impact sourcing is an inclusive employment practice through which companies in the GBS sector intentionally hire and provide career development opportunities to people who otherwise would have limited prospects for formal employment.

Impact sourcing bridges the gap by sourcing youth who are locked out of the formal economy and who struggle to access the labour market. GBS businesses that have adopted Impact Sourcing have demonstrated that this large pool of talent can be groomed and developed into successful contact centre agents serving both international and domestic customers. The practice has the potential to transform the lives of young men and women, while also benefiting the companies that employ them and the communities where they live (Rockefeller Foundation, 2019).

Impact Sourcing, while developed as an international approach to responsible hiring, is well-suited to South Africa's socially responsible business sector. Impact Sourcing is viewed as an effective market-based solution to poverty alleviation. The GBS sector in South Africa and countries such as India have demonstrated the effectiveness of Impact Sourcing as a solution for broadening the talent pipeline to meet growth objectives. BPESA, together with the Rockefeller Foundation have played an important role in championing the Global Impact Sourcing Coalition which is a collaboration between businesses for creating jobs amongst disadvantaged communities.

Impact Sourcing has achieved familiarity in South Africa through Harambee Youth Employment Accelerator's promotion of the practice and is gaining more traction as GBS operators recognise the significant Return on Investment (ROI) if implemented correctly. GBS employers can now choose from several South African DDT providers who understand Impact Sourcing and can integrate it into their services

Impact Sourcing also integrates well with South Africa's B-BBEE strategy, skills development incentives and youth employment initiatives. In addition, the dti recently revised the incentives for the GBS sector to further encourage employment in South Africa through servicing offshore activities (Global Business Services Incentive, 2018). One of the dti's secondary objectives of the programme is to create employment opportunities for youth (age 18 – 34 years) and accelerate impact sourcing. For inclusively hired youth, GBS businesses need to pay a minimum wage of four thousand rand (R4,000) per month for the first twelve months of employment. The eligibility criteria also include a minimum job creation threshold of 50 new offshore jobs within three years from start of operation and operators must employ at least 80% youth as part of the approved project.

The Memorandum of Agreement (MOA) between the dti, BPESA and Harambee Youth Employment Accelerator provides further traction for impact sourcing. The three organisations have been working collaboratively since 2017 to stimulate demand and create an ecosystem for the GBS sector to thrive over the next five years. The MOA formalises the commitment made by the Parties to each other in the Presidential Jobs Summit Framework Agreement. The main goal

expressed is to create 50,000 new jobs over the next five years of which the sector commits 20% or more are to be for excluded youth. It is therefore anticipated that impact sourcing in South Africa will receive a significant boost by the sector.

Implications for GBS Stakeholders

GBS operators are able to leverage incentives in order to reduce the cost gap between South Africa and its competitors and attract offshoring FDI. Further incentivised by the dti, impact sourcing also provides an opportunity to build a talent and skills pipeline for sustained growth of the sector and has been shown to provide good ROI if implemented well. GBS operators will need to adapt their policies and processes to foster inclusive hiring practices and speed to performance for youth in this category.

4IR and its impact on the Changing nature of work and Future skills required



“the illiterate of the future will not be those who cannot read and write, but those who cannot learn, unlearn and relearn”

***– Alvin Toffler (1928 – 2016),
Author of Future Shock***

The Fourth Industrial Revolution, often known as 4IR or Industry 4.0 is a term used to describe a new “era” that is characterised by certain megatrends and disruptive technologies. It is characterised by a fusion of technologies that is blurring the lines between the physical, digital and biological spheres. According to the World Economic Forum, the 4IR is evolving at an exponential rather than a linear pace when compared with previous industrial revolutions. It is also disrupting almost every industry in every country. The is especially evident in the GBS sector.

4IR is expected to change the nature of jobs and the way people work. It is predicted that the automation of tasks, made possible by remarkable advancements in computing technology, artificial intelligence and advanced robotics will accelerate. This will promote efficiencies, but it will also threaten jobs. Automation will increasingly replace lower level jobs, including work currently being performed in the GBS businesses. The more predictable and repetitive the activities that make up the task, the more likely it is to be automated. A 2017 McKinsey reports projects that by 2030, at least a third of the activities of 60% of occupations could be automated. A recent global study undertaken by Accenture (Creating South Africa’s Future Workforce, 2018),

found that close to 6 million jobs in SA would be at risk over the next seven years due to automation.

However, the more intensive the use of human-like skills to perform a task, the less likely it is to be automated (Accenture, 2018). Hard to automate jobs include tasks like influencing people, teaching people, programming, real-time discussions, advising people, negotiating and cooperating with team workers.

Klaus Schwab, the founder of the World Economic Forum, argues that the single most important challenge facing humanity today is how to understand and shape the new technology revolution. Humans will need to undergo their own Human 4.0 transformation, seeking ways to harness 4IR for the greater good and developing skills sets that leverage and complement 4IR to deliver superior and more efficient services.

For example, some GBS businesses are beginning to adopt conversational AI technology delivered through virtual agents. Supporters of this technology believe that it takes the robot out of the human because they no longer need to answer repetitive questions, and human agents focus on processes that require creativity, problem solving and customer experience. It is anticipated that operators will increasingly adopt omni-channel self-service facilities. AI, chatbots and automated self-service technologies will free up agent time to focus on more complex tasks. This will require deeper product and backend knowledge and skills.

The ubiquity of technology in all aspects of life is driving substantial change in the world of work. A World Economic Forum report (2018) titled “Readiness for the Future of Production” ranked South Africa 67th out of 100 countries surveyed in terms of human capital, and 94th in the sub-component “Digital skills among population”. The WEF cites low ICT adoption (85th place), digital and thinking skills (116th and 78th) amongst the workforce, which will pose challenges for future economic progress and competitiveness (Global Competitiveness Report, 2018).

A global Industry 4.0 survey conducted by Deloitte amongst C-level executives across 19 countries – including 100 respondents from South Africa. The survey indicated some specific examples of where South African executives stood out compared with their global counterparts. They are less positive (78%) compared with 87% that Industry 4.0 will lead to more social and economic equality and stability. Only 4% (compared with 14%) feel highly confident that their organisations are ready to harness the changes associated with Industry 4.0. Three-quarters (73%) of South African executives see a future where autonomous technologies will replace human workers than augment them, compared with 47% of global executives. However, they believe that the majority of our workforce can be trained to have the skills we will require (72%).

The WEF believes that there are four main effects that the 4IR has on business—on customer expectations, on product enhancement, on collaborative innovation, and on organisational forms. Whether consumers or businesses, customers are increasingly at the epicentre of the economy, which is all about improving how customers are served. Physical products and services, moreover, can now be enhanced with digital capabilities that increase their value. New technologies make assets more durable and resilient, while data and analytics are transforming

how they are maintained. A world of customer experiences, data-based services, and asset performance through analytics, meanwhile, requires new forms of collaboration, particularly given the speed at which innovation and disruption are taking place. And the emergence of global platforms and other new business models, finally, means that talent, culture, and organizational forms will have to be rethought. It is likely that these dimensions will be key considerations for the GBS sector.

According to Accenture (2019), by effectively applying technology and digitalisation in the outsourcing arrangement to automate processes, access analytics capabilities to drive decisioning through data insights, or leverage applied intelligence (AI)—the latest evolution in BPS—to effectively augment professional capabilities, the South African sector will more effectively bridge the skills divide that exists between the local workforce and workers in incumbent global BPS destinations. Teachable AI agents can be employed to complete rudimentary, repetitive or administratively-onerous tasks that don't necessarily add value but are nevertheless necessary. Applying Industry 4.0 technologies in this manner frees human resources to focus on tasks that add the greatest value to the organisation or to clients. Investing in 4IR by local GBS operators will also enable South Africa to compete more competitively on price (Accenture, 2019).

The effect of these shifts not yet very clear but in terms of learning various analyses suggest that already the traditional pathway from school to post-school education (mostly 3 to 4-year degrees and diplomas is no longer working and will be even less viable in the future⁷). South African academic institutions and businesses will need to ensure that students and staff are equipped with approaches to learning that involve agility, adaptability and curiosity. Working and learning will now become con-joined in a number of different ways, e.g. enrolled students who also work to fund their studies, or workers who need small bits of continuing education to keep up with the rapid changes in the workplace.

Government has also recognised the need for the country to adapt to and take advantage of seismic advances in technology. President Ramaphosa has appointed members of a presidential Commission on the Industry 4.0 to recommend policies, strategies and plans to position South Africa for the future. In addition, through the Department of Trade and Industry's industrial policy action plan (IPAP), the government has developed several iterations of industrial policy to support Africa's industrialisation and optimisation of 4IR. The department has also established a new chief directorate, the future industrial production & technologies (FIP&T) unit, to examine likely impacts and build capacity around government to confront challenges of the fourth industrial revolution. A greater degree of collaboration between government and the business sector is envisaged on synchronise policies, strategies and plans.

⁷ Blivin, J, Mayo, Dr M. 2019 Shift Happens 2: Finding Strong Footing - The Future of Assessment in the Learning-to-Employment Landscape. Santa Fe: Innovate + Educate

Retrieved on 2019-03-06 from <https://innovate-educate.org/shift-happens-2-2/>

GBS businesses will need to recalibrate their organisations, developing an environment in which humans and machines work together to engage with customers, and improve efficiencies and customer experience. Accenture believes that by doubling the pace at which its workforce requires relevant 4IR skills, South Africa can reduce the share of jobs at risk from 35% to 14% by 2025. In addition, a systemic approach is required to prepare the country for the future. Schools and learning institutions must be equipped for teaching with and about 4IR. Resources will be required to transform education so that it meets the needs of 4IR.

