Fasset Sector Survey 2016

Final Report

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FASSET

Fasset Sector Survey 2016

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SETA for Finance, Accounting, Management and other Financial Services (Fasset)

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ACRONYMS

Abbreviation	Definition
AAG	Average Annual Growth rate
AAT(SA)	Association of Accounting Technicians South Africa
ABASA	Association for the Advancement of Black Accountants
ACCA	Association for Chartered Certified Accountants
ACFESA	Association for Certified Fraud Examiners South Africa
AMG	Assessor and Moderator Grant
ANSCO	Australian and New Zealand Standard Classification of Occupations
APC	Assessment of Professional Competence
ATR	Annual Training Report
BEE	Black Economic Empowerment
CA	Chartered Accountant
CCA	Chartered Certified Accountant
CEO	Chief Executive Officer
CESM	Classification of Educational Subject Matter
CFA	Chartered Financial Analyst
CIMA	Chartered Institute of Management Accountants
CPD	Continuous Professional Development
CSSA	Chartered Secretaries Southern Africa
CTA	Certificate in the Theory of Accounting
DHET	Department of Higher Education and Training
DoL	Department of Labour
DSRS	Disproportionate Stratified Random Sampling
EEP	Employment Equity Plan
ETDP	Education and Training Practices Sector Education and Authority
Fasset	Finance and Accounting Services Sector Education and Training Authority
HDI	Historically Disadvantaged Individuals
HEI	Higher Education Institution
HEMIS	Higher Education Management Information System
HSRC	Human Sciences Research Council
IACSA	Institute of Accounting and Commerce
ICB	Institute of Certified Bookkeepers
ICBA	Institute of Certified Bookkeepers and Accountants
ICM	Institute of Credit Management
IIASA	Institute of Internal Auditors of South Africa
ILO	International Labour Organisation
IMFO	Institute of Municipal Finance Officers
IRBA	Independent Regulatory Board of Auditors
ISCO	International Standard Classification of Occupations
ITC	Initial Test of Competence
LCG	Learnership Cash Grant
MICT	Media, Information and Communication Technologies Sector Education Training Authority
NA	National Accounts
NCS	New Curriculum Statement
NLPs	Non-Levy Payers
NQF	National Qualifications Framework
NSC	National Senior Certificate
NSDS	National Skills Development
NSFAS	National Student Financial Aid Loan Repayment Grant
NSF	National Skills Fund
OFO	Organising Framework for Occupations
PDI	Previously Disadvantaged Individual

Abbreviation	Definition
PE	Professional Evaluation
PG	PIVOTAL Grant
PIVOTAL	Professional, Vocational, Technical and Academic Learning Programs that result in qualifications or part qualification on the NQF
PoE	Portfolio of Evidence
QA	Quality Assurance
QCTO	Quality Council for Trades and Occupations
RMIT	Royal Melbourne Institute of Technology University
RPL	Recognition of Prior Learning
SAIBA	Southern African Institute for Business Accountants
SAICA	South African Institute for Chartered Accountants
SAIGA	Southern African Institute of Government Auditors
SAIPA	South African Institute of Professional Accountants
SAIS	South African Institute of Stockbrokers
SAIT	South African Institute for Tax Practitioners
SAPSE	South African Post-Secondary Education System
SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SCG	Strategic Cash Grant
SDF	Skills Development Facilitator
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SMME	Small, Medium and Micro-sized Enterprises
SOC	Standard Occupational Classification
SS	Sector Survey
SSA	Statistics South Africa
SSP	Sector Skills Plan
TCA	Thematic Content Analysis
TOT	Terms of Reference
TVET	Technical and Vocational Education and Training
UNISA	University of South Africa
UCS	Underhill Corporate Solutions
WSP	Workplace Skills Plan
WTP	Workplace Training Provider

EXECUTIVE SUMMARY

This survey is the fourth comprehensive Sector Survey (SS) commissioned by the Finance and Accounting Services Sector Education and Training Authority (Fasset). The SS was conducted in the 2016/2017 financial year and its overall aim was to provide Fasset with an up-to-date and comprehensive picture of its sector including:

- the employer organisations in the sector;
- employees working in the sector;
- the professional bodies active in the sector;
- relevant education and training providers in the sector;
- learners entering, and already in, the sector;
- the demand for and supply of labour to the sector, including an analysis of scarce skills and stakeholders' views on key issues relevant to skills planning in the sector; and
- the overall labour demand and supply status in the sector, with specific emphasis on skills shortages and mis-matches in demand and supply which requires rectification.

The current SS arises amidst a range of changes, including the extension of the existence of the 21 (twenty one) Sector Education and Training Authorities (SETAs) to 31 March 2020 and the corresponding extension of the National Skills Development (NSDS) III (Government Gazette, 2016).The SS consists of a survey of employers, a survey of professional bodies, a training provider survey and a learner survey. Information from all 4 (four) SSs is integrated in this report.

PROFILE OF THE SECTOR

In 2016 the estimate of the total number of organisations in the sector was 5, 042 (five thousand and forty two). Most of the organisations are in Accounting, Bookkeeping, Auditing and Tax Services firms followed by Business and Management Consulting Services and Stockbroking. The majority of organisations in the sector are small (94, 8%) whilst large organisations only constitutes 2, 0% with the remainder being that of medium-sized organisations.

In terms of geographic location of organisations in the sector most organisations are in Gauteng (38, 6%), Western Cape (29, 5%) and KwaZulu-Natal (11, 9%). The Northern Cape Province and the Limpopo province have much lower levels of representivity, being 1% and 1, 8% respectively. Provinces with the largest number of organisations are also the provinces with the largest number of employees in the sector. Gauteng, Western Cape and KwaZulu-Natal also lead with 56%, 21, 5% and 9, 3% of employees respectively while Limpopo and Northern Cape are the provinces with the fewest number of employees in the sector only employing 1, 9% and 0, 9% respectively.

Employment in the sector has been increasing since the first SS was completed in 2002. Currently, employment in the sector consists of 138, 578 (one hundred and thirty eight thousand five hundred and seventy eight) employees which is an increase from 135, 430 (one hundred and thirty five thousand four hundred and thirty) employees in 2012. However, the rate of increase slowed down between 2012 and 2016. On average the total employment rate has

been increasing by an average of 5, 5% per year between 2002 and 2008 and 3, 1% per year between 2008 and 2012. However, between 2012 and 2016 the rate of growth had slowed down to an average of 0, 5% per year.

Although transformation remains a challenge for the sector, some progress has been made since the second SS in 2007. Whites' share in employment has dropped from 66% in 2002 to 36, 4% in 2016. On the other hand Black Africans employed in the sector increased from approximately 17% in 2002 to 37, 4% in 2016.

The majority (62, 9%) of employees in the sector have post-school qualifications. 37.4% of employees in the sector are holders of a National Qualifications Framework (NQF) Level 4 qualification, followed by 28, 8% who have achieved NQF Level 7 qualification. The smallest number of employees fall into the lowest educational categories, being NQF Levels 1, 2 and 3 with a combined percentage of 2, 3%, which is a consistent reflection over the years of the sector's need for a highly-qualified workforce.

The qualifications required are linked to the occupational composition of the sector. Professionals form the largest occupational group, with 40, 2% of the workforce employed in professional occupations. The second largest occupational group is Clerical Support Workers (29, 9%), followed by Managers (14, 2%) and Technicians & Associate Professionals (10, 7%).

Employees in the sector are relatively young, with 55 % of them being 35 (thirty five) years old or younger. Only 6, 7% of the employees are over the age of 56 (fifty six) years. The majority of employees in the sector are female. The percentage of male employees fluctuates between 38, 6% and 46, 4% while the percentage of female employees fluctuates between 53, 6% and 61, 4%. The sector does not employ large numbers of people with disabilities. The employees with disabilities reported by employers numbered 954 (nine hundred and fifty four)– only 0, 7% of total employment.

PROFESSIONAL BODIES IN THE SECTOR

Chapter 3 of this report provides an overview of the role and functions of 16 (sixteen) professional bodies that are active in the sector. A large portion of the workers in the sector are members of organised professions and are represented by these bodies. The professional bodies in turn perform self-regulatory and professional functions to uphold practice standards, enhance quality of services and protect the broader public against unscrupulous practitioners. By upholding standards in the sector the professional bodies make an important contribution to strengthen investor confidence in the economy.

A complex combination of qualifications awarded by professional bodies and conferred by public and private higher institutions is used in the sector. Several professional bodies confer upon their members qualifications that are registered on the NQF. It is common practice that qualifications, professional designations and membership of the professional bodies are interlinked. Most of these qualifications require workplace experience in addition to academic training, and many are registered as learnerships with Fasset and other SETAs. Quality assurance of the majority of qualifications in the sector is managed by the professional bodies in partnership with Fasset.

In addition to the development of education and training programs for their particular designations, professional bodies are also involved in functions which support this primary role. Some of the initiatives which they are undertaking are enhancing output rates by providing learners with mentorship and tutoring in the form of short courses, refresher and revision classes; providing financial support to learners in the form of bursaries aimed at high-achieving Matric students from low-income households; providing access to learnership opportunities by using their networks to connect learners with employers; providing graduate placement through networking, appointing register and posting of job opportunities on their websites; providing Continuous Professional Development (CPD) through publishing newsletters for their members, organising workshops on sector and profession updates as well as facilitating opportunities for CPD. Some professional bodies are of the view that the Recognition of Prior Learning (RPL) is a valid form of knowledge and a skills set which contributes to the completion of qualifications and the awarding of designations.

SKILLS SHORTAGES IN THE SECTOR

One of Fasset's key responsibilities is to monitor the skills demand and supply in its sector and to identify mismatches in the labour market. Chapter 7 of this report looks at market demand and the skills shortages experienced by employers and observed by professional bodies. The term "skills shortages" is used to refer to both the quantitative mismatches between demand and supply in the labour market and qualitative deficiencies within the skills sets of employees.

Skills shortages typically manifest in high staff turnover rates and difficulties experienced by employers to retain certain categories of staff. In order to gauge the nature and extent of skills shortages experienced in the sector, employers were asked to identify the occupations in which they find it difficult to find suitable employees. They were also asked about the number of vacancies in their organisations in those occupations. According to the employers, a total of 3, 573 (three thousand five hundred and seventy three) people would be needed to fill vacancies in occupations in which there seemed to be a scarcity of qualified people. These vacancies are composed of Managerial (640) (six hundred and forty); Professionals (2, 633) (two thousand six hundred and thirty three); Technicians & Associate Professionals (186) (one hundred and eight six); and Clerical Support Workers (114) (one hundred and fourteen).

Poor quality teaching, low Matric pass rates, poor Mathematics competency levels and a lack of adequate career guidance were the predominant reasons cited by professional bodies for the various scarce skills in the sector. A lack of funding to address these 4 (four) factors was believed to compound the problem.

The majority of organisations (63, 4%) reported that they offer learnership programs to address scarce skills. Learnerships are popular as they offer learners critical skills that are essential to the workplace as well as practical experience relating to the work environment. Learners also have a better chance of being employed as they can easily adjust to the work environment because they are also taught other important skills such as social and communication skills. Other interventions used by organisations in the sector are bursaries (17, 1%), Workplace Training (7, 3%), Mentorships (4, 9%) and Bridging Programs (4, 9%).

FUTURE SKILLS NEEDS

The future skills needs of the sector are first viewed from a quantitative perspective. Compared to growth over the past 2 (two) years, more organisations in the sector expect growth in employment in the next 5 (five) years. Approximately one quarter of organisations expect to appoint more staff because of business growth or expansion, expertise required in new areas, new business opportunities in the accounting field and growing client bases. Organisations in the sector also aim to overcome the current shortages of skilled and experienced staff.

The second perspective on future skills needs is qualitative and refers to changes in the skills sets that will be required from employees in the sector. Major changes in the financial and business environment are impacting the skills sets and technical knowledge required by workers in the sector. New legislation for organisations introduced different rules and standards for auditing and governance of organisations, as well as for the statutory reporting required of organisations. As a result of new consumer-centric legislation, many organisations are compelled to change the way they interact with the public, recognise consumers' rights and protect personal data. The worldwide need for improved corporate governance, risk management and compliance with regulatory requirements is also driving the demand for more skills in the fields of finance, accounting, internal auditing, corporate governance and risk management. Factors such as the increasing complexity of business and the widening of the tax net are driving the need for more tax practitioners and tax specialists.

RESEARCH NEEDS IN THE SECTOR

The SS also assessed the research capacity and research needs in the sector. This area of focus was included because of the emphasis that the NSDS III places on research and the SETAs' responsibilities regarding the development of research capacity in the country. A review of respondent comments at both university and TVET colleges indicates that research efforts are not at the level where they should be. Most of the research referred to is focusing on academic outputs at Masters and PhD level. From the responses, it is also apparent that research is currently considered an underfunded mandate with respondents indicating that they would like more funding and guidance by the sector on areas to focus on.

Current funders include some banks for Research Chairs and the National Research Fund focusing on specific projects. Respondents indicated that they would like more funding for research, guidance from Fasset on research areas that are of sectoral interest as well as training on how to handle research. The need for research capacity building through training features more prominently at TVET college level. Other issues mentioned include the need for assistance from Fasset in publicising research outputs and having road shows to publicise available funding windows for research.

Areas which professional bodies believed that research was needed, and which Fasset could initiate and fund on behalf of and for the benefit of the sector's stakeholders, include research on the future impact of technology; impact of regulation; development of integrated thinking skills in new graduates and junior professionals; impact of withdrawal of funding from certain projects such as work readiness programs and learnerships; career guidance as they is need to research into effective ways in disseminating informative details on different career options available. Other areas which professional bodies suggested for future research concerns how

to build a network of retirees who can mentor learners; how to make CPD more relevant, rather than a compliance exercise; the impact of language barriers on learners; determine the average company's ratio of higher to lower level finance skills; and whether the Quality Council for Trades and Occupations (QCTO) model is workable.

STAKEHOLDERS' EXPECTATIONS FROM FASSET

As the main driver of skills development in the sector, Fasset carries an enormous responsibility in ensuring that the myriad of skill challenges are not only identified but also managed. From the respondents perspective, the 3 (three) key roles that Fasset ought to play relate to offering better training opportunities and specific courses focused on addressing specific skills shortage areas and, perhaps more importantly, providing funding. The majority of respondents (33%) would like Fasset to offer better training opportunities while 19% would like it to offer specific training courses. This information is critical in sector skills planning and in ensuring skills development initiatives focus on areas of strategic importance to stakeholders. The areas highlighted are at the core of the SETA skills mandate and therefore need further investigation to clarify the specific expectations of the stakeholders.

1 INTRODUCTION

1.1 Introduction and Background

Fasset is the SETA for the Finance and Accounting Services Sector (the sector). Fasset was established in March 2000 in terms of the Skills Development Act (Act 97 of 1998) (SDA). In 2001 Fasset started collecting and analysing labour market information on the sector and has continued to do so ever since. The reason for the collection of labour market information is to inform Fasset's skills planning and funding decisions. The information also serves to monitor transformation in the sector.

It is against this background that Fasset conceptualised and commissioned several comprehensive SSs over the years. This survey is the fourth comprehensive SS commissioned by Fasset. The first comprehensive SS was conducted in 2002 and included surveys of employers, professional bodies, education and training providers, and learners in the sector. After several changes in the sector, such as the skills development levy (SDL) threshold which was increased from R 250 000,00 to R 500 000,00, the second comprehensive SS was conducted in 2007. The third comprehensive SS was conducted in 2012 in the (NSDS) III dispensation. The current SS arises amidst a range of changes, including the extension of the existence of the 21 (twenty one) SETAs to 31 March 2020 and the corresponding extension of the NSDS III (Government Gazette, 2016)[1].

1.2 Overall Aim of the Sector Survey

The overall objective of this SS is to provide Fasset with an up-to-date and comprehensive analysis of the sector, including:

- the employer organisations in the sector;
- employees working in the sector;
- the professional bodies active in the sector;
- relevant education and training providers in the sector;
- learners entering, and already in, the sector;
- the demand for and supply of labour to the sector, including an analysis of scarce skills and stakeholders' views on key issues relevant to skills planning in the sector; and
- the overall labour demand and supply status in the sector, with specific emphasis on skills shortages and mis-matches in demand and supply which requires rectification.

[1] http://www.dhet.gov.za/SitePages/DocGazette.aspx

1.3 Sector Survey Objectives

According to terms of reference (TOR), the main objective of the SS was to present the 'current picture of the Fasset sector' by having regard to employers, professional bodies, education and training providers, learners, skills shortages in the sector and a demand and supply analysis. The SS is also required to highlight skills deficits and skills priorities. The specific objectives in relation to each component of the SS as set out above are outlined below:

1. The Employer survey focuses on an accurate profile of the sector and its constituent sub-sectors. This includes a determination of skills needs and priorities as perceived by employers.
2. The Professional Body survey focuses on professional bodies operating in the sector, establishing a profile of the organisations and their role in the sector. The survey also explores the insights and perspectives of professional bodies on skills development in the sector.
3. The Training Provider survey focuses on 3 (three) components, namely a survey of universities, Technical and Vocational Education and Training (TVET) colleges (both public and private) and a survey of workplace training providers.
4. The Learner survey focuses on trends in the senior certificate examinations, learner experiences regarding workplace training and challenges experienced during the learnership, including those that may lead to premature termination of the learnership.
5. The Scarce Skills and Skills Shortages survey focuses on 2 (two) components, namely skills shortages and future skills needs of the sector. The emphasis is on employer and professional body experiences insofar as scarce skills and future growth of the sector is concerned. The survey also identifies changes that might have an impact on the demand of skills.
6. The Demand and Supply Analysis survey focuses on research on the future demand for and supply of labour to the sector. The emphasis is on demand and supply analysis, skills demand forecasting and employment growth and the changing occupational composition of employment.

1.4 Sector Survey Methodology

Table 1-1 below is a summary of population and sample sizes from the 3 (three) previous SSs as well as the targeted sample sizes for the 2016 SS. Table 1-1 illustrates that both the employer population and the sample sizes have seen a decrease. In order to easily compare the current SS and previous SSs, the targeted sample sizes for 2016 did not differ significantly from the 2012 SS except where the population size has changed (or was unknown), such as the private TVET colleges.

Table 1-1: Comparison of Population and Sample Sizes

Survey	Sub-Category	Population			Sample Size			Sector Survey 2016	
		2002	2008	2012	2002	2008	2012	Population	Targeted sample size
Employers		10 000	6 210	5 000	1 261	1 033	848	5 042	857
Professional Bodies		15	14	21	14	14	16	20	16
Training Providers	Public TVET	-	-	50	-	-	23	50	36
	Pvt TVET	-	-	-	-	-	-	-	10
	HEIs	-	-	23	-	-	12	23	17
	Workplace	-	-	-	50	25	122	694	116
Learners		-	-	-	59	50	162	581	173
TOTAL					**1 384**	**1 122**	**1 183**	**6 410**	**1 225**

Table 1-2 below is a comparison of the targeted and actual (realised) sample sizes as well as variance in respect of the employers, workplace training providers (WTP), public and private TVET colleges and the Higher Education Institutions (HEI). The main reason for the HEI survey targets not being met was because the SS coincided with the "#FeesMustFall" campaign. This campaign gathered momentum during between August and November 2016 which led to some HEIs and TVET colleges to be closed. Survey targets were met in respect of the professional bodies and private TVET colleges. The learner's survey exceeded the targeted sample size.

Table 1-2: Targeted Versus Actual Sample Sizes

Survey	Targeted Sample Size	Actual / Realised Sample Size	Variance	Response Rate
Employer	857	780	-77	91%
Learners	173	203	30	117%
Workplace Training Provider	116	110	-6	95%
Professional body	16	16	0	100%
Public TVET colleges	36	22	-14	61%
Private TVET colleges	10	10	0	100%
HEIs	17	12	-5	71%
Total	**1 225**	**1 153**	**-72**	94%

Detailed sample stratification, sample size designs, selections, and data collection methods employed are discussed below under each SS.

1.4.1. Employer survey

1.4.1.1. Sample size and sampling method

Table 1-1 shows that the employer population sizes for 2002, 2008 and 2012 were 10, 000 (ten thousand), 6, 210 (six thousand two hundred and ten) and 5, 000 (five thousand) respectively. The corresponding sample sizes were 1, 261 (one thousand two hundred and sixty one), 1, 033 (one thousand and thirty three) and 848 (eight hundred and forty eight) for 2002, 2008 and 2012 respectively. The targeted sample size for the 2016 employer survey was 857 (eight hundred and fifty seven). The sample size was based on the estimated population size of 5, 042 (five thousand and forty two). This sample size ensures proportionality and comparability with the 2012 SS, which was 17% of the total population. The actual (realised) sample size was 780 (seven hundred and eighty), which is 15% of the population size.

The SS used the disproportionate stratified random sampling (DSRS) method to determine the sample size of each stratum. The DSRS is a method in which the size of the sample drawn from a particular stratum is not proportional to the relative size of that stratum. For example, a stratum could be large organisations (more than 150 (one hundred and fifty) employees), which may account for less than 1% of all organisations in the database, although they account for more than 80% of employees and levies paid to the SETA. In this case, a disproportionate sample was used to represent the large organisations to reflect their levies rather than the number of organisations only. To compensate for the disproportionate sampling, the employer survey data will be weighted in line with the previous SS's weighting method for comparability.

The approach in respect of employer sample size design included:

- review of the Fasset database of registered employers;
- stratification (grouping) of registered employers according to province, sub-sector, organisation size, and SDL-paying status;
- determination of the sample size using the DSRS method; and
- selecting the sampled registered employers using random sampling (Excel random number generator) within the stratified groups.

Organisations that could not be reached or refused to participate were replaced by organisations from a sample drawn in a similar manner to the original sample. Due to the lower response rate, the data collection team extended the survey to all organisations in the Fasset employer database.

Included in the employer sample are:

- all state departments in the database, as well as the South African Revenue Service (SARS); and
- organisations that are levy-exempt (non-levy paying organisations), because of their size (they have payrolls of less than R500 000.00 per year).

1.4.1.2. Data collection

2 (two) identical sets of semi-structured questionnaires were designed and tested. The first questionnaire was presented in Microsoft Word, and was used mainly for face-to-face interviews. The second questionnaire was presented online using Survey Monkey. The data collection methods employed in the employer survey included face-to-face, telephonic, and electronic interviews. The large organisations (150 (one hundred and fifty) and more employees) were interviewed in person by researchers and senior field workers. Smaller organisations were interviewed telephonically or in person. The majority of respondents preferred to complete the questionnaire online rather than participate in face-to-face interviews or complete an e-mailed questionnaire. There were 500 (five hundred) online and 280 (two hundred and eighty) hard copy questionnaires that were completed. A total of 780 (seven hundred and eighty) employer organisations participated in the survey.

Questions on the survey instrument covered the objectives specified above. Employers were also asked to provide individual records of each employee in the organisation, with the biographical and occupational detail required for the employee profile of the sector. The individual records of employees were submitted according to the variables specified by the researchers and agreed to by Fasset. Care was taken to protect the identity of individual employees. Other than biographical descriptors, such as gender, race and age, the records did not contain any information through which people can be identified.

1.4.1.3. Data capturing and analysis

All the responses were captured in Survey Monkey[2], which is an online survey data capturing and analysis tool. Before capturing, all the open-ended questions were coded. Occupational data was coded according to the Organising Framework for Occupations (OFO), a copy of which was given to the research team by Fasset. Sample data was weighted in order to extrapolate the information to the sector. The methodology used in calculating and assigning weights is explained in Annexure A. The data analysis was completed using both Survey Monkey and Microsoft Excel.

1.4.2. Survey of professional bodies

1.4.2.1. Sample size and sampling method

The professional body population sizes for the 2002, 2008 and 2012 were 15 (fifteen), 14 (fourteen) and 21 (twenty one) respectively and the corresponding sample sizes were 14 (fourteen), 14 (fourteen) and16 (sixteen) respectively. According to Fasset, there were19 (nineteen) active professional bodies in the sector in 2016. All 19 (nineteen) professional bodies were included in the sample, and a total of 16 (sixteen) availed their time for interviews.

[2] https://www.surveymonkey.com/

1.4.2.2. Data collection

The data collection instrument used for the professional body survey was a semi-structured questionnaire. The data collection method used was face-to-face interviews conducted by senior researchers. The targeted respondents were chief executives or senior officials. In many instances, the questionnaire was emailed to the respondents before the interview so that they could prepare for the interview.

1.4.2.3. Data capturing and analysis

The main type of data obtained from the professional body interviews was qualitative, which came through detailed probing and open discussions. Detailed transcripts of the interviews were kept by the interviewers and the data was analysed using a technique known as thematic content analysis (TCA).

1.4.3. Survey of training providers

1.4.3.1. Sample size and sampling method

The population of HEIs, TVET colleges and WTPs was not clearly defined in the previous SSs. The 2012 SSs however indicated that there were 50 (fifty) public TVET colleges and 23 (twenty three) HEIs. As shown in Table 1-1, the sample sizes for the WTPs for 2002, 2008 and 2012 SS were 50 (fifty), 25 (twenty five) and122 (one hundred and twenty two) respectively. This SS has 4 (four) clearly defined categories, namely HEIs, public TVET colleges, private TVET colleges and WTPs.

The HEIs' and TVET colleges' databases were stratified according to province and type of qualifications/learnerships offered while the WTPs were stratified the same way as the employer database. The targeted sample sizes for public TVET colleges and HEIs were 36 (thirty six) and17 (seventeen) respectively. Since the total population size for the private TVET colleges had been interviewed in the previous SSs, the research team targeted 10 (ten) private TVET colleges which were active in providing / receiving training in the Fasset-related qualifications. 110 (one hundred and ten) WTPs completed the survey compared to the targeted sample of 116 (one hundred and sixteen) (see Table 1-2).

1.4.3.2. Data collection

The survey employed semi-structured interviews and secondary research. The survey respondents for HEIs and TVET colleges were mainly deans of faculties, heads of departments and other senior staff members. The data collection methods for HEIs and the majority of the TVET colleges was in-depth face-to-face interviews, and the interviews were conducted by senior researchers. Data collection methods for WTPs included electronic interviews (through Survey Monkey), email/fax and telephonic interviews conducted by fieldworkers.

1.4.3.3. Data capturing and analysis

All the responses were captured in Survey Monkey and all the open-ended questions were coded first. Occupational data was coded according to the OFO codes. Quantitative data analysis was completed using both Survey Monkey and Microsoft Excel while qualitative data was analysed through TCA.

1.4.4. Survey of Learners

1.4.4.1. Sample size and sampling method

The population of learners was not clearly defined in the previous SSs. However, as indicated in Table 1-1, the learner sample sizes for 2002, 2008 and 2012 SSs were 59 (fifty nine), 50 (fifty) and162 (one hundred and sixty two) respectively. The total population for learners on the databases obtained from Fasset, namely Learnership Cash Grant (LCG) and National Student Financial Aid Loan Repayment Grant (NSFAS) was 581 (five hundred and eighty one). The sampling method used was stratified random sampling. The learner databases were stratified (grouped) according to province, learnership type, SDL status, size of organisation, and subsector. The targeted sample size was 173 (one hundred and seventy three) and the actual (realised) sample size was 203 (two hundred and three), thereby exceeding the target by 15%.

1.4.4.2. Data collection

Data collection methods used in the learner survey included electronic interviews (through Survey Monkey) and telephonic interviews, which were conducted by call centre agents from the Underhill Corporate Solutions (UCS) offices in Pretoria.

1.4.4.3. Data capturing and analysis

The learner survey was mainly quantitative in nature, with a few open-ended questions. All the responses were captured in Survey Monkey and all the open-ended questions were coded first. Quantitative data analysis was completed using both Survey Monkey and Microsoft Excel.

1.5 Classification Systems used in the Sector Survey

1.5.1. Subsectors

The sector is demarcated according to the Standard Industrial Classification (SIC), which is an economic classification system that is used in the National Accounts (NA) and in several of Statistics South Africa's (SSA) surveys. The sector includes16 (sixteen) SIC codes at the five-digit level. To simplify the analysis, Fasset has grouped the SIC codes into 7 (seven) subsectors. The SIC codes, the economic activities that they represent and the clustering of SIC codes into sub-sectors are depicted in Table 1-3.

Table 1-3 Sub-sector demarcation

SIC Code	SIC Description	Subsector
81904 88103	Investment Entities & Trusts Company Secretary Services	Investment Entities & Trusts Company Secretary Services
83110 83120 83121 88102	Administration of Financial Markets Security-dealing Activities Stockbroking Asset Portfolio Management	Stockbroking & Financial Markets
83180	Development Corporations & Organisations	Development Organisations
88101 88120 88121 88122 88123	Tax Services Accounting, Bookkeeping & Auditing Activities Tax Consultancy Activities of Accountants & Auditors registered in terms of the Public Accountants & Auditors Act Activities of Cost & Management Accountants Bookkeeping Activities, including Relevant Data Processing & Tabulating Activities	Accounting, Bookkeeping, Auditing & Tax Services
83190	Activities Auxiliary to Financial Intermediation	Activities Auxiliary to Financial Intermediation
88140	Business & Management Consulting Services	Business & Management Consulting Services
91108 9110E	South African Revenue Service (SARS) National Treasury Provincial Treasuries	SARS & Government Departments

It is important to note that the sub-sector demarcation used in this SS, as per column 3 (three) in table 1-3 above, is not “pure”, as many organisations are involved in more than one type of activity. Organisations were assigned to a sub-sector on the basis of their own choice of ‘main’ business activity. The previous SSs used the same classification.

1.5.2. Organising framework for occupations

As indicated previously in this SS, all the occupational information has been coded and is reported on according to OFO Version 2012. The OFO is an occupational classification system that was introduced by the Department of Labour (DoL) in 2006 for the identification and reporting of scarce and critical skills. The OFO that was introduced at that time was based on an occupational classification system developed by Australia and New Zealand – the Australian and New Zealand Standard Classification of Occupations (ANSCO). That classification system differed substantially from the Standard Occupational Classification (SOC) that was used before 2006 by the SETAs.

The OFO that was based on ANSCO was used in the 2007 SS conducted by Fasset. In 2010 the South African government decided to change the structure of the OFO, to align it to the

International Classification of Occupations (ISCO) which is the classification system used by the International Labour Organisation (ILO). The original OFO (prior to 2010) and the one based on ISCO (post 2010) differ substantially, even at the level of major occupation groups. For this reason, the occupational data from the 2 (two) SSs should be compared with great care.

The OFO classifies occupations on the basis of a combination of skill level and skill specialisation. The term "skill" denotes the competencies generally required for the proficient performance of the set of tasks associated with an occupation. The skill level of an occupation refers to the level or amount of formal education and/or training, the amount of previous experience and the amount of on-the-job training that are usually required to perform the set of tasks in that occupation competently. The skill specialisation of an occupation is a function of the field of knowledge required, the tools and equipment used, the materials worked on and the goods and services provided in an occupation.

The OFO divides occupations into major (one digit), sub-major (two digit), minor (three digit) and unit (four digit) groupings. Occupations (six digits) are sub-divisions of the unit grouping and can further be sub-divided into specialisations or jobs. In this report, occupational information is reported at the major group and at the occupational level.

1.6 Presentation of the Research Findings

Chapter 2 of this report provides the profile of organisations and employees in the sectors. The first sub-section gives an overview of the organisations in the sector and the second sub-section gives a detailed description of the employees in the sector.

Chapter 3 offers an overview of professional bodies that are active in the sector. The main source of this information is in-depth interviews conducted during the professional body's survey. The focus of this description is on the skills development initiatives and activities in which the professional bodies are involved. The chapter also provides possible change drivers, which professional bodies felt might impact the sector in the medium and long term.

In Chapter 4, a detailed discussion of education and training provider's survey is provided. The survey included HEIs, private and public TVET colleges and WTPs. The chapter concludes by looking at the scarce and critical skills as perceived by the WTPs. This is very insightful information when compared to the views of employers.

Chapter 5 discusses the results of the learner survey. The chapter explores learners' perceptions on theoretical and workplace training, access to education, career progression and challenges which might lead to learner dropout.

Chapter 6 presents an analysis of the pipeline of the supply of skills to the sector. The main source of data is secondary research, and it offers education training output trends for basic education, the TVET sector, universities, professional bodies and Fasset funded programs. Only education and training relevant to the sector are discussed.

Chapter 7 deals with demand for skills and skills shortages (also known as scarce skills) in the sector. Stakeholders' views on the future demand for skills in the sector are discussed.

Chapter 8 presents the labour demand and projection model. The chapter starts with employment trend analysis before discussing the econometric model and projections.

2 PROFILE OF ORGANISATIONS AND EMPLOYEES

2.1 Introduction

The purpose of this chapter is to provide an overview of the organisations and employees in the sector. One of the key objectives of each of the SS has been and is to obtain a profile of employment in the sector.

The chapter is mainly based on data obtained through the employer survey. As indicated in the previous chapter, a total of 780 (seven hundred and eighty) organisations participated in the employer survey. Most of them also submitted individual employee records containing biographical, occupational and educational information to the researchers for analysis. The data is supplemented by the Workplace Skills Plan (WSP) data for 2016, obtained from Fasset.

2.2 Employer Profile

2.2.1. Levy-paying and non-levy-paying organisations

Levy-paying organisations include all organisations that fall within the levy threshold and consequently pay the SDL to Fasset. The levy threshold refers to a threshold set by the South African government from time to time to determine which organisations are obliged to pay the SDL and which organisations are exempt. The levy threshold is currently 'a payroll of R500 000.00 per annum'. None non-levy paying organisations include government departments and/or organisations with payrolls smaller than R500 000.00 per annum.

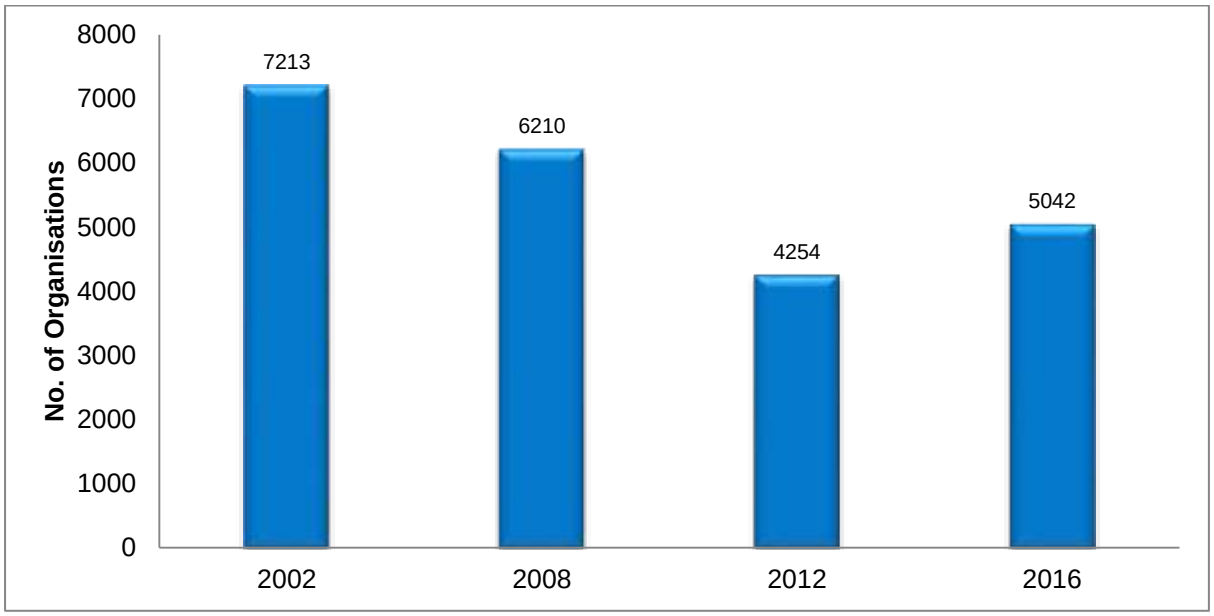
2.2.2. Employer population and sample size

Fasset's database of employers was used as the sample frame (population) for this survey. The employer profile presented in this chapter accordingly represents the employers found on the database. Fasset's original database contained a population size of 6,646 (six thousand six hundred and forty six) organisations, however this was adjusted to 5,042 (five thousand and forty two) after removing duplicate organisations, organisations that have closed down or moved to another SETA/sector as well as those organisations which were not traceable owing to incorrect, missing or outdated information which totalled 1,604 (one thousand six hundred and four).

2.2.3. Number of organisations in the sector

Figure 2-1 shows the number of organisations in the sector from 2002 to 2016, which covers the previous 4 (four) SSs. It is evident that the number of organisations based on the SSs has reduced from 7,213 (seven thousand two hundred and thirteen) in 2002 to 4,254 (four thousand two hundred and fifty four) in 2012. In 2016 the number of organisations increased to 5,042 (five thousand and forty two).

Figure 2-1: Number of organisations in the sector



Source: Sector Survey, 2016 and previous Sector Surveys (2012, 2008, and 2002)

Table 2-1 below sub-divides the 5,042 (five thousand and forty two) organisations in the 2016 SS into sub-sectors.

2.2.4. Size and number of organisations represented in each sub-sector

Table 2-1 shows an overview of organisations in the sector by sub-sector and size across all 8 (eight) sub-sectors. Most of the organisations (51, 1%) are Accounting, Bookkeeping, auditing and Tax services firms followed by Business and Management Consulting Services and Stockbroking which constitute 12, 8% and 9, 1% respectively. The table also shows that the majority of organisations in the sector are small (94, 8%) whilst large organisations only constitutes 2, 0% with the remainder being that of medium-sized organisations.

Table 2-1: Profile of Fasset organisations by sub-sector and size

Sub-sector	Large	Me-dium	Small	Total per sub-sector	
				Total number of organisations	Percentage of organisations to total
Investment Entities and Trusts and Company Secretary Services	9	13	405	**427**	**8,47%**
Stockbroking and Financial Markets	21	29	407	**457**	**9,06%**
Development Organisations	4	2	48	**54**	**1,07%**
Accounting, Bookkeeping, Auditing and Tax Services	26	58	2492	**2576**	**51,09%**
Business and Management Consulting Services	16	21	608	**645**	**12,79%**
Activities Auxiliary to Financial Intermediation	15	12	293	**320**	**6,35%**
SARS and Government Departments	9			**9**	**0,18%**
Unspecified	3	12	539	**554**	**10,99%**
Total	**103**	**147**	**4792**	**5042**	**100**
Percentage	**2,0%**	**2,9%**	**94,8%**	**100%**	**100%**

Source: Sector Survey (2012)

The results are consistent with the findings of previous SSs where Accounting, Bookkeeping, Auditing and Tax Services have maintained their biggest share in terms of the number of organisations in the sector though the numbers fluctuated between 44% and 63%.

However, Figure 2-2 shows that Investment Entities and Trusts and Company Secretary Services and Activities Auxiliary to Financial Intermediation had proportions of their organisations decreasing from 20% to 8, 4% and from 14% to 6, 4% respectively between 2002 and 2016.

Figure 2-2: Fasset companies by sub-sector from 2002-2016

Source: Sector Survey (2016) and previous Sector Surveys (2012, 2008, and 2002)

As shown in Figure 2-2, Business and Management Consulting Services has more than doubled over the years from 6% to 12, 8% over the same period.

2.2.5. Geographical distribution

Table 2-2 shows the geographic location of organisations in the sector. The table shows that the organisations are mostly located within the provinces of Gauteng (38, 6%), Western Cape (29, 5%) and KwaZulu-Natal (11, 9%). The Northern Cape province and the Limpopo province have much lower levels of representivity, being 1% and 1, 8% respectively.

Table 2-2: Geographical location of organisations in the sector

Province	Total organisations	% of sector employers	Total employees	% of sector employment
Eastern Cape	321	6,4%	5 006	3,6%
Free State	198	3,9%	2 894	2,1%
Gauteng	1 944	38,6%	77 595	56,0%
KwaZulu-Natal	599	11,9%	12 836	9,3%
Limpopo	90	1,8%	2 676	1,9%
Mpumalanga	158	3,1%	3 124	2,3%
North West	160	3,2%	3 401	2,5%
Northern Cape	52	1,0%	1 255	0,9%
Western Cape	1 488	29,5%	29 792	21,5%
SA National (in SA but province not specified)	32	0,6%	0	0,0%

Province	Total organisa-tions	% of sector employers	Total employ-ees	% of sector employment
Total	**5 042**	**100%**	**138 578**	**100%**

Source: Sector Survey (2016) and FASSET weighted WSP (2016)

Table 2-2 also shows that the provinces with the largest number of organisations are also the provinces with the largest number of employees in the sector. Gauteng, Western Cape and KwaZulu-Natal also lead with 56%, 21, 5% and 9, 3% of employees respectively while Limpopo and Northern Cape are the provinces with the fewest number of employees in the sector only employing 1, 9% and 0, 9% respectively.

2.3 Employee Profile

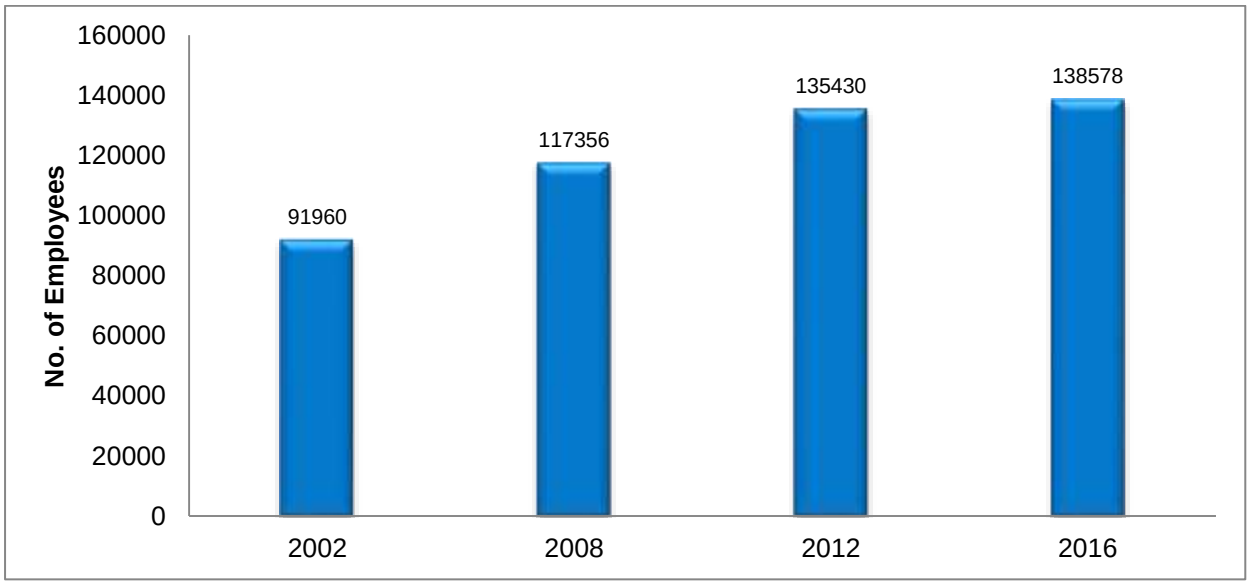
2.3.1. Introduction

This section highlights the profile of the labour market in terms of total employment, provincial distribution, gender, race, age, occupation and educational levels. The section was informed by the weighted findings of the organisations which participated in the SS, to reflect the sector as a whole.

2.3.2. Total employment

Figure 2-3 shows that employment in the sector has been increasing since the first SS was completed in 2002. However, the rate of increase slowed down between 2012 and 2016. On average the total employment rate has been increasing by an average of 5, 5% per year between 2002 and 2008 and 3, 1% per year between 2008 and 2012. However, between 2012 and 2016 the rate of growth had slowed down to an average of 0, 5% per year.

Figure 2-3: Total employment



Source: Sector Survey (2016) and previous Sector Surveys (2012, 2008, and 2002)

2.3.3. Employment by sub-sector

Table 2-3 shows total employment in the sector by sub-sector. It shows that the majority of employees (39, 7%) work in Accounting, Bookkeeping, Auditing and Tax Services... This is supported by the fact that 51, 1% of employers are in this sector too. This is followed by Activities Auxiliary to Financial Intermediation, Stockbroking and Financial Markets and SARS and Government Departments sub-sectors which employ 15, 2%, 13, 8% and 13, 5% respectively.

Table 2-3: Profile of Fasset employment by sub-sector

Sub-sector	Total per sub-sector	
	Number of employees	Percentage of employees to total employment in sector
Investment Entities and Trusts and Company Secretary Services	6 503	4,7%
Stockbroking and Financial Markets	19 063	13,8%
Development Organisations	397	0,3%
Accounting, Bookkeeping, Auditing and Tax Services	54 965	39,7%
Business and Management Consulting Services	17 999	13,0%
Activities Auxiliary to Financial Intermediation	21 006	15,2%
SARS and Government Departments	18 645	13,5%
Total	**138 578**	**100%**

Source: Sector Survey (2016)

Table 2-3 also shows that the Development Organisations sub-sector is the smallest of all sub-sectors in terms of employment as it only employs 0,3% of the total employees in the sector .

2.3.4. Employment by organisation size

Table 2-4 shows total employment in the sector by organisation size. Although it was highlighted in Table 2-1 that large companies constitute a very small percentage of the sector's employer population, Table 2-4 however, shows that they constitute 69,9% of employment which has increased by 17% from the 2012 SS .

Table 2-4: Profile of employment by sub-sector

Organisation size	Total per organisation size	
	Number of employees	Percentage of employees to total employment in sector
Large	96 811	69,9%
Medium	9 526	6,9%
Small	32 031	23,1%
NLP	130	0,1%
Total	**138 578**	**100%**

Source: Sector Survey (2016) and FASSET weighted WSP (2016)

The SS reveals that average employment per organisation varies considerably according to organisational size. Even where the two smallest categories are concerned, Table 2-5 shows that small organisations employ an average of 14 people, while NLP organisations employ an average of 5 people.

Table 2-5: Average employment by organisation size

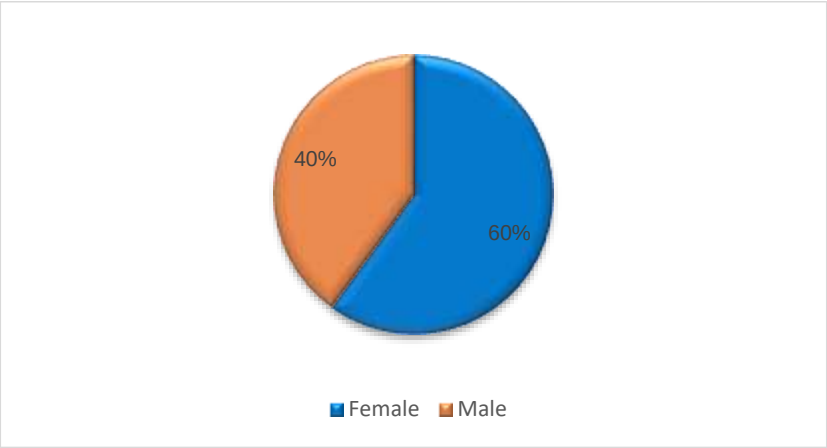
Organisation size	Average employment per organisation
Large	1 340
Medium	83
Small	14
NLP	5
Total	**1442**

Source: Sector Survey (2016) and FASSET weighted WSP (2016)

2.3.5. Gender and Population Group

The gender distribution of employees in the sector is shown in Figure 2-4. There is a higher percentage of females who constitute 60% of the total employment while males account for 40%.

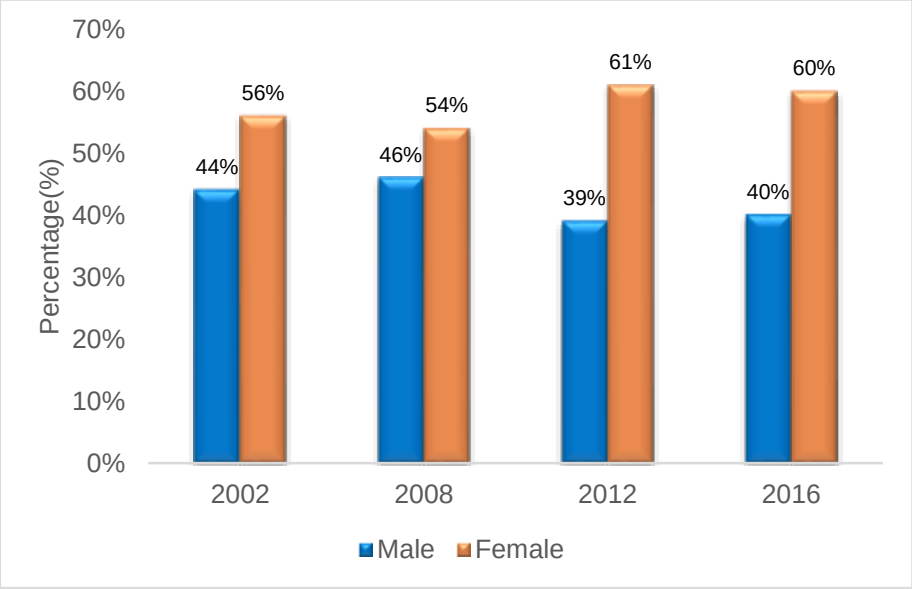
Figure 2-4: Employment by gender



Source: Sector Survey (2016)

Figure 2-5 shows that between 2002 and 2016, the majority of employees in the sector are female. The percentage of male employees fluctuates between 38, 6% and 46, 4% while the percentage of female employees fluctuates between 53, 6% and 61, 4%.

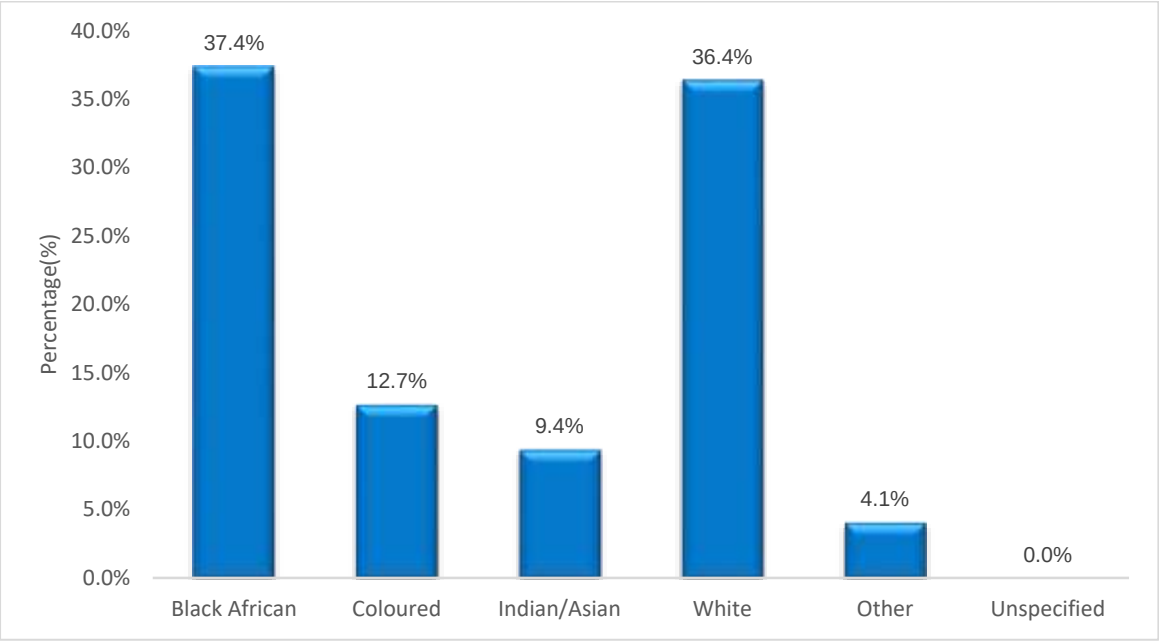
Figure 2-5: Employment by gender



Source: Sector Survey (2016) and previous Sector Surveys (2012, 2008, and 2002)

Figure 2-6 shows the composition of the four race groups in the sector. The majority of employees in the sector are Black Africans (37, 4%), followed by Whites (36.4%), then Coloureds (12, 7%) and then Indians (9, 4%).