Implications for GBS Stakeholders

The GBS sector plays a critical role towards identifying its current and future skill and competency needs as 4IR accelerates and to feed this into specifications for supply-side planning by education and training institutions. BPE:SA will continue to facilitate this input through its Skills Forums. The GBS sector will require agility to pivot to new technology opportunities in the future and foster a knowledge culture that drives career-long learning. The Skills Supply Chain will need to adopt a Demand (Aware, Aligned and Driven) orientation towards skills delivery.

Taking advantage of the Gig economy

Companies are increasingly using temporary labour according to the ILO. Technology enables this trend to grow with people able to work remotely from anywhere that is connected to the internet. The mainstream access will be via computers and the range of services that can be provided will increase. This leads to the formation of what is often termed the “gig economy”. There are two factors driving this economy. Changes in the way business operate mean they shed jobs. Those affected find that freelance work is the only available option to generate a sustainable livelihood. However, at the same time many skilled workers are moving out of formal employment by choice. A further key factor is the 68% mobile internet penetration in South Africa, enabling gig workers greater access to buy and sell goods and services and be connected to app-based platforms that facilitate on-demand jobs.

Some estimates suggest that there are 150 million independent contractors working in North America and Europe.⁸ Accurate figures are not available for South Africa, but the gig economy is considered to be growing. There are two types of “giggers”, according to James Manyika, chairperson and director of the McKinsey Global Institute, who led research into the gig economy across eight countries (Manyika, 2016). The first are people who are doing it out of preference, and the second are people who are doing it out of necessity. It is likely that the latter form a

⁸ Gianpiero Petriglieri Susan J. Ashford Amy Wrzesniewski. 2018. Thriving in the Gig Economy. Harvard Business Review March-April 2018 Edition. <https://hbr.org/2018/03/thriving-in-the-gig-economy>

significant portion of the giggers in South Africa, especially for youth who are trying to make ends meet. In this instance, exploitation is a real risk when many people are forced into gigs with low pay and poor working conditions. For giggers doing it out of choice, they recognise that they have a particular skill that is in scarce supply and that they can often get better returns by servicing many, as opposed to being employed by one employer. To operate effectively in this kind of labour market freelancers have to find ways to access ongoing training. The skill sets required to survive and thrive will also need to be developed. The chief of these is to develop an entrepreneurial mindset and to recognise that capability becomes detached from an individual and it becomes a commodity.

Highest paying gig economy jobs include: artificial intelligence/deep learning; block chain architecture; robotics; ethical hacking; virtual reality and digital marketing.

Implications for GBS Stakeholders

It is interesting to note that there are already platforms emerging that support matching freelancers to work opportunities. Depending on how they evolve they could become a threat to GBS or, alternatively, they could become part of the GBS offering. For example, GBS operators could tap into supply for seasonal peak periods or provide shift flexibility to students, gig workers and women with children.

Changing proxy paradigms and greater agility and accessibility to skilling opportunities

There is already a decided shift towards micro-credentials, nanodegrees and other forms of learning made easier by online universities or education and training providers. This also means a shift from content-based learning to skills development, from seat time in an institution to accessing online learning providers and assessment centres as needed, even just-in-time.

The nature of assessment is also undergoing changes and there is a shift away from diplomas and degrees as a proxy for skills and a shift towards industry certifications. These are credentials that can be awarded to jobseekers who take third party assessments. Third party assessments are centres used by industry associations, professional bodies or leading employers in a particular. The sector provides independent verification of potential and capability. The assessments are developed using industry-specific subject matter experts and can include both pre-hire assessment testing of employability skills, and/or occupational specific skills testing.

Implications for GBS Stakeholders

These types of systems can be used by GBS Recruitment and Talent Development functions to fast track hiring and training of talent.

This chapter provides a broad overview of the ecosystem within which skills development and delivery takes place and highlights potential implications for the GBS sector. It also identifies opportunities for the GBS businesses to leverage in order to ensure a sustainable talent supply to support growth of the sector. The overview is non-exhaustive and BPESA will continue to play a role in the eco-system in addition to identifying new opportunities to synchronise skills development efforts.

The following chapter delineates specific Strategic initiatives and priorities currently underway in addition to those planned for the future.

STRATEGIC INITIATIVES AND PRIORITIES



The BPESA Global Business Services growth strategy has been defined in the Jobs Summit Framework agreement of October 2018 and the Public Private Growth Initiative (PPGI) Sector Growth Plan of May 2019.

The plan includes initiatives to stimulate demand and create a sustainable supply of skills at a strategic level. These initiatives form a major part of the overall strategy but are not exhaustive and are complemented by demand and supply side interventions of a more tactical nature that are planned and managed by the regions in consultation with BPESA National.

This chapter of the skills strategy will focus on the supply side initiatives of a strategic nature only, while referencing briefly some of the other tactical initiatives for completeness.

The Strategic Skills Requirements

South Africa is in need of an accelerated supply of demand-focussed work ready skills suited to the Sectors in-demand services (entry level skills, specialist skills and leadership skills) combined with preparation for future skills for all roles and levels of work.

With a target of 50,000 net new jobs to be created over the five year period, at least 30,000 of these will be for excluded youth, being placed into new jobs typically of low complexity in nature while the remaining 20,000 will be sourced through the normal sourcing channels and from established sourcing pools, catering for non-complex, medium-complex and highly complex job types.

Some skills will be in such short supply in South Africa that they will have to be brought into the country for a temporary period while efforts are made to develop the same skills locally. These skills will be those identified in the earlier chapter as “critical skills”.

While effort is focussed on programmes to develop the demand-focussed work ready skills, the workforce also needs access to suitable content and programmes to up-skill, re-skill and future-skill themselves at their own pace through e-learning via a “future skills platform”.

Greater flexibility is also required in the skills development regulatory environment (more recognition for relevant yet non-accredited short courses and micro learning; addressing the requirement for the matric certificate which is currently a barrier to participation in Government funded skills programmes; and shorter lead time to register new learning programmes).

These changes to flexibility require policy changes from the DHET, potential changes to the codes of Good Practice for broad based Black Economic Empowerment and a change to processes adopted by the QCTO and SETAs.

The key supply side interventions

Strategic Programmes

While we experience this steady increase in demand, the global and local industry is changing rapidly as South Africa transitions into the digital economy and prepares for the world of Industry 4.0.

The BPESA skills strategy must respond simultaneously to this rapid growth in demand and the transition of the workforce into the future world of work.

The key skills initiatives over the next five years consequently focus on:

<i>Strategic Skills Initiative 1:</i>	The accelerated training and employment of youth (30,000) using an integrated approach to workplace learning
<i>Strategic Skills Initiative 2:</i>	Providing the GBS workforce with access to free and paid for content and programs linked to jobs in demand
<i>Strategic Skills Initiative 3:</i>	Changing the way that skills development initiatives are recognised, and programs are accredited by the DHET, QCTO and SETAs
<i>Strategic Skills Initiative 4:</i>	Lobbying for greater levels of B-BBEE recognition for money spent on skills development for business specific training
<i>Strategic Skills Initiative 5:</i>	Shifting the culture of skills development from being supply driven to demand led and outcomes focused.

Strategic Skills Initiative 1: Accelerated Employment of 30,000 Youth

The strategy envisages that 30,000 of the 50,000 new jobs to be created will be for entry level jobs and can therefore be filled with young people who do not need much, if any, prior work experience.

This programme therefore focusses on hiring these young people inclusively and combining a work readiness training programme, or bridge, with a learnership to form a seamless path to permanent employment.

The programme also embeds the concept that more flexibility should be allowed in the entry criteria for Government funded work readiness skills programmes (i.e. the discretion to allow people without a matric certificate but who pass a suitable work potential test to participate in entry level programmes) such as those funded by the Jobs Fund and NSF, and SETA funded learnerships and internships.

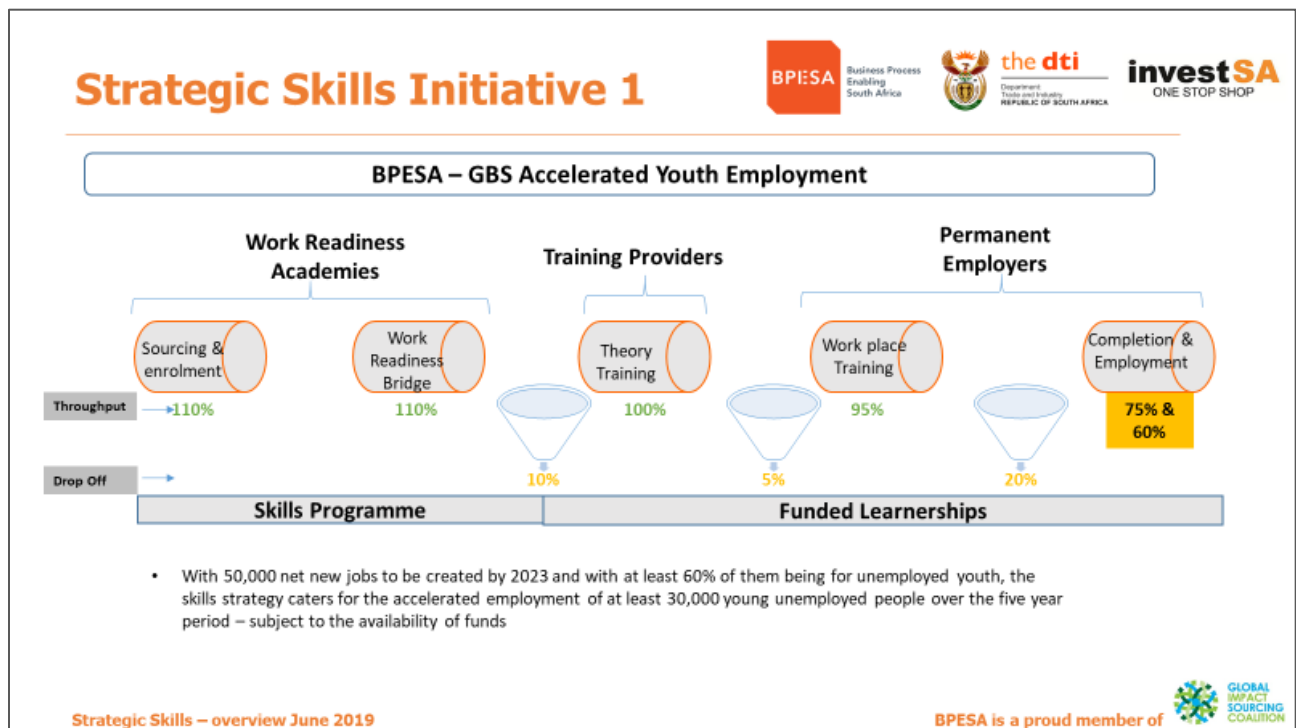
The programme also introduces a funding model that minimises the risk to the outcomes funder of paying for costs incurred in training people when there are low throughput and completion rates.

The solution model introduces a proven work readiness bridging programme, designed and implemented by Harambee, with a track record of success and proven ROI. This programme, which should be accredited as a cross-sector skills programme, has proven its value and impact in equipping unemployed youth to gain and retain employment in the Global Business Services Sector. It deals with the fundamental behavioural competences that are essential for a productive workplace while building self-esteem and confidence to unlock the real potential of our youth; it enables learners to transition seamlessly and effectively into the workplace on learnership programmes hosted by employers with assured demand for jobs.

The preferred outcomes funder is the Services SETA, but this role could be taken up by any National Government Department such as the NSF or the DoL.

The intention is that the model be implemented as a pilot programme by the parties for a suitable number of learners in the 2019/2020 FY before refining it and ramping it up to meet the entry level skill requirements of the Sector at full growth over the next five years.

Figure 27: Strategic Skills Initiative 1





STEP 1 – VERIFICATION OF EMPLOYER AND SECURING DEMAND

- BPESA will engage with its members (specifically those creating new export jobs and participating in the dti revised incentive programme) to determine their requirements for new entry level jobs for the year and will assess their willingness to participate in the programme by means of an expression of interest (EOI), subject to the conditions required by the participating SETA, Harambee and BPESA.



STEP 2 – MATCHING SUPPLY TO DEMAND

- BPESA will work with the willing and eligible employers, Harambee and other suitably capacitated Work Readiness Training Providers to match the demand for learners with the supply of learners across the country, based on the employers take up schedule; ensuring that all the learners budgeted for by the outcomes funder are allocated during the year
 - Harambee and the other work readiness training providers will engage with the employers to profile the learners precisely according to the jobs they will be placed into during their learnership (and ultimately employment) and will then source and match the learners using their collective national sourcing capabilities.

Harambee and the other work readiness training providers will source and train 10% more than the required amount, at its cost, to cover for the contingency for drop offs.



STEP 3 – DELIVERING WORK READINESS TRAINING

- The work readiness training providers will deliver the 6 to 8-week work readiness training (or bridge) based on the take up schedule provided by the employers, which will be consolidated and managed by BPESA, paying them a stipend for the duration of training
- The work readiness training programme will be accredited with the participating SETA as a cross-chamber skills programme. Where required, there will be recognition of this qualification across other SETAs engaged with companies in the GBS Sector
- Employers will engage with the work readiness academy operators and the learners during the work readiness training to conduct interviews and finalise their selection of learners for the learnership programme and ultimately for employment
- BPESA will manage the process with its members to ensure that all work readiness graduates are allocated to employers immediately upon completing the work readiness bridge
- Employers will be expected to pay a placement fee (amount to be determined) per person
 - This amount is based on the assumption that employers participating in the dti incentive programme that hire inclusively, pay a monthly salary of R4,000 (instead of

- the minimum of R5,000) while investing R1,000 per month (R12,000 per year) into training
- Employers not participating in the dti incentive programme that hire inclusively would be required to contribute a reasonable amount to the sourcing and work readiness training for each person placed with them.



STEP 4 – LEARNERSHIP ENROLMENT, THEORY AND WORKPLACE LEARNING

- Where participating employers do not provide their own accredited training, BPESA will engage its members who are Services SETA (or other SETA) accredited training providers (through an EOI) and will match them up with employers for the delivery of the learnership programme
- Where participating employers are also accredited training providers, they will have the option to provide their own training aligned to their own demand for unemployed learners
- The accredited learnership training providers (whether they are employers or 3rd party providers) will enrol their allocated learners for the relevant qualification and the learners, training providers, employer and SETA will enter into a funded learnership agreement. They will also deliver the training and ensure that learners complete the qualification successfully (other than those cases of drop off beyond their control).



STEP 5 – TRANSITION INTO EMPLOYMENT

- Once the learners have successfully achieved the requirements to complete the qualification, the learnership training providers will upload their results to the NLRD and complete the certification process with the relevant SETA
- Employers, participating in this programme will be required (as a condition of participation) to employ at least 80% of the learners allocated to them who successfully complete their qualifications
- BPESA will work with its members and the Work Readiness Providers to place those successful learners who are not placed into employment (i.e.: those who are not employed as part of the 80% employment condition).

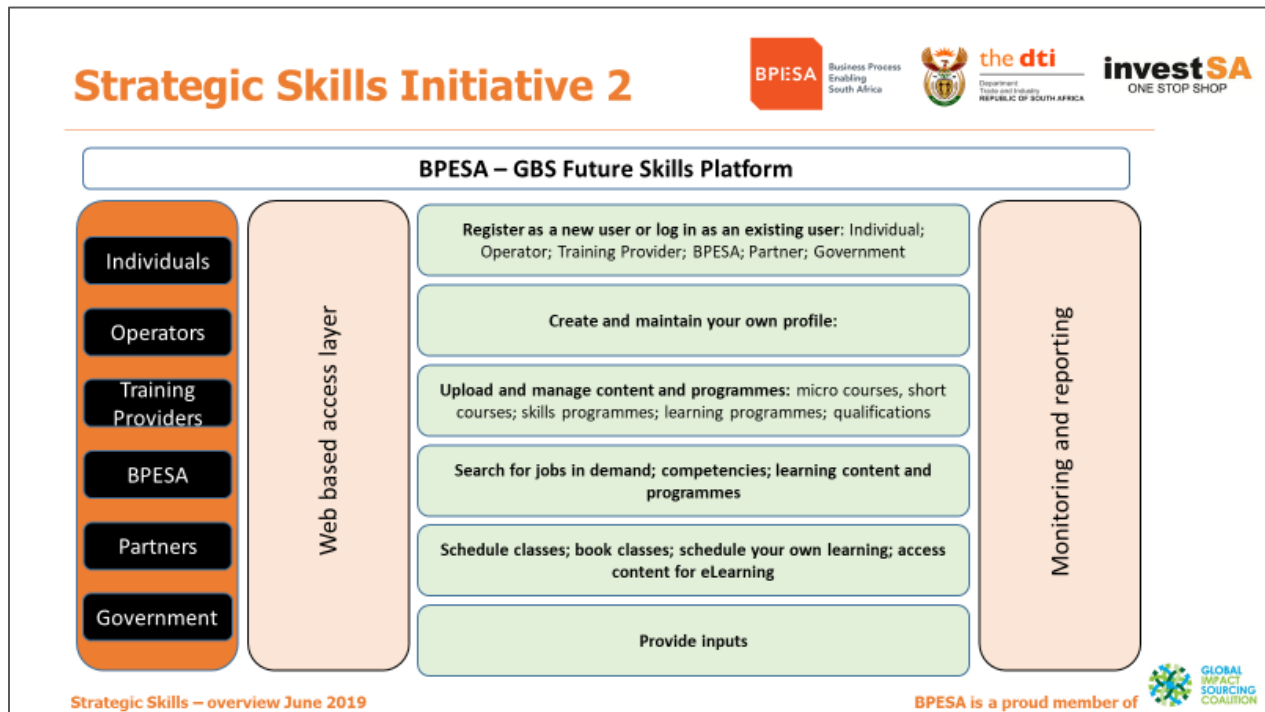
Strategic Skills Initiative 2: Future Skills Platform

The future skills platform initiative is intended to serve the following purpose:

- To reduce job losses due to automation, and enable ongoing skills upgrading and re-skilling across the economy with relevant progression pathways. To do this by:
 - Connecting suppliers and buyers of skills development programmes with each other
 - Enabling users of the platform to find skills programmes that address specific competencies (as identified in the BPESA GBS future skills framework)

- Providing access for users to free content made available to BPESA by 3rd party providers
- Linking jobs in demand to their underlying competency requirements and then identify suitable programmes (on the platform) that address these requirements.
- Ultimately providing the means with which people in the GBS sector can store their record of learning and credentials in a database that is accessible to stakeholders who could use this information.