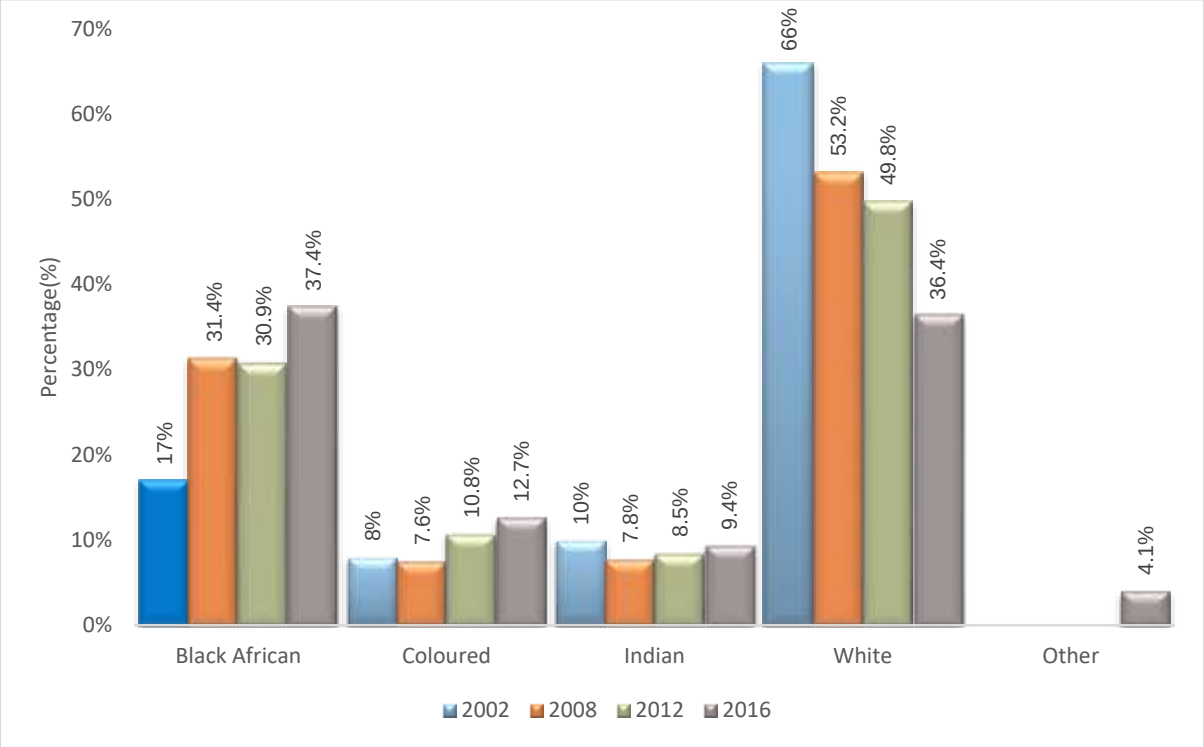
Figure 2-6: Employment by population group



Source: Sector Survey (2016)

Figure 2-7 compares the composition of the four race groups in the sector for the period between 2002 and 2016. It shows that the percentage of Black Africans employed in the sector has increased from 17% in 2002 to 37, 4% in 2016 while that of Whites has decreased fro66% to 36, 4%. The percentage of Coloureds employed in the sector has also increased from 8% in 2002 to 12, 7% in 2016 while that of Indians has decreased from 10% in 2002 to 9, 4 % in 2016.

Figure 2-7: Employment by population group from 2002 to 2016



Source: Sector Survey (2016) and previous Sector Surveys (2012, 2008, and 2002)

2.3.6. Employment by disability status

Table 2-6 shows that a small minority (0, 7%) of employees in the sector have disclosed a disability status.

Table 2-6: Number of employees with a disability

Disability status	Number of disabled persons working in the sector	Percentage
2002	552	0.6%
2008	939	0.8%
2012	330	0.2%
2016	954	0.7%

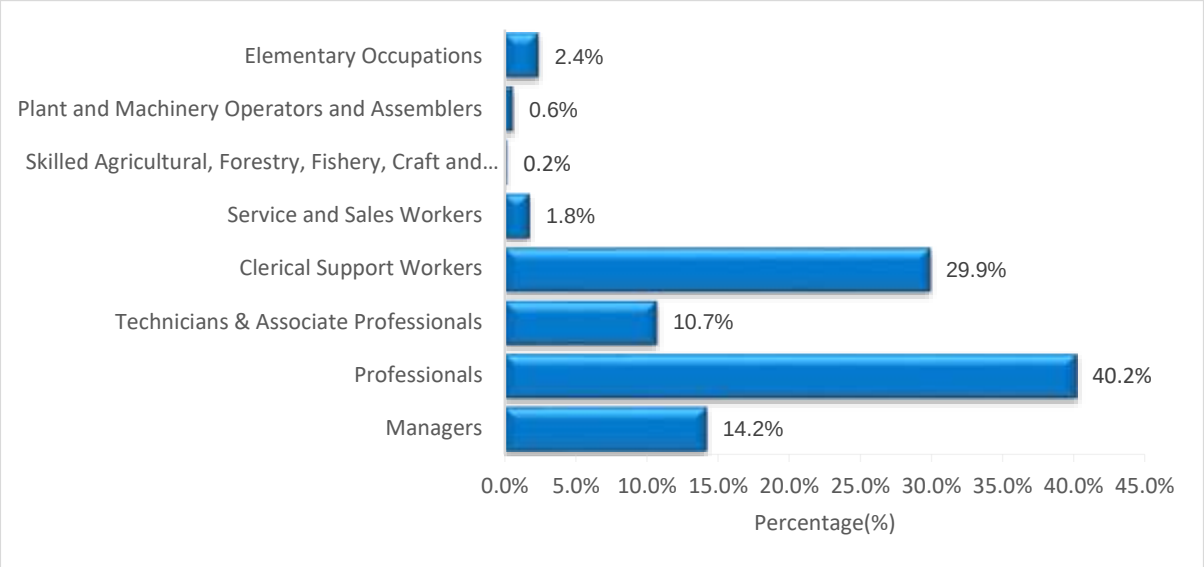
Source: Fasset Sector Survey, 2016 and previous survey reports of 2002, 2008, and 2012

Table 2-6 shows that the sector employs very few disabled people. The percentage of employees with disabilities ranges between 0, 2% and 0, 8% in the SSs conducted between 2002 and 2016.

2.3.7. Employment by occupational category

Figure 2-8 shows the occupational category distribution of total employees in the sector. The occupational categories are classified into eight major groups as defined in the OFO. The majority of employees (40, 2%) in the sector are classified as professionals followed by clerical support workers, then managers and then technicians and associate professionals who constitute 29, 9%, 14, 2% and 10, 7% of the total employees in the sector respectively. Elementary occupations, Plant and Machinery Operators and Assemblers, Skilled Agricultural Forestry, Fishery, Craft and Related Trades Workers as well as Service and Sales Workers constitute a small percentage of the total employees, being 5% of the total.

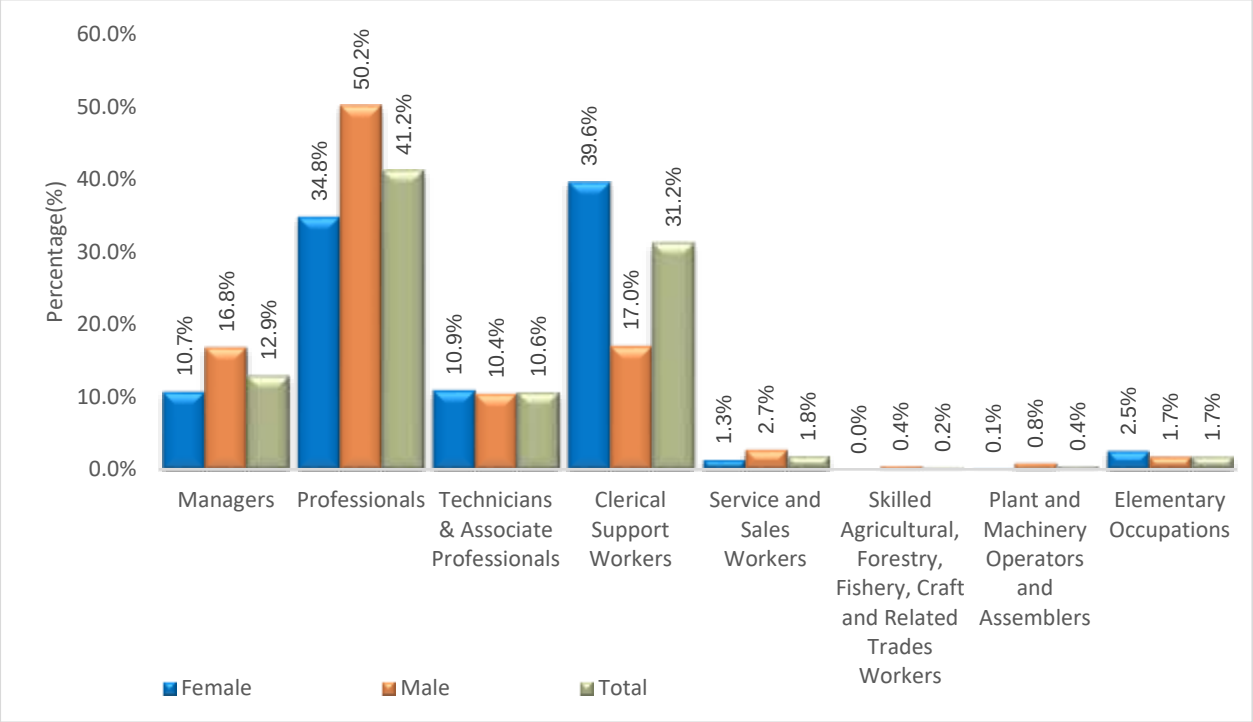
Figure 2-8: Distribution of employment by occupational category



Source: Calculated from Fasset WSP/ATR Submission (2016)

Figure 2-9 below shows that females constitute the majority of employees in the Clerical Support Workers category (39, 6%), and comprise a relatively high percentage in the Professionals (34, 8%) and Technicians and Associate Professionals (10, 9%) categories.

Figure 2-9: Occupational Categories by Gender



Source: Calculated from Fasset WSP/ATR Submission (2016)

Table 2-7 shows that, overall, Black Africans comprise the majority (38.0%) of the sector's employees followed by Whites (35.8%), then Coloureds (12.5%) and then Indians (9.5%). Black Africans constitute the majority of employees in most occupational categories, including Clerical Support Workers; and Technicians and Associate Professionals. However, Whites comprise the majority in the Managers (8.1%) and Professionals (16.3%) categories with Black Africans comprising 2, 8% and 14, 2% in those respective categories.

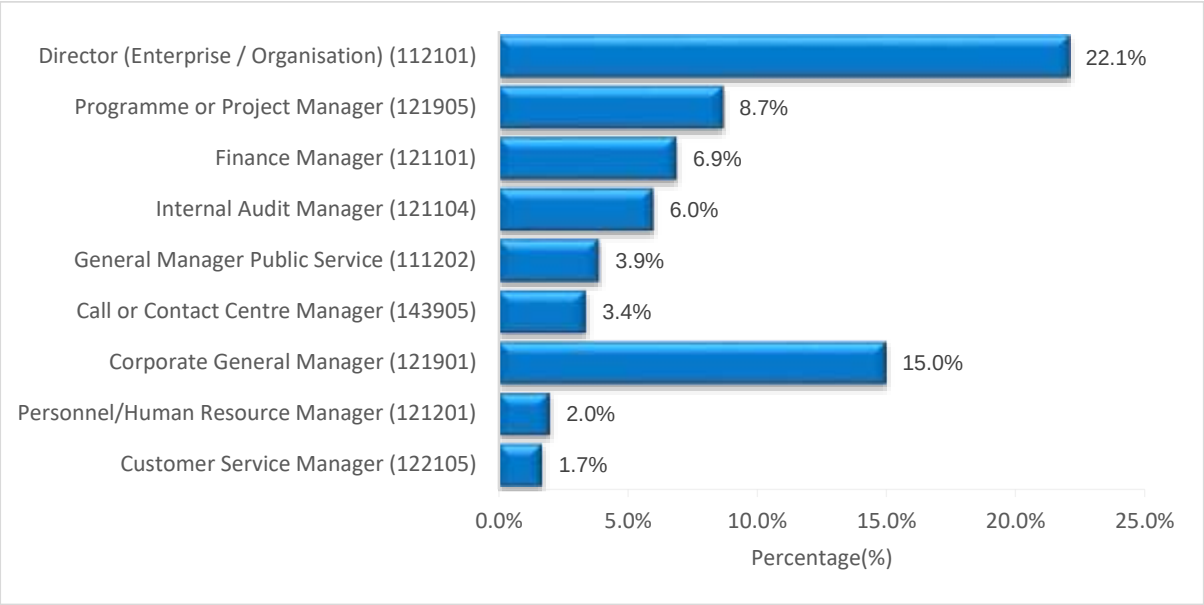
Table 2-7: Occupational Categories by Population Group

Occupational Categories	Population group					
	Black African	Coloured	Indian/ Asian	White	Other	Total
Managers	20	10	11	57	2	**100**
Professionals	35	7	12	40	6	**100**
Technicians and Associate Professionals	41	11	9	37	1	**100**
Clerical Support Workers	47	22	6	23	2	**100**
Service and Sales Workers	25	6	13	13	44	**100**
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	50	0	0	50	0	**100**
Plant and Machine Operators and Assemblers	33	17	0	17	33	**100**
Elementary Occupations	79	13	0	4	4	**100**

Source: Calculated from Fasset WSP/ATR Submission (2016)

A closer review of the occupational categories reveals the ten most prominent occupations within each category. The specific occupations that make up the four main occupational groups in the sector can be seen in the Figure 2-10.

Figure 2-10: Composition of employees by Managerial Occupation



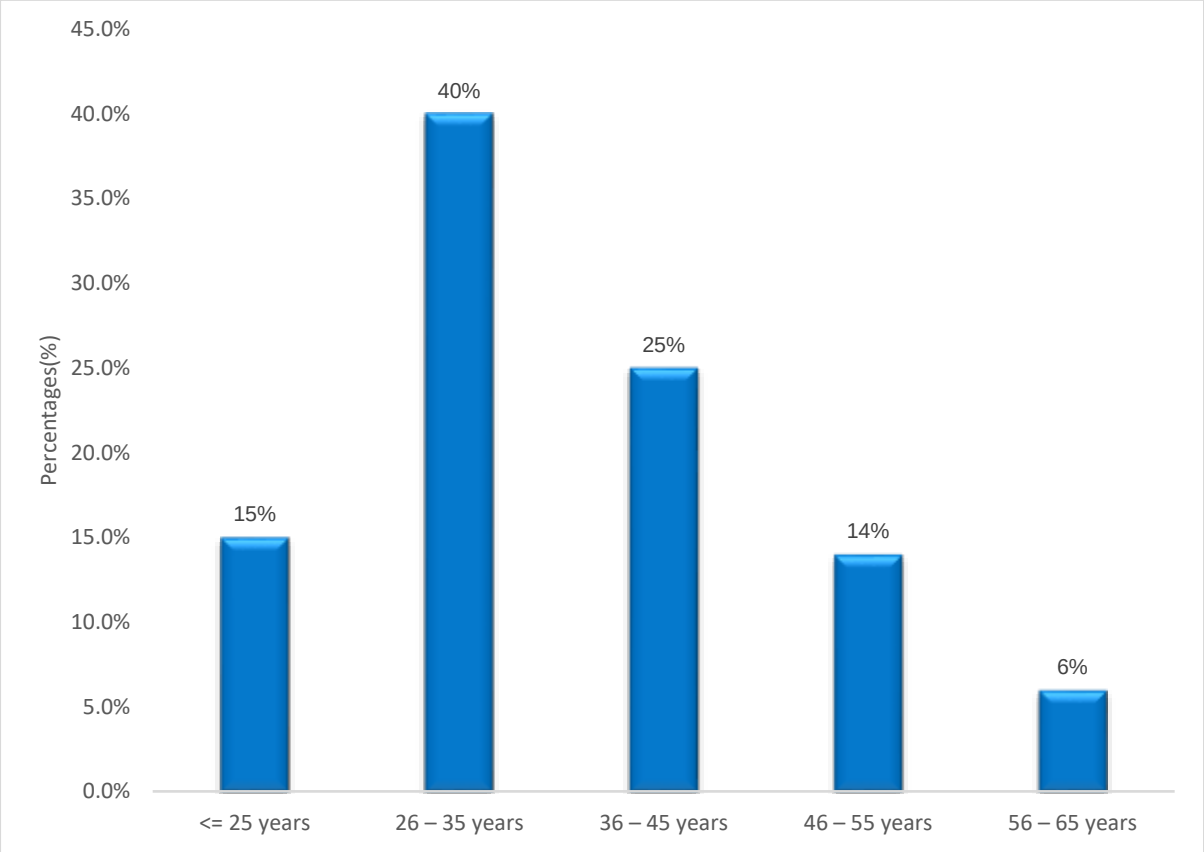
Source: Calculated from Fasset WSP/ATR Submission (2016)

As shown on Figure 2-10, the occupational group Managers consists mostly of Directors (22, 1%), followed by Corporate General Managers (12.8%) Program or Project Managers (8, 7%), Finance Managers (6, 9%) and Internal Audit Managers (6, 0%).

2.3.8. Employees by age

Figure 2-11 shows the age distribution of employees in the sector. The figure shows that the majority (40%) of the employees in the sector are between 26 (twenty six) and 35 (thirty five) years of age. Employees in the sector are relatively young, with 55 % of them being 35 (thirty five) years old or younger. Only 6.7 % of the employees are over the age of 56 (fifty six) years.

Figure 2-11: Age of employees

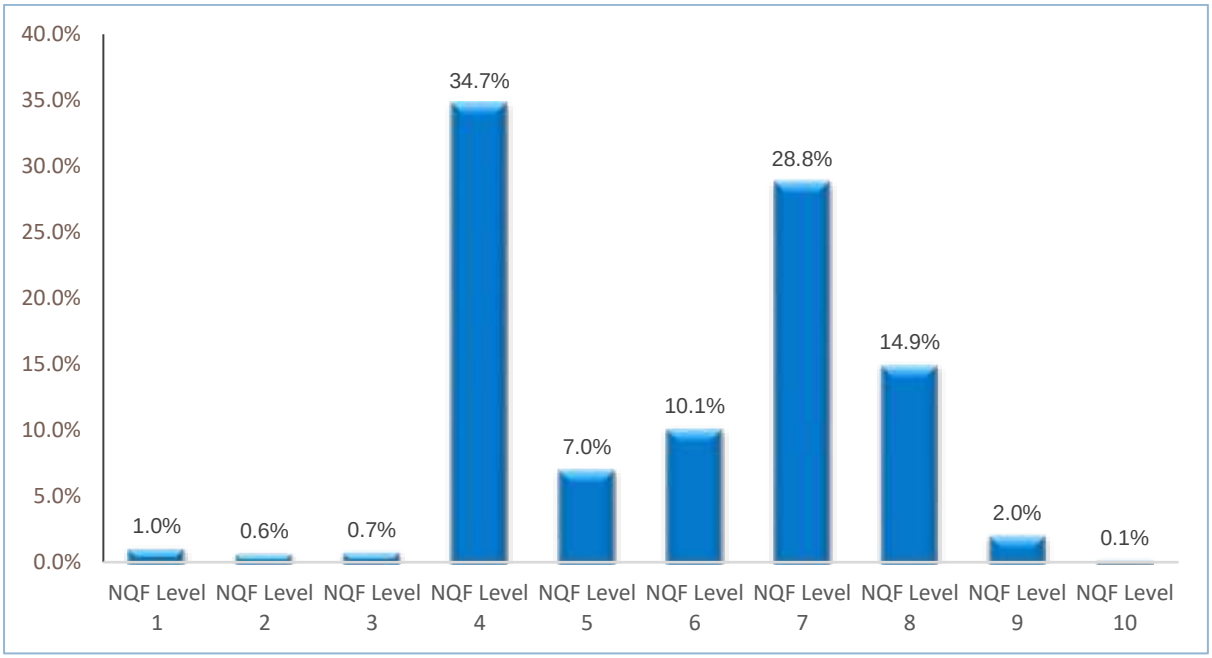


Source: Calculated from Fasset WSP/ATR Submission (2016)

2.3.9. Employees by education levels

Figure 2-12 reveals that the highest percentage, being 37,4% of employees in the sector have achieved the equivalent of a NQF Level 4 qualification, followed by 28,8% who have achieved NQF Level 7 qualification. The smallest number of employees fall into the lowest educational categories, being NQF Levels 1, 2 and 3 with a combined percentage of 2, 3%, which has been a consistent reflection over the years of the sector's need for a highly-qualified workforce.

Figure 2-12: Employment by education level



Source: Calculated from Fasset WSP/ATR Submission (2016)

2.3.10. Employment by professional occupational categories

Table 2-8 shows the professional occupational categories by OFO Codes. Results shows that the majority of the professionals in the sector are External Auditors who comprise 25, 7% of the total, followed by Accountants (defined as Accountant General; Accountant in Practice; Trainee Accountant; Financial Accountant and Forensic Accountant) who comprise 18, and 8% of the total. The third largest professional occupation is Management Consultant who comprise 14, 6% of the total. The other professional categories are Financial Investment Advisor; Internal Auditor; and Tax Professional who constitute 2, 5%; 2, 6%; and 2, 8% of the total respectively.

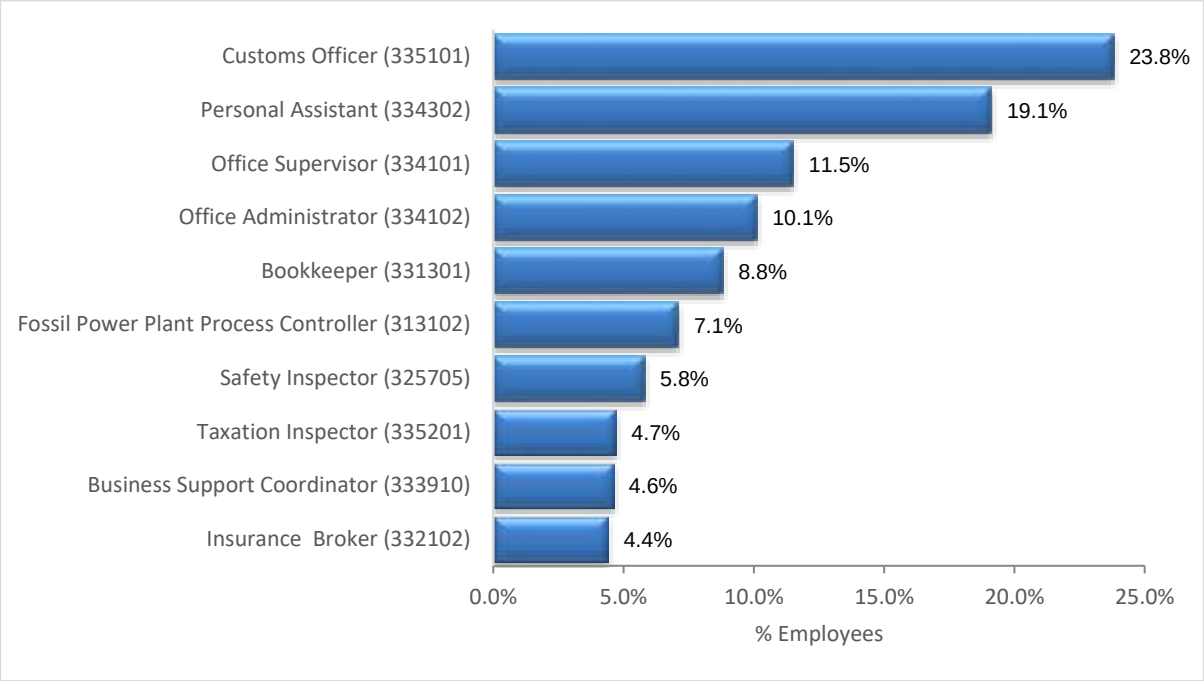
Table 2-8: Professional Occupations

Occupation	OFO Code	N	%
External Auditor	241104	11 344	25,7%
Accountant (General)	241101	8 309	18,8%
Accountant in Practice	241106		
Trainee Accountant	241106		
Financial Accountant	241107		
Forensic Accountant	241108		
Management Consultant	242101	6 455	14,6%
Tax Professional	241103	1 256	2,8%
Internal Auditor	242211	1 140	2,6%
Financial Investment Advisor	241301	1 113	2,5%

Source: Calculated from Fasset WSP/ATR Submission (2016)

Figure 2-13 shows the categories of Technicians and Associate Professional occupations. Custom Officers, Personal Assistants and Office Supervisors form the largest component of this occupational category with 23,8%; 19,1% and 11,5% respectively while Insurance Brokers, Business Support Coordinators and Taxation Inspectors have fewer employees in this category and range from 4,4% to 4,7%.

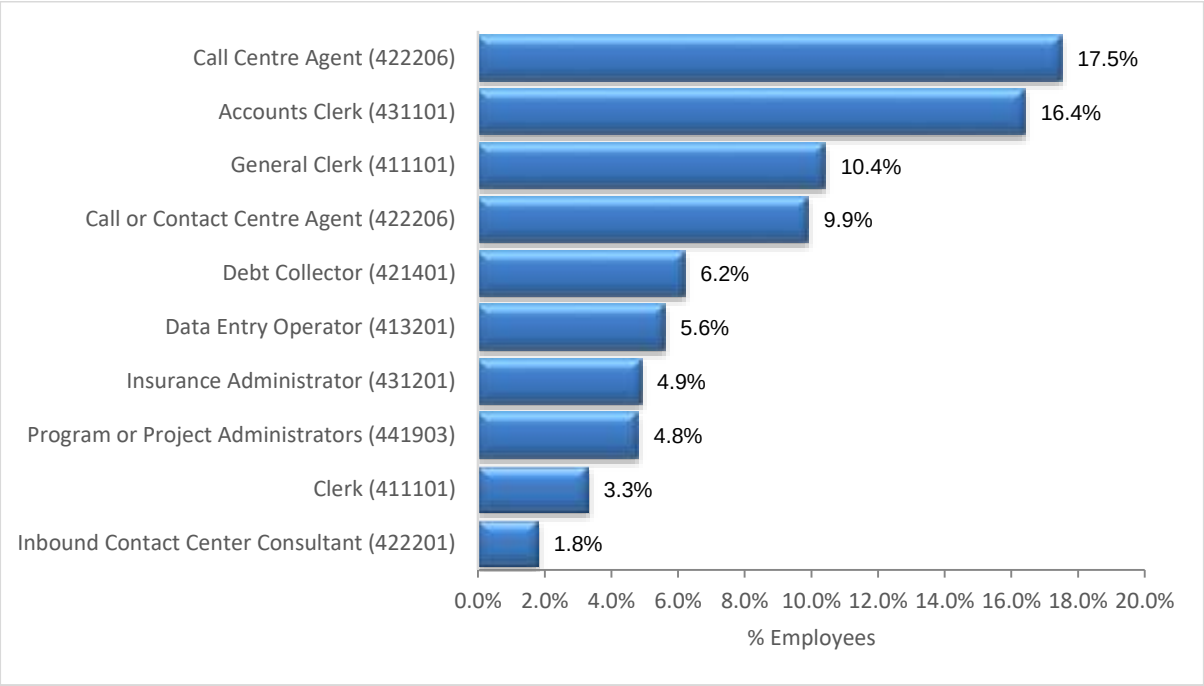
Figure 2-13: Technician and Associate Professional Occupations



Source: Calculated from Fasset WSP/ATR Submission (2016)

Figure 2-14 shows that the occupational group Clerical Support Workers, which consists of Call Centre Agents (17, 5%) Accounts Clerks (16, 4%), General Clerk (10, 4%) is the largest category whilst Inbound Contact Centre Consultants (1, 8%) and Clerks (3, 3%) are the smallest category.

Figure 2-14: Clerical Occupations



Source: Calculated from Fasset WSP/ATR Submission (2016)

2.4 Conclusion

This chapter has looked at broad overview of the organisations and employees in the sector. The estimated number of organisations in the sector is 5,042 (five thousand and forty two). The study reveals that the majority of organisations s in the sector employ fewer than 50 (fifty) people (these are defined as “small” organisations). The number of small organisations has increased over the years. The majority of employees in the sector are employed in medium and large private organisations. There are also a significant number of employees employed by large public sector organisations. The differing sizes of organisations within the sector requires a balance when addressing the needs and interests of the sector.

Geographically, the sector is unevenly distributed, with more than half of the employees being highly concentrated in the Gauteng and Western Cape provinces where most companies are located. Accounting, Bookkeeping, Auditing and Tax Services remains the largest sub-sector in terms of employment levels and number of organisations in the sector whilst Development Organisations is the smallest sub-sector.

Employees in the sector are mostly skilled with post-matric qualifications. Employment is also concentrated in the more skilled occupational categories with the majority of employees having attained NQF Level 4. Skills development strategies ought therefore to focus on NQF levels 5 and upwards.

The race and gender profile of the sector shows some significant improvements from the previous years. Black African and female employees are now in the majority. However, measures

need to be put in place to ensure that more Black Africans occupy the Managerial and Professional positions and more females occupy positions which are superior to the Clerical Support positions.

The sector currently employs only a very small number of people with disabilities. The type of work performed in the sector provides any opportunity for people who live with disabilities to earn a livelihood. The sector ought, therefore to encourage employers to focus on creating employment opportunities for people with disabilities...

3 SURVEY OF PROFESSIONAL BODIES

3.1 Introduction

This chapter focuses on the professional bodies who are active in the sector. The chapter will provide an overview of professional bodies surveyed, the nature of their involvement in the provision of education and training to the sector, their views on scarce skills and the critical skills gaps. The chapter will also discuss the plans by professional bodies to enhance the skills base of the sector as well as the changes and challenges which are anticipated in the sector.

3.2 Data Collection and Profile of Respondents

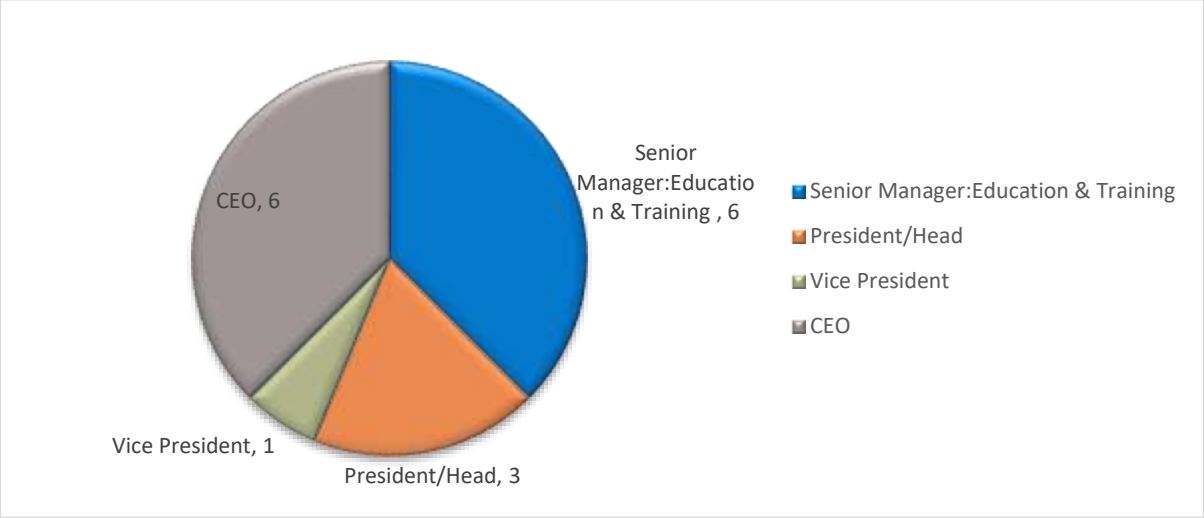
3.2.1. Data collection

The data collection phase for professional bodies took place during September and October 2016, with a total of 16 (sixteen) professional bodies (out of the 19 (nineteen) active in the sector) availing their time for interviews. 13 (thirteen) of the professional bodies interviewed are based in Gauteng, in either Johannesburg or Pretoria. 3 (three) of the professional bodies interviewed are based in the Western Cape, all of them in Cape Town.

3.2.2. Positions of respondents

All of the professional body interviewees were senior staff members. Figure 3-1 shows the breakdown. A total of 6 (six) respondents were the CEOs, 3 (three) were the Presidents or Head, 1 (one) the Vice President, while the remaining 6 (six) were either senior executives or senior managers directly involved with professional development, education and training.

Figure 3-1: Positions held by interviewees



Source: Sector Survey (2016)

3.3 Brief Profile of Professional Bodies Surveyed

3.3.1. Association for the Advancement of Black Accountants of Southern Africa

The Association for the Advancement of Black Accountants of Southern Africa (ABASA) aims to redress inequalities in the accounting profession by reviewing the challenges which limit access to the profession for black South Africans at school and university level, and contributes to addressing them by embarking on and disseminating information on programs and activities which enable access. ABASA does not exist to duplicate the efforts and achievements of other professional bodies, and, while it has a strong partnership with the South African Institute of Chartered Accountants (SAICA) and the South African Institute of Professional Accountants (SAIPA), it pursues transformation in all accounting professions.

ABASA facilitates collaboration of school and university initiatives aimed at removing barriers to successful matric and university completion by black students. It also provides structural and academic support to trainees for university and qualifying exams and equips and empowers junior to senior black management to effectively lead within the accounting profession.

3.3.2. Association of Accounting Technicians (South Africa)

The Association of Accounting Technicians (South Africa) (AAT (SA)) is a partnership between the South African Institute of Charted Accountants (SAICA) and the Association of Accounting Technicians (AAT) to educate, develop, regulate and support accounting technicians. AAT (SA) is also a part of one of the world's leading membership organisations for accounting professionals, The Association of Accounting Technicians. Accounting technician's work at all levels of finance, from accounts clerks to directors of large organisations.

AAT (SA)'s primary goals for the next 5 (five) years are to increase its membership base, attract funding for students, and develop training material that is both current and relevant for the South African industry's changing demands and which will allow professionals to progress in their careers by benefiting from a sound base of both theoretical knowledge and workplace training.

3.3.3. Association of Certified Fraud Examiners - South African Chapter

The Association of Certified Fraud Examiners - South African Chapter (ACFESA) is part of a global body representing and governing fraud examination professionals in South Africa. It is the world's largest anti-fraud and white-collar crime organisation and provides comprehensive training and education in these areas. Its members focus on the exposition and reduction of white-collar crime.

Over the next five years, the ACFESA will be focusing on increasing access to training for potential students. In light of the implications of fraud, this is viewed as an area being threatened by under-funding. The ACFESA also has a strict focus on regulation of its members, including disciplining them when necessary to ensure ongoing public confidence in the profession. The body will also be focusing on increasing its membership base.

3.3.4. Association of Chartered Certified Accountants

The Association of Chartered Certified Accountants (ACCA) is part of a global body which allows its members to work internationally through its network of employers as well as its members' compliance with regulation and standards worldwide. Students may opt to study the programs through the ACCA's approved learning partners, or through a self-study approach.

Over the next five years, the ACCA will be focusing on member advocacy to ensure that more of the South African industry is aware of the credentials and standing of their professionals, on adapting its curricula to ensure relevance to industry and on providing input into policy and legislation where the accounting profession in general is concerned. Strong engagement is taking place with the QCTO which is currently influencing all professional bodies' programs in terms of structure and content.

3.3.5. Chartered Institute of Management Accountants

The Chartered Institute of Management Accountants (CIMA) in South Africa is part of the world's largest professional body of management accountants. The CIMA qualification has been designed to blend management accounting, financial accounting and business-focused subjects to ensure relevance to industry and an ability to think holistically for relevance to business. To this end, CIMA has introduced the case study approach for each of its three levels to stimulate integrated thinking from its students and develop the ability to apply theoretical knowledge to practice. The CIMA has a flexible syllabus allowing students to complete its levels at their own pace. Furthermore, students are able to choose when they wish to write an exam, at one of the Pearson VUE test centres on the country.

Their main areas of focus over the next five years will be on increasing its membership base and the professional training of management accountants in South Africa as well as throughout Africa.

3.3.6. Chartered Secretaries Southern Africa

Chartered Secretaries Southern Africa (CSSA) is the professional body for the enabling of company secretaryship as well as the leading commentator and thought leader in Southern Africa on corporate governance matters. CSSA is part of a global body for Chartered Secretaries, thereby offering its members an international qualification recognised in more than 70 countries.

Over the next five years CSSA will be focusing on the enabling of corporate governance and in the setting of governance standards. It will also be providing input and expertise on the regulation of areas of governance. In the same vein, it will continue to be a leading voice for the instilling of ethics and values at education level for learners wishing to pursue professions which involve governance and compliance. Much effort will be focused on adapting its programs to the structural and content requirements of the QCTO.

3.3.7. Institute of Internal Auditors South Africa

The Institute of Internal Auditors South Africa (IIASA) is part of an international network representing the interests of Internal Auditors worldwide. As a part of this international network, the IIASA accordingly upholds, enables and supports the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing, both considered to be the fundamental tenets of the profession.

Over the next five years the IIASA will be focusing on the professionalisation of the profession, primarily through advocacy on the importance of regulation to ensure that employers are receiving services from their internal auditors that are of a high standard as well as applicable to their businesses and environments. Another priority area of focus will be in increasing its level of technical support to members.

3.3.8. South African Institute of Chartered Accountants

SAICA is well known as one of the leading professional bodies in the world. It aims to serve the interests of the chartered accounting profession and its members in South Africa by upholding and enabling high professional standards.

Over the next five years SAICA will continue to uphold the standards of the profession for which it has become known. In line with this, the professional body will continue to prioritise the provision of input into policy and legislation and thereby aim to influence outcomes which could impact the profession and industry. Transformation will remain a priority area for SAICA over the next few years, the objective of which is to ensure that the demographic makeup of its membership reflects the South African population.

3.3.9. South African Institute of Professional Accountants

SAIPA represents qualified Professional Accountants (SA) in practice, commerce and industry, academia and the public sector. Its main activities are the regulation of Professional Accountants (SA) to ensure that its members are compliant with the constitution and IFAC requirements, monitoring trainee learnerships as requirements for entry to membership, as well as evaluating their assessments and providing CPD to members that is both sufficient and of a high standard.

SAIPA's main areas of strategic focus over the next five years will be the development of training which is relevant to industry and produces work-ready graduates, as well as the provision of quality assurance for its professional designations.

3.3.10. South African Institute of Stockbrokers

The South African Institute of Stockbrokers (SAIS) is the industry and professional body for the South African financial markets. It represents all financial market role-players in South Africa, and is involved in advocating for and influencing decisions which impact both the industry and its employees. SAIS keeps abreast with the regular changes being made in the international financial markets, in turn keeping its members up-to-date in order to ensure compliance with international standards and practices. This also requires a high level of adaptability in its training for learners as well as CPD programs, ensuring a skilled, competent and capacitated workforce.

Over the next five years SAIS will be focusing primarily on advocacy for its members, training development which includes the setting of standards for entry into the stockbroking profession and the setting and administering of entry exams for new professionals and transformation of its membership base to better reflect the demographics of the South African population.

3.3.11. South African Institute of Tax Professionals

The South African Institute of Tax Professionals (SAIT) is a recognised professional body focusing only on taxation. It represents a community of tax experts who provide services to numerous sectors including finance, accounting, economics and law. Through its specific focus on taxation, the SAIT develops standards of tax in the areas of education, compliance, performance and monitoring. It provides advocacy services for its members, but also protects the public interest through disciplinary functions where misconduct has occurred.

Over the next five years the SAIT will be focusing on the setting of standards in membership; the upskilling of tax technicians to become in line with SARS requirements and training development for new occupational qualifications.

3.3.12. Southern African Institute for Business Accountants

The Southern African Institute for Business Accountants (SAIBA) is a voluntary accounting membership body, with 50% of its members being employed in business, the public sector or

academia, and the remainder managing their own accountancy practices in the private sector. SAIBA affords designatory letters to qualifying members to enable them to practise as well as improve their skills and knowledge through its CPD programs and community events. It promotes and enforces appropriate standards of competence, practice and conduct to protect the public as well as to build public trust. It also aims to influence the development of national and international policy to ensure that members are free to pursue their careers and career ambitions to the fullest extent possible.

Over the next five years SAIBA will be focusing on building its community, broadening its network of partners and developing programs relevant to industry and which capacitate both learners and members.

3.3.13. Southern African Institute of Government Auditors

The Southern African Institute of Government Auditors (SAIGA) is a professional body which aims to advance all aspects of accountability and auditing, but with a special focus on the public sector. The Auditor-General South Africa (AGSA) recognises SAIGA's Registered Government Auditor (RGA) qualification as a professional qualification in the Auditor-General Office. SAIGA's members uphold The International Organisation of Supreme Audit Institution's (INTOSAI) Code of Ethics for Public Sector Auditors.

SAIGA is addressing the shortage of public sector-specific skills in the country through its priority focus on the development of public sector auditing skills through its RGA qualification, its preparatory program for the qualifying exams, as well as by conducting research into the challenges faced by the auditing profession in the public sector.

3.3.14. Institute of Accounting and Commerce

The activities of the Institute of Accounting and Commerce (IAC) (formerly the Institute of Administration and Commerce) are primarily to register and represent accounting and taxation members, to provide statutory policing in order to ensure adherence to academic requirements and CPD, and to undertake disciplinary procedures where there are complaints from the public with regard to any of its members.

Over the next five years the IAC will be focusing on facilitating access to high quality and relevant workplace training, on facilitating relevant CPD for its members, and on facilitating industry collaboration.

3.3.15. Institute of Certified Bookkeepers and Institute of Certified Bookkeepers and Accountants

The Institute of Certified Bookkeepers (ICB) and the Institute of Certified Bookkeepers and Accountants (ICBA) work together because of common goals and complimentary roles. The ICBA is the membership body and has no registered qualifications while the ICB is the assessing body and has no designations. The learnerships are managed through the ICB, and the designations are awarded to successful learners if they register with the ICBA - which is

not compulsory. They are both professional bodies for bookkeepers, accountants, office administrators and financial managers in Southern Africa.

Priority areas include the development of qualifications which are relevant to industry and of a high standard, setting and moderating of examinations, accrediting training providers, advocacy on behalf of its members, and the provision of quality assurance for QCTO.

3.4 Discussion of Survey Results

3.4.1. Organisational capacity

12 (twelve) of the 16 (sixteen) professional bodies stated that their capacity, in terms human resources, finances and physical infrastructure were sufficient. The remaining 4 (four) stated that they needed to increase their staff base and infrastructure owing to membership growth. The 13 (thirteen) professional bodies who were experiencing member growth based this success on its lobbying activities and aggressive marketing efforts to both professionals in the sector and learners. 1 (one) professional body stated that their membership base had decreased owing to deregistration of members who had contravened the standards of the profession.

3.4.2. SDL and Fasset-registered learnership status

Table 3-1 below highlights the SDL and Fasset-registered learnership status for each of the sixteen professional bodies interviewed.

Table 3-1: Status of SDL and Fasset-registered learnerships

Name of Professional Body	Fasset Employer (SDL paid to Fasset)	Learnerships registered with Fasset
ABASA	No	No (does not develop learnerships)
AAT(SA)	Yes (part of SAICA's SDL)	Yes
ACFESA	Yes	Yes
ACCA	No	Yes
CIMA	Yes	Yes
CSSA	Yes	Yes
IAC	Yes	No
ICB	Yes	Yes
ICBA	No	No (does not develop learnerships)
IIASA	Yes	Yes

Name of Professional Body	Fasset Employer (SDL paid to Fasset)	Learnerships registered with Fasset
SAICA	Yes	Yes
SAIPA	Yes	Yes
SAIS	Yes	Yes
SAIT	No (with W&RSETA and have been trying for a long time to switch to Fasset)	Yes
SAIBA	Yes	No (Cooperation agreement with CIMA)
SAIGA	Yes	No

Source: Sector Survey (2016)

3.4.3. Qualifications and designations

According to the South African Qualifications Authority (SAQA), registered professional bodies are able to assess and accredit suitable education and training providers and be involved in the development of learning programs offered by education and training providers. While they are unable to provide the training themselves, they can set and administer their own assessments and board examinations.

All except 2 (two) of the professional bodies are involved in the development and/or accreditation of programs and learnerships which lead to designations. In terms of program development, most professional bodies are actively involved in developing their own learnerships which lead to a particular designation, some of which are part of a career pathway to achieving the highest designation in their suite of offerings. These professional bodies will then accredit training providers to offer their qualifications. Accreditation means that the professional body is satisfied that the training provider has the appropriate resources to deliver a particular program at the professional body's required standards, the completion of which for a learner is a stepping stone towards achieving that professional body's designation.

Some of the professional bodies also accredit other institutions' programs which then form part of the career pathway to achieving the professional body's designation. Table 3-2 summarises the professional bodies who develop programs and accredit institutions' programs, as well as those who accredit other institutions' programs.

Table 3-2: Learnership development and provider accreditation

Name of Professional Body	Develop own learnerships and accredit training providers to deliver them	Accredit other institutions' programs which form part of career pathway to professional body's designation
AAT(SA)	Yes	No
ACFESA	Yes	Yes

Name of Professional Body	Develop own learnerships and accredit training providers to deliver them	Accredit other institutions' programs which form part of career pathway to professional body's designation
ACCA	Yes	No
CIMA	Yes	Yes
CSSA	Yes	No
IAC	Yes	Yes
ICB	Yes	No
ICBA	No	Yes
IIASA	Yes	No
SAICA	Yes	Yes
SAIPA	Yes	Yes
SAIS	Yes	Yes
SAIT	Yes	No
SAIBA	No	Yes
SAIGA	Yes	No

Source: Sector Survey (2016)

SAQA-recognised professional bodies are required to include as an initial requirement, an underlying qualification/s. Fasset's professional bodies' minimum requirements for admission differ from each other and usually span numerous NQF levels. The professional bodies which offer more than one designation have as their minimum admission requirements either a 3-year degree, one of their lower-level designations, or in some cases a national diploma. Lower-level designations usually require at least a Matric qualification, but exceptions are made in some cases. Almost all professional bodies offer more than one designation, one usually being the highest level that can be achieved in their particular profession, with the others being qualifications in themselves but also stepping stones towards achievement of the body's highest level.

Table 3-3 summarises the professional bodies' Fasset-registered learnerships and their designations. It also shows the NQF levels which can be achieved by learners studying towards their designations. They have a broad range, from level 3 – 8, with the majority (75%) of professional bodies offering designations up to at least NQF level 7. Lower-level designations generally take one year to complete, while the higher-level designations generally take 2 (two) years or more to complete, after minimum admission requirements have been met.

Table 3-3 Learnerships, designations and NQF levels

Name of Professional Body	Number of learnerships registered with Fasset	Designations	NQF levels spanned across learnerships and/or designations
AAT(SA)	5	1. Fellow Member AAT(SA) – FMAAT(SA) 2. Member AAT(SA) –	3 - 5

Name of Professional Body	Number of learnerships registered with Fasset	Designations	NQF levels spanned across learnerships and/or designations
		MAAT(SA)	
ACFESA	1	1. Certified Fraud Examiner (CFE)	7
ACCA	2	1. Chartered Certified Accountant (CCA) 2. Certified Accounting Technician (CAT)	5 - 8
CIMA	3	1. Chartered Global Management Accountant (CGMA) 2. Associate of The Chartered Institute of Management Accountants (ACMA) 3. Fellow of The Chartered Institute of Management Accountants (FCMA)	5 - 7
CSSA	4	1. Associate member of Chartered Secretaries Southern Africa (ACIS) 2. Fellow member of Chartered Secretaries Southern Africa (FCIS) 3. Graduate of Chartered Secretaries Southern Africa (GradICSA)	6 - 8
IAC	1	1. Accounting Officer 2. Financial Accountant in Commerce 3. Technical Accountant	6 - 7
ICB	8	None	3 - 6
ICBA	N/A	1. Certified Junior Bookkeeper 2. Certified Public Accounts Administrator 3. Certified Senior Bookkeeper 4. Certified Small Business Financial Manager 5. Certified Technical Financial Accountant 6. Certified Technical Public Accountant 7. Certified Junior Office Administrator 8. Certified Senior Office Administrator 9. Certified Financial Accountant 10. Certified Office Manager	N/A
IIASA	1	1. Internal Audit Technician (IAT)	8

Name of Professional Body	Number of learnerships registered with Fasset	Designations	NQF levels spanned across learnerships and/or designations
		2. Professional Internal Auditor (PIA) 3. Certified Internal Auditor (CIA)	
SAICA	1	1. Chartered Accountant (SA) 2. Associate General Accountant (SA)	7 - 8
SAIPA	2	1. Professional Accountant (SA) 2. Accounting Technician (SA) 3. Professional Tax Specialist (SA) 4. Professional Tax Practitioner (SA) 5. Professional Tax Technician (SA)	7 - 8
SAIS	1	1. Financial Markets Practitioner 2. Stockbroker	7
SAIT	2	1. Master Tax Practitioner (SA) 2. General Tax Practitioner (SA) 3. Tax Technician (SA) 4. Tax Clerk and Administrator (SA)	6 - 8
SAIBA	None	1. Business Accountant (BA) (SA) 2. Business Accountant in Practice (BAP) (SA) 3. Certified Business Accountant (CBA) (SA) 4. Certified Financial Officer (CFO)(SA)	6 – 9 (designations)
SAIGA	None	1. Registered Government Auditor	8

Source: Fasset Sector Survey, 2016

3.4.4. Bridging programs

4 (four) professional bodies are also active in the development of bridging or preparatory programs with short courses that focus on some of the fundamental concepts of the profession, the aim of which is to increase access to their program offerings, with an intended by-product of seeing an increase in throughput rates as well.

The ACCA has a bridging program in place called ACCA-X, a year-long, on-line learning platform that can be accessed by anyone. It is mainly used by learners wanting to access the body's lower-level designation, the Certified Accounting Technician (CAT). Matriculants with poor Mathematics and Accounting can access this bridging program, as it covers subjects such as basic accounting and finance. The ACCA offers this platform at no cost. Learners only need to pay if they want to receive certification for their modules in order to continue further with the accounting profession. In July 2016 the body partnered with the Gauteng City Region Academy (GCRA) to finance the exams for 250 learners. It runs until December 2017, so it is not yet possible to evaluate its impact.

The AAT (SA) has a bridging program called the Access program which is an introductory qualification for those who will benefit from learning the basics of accounting and business communication. It was developed for students who want to progress to achieve the full AAT Accounting Technician Qualification but who, perhaps, need to develop skills in mathematics and English. The impact of this bridging program has not yet been evaluated, but the professional body has plans to do an impact study in 2017.

The SAIT offers a short course in basic taxation through a series of webinars in order to educate potential students in the fundamental principles and concepts of taxation in order to enable them to access its learnerships. Target beneficiaries are those in possession of an NQF level four or five.

A bridging program as well as a conversion course is in place for those who have not completed SAICA-accredited degrees. Learners access these programs directly with the universities who offer the bridging programs themselves. SAICA does not drive this programme and students pay for them themselves or can apply for bursaries. Throughput rates have so far been very low on these programs.

3.4.5. Scarce skills

As can be seen from the employee profile in chapter one, a high proportion of employees in the sector are professionals and managers. Scarce skills experienced by employers span a variety of occupations and NQF levels in the professional and managerial categories, most of which fall within the ambit of the sector's professional bodies. During interviews, professional bodies tended to focus on their own professions when scarce skills were discussed, as these were the occupations most familiar to them. Most professional bodies considered their particular occupations as scarce to the sector, so this section will focus on their reasons for the shortages and the required interventions to address them.

3.4.5.1. Reasons for occupational shortages and required interventions

Poor quality teaching, low Matric pass rates, poor mathematics competency levels and a lack of adequate career guidance were the predominant reasons professional bodies cited for the various scarce skills being faced by the sector. A lack of funding to address these factors was believed to be a challenge.

3.4.5.2. Career guidance

13 (thirteen) of the 16 (sixteen) professional bodies interviewed are involved in career guidance initiatives where high school and university learners are concerned. While just under half of them make unpartnered visits to schools and universities to provide information on their particular profession and designation pathways, the most common form of involvement was by attending large career exhibitions organised by other stakeholders. Only 1 (one) professional body visits TVET colleges to offer career guidance to learners.

3.4.5.3. Matric Mathematics

Mathematics is seen as one of the most important fundamental subjects for the sector. Not only is the skill of working well with numbers a crucial element for all of the sector's core occupations, professional bodies interviewed agreed that it is the one subject at school level which facilitates the development of some of the sector's essential soft skills, being critical thinking and analytical skills. It is clear from the research referred to in chapter 4 that a learner's mathematics competence level is often a predictor of likely access to university, reinforcing the value of the subject. 5 (five) of the sector's professional bodies have initiatives in place which aim to address this challenge. 2 (two) organisations arrange mathematics camps for learners who attend certain high schools, where tutoring is the focus of an intensive few days for learners. Two organisations encourage their members and trainees to volunteer their time to tutor learners at chosen schools who are struggling with Matric mathematics while another organisation has developed self-teaching tools which learners are able to access in order to work through fundamental mathematics concepts and common challenges.

However, South Africa faces such a massive challenge in this area that most (11 (eleven)) of the professional bodies tend to focus on efforts related to those already pursuing their particular professions.

3.4.5.4. NQF levels under 6

2 (two) professional bodies whose designations fall between NQF levels 3 and 5 expressed concern over Fasset's recent policy change to direct funding efforts to learnerships and initiatives which focus only on qualifications that fall on NQF level 6 and above, stating that there is a negative impact on learners' access to education and training in the sector. Fasset's changes were introduced as a result of the sector's scarce skills list consistently being dominated by the higher-level occupations, as well as the Department of Higher Education and Training's (DHET) proposed changes to the SETA landscape which could be executed in as early as 2018. Fasset believed that the uncertainty regarding the latter necessitated a radical priority shift to ensure that as much impact as possible could be made in the sector, leading to the implementation of the *#LastingLegacy* campaign. The two professional bodies' comments echoed a few large employers' concerns over the establishment of workplace programs which were developed and implemented for employees in response to Fasset's earlier funding incentives which spanned all NQF levels, as well as the argument that occupations on lower NQF levels are necessary skills pipe-lines for the sector. It is also believed that this moratorium on funding inhibits access to education for learners who may use lower-level designations as a career pathway to higher-level occupations, some of which may be scarce in the sector.

3.4.5.5. Other factors

Other factors which were considered inhibitors to increasing access to high quality education and training for learners included changing governmental policies, skills development priorities, negative mind sets towards transformation and a lack of workplace training, with the latter two believed to be inter-related.

6 (Six) professional bodies also highlighted that globalisation has led to the ongoing emigration of many high-level South Africans, wedging a further skills gaps in the sector. This was a particular concern to the professional bodies, as they believed that until the quality of basic education is resolved and its provision made equal to all learners, the economy cannot afford to lose its few senior people.

Since most of these pervasive problems either fall largely within the ambit of basic education or are exogenous factors, professional bodies focus mostly on mitigating some of the effects on their own occupations.

3.4.6. Initiatives by Professional Bodies to support skills development

In addition to the development of education and training programs for their particular designations, professional bodies are involved in functions which support this primary role. Some of these initiatives are discussed below.

3.4.6.1. Enhancing output rates

14 (fourteen) out of the 16 (sixteen) professional bodies interviewed have programs in place to enhance the output rates of students pursuing their designations. Most of the qualifications are considered difficult, especially if learners do not have a strong mathematics foundation. These 14 (fourteen) organisations make available to their learners a combination of mentorship and tutoring in the form of short courses, refresher and revision classes.

It is believed that some learners drop out owing to a late realisation sometime during the course of their studies that the profession is not well-suited to them. Professional bodies were not able to quantify the magnitude of this factor, but many of them stated anecdotally that a lack of career guidance in high schools is one of the few reasons, together with qualification difficulty, why dropout rates at universities are so high. It is an area which some mentioned they have very little control over, especially since professional bodies' career guidance initiatives do not reach a sufficient number high school learners in the country, and there is only a finite amount of time and resources to focus on their own professions.

3.4.6.2. Available financial support to learners

10 (ten) of the 16 (sixteen) professional bodies interviewed stated that they do not have any financial support programs in place for learners. Of the 6 (six) which do, 4 (four) of them have bursary schemes in place, most of which are aimed at a few high-achieving Matric students from low-income households.

3.4.6.3. Access to learnership opportunities

The lack of workplace readiness programs and workplace experience opportunities were highlighted by the vast majority of professional bodies as being one of the biggest challenges for employers in the sector. Not surprisingly then, access to learnership opportunities is considered to be one of the critical ways of bridging this gap for learners and employers alike. Most professional bodies offer only a facilitative role in the area of workplace experience opportunities, using their networks to connect learners with employers.

3.4.6.4. Placement of graduates in the labour market

Only a facilitation role is provided by the majority of professional bodies where graduate placement is concerned (the remaining have no initiatives in place in this area). This is done through networking, an appointment register and the posting of job opportunities on their website.

3.4.6.5. Continuing Professional Development

13 (thirteen) out of the 16 (sixteen) professional bodies interviewed publish newsletters for their members and organise workshops on sector and profession updates, as well as facilitate opportunities for CPD. Insofar as CPD is concerned,, SAQA requires that professional bodies in South Africa set the criteria for, promote and monitor CPD for their members. They therefore assume an important leadership as well as facilitative role in this area. Most CPD initiatives are in the form of workshops, webinars, conferences and short courses.

Additionally, the professional bodies are also involved in efforts for learners and non-members, which are aimed at increasing access to their membership and designations, as well as increasing throughput rates where there is often a high failure rate and so learners are unable to progress to the next level of their particular qualification.

3.4.6.6. Recognition of Prior Learning

According to SAQA, RPL is a process through which formal, non-formal and informal learning are measured, mediated for recognition across different contexts and certified against the requirements for credit, access, inclusion or advancement in the formal education and training system or workplace. All professional bodies, with the exception of one, recognise RPL as a valid form of knowledge and skill set which may contribute to the completion of qualifications and the awarding of designations. Some professional bodies have created a team of assessors who have a standard set of criteria which is used to make informed decisions about a candidate's RPL-worthiness, while others assess each individual's Portfolio of Evidence (PoE) on a case-by-case basis. The professional body which does not recognise RPL believes that there is no adequate substitute for formal learning, as individuals require strong theoretical foundations on which to build new knowledge.

3.4.7. Fasset-funded projects

Given that some of the challenges highlighted in previous sections are not new challenges, Fasset has partnered with 4 (four) professional bodies to help bridge some of the more concerning skills gaps. These are dealt with below.

3.4.7.1. ACCA

ACCA conducted a project with Fasset as a funding partner, called “Mpumelelo”, an 18-month project the purpose of which was to address the fact that accountancy/finance in its broader sense is consistently listed as a scarce skill. It aimed to facilitate access to the accounting profession through ACCA’s open learning access model to those who would otherwise not afford to further their studies in this field. A total of 60 (sixty) Black African youths were chosen for the project, with the minimum admission requirements being an ACCA-accredited finance degree, having been completed not more than two years previously. The students were also thoroughly screened through interviews to ensure that being a Chartered Certified Accountant (CCA) was their ultimate goal.

So far, 48% of the learners have become affiliates, and will qualify as CCAs when their practical experience is completed. The remaining students are left with an average of two modules which will be completed on a self-finance basis. There was a 10% drop-out rate due to personal reasons on the part of the learners.

ACCA deemed the project a success, as it is believed that the absence of it would have led to lower throughput rates. It has also resulted in a 90% employment uptake. Its key success factors are perceived to be:

- Peer mentor program;
- ACCA member mentor program; and
- Group session tutoring and revision sessions.

3.4.7.2. ICB

Fasset joined the ICB as a funding partner for an 18-month project in 2015-16 called the Khanyisa Training Program, the purpose of which was to provide 50 (fifty) Black African learners from disadvantaged backgrounds in Johannesburg and George with support to complete 3 levels of qualifications culminating in NQF Level 6 as a financial accountant with a National Diploma in Financial Accounting. Once qualified with the NQF Level 6 qualification, learners would then be able to further their studies if they wished to through other professional bodies, such as the ACCA, CIMA, CSSA, SAIBA and SAIT. As minimum admission requirements, the learners had to possess a Matric qualification or had dropped out of university.

Besides the relevant technical and academic training, the training provider focused on providing life skills, work readiness and personal finance management.

One of the project’s challenges was that some of the learners had historical weaknesses in terms of English, Mathematics and Accounting. This resulted in additional training time and remedial upskilling being required during the project.

The ICB and its training provider had as its target to assist in finding employment for at least 70% of the learners. At the time of writing this SS, 55% of the Gauteng learners have been employed whilst 44% of the George learners have been employed.

3.4.7.3. SAICA

Fasset joined SAICA as a funding partner for a project called “Thuthuka CTA Distance Learning Support Project”. SAICA spearheads The Thuthuka UNISA Support Program through the Thuthuka Education Upliftment Fund, a Non-Profit Organisation established in 2002. The principal activities of are to establish and maintain structures for carrying out and promoting skills development activities, which contributes to transformation of SAICA’s membership demographics as well as of the Chartered Accountancy profession. The aim is that the membership of the profession will eventually reflect the country’s population demographics, in terms of race and gender.

The Thuthuka CTA Distance Learning Support Project took place from January 2015 to December 2015 and cost a total of R16 323 560.00. The purpose of the project was to increase the Certificate in the Theory of Accounting (CTA) throughput rates of Black African candidates studying the CTA through the University of South Africa (UNISA) by the provision of structured support classes in the form of lectures. These learners would otherwise not have had access to such an educational model as UNISA requires a self-study learning format.

The project’s minimum admission requirements for CTA level 1 selection were that learners had passed all third year subjects in one year. Repeat students were accepted if they had achieved a minimum average of 40% for all CTA level 1 subjects. Where CTA level 2 selection was concerned, minimum requirements were that learners had passed all CTA level 1 subjects in one year. Repeat students were accepted if they had achieved a minimum average of 40% for all CTA level 2 subjects.

A total of 388 students were supported by the Thuthuka project across levels 1 and 2, showing an average throughput rate of 34%. This is higher than the total UNISA cohort who achieved a 30% throughput rate. SAICA believes the key success factor to this result was the engagement and support provided to students in the lectures, which other students are not able to access.

3.4.7.4. SAIPA

Fasset joined SAIPA as a funding partner for SAIPA’s “Project Achiever” project, which started in August 2015 and ended in March 2017. SAIPA is spearheading solutions to resolve the challenges which have led to a critical shortage of graduates with the ability to think in an integrated manner and apply theoretical knowledge. The project is driven by competency-based education principles combined with a business approach through the integration of subjects. This ideally leads to the enhancement of an individual’s ability to holistically apply technical information to find simple solutions for complex problems.

The project targeted Black African learners studying the SAIPA learnerships, namely the Professional Accountant in Practice and Professional Accountant in Commerce & Industry learnerships. The main objective was the tutoring of these learners in order to increase the throughput rate of those writing the final Professional Evaluation (PE) assessment. Applicants needed to have met the academic and practical experience criteria of the learnerships, and were left only with writing the PE assessment. RPL candidates with the requisite knowledge and experience were also accepted. 4 (four) groups completed the program, with a total of 530 (five hundred and thirty) learners on the program.

The number of trainees who successfully completed the program to become a professional accountant has changed the composition of SAIPA's PE assessment from 28%:72% in favour of non-SAIPA trainees (other candidates who apply to become members of SAIPA but who have not followed the SAIPA learnership) to 50%:50%. The project has also succeeded in changing the demographics of SAIPA's membership of Black Africans from 27% to 36%.

Learners on the project were also shown to have developed the following skills:

- integration of knowledge for practical application – general competence;
- higher order thinking – critical thinking and problem solving;
- analytical skills for the comprehension and analysis of business problems/issues;
- report writing skills;
- effective business communication skills;
- inter-personal skills; and
- presentation skills.

SAIPA believes that the project's key success factor lies in its teaching methodology, specifically:

- competency-based education, i.e. developing the skills to engage with academic material. Higher order skills are developed such as critical reading & thinking as well as problem solving skills;
- integrated teaching where the boundaries of subjects are removed and business situations are analysed to develop holistic solutions;
- group working in the format of workshopping which allowed the candidates to debate and share practical and technical experience, thereby developing group dynamic and communication skills; and
- the structure and design of the material used focuses on the learning process rather than the content (student-centred approach).

3.4.8. Change drivers which might impact the sector

Professional bodies were asked about their views on the change drivers either currently impacting the sector, or having the potential to do so within the next 5 (five) years, with a specific emphasis on those which could impact either skills demand and/or supply.

3.4.8.1. Technology

The impact of the advances in technology on skills demand were mentioned by 7 (seven) professional bodies. The transformation from manual to automated processing will likely see some jobs lost in the financial services industry, but questions remain regarding the real impact and which categories of professionals will be affected the most. While there may be a loss seen in some jobs, one of the CEOs interviewed cited a report published in 2015 by the Royal Melbourne Institute of Technology University (RMIT) and Chartered Accountants Australia and New Zealand called "Future proofing the profession: preparing business leaders and finance professionals for 2025" which concluded that there will be a major growth in 'interaction jobs', a direct effect of increasing automation. These are jobs that cannot easily be outsourced or automated because people in these roles require high levels of analytical skills, reasoning and judgement. As already mentioned under the section on critical skills gaps, the ability to manage non-routine tasks and be strong in creative problem-solving will become increasingly important to the sector.

It is generally believed, however, that not just new graduates will need to up-skill, but also established financial professionals. Upskilling is a considerable challenge and that is where professional bodies play a major role by providing relevant life-long learning. However, most professional bodies were in agreement that it is difficult to understand exactly how each of the different professions will need to adapt to imminent technologies. As will be seen in a later section of this chapter, professional bodies are aware of this already-very-familiar narrative regarding technology, and ideally now need comprehensive research to be undertaken which can explain in detail how the researchers and developers' innovations are expected to disrupt the sector and affect its professions. Their comments expressed the need to prepare timeously for what the future financial professional needs to look like and be skilled in.

3.4.8.2. Globalisation

As mentioned under the section on scarce skills, six professional bodies highlighted that globalisation has led to the ongoing emigration of many high-level South Africans, responsible in part for the scarcity of certain occupations. This was a particular concern to the professional bodies, as until the quality of basic education is resolved and its provision made equal to all learners, the economy cannot afford to lose its few senior people.

The report referred to above, "Future proofing the profession: preparing business leaders and finance professionals for 2025" also points to an increase in the global demand for accountants, coupled with a decline in supply. Worldwide, there has been growth in both high-skilled and low-skilled jobs, but almost no growth at any time in middle-skilled jobs. This has resulted in the polarisation of work where, in a connected world, unless you are world-class in your chosen field you will face huge competition with a global pool of workers. But if you are among the best then you can access a global market fairly easily. Considering the relatively small pool of professionals which South Africa is producing, professionals who are indeed rated among the best in the world, this is an area of which South Africa's economy is presently on the losing end.

3.4.8.3. University students protests

The interviews with professional bodies took place in September and October 2016, at the height of the university *"#FeesMustFall"* protests around the country, when some of the universities had either suspended classes and/or had closed their campuses indefinitely. It was thus unsurprising that this was highlighted as a concerning change driver by most interviewees. Many respondents agreed that the worst-case scenario would be students losing a few years in their studies, which could destabilise the sector. The current universities would need to make massive budget cuts, with one of the likely casualties being research. An increased number of private universities would also start to emerge, head-hunting many of the public universities' best human resources. This would ultimately lead to South Africa's public universities facing downgrades in the eyes of the global community. While it will take time for this scenario to play out, it would be accompanied by the fear that this may wedge an even greater gap in higher education between those who can afford a high quality education and the majority who rely on government subsidisation. Challenges as discussed in this document may become exacerbated, while the efforts currently being taken to resolve them may require exponentially increasing pressure on employers, professional bodies and government to expand access to high quality education for all, but with the same limited resources.

3.4.8.4. Sector regulation

In 2005, the Auditing Profession Act (Act 26 of 2005) separated the regulatory framework of the auditing part of the profession from the accounting part of the profession. This is believed to have led to the issuing of fewer incorrect opinions on the part of external auditors. Up to the present day, the non-auditing part of the profession remains less regulated. However, in 2013, South Africa's then Minister of Finance invited the World Bank to determine whether South Africa could further improve the auditing and accounting landscape, and aimed to ascertain whether all accountants should become subject to regulation. The World Bank issued a report recommending the full regulation of accountants, the reason being that they were starting to do a lot of work that only external auditors were permitted to do in the past.

While the services of professional bodies do incorporate most regulatory functions such as the monitoring of performance and behaviour, standards setting and disciplinary action, these relate to their own members only and stakeholders in favour of a "super regulator" argue that certain standards have to be met across the different accounting professions as well. This could include regulation over minimum education and CPD requirements, potentially affecting numerous accounting professionals who will need to adapt to these or risk having their designations removed.

While it is still uncertain what the entire range of implications will be if a super regulator is indeed introduced, full regulation of the accounting profession may also mean that all practitioners referring to themselves as accountants will need to become members of a professional body. Currently they do not have to unless they want a particular designation. Since membership of a professional body requires proof of meeting minimum requirements, full regulation of the profession would necessitate broad action and adaptation by non-members, particularly where education, workplace experience and professional body qualifying exams are concerned.

3.4.8.5. The Quality Council for Trades and Occupations

According to SAQA, when a professional body wishes to give formal recognition to an occupational qualification as a precondition for the issuing of its designation, it must enter into a formal agreement with the QCTO to attain the authority to develop and/or quality assure the occupational qualification. This process is also important if a professional body or an employer wishes to access funding from Fasset or other government bodies for learners pursuing their designations. As the QCTO model is relatively new and its policies are still unfolding, there remains much uncertainty in the sector with regard to if and how professional bodies need to adapt their own qualifications accordingly to fit QCTO's requirements. Two professional bodies also expressed a concern regarding whether the qualifications offered by professional bodies working on similar NQF levels will be allowed to continue independently, or if the QCTO will require a standardisation across them. There are also fears that the transitionary period may cause delays in qualification attainment and therefore the time within which an individual will be able to begin practising formally in their profession.

3.4.9. Future plans

The future plans of 80% of the professional bodies include a continuing primary focus on training and development. Partnerships will be key to this focus. Universities and other approved training centres are important as the providers of their qualifications as well as gaining access to their students for the provision of career awareness. Other professional bodies are important for cross-training opportunities and the recognition of qualifications between their designations. Government organisations such as SETAs are important because, many joint initiatives as well as lobbying on behalf of their members and providing input into legislation is possible.

Additionally, 5 (five) Professional bodies will also be focusing on transformation, while another four will increase efforts on lobbying, advocacy and collaboration for the benefit of their members, learners and potential members. 4 (four) Professional bodies will be gearing up resources to increase their membership base and broaden their network. Other focus areas for a few of the professional bodies include Small, Medium and Micro-Sized Enterprises (SMME) business owners, school-leavers, quality assurance and registering qualifications with the QCTO.

9 (nine) Professional bodies are planning to develop new programs, 4 (four) of which will be learnerships leading to designations, while others will be short courses in specialised fields, namely transfer pricing, data analytics and public sector. 1 (one) of them is a bridging program which will be designed for learners studying at a TVET college who would like to access the career pathway of 1 (one) of the professional body's lower designations.

3.4.10. Challenges and suggested solutions

3.4.10.1. Challenges faced by professional bodies

Table 3-4 highlights the biggest challenges faced by each of the professional bodies where development of scarce skills is concerned.

Table 3-4: Main skills development challenges faced by professional bodies

Professional Body	1st challenge	2nd challenge	3rd challenge
ABASA	Language and cultural barriers at education level, limiting the ability to learn	Subjectivity applied in the performance appraisal process, thus removing objective and fair assessment of a person's development	Lack of accessible and sufficient tutoring
AATSA	Lack of funding for learnerships on NQF levels 5 and below	Lack of funding for work-readiness programs	Lack of application skills & integrated thinking abilities
ACFESA	Lack of funding for learnership	Lack of adequate career guidance	The lack of individuals with enquiring & analytical skills
ACCA	Lack of adequate career guidance	Lack of application skills & integrated thinking abilities	Lack of funding. Related to this is that SETA funding models are perceived to be not conducive to responding to and mitigating identified skills shortages
CIMA	Lack of application skills & integrated thinking abilities	Lack of adequate career guidance	Poor numeracy skills
CSSA	Developing people with combination skills (technical, business & soft skills)	The lack of individuals with knowledge of governance and compliance	Lack of adequate career guidance
IAC	Standards are dropping at all levels of education	Lack of adequate career guidance	Difficulty of qualifications
ICB	Lack of funding for learnerships on NQF levels 5 and below	Lack of adequate career guidance	Poor numeracy skills
ICBA	Lack of funding for learnerships on	Lack of adequate career guidance	Poor numeracy skills

Professional Body	1st challenge	2nd challenge	3rd challenge
	NQF levels 5 and below		
IIASA	Lack of adequate career guidance	Profession is not regulated – difficult for stakeholders to understand and accept that IAs need to meet certain requirements	Lack of funding
SAICA	Low throughput rates for B.Com degrees and the post graduate degree (CTA)	Low numbers of high school learners passing Mathematics with 60% or more	Lack of adequate career guidance
SAIPA	The extent to which technology will replace the role of the professional	Lack of application skills & integrated thinking abilities	Lack of adequate career guidance
SAIS	Lack of transformation in the sector	Lack of adequate career guidance	Lack of application skills & integrated thinking abilities
SAIT	Lack of work-readiness	Lack of ethics	Lack of application skills & integrated thinking abilities
SAIBA	Lack of application skills & integrated thinking abilities	Lack of skills in new technologies	Developing people with combination skills (technical, business & soft skills)
SAIGA	Lack of public sector-specific education	Lack of application skills & integrated thinking abilities	Lack of business acumen

Source: Sector Survey (2016)

Table 3-4 above shows that the five most prominent skills development challenges faced by the 16 (sixteen) professional bodies are:

- lack of adequate career guidance;
- lack of application skills and integrated thinking abilities;
- developing people with combination skills (technical, business & soft skills);
- lack of funding (for work-readiness programs and learnerships); and
- poor numeracy skills.

3.4.10.2. Suggested solutions to identified challenges

The sections which follow are a consolidation of the suggestions put forward by the professional bodies interviewed, in mitigation of these challenges, as well as others mentioned in earlier sections of this chapter.

3.4.10.2.1. Learnerships and mentorship

Owing to the large gap which professional bodies stated exists between theory and practice, nine of them believed that an increase in access to learnerships was one of the most critical needs in the sector, with more funding and facilitation by Fasset directed towards this.

Directly related to this were the comments from 2 (two) professional bodies which highlighted the need to increase access to relevant one-on-one mentorship in the workplace. Many organisations struggle to provide this adequately owing to their senior staff having limited time to do so at the level required. Fasset may be able to provide a better mechanism for learners and graduates to access mentorship. 1 (one) of the professional bodies suggested the initiation of a network of retirees for this purpose, as their time and many years of experience could allow for dedicated mentoring of learners and new graduates.

3.4.10.2.2. Work-readiness programs

As mentioned under the section on critical skills gaps which span more than 1 (one) occupation, one of the professional bodies' biggest concerns was how unprepared graduates are for the world of work, from general business communication skills to appropriate attire and conduct, as well as considerable lack of confidence which hampers an individual's ability to take initiative and even to ask for assistance when needed. Both employers and professional bodies made reference to the effectiveness of the work-readiness program that Fasset used to fund, and some expressed a desire to see the SETA returning funding to the initiative again. In addition to these programs leading to more well-rounded workers, it was also believed that increased levels of self-confidence and assertiveness would likely lead to increased productivity in the workplace.

3.4.10.2.3. Funding: projects and other designations

Of the 9 (nine) professional bodies who spoke about the need for funding, 6 (six) of them felt that Fasset could direct a portion of its financial resources to different designations in the sector, to increase the available options to learners. Three of the professional bodies spoke specifically about the need for increased project-based funding, which is normally aimed at increasing throughput rates and are considered very successful at doing so.

3.4.10.2.4. Soft skills workshops

The lack of application skills with integrated thinking ability, together with critical thinking skills, were the soft skills of most concern to professional bodies, and were mentioned by almost all

of them. Discussions around mitigating the issue involved facilitating conversations with education and training institutions to introduce a more integrated way of teaching and assessing learners, as well as workshops and using the platform of work-readiness programs were held. Other soft skills of concern included negotiation, decision-making, management skills and ethics – all of which could be developed during workshops. 1 (one) of the professional bodies cautioned that 1 (one) workshop alone in 1 (one) of these areas would not adequately develop the particular skill. It was emphasised that refresher courses would be needed to embed the learnings and develop the skill robustly.

3.4.10.2.5. Career guidance

Almost all professional bodies expressed concern at the lack of adequate levels of informative career guidance at high school level. This was on the top 3 (three) list of biggest skills development challenges for the vast majority of professional bodies (see Table 3.5). Stakeholders in the sector widely believe that career guidance initiatives should be taking place before Grade 10, before learners need to decide their subjects, including whether or not to drop Mathematics and replace it with Mathematics Literacy. There is a lack of informative career guidance for the majority of the population which would help a person understand the variety of career options and career progression opportunities that are available. Those professional bodies who piggyback on and participate in career events, or even those who are able to create their own career awareness campaigns, have limited human and financial resources to resolve this on the scale that is required. It was believed that there is a distinct lack of awareness in and/or information about the following professions: forensic practitioner, company secretary, internal auditor, investment analyst, trader and certain types of accountant.

Professional bodies emphasised the role of career guidance in creating awareness and knowledge around the diverse finance and accounting career options available, as well as in providing information on the importance of pursuing Mathematics and Science until Grade 12 (including the consequences on future career prospects if not done). Career guidance events should provide sufficient detail so that a person is empowered to make an informed decision regarding their future career. 12 (twelve) professional bodies believed that increased access to comprehensive career guidance would lead to a significantly increased likelihood of individuals choosing a career path which most appealed to them, one which they will enjoy studying and practising, thereby reducing dropout rates, avoiding career changes and unnecessary training expenditure at a later stage, as well as increasing productivity levels in the workplace.

3.4.10.2.6. SETA landscape and policy changes

At the end of 2015 the Minister of the DHET tabled a proposal for the radical restructuring of the SETAs, as early as March 2018. As mentioned in the previous section on scarce skills, this was one of the major catalysts in Fasset's decision to prioritise higher NQF levels as well as remove funding of certain initiatives such as work-readiness programs. While some factors impacting SETAs are indeed exogenous in nature, and SETAs are therefore not in control of the outcomes, two professional bodies expressed frustration over dramatic policy changes that are enforced suddenly and with immediate effect, and without prior consultation with sector stakeholders. They felt that it disrupted efforts which had taken much time and resources to implement. In December 2016 (after the data collection phase of this sector survey had

concluded but before analysis and report-writing began) the Minister of the DHET extended the current mandates and structures of the country's 21 (twenty one) SETAs by another 2 (two) years beyond March 2018, to 31 March 2020, which could pave the way for a possible return of Fasset funding for projects and programs considered effective by the sector's stakeholders.

3.4.11. Recommendation for further research

Areas which professional bodies believed that research was needed, and which Fasset could initiate and fund on behalf of and for the benefit of the sector's stakeholders, include:

3.4.11.1. Future impact of technology

As mentioned under the section on change drivers, professional bodies are aware that technology is currently, and will continue to, affect numerous professions within the sector. However, much of the narrative on technology is fairly vague and professional bodies expressed a need for comprehensive research to be undertaken which can explain in detail how the researchers and developers' innovations are expected to disrupt the sector and exactly how they will affect its professions. The findings will help them to prepare timeously for what the future financial professional needs to look like and be skilled in.

3.4.11.2. Impact of regulation

One of the potential change drivers is the sector's current debates on the introduction of a "super regulator". A few professional bodies felt it important that research be done in advance of this possibility, in order to start constructive debates around what the required action points will be should this go ahead, particularly with regard to possible upskilling and reskilling, in order to prepare accordingly.

3.4.11.3. Development of integrated thinking skills

Many of the occupations listed in the critical skills gap section were highlighted for the lack of integrated/critical thinking abilities in new graduates and junior professionals. As seen from the same section, many of the high-level occupations in the sector are evolving to encompass strategic and advisory roles, requiring professionals to becoming increasingly "big picture" thinkers, as well as possessing interpersonal skills and solid business acumen. This requires an integrated thinking approach, and many professional bodies felt that research could be done on how to successfully incorporate this into teaching methods, curricula and assessments at university level, by considering best practice and innovative models around the world.

3.4.11.4. Impact of withdrawal of funding

A handful of professional bodies, which echoed some employers' concerns, believed that Fasset should consider conducting an assessment on the impact of their decision to withdraw funding from certain projects, for example work-readiness programs and learnerships targeted at NQF levels 5 and lower. Their experiences were showing that these initiatives had made a

large impact in the sector. Work-readiness programs was the initiative which was emphasised by the majority of this group of professional bodies.

3.4.11.5. Career guidance

Most stakeholders in the sector, including professional bodies, focus on their own areas of specialisation and therefore any career guidance initiative taken focuses only on these skills. Those who do not take part in any career guidance activities are usually resource-constrained where finances and human resources are concerned. Furthermore, it was expressed by many of the professional bodies that most career guidance efforts, whether sector-specific or otherwise, have inadequate and limited information for learners, for example on the vast array of finance and accounting careers available in the sector. A few professional bodies expressed the need for research into more effective ways to disseminate adequate and informative details on the different career options available, as well as how to extend the reach of these initiatives to significantly more high school learners.

3.4.11.6. Other research requirements

The following is a list of the less common suggestions from professional bodies where research requirements is concerned:

- how to build a network of retirees who can mentor learners;
- how to make CPD more relevant, rather than a compliance exercise;
- the impact of language barriers on learners;
- determine the average company's ratio of higher to lower level finance skills; and
- is the QCTO model workable?

4 SURVEY OF EDUCATION AND TRAINING PROVIDERS

4.1 Introduction

The skills required for the sector are produced at school, TVET colleges, private training providers, universities and workplaces. This chapter focuses primarily on understanding the education and training providers in the sector. At a high level, the following elements will be discussed:

- organisational capacity to produce the skills required for the sector;
- challenges in the provision of education and training from the perspectives of the sector's education and training providers; and
- recommendations to improve education and training in the sector.

4.2 Survey of Universities and TVET Colleges

4.2.1. Data collection

The data collection phase of the SS predominantly took place during September and October 2016, which was during the height of the "#FeesMust-Fall" student protests at the majority of the universities around the country which resulted in suspension of classes and / or complete closures. This resulted in 13 (thirteen) out of a possible 24 (twenty four) Accounting and Commerce Departments being e interviewed Table 4-1 indicates the names and provincial distribution of universities that participated in the survey. Upon the resumption of the normal timetable, the prospective interviewees from the remaining 11 (eleven) universities were not available due to lost time as a result of the protests. .

Table 4-1: Universities Surveyed

University	Province
Rhodes University	Eastern Cape
University of Fort Hare	Eastern Cape
Walter Sisulu University of Technology	Eastern Cape
University of South Africa	Gauteng
Tshwane University of Technology	Gauteng
Vaal University of Technology	Gauteng
University of Zululand	KwaZulu-Natal
Mangosuthu University of Technology	KwaZulu-Natal
North West University	North West
Cape Peninsula University of Technology	Western Cape
University of Cape Town	Western Cape
University of the Western Cape	Western Cape
Sol Plaatjie University	Northern Cape

Source: Sector Survey (2016)

Of the 13 (thirteen) universities whose representatives were successfully interviewed, the interviewees were either the Deans of the Commerce faculties, or the Heads of the Accounting Departments. 22 (twenty two) public TVET colleges, and 8 (eight) private TVET colleges were interviewed. Most interviewees were Principals, Deputy Principals and Heads of Department.

Table 4-2 indicates the names and provincial distribution of public colleges who participated in the survey.

Table 4-2: Public TVET colleges Surveyed for the Study

Public TVET college	Province
Eastcape Midlands College	Eastern Cape
Port Elizabeth College	Eastern Cape
King Hintsa TVET College	Eastern Cape
Buffalo City TVET College	Eastern Cape
King Sebata Dalindyebo TVET College	Eastern Cape
Lovedale TVET College	Eastern Cape
Goldfields TVET College	Free State
Motheo TVET College	Free State
Maluti TVET College	Free State
Tshwane South TVET College	Gauteng
Westcol TVET College	Gauteng
Ekurhuleni East TVET College	Gauteng
Umfolozi TVET College	KwaZulu-Natal
UMgungundlovu TVET College	KwaZulu-Natal
Coastal TVET College	KwaZulu-Natal
Elangeni TVET College	KwaZulu-Natal
Vuselela TVET College	North West
Northern Cape Urban TVET College	Northern Cape
College of Cape Town	Western Cape
Intec College	Western Cape
Northlink College	Western Cape
False Bay TVET College	Western Cape

Source: Sector Survey (2016)

Private colleges included in the survey, together with their provincial distribution, are as listed in Table 4-3.

Table 4-3: Private TVET colleges Surveyed for the Study

Private TVET college	Province
Damelin College	Gauteng
Boston City Campus and Business College	Gauteng
Pretoria Technical College	Gauteng
Sage Africa	Gauteng

Private TVET college	Province
Birnam Business College	Gauteng
Richfield Graduate Institute of Technology	KwaZulu-Natal
Varsity College	KwaZulu-Natal
Compass Academy of Learning	Limpopo

Source: Sector Survey (2016)

4.2.2. Qualifications

A broad range of Fasset -related programs are offered by universities. University survey respondents indicated that their institutions offer diplomas and degrees in the following Fasset-related programs:

- Business Management, Administration and Operations;
- Accounting and related services;
- Business and Corporate Communications;
- Economics;
- Finance and Financial Management;
- Real Estate; and
- Taxation.

For universities, these programs are offered from Diploma to PhD levels with the majority of students studying for undergraduate degrees. At TVET colleges, programs offered include the following:

- National Certificates in Finance, Economics and Accounting;
- N4-N6 in Financial Management;
- N4-N6 in Business Management;
- Accounting Technician Certificates and Diplomas; and
- Certificates and Diplomas in Bookkeeping.

Although the nature of challenges faced may vary, both universities and TVET colleges face a plethora of issues in implementing Fasset-related qualifications. These challenges encompass, amongst others, the adequacy and qualification of lecturers, study content and curriculum relevance, finance for learners, placement for practical work exposure and graduate access to employment. If not properly addressed, all these issues have a potential of undermining the quality of education and may result in students attaining deficient qualifications that may leave them disadvantaged in the employment market place. A comparative analysis of responses across a spectrum of these issues from survey respondents at universities and public colleges reveals some interesting insights.

On the issue of challenges faced with respect to lecturers, 38% of survey respondents from universities indicated that lecturers are inadequate. For public TVET colleges, a slightly more positive response was received from those respondents where 50% did not think their institutions have a problem with lecturers. Given the level of qualification of university lecturers, it seems plausible to assume that universities may have a more difficult task of recruiting and retaining skills than TVET colleges. This would perhaps explain the different perceptions in terms of the adequacy of lecturing staff. In respect of study content and curriculum relevance

issues, 16,7% of university respondents saw these as problematic compared to 31,8% of public TVET college respondents. In interviews with survey participants, it was established that universities have more control on developing and updating their study material and curriculum content than public colleges who rely on the national department to facilitate this process.

Perceptions on student dropout rates also vary significantly with 41, 7% of university respondents indicating dropout rates are too high, compared to 9% at public TVET colleges. Furthermore, 50% of university respondents were of the view that there isn't enough financial support for students. Public TVET colleges seem to be more positive in relation to questions of financial support e with a comparatively lower 20% of respondents indicating that students' funding is insufficient. Based on survey respondent perceptions, the issue of finance does not seem to be a challenge in the private TVET colleges where only 10% of respondents considered it as problematic.

Student access to practical training is also an area of concern with 20% of university survey respondents indicating it is a problem compared to 40% at public TVET colleges. Failure to access practical training limits work-integrated learning. This is an issue that may potentially affect the learner's ability to acquire relevant skills for the labour market. In respect of graduate access to employment opportunities, 40% of university respondents indicated that this is a problem area. On the other hand, public TVET college respondents were more positive with 27% viewing graduate access to employment as being problematic. Interestingly, this issue is also a problem for private TVET colleges with 40% of respondents indicating as such. It is significant to note that all these challenges impact on the quality of education provided at tertiary institutions and therefore have a bearing on the level of skills acquired by graduates holding such qualifications.

In order to address these challenges, university survey respondents indicated strategies being implemented included improving partnerships with government, SETAs and industry, enhancing career guidance and student support services as well as requesting additional SETA funding. Table 4-4 summarises respondent perceptions on intervention strategies to improve qualifications:

Table 4-4: Summary of University Strategies to Address Qualification Challenges

Intervention Strategy	Response %
Tutorial classes	17%
Partnerships with government, SETA & industry	25%
Recruitment career guidance	25%
Student support services	8%
Request for SETA funding	25%

Source: Sector Survey (2016)

Faced with a variety of challenges in respect of qualifications, universities are considering various intervention strategies. Survey responses captured in Table 4-4 indicate that the majority of respondents would prefer to implement intervention strategies such as improving partnerships with government, SETAs and industry, requesting for more SETA funding as well as

offering more career guidance. Given the diversity of challenges faced, it would however be safe to conclude that better results could be realized through implementation of a variety of strategies.

At TVET colleges, respondents indicated that strategies highlighted in the following table were in place to address challenges, as summarised in Table 4-5.

Table 4-5: Summary of Public TVET Strategies to Address Qualification Challenges

Intervention Strategy	Response %
Lecturer capacity building	9,1%
Partnerships with government, SETA & industry	18,2%
Recruitment career guidance	9,1%
Re-assessment of learners	13,6%
Student support services	27,3%
Request for SETA funding	13,6%

Source: Sector Survey (2016)

The summary of respondent perceptions in Table 4-5 indicates that public TVET colleges consider improving student support services as key to improving qualifications. Also considered critical is improving partnerships with government, SETAs and industry, re-assessment of learners and requesting additional funding from the SETA. As noted in respect of universities, an effective intervention strategy would be one that takes into account the variety of issues faced by different institutions and thus implementing specific intervention strategies to address them.

4.2.3. Institutional Capacity

4.2.3.1. Lecturing staff

4.2.3.1.1. Universities

Results indicate that the quality of lecturing staff is a challenge for both universities and TVET colleges. Although 50% of respondents from universities felt they had adequate capacity of lecturing staff, 38% indicated that capacity was inadequate. For some universities challenges revolve around the ability to attract and retain suitably qualified expertise particularly Chartered Accountants. In most cases qualified Chartered Accountants prefer to pursue opportunities in other organisations, rather than take up a lecturing job at a university. This could be related to issue of salaries and career opportunities available in the broader economy, compounded by scarcity of accountants generally. To counter this challenge, some institutions have suggested that consideration be made for top-up salaries for lecturing staff as a way of improving retention in the public sector.

Equally important for universities is the quality of lecturing staff in terms of their depth of experience and ability to integrate theory and practice. Some universities indicated that a significant proportion of their lecturing staff has never worked elsewhere and this tends to limit their

ability in integrating theory with relevant industry practice. As a remedial measure, it was suggested that opportunities be explored to identify employers who can accommodate lecturing staff on attachment over vacations for practical work experience.

The quality of lecturing staff is also affected by lack of relevant soft skills training prior to engagement. It was indicated that some lecturers lacked basic presentation and research skills which in turn affects their ability to deliver lectures effectively. This skills gap is emanating from the fact that lecturers are not employed for their teaching skills but rather on the basis of the academic certificates they hold from universities. It was observed that unlike arts and social science disciplines, Accountants are generally not well trained in soft skills and they therefore lack these essential skills as lecturers. A specific training program will be necessary to close this training gap.

4.2.3.1.2. TVET colleges

To a large extent, the issues facing TVET colleges regarding quality of lecturing staff mirror those found at universities. Although 86% of respondents at public TVET colleges indicated that they have adequate capacity in terms of lecturing staff, the challenge relates to retaining qualified and experienced employees. As a result of competition from other organisations, employment in TVET colleges is largely seen as a stepping stone by most university graduates. Lecturers at TVET colleges also lack practical work exposure in other organisations and this affects their ability to integrate theory with relevant industry practice. The need for skills development for lecturers at public TVET colleges is clearly reflected when one analyses respondent views on future training requirements discussed later in this report. As part of the intervention strategies, more than 30% of respondents would like to up-skill their lecturers.

4.2.3.2. Infrastructure

4.2.3.2.1. Universities

Availability of infrastructure is a problem for the majority of university survey respondents. Only 50% of respondents indicated that infrastructure was adequate. The problem is rooted in the rapid expansion in student intake levels which has unfortunately not been matched by infrastructure growth. This has undoubtedly created infrastructure bottlenecks for student lecture rooms, facilities and lecturer offices. As a result of limited operational budgets, maintaining available infrastructure is also a challenge. One office block visited had no working lifts and the researcher had to climb a number of steps to get to the meeting venue. While good for a healthy lifestyle, this must be a frustrating experience for lecturers that have no choice every day they report for duty.

4.2.3.2.2. TVET Colleges

As with universities, public TVET colleges are also experiencing infrastructure challenges emanating from the exponential increase in demand for tertiary education. 54% of respondents were however slightly more positive and indicated that their infrastructure was adequate for current needs. This must be viewed against 31, 8% who felt that infrastructure was insufficient.

However, any observant visitor to public TVET colleges cannot ignore the large student population numbers on each campus. In 1 (one) TVET college visited in KwaZulu-Natal, the researcher noted the large student population... Respondents confirmed that, infrastructure at public TVET colleges is under pressure. It may collapse in the near future unless the South African government continues to invest in college capital projects. It must however be recognized that over the past few years the South African government has invested extensively in public TVET colleges with a view to improve infrastructure. In light of this observation, it is safe to conclude that current infrastructure challenges are more to do with the large student numbers rather than lack of trying by the South African government.

Interestingly, a different atmosphere was observed at private TVET colleges, an issue that might be related to cost barriers and not lack of demand for education facilities. A private TVET college visited in Durban exhibited a welcoming atmosphere with student numbers seemingly proportionate to available infrastructure. The buildings were neat and gardens well maintained, a far cry from what was observed at some public institutions. However, only 50% of respondents at private TVET colleges indicated that infrastructure was adequate for their needs.

4.2.3.3. Administrative staff

4.2.3.3.1. Universities

Lack of adequate financial resources has constrained the ability of universities and public TVET colleges alike from employing adequate staff complements to provide administrative support to their institutions. Respondents at both institutions indicated this was an area of need and that capacity is constrained by inadequate resources. For universities, 50% of survey respondents indicated their administrative staff complement was adequate.

4.2.3.3.2. TVET Colleges

At public TVET colleges, only 31, 8% of respondents indicated that administrative support staff was adequate. 50% of respondents from public TVET colleges felt that administrative support staff was inadequate for their college needs. In difficult times, it is a fact that when organisational resources are inadequate support services are usually the ones that gets the first cut before one looks at core functions. It is therefore hardly surprising that administrative staff complements at public educational institutions are already exhibiting signs of strangulation consistent with inadequate financial support. On the other hand, private TVET colleges were slightly positive on the adequacy of their administrative support functions with 50% of respondents indicating this position.

4.2.3.4. Financial Resources

Given financial challenges facing the national fiscus, the exponential increase in student intake at both universities and public TVET colleges (“public institutions”) has not been matched with adequate financial resources. For both public institutions, respondents affirmatively indicated

that there are inadequate financial resources for the demands at hand. At public TVET colleges, as much as 54, 5% of the respondents indicated that financial resources were inadequate for their needs. For universities, 57% of respondents indicated that financial resources were adequate. This inadequacy has led to various challenges such as low operational budgets which in turn constrains effective running of institutions. The current drive for a no-fee regime at universities will no doubt exacerbate institutional financial challenges and thus put further pressure on them in fulfilling their mandates.

Based on survey respondent perceptions, financial resources are also a constraint for private TVET colleges. Only 50% of respondents indicated that financial resources were adequate for their needs. It must however be appreciated that private TVET colleges normally charge higher fees than public institutions (and therefore presumably enjoy better margins) and may not have the challenge of poor debt recovery that public institutions are sometimes burdened with.

4.2.4. Effectiveness of department initiatives

4.2.4.1. Career guidance at school

Career guidance in schools is viewed as problematic by both universities and TVET colleges. For universities, only 20% of respondents felt career guidance initiatives were “very effective”, while 30% felt they were “somewhat effective”. At public TVET colleges only 27% of the respondents are of the view that career guidance initiatives at school are effective, with 45% responding that they are “somewhat effective”. It is however clear from comments received that there is a feeling that much more needs to be done to improve in this area. Respondent perceptions are that some school leavers still start tertiary education without clear career plans and hence the need for more career guidance at high school level. Admittedly, there are some institutions that recognise that a lot of effort has already gone into career guidance and they can now confidently say this is now very effective. However, when one looks at the totality of responses the dominant theme is that this as an area of concern requiring more intervention. At private TVET colleges, only 20% felt career guidance initiatives were effective, with 30% of respondents indicating that they were “somewhat effective”.

4.2.4.2. Matric output rates with Mathematics Higher Grade

Universities and TVET colleges are unanimous in their view that pure Mathematics pass rates at Matric level is poor. This poor pass rate in Mathematics tends to limit the pool of qualifying students for Fasset-related programs. For those who enrol for study programs that require a strong Mathematics background, which they do not possess, the probability of dropping out at tertiary level is enhanced. In their comments respondents also blamed poor teaching skills at high schools and in particular the tendency by teachers to encourage learners to opt for Mathematics Literacy. Only 30% of university respondents felt interventions to improve Matric output with Mathematics at Higher Grade level were “somehow effective”, and none indicated that they were “effective”. At public TVET colleges, only 4, 5% of respondents indicated that interventions on Matric output rates with pure Mathematics at a Higher Grade level were “very effective”, with 18% saying they were “somewhat effective”. In comparison, none of the respondents from private TVET colleges indicated strategies on Mathematics output rates at Higher Grade level were “very effective” while only 30% felt they were “somewhat effective”.

In totality, these responses indicate a lot still needs to be done to improve Mathematics output rates at high school level.

4.2.4.3. Minimising dropout rate and enhancing output at institutions

Minimising drop-out rates is a challenge for tertiary institutions. Only 18% of respondents at public TVET Colleges indicated that the strategies were "very effective", with 59% of the view that they were "somewhat effective". For private TVET colleges, 30% were of the view that strategies were "very effective" while another 30% felt current strategies were "somewhat effective". These responses indicate that much more needs to be done especially given the fact that empirical evidence still suggests that dropout rates are unsustainably high at tertiary institutions, especially at universities. Interestingly, responses on this question were similar for universities and TVET Colleges. Only 30% respondents from universities felt the strategies for minimising drop-out rates were "very effective" at their institutions, with 30% indicating they were "somewhat effective". However, some universities had a more positive response on this question. There is no doubt that a lot is being done to improve student throughput rates although the results are yet to corroborate these efforts.

4.2.4.4. Available financial support to learners/students

Given the toxic atmosphere in which this survey was conducted with the "#FeesMustFall" campaign in full swing, it is hardly surprising that most respondents raised issues relating to the financial challenges affecting learners. Only 10% of respondents from universities indicated that available financial support was "very effective", with 20% responding that it was "somehow effective". The response from public TVET colleges was more positive with 40, 9% indicating that it was "very effective" and 36% responding that it was "somewhat effective". These responses indicate that while there is recognition of the South African government efforts at providing financial support to tertiary institutions, more still needs to be done. Concerns were raised regarding the inadequacy of funding to cover student needs such as accommodation and transport. Private TVET colleges were however more negative in their response with only 10% of respondents indicating the initiatives were "very effective" whereas 20% responded that they were "somehow effective". To a large extent, respondent perceptions reflect the success of government efforts at improving student financial access to financial resources through NSFAS funding.

4.2.4.5. Access to learnership (workplace learning) opportunities

Access to workplace learning opportunities is a challenge for tertiary institutions at all levels. Faced with an economy showing a lacklustre growth, it is hardly surprising that fewer organisations have an appetite to accommodate students for workplace learning opportunities. This is reflected in only 41% of public TVET college respondents indicating that access to learnership opportunities were "very effective". For private TVET colleges, only 20% were of the view that access to learnership opportunities was "very effective". For universities, only 20% of respondents view the initiative as being "very effective" and 20% as being "somewhat effective". What seems evident though is that learners from public TVET colleges have a much better chance at workplace learning opportunities than their counterparts at universities.

4.2.4.6. Placement of graduates in the labour market

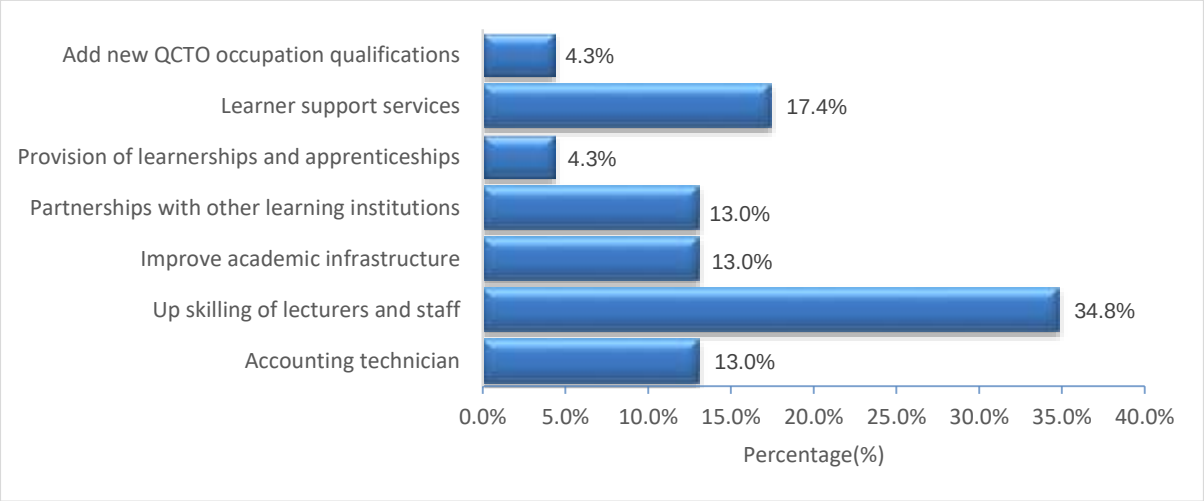
Graduate placement is a challenge confronting universities and TVET colleges alike. At public TVET colleges, 27, 27% of the respondents felt departmental strategies were “very effective” whereas 45, 45% thought they were “somewhat effective”. None of the respondents from universities indicated that initiatives were “very effective”, while 40% were of the view that they were “somewhat effective”. Responses from private TVET colleges are even more negative with none indicating strategies are “very effective” while 40% indicated they were “somewhat effective”. These results may be confirming what is generally known about the poor rate of graduate absorption by the economy. However, it has to be noted that most respondents do not have a tracking system on their graduates and it is therefore difficult for them to know who of them have been employed at any specific time. Across the spectrum, respondents however acknowledge the difficulties faced in the labour market by some of their graduates. Graduate absorption in the labour market is influenced by a number of factors including the fit between their qualifications and the rate of growth of the economy. Both factors may be contributing to the low placement of graduates in the local labour market.

4.2.5. Future plans

4.2.5.1. TVET colleges

Responses from public TVET colleges regarding their future plans in terms of courses/qualifications they desire to offer reveals an interesting pattern as depicted in the graph below. Evidently, a high proportion of respondents would like to have course offerings designed to upskill lecturing staff. In a way, this may be confirmation of concerns regarding the existing capacity of TVET college lecturers. There is also a desire to have programs that grow skills in the area of learner support services, a factor that also resonates with current needs at tertiary institutions. In comparison, in private TVET colleges the strongest desire is to add new QCTO occupation qualifications, improve learner support services as well as improving academic infrastructure.