Figure 28: Strategic Skills Initiative 2



The following table describes the GBS Future Skills Platform in greater detail.

GBS Future Skills Platform Description	
Users	The portal is for the use of individuals, operators, training providers, BPESA and its partners, Professional Bodies, and Government role players.
Access	Users are to access the portal through a web-based access layer via the BPESA website.
Core Functions for users on the Portal	<ul style="list-style-type: none"> • Register as a new user or log in as an existing user: Individual; Operator; Training Provider; BPESA; Professional Body; Partner; Government • Create and maintain your own profile: Companies would be able to publish their service offerings, credentials, references, and business details. Users would create and update their own learning profile or learning wallet

GBS Future Skills Platform Description

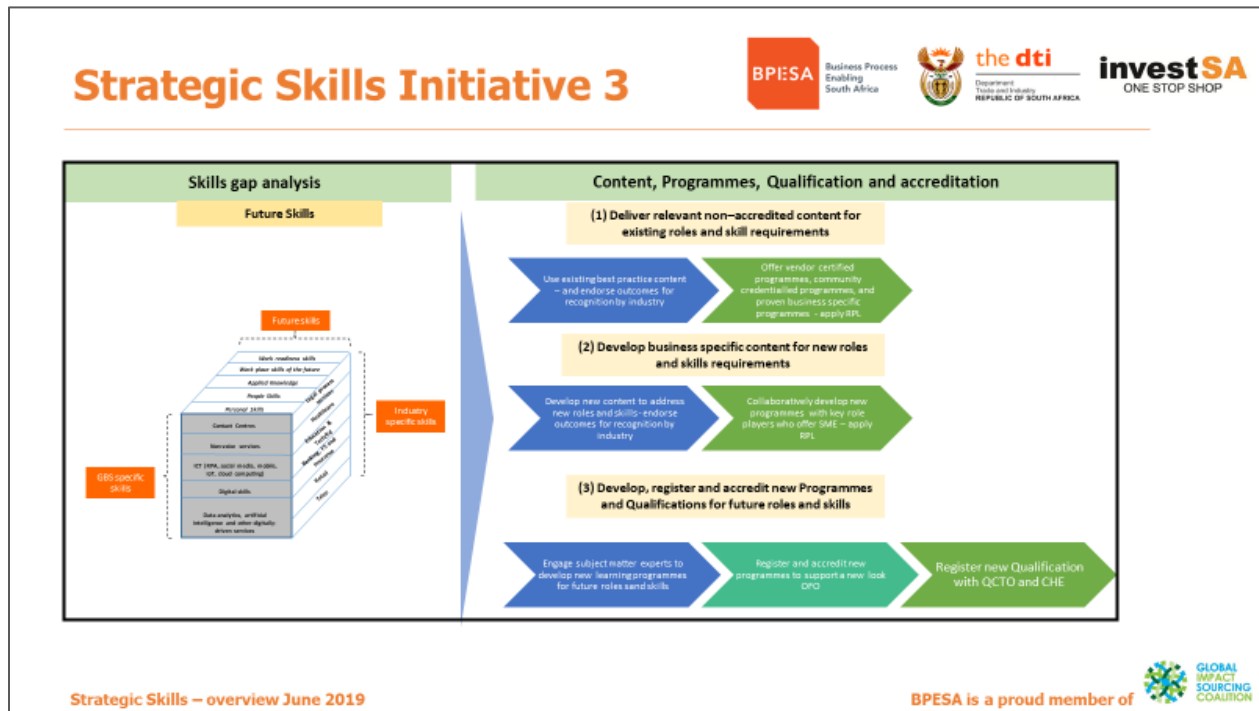
- **Upload and manage content and programmes:** Training providers, BPESA and partners will be able to upload and manage micro courses, short courses; skills programmes; learning programmes; and qualifications on the platform
- **Search for jobs in demand; competencies; learning content and programmes:** Users will be able to search for jobs in demand and then identify and undertake learning programmes that they need to undertake to be eligible for those jobs
- **Schedule classes; book classes; schedule your own learning; access content for eLearning:** Companies will be able to schedule sessions online while individuals will be able to book themselves for courses and manage their own learning online
- **Provide inputs:** all users will be able to provide feedback (complements; suggestions; complaints) about programmes, training providers, and the platform itself. Eventually, this feedback could be used as a rating system to enable other users to select programmes and training providers taking these ratings in to account
- **Monitoring and reporting:** The portal will have the functionality for BPESA to draw standard and custom reports on all activities and skills development information stored on the platforms database.

Strategic Skills Initiative 3: Accreditation and Credentialing

This initiative has a number of objectives:

- To ensure that training delivered for people in new roles (roles of the future), for which accredited programmes are not yet available or registered with SAQA, is recognized by the DHE and related structures (QCTO and SETAs) and that companies are able to receive recognition in their B-BBEE scorecards for the money spent on developing these skills in their staff
- To establish new and more relevant methods of assigning credentials to skills development for people following new pathways in the workplace e.g.: enabling BPESA, as an industry body, to endorse certain courses, programmes and qualifications that are not currently registered with SAQA, yet are extremely relevant to the South African GBS workforce
- To test methods of fast-tracking programmes and qualifications through the registration process with the SETAs, linking these to skills required by new and future roles in the Global Business Sector.

Figure 29: Strategic Skills Initiative 3



The initiative includes three approaches to achieving the objectives:

➔ APPROACH 1 – DELIVER RELEVANT EXISTING NON-ACCREDITED CONTENT FOR EXISTING ROLES AND SKILLS REQUIREMENTS

- Use existing best practice content (e.g.: from vendors such as Microsoft and Amazon) and BPESA endorses the programmes for recognition by industry
- Offer vendor certified programmes, community credentialled programmes, and proven business specific programmes - recognise these as Industry (through BPESA and its members) and, where possible, apply a Recognition of Prior Learning process (RPL) to formalise the recognition for certain learning outcomes where they can be linked to those forming part of existing accredited programmes and qualifications.

➔ APPROACH 2 – DEVELOP NEW BUSINESS SPECIFIC CONTENT FOR NEW ROLES AND SKILLS REQUIREMENTS

- Develop new content to address new roles and skills – and BPESA endorse the programmes for recognition by industry

- Collaboratively develop new programmes, with key role players who offer subject matter expertise, SME – recognise these as Industry (through BPESA and its members) and, where possible, apply a Recognition of Prior Learning process (RPL) to formalise the recognition for certain learning outcomes where they can be linked to those forming part of existing accredited programmes and qualifications.



APPROACH 3 – DEVELOP, REGISTER AND ACCREDIT NEW PROGRAMMES AND QUALIFICATIONS FOR FUTURE ROLES AND SKILLS

- Engage subject matter experts to develop new learning programmes for future roles and skills. Work with the existing and new professional bodies to achieve this
- Register and accredit the new programmes with the relevant SETAs to support a new look organising framework for occupations (OFO) with all GBS roles on the OFO
- Register the new Qualification with the QCTO and CHE as appropriate.

Strategic Skills Initiative 4: Greater B-BBEE Recognition for Categories F and G on the Learning Matrix

This initiative is closely aligned to Initiative 3 in that its purpose is to recognize the value of business specific training for jobs in demand, regardless of whether or not this training is linked to accredited programmes registered with the QCTO, SETAs and CHE.

The main objective of the initiative is to:

- Have the current weightings assigned to F and G type learning interventions on the B-BBEE skills matrix increased substantially to:
 - Recognise the spend that companies make on the development of skills that are job specific yet not necessarily linked to courses, programmes and qualifications on SAQA
 - To have the weightings increased substantially for category F and G learning interventions recognizing their importance in the upliftment of the national skills base, particularly in the GBS Sector.

Figure 30: Strategic Skills Initiative 4



BPESA will lobby the dti to give training spend on these categories a greater weighting in the generic B-BBEE scorecard while also exploring the feasibility of a sector specific charter that caters for nuanced requirements such as these.