Figure 4-1: Public TVET College plans on qualifications and courses to be offered

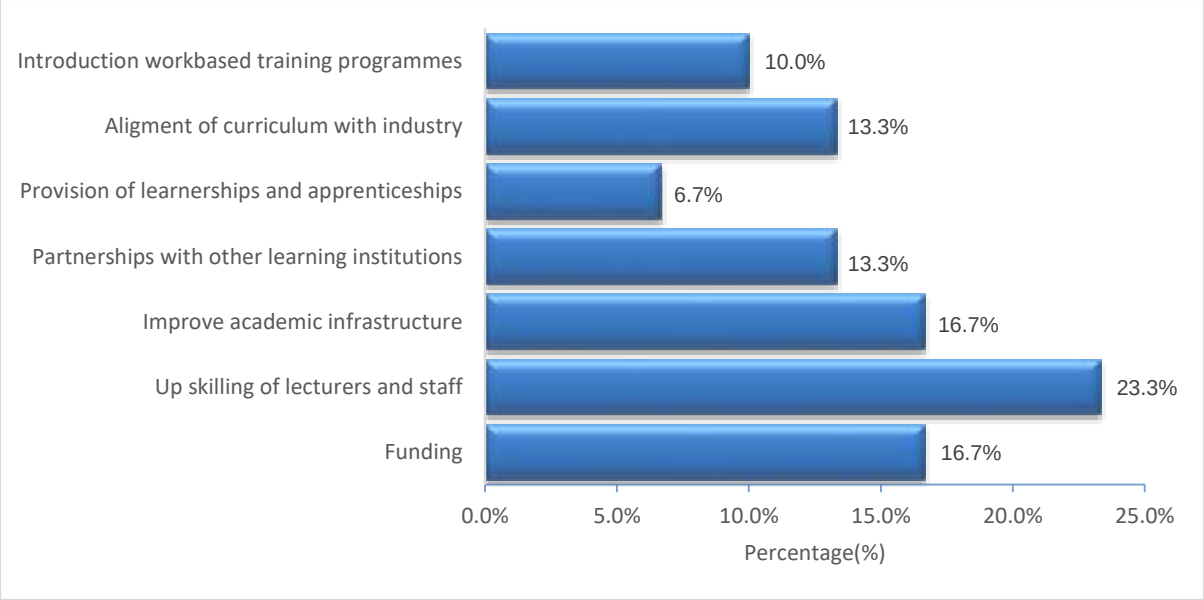


Source: Sector Survey (2016)

As shown in Figure 4-1 the findings demonstrate that public TVET colleges consider capacity building programs for lecturing staff to be a critical strategic issue. Also important are issues of learner support services, partnerships with other institutions of higher learning and development of college infrastructure.

In terms of future support strategies of relevance to the sector, respondents from public TVET colleges indicated preferences depicted in Figure 4-2.

Figure 4-2: Future Support Strategies for Public TVET colleges



Source: Sector Survey (2016)

Based on the above responses in Figure 4-2, it is again clear that lecturer capacity is an area of concern at public TVET colleges and will need a specific intervention strategy to address.

In terms of current qualifications requiring further development, public TVET colleges indicated that they would like improvement in Financial Management and Financial Accounting courses. Private TVET colleges also indicated their need as being in finance related courses as well as in improving English and Mathematics literacy.

4.2.5.2. Universities

In respect of qualifications they intend to develop, universities indicated the following scenario shown in Table 4-6

Table 4-6: University Qualification Plans

Qualification	% response
Post-Graduate Diploma in Tax	3%
BCom Entrepreneur/Accounting/Finance/Economics	17%
Diploma in Accounting & Diploma in Finance Accounting	11%
Post-Graduate Diploma in Accounting	8%
PhD Cost and Management Accounting	6%
Masters in Internal Auditing & Management Accounting	6%
Advanced Diploma in Cost Management and Accounting	8%

Source: Sector Survey (2016)

From the responses depicted in Table 4-6 indications are that universities will be putting a lot of their energy into developing Bachelor of Commerce qualifications. Diplomas in Accounting and Finance are also in focus as well as Post-Graduate Diplomas in Accounting. Only 6% of respondents are planning to offer PhD programs in Accounting, a relatively low response rate given challenges faced with recruiting and retaining qualified lecturers discussed in this SS. It is important that development of qualifications be guided by intentions to align with industry demand and the requirements of best practice.

In terms of intervention strategies, universities respondent perceptions are indicated in Table 4-7:

Table 4-7: University Respondent Intervention Strategies

Intervention Strategy	Response %
Funding	19%
Up- skilling of lecturers and staff	19%
Improve academic infrastructure	13%
Partnerships with other learning institutions	13%
Provision of learnerships and apprenticeships	13%
Learner support services	6%
Alignment of curriculum with industry	13%
Introduction of work-based training programs	6%

Source: Sector Survey (2016)

As one would expect given the current "#FeesMustFall" environment, issues of funding have shown a significant presence with 19% of respondents indicating this as a key focus area. Also significant for universities is the issue of lecturer development, which reflects current concerns with regard to the shortage of suitably qualified lecturers for universities. As indicated in this report, most respondents expressed the view that most lecturers lack soft skills to enable them to do their jobs effectively. Lecturers need a special intervention to equip them with competencies in areas such as negotiation and presentation skills. From the table above, other issues of concern for universities include those of improving academic infrastructure, partnerships with other learning institutions, access to workplace learning opportunities and alignment of the curriculum with industry requirements. These interventions will all be critical in ensuring that the learning environment is appropriate for effective learning to take place, while also enhancing alignment between graduate skills and employer requirements. These are critical issues in addressing not only university graduate throughput but also in tackling the challenge of graduate unemployment.

4.2.6. Growth expectations

A review of growth expectations indicates that 50% of respondents from universities indicated they anticipate growth in demand for their Fasset-related programs, with 25% of them forecasting growth rates between 21-25%. Significantly, 25% of this growth is expected to be in Diplomas in Accounting/Financial Accounting and 16% in Auditing. In terms of anticipated increase in resources and infrastructure, 41% of university respondents had a positive response. They saw growth being the result of both demand from students and the economy. There seems to be a shift in focus from degree programs to Diplomas, perhaps reflecting market demand from in-service personnel. 51% of public TVET college respondents are forecasting a growth of more than 18% for Fasset-related programs. As with universities, the highest demand is expected to be in financial accounting-related programs. 50% of respondents from private TVET colleges also anticipate increased demand for Fasset related programs. For these institutions, the highest demand area is expected to be in bookkeeping.

4.2.7. Partnerships and linkages

The majority of respondents from universities indicated that they have partnerships with SAICA, the Bank SETA and Fasset. These partnerships are largely for accreditation purposes, training support and placement of learners for experiential learning purposes. There is also a number indicating partnerships with banks that are funding research chairs and assisting with placement of learners for workplace learning purposes. Other partnerships mentioned include professional institutes such as SAIPA and CIMA.

In respect of TVET colleges, professional institutions such as Chartered Institute of Bookkeepers (CIB) and ACCA are cited as key partners in respect of accreditation and support with examinations. Others mentioned include SETAs such as ETDP, MICT and Bank SETA. Very little is mentioned in relation to Fasset partnerships. In the words of one of the respondents *"We work well with other SETAs, it's with Fasset where we have struggled to get funding".*

4.2.8. Fasset-related research efforts

A review of respondent comments at both university and TVET colleges indicates that research efforts are not at the level where they should be. Most of the research referred to is focusing on academic outputs at Masters and PhD level. From the responses, it is also apparent that research is currently considered an underfunded mandate with respondents indicating that they would like more funding and guidance by the sector on areas to focus on. Current funders include some banks for Research Chairs and the National Research Fund focusing on specific projects. Respondents indicated that they would like more funding for research, guidance from Fasset on research areas that are of sectorial interest as well as training on how to handle research. The need for research capacity building through training features more prominently at TVET college level. Other issues mentioned include the need for assistance from Fasset in publicising research outputs and having road shows to publicise available funding windows for research.

4.2.9. Fasset-funded projects

Half (50%) of the respondents from universities indicated that they currently receive funding from Fasset. To a large extent, this funding focuses on improving learner performance in accounting programs and targets learners from previously disadvantaged population groups. Funding covers areas such as bridging programs for learners, cost of additional lecturers, tuition material and career guidance. University survey respondents indicated that these interventions have had a positive impact on student performance and work-readiness. One Western Cape based university that received Fasset funding for a bridging program specifically targeting Black African students reported that the intervention was very effective on student pass rates. Another university in the same province indicated that it had benefitted from a Fasset funded work-readiness project which also had a very positive impact. Based on comments received, it can be concluded that these targeted interventions from Fasset are having a positive impact on improving student pass rates especially for learners coming from previously disadvantaged communities who may be battling in their studies because of poor language and Mathematics competency levels. However, it has been noted that universities with limited financial resources such as those in outlying areas of the Eastern Cape and KwaZulu-Natal do not seem to be benefiting from any current funding from Fasset. Without doubt, targeted Fasset interventions at these universities would also have a very positive impact on learner throughput and work-readiness.

None of the survey respondents from TVET institutions (both public and private) are benefitting from Fasset project funding. A single respondent indicated that they did benefit 2 (two) years ago on a program that sought to improve learner literacy levels in English and Mathematics. Based on responses from survey participants at TVET colleges, there is no doubt that such funding for bridging programs is still a necessity especially in the context of poor passes by students at high school. Such an intervention may positively impact on student throughput and lower the level of dropouts.

4.2.10. Scarce Skills Training Perspective

In their response to the question on what they consider to be scarce skills, 25% of respondents from universities indicated that the positions of Lecturers and Chartered Accountants were

scarce. This was followed by positions of Financial Manager, Management Accountant and Chief Financial Officer, all of which were considered scarce skills by 8,3% of the respondents. University respondents also identified the positions of Internal Auditors, Management Accountants, Tax Practitioners and Cost Accountants as being scarce. Interestingly, the same types of skills are broadly identified by both public and private TVET colleges as being scarce skills. The additional scarce skills identified by TVET colleges include those of Bookkeeping, Financial Analyst, Auditor and Tax Practitioner. Table 4-8 and Table 4-9 are a summary of skills identified by university and public TVET college respondents as being scarce:

Table 4-8: Scarce Skills According to Universities

Scarce Skill	Response %
Lecturer in Accounting	25,0%
Financial Manager	8,3%
Chartered Accountant	25,0%
Managerial Accountant	8,3%
Chief Financial Officer	8,3%

Source: Sector Survey (2016)

From Table 4-9 below, it is evident that a significant number of respondents from public TVET colleges view Financial Manager skills as being scarce. This is followed by positions such as Accountant, Chartered Accountant, Auditor and Actuary. Except for positions of Bookkeepers and Actuaries that are not mentioned by universities, this list of scarce skills compares favourably with what university respondents perceived to be scarce skills.

Table 4-9: Scarce Skills According to Public TVET colleges

Scarce Skill	Response %
Bookkeepers	5,6%
Financial Manager	27,8%
Financial Analyst	5,6%
Accountant	16,7%
Chartered Accountant	11,1%
Actuary	11,1%
Internal Auditors	5,6%
Tax Practitioner	5,6%
Auditors	11,1%

Source: Sector Survey (2016)

What is also clear (from both Table 4-8 and Table 4-9) is that the dominant theme in the list of scarce skills relates to accounting skills. It can therefore be surmised that with improved throughput in accounting graduates the scarce skills identified by both universities and public TVET colleges will to a large extent be ameliorated. Although broadly similar responses were observed from private TVET colleges, respondents from these institutions also included Economists and Financial Analysts as also being scarce skills.

Equally important in skills planning is the need to identify the reasons for the scarce skills. 18, 5% of respondents from public TVET colleges attribute scarce skills to lack of interest in or lower pass marks in Mathematics. Interestingly, 30% of respondents in private TVET colleges attribute scarce skills to lack of adequate training. In a way, these two reasons are related as poor Mathematics results limits the number of learners qualified to go into Fasset related programs, a fact which then affects the throughput pipeline. University respondents in Table 4-8 however cite slightly different reasons for the scarce skills with 16,7% attributing this to lack of management skills, lack of practical experience and lack of business communication skills. All these factors however point to the problems in the education system at both high school and tertiary level. The bottom line is that a significant proportion of learners are not well prepared for the world of work.

4.2.11. Critical skills gaps-Training provider perspective

The problem of scarce skills discussed above is exacerbated by critical skills gaps in some occupations. As highlighted in Table 4-10, among critical skills gaps identified by university respondents are basic management skills and those related to lack of soft skills training such as communication and negotiation. These skill gaps point to the inadequacy of training at tertiary institutions, the outcome of which is graduates that are ill-prepared for the demands of the workplace. A comparison of critical skill gaps identified by universities with those identified by private TVET colleges reveals some interesting insights. For example, while lack of information technology skills does not feature as a skills gap for universities 40% of private TVET college respondents deem this to be a skill gap.

Respondents from both institutions however agree that lack of soft skills is currently a skills gap for graduates. This is also corroborated by respondents from public TVET colleges. Critical skill areas identified by university survey respondents are indicated in Table 4-10 below.

Table 4-10: Critical Skills Gaps According to Universities

Critical Skills Gap	Response %
Leadership/ Conflict Management Skills	3%
Negotiation Skills	8%
Lack of Practical Experience	14%
Lack of Soft Skills	6%

Source: Sector Survey (2016)

Critical skills identified by private TVET college respondents are as depicted in Table 4-11.

Table 4-11: Critical Skills Gaps According to Private TVET colleges

Critical Skills Gap	Response %
Business Communication Skills	14,3%
Problem Solving Skills	14,3%
Lack of Software skills (Pastel, SAP, Caseware)	35,7%
Advanced Computer skills	28,6%
Lack of Soft Skills	7,1%

Source: Sector Survey (2016)

Table 4-11 indicates that, unlike both universities and public TVET colleges, private TVET colleges regard lack of computer/software skills as the most prominent critical skills gap. As indicated above, all institutions are however in agreement on soft skills as being deficient. Lack of soft skills negatively affects employee effectiveness in the workplace and it is therefore important that an appropriate skills program be developed to ensure capacity building in this area. This intervention must also include university lecturers who have also been identified as lacking competency in this area.

Although the reasons for the skill gaps vary, there are some commonalities emerging across the different tertiary institutions. As indicated in the tables below, lack of soft skills training, problems of skills mismatch and lack of adequate training are some of the reasons identified by survey respondents. Without doubt, problems of under-qualified lecturers, outdated learning material particularly at public colleges and poor learner mathematical literacy levels all contribute to the skills gaps identified by the respondents. Table 4-12 summarises the reasons identified by university respondents on reasons for the skills gaps:

Table 4-12: Reasons for Critical Skill Gaps According to Universities

Reasons for Critical Skill Gap	Response %
Lack of Leadership/Management training	3%
Software programs expensive	3%
No adequate training	14%
Lack of soft skills in training	6%
Skills mismatch	3%

Source: Sector Survey (2016)

As indicated in Table 4-12, the majority of universities attribute lack of critical skills to inadequate training. By implication, lack of critical skills can be effectively addressed if training programs are property structured to meet the needs of the employment market. A key aspect of this alignment is ensuring that learning institutions are proactive in their approach to curriculum development in order to keep pace with the ever-changing requirements of the employers. This approach also requires that learning material be updated regularly to capture changing requirements. As noted in this SS, this is currently a problematic area especially for public TVET colleges as most learning material currently used is outdated.

Table 4-13 indicates that a slightly different picture emerges when one analyses the reasons given by public TVET colleges.

Table 4-13: Reasons for Critical Skills Gaps According to Public TVET Colleges Respondents

Reason for Critical Skills Gap	Response %
Lack of Leadership/Management training	13,3%
Software programs expensive	6,7%
No adequate training	53,3%
Lack of soft skills in training	6,7%

Reason for Critical Skills Gap	Response %
Skills mismatch	6,7%
Lack of Work- Integrated Learning programs	6,7%
Inadequate academic infrastructure	6,7%

Source: Sector Survey (2016)

In line with universities, public TVET colleges attribute lack of critical skills largely to inadequate training. As indicated before, the solution will require that training programs be developed in a proactive manner that ensures graduates are well prepared for the needs of the workplace. For public TVET colleges in particular, this will also require that learning material be updated regularly to ensure alignment with the regulatory environment and the needs of the workplace.

In terms of future skills demand, both universities and colleges seem to agree that Chartered Accountants will continue to be in demand. Table 4-14 is a summary of public college respondent perceptions on future skills demand:

Table 4-14: Future Skills Demand According to Public TVET colleges

Future Skills Demand Area	Response %
Bookkeeping	38%
Financial Accounting	23%
Taxation	15%
Payroll Administrator	8%
Financial Management	8%
Officer Administration	8%

Source: Sector Survey (2016)

Table 4-14 indicates that most university respondents are of the view that Bookkeeping will be the skill in most demand in future. Financial accounting and taxation are also forecast to be highly in demand. If training programs are to be sensitive to the needs of the market place, this skills demand forecast has implications on areas to focus on at skills development institution level.

For university survey respondents, positions that will be in demand include Chartered Accountants, Chief Financial Officers, Auditors and Finance Managers.

4.2.11.1. Critical skills gaps specific to occupations

Although survey respondents have not been specific in terms of critical skills gaps for most occupations, they did not shy away from evaluating their own lecturing staff that they deemed lacking in terms of presentation and soft skills. They also indicated that the majority of junior lecturers lack practical work experience, a fact that tends to limit their ability to transfer practical work skills to learners. It was indicated that the majority of lecturers, particularly at college level, were recruited straight from universities and hence this skills gap. The situation is much better at universities where there are some highly experienced personnel who have made the

transition from corporate to academic and thus bring practical experience to their work environment.

4.2.11.2. Critical skills gaps spanning various occupations

Respondents tended to be too general in terms of identifying skill gaps spanning various occupations. One can understand this since most of them do not work with the various skills categories they were expected to evaluate. It is however clear that most occupations tend to have soft skill gaps. In addition, some respondents indicated lack of leadership and management skills as being a gap. Table 4-15 shows perceptions on skills gaps by universities.

Table 4-15: Occupational Skills Gaps According to Universities

Occupational Skill Gap	Response %
Leadership / Conflict management Skills	3%
Negotiation Skills	8%
Lack of Practical experience	14%
Lack of Soft Skills	6%

Source: Sector Survey (2016)

As discussed in the earlier part of this report, occupational skills gaps spanning occupations largely revolve around lack of soft skills competency. Indeed, this is the prevailing view of survey respondents from institutions of higher learning. Universities and TVET colleges are also in agreement in that lack of practical experience is an area of concern for graduates and negatively affects graduate employment.

4.2.12. Anticipated sector challenges

Survey respondents have indicated that they anticipated the following challenges to face the sector over the coming years:

- continuing demand for highly skilled professionals to support a growing service economy;
- an angry youth that will be hard to please;
- the need to adapt to a changing world of work and technology;
- high unemployment rates;
- student funding issues particularly at university level;
- regulatory challenges such as how the government will regulate the SETAs in the future; and
- the political environment which can have its own dynamics.

There is no doubt that all these factors will impact on the sector albeit in different ways. The sector is operating in a dynamic environment where change is the only constant. There will therefore be need to adapt to the external forces pushing for change and for the sector to be nimble enough to change with the times. In a way, the challenges the sector will face are a reflection of those the country will face and they are many and varied. While the sector can do something about those factors it can control such as adapting to technological environmental

changes, not much can be done about issues that are societal such as dealing with a generally angry youth who are faced with the reality of high unemployment rates and lacklustre economic growth.

4.2.13. Productivity and work performance

In order to improve productivity in the workplace, 27% of respondents from public TVET colleges consider training to be critical. 13% of respondents from public institutions also consider development of computer and software skills as important. In addition to these intervention strategies, respondents from private colleges also highlight the importance of work readiness programs. Universities emphasized the need for training delivery and use of information technology. Based on this SSs results, it is therefore plausible to conclude that to improve productivity in the sector a much more agile workforce is required. Such a workforce can only result if training is effective and the sector maximizes on available technology.

4.2.14. Fasset initiatives in the HEI sector

Fasset joined the University of Cape Town's (UCT) accounting department as a funding partner on two projects, namely:

- *Learn Accounting*, which is a 4 (four) year, R17 million, project which aims to assist students whose first language is not English. This is achieved through the production of videos which explain basic accounting concepts in numerous non-English languages, and then re-plays the same video in English so that the student gets used to technical accounting terms that will be used in everyday lectures as well as textbooks. This tool is believed to have significantly helped students to develop early understanding of important accounting concepts, thereby avoiding a lag in learning that often results in an accumulated and overwhelming work-load which in turn can lead to sub-optimum performance and even dropout; and
- the *iKusasa Lethu* project started in 2012 and is an ongoing joint partnership between UCT, SAICA and Fasset, the aim of which is to provide Black African students from previously disadvantaged backgrounds on the Chartered Accounting program with regular tutoring in their second and third years. The annual cost of the project is approximately R1 million, and has successfully led to increased throughput rates of this population group.

Fasset also joined the University of the Western Cape (UWC) as a funding partner on two projects, namely:

- *uKhwazi* which is an R8 million project that aims to provide a total of 150 (one hundred and fifty) graduates who have not found employment with comprehensive work-readiness training. Graduates can choose to enrol on the 3 (three) month full-time program, or the one-year part-time program. Modules of the program include interviewing skills, business simulations which increase emotional intelligence, project management, ethics, professional conduct, and technical aspects such as Pastel Accounting training as well as addressing any academic gaps. The first phase was completed in 2016, with feedback from both university staff and the graduates being very positive. Graduates were observed to have increased levels of confidence and self-belief; and

- *Pucula* which was a R28 million project which aimed to increase throughput rates in challenging subjects. It ran concurrently to normal studies, and also included soft skills training such as time management, stress management, the development of critical thinking skills as well as English. University staff interviewed deemed the project a success as they observed that those who had underwent the training had improved academic performance.

4.2.15. Conclusion

This section of the SS has consolidated and analysed survey respondent perceptions on universities and TVET colleges. While the nature of challenges faced by institutions is varied, there are commonalities that have emerged from the analysis.

Based on the results of the analysis, the following conclusions can be made:

- despite all efforts by the government and the SETA, financial constraints continue to be a challenge for institutions of higher learning, students and training providers;
- although government has invested significant resources on education infrastructure over the past 10 (ten) years, the exponential increase in student intake has to a large extent negated these efforts resulting in infrastructure challenges continuing to exist especially for universities;
- student throughput levels continue to be lower than expected as a result of learner dropouts;
- currently low Matric pass levels with Mathematics are a challenge for universities and TVET colleges as they directly determine the pool of learners available for recruitment into Fasset-related training programs;
- recruiting and retaining qualified lecturers is a challenge for institutions of higher learning;
- Chartered Accountants, Financial Managers, Bookkeepers and Auditors are some of the skills still considered critical; and
- across the spectrum, respondents agree there is currently a competency gap on leadership, management and soft skills especially at professional levels.

4.3 Survey of Workplace Training Providers

4.3.1. Introduction

This section of the SS focuses primarily on understanding WTPs in the sector. At a high level, the following elements will be discussed:

- nature of WTPs in terms of size and scope;
- effectiveness of workplace training initiatives; and
- impact of Fasset training initiatives.

4.3.2. Profile of Workplace Training Providers

A total of 108 (one hundred and eight) WTPs were interviewed for this SS. The job titles of respondents were varied but included Human Resource Managers, Accountants, Partners, Directors and Skills Development Facilitators (SDFs). Learnerships facilitated by respondent WTPs were also varied with the majority offering Chartered Accountant, SAICA and SAIPA learnerships. More than 80% of respondent WTPs have been involved with training of learners for more than 10 (ten) years. As indicated in the table below, 62% of respondents were from the Accounting, Bookkeeping and Auditing sub-sector. Table 4-16 below shows the number of WTPs that were surveyed, according to sub-sector.

Table 4-16: Profile of WTPs Surveyed by Subsector

Subsector	Total surveyed per subsector	
	Percentage	Number
Investment Entities & Trusts and Company Secretary Services	1,9%	1
Stockbroking and Financial Markets	2,8%	1
Development Organisations	0,0%	2
Accounting, Bookkeeping & Auditing Activities	87,0%	67
Activities Auxiliary to Financial Intermediation	0,0%	22
Business & Management Consulting Services	1,9%	0
SARS and Government Departments	0,0%	3
No response	6,5%	7
Total	**100%**	**108**

Source: Sector Survey (2016)

4.3.3. Size of Workplace Training Providers

Table 4-17 shows the size of the WTPs surveyed.

Table 4-17: Profile of Workplace Training Providers Surveyed by Sub-sector

Size	Number	Percentage
Large	4	3,70%
Medium	10	9,30%
Small	94	87,00%
Total	**108**	**100%**

Source: Sector Survey (2016)

4.3.4. Motivation for the provision of learnerships

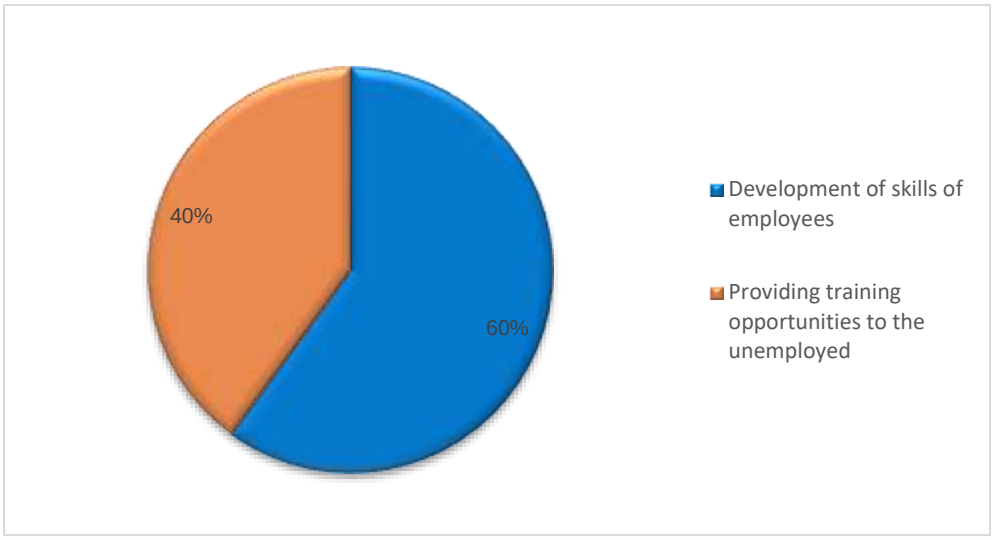
As part of the survey questionnaire, WTP were asked to indicate which factors motivated them to provide learnerships. The following table summarises their responses which are further analysed in Figure 4-3:

Table 4-18: Motivation for Provision of Learnerships

What motivates your organisation to take part in the training of learners through learnerships? (You may choose more than one option.)		
	Response Percent	Response Count
Financial reasons (getting access to grants)	0,0%	0
Development of skills of employees	60,0%	3
Providing training opportunities to the unemployed	40,0%	2
Learners are an inexpensive form of labour	0,0%	0
Employing Black African learners improves the organisation's BEE scorecard performance	0,0%	0
No response		103
Total	**100%**	**108**

Source: Sector Survey (2016)

Figure 4-3: Motivation for Provision of Learnerships



Source: Sector Survey (2016)

The Figure 4-3 above indicates that 60% of respondents provided learnerships because they needed to develop employee skills whereas 40% were motivated by the need to provide training opportunities to the unemployed.

4.3.5. Effectiveness of workplace initiatives

4.3.5.1. Career guidance

The majority of survey respondents were positive on the effectiveness of career guidance initiatives. With 31% responding that the initiatives were “effective” and 40% viewing them as “somewhat effective”, it is safe to conclude that current efforts are indeed bearing some fruits. Only 13% of respondents thought the initiatives were “ineffective”, indicating that although there has been positive impact by current initiatives there is room for much more to be done on career guidance. It is significant to note that effective career guidance could have a positive impact on issues such as student dropout and pass rates.

4.3.5.2. Output rates

Perceptions on output rates are also showing a measure of positivity with 48% of respondents indicating they are “somewhat effective”. However, 16% of respondents think initiatives on dropout rates are “not effective”. Again, these responses do indicate that there are some positive efforts being made although there is still scope for improvement. Failure to effectively manage output rates affects the cost of education provision as some learners incur costs and yet do not complete their studies.

4.3.5.3. Dropout rates

Dropout rates are still a major challenge for the sector. While 33% of survey respondents indicated that current efforts are “somewhat effective”, a significant 30% of respondents felt that they were “not effective”. Only 10% of respondents thought current efforts were “very effective”. The reasons for high dropouts are varied but the majority of respondents attribute this to the low motivation of learners which results in lack of commitment and also to wrong career choices. Respondents also indicated that another significant contributor to high dropout rates is the inability of the workplaces to provide adequate practical experience to learners. Given the multiplicity of reasons for the high dropout rates, it becomes imperative that a robust intervention strategy be implemented so that all issues can be tackled. As alluded to in other sections of this SS, more needs to be done in dealing with the problem of learner dropouts. Unfortunately, 69% of respondents are currently not involved in any specific strategies to decrease dropout rates. Only 13% of respondents are doing so being involved in initiatives such as in-house job training and career support/motivation/guidance.

4.3.5.4. Available financial support to learners/students

In the context of the “#FeesMustFall” challenges faced by the tertiary education system last year, it is certainly no surprise that student funding is still viewed by many respondents as a problematic area. While 47% of respondents were of the view that current efforts at dealing with available financial support to learners were “somewhat effective”, 21% felt these were “not effective”. Admittedly, a lot has happened since the demonstrations of last year but there are still some simmering tensions in this area. Training providers are at the coal - face of some of these challenges as they interact with learners affected by financial constraints. Their perceptions in this area are therefore significant in evaluating the effectiveness of current interventions. The fact that only 7% of respondents thought the initiatives were “very effective”, is telling.

4.3.5.5. Access to learnerships

SS respondents were generally more positive on interventions to promote access to learnerships with 40% indicating that they were “somewhat effective” while 35% viewed them as being “very effective”. Only 10% of respondents thought efforts were “not effective”. While access is not usually a problem, often the difficulty is finding the right candidates to fill learnership positions.

4.3.5.6. Access to employment

Interestingly, WTP perceptions on access to employment are much more positive than what was gleaned from TVET colleges and universities. 40% of respondents felt that current efforts are somewhat effective while 32% thought they were “very effective”. Only 11% of respondents thought efforts were “not effective”. The responses indicate an encouraging element of positivity on efforts to promote access to employment. The results may be influenced by the

proximity of the learning providers to workplaces, a situation which may make it easier to assist learner's access to employment opportunities.

4.3.6. Impact of Fasset interventions

Table 4-18 shows a summary of respondent perceptions on the impact of Fasset interventions. The interventions which were assessed ranges from workplace accreditation, learnership funding, and skills development of learners, lifelong learning, and grant claims to training budget.

Table 4-18: Respondent Perceptions on the Impact of Fasset Interventions

Impact Area	Very effective	Somewhat effective	Not at all
Workplace accreditation	39%	40%	22%
Learnership funding	24%	46%	30%
Skills development of learners	36%	47%	16%
Turnover	10%	48%	43%
Lifelong Learning	36%	51%	13%
Productivity	18%	49%	33%
Grant claims	23%	44%	33%
Training budget	20%	45%	35%

Source: Sector Survey (2016)

4.3.6.1. Workplace accreditation

Survey respondents are fairly positive on the impact of Fasset on workplace accreditation as indicated in Table 4-18. To this extent, 39% of respondents felt that it was "very effective" and 40% felt it was "somehow effective". However, 22% of respondents felt it was "not effective" indicating that there is definitely scope for improvement.

4.3.6.2. Learnership funding

Table 4-18 also indicates that respondents were less positive with regard to learnership funding. While 46% thought it was "somehow effective", a significant 30% was of the view that it was "not effective". Only 24% indicated that it was "fully effective". It is however worth noting that the issue of learnership funding cannot be divorced from the general funding issues affecting the tertiary education sector. As such, it would be surprising if respondents were more positive on this issue when, as highlighted above, they generally acknowledge the existing problems related to tertiary education funding. While TVET colleges were generally more positive in terms of current funding arrangements, universities were not. There is therefore a common theme amongst WTPs regarding the inadequacy of funds for education and training. The adequacy or otherwise of funding is really reflective of the state of the economy. With lacklustre economic growth, funding issues will continue to be a talking point for WTPs.

4.3.6.3. Skills development of learners

Based on respondent perceptions shown in Table 4-18, Fasset's efforts are having a positive impact on skills development. While 47% of respondents felt the impact was "somewhat effective", a further 36% were of the view that it was "very effective". With only 16% of respondents indicating that the impact was "not effective", it is fair to conclude that Fasset's efforts at skills development of learners are fairly well regarded by respondents.

4.3.6.4. Turnover

Survey respondents do not view Fasset's efforts as having a very positive impact on turnover as shown in Table 4-18. Only 10% felt the efforts were "very effective" while 48% regarded the impact as being "somewhat effective". A high percentage of respondents (43%) regarded the efforts as "not effective". Evidently, Fasset needs to do more in this area to demonstrate a positive impact.

4.3.6.5. Lifelong learning

Lifelong learning is one of the key objectives of the training approach envisaged in the SDA. As such, SETAs are expected to be champions in promoting not just the philosophy of lifelong learning but its reality in their respective sectors. The majority of survey respondents as indicated in Table 4-18 are of the view that Fasset is doing a fairly good job in this regard with 36% indicating that its impact is "very effective" and 51% as being "somewhat effective". This seems a fairly high vote of confidence on the impact of Fasset efforts, especially when one recognises that only 13% indicated that the impact of interventions was "not effective".

4.3.6.6. Productivity

Based on survey respondent perceptions, it seems Fasset needs to do much more to convince training providers that its efforts can positively impact on productivity. This is reflected in Table 4-18 where 33% of respondents indicated that current efforts are "not effective" and 49% indicating they are "somehow effective". Only 18% were of the view that current efforts at productivity improvement were "very effective". These results indicate that a lot still needs to be done to improve impact on productivity.

4.3.6.7. Grant claims

WTPs do not believe that Fasset is performing well in its handling of grant claims as shown in Table 4-18. This is evident in 33% of respondents indicating that it is "not effective" whereas 44% think it is "somehow effective". Only 23% of respondents consider the intervention as being "very effective". The results lead one to the conclusion that more needs to be done to improve impact on grant claims.

4.3.6.8. Training budget

Perceptions about Fasset's impact on training budgets are in a way reflective of views regarding the adequacy or otherwise of finances to meet training requirements. As with other issues relating to finance, there is a rather negative view of the efforts of Fasset in providing adequate financial resources for training initiatives. As such, Table 4-18 shows that 35% of the respondents are of the view that current efforts are "not effective" while 45% think they are "somewhat effective". With only 20% responding that Fasset's efforts are "very effective", it is clear a lot still needs to be done to positively impact training budgets.

4.3.7. Challenges in the provision of learnerships

4.3.7.1. Finding suitable training programs for learners

The majority of SS respondents indicated that there are limited courses on offer in most topics, a situation which invariably affects learner performance as some learners complete courses that are not necessarily suited to their academic ability. Respondents also indicated that most training programs are guided by professional bodies and are thus credible for learners to pursue.

4.3.7.2. Finding the right facilitators (mentors, coaches, supervisors)

Although availability of quality lecturers is a challenge for universities and to a lesser extent TVET colleges, the majority of WTPs indicated that this was not a problem for them. They however alluded to the language barrier challenges experienced. This challenge is a reflection of the quality of learners in learnerships, most of whom would have had low pass rates in the language of instruction.

4.3.7.3. Ensuring that learners gain practical experience

While the majority of respondents did not have a challenge in this area, some confirmed that the training timetable can be problematic. Given the time available for learnerships where most are completed within 36 (thirty six) months, this is hardly surprising and can be a limiting factor in affording the learner adequate opportunities for both theoretical and practical training. Respondents also indicated that training opportunities are not easily available.

4.3.7.4. Communication with and support from professional bodies

The majority of SS respondents indicated that SAICA, SAIPA and IRBA are very supportive. Other respondents however alluded to the challenges of slow response times, a fact that typically characterises public institutions nationally. Poor response times would naturally be frustrating to the end-user and contributes to the quality of education provided by respondents.

4.3.7.5. Workplace assessments

The majority of SS respondents indicated that they find workplace deadlines demotivating. In line with responses from universities and colleges, respondents also indicated that lack of career awareness is problematic and this becomes apparent is workplace assessments. Also significant was the recognition by respondents that some students do not finish a learnership, a fact related to the inadequacy of finances in some cases.

4.3.7.6. Learner motivation

Learner motivation is a challenge affecting both WTPs and tertiary institutions. It has been recognised that lack of motivation by learners contributes not only to learner dropout rates but also to their general performance in class. 9, 3% of survey respondents indicated that learners lack self-commitment, thus confirming that learner motivation is a challenge that has to be dealt with. Lack of motivation leads to some learners dropping out as soon as they get an opportunity for employment elsewhere. These dropouts have a direct impact on the cost of education as some expenses are incurred and yet the target learners do not complete their training. Learner counselling can perhaps be used as an intervention strategy to improve learner motivation.

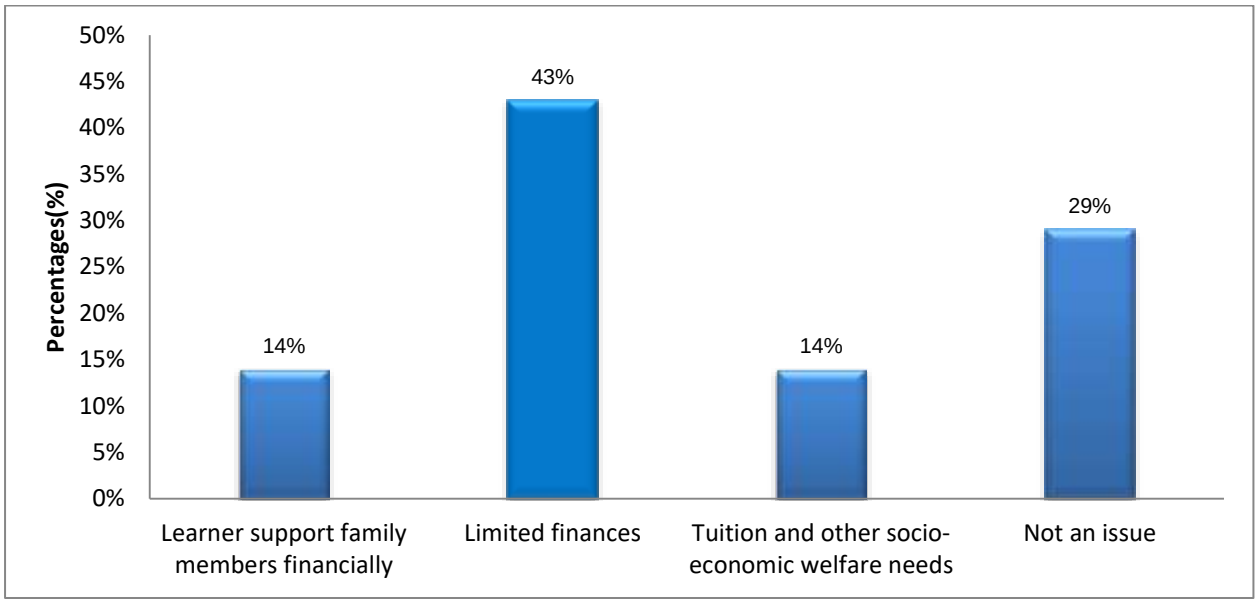
4.3.7.7. Learner work-readiness

As one would expect, 29% of respondents indicated the need for work readiness programs. This is compounded by poor career counselling of learners at high school level, a fact acknowledged by both universities and TVET colleges as being problematic. 24% of respondents also indicated that limited work exposure is sometimes related to industry specifications which tend to limit the number of learners that can be taken to available workplaces. Also noted as challenges are issues relating to skill mis-matches and learners who are ill-prepared for the workplace. Unfortunately, skill mis-matches will continue to be a challenge as long as there is poor career counselling for learners. Poor career counselling leads to poor career choices being made resulting in not only poorly qualified candidates but graduates with skills that are not required in the economy. Respondents also expressed concern on the fact that some learners lack basic life skills and this affects their readiness for the workplace.

4.3.7.8. Learner financial constraints

Learner financial constraints are a challenge acknowledged by training providers across all tertiary institutions. 23% of respondents indicated this challenge manifests in learners failing to attend classes as a result of lack of funds for needs like transport. As learners fail to attend lessons they miss out on valuable tuition, resulting in poor pass marks. Lack of financial resources also means learners cannot take advantage of available technological gadgets that would otherwise make their academic life easier. On the other hand, some learners make themselves difficult to employ because of the unrealistic salaries they demand when they get to the market place. This behaviour is unfortunately related to poor career counselling too. Figure 4-4 summarises respondent perceptions on learner financial constraints.

Figure 4-4: Learner Financial Constraints



Source: Sector Survey (2016)

As indicated in Figure 5.4, 43% of respondents believe learners are facing financial constraints while 29% do not think financial constraints are an issue. These perceptions are broadly in line with those observed from universities and to a lesser extent TVET colleges.

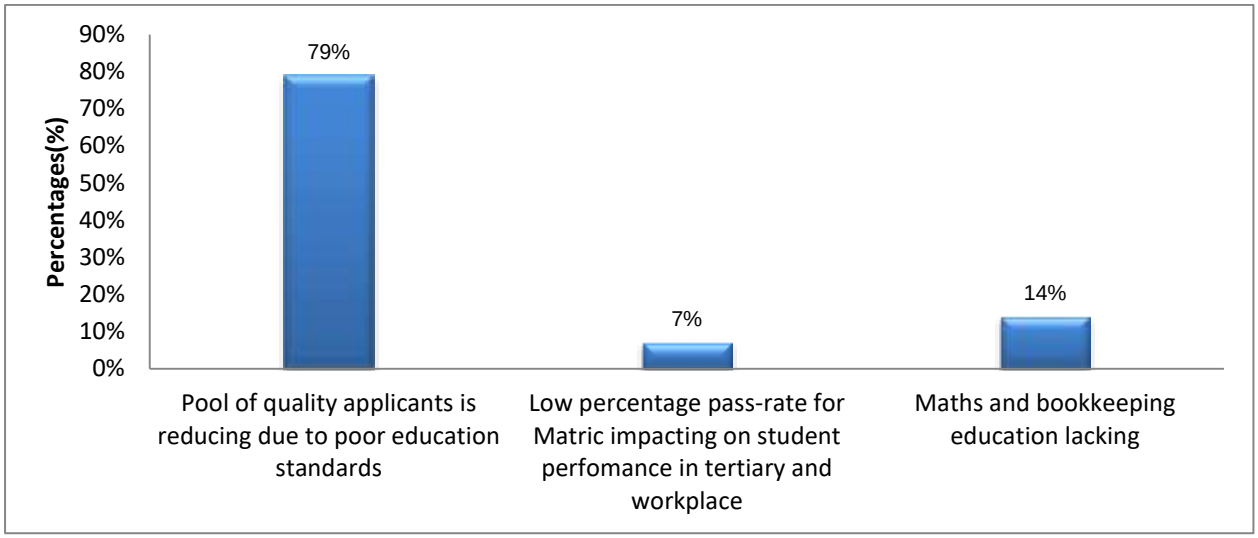
4.3.7.9. Contracts and other administration issues

Respondents were generally positive on this issue. The few that responded indicated that there are challenges when there are frequent changes to procedures and methods. This is an understandable concern as some providers lack administrative capacity to be adjusting procedures frequently in order to meet compliance requirements. Related to this is the concern that contracts and administrative issues are time consuming.

4.3.7.10. Diminishing education standards

Concerns on quality of education are topical across the entire education value chain. WTP respondents are certainly no exception to this. Of the respondents surveyed, 79% expressed the opinion that the pool of quality candidates is reducing as a result of poor education standards. Some indicated, as university and TVET college respondents did, that Mathematics education is lacking. This unfortunately, is affecting the ability of learners to cope with Fasset-related courses at tertiary institutions. Figure 4-5 summarizes respondent perceptions on education standards.

Figure 4-5: Respondent Perceptions on Education Standards



Source: Sector Survey (2016)

4.3.7.11. Sourcing employable candidates

94% of SS respondents indicated that it was difficult to find suitably qualified candidates for available learnerships. Indeed, this would be hardly surprising given the challenges experienced with higher education where there is a limited pool of learners who do well in Mathematics. As a result, there must be a lot of competition for the few who qualify. In order to improve the candidate pipeline, there is a need to transform the education sector and improve not just the pass rate at high school but Mathematics especially. Together with providing career counselling early in life, a robust education system will ameliorate this shortage of trainable applicants. This is particularly important given the high levels of unemployment in the country, especially among the youth. Respondents also highlighted the challenge of mismatch between the salaries students are demanding and what employers are prepared to pay. In order to manage this problem, graduate career counselling is an absolute necessity.

4.3.8. Factors affecting learner productivity

Learner productivity is a result of a multiplicity of factors. Based on survey respondent perceptions, issues that have the greatest impact on learner productivity include the individual's work ethic, the personality and emotional intelligence of the learner, their socio-economic circumstances, lack of understanding of delegated tasks, time allotted for studying and in-house training provided. Table 4-19 indicates some of the survey responses on issues considered significant by training providers.

Table 4-19: Factors Affecting Learner Productivity

Factor	Response %
Personality & emotional intelligence of learners	14%
Work ethic, managing work load, quality of work, pace of work (how fast and correct they work)	23%
Level of education/ qualification standard/basic education	7%
Socio economic issues (family problems/ personal circumstances)	11%
Lack of understanding in delegated task or deliverables	11%
We do not employ students any longer.	2%
Being on the phone or internet most of the time	5%
Internet accessibility	2%
Time allocated to studying	7%
Financial challenges	5%
In-house training (the availability of supervisors to provide effective coaching)	7%
Mentorship	2%
Proximity to the work space/ affects pregnant female learners	2%

Source: Sector Survey (2016)

As revealed in Table 4-19, respondents clearly indicated the importance of work ethic and individual personality in respect of productivity. It therefore follows that if learner productivity is to be improved upon learner motivation must be the focus of individual development effort. With a good intervention strategy, learner motivation and attitudinal disposition can be positively impacted resulting in improved learner productivity.

4.3.9. Learnership costs

Respondents did not provide detailed responses on questions relating to the cost of learnerships. However, some insights can be gleaned on some of the responses relating to perceptions on the adequacy of funding and the fairness of grant offered by Fasset. In terms of the most common learnership programs, survey respondents indicated that the Chartered Accountant program was the most popular, followed by SAIPA and then SAICA as indicated in the table below. Of the programs offered, 42% are for duration of 36 (thirty six) months. This is significant from a costing point of view. Respondents were generally positive on the fairness of the grant offered by Fasset, with 34, 3% indicating that they perceived it as being fair and 20, 4% saying it is not fair. In terms of the adequacy of finances, as indicated in the Table 4-20, 5, 7% of respondents indicated that money was not enough to meet learner needs. Furthermore, 7, 5% expressed the view that grant money should cover all other population groups and not just Black African learners.

Table 4-20: Distribution of Fasset-Related Learnership Programs

Name of Learnership	Response %	Responses
The Hedge Fund Academy Learnership	2%	1
Tshamano	2%	1
Triumph Maluleke	2%	1
Marvellous Moyo	2%	1
Commercial & Financial Accounting: Public Practice	2%	1
SIVIWE MOYAKE	2%	1
CA(SA) Training Program	2%	1
Financial Accountant in Practice: 01/Q010008/00/480/7	2%	2
Commercial & Financial Accounting: Public Practice	2%	2
Accounting Technician	2%	3
FASSET	3%	5
SAICA	5%	6
Post graduate diploma: professional accountant in practice (SAIPA)	8%	7
SAIPA	21%	14
Chartered Accountant Learnership	29%	20
Total	**100%**	**66**

Source: Sector Survey (2016)

As shown in Table 4-20 it is evident that the Chartered Accountant and SAIPA Learnerships are the most popular in the sector. It is worth noting that this distribution is in line with scarce skills identified for the sector which indicate demand largely centred on Chartered Accountant and Financial Accountant skills.

Table 4-21 summarises respondent perceptions on the adequacy of grants provided by Fasset.

Table 4-21: Perceptions on Adequacy of Grants

Respondent Perception	Response %
Helps cover workstation costs. Computers etc.	6%
Organisation does not receive grant at all	18%
Yes, but grant money should cover all population not only black learners	24%
We do not employ students any longer.	3%
Grant money assist companies more in the first year on training and supervision	3%
Much time consumed in grant application process	9%
Grant money not sufficient to cater for learners needs	18%
Not sufficient and should be increased to meet the increasing cost of living	9%

Respondent Perception	Response %
Fasset grants have proved helpful to business operations and cash flow in the face of learnership expenses.	6%
Far too short of what we spend and go through in terms of training	3%

Source: Sector Survey (2016)

Based on the respondent perceptions summarised in Table 4-21, 24% of respondents are of the view that grant money is adequate while 18% believe it is inadequate. When the entirety of the table is analysed, it becomes clear that there are concerns that Fasset needs to address in respect of the grant quantum and who qualifies to receive it. Given limited financial resources, it is expected that not everyone will be satisfied with the quantum provided and who the beneficiaries are. What is important is that the criteria must be transparent and the process clearly explained to all stakeholders.

4.3.10. Anticipated sector challenges

In responding to questions relating to sector challenges, Table 4-22 shows that 26% of respondents anticipated that there would be fewer learners who will be available to go into the financial/accounting profession. This is in contrast to the universities and TVET colleges' respondent perceptions, who by and large anticipate increasing intakes in these fields. WTP respondents also anticipate that there will be a lack of knowledgeable candidates for entrance into programs, a view which is also inconsistent with tertiary institutions that are forecasting growth in the number of not just of applicants but also graduates. However, the quality of applicants for programs may be the real issue here as all respondents have acknowledged current challenges experienced with low level of mathematics passes in applying students. Where perceptions of training providers are in line with those of tertiary institutions is on their view that economic growth is a challenge the country is facing and will directly have an effect on skills development in the sector and also on challenges relating to education funding. With low economic growth forecasts, the rate of graduate absorption will continue to be a challenge into the foreseeable future. Unfortunately, low economic growth may also act as a catalyst in driving some valuable skills out of the economy and thus further exacerbate critical skill shortages. The table below summarises respondent perceptions on anticipated sector challenges:

Table 4-22: Perceptions on Anticipated Sector Challenges

Anticipated Sector Challenge	Response %
Few learners who want to go into being professionals	26%
Lower job outsourcing to other countries e.g. India.	3%
Automation of accounting functions	3%
Small Business Employers might opt out of the program and take learners on employment contracts instead.	3%
Lack of capable/knowledgeable candidates for entrance into programs.	19%
Lack of articleships due to Companies Act implementation i.e.organisations don't require audits.	3%
Government interference	6%

Anticipated Sector Challenge	Response %
Increasing skills shortage	3%
Existence of the SETA	6%
Quality of trainees' due to entitlement issues	3%
Keeping funds out of politician's hands	13%
Economic challenges in the country	10%

Source: Sector Survey (2016)

In addition to the anticipated challenge relating to fewer learners being available for the sector-related professions, respondents also foresee lack of capable/knowledgeable learners for entrance into programs. Should these two issues become reality, they would threaten the very existence of the sector and thus further exacerbate the scarce skills dilemma. It is therefore imperative that a clear strategy be put in place to minimise the possibility of these two scenarios.

4.3.11. Scarce skills

As indicated in the Figure 4-6, the majority of survey respondents (57%) indicated that they considered Trainee Accountants as being a scarce skill. This was followed by positions of Bookkeeper, Audit Manager, Administrator, Debt Collector and Clerk. In terms of the occupational category of scarce skills, the dominant one is Accounting followed by Office Administration and then Trainees. The skills identified as being scarce are broadly in line with what universities and colleges identified. Two of the reasons given for the scarcity of skills include the poor standard of qualified candidates and unrealistic salary expectations by applicants.

Table 4-23: Scarce Skills According to Workplace Training Providers

Scarce Skill	Response %	Response Count
Bookkeeper	14%	2
Trainee Accountant	57%	8
Auditor Manager	7%	1
Clerk	7%	1
Administrator	7%	1
Debt Collector	7%	1
Total	**100%**	**14**

Source: Sector Survey (2016)

Regarding the interventions that could help alleviate the scarcity of skills, respondents suggested career awareness in schools, offering of more bursaries and training. Interestingly, 38, 9% of WTPs indicated that they are not involved in interventions dealing with scarce skills. Only 12% indicated they are involved in dealing with scarce skills. This lack of focus in dealing with scarce skills is an indictment on respondents as it gives the impression that they are not focusing efforts in the priority areas where their contributions could make a difference to skills availability in the sector. To ensure that scarce skills are effectively dealt with, Fasset must focus on funding providers focusing on scarce skills development rather than funding areas of

low skills demand. Once funding priorities are established at Fasset level, it will not be problematic to shift the focus of providers as they would follow funding and adjust their programs accordingly.

4.3.12. Critical skills gaps

Although some skills are generally adequate for the sector, they exhibit critical skill gaps that need to be closed to enable effective performance by job incumbents. SS respondents indicated that critical skills gaps are generally found in soft skill areas of communication and business leadership and also in specific skill areas such as auditing. Interventions suggested in closing the skills gaps include soft skills training, promotion of specific careers such as auditing, more funding for students and promoting more business English courses. As indicated earlier in this report, soft skills and leadership gaps were also identified as critical skills gaps by universities and colleges.

4.3.12.1. Critical skills gaps specific to occupations

Respondents indicated that there is need to improve understanding of audit by individuals occupying accounting roles such as Finance Managers, Bookkeepers and Finance Clerks as some of them lack understanding on this critical component of their function. It was noted that some TVET colleges offer financial management courses and yet do not include auditing as a compulsory component of the course. The result is that one gets qualified accounting personnel who do not understand the audit function and are therefore not able to effectively interact with the auditors.

4.3.12.2. Critical skills gaps spanning various occupations

SS respondents generally felt that soft skills training needed to be improved for all categories of occupations in the sector. This is to include training in communication, leadership and emotional intelligence. It has to be noted that these are generally not areas of emphasis during the training of accounting personnel and the source of the skills gap may be because of that omission.

4.3.13. Future skills needs

SS respondents indicated that Accountants, Bookkeepers and Auditors are the three skills that will be in demand in future. Of these, Accountants will be most in demand both at the level of qualified Accountants and at Trainee Accountant level. While the anticipated NQF levels vary broadly, most respondents expect most demand at levels 7 and 8. It is however also anticipated that there will be demand for these skills at NQF levels 3-5.

4.3.14. Supply of skills to the sector

In response to the question on what they consider to be factors influencing skills supply in the sector, 21, 3% of the survey respondents indicated that it is the output from the education system. While 8, 3% of respondents attributed demand to the supply of graduates and skilled workers, 2, 8% thought it related to levels and availability of training. What is clear from these responses is that WTPs believe the supply of skills to the sector is a function of skills development at different levels of the education system. By implication, an efficient skills supply will only result if the entire education value chain is operating optimally. Significantly, only 14, 8% of respondents indicated that their overall impression of education and training in the sector is satisfactory while 3, 7% considered it to be impressive. It is therefore apparent that much more needs to be done to improve education and training in the sector to enable it to meet the supply of skills.

4.3.15. Sector outlook and change drivers

SS respondents were not too optimistic on growth expectations in the sector. While 6, 5% were of the opinion that the sector will grow, 7, 4% forecast that the sector will remain constant. A further 5, 6% anticipated that the sector will actually decline.

In respect of the drivers of growth, 14% of respondents attributed this to general economic growth while 7, 4% saw this being related to regulatory and environmental changes. Other respondents saw the growth of the sector as being a driver for growth.

While acknowledging the changes taking place in the sector, respondents had varied reasons for these changes. These reasons varied from technological to regulatory and business-related changes and also encompassed the effects of globalization. It is also important to note that respondents felt that these changes will affect all professional levels within the sector, a realisation that has a bearing on the interventions required to manage change. Effectively, this implies that change interventions must focus on all skill levels within the sector.

4.3.16. Expected Role of Fasset in the sector

As the main driver of skills development in the sector, Fasset carries an enormous responsibility in ensuring that the myriad of skill challenges are not only identified but also managed. From the respondent's perspective, the 3 (three) key roles that Fasset ought to play relate to offering better training opportunities and specific courses focused on addressing specific skills shortage areas and, perhaps more importantly, providing funding. Table 4-23 summarizes the respondent's views on the role Fasset ought to play.

Table 4-23: Respondent views on the expected role of Fasset

Expected Fasset Role	Response %	Responses
Assist in CSR and School events - Financial & resource assistance	5%	1
Provide more relevant lectures around Accounting and related topics to SDL payers	5%	1
We do not employ students any longer.	5%	1
Courses in Business English	5%	1
Sound work ethics and have life skills and basic good general knowledge and willing to work for a living.	5%	1
More incentives for training individuals in areas with scarce skills.	10%	2
Funding	14%	3
Offer specific skills shortage courses	19%	1
Offer better training opportunities	33%	7
Total	**100%**	**21**

Source: Sector Survey (2016)

The table above indicates that the majority of respondents (33%) would like Fasset to offer better training opportunities while 19% would like it to offer specific training courses. This information is critical in sector skills planning and in ensuring skills development initiatives focus on areas of strategic importance to stakeholders. The areas highlighted are at the core of the SETA skills mandate and therefore need further investigation to clarify the specific expectations of the stakeholders.

4.4 Conclusion

This section of the report has analysed survey respondent perceptions from WTPs.
Based on the results of the analysis, the following conclusions can be made:

- despite all efforts by the South African government and Fasset, financial constraints continue to be a challenge for WTPs;
- student throughput levels continue to be lower than expected as a result of learner dropouts;
- currently low Matric pass levels with Mathematics are a challenge for WTPs as they directly determine the pool of learners available for recruitment into Fasset-related training programs;
- recruiting and retaining qualified lecturers is a challenge for institutions of higher learning;
- placement of learners for work-based experiential learning needs to be improved;
- Chartered Accountants, Financial Managers, Bookkeepers and Auditors are some of the skills still considered critical; and
- there is currently a competency gap on leadership, management and soft skills especially at professional levels.

5 SURVEY OF LEARNERS

5.1 Introduction

The sector provides theoretical and practical training opportunities to thousands of learners. Most of these training opportunities are in the form of formal learnership programs that lead to NQF registered qualifications. The learnerships that are offered in the sector span from NQF level 3 to 7 and many of them provide access to professional body membership and professional designations. Through the professional learnerships the sector trains financial professionals not only for its own needs but also for those of other sectors of the economy. Furthermore, South African trained professionals are in great demand internationally.

This chapter presents the results of a survey conducted among a group of 203 learners on learnerships. The following elements will be discussed:

- profile of learners;
- learner experiences with regard to workplace training;
- learner challenges during the learnership; and
- employment prospects and future career plans.

5.2 Learner Database and Sample Sizes

Fasset offered 3 (three) Discretionary Grants during the 2015/2016 financial year, namely the Pivotal Grant (PG), the Learnership Cash Entry and Exit Grant or Learnership Cash Grant (LCG), and the NSFAS Loan Repayment Grant

The total population for the learners on this survey was drawn from the LCG and NSFAS lists. The 2 (two) databases had a total of 581 (five hundred and eight one) learners and 203 (two hundred and three) successfully completed the questionnaires. Thus, the sample size constituted 35% of the population. The majority of the learners completed the online survey, through Survey Monkey.

5.3 Profile of Learners Surveyed

5.3.1. Learners by gender and race

A total of 203 (two hundred and three) learners participated in the survey, versus a target of 173 (one hundred and seventy three). In terms of gender composition, 61% were female while males constituted 39%.

Table 5-1: Gender and Race

Race	Gender		
	Male	Female	Percentage
Black African	79	122	99%
White	0	0	0%
Coloured	1	1	1%
Indian	0	0	0%
Total	**80**	**123**	**100%**

Source: Sector Survey (2016)

As shown in Table 5-1 above, 99% of the learner respondents were Black Africans followed by Coloureds (1%).

5.3.2. Learners by age

Table 5-2 below shows that the majority (73%) of the learners surveyed were in the 25-30 years age group followed by the 20-24 years age group (16%).

Table 5-2: Age of Fasset learners surveyed

Age range	Total Surveyed	Percentage
20-24 years	33	16%
25-30 years	148	73%
31-34 years	16	8%
35> years	6	3%
Total	**203**	**100%**

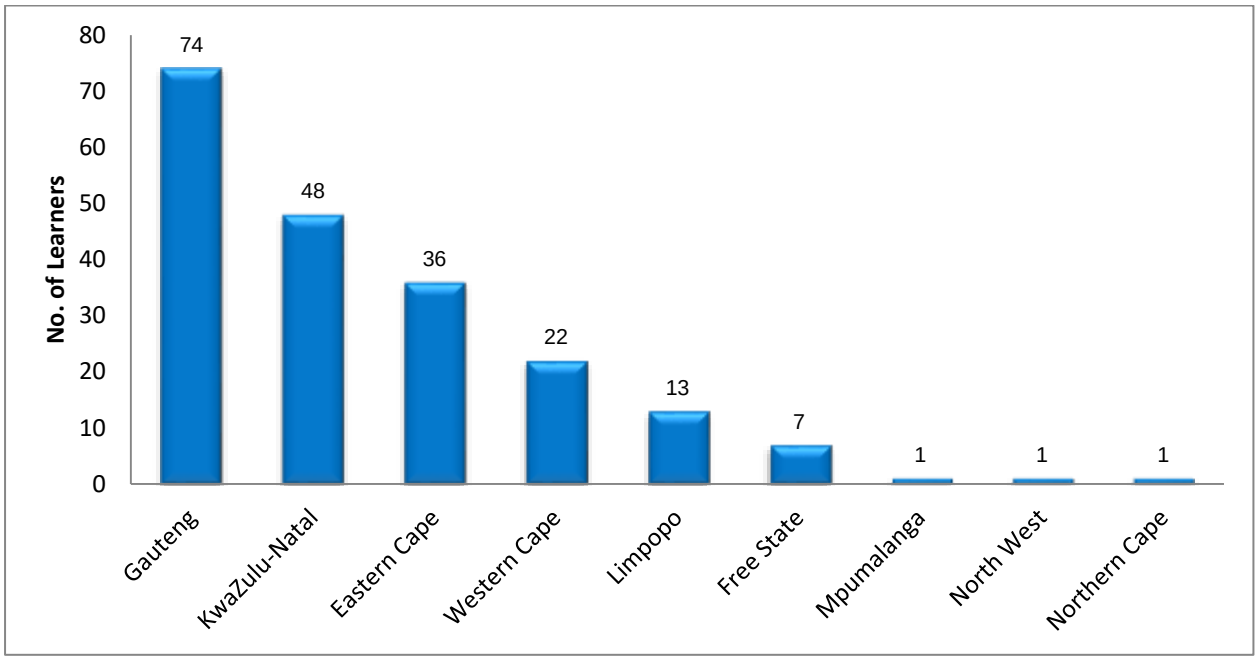
Source: Sector Survey (2016)

Table 5-2 also shows that the learners in the Fasset Learnership program were generally young, and that the number of learners in the program decreased significantly with age.

5.3.3. Geographic distribution of learners

Figure 5-1 shows that the majority (36%) of the learners surveyed were doing their learner-ships in Gauteng, followed by KwaZulu-Natal (24%) and Western Cape which had the third largest group of learners (18%). Very few learners from Mpumalanga, Northwest and Northern Cape responded from the survey.

Figure 5-1: Geographical distribution of Fasset learners surveyed

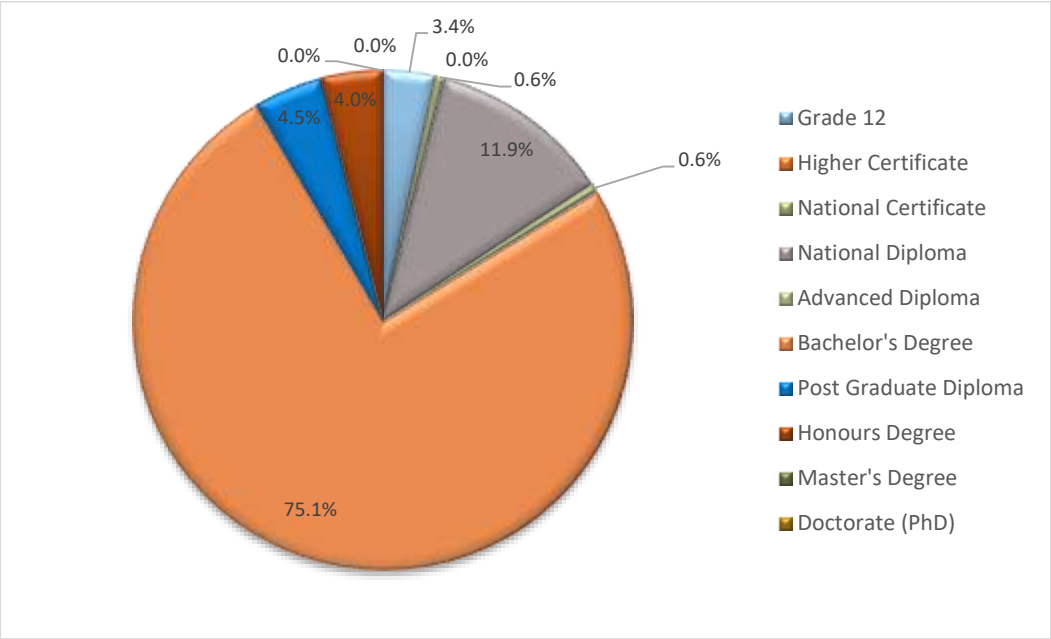


Source: Sector Survey (2016)

5.3.4. Education and skills levels

With regard to education, Figure 5-2 reveals that the highest proportion (65.5%) had Bachelor's Degree as their highest qualification prior to starting their learnerships, followed by National Diploma (10.3%), Postgraduate Diploma (3.9%), Honours Degree (3.4%) and Grade 12 (3%). There was no learner respondent with a masters or doctoral degree. A significant number of learner respondents (12.8%) did not specify their highest qualification prior to the learnership.

Figure 5-2: Learners surveyed by education level

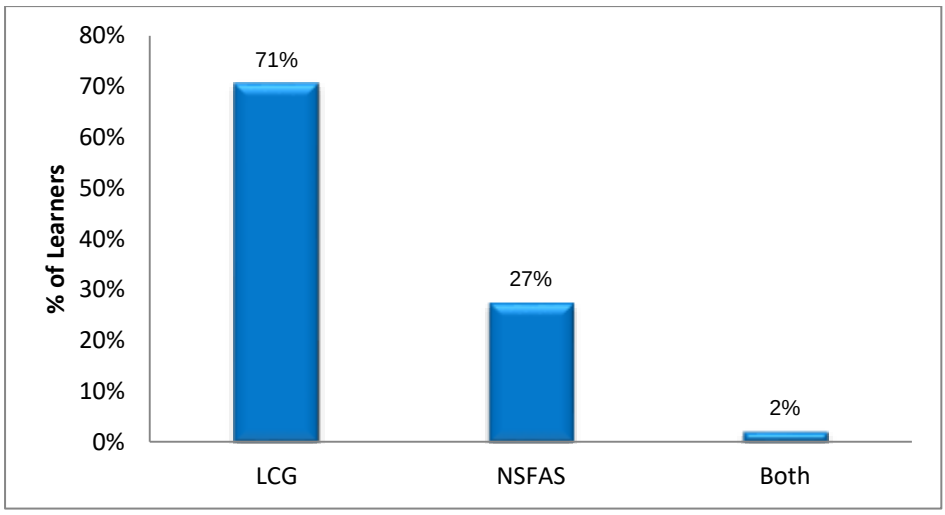


Source: Sector Survey (2016)

5.3.5. Learnership types

As shown on Figure 5-3 below, the majority of the learners (68, 5%) who participated in in the survey were under the LCG learnership while 26, 6% were under the NSFAS learnership. Only 2% indicated that they were on both LCG and NSFAS with another 2, 5% not indicating their learnership type.

Figure 5-3: Learnership type



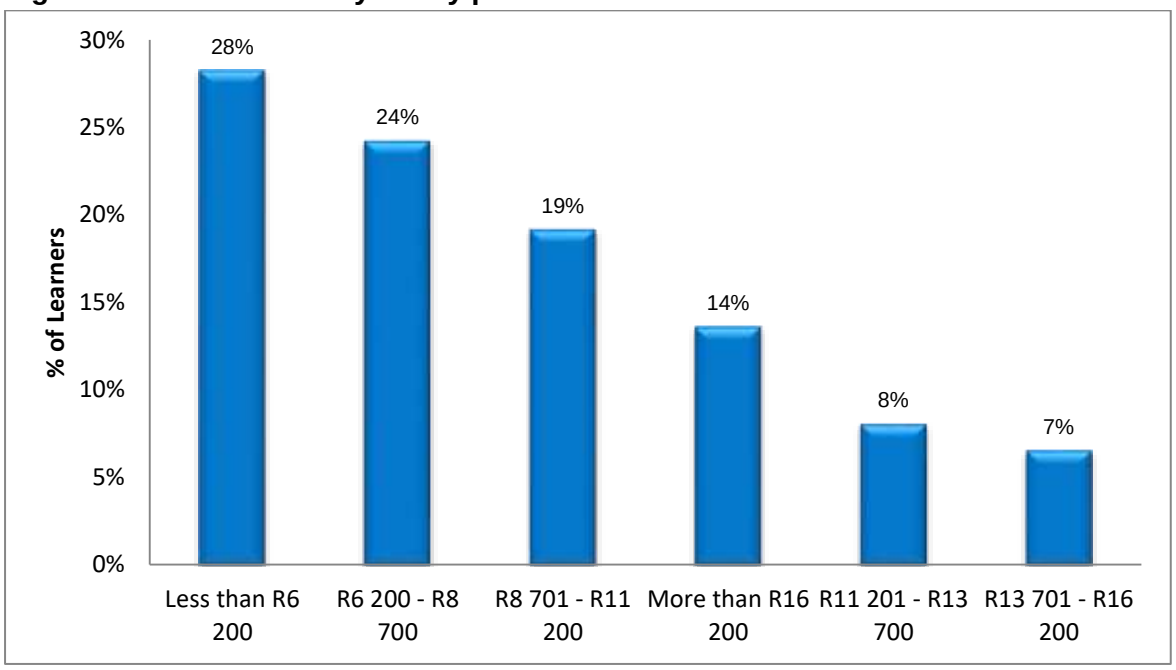
Source: Sector Survey (2016)

Respondent learners were also asked to indicate the professional body they belong to. Most of the learners (40.9%) indicated that they belonged to SAICA (SAIPA) with ICB coming at a distant third (1%). A significant number of learners (35%) did not indicate their professional body.

5.3.6. Learner salaries

Learners were asked to indicate their gross salary per month and Figure 5-4 below shows the tabulated results. The majority of the learners (28%) indicated that their monthly salary was less than R6 200.00. A significant number of learners (14%) indicated that they were earning more than R16 200.00 per month.

Figure 5-4: Gross monthly salary per learner



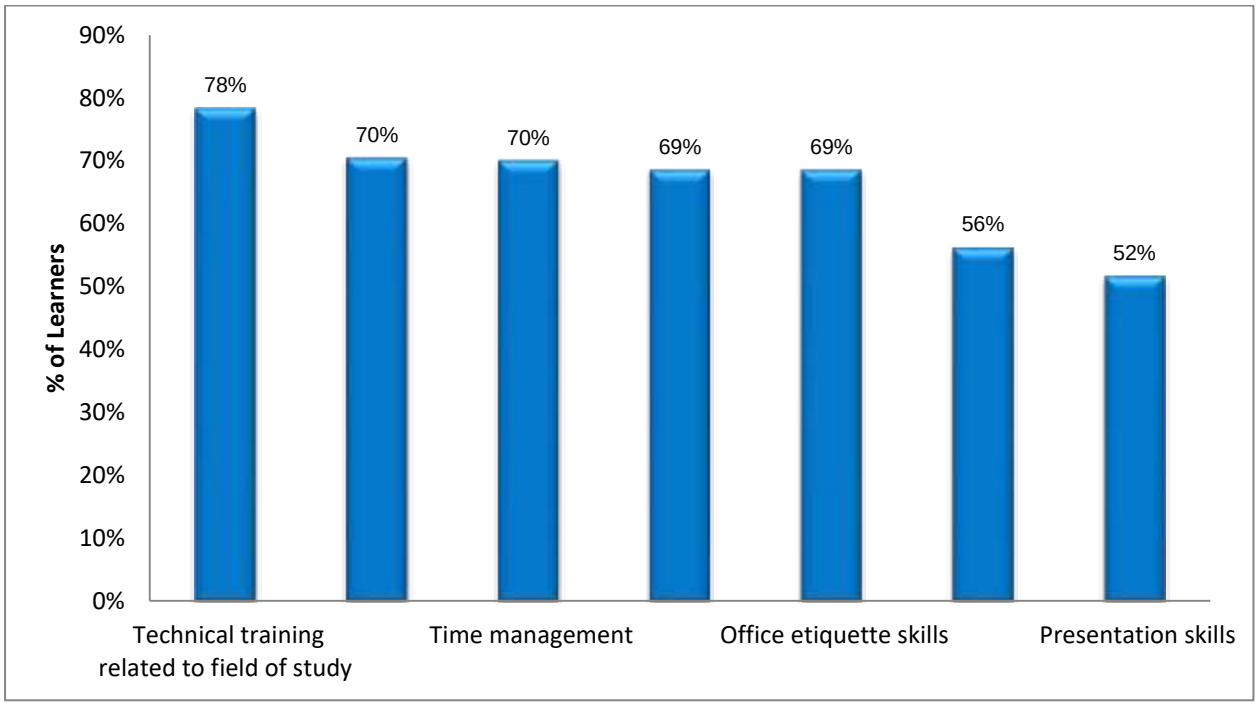
Source: Sector Survey (2016)

In the 2016 SS, it was found that 25, 3% earned less than R5 000.00 per month, 40% earned between R 5 000.00 and R7 500.00 and less than 4% of learners earned more than R 12 500.00 per month. This means that the monetary value or salary scale, without adjusting for inflation, has generally increased.

5.4 Perceptions and Experiences of Training

When asked about training, learners advised that they had so far received the following: technical training related to field of study (78%), communication skills (70%) and time management (70%) as their top 3 (three). Figure 5-5 shows all the other skills mentioned by respondent learners.

Figure 5-5: What training have you received so far?

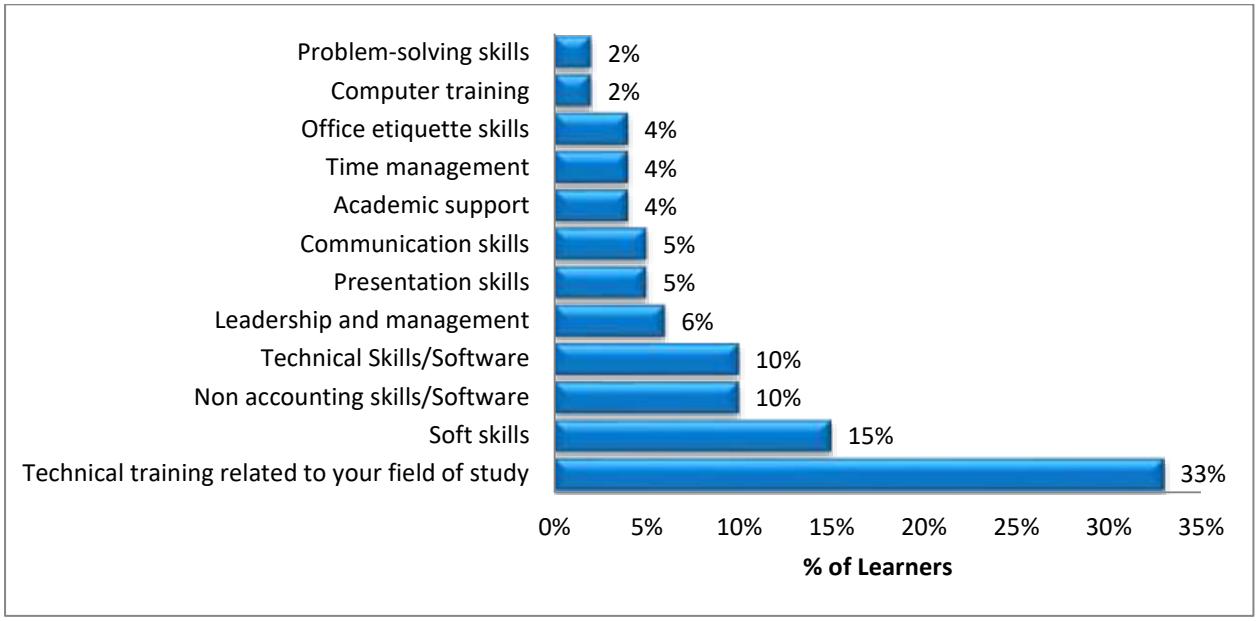


Source: Sector Survey (2016)

Some of the learners indicated that they were now proud that their training had helped them to do compilation of financial statements and tax related calculations and returns confidently while some recommended that the new training software such as “Case ware” be upgraded.

When asked if there was any additional training that learners may still be in need of, the following training was cited: technical training related to field of study (33%), soft skills (15%) and accounting and non-accounting software (10%), as shown in Figure 5-6.

Figure 5-6: Additional training that learners may still need



Source: Sector Survey (2016)

However, some learners, instead of demanding more training had advice for other learners. One learner said *"there are e-learnings that one may do in their own time on various topics"*, encouraging other learners to take advantage of technology. Another learner asked for help on preparation for SAICA exams, saying *"[there is need for] simulation programs to ensure I achieve my SAICA competencies*".

When asked about the support received from the organisation in order to perform their tasks, the following are a few of the quotes from some of the learners:

- "We have online webinars on different topics related to the profession. We also attend courses and occasionally have in-house training".
- "In our organisations, trainees who are making progress in their training are given opportunities to lead an audit with juniors under them, which gives them (trainees) exposure to being a leader and getting them ready for when they assume a managerial position".
- "I benefited from secondments and overseas opportunities, during and after the training on leadership".
- "We attend seminars and events that are relevant to our career development".

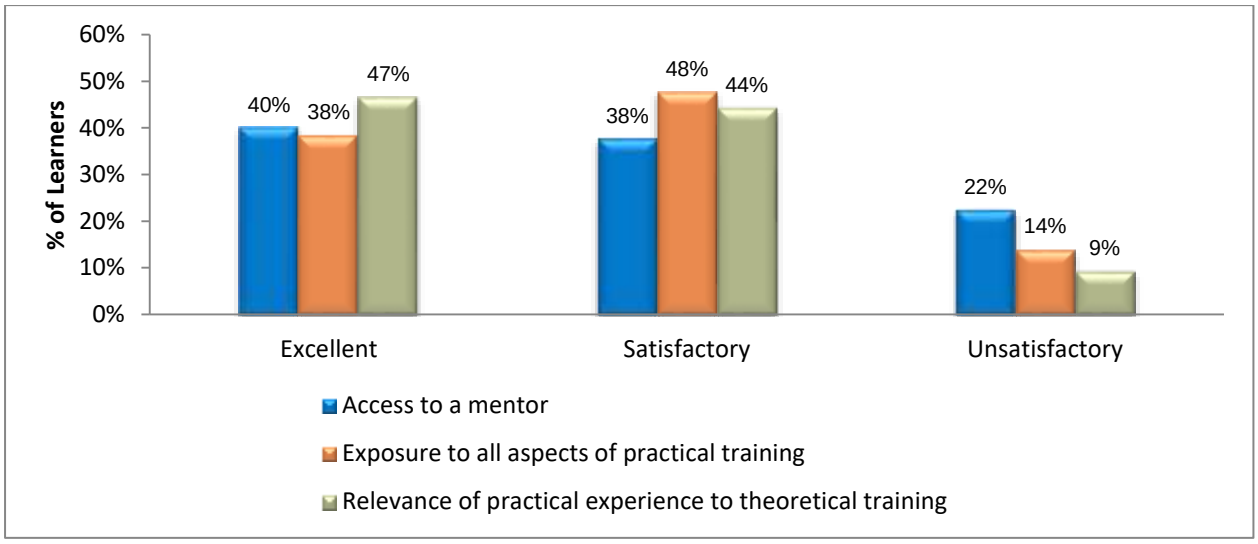
5.4.1. Practical experience

A total of 70% of learners interviewed believed that they were receiving enough practical experience during the learnership, 13% said it wasn't enough while 17% did not answer the question. One learner confidently said "*I have been exposed to small entities in which one can see the entire audit process to large entities in which one can face complex transactions and*

apply professional judgment. The Firm has both government audits and private company audits. There are agreed upon procedures in which we use other skills over and above audit to complete these separate engagement".

Learners were asked to rate certain aspects of their practical training. Figure 5-7 below, provides a summary of their responses.

Figure 5-7: Learner scores for practical experience



Source: Sector Survey (2016)

As shown in Figure 5-7, the majority of the learners considered the experience they had during workplace training as "satisfactory" or "excellent", with a minority saying "unsatisfactory". The main aspect which the learners were not satisfied with was access to a mentor. This suggests that a few organisations made a dedicated mentor available or if the mentor was available, it was difficult for learners to access direct mentorship or they had limited access. On the issue of the importance of a mentor, one learner said "*a dedicated mentor ensures that the competences that I must obtain as per SAICA requirements are being obtained as per timeline. This includes being assigned new clients and regular meetings with other managers to ensure they understand my development needs*".

The aspect which was considered excellent by the majority of learners was 'relevance of practical experience to theoretical training'. This suggests that the majority of learners were exposed to the real world of work in line with the training curriculum. However, another learner was not happy with her exposure saying *"I am not exposed to any kind of practical experience as I find myself doing same thing as I was doing 2 years ago. Especially on Management Accounting and Tax as required by SAIPA Logbook"*.

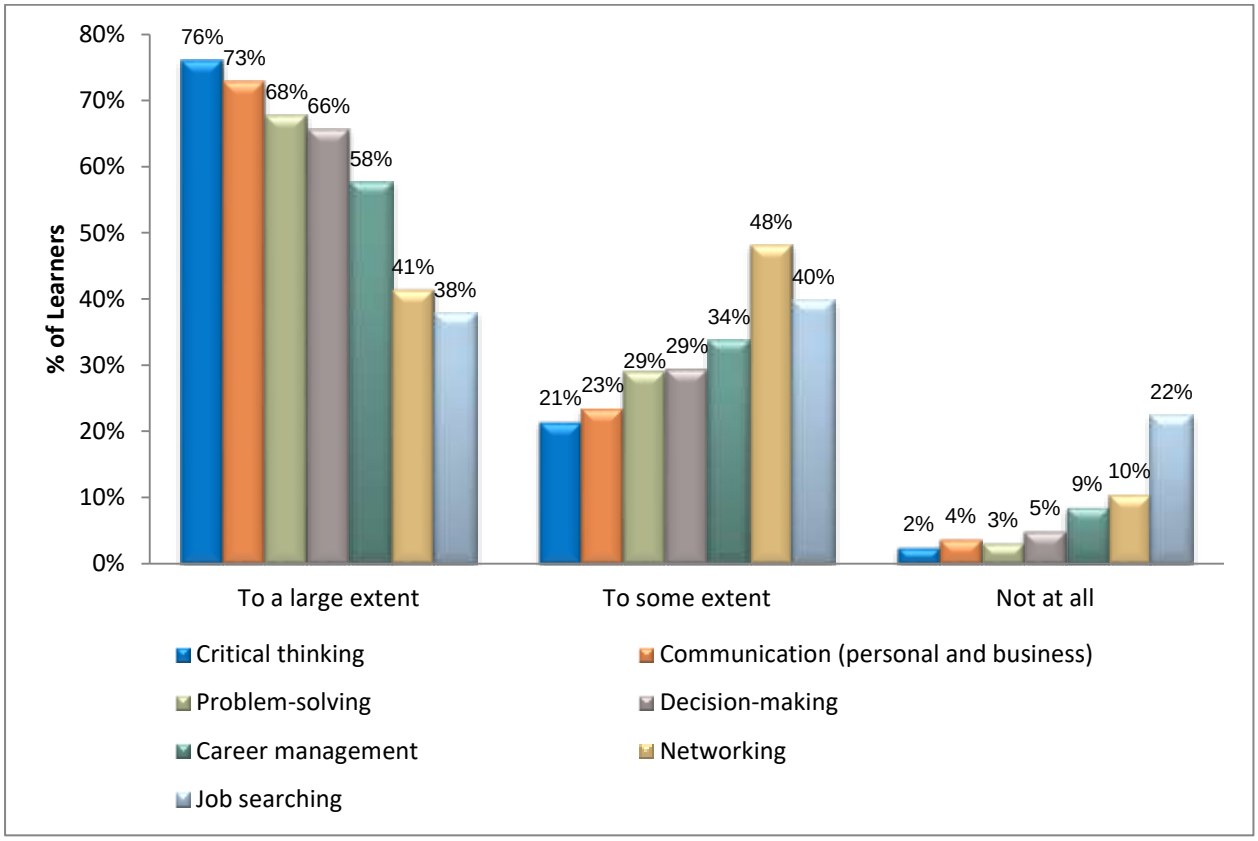
The majority of the learners said that they were satisfied with the exposure they got in all aspects of practical training. One of the learners, though overall satisfied, had some concerns: "*adequate experience is provided for trainee accountants, and the organisation offers great*

exposure, but I feel that there is a lack of rotation within the organisation, resulting in us not getting exposure to other areas".

5.4.2. Soft skills

Learners were asked to rate the extent to which they believed the learnership improved their soft skills. Figure 5-8 shows the types of soft skills received and the learner ratings.

Figure 5-8: Learner scores for soft skills attainment



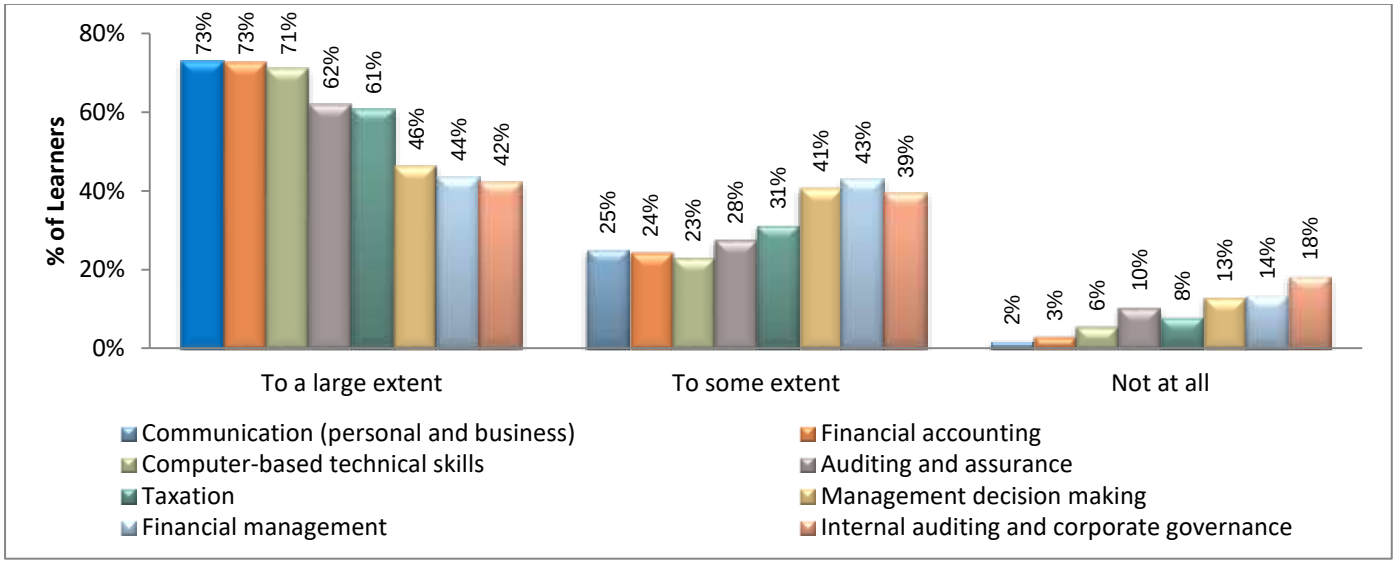
Source: Sector Survey (2016)

As shown on Figure 5-8, the soft skill which was rated highest (by 76% of the learners) is critical thinking. This analysis shows that the top 5 (five) soft skills the learners benefited from the learnerships are critical thinking, communication, problem-solving, decision-making and career management skills. Some leaners also mentioned that the learnership helped them develop time management and client management skills. The results also show that the learnership did not have much focus on job searching skills, probably because the majority of the learners are already employed by the workplace training provider.

5.4.3. Technical skills

Learners were asked to rate the extent to which they believed the learnership improved their technical skills, in terms of 'to a large extent', 'to some extent', and 'not at all'. Figure 5-9 shows the learners' rankings to the questions "to what extent did the Learnership improve your technical skills?"

Figure 5-9: Learner scores for technical skills attainment



Source: Sector Survey (2016)

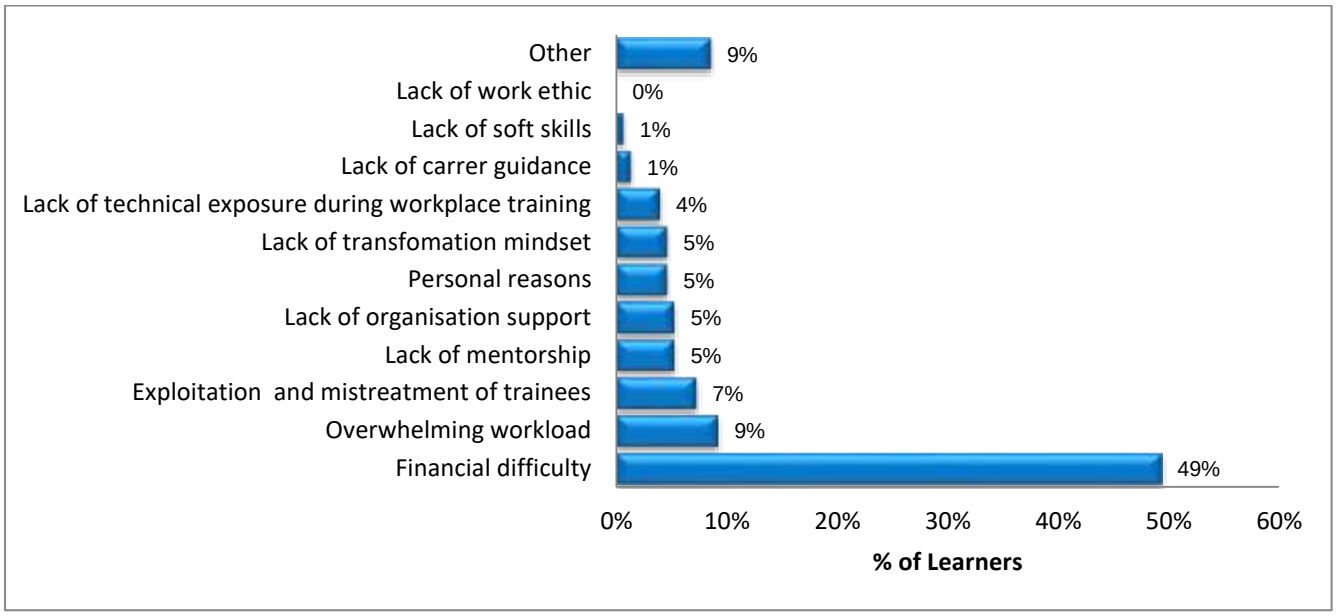
Respondent learners rated highly (to a large extent) the following 5 (five) technical skills:

- communication, both personal and business (73%);
- financial accounting (73%);
- computer-based technical skills (71%);
- auditing (62%); and
- taxation (61%).

5.4.4. Challenges faced during learnership

Learners were asked to indicate the main challenges encountered during the learnership which could lead to learner dropout. Figure 5-10 shows that the most sighted challenge was financial difficulty (36.9%) followed by overwhelming workload (6.9%) and ill-treatment of trainees (6.4%).

Figure 5-10: Challenges encountered during learnership



Source: Sector Survey (2016)

Highlighting the financial difficulty faced by the learners, one learner remarked that *"the stipend [is] not enough as it is lower than R3500.00. It was stated [that it would be] above that on the second year of the Learnership, and we still have to pay tuition fees and professional body fees with that stipend*". One learner highlighted that they did not have a structured training program at their workplace, saying "*there is no skill and development plan that we follow as guidance of how we should be trained*".

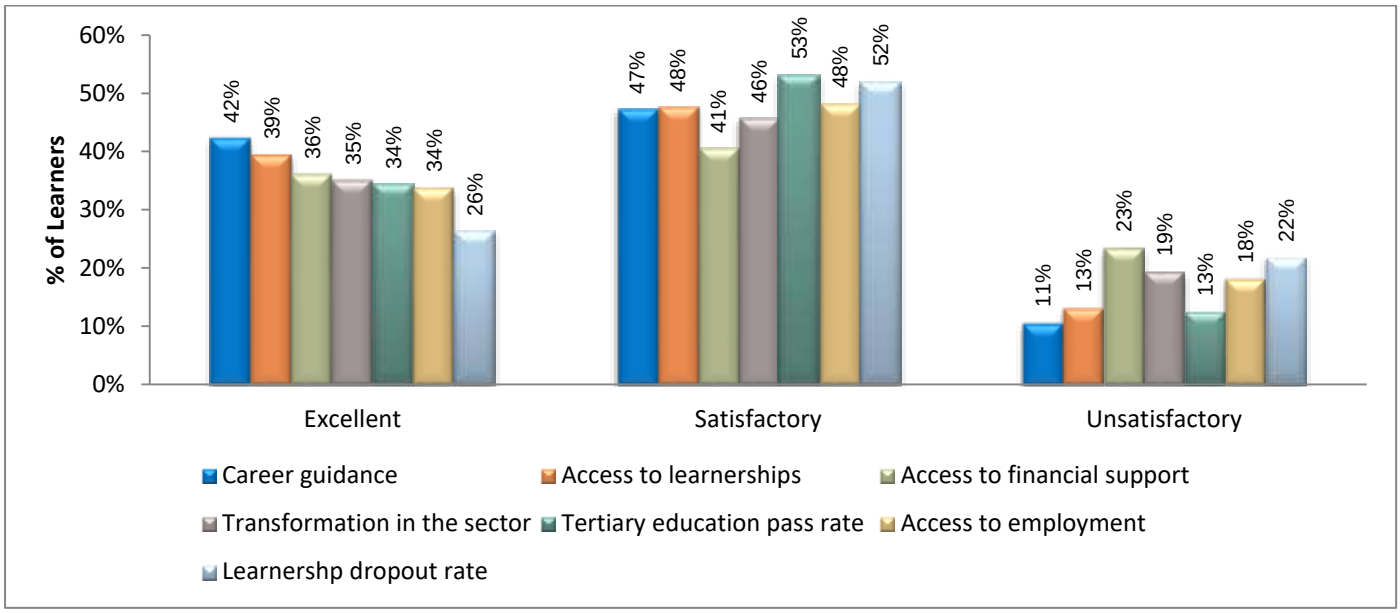
5.5 Access to Education and Training

Learners were asked to highlight what they felt were the factors which promoted access to education and training, as well as the factors which inhibited access. To improve on learner's access to education and training in the sector, respondent leaners recommended that the financial support be increased (12.3%), improved marketing and awareness of Fasset funded programs (5.4%), facilitation of access to workplace training (2.5%) and access to mentors (2%).

5.5.1. Workplace interventions

Learners were asked to rate their perceptions about the effectiveness of the existing initiatives around education and training in the workplace. As shown in Figure 5-11, most of the initiatives were rated as "satisfactory".

Figure 5-11: Learner scores for workplace initiatives



Source: Sector Survey (2016)

According to the learners who participated in the survey, initiatives being implemented in line with career guidance, access to learnerships and access to financial support could be rated as "excellent". However, there is also a significant number of learners who are not satisfied with the current initiatives on access to financial support. Other areas where the learners indicated dissatisfaction include high learner dropout, lack of transformation in the sector and lack of access to employment.

5.5.2. Learner dropout

As shown on Figure 5-10, financial difficulty is a leading cause of learner dropout. This finding is collaborated with the statistics in Figure 5-11, where 22% of the respondent learners indicated that they were not satisfied with the way the industry was treating the challenge of learner dropout. Below are some salient points (direct quotes) from some of the learners:

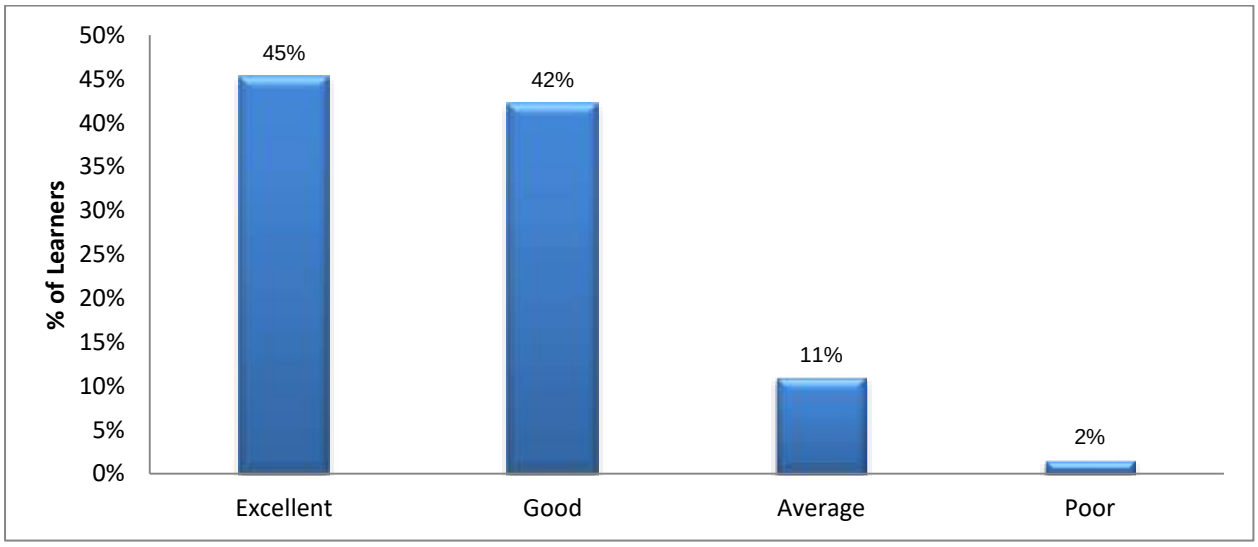
- "*The transition from tertiary into the working environment in the work place can sometimes be hostile, personal issues, lack of financial support*".
- "*Learners are being treated as bookkeepers instead of 'trainee accountants'. Employers are more profit driven and neglect logbook coverage for all learners*".
- "*I think there should be a standard living wage for entrants in the sector that is at least above R10 000. You cannot be earning R5 000 and yet a flat rental is R 6 500. There is a gap as you can see in there. Lack of affordable accommodation hinders ones' development, and might lead to drop-out*".
- "*The monthly stipend paid to trainees does not cover enough for learner expenses, given the rising prices due to inflation*".

From the above quotes, it can be concluded that the issue of costs versus stipend is a major concern. This mirrors the "#FeesMustFall" campaign in the universities and TVET colleges. There is also need for monitoring to ensure that there is adherence to learner logbooks, as lack of development might cause discouragement leading to dropout.

5.6 Career Progression and Future Plans

Approximately 90% of the learners interviewed were positive about their employment prospects after completion of the learnership, indicating that the prospects were good or excellent (Figure 5-12).

Figure 5-12: Learners' perceptions on employment prospects after learnership



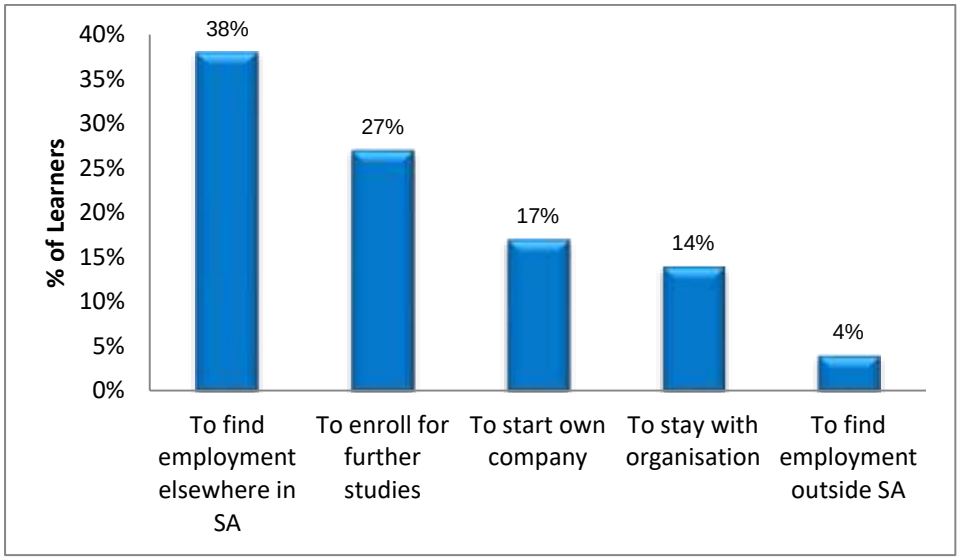
Source: Sector Survey (2016)

Some learners we optimistic that the public-sector policies will turn the economy around and lead to high employment[3]. Some learners expressed optimism that they will now be employed on a permanent basis after learnership.

Learners were also asked to indicate their future plans after completion of the learnership. Figure 5-13 below shows the main responses.

[3] Please note that this survey was concluded before the cabinet reshuffle, which lead to the dismissal of the then finance minister and subsequently the downgrade of the SA economy to 'junk' status.

Figure 5-13: Learner plans post-learnership



Source: Sector Survey (2016)

As shown in Figure 5-13, with regard to medium to long-term plans, 38% of learners stated that they would look for employment opportunities within South Africa, 27%% stated that they would enrol for further studies while 17% would want to start their own business[4]. Approximately4% of the learners indicated that they intended to search for employment opportunities outside South Africa, thus the estimated emigration rate is around 5.9%.

5.7 Conclusion

This chapter presented the findings from the learners' survey. The main objective was to explore the learner experiences regarding workplace training and challenges experienced during the learnership, especially those that may lead to premature termination of the learnership. The main finding is that learners are generally happy with the initiatives being implemented in line with career guidance, access to learnerships and access to financial support. However, the main complaint, which might be the main reason for learner dropout, is financial difficulty. The issue of cost of living versus stipend is a major concern. This mirrors the "#FeesMustFall" campaign recently witnessed in the universities and TVET colleges.

[4] Please note that learners where asked to indicated more than one option, hence the total percentage is more than 100%.

6 SUPPLY OF SKILLS

6.1 Introduction

The skills required for the sector are produced at school, TVET Colleges, private Training Providers, Universities, Universities of Technology as well as workplaces themselves. This chapter focuses primarily on understanding the supply of skills to the sector. The context of Grade 12 results in Pure Mathematics and Accounting, nature of the supply of skills from further and higher education institutions, learnerships at workplace and challenges and interventions to the sector will be discussed.

6.2 Basic Education

Chapter 2's labour market profile showed that the biggest proportion of employees in the sector (35%) have achieved the equivalent of NQF Level 4 as their highest level of education. However, most stakeholders interviewed one-on-one expressed concern at the quality of basic education in the country. Given the nature of the sector, all the core occupations require a foundation of good quality Mathematics, Accounting and English, which for the majority of the population is lacking, even when Grade 12 has been completed. The basic education system is not producing sufficient numbers of young South Africans who meet the admission criteria for the fields of study that are relevant to the sector.