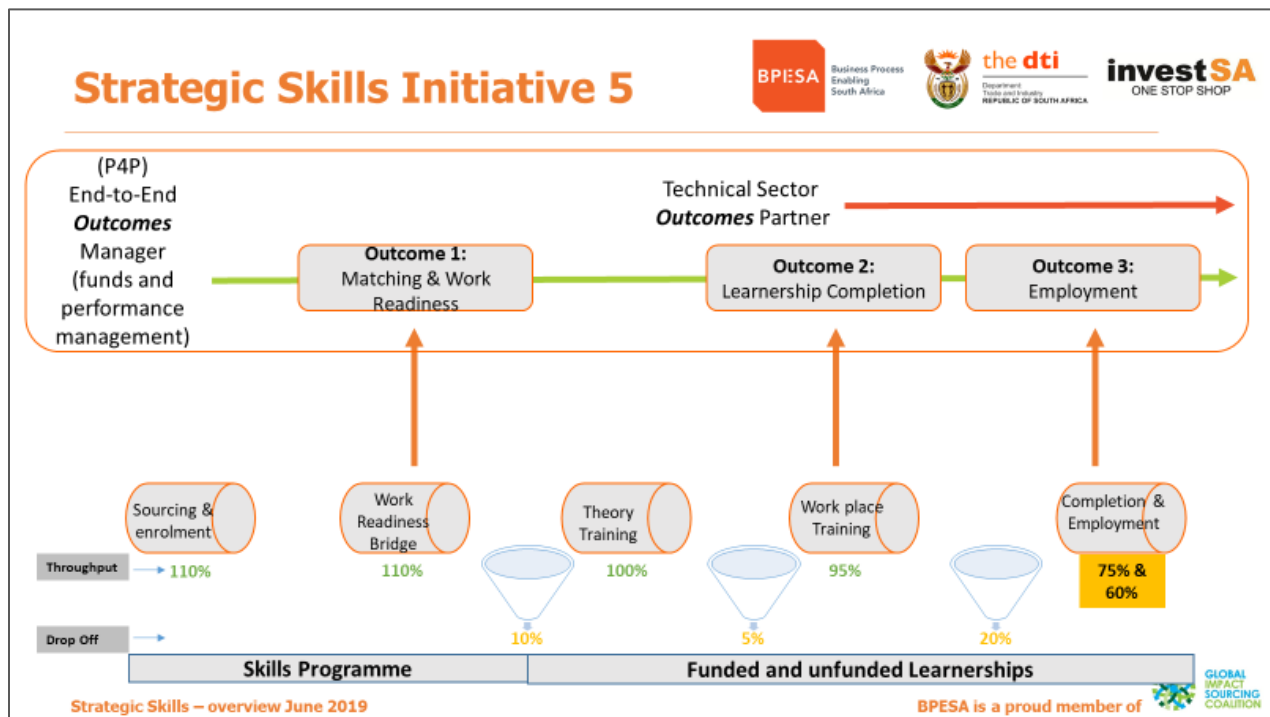
Strategic Skills Initiative 5: Demand-Led and Outcomes-Based Training

The final strategic initiative is cross cutting in the sense that it applies to all demand led skills interventions managed by BPESA.

This initiative’s key objectives are to:

- Unlock greater amounts of government funding to be spent on the development of skills for jobs in demand in the Global Business Services Sector;
- Link all funded skills development initiatives to jobs in demand;
- Introduce and bed down a culture of training for outcomes rather than just for the sake for training, where the outcome is a good quality job, and to pay role players in the skills supply chain for achieving these outcomes.

Figure 31: Strategic Skills Initiative 5



The outcomes-based training model would be implemented as part of strategic initiative one, tested in a pilot programme first and then rolled out through application to all government funded skills programmes managed by BPESA.

The outcomes in this model would be:

- Outcome 1 –successful matching and completion of the work readiness programme
- Outcome 2 –successful enrolment and completion of the learnership
- Outcome 3 –successful transition into employment.

In this model Harambee will provide the role of outcomes manager (includes fund management and performance management), throughout the life cycle of the programme, working with all the role players to ensure that the correct processes are followed to achieve those outcomes and that the evidence is provided of the outcomes having been achieved.

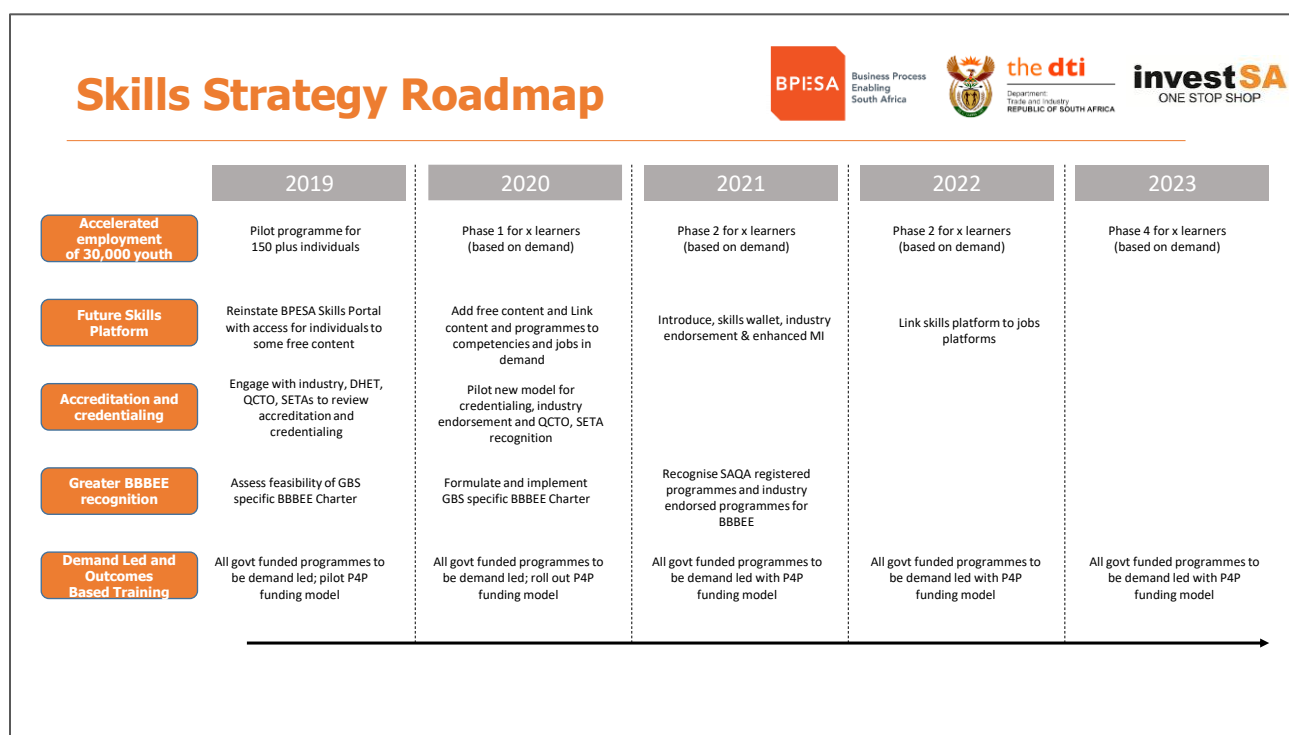
BPESA will support Harambee and the respective SETA by providing the role of technical sector outcomes partner for the Global Business Services Sector, using its relationship with the role players to match supply to demand and to optimise the throughput of the programme by intervening with employers and training providers whenever throughput rates are at risk.

Implementing the skills initiatives to enable the Growth Strategy

The strategic supply side initiatives will be implemented over a five-year period, aligned to the sector growth plan and job growth goals.

The high-level roadmap is illustrated below:

Figure 32: Skills Strategic Roadmap, 2019 - 2023



2019 KEY PROJECTS INCLUDE:

- Accelerated employment of 30,000 youth
 - Pilot programme for 150 plus individuals
- Future Skills Platform
 - Reinstate BPESA Skills Portal with access for individuals to some free content
- Accreditation and credentialing
 - Engage with industry, DHET, QCTO, SETAs to review accreditation and credentialing
- Greater B-BBEE recognition
 - Assess feasibility of GBS specific B-BBEE Charter

- Demand Led and Outcomes Based Training
 - All government funded programmes to be demand led; pilot P4P funding model



2020 KEY PROJECTS INCLUDE:

- Accelerated employment of 30,000 youth
 - Phase 1 for x learners (based on demand)
- Future Skills Platform
 - Add free content and Link content and programmes to competencies and jobs in demand
- Accreditation and credentialing
 - Pilot new model for credentialing, industry endorsement and QCTO, SETA recognition
- Greater B-BBEE recognition
 - Formulate and implement GBS specific B-BBEE Charter
- Demand Led and Outcomes Based Training
 - All government funded programmes to be demand led; roll out P4P funding model



2021 KEY PROJECTS INCLUDE:

- Accelerated employment of 30,000 youth
 - Phase 2 for x learners (based on demand)
- Future Skills Platform
 - Introduce, skills wallet, industry endorsement & enhanced MI
- Greater B-BBEE recognition
 - Recognise SAQA registered programmes and industry endorsed programmes for B-BBEE
- Demand Led and Outcomes Based Training
 - All government funded programmes to be demand led with P4P funding model



2022 KEY PROJECTS INCLUDE:

- Accelerated employment of 30,000 youth
 - Phase 3 for x learners (based on demand)
- Future Skills Platform
 - Link skills platform to jobs platforms
- Demand Led and Outcomes Based Training
 - All government funded programmes to be demand led with P4P funding model



2023 KEY PROJECTS INCLUDE:

- Accelerated employment of 30,000 youth
 - Phase 4 for x learners (based on demand)
- Demand Led and Outcomes Based Training
 - All government funded programmes to be demand led with P4P funding model.