Mathematics is a critical formative subject in acquiring analytical and problem-solving skills, while English is the language for communication, learning and business. Weaknesses in these core subjects weakens the potential students from entering the value chain system of the Fasset labour market. Too many learners cannot read textbooks and follow arguments, and thus their further education and training or higher education is compromised.

South Africa has one of the highest rates of public investment in education in the world. At about 7.3% of gross domestic product (GDP) and 20.5% of total state expenditure, the government spends more on education than on any other sector, National Budget (2017). School infrastructure has been a persistent challenge for many rural provinces and a fair portion of the Department of Basic Education's budget will be channelled to rural school infrastructure. The NDP calls for 450 000 (four hundred and fifty thousand) Grade 12 learners to achieve university entrance passes with Mathematics and Physical Science in 2030. But the intake for these subjects at high school has been slow.

Table 6-1 shows the Grade 9 pass rates for Mathematics in South Africa for the years 2012 to 2014. The table shows that the average pass rate for Mathematics in South Africa remains very low for the period being reported. What is worrying is that the average mark is even going down from 13.9% in 2013 to 10.8% in 2014. Only a handful of students are achieving at least 50% pass mark. The table shows that only 2.3% of students in grade 9 achieved a pass mark of 50% in 2012 and this marginally increased to 3.4% in 2013 before it receded to 2.9% in 2014.

Table 6-1: Grade 9 Mathematics pass rates in South Africa (as determined by the ANA)

Year	Average percentage mark for Mathematics in South Africa (%)	Percentage of learners in South Africa who achieved at least 50% for Mathematics
2012	12.7	2.3%
2013	13.9	3.4%
2014	10.8	2.9%

Source: HEMIS data, 2017

Table 6-2 shows the number of learners writing Matric Mathematics, English and Accounting National School Certificates and their pass rates in South Africa for the years 2011 to 2015. It shows the number of learners who passed the three subjects by obtaining a mark of 30% or above. It is particularly of concern that the pass rates in core subject such as Mathematics remain low. Especially concerning are the rates for Mathematics, as the pass mark required is 30% but less than half the learners are managing to attain it. Of great concern is the fluctuation of the pass rate in Mathematics which had shown signs of improving from 46.3% to 59.1% between 2011 and 2013 and only to drop to 53.5% and to 49.1% in 2014 and 2015 respectively. However, 2016 results have shown an improvement of students who attained at least 30% to 51.1%. The table shows that learners have maintained good passes in English and Accounting with the pass marks increasing from 61.6% to 69.5% and 96.2 to 97.4% respectively. With the pass mark required being a low 30% it is important that far more learners pass these subjects, especially as they form the foundation of the core occupations in the sector.

Table 6-2: Matric completion and pass rates for Mathematics and Accounting in South Africa

Year	Number of learners completing Mathematics	Pass rate for Mathematics with at least 30%	Number of learners completing Accounting	Pass rate for Accounting with at least 30%	Number of learners completing English	Pass Rate for English with at least 30%
2011	224,635	46.3	137,903	61.6	414,480	96.2
2012	225,874	54.0	134,978	65.6	419,263	97.9
2013	241,509	59.1	145,427	65.7	454,666	98.8
2014	225,458	53.5	125,987	68.0	432,933	82.8
2015	263,903	49.1	140,474	59.6	543,941	97.1
2016	265,810	51.1	128,853	69.5	547,292	97.4

Source: National Senior Certificate Examination- Schools Subject Report, accessed 2017

Although the national Grade 12 pass rate has improved somewhat in recent years, questions remain about the quality of the Grade 12 certificate, especially considering that learners need to score only 30% to pass some subjects. National and regional stakeholders believe that

many learners struggle at universities and TVET colleges after school because their basic education has been poor. It is believed that when this has been resolved, much of the current training requirements which employers and Fasset have to fund will become unnecessary.

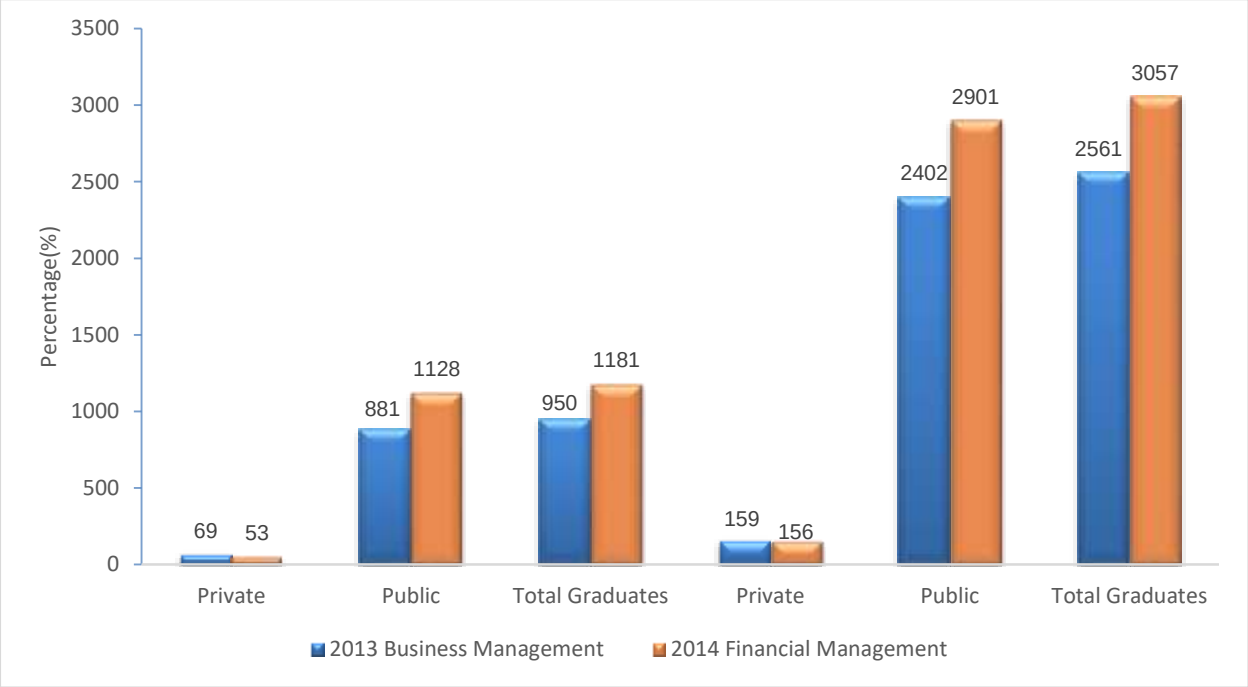
However, Van Broekhuizen et al (2016) in their study of higher education access and outcomes for the 2008 national matric cohort, find out that even though Matric marks are a good indicator of university access they are only weakly related to eventual university enrolment. A large proportion of matriculants who qualify to go to university do not enter university in the year following matric, but only one or more years later. They find that just under 33% or a third of students who perform well enough to achieve a Bachelor pass did not enrol in university in the next six years.

6.3 Technical Vocational Education and Training Sector

6.3.1. Introduction

The South African government places great emphasis on the growth of TVET colleges as enshrined in the White Paper which seeks to strengthen and expand the public TVET colleges for the purposes of making them attractive institutions to school leavers and to provide skills to the labour force. Figure 6-1 reports the number in Business and Financial Management graduates in 2013 and 2014. Public TVET colleges continue to produce the largest number of graduates when compared to private TVET colleges. In 2013 public TVET colleges produced 881 (eight hundred and eight one) and 1,128 (one thousand one hundred and twenty eight) graduates in Business Management and Financial Management respectively, which represented more than 90 % of the total graduates. In 2014 a significant increase was registered in the number of graduates in Business and Financial Management from 950 (nine hundred and fifty) and 1,181 (one thousand one hundred and eight one) respectively to 2,561 (two thousand five hundred and sixty one) and 3,057 (three thousand and fifty seven) respectively. This shows that confidence in TVET colleges as a choice of post-school education and training institutions and as a source of providing skills to prospective students is growing.

Figure 6-1: Graduates in Business and Financial Management from Public and Private TVET colleges



Source: DBE, National Examination Database, month and year, accessed 2017

6.3.2. Completion rates in Public and Private TVET colleges

Table 6-3 shows completion rates of students enrolled in both public and private TVET colleges for 2013 and 2014 across 3 (three) years of studies in Business and Financial Management. Results shows that public TVET colleges have a higher completion rates in both Business and Financial Management in the reported periods. The average completion rate for Business Management is 37.8 %for 2014 in public TVET colleges while that of private TVET colleges is 26.9 % for the same year. Financial Management completion rates in public TVET colleges are higher than those in Business Management. Completion rates are low at all levels of studies from level 1 up to level 2 across both public and private TVET colleges and in both Business and Financial Management. In 2013, the average completion rates for Business Management were 28.5% and 19.7% in public and private TVET colleges respectively. However, an increase of 10.8% and 9.5% points in average completion rates of Business Management was witnessed in 2014.

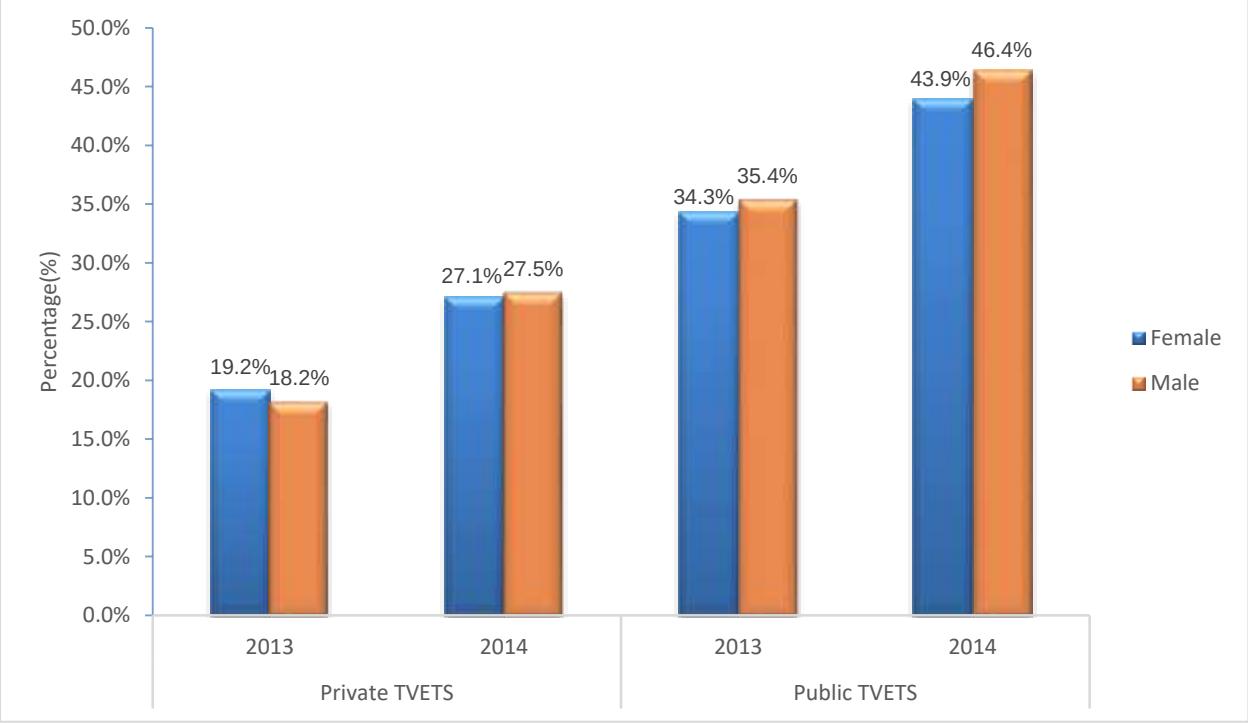
Table 6-3: Completion rates in Public and Private TVET colleges

Business Management	2013				2014			
	Level 1	Level 2	Level 3	Aver-age	Level 1	Level 2	Level 3	Aver-age
Public TVETs	31,1	37,5	17	28,5	41,7	43,9	27,8	37,8
Private TVETs	19,6	22,1	17,4	19,7	23,3	28,7	28,8	26,9
Financial Management	**Level 1**	**Level 2**	**Level 3**	**Aver-age**	**Level 1**	**Level 2**	**Level 3**	**Aver-age**
Public TVETs	28,9	48,6	26,4	34,6	38,9	53	42	44,6
Private TVETs	13,5	29,2	13,8	18,8	18,1	36	27,7	27,3

Source: DBE, National Examination Database, month and year, accessed 2017

Figures 6-2 and 6-3 shows the completion rates of both Business Management and Financial Management by gender in 2013 and 2014 for private and public TVET colleges. Females training with private TVET colleges have a higher completion rates over males with 21.8% and 27.8% completing their education while only 16.7% and 26% of males in 2013 and 2014 respectively. Both females and males training with public TVET colleges registered almost equal completion rates in 2013 and 2014.

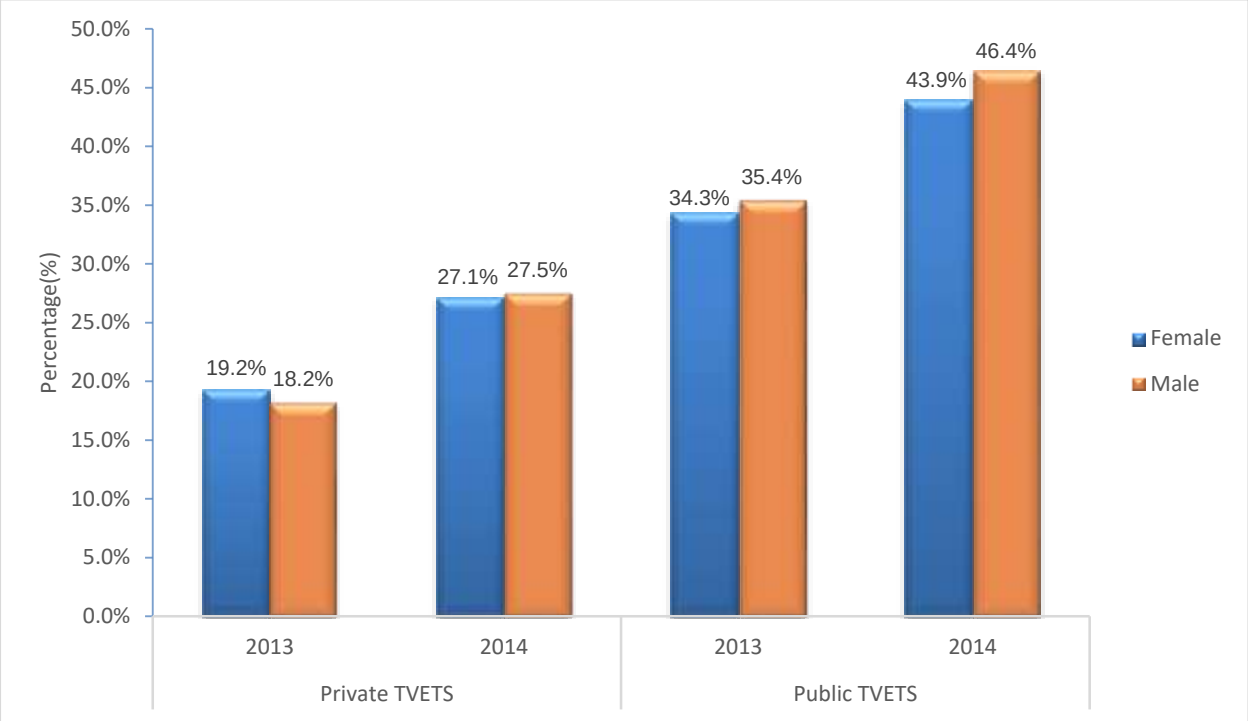
Figure 6-2: Completion rates for 2013-2014 in Business Management by gender



Source: DBE, National Examination Database, month and year, accessed 2017

In Financial Management Figure 6-2 shows that completion rates for males are higher than that of females in public TVET colleges while that of Private TVET colleges is almost the same. The figures also show that the completion rates in both public and private TVET colleges for both females and males have registered an improvement over the same period.

Figure 6-3: Completion rates for 2013-2014 in Financial Management by gender



Source: DBE, National Examination Database, month and year, accessed 2017

6.4 Higher Education and Training

6.4.1. Introduction

Higher education and training (HET), or tertiary education, includes education for undergraduate and postgraduate degrees, certificates and diplomas, up to the level of the doctoral degree. In recent years more school-leavers have been obtaining grades that enable them to enrol for studies at university. However, owing to the poor Mathematics pass marks in the country which is a requirement for the majority of Fasset-related qualifications, as well as due to competition with other academic fields in Science, Engineering and Medicine, the uptake for the sector remains relatively low.

6.4.2. Accounting and Bachelor of Commerce graduates

With regard to universities, certain of the fields of study relevant to the sector are Accounting, Auditing, Finance, Bookkeeping, Tax Consulting, Stockbroking and Investing.

6.4.2.1. Graduates in Accounting

Table 6-4 shows that the number of graduates in Accounting qualifications at HET level for the period 2004 and 2011-2015 has generally been increasing. Between 2011 and 2015 a total of 76,280 (seventy six thousand two hundred and eighty) students have graduated across all accounting qualifications with 3 (three) year Bachelor's degrees, undergraduate diploma/certificates and honours graduates recording the highest number of graduates of 28,640 (twenty eight thousand six hundred and forty), 15,137 (fifteen thousand one hundred and thirty seven) and 13,664 (thirteen thousand six hundred and sixty four) respectively. Graduates attaining advanced diploma recorded 504 (five hundred and four) being the lowest number of graduates as it has only started recording graduates in 2013. Students graduating with Masters degrees and PhDs remains low though the numbers have been increasing particularly in Masters degrees to which 511 (five hundred and eleven) students have graduated between 2010 and 2015. Graduates in Advanced Diploma, Masters, 4 year or more Bachelor's degree programs have recorded highest growth rates of 281.3%, 30.2% and 15.1% respectively in that order while the Post- Graduate Certificates and Bachelor of Technology degrees have been declining by 10.1% and 0.3% respectively. The output of graduates has significantly increased year on year. A total of 12,056 (twelve thousand and fifty six) graduates were produced in 2004 while a total of 16,657 (sixteen thousand six hundred and fifty seven) were produced in 2015 giving an average yearly growth of 3.3%.

Table 6-4: Graduate numbers in Accounting according to NQF level for 2004 and 2011-2015

NQF Level	Type of Qualification	2004	2011	2012	2013	2014	2015	Grand Total	Av. yearly growth (%)
10	Doctoral	4	6	4	7	7	11	35	14,8
9	Masters	195	56	105	92	120	138	511	30,2
8	Honours	2,407	2,344	2,314	2,593	3,058	3,355	13,664	8,5
7	1st Bachelor's Degree (3 years)	4,463	5,583	5,587	5,768	5,562	6,140	28,640	2,8
	1st Bachelor's Degree (4 years or more)	131	157	215	240	425	469	1,506	15,1
	Bachelor of Technology	530	776	692	750	880	796	3,894	-0,3

NQF Level	Type of Qualification	2004	2011	2012	2013	2014	2015	Grand Total	Av. yearly growth (%)
	Advanced Diploma	-	-	-	26	100	378	504	281,3
	Total	5,124	6,516	6,493	6,784	6,967	7,783	34,543	3,5
6	PG/Dip/Post Dip/Cert	509	917	1 082	980	749	570	4,298	-10,1
	UG Dip/ Cert (1 or 2years)	209	1,555	1,478	1,628	1,651	1,784	8,096	2,0
	UG Dip/Cert (3years)	3,608	3,015	3,159	3,024	2,921	3,018	15,137	3,0
	Total	4,326	5,487	5,719	5,631	5,321	5,372	27,530	0,3
Grand Total		**12,056**	**14,408**	**14,635**	**15,107**	**15,473**	**16,657**	**76,280**	**3,3**

Source: HEMIS database accessed, 2017

Table 6-5 shows the proportion of graduates in the Accounting related qualifications by race, for the years 2004 and 2010-2015. In 2004 doctoral graduates were only coming from Whites and over the years graduates from other races have been registering their presence. The table also shows that accounting qualifications in NQF Level 6 and 7 mainly are dominated by Black Africans whilst those qualifications in NQF Levels 8 to 10 are dominated by Whites.

Table 6-5: Graduate Numbers in Accounting, by race for 2004 and 2010-2015

NQF Level	Race	2004	2011	2012	2013	2014	2015	Grand Total
10	Black African (%)		33,3%	-	42,9%	28,6%	27,3%	28,6%
	Coloured (%)		-	25,0%	-	14,3%	-	4,8%
	Indian (%)		-	-	-	-	9,1%	2,4%
	No Info (%)		16,7%	-	-	-	-	4,8%
	White (%)	100%	50,0%	75,0%	57,1%	57,1%	63,6%	59,5%
	Total	**100% (4)**	**100% (6)**	**100% (4)**	**100% (7)**	**100% (7)**	**100% (11)**	**100% (42)**
9	Black African (%)	12,3%	21,4%	27,6%	25,0%	30,0%	40,6%	30,1%
	Coloured (%)	3,6%	3,6%	3,8%	5,4%	4,2%	4,3%	4,0%
	Indian (%)	13,8%	10,7%	21,0%	8,7%	14,2%	10,9%	12,5%
	White (%)	70,8%	64,3%	47,6%	62,0%	50,8%	43,5%	53,4%
	Total	**100% (195)**	**100% (56)**	**100% (105)**	**100% (92)**	**100% (120)**	**100% (138)**	**100% (554)**

NQF Level	Race	2004	2011	2012	2013	2014	2015	Grand Total
8	Black African (%)	16,9%	34,3%	37,4%	40,8%	42,8%	46,3%	39,6%
	Coloured (%)	4,0%	5,9%	6,2%	6,5%	5,2%	5,4%	5,7%
	Indian (%)	13,0%	12,1%	10,3%	11,1%	11,7%	10,9%	11,3%
	No Info (%)	0,1%		0,1%	1,4%	1,7%	1,9%	1,0%
	White (%)	66,1%	47,6%	46,0%	40,1%	38,5%	35,5%	42,3%
	Total	**100% (2,407)**	**100% (2,344)**	**100% (2,314)**	**100% (2,593)**	**100% (3,058)**	**100% (3,355)**	**100% (15,915)**
7	Black African (%)	37,0%	53,8%	57%	56,5%	60,8%	63,5%	57,5%
	Coloured (%)	5,1%	6,3%	5,4%	6,1%	6,1%	6,2%	6%
	Indian (%)	13,7%	12,1%	11,3%	11,5%	10,1%	9,9%	10,8%
	No Info (%)	0,1%	0,4%	0,6%	0,7%	0,5%	0,6%	0,5%
	White (%)	44,1%	27,5%	25,6%	25,3%	23,0%	21,5%	25,2%
	Total	**100% (5,123)**	**100% (6,516)**	**100% (6,494)**	**100% (6,784)**	**100% (6,935)**	**100% (7,656)**	**100% (41,135)**
6	Black African (%)	71,5%	81,1%	79,9%	82,8%	84,6%	87,1%	82,2%
	Coloured (%)	6,7%	6,9%	6,5%	5,4%	5,1%	4,8%	6,2%
	Indian (%)	3,6%	4,5%	5,0%	4,5%	5,2%	4,5%	4,8%
	No Info (%)	-	0,3%	0,7%	0,1%	0,2%	0,0%	0,2%
	White (%)	3,6%	7,3%	7,9%	7,2%	4,9%	3,5%	6,5%
	Total	**100% (4,326)**	**100% (5,487)**	**100% (5,719)**	**100% (5,632)**	**100% (5,321)**	**100% (5,372)**	**100% (32,830)**

Source: HEMIS database accessed, 2017

Table 6-6 shows the breakdown of accounting qualifications by gender, for the years 2004 and 2011-2015. It shows that accounting qualifications in NQF Level 6 to 8 are mainly dominated by females while their male counter parts dominate the NQF levels 9 and 10. The table also shows that whist it is the case that males dominate qualifications in NQF 9 and 10, the proportion of females have been increasing rapidly in NQF 9 qualifications when compared to NQF Level 10. Comparably, the proportion of males increases with the higher level of degrees such as in Honours degrees than in undergraduate degrees and certificates.

Table 6-6: Graduate Numbers in Accounting for 2004 and 2011-2015, by gender

NQF Level	Gender	2004	2011	2012	2013	2014	2015	Grand Total
NQF 10	Female (%)	50,0%	50,0%	25,0%	14,3%	28,6%	36,4%	33,3%
	Male (%)	50,0%	50,0%	75,0%	85,7%	71,4%	63,6%	69,0%

NQF Level	Gender	2004	2011	2012	2013	2014	2015	Grand Total
	Total	**100% (4)**	**100% (6)**	**100% (4)**	**100% (7)**	**100% (7)**	**100% (11)**	**100% (42)**
NQF 9	Female (%)	31.8%	33,9	48,6	51,1	53,3	50,7	48,7
	Male (%)	68.2%	66,1	52,4	48,9	46,7	49,3	51,1
	Total	**100% (195)**	**100% (56)**	**100% (105)**	**100% (92)**	**100% (120)**	**100% (138)**	**100% (554)**
NQF 8	Female (%)	49,0%	50,9%	52,6	53,2	53,3	54,8	53
	Male (%)	51,0%	49,1%	47,5	46,8	46,7	45,2	47
	Total	**100% (2,407)**	**100% (2,344)**	**100% (2,314)**	**100% (2,593)**	**100% (3,058)**	**100% (3,355)**	**100% (15,915)**
NQF 7	Female (%)	53,0%	55,6%	56,1%	56,4%	57,9	58,5	56,6
	Male (%)	47,0%	44,4%	43,9%	43,8%	42,7	43,9	44,0
	Total	**100% (5,123)**	**100% (6,516)**	**100% (6,494)**	**100% (6,777)**	**100% (6,926)**	**100% (7,601)**	**100% (40,905)**
NQF 6	Female (%)	55,6%	60,07%	59,01%	61,04%	60,29	59,83	60,10
	Male (%)	44,6%	39,91%	40,97%	38,94%	39,73	40,17	39,90
	Total	**100% (4,326)**	**100% (5,487)**	**100% (5,719)**	**100% (5,632)**	**100% (5,321)**	**100% (5,372)**	**100% (32,830)**

Source: Calculated from HEMIS database, accessed 2017

6.4.2.2. Graduates in Commerce, Business Management and Business Administration

Table 6-7 shows that the number of graduates in Commerce, Business Management and Business Administration[5] qualifications at HET level. Generally, the total number of graduates has been increasing on a yearly basis when compared with the numbers which were produced in 2004. A total of 116,532 (one hundred and sixteen thousand five hundred and thirty two) graduates in commerce, business management and business administration qualifications have been produced between 2011 and 2015. During the same period Advanced Diplomas, three-year Bachelor's degrees, undergraduate's diploma certificates and Honours recorded the highest number of graduates with 57,000 (fifty seven thousand), 38,868 (thirty eight thousand eight hundred and sixty eight), 25,047 (twenty five thousand and forty seven) and 14,133

[5] Business Administration, Management and Operations; Economics; Finance and Financial Management Services; Business, Economics and Management Studies; Taxation; Management Sciences and Quantitative Methods; International Business; and Entrepreneurial and Small Business Operations.

(fourteen thousand one hundred and thirty three) whilst Bachelor of Technology degrees recorded 500 (five hundred) being the lowest number of graduates. On the other hand, graduates in doctoral studies have shown a significant growth of 23% followed by post graduate diploma/certificates and 4-year Bachelor's degrees which recorded 12.7% and 10.8% growth. Graduates in Master's degrees and 3-year Bachelor's degrees recorded the lowest growth of 4.7% and 5.4%.

Table 6-7: Graduate numbers in Commerce, Business Management and Business Administration qualifications according to NQF level for 2004 and 2011-2015

NQF Level	Type of Qualification	2004	2011	2012	2013	2014	2015	Grand Total	Average growth rate (%)
10	Doctoral	40	95	111	117	144	193	**660**	**23,0**
9	Masters	1,194	2,014	2,095	2,056	2,146	2,211	**10,522**	**4,7**
8	Honours	954	2,215	2,261	3,118	3,325	3,214	**14,133**	**8,5**
7	1ST Bachelor's Degree (3 years)	2,645	6,661	6,948	8,181	8,422	8,656	**38,868**	**5,4**
	1ST Bachelor's Degree (4 years or more)	451	683	591	672	757	800	**3,503**	**10,8**
	Bachelor of Technology	1,256	2,211	2,261	3,118	3,325	3,214	**14,129**	**9,5**
	Advanced Diploma	-	-	-	37	70	393	**500**	**275,3**
	Total	**4,352**	**9,555**	**9,800**	**12,008**	**12,574**	**13,063**	**57,000**	**7,2**
6	PG/DIP/POST DIP DIP/ CERT		1,116	1,516	1,309	1,737	1,663	**7,341**	**12,7**
	UG DIP/ CERT (1 or 2years)	51	44	20	42	185	1,538	**1,829**	**213,8**
	UG DIP/ CERT (3years)	3,465	4,479	4,609	5,247	5,082	5,630	**25,047**	**8,4**
	Total	4,231	5,639	6,145	6,598	7,004	8,831	**34,217**	**12,6**
Grand Total		**10,771**	**19,518**	**20,412**	**23,897**	**25,193**	**27,512**	**116,532**	**8,5**

Source: HEMIS database, accessed 2017

Table 6-8 shows the breakdown of the graduates in Commerce, Business Management and Business Administration qualifications by race, for the years 2004 and 2011-2015. It shows that over the period Black Africans have maintained the highest proportion of graduates across all the qualifications of Commerce, Business Management and Business Administration. Black

Africans have shown their strong presence which is also growing in NQF Level 6, 7 and 8 qualifications. In doctoral studies which are designated in NQF Level 10 Black Africans have increased their proportion from a mere 15% in 2004 to as high as 53.9% whilst the dominance of Whites have been reduced from as much as 70% in 2004 to 30.1%.

Table 6-8: Graduate numbers in Commerce, Business Management and Business Administration qualifications for 2004 and 2011-2015, by race

NQF Level	Race	2004	2011	2012	2013	2014	2015	Grand Total
Level 10	Black African (%)	15,0%	52,6%	50,5%	41,9%	48,6%	53,9%	49,3%
	Coloured (%)	2,5%	3,2%	1,8%	5,1%	4,9%	3,1%	3,6%
	Indian (%)	12,5%	7,4%	4,5%	6,8%	9,7%	8,3%	7,9%
	No Info (%)	-	1,1%	2,7%	0,9%	2,1%	4,7%	2,6%
	White (%)	70,0%	34,7%	38,7%	41,9%	31,9%	30,1%	34,8%
	Total	**100% (40)**	**100% (95)**	**100% (111)**	**100% (117)**	**100% (144)**	**100% (193)**	**100% (730)**
Level 9	Black African (%)	21,8%	43%	45,9%	40,9%	45,9%	48,1%	44,4%
	Coloured (%)	5,1%	5,9%	5,2%	4,7%	5,3%	4,2%	5,1%
	Indian (%)	11,2%	10,8%	10,2%	9,5%	8,8%	10,1%	9,9%
	No Info (%)	-	1,5%	1,8%	2,7%	3,4%	4,3%	2,5%
	White (%)	61,9%	35,8%	33,9%	35,1%	30,7%	29,7%	33,2%
	Total	**100% (1,194)**	**100% (2,077)**	**100% (2,165)**	**100% (2,213)**	**100% (2,282)**	**100% (2,287)**	**100% (12,915)**
Level 8	Black African (%)	21,3%	40,1%	43,3%	45,6%	52,3%	51,4%	45,8%
	Coloured (%)	7,3%	5,7%	6,2%	6,1%	6,1%	5,5%	5,8%
	Indian (%)	12,6%	9,8%	8,1%	9,9%	9,3%	10,4%	9,7%
	No Info (%)	0,1%	0,5%	1,6%	1,8%	1,6%	3,5%	1,8%
	White (%)	58,8%	43,8%	40,8%	36,5%	30,7%	29,2%	36,9%
	Total	**100% (954)**	**100% (2,215)**	**100% (2,261)**	**100% (3,118)**	**100% (3,325)**	**100% (3,214)**	**100% (16,364)**
Level 7	Black African (%)	32,5%	51,7%	55,1%	58,2%	59,4%	61,2%	56,8%
	Coloured (%)	6,8%	6,7%	6,8%	6,1%	6,3%	6,0%	6,4%
	Indian (%)	12,4%	9,4%	9,4%	9,4%	9,6%	8,4%	9,3%
	No Info (%)	0,5%	1,1%	0,8%	0,7%	0,5%	2,0%	1,0%
	White (%)	47,2%	31,2%	28,0%	25,6%	24,2%	22,4%	27,0%
	Total	**100% (4,352)**	**100% (9,556)**	**100% (10,119)**	**100% (11,761)**	**100% (12,017)**	**100% (12,629)**	**100% (65,420)**

NQF Level	Race	2004	2011	2012	2013	2014	2015	Grand Total
Level 6	Black African (%)	71,0%	72,4%	72,1%	77,7%	75,7%	75,9%	74,6%
	Coloured (%)	7,2%	7,4%	6,9%	6,5%	6,8%	6,5%	6,8%
	Indian (%)	5,3%	3,5%	3,4%	2,9%	3,2%	3,7%	3,4%
	No Info (%)	0,2%	0,4%	0,3%	0,2%	0,2%	0,2%	0,3%
	White (%)	16,3%	16,2%	17,3%	12,5%	13,9%	13,6%	14,8%
	Total	**100% (4,231)**	**100% (5,639)**	**100% (6,146)**	**100% (6,597)**	**100% (7,005)**	**100% (8,831)**	**100% (39,149)**

Source: HEMIS database, accessed 2017

Table 6-9 illustrates the composition of gender mix of students over a period between 2010 and 2015. Results clearly indicates two distinct NQF Level of qualifications where males and females dominate separately. Females have shown their dominance in first degree and other post graduate qualifications designated in NQF Level 6 to NQF Level 8 whilst men dominates in masters and doctoral qualifications in NQF Level 9 to 10. Females have shown their prowess in NQF 6 qualifications with proportions ranging from 53.1% to 58.8% over the entire period. Level NQF 7 qualifications has been fluctuating over the period with women constituting between 48% and 56%. With regard to NQF Level 8 qualifications females have maintained their dominance over males with the composition ranging from 49.5% to about 53.8%. Results shows that the number of females who pursue their studies to Masters and doctoral qualifications which are designated in NQF Level 9 and 10 is very low. The composition of males ranged between 58.6% and 64.6% in Masters qualifications whilst it also ranged from 66.9% to 72.8% for doctoral qualifications.

Table 6-9: Graduate numbers in Commerce, Business Management and Business Administration qualifications for 2004 and 2011-2015, by gender

NQF Level	Gender	2004	2011	2012	2013	2014	2015	Grand Total
NQF 10	Female (%)	**35.0%**	33,1%	27,2	33,9	30,6	28,1	30,3
	Male (%)	**65.0%**	66,9%	72,8	66,1	69,4	71,9	69,7
	Total	**100% (40)**	**100% (95)**	**100% (111)**	**100% (121)**	**100% (148)**	**100% (196)**	**100% (740)**
NQF 9	Female (%)	**26.6%**	37,9%	36,9	37,7	38,7	41,4	38,1
	Male (%)	**73.4%**	62,1%	63,1	62,3	61,3	58,6	61,9
	Total	**100% (1,194)**	**100% (2,077)**	**100% (2,165)**	**100% (2,213)**	**100% (2,282)**	**100% (2,287)**	**100% (12,915)**
NQF 8	Female (%)	**47.6%**	51,3%	50,6%	51,2	53,8	52,5	51,7
	Male (%)	**52.4%**	48,7%	49,4%	48,8	46,2	47,5	48,3

	Total	**100% (955)**	**100% (2,230)**	**100% (2,273)**	**100% (3,368)**	**100% (3,603)**	**100% (3,241)**	**100% (16,972)**
NQF 7	Female (%)	**49.5%**	50,2%	51,9%	55,5%	56,0%	47,6%	48,7%
	Male (%)	**50.5%**	49,8%	48,1%	44,5%	44,0%	52,4%	51,3%
	Total	**100% (4,352)**	**100% (9,605)**	**100% (10,175)**	**100% (12,324)**	**100% 12,569**	**100% (12,629)**	**100% (66,761)**
NQF 6	Female (%)	**53.3%**	55,7%	57,6%	53,1%	58,8%	56,6%	57,1%
	Male (%)	**46.7%**	44,3%	42,4%	46,9%	41,2%	43,4%	42,9%
	Total	**100% (4,230)**	**100% (5,669)**	**100% (6,189)**	**100% (6,952)**	**100% (7,452)**	**100% (8,942)**	**100% (40,168)**

Source: HEMIS database, accessed 2017

Even though students eventually enrol at a university, dropout rates remain high. However, Van Broekhuizen et al (2016) reported that the dropout rates are not as high as are often reported, because many students who are reported as “drop-outs” in official university statistics do not leave the university system, but some change their degree program, whilst some switches from a degree to a diploma or certificate program, or enrol with another university. Of the 112 000 (one hundred and twelve thousand) learners from the 2008 Matric year who entered university, about 34 000 (thirty four thousand) or 30% had dropped out before 2014. The five-year dropout rate was somewhat higher amongst Coloured and Black African students (33% and 32%) than amongst Asians and Whites (23% and 17%).

6.5 Development of Professionals

6.5.1. Professional Bodies

Chartered Accountants (CAs) continues to be an important accounting profession supplying skills to the sector. Of the total pool of professionals, CAs form the largest component. CAs are considered most important persons with regard to Accounts and Audits as well as ensuring compliance with rules and regulations. SAICA is responsible for the registration of CAs, trainees and management of their training contracts, either in public practice or outside public practice. However, it is also important to note that not all CAs registered under SAICA are entirely in the FASSET sector but also takes up financial positions in other sectors of the economy. The growth in the number of CAs available to the market is shown in Table 6-10. In 2016 there were 41,362 (forty one thousand three hundred and sixty two) CAs registered with SAICA which increased from 31,602 (thirty one thousand six hundred and two) in 2010 giving an annual average growth rate of 4.9% over the same period. Table 6-10 also shows that over the period 2010-2016 an average of 19, 4% of CAs registered with SAICA are leaving abroad. The proportion CAs living abroad has been on a downward trend from 22, 1% down to 19.3% in 2010 and 2016 respectively. This is attributed to an increase of people qualifying as CAs increasing at a higher rate than the CAs living abroad.

Table 6-10: Number of Chartered Accountants registered with SAICA: 2010-2016

Year	CAs living in South Africa		CAs living abroad	
	N	% growth	N	% of CAs registered with SAICA and living abroad
2010	31,602	6,5	6,989	22,1
2011	33,167	5,0	7,138	21,5
2012	34,600	4,3	7,215	20,9
2013	36,113	4,4	7,212	20,0
2014	37,834	4,8	7,329	19,4
2015	39,797	5,2	7,731	19,4
2016	41,362	3,9	7,968	19,3
Average		**4,9**		**20,4**

Source: Calculated using SAICA statistics, accessed 2017

6.5.1.1. CAs by race

In terms of race as shown in Table 6-11, the data shows that Whites dominate the CA profession followed by Indians, Black Africans, Coloured and Unknowns with 73,8%; 11,2%; 10.9%; 3,6% and 0,6% respectively. Black Africans have almost doubled their representation from 5, 8% in 2010 to 10, 9% in 2016 while the proportion of Whites has receded from 82, and 6% to 73, 8%.

Table 6-11: CAs by race

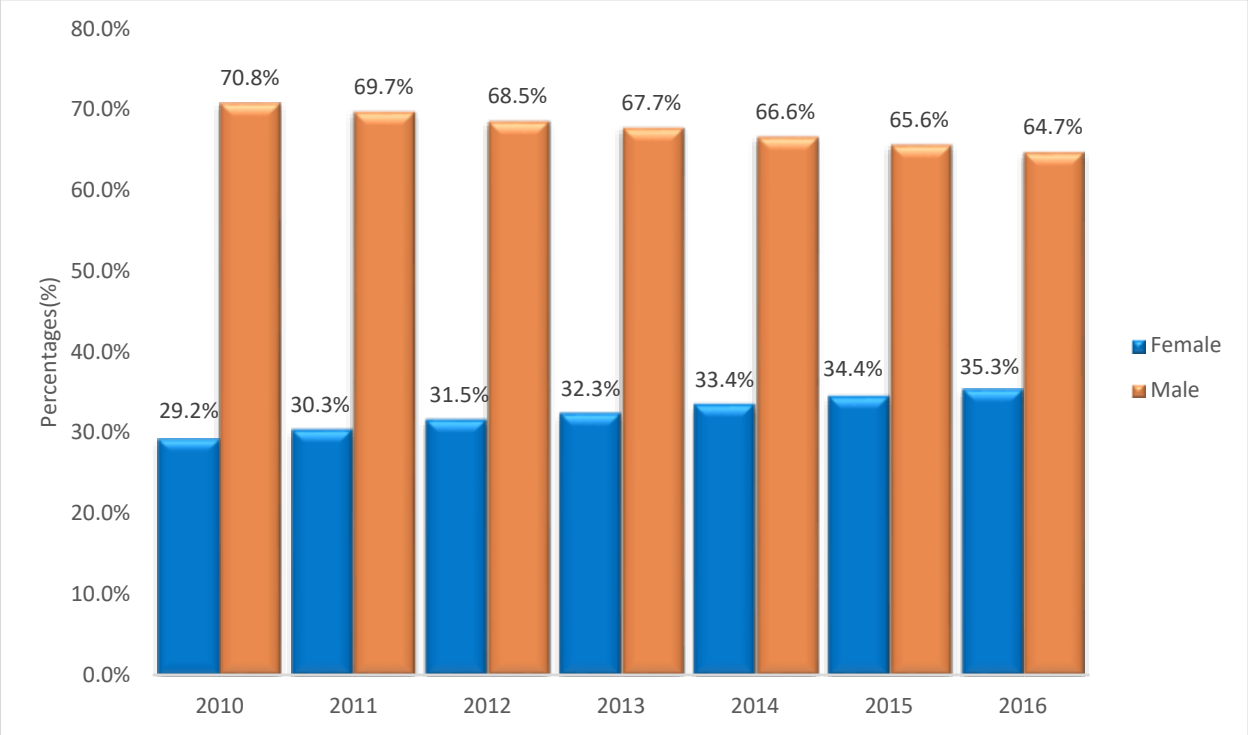
Year	2010	2011	2012	2013	2014	2015	2016
Black African (%)	5,8%	6,6%	7,2%	7,8%	8,8%	9,8%	10,9%
Coloured (%)	2,5%	2,6%	2,8%	2,9%	3,1%	3,4%	3,6%
Indian (%)	8,8%	9,3%	9,7%	10,2%	10,5%	10,9%	11,2%
White (%)	82,6%	81,2%	80,0%	78,6%	77,0%	75,4%	73,8%
Unknown (%)	0,3%	0,3%	0,4%	0,5%	0,5%	0,6%	0,6%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Calculated using SAICA statistics, accessed 2017

6.5.1.2. CAs by gender

In terms of gender distribution CA as a profession continues to be dominated by males who constitute about 65%, while females constitute about 35% Figure 6-4. Despite the bias towards males, females have been making great strides to improve their representation registering a 6% increase over a period 2010-2016.

Figure 6-4: CAs by gender



Source: Calculated using SAICA statistics, accessed 2017

6.5.2. Fasset-registered Learnerships

Learnerships are an integral part of skills development as enshrined in the SDA. They equip learners with short term employment and may be entered into between the employer and existing employers, as well as between the employer and non-employees. In 2016 a total of 31 (thirty one) learnerships from NQF level 3 to NQF level 8 were registered with Fasset. Table 6-12 shows the number of people who completed Fasset-registered learnerships in 2016. The total number of learnerships completed was 4,778 (four thousand seven hundred and seventy eight). The majority (80.7%) of these learnerships were between NQF Level 5 and 8, and most of them led to the qualification Chartered Accountant: Auditing.

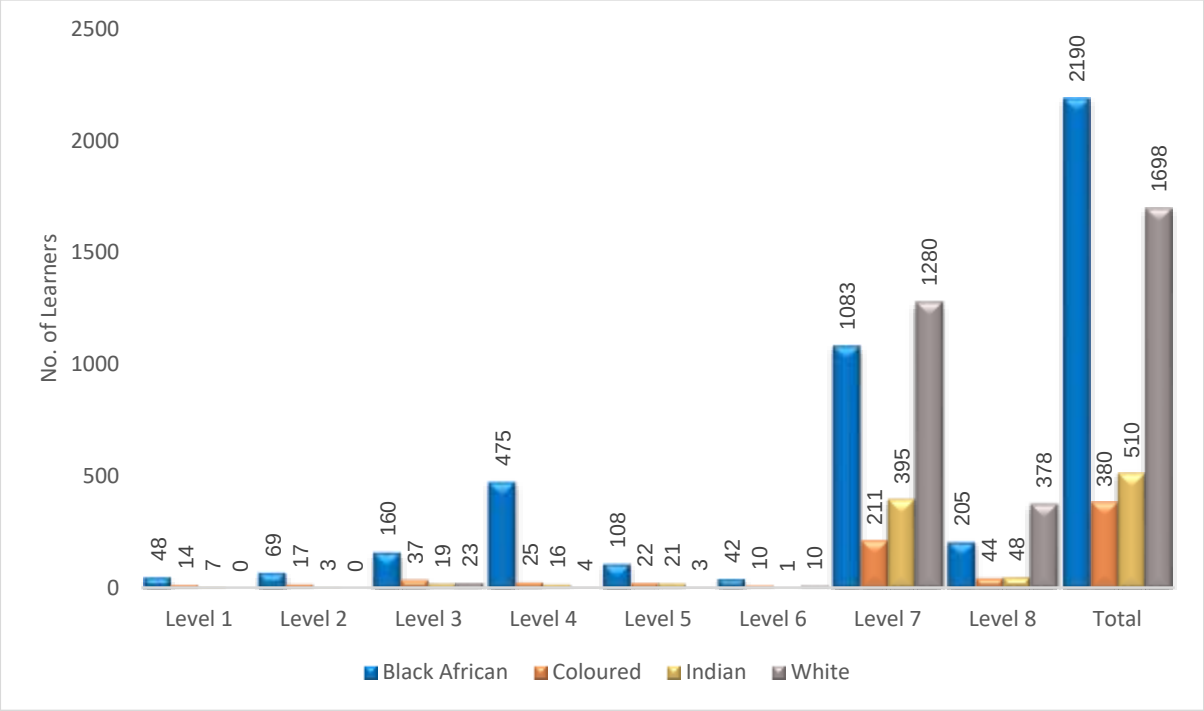
Table 6-12: Learnerships completed in 2016

Learnership	Completed	
	N	%
ACCA Professional Qualification :Chartered Certified Accountant	16	
CIS Professional Post-Graduate Qualification: Company Secretarial and Governance Practice	2	
Occupational Certificate: Tax Professional	4	
Post Graduate Diploma: Professional Accountant in Practice	636	
Post-graduate Diploma: General Internal Auditing	17	
NQF Level 8	**675**	**14,1**
Chartered Accountant: Auditing	2888	
Diploma: Technician Internal Auditing	3	
Occupational Certificate: Financial Markets Practitioner	10	
Post Graduate Professional Qualification: Professional Accountant in Business	65	
Professional Qualification: Chartered Management Accountant	3	
NQF Level 7	**2969**	**62,1**
Certificate: Information Technology: Database Development	3	
CIS Professional Qualification: Governance and Administration	2	
National Diploma : Financial Markets and Instruments	53	
National Diploma: Management Accounting	5	
Level 6	**63**	**1,3**
Certificate: Accounting	13	
Certificate: Certified Accounting Technician	1	
Certificate: Office Administration	24	
Higher Certificate: Office Administration	15	
National Certificate: Banking	15	
National Certificate: Business Accounting	34	
National Certificate: Generic Management: General Management	8	
National Certificate: Information Technology (Systems Development)	2	
National Certificate: Information Technology: Systems Support	41	
National Diploma: Technical Financial Accounting	1	
NQF Level 5	**154**	**3,2**
FET Certificate: Bookkeeping	206	
FET Certificate: Debt Recovery	65	
FETC:Business Administration	26	
Further Education and Training Certificate: Accounting Technician	43	
Further Education and Training Certificate: Banking	9	
Further Education and Training Certificate: Generic Management: General Management	39	
Further Education and Training Certificate: Information Technology: End User Computing	45	
Further Education and Training Certificate: Information Technology: Technical Support	68	
Further Education and Training Certificate: Project Management	19	
NQF Level 4	**520**	**10,9**
Certificate: Accounting Technician	69	
Certificate: Local Government Accounting	50	
National Certificate: Bookkeeping	32	
National Certificate: Business Administration Services	58	
National Certificate: Contact Centre and Business Process Outsourcing Support	8	
National Certificate: Information Technology: End User Computing	22	
NQF Level 3	**239**	**5,0**
National Certificate: Business Administration Services	5	
National Certificate: Contact Centre Support	84	
NQF Level 2	**89**	**1,9**
General Education and Training Certificate: Business Practice	64	
General Education and Training Certificate: Hygiene and Cleaning	1	
GETC: Domestic Services	4	
NQF Level 1	**69**	**1,4**
Grand Total	**4778**	**100**

Source: Fasset learnership database, 2016

Table 6-13 shows the number of people who completed Fasset-registered learnerships in 2016, by race group. Black Africans occupy the highest proportion of completed learnerships followed by Whites, Indians and lastly by Coloureds with 45.5%, 35.5%, 10.7% and 8% respectively. Results also shows that the majority of learnerships in 2016 completed NQF Level 7 followed by NQF Level 8 with NQF Level 6 attaining the least number of learnerships.

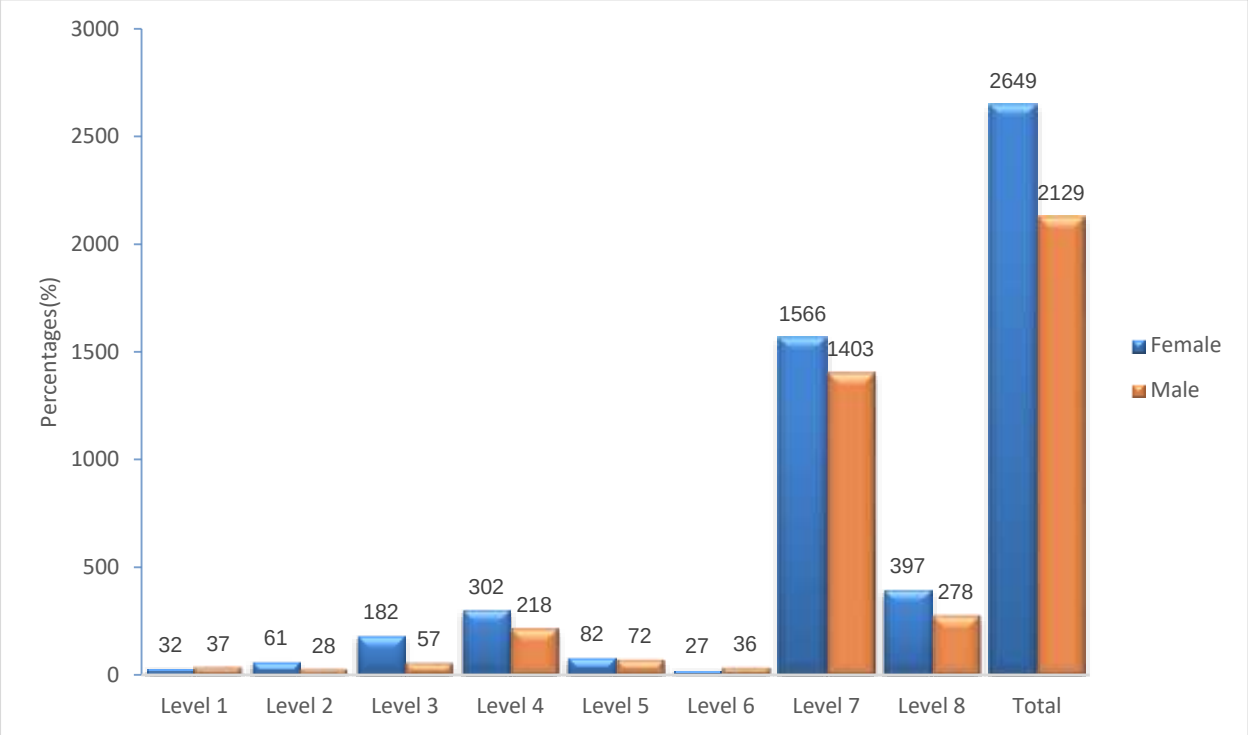
Figure 6-5: Learnerships completed in 2016, by race group



Source: Fasset learnership database, 2016

Figure 6-5 shows the number of learners who completed Fasset-registered learnerships in 2016, by gender. Results shows that more females are completing the learnerships than males. A total of 55.4% of learnerships were completed by females in 2016, with female completions outnumbering males in NQF levels 2, 3, 4, 5, 7 and 8 qualifications.

Figure 6-5: Learnerships completed in 2016, by gender



Source: Fasset Learnership database, 2016

6.5.3. Fasset interventions at HET level

Fasset has a bursary scheme for tertiary studies. The bursary provides financial support in respect of tuition fees, textbooks, accommodation, meals and living expenses to students whose household income is between R123 000.00 and R350 000.00 per annum. It applies to students entering their first year of study who possess a South African Matric Certificate (or an evaluated equivalent qualification) in the subjects and with subject grades that are required by the academic institution (or such equivalent qualification as that the institution may determine), for undergraduate studies, bursars entering their second or third year of study who meet the requirements as specified under the "Bursary Continuation, Suspension and Reinstatement" principles contained in this policy and students studying towards a university or university of technology (Degree, Diploma and B Tech).

Table 6-14 shows the current Fasset-funded bursars in the system. Bachelor of Commerce (Accounting) has the largest number of students, with 69.8% receiving bursars from Fasset than any other degree with Non-Accounting Bachelor of Commerce having 29.3% of students. The table also shows that the majority of the students being assisted through Fasset Bursars are either in their third or fourth year accounting for 43.4 %and 35.1 respectively with first years only accounting for 0.8 %clearly showing a scaling down of this from of assistance to students.

Table 6-14: Fasset-funded bursars

Study Discipline	1st year	2nd year	3rd year	4th year	Grand Total	Percent-ages (%)
Bachelor of Commerce (Accounting)		45	55	69	**169**	**69,8%**
Bachelor of Commerce (Accounting &Insurance)			1		**1**	**0,4%**
Bachelor Commerce (Business Management & Accounting)			1		**1**	**0,4%**
*Bachelor of Commerce (Non-Accounting)	2	5	48	16	**71**	**29,3%**
Grand Total	**2**	**50**	**105**	**85**	**242**	**100%**
Percentages (%)	**0,8%**	**20,7%**	**43,4%**	**35,1%**	**100%**	

Source: Fasset database (2016)

**Non-Accounting refers to Bachelor of Commerce degrees in the following (Banking Management, Economics, Business Management, Human Resource Management); Mathematical Statistics; Investment Management; Bachelor of Education and Bachelor of Recreation and Sports Management*

6.6 Conclusion

This chapter focused primarily on understanding the value chain of the skills supply to the Fasset sector. This pipeline includes basic education, the TVET sector, universities, professional bodies and WTPs. The main source of data for this chapter was secondary data from HEMIS, Fasset databases, DHET, SAQA and other official sources.

7 SKILLS DEMAND & SKILLS SHORTAGES

7.1 Introduction

Having profiled the employers in the sector and the people working in it, this chapter focuses primarily on understanding the demand for skills as well as occupation-specific skills shortages in the sector. The issue of critical skills gaps in the sector will also be addressed.

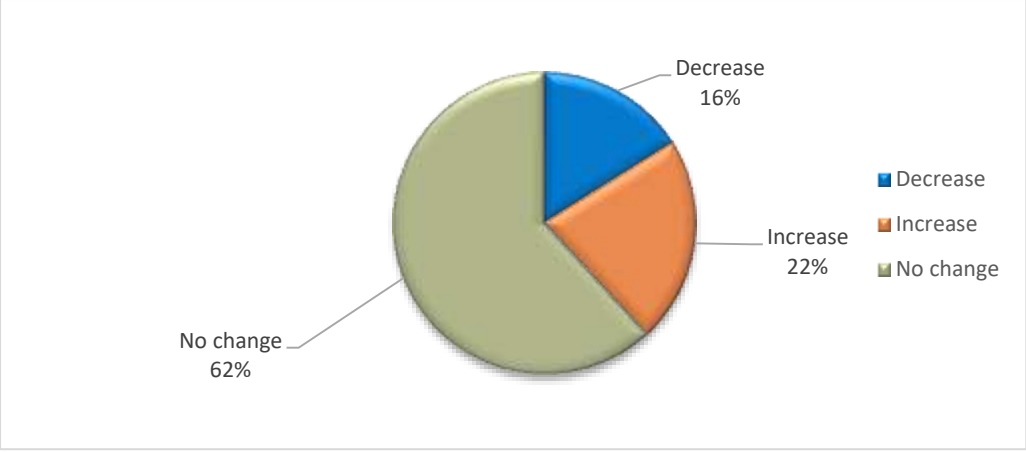
7.2 Extent and Nature of Demand

One of the sections in the survey of employers asked about organisations' demand for skills in the future. Demand for skills refers to the employers' needs for skills. A combination of data from the survey and the WSP submissions will be used in this section as they are deemed to complement each other.

7.2.1. Changes in employment

Employers were asked if the total number of people employed by their organisation had changed at all over the last two years. Figure 7-1 shows that the majority of organisations (62%) have not experienced any changes whilst about 22% experienced an increase in their employment levels with the remainder having experienced a decrease.

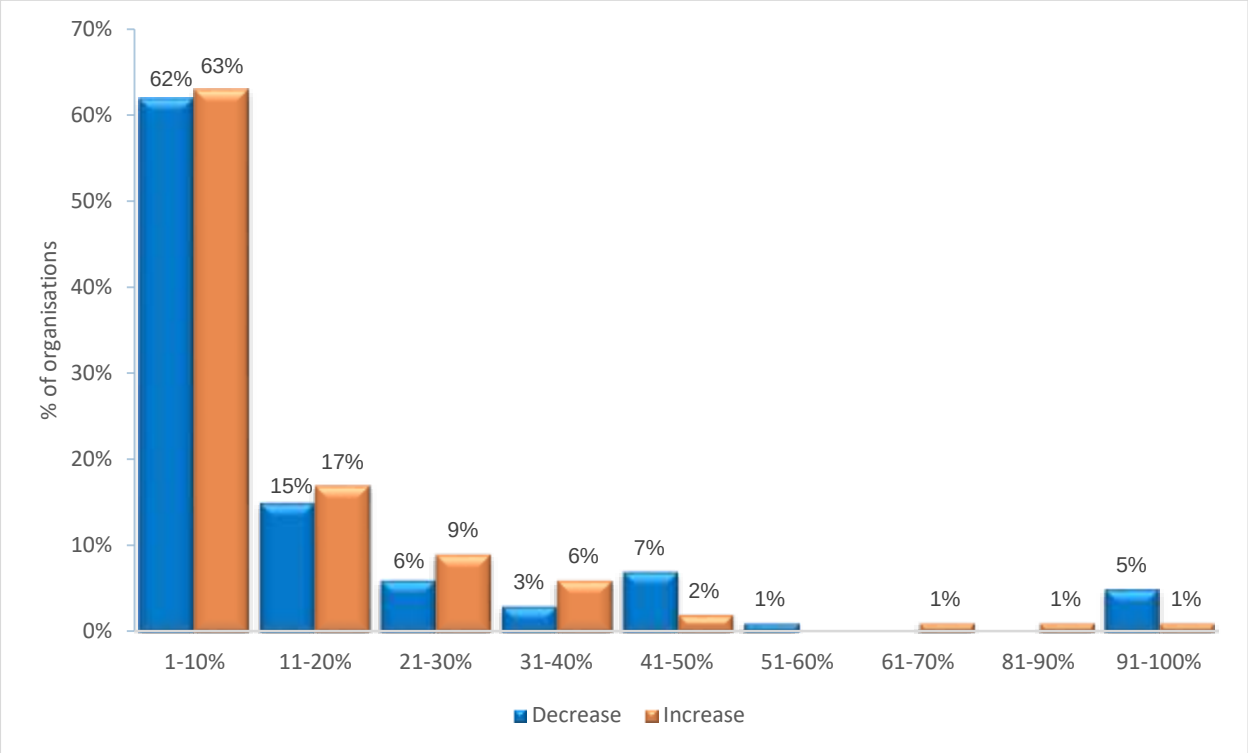
Figure 7-1: Changes in employment in the last 2 years



Source: Sector Survey (2016)

Further analysis on organisations whose employment levels had changed is shown in Figure 7-2 which reveals that the majority of organisations (62% or 63%) either increased or decreased their employment levels by 10 % respectively. This was followed by between 15% and 17 % of the organisations whose employment levels increased or decreased by 11, 20%. Very few organisations experienced changes in employment levels in excess of 40%.

Figure 7-2: Changes in employment (percentage) in the last 2 years

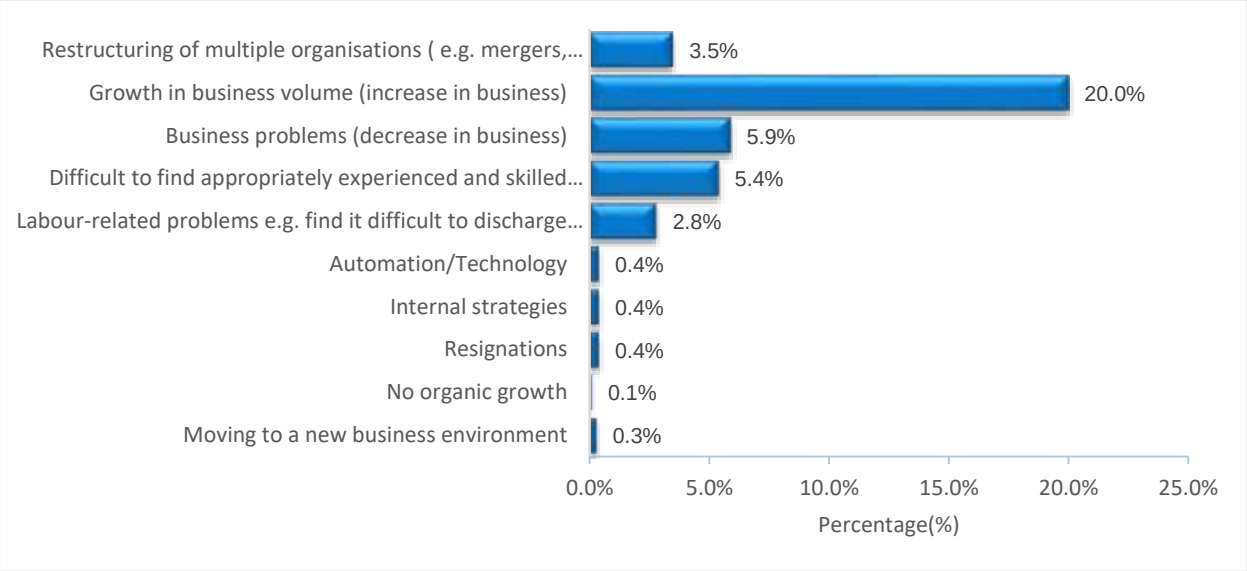


Source: Sector Survey (2016)

7.2.1.1. Reasons for changes in employment

Figure 7-3 reveals the main reasons for the changes (or no changes) in employment levels. Growth in business volume is the main factor in driving the change in the employment in the sector. This was cited by 20% of the employers which implies that growth in business volume has a huge direct bearing on the number of jobs created in the sector than any other factor. Other factors which were reported are business problems, difficulties in finding the appropriately finding the experienced and skilled people and these were reported by 5.9%, 5, 4% respectively. Only a few companies 0.3% however cited that changes in employment growth is caused by organic growth of their business entities.

Figure 7-3: Reasons for change in employment (%)



Source: Sector Survey (2016)

7.2.1.2. Expectations for employment growth

Table 7-1 shows employers' expectations regarding their employment numbers over the next 5 (five) years. The table reveals that most employers expect employment in the sector to increase (48, 9%) or remain the same (42.9%). Results shows that only 11, 4% of the employers were pessimistic about the sector as they expect the employment levels in the sector to decrease. Investment Entities and Trusts and Company Secretary Services is the sub-sector which had majority of employers (54,5%) expecting no change in the employment levels while majority of employers in the Development Organisations (62.5%) expects the employment levels to increase.

Table 7-1: Expectations in employment by sub-sector

Subsector	Decrease (%)	No change (%)	Increase (%)
Investment Entities and Trusts and Company Secretary Services	-	54,5	45,5
Stockbroking and Financial Markets	3,8	50,0	46,2
Development Organisations	-	37,5	62,5
Accounting, Bookkeeping, Auditing and Tax Services	4,5	47,1	48,4
Business and Management Consulting Services	5,6	50,0	44,4
Activities Auxiliary to Financial Intermediation	10,0	50,0	40,0
SARS and Government Departments	33,3	11,1	55,6
Average	**11.4**	**42.9**	**48.9**

Source: Sector Survey (2016)

7.2.1.3. Increases in employment by occupational category

Table 7-2 shows the proportions of employers who expect increases in employment numbers in certain occupational categories. Employment in Professionals is expected to grow by 45, 4 % of the employers followed by Technicians & Associate Professionals (43, 6%) and Clerical Support Workers (42, 5%). The main change drivers which were given for growth in Professionals are demand for more skilled employees, growth of business, succession plans, diversity in business and increased statutory compliance and opportunities. On the other hand, Service and Sales Workers is the occupational category which is least expected to have its employment levels increase by the employers.

Table 7-2 Employment increases by occupational category

Occupational category	% of employers	Main reason/s for expected increase
Managers	26,0	Growth of business, addition of more skills, employment too high, finance, huge gap between owner and trainees, increase in employees, increased legislative compliance, promotion, restructuring of organisational structure and retirement
Professionals	45,4	Demand for more skilled employees, growth of business, succession plans, business diversity, increase in employees, increased statutory compliance and opportunities
Technicians & Associate Professionals	43,6	Growth of business, Demand for more skilled employees, increase in employees through hiring or promotions, new recruit plans and recruitment.
Clerical Support Workers	42,5	Growth of business, demand for more skilled employees, compliance demands, economy, retirement
Service & Sales Workers	18,3	Demand for more skilled employees and growth of business

Source: Sector Survey (2016)

7.2.1.4. Increases in employment by OFO code

Table 7-3 shows the occupations which employers advised will specifically increase. About 19, 1% of employers expected Accounting in Practice to increase, 14, 7% in Accountant/ Chartered Accountant, 13, 2% in General Clerk and Accounts Clerk and 8% in Managers. The least expected occupations to increase by the employers are Audit managers, Corporate General Managers, Head of IT, and SAICA Trainees which were only cited by 1.5% of employers.

Table 7-3: Increases in employment by OFO code

Occupation	OFO CODE	Percentage (%) of organisations
Accounting in Practice	241106	19,1
Accountant/Chartered Accountant	241101	14,7
General Clerk	411101	13,2
Accounts Clerk	431101	13,2
Manager	133102	8,8
Actuary	212101	4,4
Business Analyst	241301	2,9
Accounting Technician	331302	2,9
Receptionist	422601	2,9
Audit manager	121104	1,5
Corporate General Manager	121901	1,5
Head of IT	133105	1,5
Trainee (Accountant)	241101	1,5
Accountant (General)	241101	1,5
Management Accountant	241102	1,5
SAICA Trainees	241104	1,5
ICT Professional	251101	1,5
Database Administrator	252101	1,5
Bookkeepers	331301	1,5
Portfolio Managers	333907	1,5
Debt Collector	421401	1,5
Auditor	241104	0

Source: Sector Survey (2016)

7.2.2. Professional bodies' views on the demand for skills in the sector

Professional bodies were asked about their views on the future demand for skills. Table 7-4 shows the 3 (three) skills which each professional body believed would be in highest demand by the sector's employers in the next 5 (five) years.

Table 7-4 Skills most in demand in the next 5 years

Professional Body	1st skill in demand	2nd skill in demand	3rd skill in demand
The Association for the Advancement of Black Accountants of Southern Africa (ABASA)	Management & leadership skills	Application skills & integrated thinking abilities	Business communication skills & professional conduct (work-readiness)

Professional Body	1st skill in demand	2nd skill in demand	3rd skill in demand
The Association of Accounting Technicians (AATSA)	Business communication skills & professional conduct (work-readiness)	Application skills & integrated thinking abilities	Business acumen
The Association of Certified Fraud Examiners, South Africa Chapter (ACFESA)	Enquiring & analytical skills	Cyber skills	Counter-surveillance skills
The Association of Chartered Certified Accountants (ACCA)	Business communication skills & professional conduct (work-readiness)	Application skills & integrated thinking abilities	Project management skills
Chartered Institute of Management Accountants (CIMA)	Application skills & integrated thinking abilities	Business communication skills & professional conduct (work-readiness)	Public sector knowledge
Chartered Secretaries Southern Africa (CSSA)	Business communication skills & professional conduct (work-readiness)	Ethics	Combination skills (technical, business & soft skills)
The Institute of Accounting and Commerce (IAC)	Management skills (both people & project management)	New technology	Combination skills (technical, business & soft skills)
The Institute of Certified Bookkeepers (ICB)	Business communication skills & professional conduct (work-readiness)	Numeracy skills	Application skills & integrated thinking abilities
The Institute of Certified Bookkeepers and Accountants (ICBA)	Business communication skills & professional conduct (work-readiness)	Numeracy skills	Application skills & integrated thinking abilities
The Institute of Internal Auditors South Africa (IIASA)	Application skills & integrated thinking abilities	Business communication skills & professional conduct (work-readiness)	Combination skills (technical, business & soft skills)

Professional Body	1st skill in demand	2nd skill in demand	3rd skill in demand
The South African Institute of Chartered Accountants (SAICA)	New technology, including data analytics	Critical thinking skills	Emotional intelligence
The South African Institute of Professional Accountants (SAIPA)	New technology	Critical thinking skills	Application skills & integrated thinking abilities
The South African Institute of Stockbrokers (SAIS)	Application skills & integrated thinking abilities	Business communication skills & professional conduct (work-readiness)	Ethics
The South African Institute of Tax Professionals (SAIT)	Critical thinking skills	Business communication skills & professional conduct (work-readiness)	Application skills & integrated thinking abilities
The Southern African Institute for Business Accountants (SAIBA)	Application skills & integrated thinking abilities	Financial skills on lower NQF levels	Critical thinking skills
The Southern African Institute of Government Auditors (SAIGA)	Ethics	Business communication skills & professional conduct (work-readiness)	Public sector knowledge

Source: Sector Survey (2016)

Table 3.4 above shows that the 5 (five) most prominent skills in demand as advised by the 16 (sixteen) professional bodies are:

- application skills & integrated thinking abilities;
- business communication skills & professional conduct (work-readiness);
- critical thinking skills;
- public sector knowledge; and
- combination skills (technical, business & soft skills).

7.2.2.1. Technology

The impact of the advances in technology on skills demand were mentioned by 7 (seven) professional bodies during interviews. The transformation from manual to automated processing will likely result in the loss of some jobs in the financial services industry, but questions remain regarding the real impact and which categories of professionals will be affected the most. While there may be a loss seen in some jobs, one of the CEOs interviewed cited a report published in 2015 by RMIT University and Chartered Accountants Australia and New Zealand called “Future proofing the profession: preparing business leaders and finance professionals

for 2025" which concluded that there will be a major growth in 'interaction jobs', a direct effect of increasing automation. These are jobs that cannot easily be outsourced or automated because people in these roles require high levels of analytical skills, reasoning and judgement. As already mentioned under the section on critical skills gaps, the ability to manage non-routine tasks and be strong in creative problem-solving will become increasingly important to the sector.

It is generally believed, however, that not just new graduates will need to up-skill, but also established financial professionals. Upskilling is a considerable challenge and that is where professional bodies play a major role – in the provision of relevant lifelong learning. However, most professional bodies were in agreement that it is difficult to understand exactly how each of the different professions will need to adapt to imminent technologies. As will be seen in a later section of this chapter, professional bodies are aware of this already-very-familiar narrative regarding technology, and ideally now need comprehensive research to be undertaken which can explain in detail how the researchers and developers' innovations are expected to disrupt the sector and affect its professions. Their comments expressed the need to prepare timeously for what the future financial professional needs to look like and be skilled in.

7.2.2.2. Work-readiness

One of the professional bodies' biggest concerns was how unprepared graduates are for the world of work, from general business communication skills to appropriate attire and conduct, as well as considerable lack of confidence which hampers an individual's ability to take initiative, even to ask for assistance when needed. Both employers and professional bodies made reference to the effectiveness of the work-readiness program that Fasset used to fund, and some expressed a desire to see the SETA returning funding to the initiative again. In addition to these programs leading to more well-rounded workers, it was also believed that increased levels of self-confidence and assertiveness would likely lead to increased productivity in the workplace.

7.2.2.3. Soft skills

The lack of application skills with integrated thinking ability, together with critical thinking skills, were the soft skills of most concern to professional bodies, and mentioned by almost all of them. Discussions around mitigating the issue involved facilitating conversations with education and training institutions to introduce a more integrated way of teaching and assessing learners, as well as workshops and using the platform of work-readiness programs. Other soft skills of concern included negotiation, decision-making, management skills and ethics – all of which could be developed during workshops. One of the professional bodies cautioned that one workshop alone in one of these areas would not adequately develop the particular skill – it was emphasised that refresher courses would be needed to embed the learnings and develop the skill robustly.

7.3 Skills Shortages in the Sector

Skills shortages can be expressed quantitatively, through sector survey data and WSPs, as well as qualitatively, through interviews. The shortages which will be presented in this section cover four main themes:

- retention of staff – challenges experienced by employers to retain certain categories of people;
- employment equity – challenges experienced by employers to find Black Africa, Indian or Coloured candidates to fill positions;
- scarce skills – occupations or positions for which employers cannot find suitable people; and
- critical skills gaps - skills within certain positions which are required to perform effectively in their jobs but which may be hard to find in qualified candidates/employees.

7.3.1. Retention of staff

Table 7-5 shows the number of organisations, by sub-sector, which struggle to retain employees. Results shows that on average about 22, 3% of organisations in the sector faces challenges in retaining staff. The worst affected sub-sectors are SARS and the South African Government (44, 4%), followed by Activities Auxiliary to Financial Intermediation (33, 3%) subsector. Business and Management Consulting Services and Stockbroking and Financial Markets were the sub-sectors least affected by the challenges of retaining employees.

Table 7-5: Organisations facing challenges to retain staff by Sub-sector

Sub-sector	% of organisations in the sub-sector
Investment Entities and Trusts and Company Secretary Services	14,8
Stockbroking and Financial Markets	13,8
Development Organisations	20,0
Accounting, Bookkeeping, Auditing and Tax Services	17,9
Business and Management Consulting Services	12,1
Activities Auxiliary to Financial Intermediation	33,3
SARS and Government Departments	44,4
Average	**22.3**

Source: Sector Survey (2016)

7.3.2. Employment Equity

Table 7-6 shows the number of companies, by subsector, which have difficulties finding Black African, Indian and Coloured candidates to fulfil equity targets. All employers in the Activities Auxiliary to Financial Intermediation indicated that they face difficulties followed by SARS and

Government (75%). Accounting, Bookkeeping, Auditing and Tax Services is the only sub-sector which had the least number (27, 3%) of organisations facing these difficulties in retaining Black African, Indian and Coloured.

Table 7-6: Organisations struggling to retain Black African, Indian and Coloured by Sub-sector

Sub-sector	% of organisations in the sub-sector
Investment Entities and Trusts and Company Secretary Services	46,2
Stockbroking and Financial Markets	50,0
Development Organisations	50,0
Accounting, Bookkeeping, Auditing and Tax Services	27,3
Business and Management Consulting Services	40,0
Activities Auxiliary to Financial Intermediation	100,0
SARS and Government Departments	75,0
Average	**55,5**

Source: Sector Survey (2016)

Table 7-7 shows challenges faced by Organisations in retaining Black Africa, Indian and Coloured by occupations. Most organisations in the sector indicated that occupational categories such as Managers, Professionals, Technicians and Associate Professionals and Clerical Workers find it difficult to meet employment equity because of Lack of Black African people who have suitable qualifications to occupy those positions. Some employers also indicated that Black African people lack academic/technical skills and some demand high salaries which most organisations cannot afford. Difficulties in retaining black professionals clearly indicates that there is an overall shortage in the market. The fact that most organisations are not able to meet salary demands of professionals is the main reason for their inability to retain staff. This also reaffirms the overall shortages of skills in the market.

Table 7-7: Challenges faced by Organisations in retaining Black Africa, Indian and Coloured by occupations

Occupation	Lack of Black African people with suitable qualifications	Lack of academic/ technical skills i.e. skills obtained during studies	Lack of basic/ generic/ transferable skills e.g. IT, teamwork, problem solving, soft skills	Lack of relevant experience	Affordability (salary demands of applicants)	People do not want to work outside urban areas (big cities)
Managers	35,7	10,7	6,0	7,1	15,5	6,0
Professionals	33,3	19,0	8,3	8,3	17,9	4,8

Occupation	Lack of Black African people with suitable qualifications	Lack of academic/ technical skills i.e. skills obtained during studies	Lack of basic/ generic/ transferable skills e.g. IT, teamwork, problem solving, soft skills	Lack of relevant experience	Affordability (salary demands of applicants)	People do not want to work outside urban areas (big cities)
Technicians and Associate Professionals	15,5	16,7	9,5	7,1	14,3	3,6
Clerical Support Workers	13,1	9,5	8,3	10,7	6,0	1,2
Service and Sales Workers	3,6	1,2	1,2	1,2	1,2	1,2
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	-	-	-	-	1,2	1,2
Plant and Machine Operators and Assemblers	-	-	-	-	1,2	1,2
Elementary Occupations	1,2	-	-	2,4	1,2	1,2

Source: Sector Survey (2016)

Table 7-8 shows other challenges in retaining Black African, Indian and Coloured employees are because they lack adequate qualifications and skills, in some instances the location of the work place is not attractive and that they often have unrealistic salary expectations.

Table 7-8: Other Challenges faced by Organisations in retaining Black Africa, Indian and Coloured by occupations

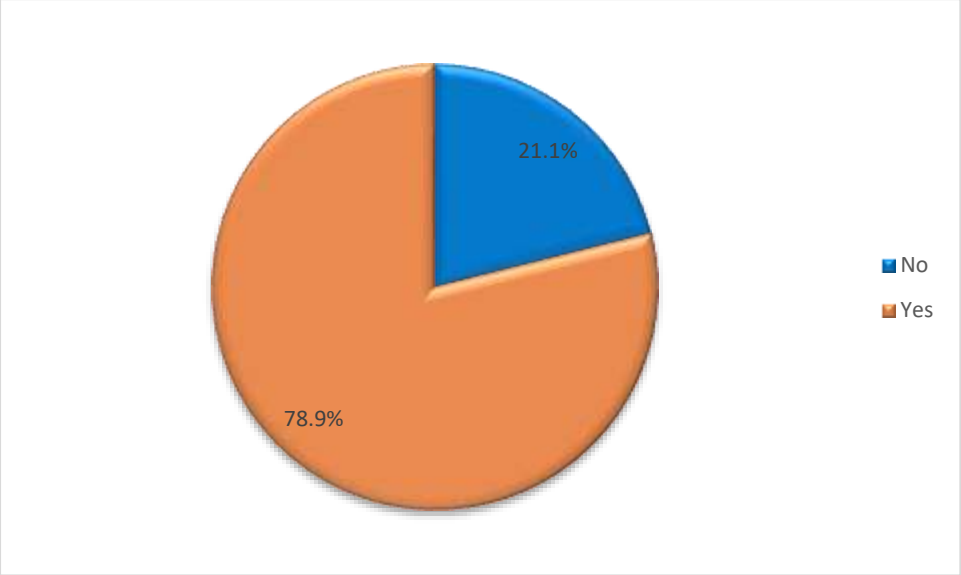
Challenges	% of employers
Not enough qualification and skills (HDI)	14,3
Attractiveness of the place	7,1
High turnover/ resign High turnover/ resign	3,6

Challenges	% of employers
Unrealistic salary expectations	6,0
Lack of mentorship/ awareness/ career guidance and counselling	3,6
Other challenges mentioned too few people, and they often get head-hunted with higher salaries	1,2
Few people in administration especially men	1,2
Difficulty in passing exams	1,2

Source: Sector Survey (2016)

Figure 7-4 shows the number of companies which have positions for which they struggle to fill with Black African candidates. The figure shows that about 79% of organisations in the sector are finding it difficult to fill in the positions with Black African candidates.

Figure 7-4: Organisations struggling to fill positions with Black African



Source: Sector Survey (2016)

Table 7-9 presents the occupations for which companies struggle to fill with Black African candidates. The table shows that Trainee Accountants, Chartered Accountants and Managers are the occupations which organisations in the sector are finding it difficult to fill with Black Africans. About 20% of the organisations reported that they are struggling to fill Trainee Accountants with Black African followed by Chartered Accountants (18%) and Managers (13%).

Table 7-9: Occupations which organisations struggle to fill with Black African

Occupation / Position	% of employers
Trainee Accountant	19,8
Chartered Accountant	18,2
Manager	13,2

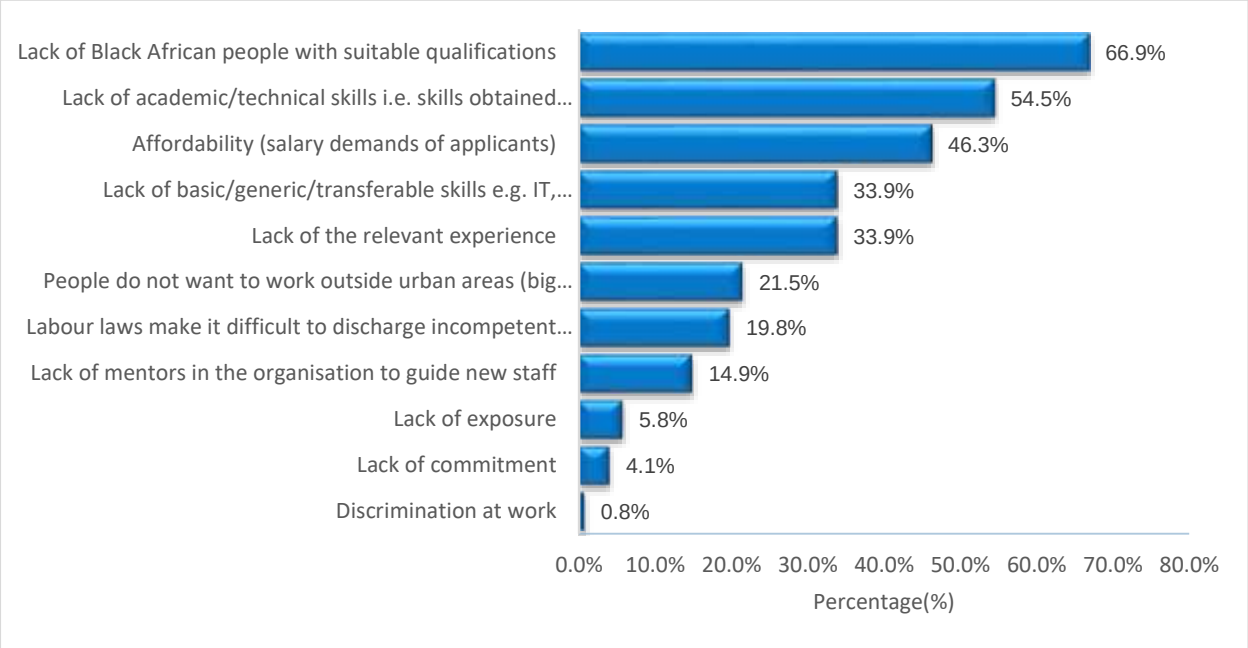
Occupation / Position	% of employers
Audit Manager	6,6
Financial Manager	5,8
Accounts Clerk/ Articled clerk	5,8
Investment Analyst	4,1
Economist	3,3
General Clerk	3,3
Bookkeepers	3,3
Auditors	3,3
ICT Professional	2,5
Principals/ Associate	2,5
Portfolio managers	2,5
Senior accountants - 3rd year practical	2,5
Credit Risk Analyst	1,7
Business Analyst	1,7
Equity Analysts	1,7
Financial Analyst	1,7
Research Analyst/ (in investments)	0,8
Stock Broker	0,8
Actuary	0,8
Tax Practitioner	0,8
Agricultural economist	0,8
Audit clerks	0,8
Boiler making	0,8
Business Development Manager	0,8
CA Managers	0,8
Call centre manager	0,8
CIMA Trainee	0,8
Client Advisors	0,8
Communications & Business development dept head	0,8
Corporate Finance Executive	0,8
Deputy Technical Department Head	0,8
Diesel Mechanics	0,8
Equity Trader/Dealer	0,8
Executive Assistants	0,8
Procurement Manager- Supply Chain Management	0,8
Property admin staff	0,8
Qualifications Project Manager	0,8

Occupation / Position	% of employers
Sales Representatives	0,8
Senior Managers	0,8
Research Analyst	0,8

Source: Sector Survey (2016)

Most organisations indicated that lack of Black Africans with suitable qualifications (67%); lack of academic/ technical skills obtained during studies (55%); high salary demands from applicants (46%); lack of relevant experience (34%) and lack of basic/ generic /transferrable skills such as IT, teamwork, problem solving, soft skills etc. are the main the reasons they are not able to hire Black Africans to fill their positions in the current vacancies. See Figure 7-5 below.

Figure 7-5: Reasons why organisations do not fill with Black African



Source: Sector Survey (2016)

7.3.3. Scarce skills

Scarce occupations are defined as occupations which take 3 (three) months or more to find a candidate with suitable work experience, qualifications and attributes at current wage levels. Scarce skills are usually caused by one of two factors:

- absolute scarcity – this relates to suitably skilled people who are not available in the country's labour market. Reasons could include a lack of interest from learners to pursue certain occupations, and globalization which is attracting our highly skilled individuals abroad; and.
- relative scarcity – this relates to a sufficient level of suitably skilled people in the country, but employers struggle to attract them:

- geographic location - many of the Fasset employers are situated in urban areas, which may not produce the talent required in more rural areas, and which employers may also struggle to attract from elsewhere. This could lead to the need to incentivise candidates with high salaries; and
- industry/subsector attractiveness – some employers may believe that the sector (or a particular subsector) does not attract skills.

Table 7-10 shows the number of organisations experiencing difficulties to fill vacancies. On average 49, 5% of the organisations in the sector reported that they find it difficult to fill some vacancies. SARS and Government Departments, Activities Auxiliary to Financial Intermediation, Stockbroking and Financial Markets and Investment Entities and Trusts and Company Secretary Services had majority of organisations in their sub-sectors having difficulties in filling vacancies. Development Organisations had the least number of organisations (20%) having difficulties.

Table 7-10: Organisations with difficulties to fill vacancies by sub-sector

Sub-sector	% of organisations in the sub-sector
Investment Entities and Trusts and Company Secretary Services	53,8
Stockbroking and Financial Markets	55,6
Development Organisations	20,0
Accounting, Bookkeeping, Auditing and Tax Services	43,1
Business and Management Consulting Services	45,6
Activities Auxiliary to Financial Intermediation	58,3
SARS and Government Departments	70,0
Average	**49,5**

Source: Sector Survey (2016)

7.3.3.1. Occupational vacancies

Analysis in this section will be based on survey findings together with the analysis of the WSP submissions which were made by organisations in the sector. Table 7-11 shows proportions of top ten vacancies by OFO code occupations. Results shows that many Professional occupations are mainly in short supply when compared to other occupations. Accounting in Practice (14, 3%), Auditors (12%) and Investment Analysts (12%) were the main occupations which are vacant and expected to be filled. Some of the occupations which are in the top 10 (ten) are Managers (11,1%), Tax Specialists (7,6%), Accountant/ Chartered Accountant (7,1%) and Accounting Technician (7,1%) whist the smallest occupation in terms of vacancies were Business Analysts.

Table 7-11: Occupations for which skills shortages are experienced by employers in the sector

Main Occupation category	OFO code	Occupation	Percentage of vacancies (forecast) (%)
Managers	133102	Manager	11,1%
Professionals	241106	Accountant in practice	14,3%
	241104	Auditor	12,0%
	241201	Investment Analyst	12,0%
	251101	ICT Systems Analyst	5,5%
	241103	Tax specialist	7,6%
	241101	Accountant/Chartered Accountant	7,1%
	241301	Business Analyst	2,5%
Technicians and Associate Professionals	331302	Accounting Technician	7,1%
Clerical Support	431101	Accounting clerk	4,1%

Source: Sector Survey (2016)

Table 7-12 shows the managerial occupations for which skills shortages are experienced by employers in the sector as reported in the WSP submissions. Finance Managers, Managers and Senior Managers are the main Managerial occupations which employers reported to have skills shortages. Most of these vacancies are for specialist positions which requires a combination of qualification, skill and experience e.g. postgraduate commerce or finance qualifications with business development experience and knowledge of asset management and investments. Technical and management skills and experience are very important requirements for most positions on this level.

Table 7-12: Managerial occupations for which skills shortages are experienced

Occupation		OFO code	*Number of vacancies (forecast)
121101	Finance Manager		339
122201	Manager		110
122201	Senior Manager		56
143901	Facilities Manager		17
133105	Information Technology Manager		16
142103	Retail Manager (General)		10

Occupation	OFO code	*Number of vacancies (fore-cast)
	[6]Other for managers	92
	Total	**640**

*Fasset WSP database, 2016. *Only occupations with 10 or more vacancies*

Table 7-13 shows the technician and associate professional occupations for which skills shortages are experienced by employers in the sector. Of the 2,633 (two thousand six hundred and thirty three) professional scarce-skill vacancies reported, the top 5 (five) were Financial Accountants (363 (three hundred and sixty three)); Management Accountants (348 (three hundred and forty eight)); Mathematicians (334 (three hundred and thirty four)), Software Developers (332 (three hundred and thirty two)); Analysts (170 (one hundred and seventy)); Chartered Accountants/ Accountant General (129 (one hundred and twenty nine)) and External Auditors (104 (one hundred and four)). Some organisations indicated that qualified people were quickly recruited by the Big Four audit firms who are able to offer these professional competitive salaries. Small firms and those that are located outside the main metropolitan areas regard themselves as being at a disadvantage when it comes to the recruitment of professionals. Many of the professional vacancies that organisations had difficulties in filling require a combination of tertiary (often postgraduate) qualifications, professional registration and work-related skills. Some of these vacancies necessitate specialised knowledge in fields other than finance e.g. law, IT and engineering. Although general skill shortages were reported, a lack of availability of Black Africans with suitable qualifications and relevant experience, was stated throughout the survey. As a result of these shortages, fierce competition exists among organisations for the small pool of skilled black people in the market. Exorbitant salary demands made by black professionals is one of the results of this competition and it was specifically mentioned by several of the respondent organisations.

Table 7-13: Professional occupations for which skills shortages are experienced

Occupation	OFO code	*Number of vacancies (fore-cast)
241107	Financial Accountant	363
241102	Management Accountant	348
212102	Mathematician	334
251201	Software Developer	332
242202	Analyst	170

[6] **Others for Managers** refers to Financial Markets Business Manager; Elected Official; Corporate General Manager; Compensation and Benefits Manager; Director (Enterprise / Organisation); Project Managers; Customer Service Manager; Business Recovery Consultant/ Managers; General Manager Public Service; Supply and Distribution Manager; Program or Project Manager; Sales Manager; Application Development Manager; Company secretary; Financial Manager; Quality Assurance Analyst (Comp; Sales and Marketing Manager ; Director of Marketing; ICT Project Manager; Work Force Management; General Secretary; Credit Manager; Human Resources; Business Training Manager; Corporate Services Manager; Project Managers: Infrastructure Development; Business Development Manager; Marketing Management; Client Services; Research and Development Manager; and Call or Contact Centre Manager

Occupation	OFO code	*Number of vacancies (forecast)
241101	Chartered Accountant/Accountant (General)	129
241104	External Auditors	104
242102	Organisation and Methods Analyst	100
212101	Actuary	61
242211	Internal Auditor	42
241106	Accountant in Practice	36
242202	Senior Analyst	34
242210	Business Administrator	32
242102	Performance Improvement Consulting	22
251202	IT	22
241103	Tax Professional	21
241103	Tax Professional	20
243403	Computer Software Support Consultant	20
241301	Financial Investment Advisor	18
241201	Investment Analyst	16
242208	Organisational Risk Manager	15
252901	Security Administrator	15
242202	Senior Risk Analyst	14
226302	Professionals	13
242207	Compliance Officer	13
252201	Systems Administrator	13
241203	Investment Financial Services	12
242202	Policy Analyst	12
252901	ICT Security Specialist	12
242101	Financial Systems Advisor	11
	[7]Other for professional	
	Total	**2633**

*Fasset WSP database, 2016. *Only occupations with 10 or more vacancies*

Table 7-14 shows the Technicians and Associate Professional occupations for which skills shortages are experienced by employers in the sector.

[7] **Other for Professional** refers to Financial Markets Business Manager; Elected Official; Corporate General Manager; Compensation and Benefits Manager; Director (Enterprise / Organisation); Project Managers; Customer Service Manager; Business Recovery Consultant/ Managers; General Manager Public Service; Supply and Distribution Manager; Program or Project Manager; Sales Manager; Application Development Manager; Company secretary; Financial Manager; Quality Assurance Analyst (Comp; Sales and Marketing Manager ; Director of Marketing; ICT Project Manager; Work Force Management; General Secretary; Credit Manager; Human Resources; Business Training Manager; Corporate Services Manager; Project Managers: Infrastructure Development; Business Development Manager; Marketing Management; Client Services; Research and Development Manager; Call or Contact Centre Manager; Accounting Officer; Tax Consultant; Project Accountant; Compliance Officer; etc.

Table 7-14: Technicians and Associate Professional occupations for which skills shortages are experienced

Occupation	OFO code	*Number of vacancies (forecast)
341110	Associate Legal Professional	61
333905	Supply Chain Practitioner	21
333401	Property Manager	15
335101	Customs Officer	14
331302	Accounting Technician	10
341107	Support Officer	10
	[8]Other	55
	Total	186

*Fasset WSP database, 2016. *Only occupations with 10 or more vacancies*

Table 7-15 shows that the Clerical Support Worker group had a total of 114 (one hundred and fourteen) hard-to-fill vacancies that were reported. The table reveals the need for suitably qualified General Clerks; Accounts Clerks, Auditor Clerks and Debt Collectors who have at least 10 vacancies to be filled. These positions require a specialised set of skills such as numeracy and communication skills combined with certain personality traits and experience in the field, which are difficult to find.

Table 7-15: Clerical Support Workers occupations for which skills shortages are experienced

Occupation	OFO code	*Number of vacancies (forecast)
411101	General Clerk	33
431101	Accounts Clerk	26
431101	Audit Clerk	24
421401	Debt Collector	14
	[9]Other	17
	Total	**114**

*Fasset WSP database, 2016. *Only occupations with 10 or more vacancies*

[8]**Other for Technicians and Associate Professionals** to Business Support Coordinator; Private Investigator; Property Portfolio and Asset Manager; Computer Network Technician; Paralegal; Production / Operations Supervisor (Manufacturing); Financial market practitioner; Bookkeeper; Business Broker; Asset Swap Administrator; Tax Administrator Research Services; Tax Administrator People & Organisation; Environmental Practices Inspector; Taxation Inspector; Finance and Insurance Consultant; Insurance Agent; Marketing Coordinator; Property Lease Administrator; Sales Representative; Commodities Trader; Office Administrator; Personal Assistant; etc.

[9] **Other for Clerical Support Workers** refers to Inbound Contact Centre Consultant; Inbound Contact Centre Consultant; Personal Investments; Personal Investments; Debtors Clerk; Insurance Administrator; Payroll Clerk; Human Resources Clerk; Contract Administrator

7.3.3.2. Professional bodies' views on the sector's scarce skills

As can be seen from the Worker Profile in chapter one, a high proportion of employees in the sector are Professionals and Managers. Scarce skills experienced by employers span a variety of occupations and NQF levels in the professional and managerial categories, most of which fall within the ambit of the sector's professional bodies. During interviews, professional bodies tended to focus on their own professions when scarce skills were discussed, as these were the occupations most familiar to them. Most professional bodies considered their particular occupations as scarce to the sector, so this section will focus on their reasons for the shortages and the required interventions to address them.

7.3.3.3. Reasons for occupational shortages and required interventions

Poor quality teaching, low Matric pass rates, poor Mathematics competency levels and a lack of adequate career guidance were the predominant reasons cited by professional bodies for the various scarce skills in the sector. A lack of funding to address these 4 (four) factors was believed to be a huge compounding problem.

7.3.3.3.1. Career guidance

13 (thirteen) of the 16 (sixteen) professional bodies interviewed are involved in career guidance initiatives where high school and university learners are concerned. While just under half of them do not partner, they visit schools and universities to provide information on their particular profession and designation pathways. The most common form of involvement was by being involved in large career exhibitions organised by other stakeholders. Only one professional body pays visits to TVET colleges to offer career guidance to learners.

7.3.3.3.2. Matric Mathematics

Mathematics is seen as one of the most important fundamental subjects for the sector. Not only is the ability to work well with numbers a crucial skill for all of the sector's core occupations, but professional bodies interviewed also agreed that it is the one subject at school level which facilitates the development of some of the sector's essential soft skills: critical thinking and analytical skills. As is seen in the chapter on the Survey of Education and Training Providers, research has shown that a learner's Mathematics competence level is often a predictor of likely access to university, reinforcing the value of the subject. 5 (five) of the sector's professional bodies do have initiatives in place which aim to address this challenge: two organisations arrange Mathematics camps for learners in certain high schools, where tutoring is the focus of an intensive few days for learners; two organisations encourage their members and trainees to volunteer their time to tutor learners at chosen schools who are struggling with Matric Mathematics; while another organization has developed self-teaching tools which learners are able to access in order to work through fundamental Mathematics concepts and common challenges.

However, South Africa faces such a massive challenge in this area that most (11) of Fasset's professional bodies tend to focus rather on efforts related to those already pursuing their particular professions.

7.3.3.3.3. NQF levels under 6

2 (two) professional bodies whose designations fall between NQF levels 3 and 5, expressed concern over Fasset's recent policy change to direct funding efforts to learnerships and initiatives which focus only on qualifications that fall on NQF level 6 and above, stating that there is a negative impact on learners' access to education and training in the sector. Fasset's changes were introduced as a result of the sector's scarce skills list consistently being dominated by the higher-level occupations, as well as the DHET's proposed changes to the SETA landscape which could be executed as early as 2018. Fasset believed that the uncertainty regarding the latter necessitated a radical priority shift to ensure that as much impact as possible could be made in the sector, leading to their campaign in this regard: #*LastingLegacy*. The two professional bodies' comments echoed a few large employers' concerns over the establishment of workplace programs which were developed and implemented for employees in response to Fasset's earlier funding incentives which spanned all NQF levels, as well as the argument that occupations on lower NQF levels are necessary skills pipe-lines for the sector. It is also believed that this moratorium on funding inhibits access to education for learners who may use lower-level designations as a career pathway to higher-level occupations, some of which may be scarce in the sector.

7.3.3.3.4. Other factors

Other factors which were considered inhibitors to increasing access to high quality education and training for learners included changing governmental policies, skills development priorities, negative mind sets towards transformation and a lack of workplace training, the latter two believed to be interrelated.

Six professional bodies also highlighted that globalisation has led to the ongoing emigration of many high-level South Africans, wedging a further skills gaps in the sector. This was a particular concern to the professional bodies, as they believed that until the quality of basic education is resolved and its provision made equal to all learners, the economy cannot afford to lose its few senior people.

Since most of these pervasive problems either fall largely within the ambit of basic education or are exogenous factors, professional bodies focus mostly on mitigating some of the effects on their own occupations.

7.3.3.4. Critical skills gaps specific to occupations

Critical skills are those found within certain positions which are required for the effective performance of the job. Critical skills gaps, therefore, refer specifically to critical skills that may be hard to find in qualified candidates/employees. For example, a Portfolio Manager *with good*

presentation skills, or a Business Analyst *with Advanced Excel skills*. They could also be general skills gaps found across occupations in an organisation, for example a lack of business communication skills. Many of these skills can be categorised as soft skills.

The discussions below refer most specifically to the gaps between graduate attributes and employer requirements. With some exceptions, they do not necessarily refer to all established professionals in their fields.

7.3.3.4.1. Accountants

Where accountants in general are concerned, a few professional bodies felt that the future of the profession will involve the ability to evaluate the business as a whole, including where its strategy, risk and governance functions are concerned. Accounting is evolving from a focus on the transactional and cost efficiency areas to strategy where finance professionals are now expected to have a considerable influence in business decisions and impact on business performance by being able to translate financial reports into important signals. This has arisen in part because of technological innovations which have freed accounting professionals somewhat from the technical aspects of their role, spending less time preparing standardised reports and more on analysing and interpreting information. Increasingly they are being expected to explain their findings rather than just report them.

The abilities to think analytically and strategically, to forecast and to lead a company are scarce, skills which are not widely being incorporated into accounting qualifications but are being discussed by stakeholders as highly necessary inclusions. Further research is needed to guide efforts to close this gap particularly as accounting departments of universities continue to monitor a professional environment rapidly changing with technology but within an institutional context constrained by mostly financial and academic resources for their learners. Future disruptions that educational institutions need to prepare for are technology, soft skills and the increasing use of non-financial information.

A few professional bodies believe that accountants often lack specialised knowledge in fields such as Tax and Commercial Law, owing to the regularly changing legislations and laws which individuals who specialise in those fields keep more closely in touch with. Accounting as a successful services industry faces challenges from other professions, such as law, as they look to expand their markets and offerings, thus placing greater expectations on accountants to deliver an expanded set of skills of a high quality.

Another area of specialisation which is lacking is public sector knowledge, mentioned by three professional bodies, and corroborated by universities and employers. Professional bodies have stated that the uptake from learners for public sector-specific programs has been slow, and that there needs to be more focused marketing about this from both Fasset and the professional bodies. Additionally, it is felt that priority funding needs to be made available from Fasset.

7.3.3.4.2. External auditors

In the case of external auditors, a series of corporate scandals and the financial crisis of 2007/08, the increasing complexity of business as well as the influence carried by the four King Reports on Corporate Governance (King IV having been released in November 2016), have led to some significant changes to audit globally and to the role of audit in the overall corporate governance structure. Professional bodies explained that auditing in South Africa is evolving from its traditional function of monitoring and reporting, to a more proactive and insightful one which can search for clues and interpret findings from a business perspective – similar in some respects to the changing roles of accountants. This is reflected by the fact that the Independent Regulatory Board for Auditors (IRBA) adopted a new auditing report standard that was issued by the IAASB (International Auditing and Assurance Standards Board) in January 2015 (effective from December 2016). Auditors can no longer simply state that a report they have assessed is either qualified or unqualified. They must also disclose the procedures that were followed, the risks that were identified, in what way the risks were addressed in the auditing, and which discussions were held with the auditing committee. This was done because, while users of the financial statements have signalled that the auditor's opinion on the financial statements is indeed valued, many have called for the auditor's report to be more informative and relevant.

Furthermore, besides the need for deeper technical knowledge in areas such as governance, ethics and forensics, soft skills such as analytical, interpersonal and leadership skills in an audit candidate will become increasingly valuable to a business. It is believed that the skills base is not developing at the same rate that the evolution of the audit role is.

The auditing profession has also seen a number of major technological advancements where the use of data analytics is concerned, which is the process of using financial data to draw meaningful insights and conclusions where the business as a whole is concerned. It is also possible through this process to detect cues of possible abnormal or even fraudulent activity, and it is thus imperative for an auditor to have strong data interrogation skills. The transformed auditing profession will increasingly need to use intelligent analytics software to deliver a higher quality of audit evidence and more relevant business insights, skills which are currently scarce but which will become increasingly critical to deliver a more relevant audit.