Examples of Regional skills projects and programmes

The projects and programmes in this strategy only refer to the key strategic initiatives being run as national projects and programmes. Provincial and city level projects will continue at their own pace but will always be expected to be aligned to and supportive of the national level projects. This alignment and coordination will be managed through the various forums (skills forums) and BPESA structures (OpsCO and EXCO). Examples of regional projects include:

- **eThekweni Case Study:** 1st Project: tested impact of English language reading and building English grammar and vocabulary with a work readiness wrap-around on a candidate's performance in the workplace. Small sample produced positive results and supported the notion that it is helpful to intervene with candidates who have weak language skills and have positive impact on spoken English and reading ability. 2nd Project: Shortened 1- week work readiness programme to assess whether excluded youth are able to transition effectively into the workplace after a short, focused intervention
- **BPESA City of Cape Town (CoCT) Skills Programme:** once candidates complete their work readiness training, they will have the option of completing Contact Centre fundamentals or a Digital or Financial Service electives, facilitating specialisation for in-demand jobs. Initial anecdotal evidence suggests that closing the gap work readiness interventions do require a minimum of one week, but outcomes would improve with more time
- **Optimising existing Infrastructure and personal accountability:** Leveraging existing infrastructure for skills development e.g., using a TVET college based in Richards Bay; facilitate opportunities to work and study (encourage youth to take responsibilities for paying for their own studies and not to rely on Grants)
- **Digital skills:** The Digital CSA project, #SkillUp is a collaborative effort between the City of Cape Town, BPESA, their member organisations and Ucademy. The project aims to empower youth with skills for a Digital Future and prepare them for employment in the growing Business Process Management Industry 4.0 (See Appendix 2 for further detail)

- **ICT/BPO Skills Project:** A collaboration between BPESA, City of Cape Town and EOH ICT to develop skills for Industry 4.0. Cohorts of 200 in ICT and 150 in Voice have been allocated.

These projects provide an indication of regional initiatives, often in collaboration between business, government, municipalities and training organisations. BPESA plays a role in coordinating initiatives, focusing efforts on specific outcomes and collating insights and learnings for scalability in other regions or on a national basis.

The following Chapter provides a high-level overview of the engagement and governance structures and responsibilities in which BPESA plays a significant role.

ENGAGEMENT AND GOVERNANCE



A Memorandum of Agreement (MOA) between the dti, BPESA and Harambee outlines a number of governance arrangements to facilitate the achievement of GBS job target commitments made in the Presidential Jobs Summit Agreement. The following section outlines the arrangements specifically aimed towards optimising Skills Development in the sector. In order to achieve the growth and jobs targets, it is recognised that higher levels of collaboration are required across the skills sector landscape to align and synchronise efforts, mitigate risks and develop innovative solutions. The governance and engagement arrangements are intended to catalyse and oversee these efforts.

Joint Governance Responsibilities

There are a number of joint governance responsibilities and include the following:

- Conducting Skills Research
- Developing a consolidated list of OFO Roles
- Developing a GBS sector Competency Framework
- Identifying Scarce and Critical Skills
- Developing and updating a GBS Sector Skills Strategy.

Conduct skills research

Skills research will enable a data and evidenced-driven approach to validate GBS sector skills strategies, projects, and initiatives. The research helps to validate BPESA projects and initiatives. Empirical research will also provide a powerful base from which generate sector insights, test hypotheses, enhance knowledge and build a strategic intelligence capability towards GBS skills needs. BPESA will also provide a sector navigational role towards identifying research needs specified by its members.

Although research areas are not defined in the MOA, the following needs are recognised:

- BPESA to undertake annual research – using survey methodology - to understand the current and changing future skills priorities amongst GBS members
- BPESA to host regular Skills Forums in each BPESA region to provide a platform for qualitative input to skills needs by members
- BPESA to collaborate with Harambee to conduct research on how youth pathway and access jobs in the GBS sector
- The dti will guide and encourage SETAs to conduct GBS-specific research as part of their workplace skills plans. It will be responsible for researching the skills requirements and priorities within the overall GBS Sector, for the purposes of formulating a sector skills strategy, with inputs from BPESA, its members, from Harambee and other stakeholders

- Research undertaken in 2019 identified the key roles over the next five years in the GBS sector and these are outlined in the Roles Competencies and Critical Skills chapter of this Skills Strategy. The particular interest is towards roles not included in the Contact Centre Management Group (CCMG) framework, in addition to the roles that are emerging as a result of advances in technology and Industry 4.0. BPESA will also engage with role players such as the International Association of Outsourcing Professional (IAOP) to provide a global perspective on future roles
- BPESA also conducted research in 2019 to identify critical skills required for the GBS sector. This outcome of the research has been submitted to the dti in order to update the Department of Home Affairs' critical skills list. It is likely that this list will require ongoing updates which BPESA will facilitate. In the short term, BPESA will comment on the South African Immigration Amendment Bill on behalf of its members
- An intention exists to conduct an Industry-wide Skills Audit every five years to identify the current skills base, together with BPESA members and SETAs
- Remuneration surveys will provide the sector information to benchmark salaries, assess supply-demand dynamics and to improve employee engagement. Remuneration surveys will be conducted and published on BPESA's website.

Developing a Consolidated list of Organising Framework for Occupations (OFO) roles

GBS skills needs cut across many roles and functions, including Contact Centre; Finance; Human Resources; Information Technology; Legal; Supply Chain; etc. A challenge exists of not having a consolidated list of the OFO roles for the GBS sector. This fragmentation is also reflected in other areas such as the Critical Skills list. BPESA has an engagement responsibility of working with each of the Professional Bodies and SETAs to understand which roles and professional designations on the OFO belong to the GBS sector.

The Professional Bodies will also be asked to validate the key roles identified by the recent BPESA research and assist towards identifying roles not listed. The consolidated matrix across Professional Bodies will indicate active roles for the GBS sector and provide a channel to seek additional role information such as competencies, continuous professional development and career pathing. A consolidated approach will provide a single view of the GBS sector and also encourage policy and institutional collaboration and accountability for professional development.

Linking back to the OFO will ensure that all the relevant current and future roles are listed, and the detail and complexity of the roles are captured in a consistent manner. The validation of the listing will also ensure that the roles are recognised in the OFO, by SETAs and the Department of Home Affairs. BPESA, therefore has an oversight role to engage with SAQA to validate and update the OFO and to inform about the changing roles in the GBS sector. The process of engaging with Professional Bodies and SAQA will be ongoing.

A non-exhaustive list of current Professional Bodies associated with GBS roles include (<http://pbdesig.saqa.org.za/search.php>):

Professional Body	Description	
CIMA	Chartered Institute of Management Accountants	https://www.cimaglobal.com/
COMENSA	Coaches and Mentors of South Africa	https://www.comensa.org.za/
CCMG	Contact Centre Management Group	https://www.ccmg.org.za/
DMASA	Direct Marketing Association of South Africa	https://www.dmasa.org
ICITP	Institute of Chartered IT Professionals	https://icitp.org.za
IOB	Institute of Bankers in South Africa	https://www.iob.co.za
IISA	Insurance Institute of South Africa	https://www.iisa.co.za
LSSA	Law Society of South Africa	https://www.lssa.org.za
SABPP	South African Board for People Practices	https://www.sabpp.co.za

A non-exhaustive list of SETAs associated with GBS roles include:

SETA	Description	
Bank SETA	Bank SETA	https://www.bankseta.org.za
ETDP SETA	Education Training and Development Practices SETA	http://www.etdpseta.org.za/
Fasset SETA	Financial and Accounting Services SETA	https://www.fasset.org.za/
INSETA	Insurance SETA	https://www.inseta.org.za/
Services SETA	Services SETA *	http://www.serviceseta.org.za/
MAPPP SETA	Media, Advertising and Print SETA	https://www.mappp-seta.co.za/
MICT	Media, Information and Communication Technologies SETA	https://www.mict.org.za/

* The Services SETA has a broad representation of GBS members, and BPESA participates in the Services SETA Chambers, including Marketing and Business Services Chambers. BPESA provides input to the OFO codes, the critical skills list and new qualifications.

Although no formal BPESA relationships are established with other SETAs, BPESA's member organisations often do. Member organisations pay levies to their respective SETAs, apply for learnerships and are technically meant to submit workplace skills plans. Efforts are underway to collaborate more extensively with SETAs on innovative solutions for skills development in the

GBS sector. This is expected to be catalysed by the Services SETA Pilot Project discussed in an earlier Chapter.

The engagement with Professional Bodies and SETAs will also provide a platform to build an understanding of the growth ambitions for GBS and to encourage collaborative research on skills and roles to support the development of the sector.

Sector Competency Framework

There is a need to identify the role competencies and construct a comprehensive Competency Framework for the GBS sector. The dti will take the lead role in formulating a Competency Framework to guide the GBS sector skill strategy. Existing work that BPESA undertook to develop a Future Skills Framework will be leveraged in this regard. Ongoing research surveys with BPESA members will facilitate the updating of the Competency Framework every three years.

Scarce and Critical Skills

BPESA, in consultation with its members, broader stakeholders, the dti and Harambee will be responsible for identifying and proposing to the Department of Home Affairs changes to the list of scarce and critical skills for the GBS sector as and when required.

The dti will support BPESA in any discussions relating to scarce and critical skills with the Department of Home Affairs, the Department of Higher Education, the Department of Labour and any other Government role players to ensure that this list is updated timeously and that related processes, such as VISA application for foreigners with critical skills are processed expeditiously.

Sector Skills Strategy

In support of the GBS sector growth strategy and job targets, the dti is responsible for the development and joint implementation (with BPESA, its members and stakeholders, and Harambee) of a Sector Skills Strategy. BPESA has taken the lead to develop this Skills Strategy in consultation with all stakeholders and once finalised will be reviewed from time to time and updated to ensure its relevance.

The Sector Skills Strategy will include a number of core programmes:

- **Work Readiness:** the bridging of excluded unemployed youth with suitable work readiness programmes to be placed into employment in the GBS sector primarily in entry level jobs

- **Learnerships:** the enrolment of unemployed youth, who have successfully completed work readiness training - or similar programmes such as the Monyetla Work Readiness programme – onto learnerships for relevant qualifications at NQF Level 3 and above with relevant SETAs, primarily the Services SETA
- **Future Skills Platform:** the implementation, maintenance and support of a virtual skills platform that provides access to the domestic and export market staff, to free or subsidised content and programmes relevant to the current and future competency requirements of the GBS sector.

These Skills programmes will be added to and will evolve over time.

Engagement and Governance Structures

The GBS Steering Committee

The GBS Steering Committee meets quarterly and consists of representatives from BPESA, the dti and Harambee. The Steering Committee provides an oversight function and Skills are a standing agenda item.

Bi-annual Partnership meetings will take place with the Minister of Trade and Industry. The objective of these meetings is to provide progress updates on GBS skills initiatives and draw to the Minister's attention any issues that require escalation and budgetary requirements. The ministerial meetings will also ensure alignment of skills initiatives to achieve to job creation targets.

BPESA Executive Committee (EXCO)

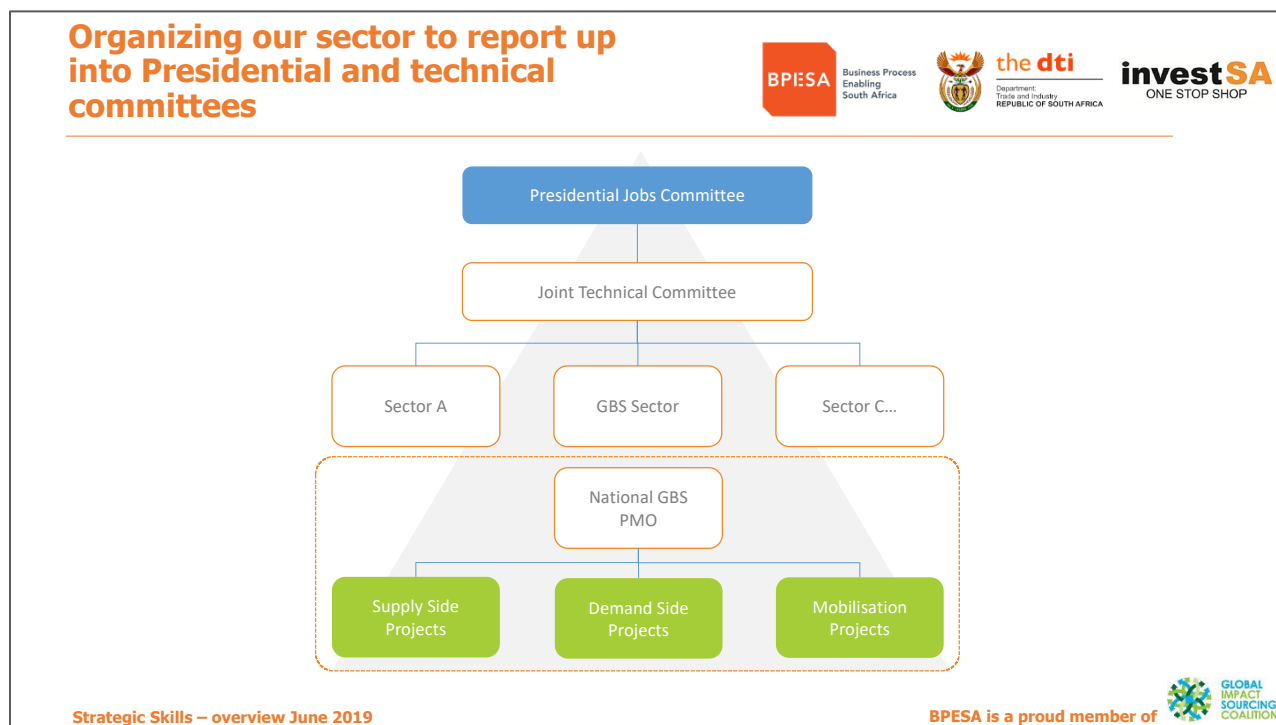
All strategic skills programmes will be channelled into monthly BPESA EXCO for discussion. This process will ensure that relevant stakeholder groups are represented, are engaged and contributing to successful outcomes for each programme.

Job Summit Technical Working Group

As a consequence of the Job Summit held in October 2018, Government established structures to ensure that plans are executed, and outcomes are achieved (see the Figure below). A GBS Sector forum now reports into the Jobs Summit Joint Technical Committee which in turn reports to the Presidential Jobs Committee. A National GBS Project Management Office has been established:

- for Quarterly monitoring and reporting into the Presidential and Technical committees
- to Coordinate implementation of strategic initiatives across all regions
- for Working Groups to scope, plan and prioritise initiatives and programmes.

Figure 33: Governance Structures



Skills Technical Working Group

The dti and BPESA will jointly establish and coordinate a technical working group for skills which will meet quarterly in each region and be represented by the following stakeholder groups, as applicable per region:

- BPESA and its members
- the dti
- the Provincial Departments responsible for Economic Development
- the Provincial Investment Agencies for each region
- Invest SA and the regional Investment Promotion Departments
- The Trade and Economic Development Agencies at city level
- Harambee (optional)
- Subject matter experts, as required.

The main purpose of the skills technical group is:

- to obtain inputs from the key role players to the sector skills strategy, the competency framework, the scarce and critical skills list, and the priorities of skills initiatives and programmes
- to ensure that the regions and national role players are aligned towards the national value proposition, national growth goals, and national skills strategy
- to ensure that each region has a clear plan of action to implement skills programmes required to sustain planned growth

- to plan and coordinate skills programmes to exploit synergies between the regions and national efforts, to optimise the use of resources, and to maximise the outcome of investment into skills development initiatives in South Africa.

CONCLUDING REMARKS



The South African GBS sector is poised for significant and sustained growth. The dti has partnered with industry to develop a compelling value proposition to investors which support government's objectives of job creation and to increase export revenue in South Africa. The value proposition is underpinned by good quality English-speaking talent; significant cost savings; a strong foundation in contact centre and niche services; first world infrastructure and an enabling environment. The dti's revised Incentive Programme provides further impetus to the existing growth base. There have been a number of accolades for GBS sector, BPESA and its partners in recent times, that validate the value proposition including:

- GBS Sector contributed key inputs and components into the Presidential Job Summit Framework Agreement, 2018
- GBS Sector was showcased at the Investor Conference, 2018, contributing towards the USD100bn growth goal
- Winner of the GSA Offshoring Destination of the Year award, 2018
- GBS members were recognized as global leaders in their field at CCW 2018
- GBS Sector was rated as one of four top sectors in South Africa for attractiveness and desirability for growth World Bank 2019
- BPESA's strategic partner, Harambee, was awarded the 2019 Skoll Award for Social Entrepreneurship.
- South Africa was rated as the 2nd Most Favourable front office offshore BPO location: Ryan Strategic Advisory, 2019
- In partnership with Harambee and the dti, BPESA was the winner of the 2019 IAOP Global Impact Sourcing Award for influencing Global Business Service solutions for excluded youth at scale
- GBS Sector was in the Presidents 2019 SONA
- GBS Sector is one of 14 sectors participating in the PPGI to drive GDP growth and export revenue growth.

Although South Africa is increasingly being recognised for its compelling GBS value proposition, there is broad agreement that further optimization is required on the supply side to improve South Africa's competitive positioning. The GBS Skills strategy provides a draft framework to ensure that an accelerated supply of demand-focused work ready skills suited to the Sector's in-demand services is planned and actioned.

The Skills Strategy recognises that the regulatory skills system in South Africa is in a state of change as it begins to synchronise efforts and align policy and systems to support growth objectives. Nonetheless, the GBS Skills Strategy provides an initial reference point to address the Jobs Summit Framework Agreement targets for growth and employment. In addition, the Strategy underscores the need to build collaborative partnerships across the skills value chain to meet the skills needs of both the export and domestic markets.

The GBS Skills Strategy is non-exhaustive and further dialogue is required to refine the strategy and to specify and roll-out regional initiatives. BPESA will continue to provide support to the sector through its existing Skills Forum channels. The Strategy is an iterative process and revisions and insights will be posted on BPESA's website on an ongoing basis.

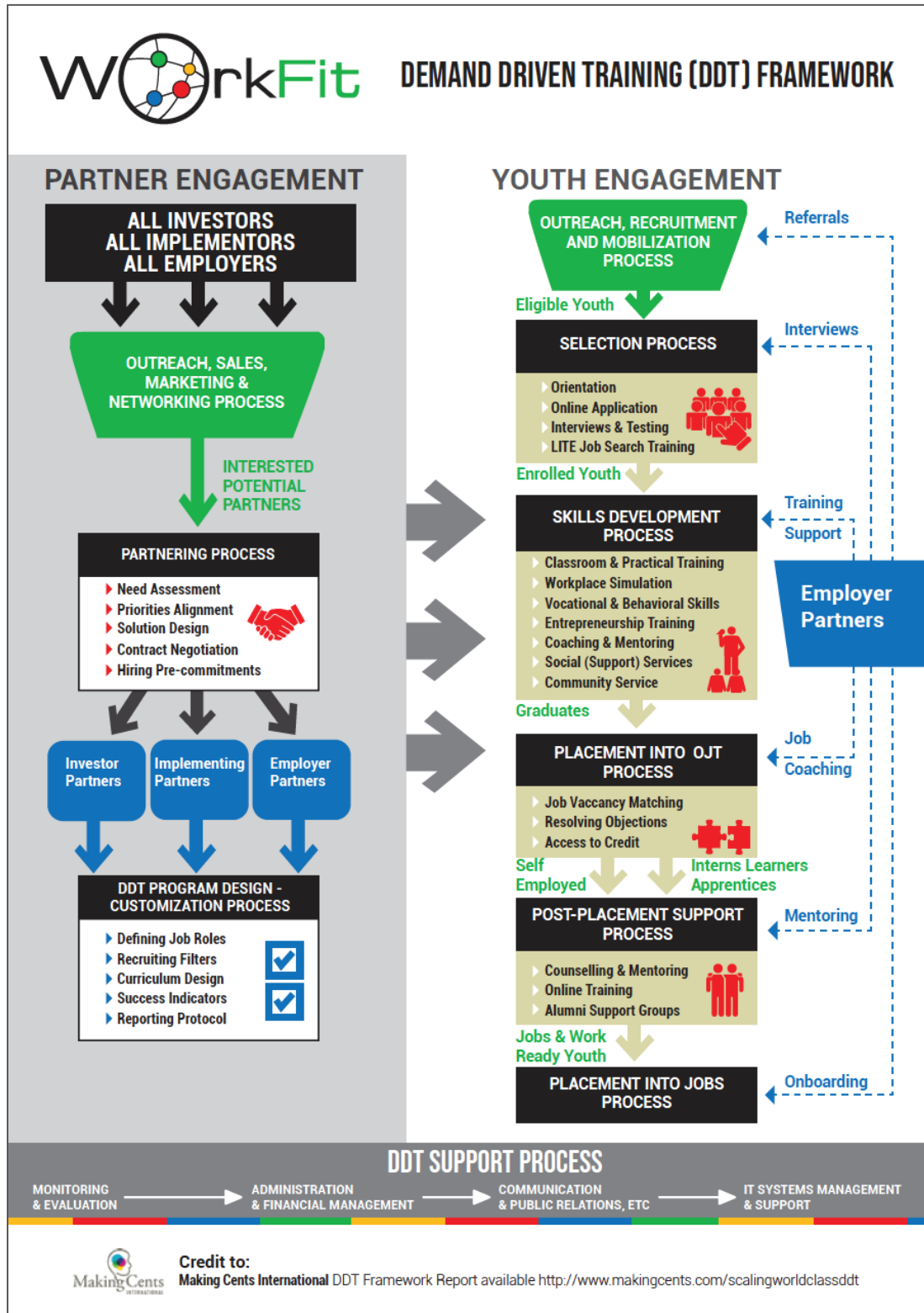
The GBS sector provides a rare and significant opportunity to make a real difference to economic growth and to accelerate youth employment in South Africa. The Skills strategy will continue to be a critical part of this process as South Africa pivots to be the GBS global leader.

APPENDICES

Appendix 1: Making Cents International – Demand Driven Training Framework

Appendix 2: A Case Study of Skills Value Chain Collaboration

APPENDIX 1: WORKFIT – DEMAND DRIVEN TRAINING (DDT) FRAMEWORK



APPENDIX 2: A CASE STUDY OF SKILLS VALUE CHAIN COLLABORATION



Case Study: #SkillUp Pilot Project to test a new and collaborative, targeted skills development approach using an integrated Digital 4.0 sector skills development learning model.

Overview:

- The positive growth and recognition of GBS as a priority sector in the Western Cape and nationally presents a challenge to the sector, to rapidly and sustainably create a pipeline of skilled employees for specifically Customer Service agents. Further focus needed to be placed on immediate demand in service, sales, insurance and utilities skill sets for both international and domestic markets
- The challenge created an exciting opportunity to develop South Africa’s unemployed youth for placement and continued growth within the BPM sector and beyond, whilst meeting sector need and contributing to the development of South Africa
- The Learning and Development solution would need to rapidly upskill South Africa’s unemployed youth, with skills predictive of success as a customer service agent, applicable to the future 4 IR world of work, with sustainable investment of resources enabling scale. The traditional, classroom, in person, fully facilitated with prescribed training manual approach to developing customer service agents, would not suffice
- The #SkillUp Digital Contact Centre Agent skills development intervention focused on the design and implementation of a targeted Future 4.0 GBS accredited Skills Development Programme.

Innovative learning content, 4.0 learning technology and methodology were implemented to ensure agility in meeting immediate and future skills demands for the GBS sector and beyond. The project design was in response to a challenge and opportunity created by key stakeholders, including BPESA, The City of Cape Town, GBS employers and training professionals that contributed to the formulation of the BPSEA strategic skills framework. A new model is needed to address the ecosystem of skills development in our sector and the project therefore introduced the following key elements:

- Embrace and develop Digital and related 4IR skills
- Create accessibility and scalability beyond existing talent pools, hence digital and blended learning options were critical
- Accredited and relevant GBS content and certifications
- Designed for and in collaboration with GBS employers and collaboration
- Incorporation of the BPESA Skills Framework as well as the City of Cape Town’s Digital skills development drive
- Innovative and digitally led sourcing strategies and partners
- Innovative, AI Driven and predictive learning technologies and assessment techniques
- Contracted and confirmed 12-month internship with GBS employers supported by continued access to the learning talent platform
- Supported preparation for recruitment processes and placements
- A hyper individualized learning platform that supports self -driven and accountable learning at own pace, with own style and predictive, curated content for individual learning progression
- A holistic approach including learner support, stipends, targeted competency gap closures and access to continuous learning on an AI led learning platform and intern structured workplace learning.

The strategic collaboration between public and private partners, employers, learning solutions and leading tech enabled and learner focused solutions created the opportunity to achieve this. In addition, the approach carefully integrated the key priorities of creating awareness around GBS sector career and job opportunities, access to skills, jobs, ongoing upskilling for lifelong learning and employability. Most importantly critical gaps between supply and demand and industry led and relevant skills development were addressed to some level.

A Collaborative Solution

The Future Ready: Digital CSA (Contact Centre Agent) project was created as a collaborative effort between key role players and is evidence of the impact of public, private, sector employer, training provider and professional body collaboration. The solution also spoke to the integration with the City of Cape Town’s broader digital hub and futures focus.

The following critical partners collaborated:

1. Public Sector Sponsor aligned to economic sector and job creation targets: The City of Cape Town
2. Industry, Sector Representative/Professional bodies: BPESA
3. Private Sector match sponsor and employer aligned organisational and sector skills priorities: WNS Global Services (SA)
4. Accredited Sector Led Training Provider: Ucademy (Pty) Ltd Leading BPM provider of targeted skills programmes and qualifications
5. BPM Sector participating stakeholder employers: Representative BPM employer stakeholders invited to participate for framing of learning journey and recruitment and selection from trained talent pool, contributing to job creation and fit for purpose talent
6. Talent /Impact Sourcing technology partners: ImpressMe - talent finder organisation
7. Innovative 4IR Learning solution provider/partner: 4th Talent

8. Learner stipend and support solution: Intellimali – cashless stipend and learning support cost solution
9. Digital learning infrastructure, and learner support partner: CapaCiti - Tech Accelerator

The Solution delivery included the following requirements:

- To source, select and upskill 550 Digital Contact Centre Agents with electives in Sales, Service, Utilities and Insurance over a 3-year period with ability to scale on supply meeting demand
- To create guaranteed sector placement opportunities based on industry led criteria, selection and training practices
- To deliver an accredited, unit standard bearing Digital Skills programme for Contact centre agents to operate across services in the GBS sector including digital and voice client campaigns to meet immediate growth demands and future 4.0 led skills
- To raise awareness, employability and access into GBS entry level jobs
- To deliver with best practice learning methodologies, data and AI led, competency development solutions
- Critical outcome, the placement into suitable and fit for purpose jobs in the sector
- To identify key challenges and barriers to access and success in the GBS sector for unemployed youth and to recommend possible solutions to address in a continual improvement framework.

Outcomes:

- ✓ Over a 3-year period, 550 unemployed work-ready youth sourced and rigorously screened for contract centre roles to domestic and international recruitment and selection standards
- ✓ GBS competency predictive assessments for setting up for success and career direction
- ✓ Entry into confirmed internships, learnerships and job opportunities with sector partners and participants
- ✓ Digitally supported and self-driven learning frameworks for learners and 12-month access to the AI led curated content platform to develop individual competence in partnership with employers
- ✓ First cohort placement percentage 72 % in GBS jobs ranging from International and Domestic Contact Centre Service, Junior MIS/Data Analysts, Training professionals,
- ✓ Skills Development administrators, junior project managers
- ✓ Successful pilot has proof of concept to scale and provide virtual access, blended and or directly digitally led learning.
- ✓ Project is currently scaling to other sector supported projects including 170 learners from the Delft Community and a second cohort of 200 in 2019 ready for release into sector related peak times.

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