Owing to the role of auditors changing quite significantly, the talent profile of those who were and are currently attracted to the career path may change. Career guidance initiatives will need to be adapted in order to continue attracting the right type of individual.

Professional bodies with the above comments felt that these were all skills which needed to be incorporated into accounting and auditing qualifications at the earliest level possible, in order to prepare accountants and external auditors for the rapidly changing needs and expectations of business. 2 (two) professional bodies confirmed that they were in the process of incorporating data analytics as well as forensic accounting and auditing into their curricula.

7.3.3.4.3. Forensic practitioners

These professionals proactively interrogate information in order to expose fraud and white-collar crime. Some of the critical skills gaps in this profession, particularly evident in those who are newly graduated and inexperienced, are the lack of enquiring and analytical skills, and the ability to think with a bigger picture in mind, rather than on just a part. As mentioned under the section on external auditors, these are becoming increasingly important and valuable skills for the sector. These gaps are sometimes resolved through experience, but it also requires that the right type of individual is attracted to the field, and that these skills are developed at an early an age as possible. A more integrated approach at educational level where the assessment of learners is concerned could produce more enquiring and analytical graduates for the profession.

7.3.3.4.4. Tax practitioners

As of 2011, tax practitioners are required to register with a recognised controlling body (eight of which are professional bodies in the Fasset sector), and with SARS. This change provided a framework for the minimum qualifications needed and a mechanism for taxpayers and SARS to address professional misconduct by tax professionals. While the regulation of the profession has succeeded in ensuring that tax practitioners are adequately qualified to provide tax consultative services and perform tax returns, professional bodies have raised similar concerns as those regarding forensic practitioners, that graduates and young professionals in particular lack analytical skills, as well as the ability to critically review information in order to make and motivate informed opinions. Additionally, often candidates specialise in one area but then choose to practise as generalists, which comes with high risks where the provision of consultation services is concerned. It is believed that more intensive workplace experience with exposure to different contexts would mitigate this, as would work-readiness programs for new graduates, especially the majority who lack confidence and assertiveness.

7.3.3.4.5. Company secretaries

The company secretary is positioned in the top tier of a company, and is the person who usually links the board and the executive. The role is largely administrative in nature; however, a company secretary needs to deliver strategic leadership as well. Company secretaries align the interests of different parties around a boardroom table, facilitate dialogue, gather and assimilate relevant information, and enable effective decision-making. They also need to be confident communicators and able to manage complex relationships and competing interests within an organisation. As with some of the afore-mentioned professions, the role of company secretaries is becoming increasingly outward focused, with regard to the need to be aware of the external environment within which the company operates, outside pressures and the wider implications of decision-making. They are also the guardians of governance, therefore given the increased value placed globally on compliance and external audits, their role in organisational success is crucial. This individual requires a strong combination of skills including technical, business and soft skills, and it is very challenging to find candidates with these combination skills early in their careers. Another skills gap is that of a knowledge on the intricacies

of governance and compliance, as well as individuals with business communication, negotiation, decision-making and management skills, as well as ethics. It is believed that these soft skills can be developed through workshops, short courses and to some extent through work-readiness programs.

7.3.3.4.6. Internal auditors

Internal auditors provide objective assurance to management in order to add value to organisational strategy and to assist with meeting objectives. Internal audit is a fundamental pillar of governance within organisations, ensuring sufficient oversight in terms of risks and internal controls. Internal auditors often have input into strategic planning, market analysis, compliance and change management. An internal auditor needs to have a combination of skills and a high level of competence in order to process and interrogate various and large amounts of information for the benefit of the company. Besides technical skills, it is essential that the individual possesses business acumen and an ability to think in an integrated way. Lack of competence, brought on by low experience levels, is a key challenge in this profession as large companies are looking for candidates that require little to no training. Increased access to workplace experience during training would help to mitigate this challenge.

7.3.3.5. Critical skills gaps spanning various occupations

This section discusses the skills gaps highlighted by professional bodies as not being occupation-specific. Generally, a considerable amount of time was spent on this part of the interview, as professional bodies spend much time problem-solving ways to mitigate the effects of some of these challenges.

Figure 7-6 shows the critical skills gaps most commonly mentioned by the professional bodies interviewed.

Figure 7-6: Most common critical skills gaps found across occupations

Source: Sector Survey (2016)

As echoed by many of the employers interviewed one-on-one, almost all of the professional bodies brought up the issue of application skills and integrated thinking being a critical shortage among graduates and young professionals. Application skills refers to the ability to take what has been learned at educational institutions and determine how to use it to process and evaluate new information in the workplace. This ability usually works hand-in-hand with the need to think in an integrated manner, connecting dots both within the individual's area of focus but also more holistically, in other words proactively taking into consideration the bigger working context within which the individual operates and making decisions which concern the whole. These comments are closely linked to the previous section on how the future finance professionals in the sector will need to be educated. Professional bodies agreed that the manner in which learners are trained and assessed at education institutions should be adapted to allow for the development of these skills more effectively. For example, exams at the end of semesters or the year should involve case studies which take into account all disciplines rather than just one. Some professional bodies are currently advocating for this, and a few have already incorporated this pedagogy in their own qualifications. For the most part, however, it is believed that teaching and assessments at all levels of education are to a large extent responsible for leading learners to think "in silos".

These skills are closely linked to that of critical thinking skills, also referred to as analytical or problem-solving skills. Professional bodies stated that Mathematics at school is the most crucial juncture where development of these skills is found. Mathematics is a subject which, when taught well, requires the utilisation of foundational concepts in new or different scenarios to determine the correct, or best, course of action. Problem-solving skills is also often a creative process of overcoming stumbling blocks when even foundational concepts seem inadequate to solve an issue. It is this process of problem-solving and thinking critically that has led to the technological innovations in the sector. But this requires a specific way of teaching, and as we have seen from the chapter on the Survey of Education and Training Providers, South Africa's success rate in Mathematics throughput rates and pass marks is very poor. Assessments should not be testing for a person's ability to memorise information as in the case of rote learning, which is how Mathematics is believed to be taught at most schools in South Africa, but rather for a person's ability to process and use learned information constructively and progressively.

A lack of work-readiness in the vast majority of graduates was another major concern expressed by eleven of the professional bodies. A lack of work-readiness can also in many respects be tied in with the professional bodies' concerns regarding a lack of business communication skills. Their biggest concern was how unprepared graduates are for the world of work, from general business communication skills to appropriate attire and conduct. There is also a pervasive lack of confidence which hampers an individual's ability to take initiative, even to ask for assistance when needed. Both employers and professional bodies made reference to Fasset's work-readiness program, now no longer being funded, which was outsourced to certain training companies and aimed to develop critical social and communication skills, as well as some technical skills such as making presentations, in order to bridge the gap between educational environments and the workplace. Beneficiaries could be involved in this training for up to 6 (six) months, after which they would enter either learnerships, internships or full-time employment. These were widely lauded by stakeholders interviewed during the SS as

being highly effective in producing more work-ready individuals and many expressed a desire to see Fasset returning funding to the initiative.

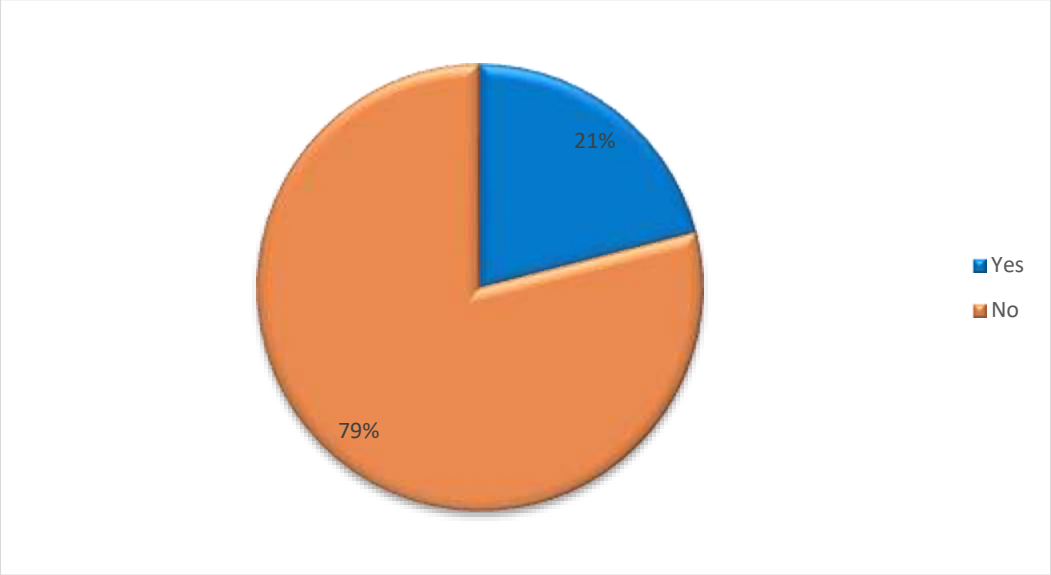
Where workplace experience is concerned, mentioned by 7 (seven) professional bodies, comments were closely related to the afore-mentioned inability to apply existing knowledge to the workplace, and was seen to be a result not just of the way in which learners are educated, but in the large gap that exists between theory and practice. While some of this may be mitigated by more practical teaching methods and assessments, it was believed that a lack of workplace experience during a learner's training was mostly to blame. It was felt that increasing access to learnerships was part of the solution, however that care also needed to be taken to ensure that the workplace element of a learnership is relevant as well as related to the theory being studied. Some professional bodies expressed hope that QCTO's requirement that all qualifications include a mandatory practical component as part of theory training will be an effective tool to plug this gap.

Professionals with public sector knowledge are considered scarce. South Africa's public sector employs one quarter of the working population across national, provincial and local government, and state-owned companies. Given its size, due consideration of its numerous occupations and their accompanying skills requirements is important. A handful of universities are adapting to this need by including a public-sector specialisation in its accounting qualifications, and professional bodies such as the AAT (SA), ACCA and CIMA are either developing new qualifications or enhancing existing curricula to include public sector-specific streams. In 2012, the Department of National Treasury approached the AAT (SA) to develop a customised accounting qualification that was relevant for provincial and national department officials. The AAT (SA) believes that at the top of public sector service, recruitment and management should be based on experience and expertise, while at junior levels the state needs to focus on producing the skills and expertise that will be necessary for future public service cohorts. To this end, the AAT (SA) has developed a few public-sector qualifications, and a Public-Sector Accounting Technician designation is currently in the SAQA approval process, the aim of which is to address the skills shortage as well as create public sector-specific career paths that will articulate with other qualifications on higher levels. However, interest from learners has not been sufficient so far. Professional bodies who have already been offering public sector modules in their offerings have stated that the uptake from learners for public sector-specific programs has generally been slow, to the extent that there needs to be more learner-directed marketing from both Fasset and the professional bodies themselves. Additionally, it is felt that priority funding needs to be made available from Fasset.

7.3.4. Employer interventions

Employers were asked to indicate whether they are undertaking any interventions to address scarce skills within their organisations. Figure 7-7 reveals that about 79% of the organisations who responded indicated that they have taken steps to address skills shortages while 21% indicated that they have not implemented any interventions to address skills shortages. Most organisations are intervening in the areas of accounting, auditing, finance, technical and soft skills development and other programs.

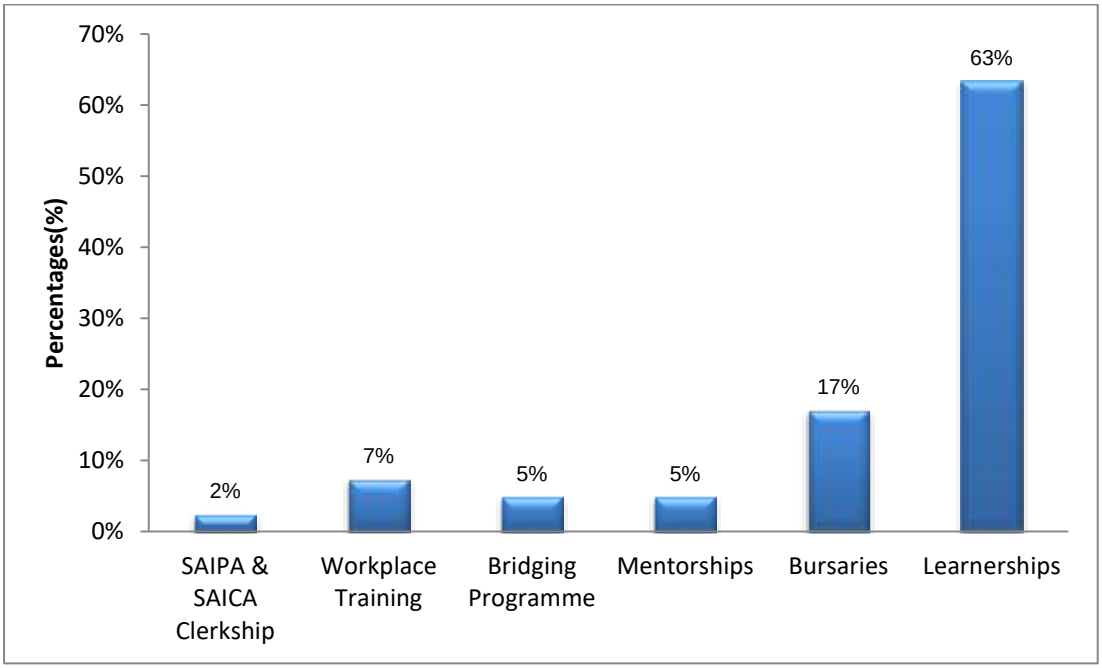
Figure 7-7: Organisations involved in interventions to increase the number of people with scarce skills



Source: Sector Survey (2016)

Figure 7-8 shows that employers are using various forms of interventions to address the scarcity of skills with the sector.

Figure 7-8: Interventions undertaken to increase the number of people with scarce skills



Source: Sector Survey (2016)

As shown in Figure 3.8, the majority of organisations (63, 4%) reported that they offer learnership programs to address scarce skills. Learnerships are popular as they offer learners very critical skills that are essential to the workplace as well as practical experience relating to the work environment. Learners also have higher chances of getting employed as they can easily adjust to the work environment because they are also taught other important skills such as social and communication skills. Other forms of interventions used by organisations in the sector are bursaries (17, 1%), Workplace Training (7, 3%), Mentorships (4.9%) and Bridging Programs (4, 9%).

7.4 Conclusion

This chapter focused mainly on highlighting the demand for skills as well as occupation-specific skills shortages in the sector. The main sources of data were employer survey, professional body survey and Fasset WSP data. The issue of scarce skills (or skills/occupational shortages) and critical skills gaps in the sector were also discussed in great detail.

8 LABOUR DEMAND AND PROJECTIONS

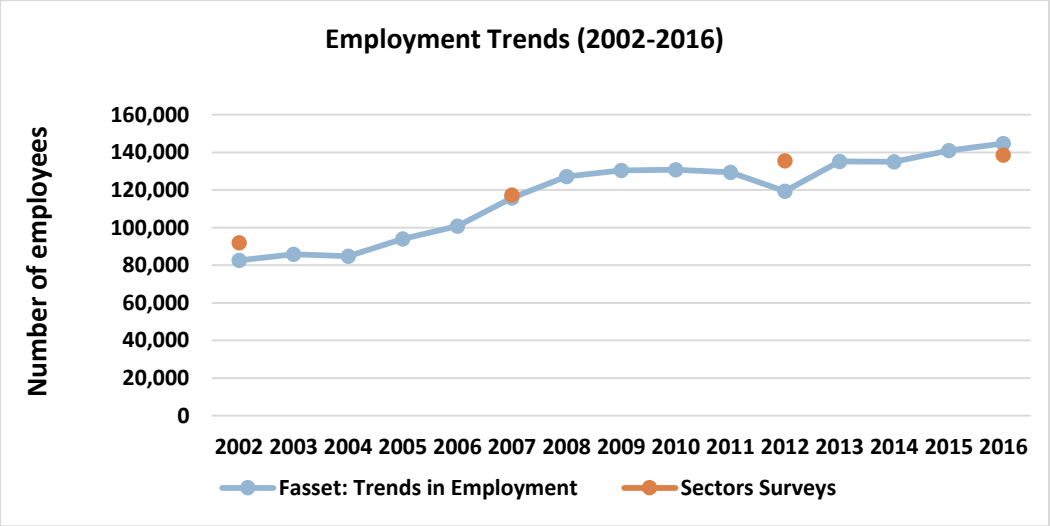
8.1 Introduction

This chapter focuses, firstly, on the demand for skills in the financial sector and, secondly, on the specific forecasting of the demand for skills Concepts including employment trends, the growth or decline in employment levels experienced by organisations in the period between the two SSs done in 2012 and 2016, staff turnover, employment growth expectations and the factors that may impact on future growth of the sector and the demand for skills are reviewed.

8.2 Employment Trends

Based on the employment information obtained through the employer survey, total employment in the sector is estimated at 138,587 (one hundred and thirty eight thousand five hundred and eight seven) in 2016. This is 3,129 (three thousand one hundred and twenty nine) more jobs than the total employment figure estimated in the 2012 SS and this shows that employment in the sector had increased on average by 2.3% over the 5 (five) year period between the 2 (two) surveys. Figure 8-1 compares total employment presented in the SS and those from the Employment Trends reports by Fasset which is based on mandatory grant applications. Figure 8-1 shows that employment recovered in 2013. The Employment Trends are estimates of total employment while the SS were conducted in the second half of 2002, 2007, 2012 and 2016.

Figure 8-1: Employment Trends



Source: Sector Survey (2016 and Previous Reports): Trends in Employment

A comparison of total employment in 2012 and SS and that of 2016 [Drafting Note: What is being compared here?] is made to analyse the trend in employment in the sector together with the sub-sectors. Table 8-1 shows the changes in employment in the various sub-sectors. All

the sub-sectors excluding Investment entities, Trusts and Company Secretary Services, Development Organisations and Accounting, Bookkeeping, Auditing and Tax Services Sector showed growth in employment since 2012. Business and Management Consulting Services, Stockbroking and Financial Markets and SARS and Government experienced the highest growth in employment in that order over the period, with annual increases ranging from 14,3% to 34,7%. Activities Auxiliary to Financial Intermediation had the lowest growth at 0, 7%.

Table 8-1: Changes in employment 2012-2016 per subsector

Subsector	Total employment 2012	Total employment 2016	Percentage Change
Investment entities, Trusts and Company Secretary Services	9,645	6,503	- 32,6%
Stockbroking and Financial Markets	14,254	19,063	33,7%
Development Organisations	1,897	*397	- 79,1%
Accounting, Bookkeeping, Auditing and Tax Service Sector	59,110	54,965	- 7,0%
Business and Management Consulting Services	13,363	17,999	34,7%
Activities Auxiliary to Financial Intermediation	20,864	21,006	0,7%
SARS and Government Departments	16,316	18,645	14,3
Grand Total	135,449	138,578	2,3%

Source: Sector Survey (2016)
**This could be a true reflection of the subsector due low response rate from all the Development Organisations subsector*

Growth in business was the main contributor to growth in employment. Business problems (decrease in business), difficulties in finding appropriately experienced and skilled people and restructuring through, for example, mergers or acquisitions, were the main reasons for some organisations experiencing decreases in employment over the two-year period.

8.3 Staff Turnover

In the period 1 April 2015 to 31 March 2016, 6,480 (six thousand four hundred and eighty) employees left the service of their employers. This constitutes a staff turnover rate of 4, 6%. Table 8-2 shows that 51.3% of the employees who left resigned from their positions, while 3.6% were dismissed and 2.7% retired. About 10% of the employees who left their employers were learners who had completed learnerships.

Table 8-2: Reasons for Staff Turnover

Reason	N	%
Resigned	3324	51,3
Retired	178	2,7
Retrenched	95	1,5
Dismissed	234	3,6
Passed away	59	0,9
Completion of Learnership	676	10,4
Emigrated	13	0,2
End of contract	820	12,7
Transferred	163	2,5
Other	312	4,8
Total	6480	100,0

Source: Sector Survey (2016)

8.4 Employers' Views on the Past and Future Growth of the Sector

Employers were asked about their view on the changes of employment over the last 2 (two) years. Table 8-3 shows that 59% of the employers cited that their level of employment had decreased over the last 2 (two) years whilst 19, 9% were of the view that their employment levels had increased. Only 21, 1% of the employers said that their employment levels had remained the same over the last 2 (two) years. Accounting, Bookkeeping, Auditing and Tax Services, Activities Auxiliary to Financial Intermediation and Development organisations were some of the subsectors were most of the employers had indicated that their employment levels had decreased over the last 2 (two) years. Stockbroking and Financial Markets is the only subsector in which most employers had indicated that their employment levels had remained the same during the last 2 (two) years.

Table 8-3: Changes in employment over the last 2 (two) years

Subsector	Increase	Same	Decrease	Total
	% of organisations			
Investment entities, Trusts and Company Secretary Services	11,1	29,6	59,3	100
Stockbroking and Financial Markets	7,4	40,7	51,9	100
Development Organisations	11,1	11,1	78,8	100
Accounting, Bookkeeping, Auditing and Tax Service Sector	14,6	21,4	64,0	100
Business and Management Consulting Services	18,0	26,0	56,0	100
Activities Auxiliary to Financial Intermediation	27,3	9,1	63,6	100

Subsector	Increase	Same	Decrease	Total
	% of organisations			
SARS and Government Departments	50,0	10,0	40,0	100
Average	19,9	21,1	59,0	100

Source: Sector Survey (2016)

8.5 Expectations of the Employment Changes in the next 5 Years

Employers were also asked about their expectations in terms of employment growth over the next 5 (five) years. On average about 46, 8% of the organisations indicated that they expect total employment to increase in the next 5 (five) years, while about 9, 7% of the organisations indicated that they expect a decrease in the total employment in the sectors. About 43, 5% of the organisations indicated that they expected the number of employees to remain the same.

Table 8-4: Expectations of Employment changes in the next 5 years

Subsectors	Decrease	Remain the same	Increase	Total
Accounting, Bookkeeping, Auditing and Tax Services	4,3	46,9	48,8	100
Activities Auxiliary to Financial Intermediation	10,0	60,0	30,0	100
Business and Management Consulting Services	4,1	49,0	46,9	100
Development Organisations	0,0	37,5	62,5	100
Investment Entities and Trusts and Company Secretary Services	0,0	54,2	45,8	100
SARS and Government Departments	45,5	9,1	45,5	100
Stockbroking and Financial Markets	4,0	48,0	48,0	100
Average	**9,7**	**43,5**	**46,8**	**100**

Source: Sector Survey (2016)

As shown on Table 8-4, Activities Auxiliary to Financial Intermediation and Investment Entities and Trusts and Company Secretary Services are the sub-sectors who had many organisations expecting the employment to remain the same in the next 5 (five) years.

8.6 Occupational Categories whose Employment Will Increase or Decrease

Employers were also asked to give their opinion on which occupational categories they expected to increase or decrease. Table 8-5 shows that about 45, 4%, 44, 4% and 42, 3% of employers expected Professionals, Technicians and Associate Professionals and Clerical Support to increase respectively.

Table 8-5: Occupational categories whose employment will increase or decrease

Occupational Categories	Changes			
	Increase	Remain the same	Decrease	Total
Managers	26,0	67,1	6,9	100,0
Professionals	45,4	49,6	5,0	100,0
Technicians and Associate Professionals	44,4	49,1	6,6	100,0
Clerical Support	42,3	49,1	8,6	100,0
Service & Sales Workers	17,3	77,3	5,3	100,0
Skilled Agricultural, Forestry, Fishery, Craft	2,7	92,0	2,7	100,0
Plant & Machinery Operators	1,0	95,1	3,9	100,0
Elementary Workers	6,5	88,2	5,2	100,0

Source: Sector Survey (2016)

Table 8-5 also shows that occupational categories such as Plant & Machinery Operators, Skilled Agricultural, Forestry, Fishery, Craft and Elementary Workers were largely expected to remain the same by employers.

8.7 Factors Impacting on the Demand for Skills

Organisations were also asked to indicate the factors which are driving the changes in employment. The results on Table 8-6 show that about 54, 3% of the organisations indicated that growth in business volume is the major driver of employment changes. Some of the factors that affect employment which were cited by organisations are difficulties in finding appropriate, experienced and skilled people, business problems and labour related problems such as the difficulty to discharge incompetent people. These were cited by 14, 4%, 13, 8%, 6, and 4% of organisations respectively.

Table 8-6: Reasons for change in employment

Reason for change	N	Percentage
Restructuring	12	6,4
Growth in business volume	102	54,3
Business problems (decrease)	26	13,8
Difficult to find appropriate, experienced and skilled people	27	14,4
Labour related problems (difficult to discharge incompetent people	12	6,4

Reason for change	N	Percentage
Other[10]	9	4,8
Total	**188**	**100**

Source: Sector Survey (2016)

Apart from the factors mentioned in Table 8-6, other factors such as technology, resignations, no organic growth and moving to new business were the least cited factors which drives changes in employments levels as only they were only mentioned by 4,8% of the organisations.

8.8 Forecasting of the Demand for Skills in the Sector

This section gives an overview of how a model to project labour demand in the sector for the next 5 years will be developed. The sector applicable to Fasset forms part of the larger Finance, Real Estate and Business Services sector and the growth projections for this sector will be used as the basis in quantifying the growth of the sector during the period under review. We also acknowledge that the sector is largely a professional services sector where work largely depends on the time and effort of trained personnel. Therefore, the growth in demand for the services of the sector and growth in employment are directly linked.

The demand for labour in a sector is defined as the total number of people expected to be employed in the sector in a specific year. Of particular importance for skills development is the number of people that need to be recruited into or trained for the sector. The positions that need to be filled emanate from the expansion of the sector because of a growth in the demand for its services or a growth in the output of the sector (new demand), and the attrition of staff through retirement, movement of people into other sectors or out of the labour market, emigration, and mortality (replacement demand).

8.8.1. Demand forecasting model

In the model, the demand for labour will be defined as the total number of people expected to be employed in the sector within a specific period. This figure also includes the job openings that need to be filled in the sector.

8.8.1.1. Components of the model

The model identifies new demand and replacement demand as the main drivers in creating job openings. New demand is explained by the growth of the sector as a result of increase in

[10] Other refers to technology, resignations, no organic growth and moving to new business

the demand of its services or a growth in the output of the sector. On the other hand, replacement demand is explained by employee attrition through retirement, movement into other sectors or out of the labour market completely, emigration and mortality (see Table 8-7).

Table 8-7: Categories of variables to be used

New Demand	Replacement Demand
• Economic growth of the sector *(an econometric model will be adopted to project the growth of the economy and sectors)*	• Mortality rate • Retirement • Emigration • People leaving the sector or labour market

Source: Underhill Corporate Solutions, 2016

The model utilises primary and secondary data in quantifying the variables which will be used together with well thought assumptions.

8.8.1.2. Conceptual framework and assumptions

The demand for labour in a sector is defined as the total number of people expected to be employed in the sector in a specific year. Of particular importance for skills development is the number of positions that need to be filled; i.e. the number of people that need to be recruited into or trained for the sector. Positions that need to be filled are the result of 2 (two) processes.

These processes involve expansion of the sector because of a growth in the demand for its services or a growth in the output of the sector (new demand), and attrition of staff through retirement, movement of people into other sectors or out of the labour market, emigration and mortality (replacement demand).

For the purpose of this study four demand scenarios are presented and range from conservative to most optimistic.

8.8.1.2.1. Base employment

In most labour demand studies the total number of positions available at a specific time is taken as the sum of people employed plus reported vacancies. On the basis of the findings of the employer survey the total employment is obtained by weighting SS data and is estimated at 138,587 (one hundred and thirty eight thousand five hundred and eight seven). This becomes the baseline of the employment which will be used to project employment growth over the next 5 (five) years.

8.8.1.2.2. Growth of the sector

The Financial and Accounting Services Sector, as demarcated for the purposes of the implementation of the SDA does not have specific economic data. However, economic data for Finance, Real Estate and Business Services Sector, which includes most components of the Financial and Accounting Services Sector is used. In this model, we make use of growth projections of the sector which were estimated by Quantec[11] in which they expect the growth of the sector to range from 1, 2% to 2, and 5% over the period 2016 to 2021. This gives us an average growth rate of the sector to be 2, 05% over the same period.

We make use of three scenarios. In the first scenario, we assume that the growth rate of the sector will follow the growth path estimated by the model which is an average of 2% over the next 5 (five) years. A pessimistic scenario assumes a slower growth rate of 1% which is lower than the expected growth from the model, while an optimistic scenario assumes a growth rate of 4% which will be higher and expected to be sustained at the same level than the expected growth from the model over the next 5 (five) years.

8.8.1.2.3. Employment elasticity

The Financial and Accounting Services Sector consists of components that are relatively labour intensive as well as ones that are less labour intensive. In a study conducted by the Human Sciences Research Council (HSRC) in 2002 on the demand for labour, the employment elasticity for the Business Services Sector was estimated to be 0,78. That means that for every 1% growth in output, employment would grow by 0, 78 %. This elasticity figure is relatively high. However, from the surveys that were conducted as part of the current study technological changes are slowing down growth in employment. For the purposes of this model we assume an elasticity of 0, 65%.

8.8.1.2.4. Mortality

Expected mortality in the sector was estimated by using the age, gender and population group distributions of the workforce observed in the employer survey. The results from the survey indicated a mortality rate of 0, 9% per annum.

8.8.1.2.5. Retirement

An estimate of retirement is based on the assumption that workers will retire at the age of 60 (sixty) years. The number of employees who would retire was, therefore, taken as all workers who would reach retirement age in each projection year. This calculation was based on the

[11] Quantec Research (Pty) Ltd: Economic Review, Quarterly Report, January 2017

age distribution of workers observed in the employer survey. However, it must also be noted that many professionals are often delaying their retirement at the age of 60 (sixty). In most cases the retirees move from large organisations and public enterprises to create small private businesses such as accounting practices and management consultancies to make use of their experience as well as supplementing their retirement income. For the purposes of this survey, an average of 1% taken from all the past surveys is used as the proportion of employees retiring from the sector.

8.8.1.2.6. Emigration

The fact that the labour market for professionals, and specifically financial professionals, has become a global labour market was mentioned earlier in this report. One source of information on emigration is the official emigration figures published by Stats SA. These figures are obtained at the airports, where people declare their reasons for departure from the country. Only people who state that they are emigrating are counted. It is generally accepted that the official emigration figures do not reflect the full extent of emigration because many people choose not to declare that they are leaving the country permanently. Employers reported in the survey that 0, 2% of the workforce left their service in order to establish themselves elsewhere in the world. Although it may be optimistic to think that emigration figures will level off, for the purpose of the model emigration was taken as 0, 5 % per year over the projection period to cater for unreported cases of emigration.

8.8.1.2.7. People leaving the sector or the labour market

People leaving the sector to find employment in other sectors of the economy or those who stop working altogether are the greatest factor to contribute to replacement demand. Information about these trends which is a form of wastage from the sector, is however, non-existent or very difficult to obtain. In the absence of data an assumption of 5% is used based on the previous survey reports.

8.8.2. Scenarios used in forecasts

3 (three) scenarios were developed for the purpose of this study. This was done by changing only 2 (two) variables, namely: the economic growth rates and employment elasticity ñ in other words, the factors that affect new growth in demand. Attrition from the sector was held constant and was calculated as described in the previous section. The permutations used in the 3 (three) scenarios are shown in Table 8-8.

Table 8-8: Scenarios used for the Forecasts

Scenario	Economic growth of sector	Employment elasticity
Pessimistic	1%	0,65
Normal	2%	0,65
Optimistic	4%	0,65

Source: Underhill Corporate Solutions, 2016

8.8.3. Results of the model for projection of total employment in the sector

The results of the model are shown in Table 8-9 below. The growth rates emanating from the 3 (three) scenarios are 7, 5%, 8, 1% and 10, 1% respectively. The number of new employment opportunities created over the six-year period varies as follows:

- Pessimistic : 6 575
- Normal : 14 009
- Optimistic : 27 870

It must be emphasised that all 3 (three) scenarios are based on the assumption that relatively positive average growth rates will be experienced over the projection period. Lower growth in the sector or a marked decline in the growth of the total economy will obviously change the situation completely.

Table 8-9: Labour demand projections for 2016-2021

Low Growth (Pessimistic) of 1%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	138578	149872	162087	175297	189583	205034
New positions to be filled during the year	901	974	1054	1139	1232	1333
Positions that need to be replaced during the year	10393	11240	12157	13147	14219	15378
Total positions to be filled during the year	11294	12215	13210	14287	15451	16710
Total employment at the end of the year	149872	162087	175297	189583	205034	221745
Annual growth in positions to be filled		8.1	8.2	8.1	8.2	8.1
Baseline Growth (Normal) of 2%	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Total employment at the beginning of the year	138578	150773	164041	178362	193758	210310
New positions to be filled during the year	1802	1960	2133	2319	2519	2734
Positions that need to be replaced during the year	10393	11308	12303	13377	14532	15773
Total positions to be filled during the year	12195	13268	14321	15396	16552	17794
Total employment at the end of the year	150773	164041	178362	193758	210310	228104
Annual growth in positions to be filled		8.8	7.9	7.5	7.5	7.5
High Growth (Optimistic) of 4%	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Total employment at the beginning of the year	138578	152574	167984	184951	203631	224198
New positions to be filled during the year	3603	3967	4368	4809	5294	5829
Positions that need to be replaced during the year	10393	11443	12599	13871	15272	16815
Total positions to be filled during the year	13996	15410	16966	18680	20567	22644
Total employment at the end of the year	152574	167984	184951	203631	224198	246842
Annual growth in positions to be filled		10.1	10.1	10.1	10.1	10.1

Source: Underhill Corporate Solutions, 2016

The demand scenarios also assume that there will be no constraints on the supply side. It must be remembered that employment creation in this particular sector is highly dependent on the availability of skilled professionals. They are the people who start up small practices and businesses and by doing so create employment for others. Growth may be stifled by their absence or change in the economic and regulatory environment.

8.8.4. Results of the model for projection by Occupational Categories

Further analysis was carried to out to project employment levels for the period 2016 to 2021 for those categories which had high levels of employment. Projections were made using the same assumptions which were used to estimate total employment in the sector for the next 5 years and the results are presented in the tables.

Table 8-10: Labour demand projections for 2016-2021 by Occupational Category

Occupation	Pessimistic	Normal	Optimistic
Clerical Support	1 207	2 175	2 800
Technicians	432	929	1 002
Professionals	1 622	2 844	3 765
Managers	573	1 156	1 329

The results of the model are shown in Table 8-10. Detailed results of the model is presented in Annexure B. Results shows that the sector will be in demand of between 1 622 (one thousand six hundred and twenty two) and 3 765 (three thousand seven hundred and sixty five) professionals over the period 2016-2021. It must be emphasised that all 3 (three) scenarios are based on the assumption that relatively positive average growth rates will be experienced over the projection period. Lower growth in the sector or a marked decline in the growth of the total economy will obviously change the situation completely.

8.9 Conclusion

The information presented in this chapter clearly shows that the Financial and Accounting Services Sector has grown steadily over the last 5 (five) years and that it is expected to continue on this growth path over the next 5 (five) years. The growth of the sector has slowed down when compared to previous years as a result of the slow economic growth of the South African economy. As the economy grows the number of enterprises increase and existing businesses also grow, and this also acts as a trigger which increases the need for financial services.

On the basis of the demand-forecasting model developed for the Financial and Accounting Services Sector, it is estimated that the number of positions available in the sector will increase by between 8% and 10% each year. Replacement demand is estimated at approximately 7.5% of total employment. This growth depends on the economic growth of the country and of this

particular sector. It also depends on the availability of skills. The very nature of the work of this sector is such that its growth is closely related to the availability of skilled staff especially professionals.

9 CONCLUSION

9.1 Introduction

Fasset was established in March 2000 in terms of the SDA. In 2001 Fasset started collecting and analysing labour market information on the sector and has continued to do so ever since. The reason for the collection of labour market information is to inform Fasset's skills planning and funding decisions.

The main objective of the SS was to present the 'current picture of the Fasset sector' by having regard to employers, professional bodies, education and training providers, earners, skills shortages in the sector and a demand and supply analysis. The SS is also required to highlight skills deficits and skills priorities. The information also serves to monitor transformation in the sector.

The first comprehensive SS was conducted in 2002 and included surveys of employers, professional bodies, education and training providers, and learners in the sector. After several changes in the sector, such as the SDL) threshold which was increased from R 250 000.00 to R 500 000.00, the second comprehensive SS was conducted in 2007. The third comprehensive SS was conducted in 2012 in the NSDS III dispensation. The current SS arises amidst a range of changes, including the extension of the existence of the twenty one (21) SETAs to 31 March 2020 and the corresponding extension of the NSDS III (Government Gazette, 2016)[12].

All the occupational information in the current SS has been coded and is reported on according to OFO Version 2012. The OFO is an occupational classification system that was introduced by the DoL in 2006 for the identification and reporting of scarce and critical skills. The OFO that was introduced at that time was based on an occupational classification system developed by Australia and New Zealand – the ANSCO. That classification system differed substantially from the SOC that was used before 2006 by the SETAs.

The OFO that was based on ANSCO was used in the 2007 SS conducted by Fasset. In 2010 the South African government decided to change the structure of the OFO, to align it to the ISCO which is the classification system used by the ILO. The original OFO (prior to 2010) and the one based on ISCO (post 2010) differ substantially, even at the level of major occupation groups. For this reason, the occupational data from the 2 (two) SSs should be compared with great care.

[12] http://www.dhet.gov.za/SitePages/DocGazette.aspx

9.2 Organisations in the Sector

The estimate of organisations in the sector is based on Fasset's database of organisations. The database is received from SARS via the DHET and contains the details of all organisations that could possibly fall within the sector. However, the majority of organisations on the list do not pay the SDL and it is not known how many of them are active. Over the years Fasset has made a concerted effort to clean the database and to stay in contact with levy-exempt organisations that are active in the sector by registering them. Only registered organisations have access to Fasset's lifelong learning events and discretionary grants. In this SS it was assumed that the sector consists of the levy-paying organisations together with the levy-exempt organisations that are registered with Fasset.

This brought the estimate of the total number of organisations to almost 5 042 (five thousand and forty two), with small organisations (those that employ fewer than 50 (fifty) people) making up 94.8% of the organisations in the sector. Medium size organisations with 50 (fifty) to 149 (one hundred and forty nine) employees constitute 2.9% of the organisations in the sector while the large organisations with 150 (one hundred and fifty) or more employees form 2.0% of the organisations in the sector. The small group of large organisations employ 69.9% of the sectoral workforce and the medium size organisations another 6.9%. This situation has not changed since 2007 and Fasset is still faced with the challenge of balancing the needs of small, medium and large organisations, keeping in mind the distribution of employees among these organisations.

9.3 Employment in the Sector

Employment in the sector has been increasing since the first SS was completed in 2002. However, the rate of increase slowed down between 2012 and 2016. On average the total employment rate has been increasing by an average of 5.5% per year between 2002 and 2008 and 3.1% per year between 2008 and 2012. However, between 2012 and 2016 the rate of growth had slowed down to an average of 0.5% per year. Majority of employees (39.7%) work in Accounting, Bookkeeping, Auditing and Tax Services. This is supported by the fact that 51.1% of employers are in this sector too. This is followed by Activities Auxiliary to Financial Intermediation, Stockbroking and Financial Markets and SARS and Government Department sub-sectors which employ 15.2%, 13.8% and 13.5% respectively. Development Organisations sub-sector is the smallest of all sub-sectors in terms of employment as it only employs 0.3% of the total employees in the sector. Large companies constitute a very small percentage of the sector's employer population, however, shows that they constitute 69.9% of employment which has increased by 17% from the 2012 SS. The SS reveals that average employment per organisation varies considerably according to organisational size. Even where the two smallest categories are concerned, small organisations employ an average of 14 (fourteen) people, while NLP organisations employ an average of 5 (five) people.

9.4 Profile of the Sector

The current profile of the sector is consistent with the profile portrayed in the previous studies. The majority of employees in the sector are women who constitute 60%. The percentage of male employees has been fluctuating between 38.6% and 46.4% in the previous SS while the percentage of female employees fluctuates between 53.6% and 61.4%. Professionals form the largest occupational group, with 40.2% of the workforce employed in professional occupations. The second largest occupational group is Clerical Support Workers (29.9%), followed by Managers (14.2%) and Technicians & Associate Professionals (10.7%). The majority (62.9%) of employees in the sector have post-school qualifications. 37.4% of employees in the sector are holders of a National Qualifications Framework (NQF) Level 4 qualification, followed by 28.8% who have achieved NQF Level 7 qualification. The smallest number of employees fall into the lowest educational categories, being NQF Levels 1, 2 and 3 with a combined percentage of 2.3%, which is a consistent reflection over the years of the sector's need for a highly-qualified workforce. Employees in the sector are relatively young, with 55 % of them being 35 (thirty five) years old or younger. Only 6.7 % of the employees are over the age of 56 (fifty six) years. The sector is also highly concentrated in the urban areas of Gauteng, the Western Cape and KwaZulu-Natal.

9.5 Transformation of the Sector

The SS clearly shows that the sector has made significant strides in transforming. The composition of the 4 (four) race groups in the sector for the period between 2002 and 2016 shows that the percentage of Black Africans employed in the sector has increased from 17% in 2002 to 37.4% in 2016 while that of Whites has decreased from 66% to 36.4%. The percentage of Coloureds employed in the sector has also increased from 8% in 2002 to 12.7% in 2016 while that of Indians has decreased from 10% in 2002 to 9.4 % in 2016. Black Africans constitute the majority of employees in most occupational categories, including Clerical Support Workers; and Technicians and Associate Professionals. However, Whites comprise the majority in the Managers (8.1%) and Professionals (16.3%) categories with Black Africans comprising 2.8% and 14.2% in those respective categories.

The race and gender profile of the sector shows some significant improvements from the previous years. Black African and female employees are now in the majority. However, measures need to be put in place to ensure that more Black Africans occupy the Managerial and Professional positions and more females occupy positions which are superior to the Clerical Support positions. The sector currently employs only a very small number of people with disabilities. The type of work performed in the sector provides any opportunity for people who live with disabilities to earn a livelihood. The sector ought, therefore to encourage employers to focus on creating employment opportunities for people with disabilities.

9.6 Professional Bodies in the Sector

Professional bodies performs self-regulatory and professional functions to uphold practice standards, enhance quality of services and protect the broader public against unscrupulous practitioners. A large portion of the workers in the sector are members of organised professions and are represented by these bodies. By upholding standards in the financial services sector the professional bodies make an important contribution to strengthen investor confidence in the economy.

A complex combination of qualifications awarded by professional bodies and conferred by public and private higher institutions is used in the sector. Several professional bodies confer upon their members qualifications that are registered on the NQF. It is common practice that qualifications, professional designations and membership of the professional bodies are interlinked. Most of these qualifications require workplace experience in addition to academic training, and many are registered as learnerships with Fasset and other SETAs. Quality assurance of the majority of qualifications in the Fasset sector is managed by the professional bodies in partnership with Fasset.

In addition to the development of education and training programs for their particular designations, Professional bodies are also involved in functions which support this primary role. Some of the initiatives which they are undertaking are enhancing output rates by providing learners with mentorship and tutoring in the form of short courses, refresher and revision classes; providing financial support to learners in the form of bursaries aimed at high-achieving Matric students from low-income households; providing access to learnership opportunities by using their networks to connect learners with employers; providing graduate placement through networking, appointing register and posting of job opportunities on their websites; providing CPD through publishing newsletters for their members, organising workshops on sector and profession updates as well as facilitating opportunities for CPD. Some professional bodies recognise RPL as a valid form of knowledge and skills set which contribute to the completion of qualifications and the awarding of designations.

9.7 Skills Shortages in the Sector

One of Fasset's key responsibilities is to monitor the skills demand and supply in its sector and to identify mismatches in the labour market. Chapter 7 of this report looks at the demand-side of the market and the skills shortages experienced by employers and observed by professional bodies. The term "skills shortages" is used to refer to both the quantitative mismatches between the demand and supply sides of the labour market and qualitative deficiencies in the skills sets of employees.

Skills shortages typically manifest in high staff turnover rates and difficulties experienced by employers to retain certain categories of staff. In order to gauge the nature and extent of skills shortages experienced in the sector, employers were asked to identify the occupations in which they find it difficult to find suitable employees. They were also asked about the number of vacancies in their organisations in those occupations. According to the employers, a total

of 3 573 (three thousand five hundred and seventy three) people would be needed to fill vacancies in occupations in which there seemed to be a scarcity of qualified people. These vacancies are composed of Managerial (640 (six hundred and forty)); Professionals (2 633 (two thousand six hundred and thirty three)); Technicians & Associate Professionals (186 (one hundred and eight six)); and Clerical Support Workers (114 (one hundred and fourteen)).

Poor quality teaching, low Matric pass rates, poor Mathematics competency levels and a lack of adequate career guidance were the predominant reasons cited by professional bodies for the various scarce skills in the sector. A lack of funding to address these 4 (four) factors was believed to be a huge compounding problem.

Majority of organisations (63.4%) reported that they offer learnership programs to address scarce skills. Learnerships are popular as they offer learners very critical skills that are essential to the workplace as well as practical experience relating to the work environment. Learners also have higher chances of getting employed as they can easily adjust to the work environment because they are also taught other important skills such as social and communication skills. Other forms of interventions used by organisations in the sector are bursaries (17.1%), Workplace Training (7.3%), Mentorships (4.9%) and Bridging Programs (4.9%).

9.8 The Supply of Skills to the Sector

The skills required for the sector are produced at school, TVET colleges, private training providers, universities and workplaces. To a large extent, the issues facing TVET colleges regarding quality of lecturing staff mirror those found at universities. Public TVET colleges indicated that they have adequate capacity in terms of lecturing staff, however, their challenge relates to retaining qualified and experienced employees. As a result of competition from other organisations, employment in TVET colleges is largely seen as a stepping stone by most university graduates. Lecturers at TVET colleges also lack practical work exposure in other organisations and this affects their ability to integrate theory with relevant industry practice.

Availability of infrastructure is a problem for the majority of university. The problem is rooted in the rapid expansion in student intake levels which has unfortunately not been matched by infrastructure growth. This has undoubtedly created infrastructure bottlenecks for student lecture rooms, facilities and lecturer offices. As a result of limited operational budgets, maintaining available infrastructure is also a challenge.

The high drop-out rates on learnerships remain a challenge that the sector faces. The two most important reasons for premature termination of learnerships wrong career choices and financial constraints. Both these are areas that Fasset can address.

Given the toxic atmosphere in which this survey was conducted with the “#FeesMustFall” campaign in full swing, most training providers raised issues relating to the financial challenges affecting learners. This indicates that while there is recognition of the South African government efforts at providing financial support to tertiary institutions, more still needs to be done. Concerns were raised regarding the inadequacy of funding to cover student needs such as accommodation and transport. To a large extent, respondent perceptions reflect the success

of government efforts at improving student financial access to financial resources through NSFAS funding.

Access to workplace learning opportunities is a challenge for tertiary institutions at all levels. Faced with an economy showing a lacklustre growth, it is hardly surprising that fewer organisations have an appetite to accommodate students for workplace learning opportunities. What seems evident though is that learners from public TVET colleges have a much better chance at workplace learning opportunities than their counterparts at universities.

Graduate placement is a challenge confronting universities and TVET colleges alike. Research findings confirmed the poor rate of graduate absorption by the economy. However, it has to be noted that most training providers do not have a tracking system on their graduates and it is therefore difficult for them to know where their graduates are employed at any specific time. Across the spectrum, training providers acknowledged the difficulties faced in the labour market by some of their graduates. Graduate absorption in the labour market is influenced by a number of factors including the fit between their qualifications and the rate of growth of the economy. Both factors may be contributing to the low placement of graduates in the local labour market.

9.9 Research Capacity and Needs

The SS also assessed the research capacity and research needs in the sector. This area of focus was included because of the emphasis that the National Skills Development Strategy (NSDS) III places on research and the SETAs' responsibilities regarding the development of research capacity in the country. A review of respondent comments at both university and TVET colleges indicates that research efforts are not at the level where they should be. Most of the research referred to is focusing on academic outputs at Masters and PhD level. From the responses, it is also apparent that research is currently considered an underfunded mandate with respondents indicating that they would like more funding and guidance by the sector on areas to focus on.

Current funders include some banks for Research Chairs and the National Research Fund focusing on specific projects. Respondents indicated that they would like more funding for research, guidance from Fasset on research areas that are of sectorial interest as well as training on how to handle research. The need for research capacity building through training features more prominently at TVET college level. Other issues mentioned include the need for assistance from Fasset in publicising research outputs and having road shows to publicise available funding windows for research.

Areas which professional bodies believed that research was needed, and which Fasset could initiate and fund on behalf of and for the benefit of the sector's stakeholders, include research on the future impact of technology; impact of regulation; development of integrated thinking skills in new graduates and junior professionals; impact of withdrawal of funding from certain projects such as work readiness programs and learnerships; career guidance as they is need to research into effective ways in disseminating informative details on different career options available. Other areas which professional bodies suggested for future research concerns how

to build a network of retirees who can mentor learners; how to make CPD more relevant, rather than a compliance exercise; the impact of language barriers on learners; determine the average company's ratio of higher to lower level finance skills; and whether the QCTO model is workable.

9.10 Stakeholders Expectations from FASSET

As the main driver of skills development in the sector, Fasset carries an enormous responsibility in ensuring that the myriad of skill challenges are not only identified but also managed. From the respondent's perspective, the 3 (three) key roles that Fasset ought to play relate to offering better training opportunities and specific courses focused on addressing specific skills shortage areas and, perhaps more importantly, providing funding. Majority of respondents (33%) would like Fasset to offer better training opportunities while 19% would like it to offer specific training courses. This information is critical in sector skills planning and in ensuring skills development initiatives focus on areas of strategic importance to stakeholders. The areas highlighted are at the core of the SETA skills mandate and therefore need further investigation to clarify the specific expectations of the stakeholders.

ANNEXURE A: METHODOLGY USED IN CALCULATION OF WEIGHTS

METHODOLGY USED IN CALCULATION OF WEIGHTS – EMPLOYER SURVEY

The sample of employers[13]was drawn from Fasset's database of skills levy paying and accepted non-levy paying organisations. SARS and government departments were also included. In order to extrapolate the data collected from the sample of organisations in the survey to sector totals and to compensate for the use of disproportionate sampling, the data had to be weighted.

Levy-paying organisations

First, organisations were categorised according to subsector and total SDL amount paid in 2016. Each organisation was categorised based on the sub-sector and levy amounts paid. The data was sourced from Fasset's database.

Second, the levy amounts paid by organisations in each category were used to calculate the weights for the respective categories. Weights were calculated as follows:

$Weight_C = (L_{CT} / L_{CS})$

Where

L_{CT} = Total levy amount paid by all organisations in Category

and

L_{CS} = Total levy paid by organisations in Category that participated in the survey.

Non-levy paying organisations

The total employment of non-levy paying organisations (NLPs) registered on Fasset's database in 2016 was used to calculate weights for NLP organisations per subsector. The following formula was used:

$Weight_{NLP} = E_{NLP\ total} / E_{NLP\ sample}$

Where

$E_{NLP\ total}$= Total employment of NLP organisations on the database

and

$E_{NLP\ sample}$ = Total employment of NLP organisations participating in the survey.

[13] Because of the small number of organisations with annual levies higher than R 500 000.00 all were included in the sample but not all of them participated. All government departments in Fasset were also included.

Table B—1 shows the weights used for levy paying and non-levy paying organisations (employers).

TABLE B – 1 FINAL WEIGHTS: EMPLOYERS

	Row Labels	Accounting, Bookkeeping, Auditing and Tax Services	Activities Auxiliary to Financial Intermediation	Business and Management Consulting Services	Development Organisations	Investment Entities and Trusts and Company Secretary Services	Stockbroking and Financial Markets	SARS and Government Departments
NLP	1	3,8823529	1,000000	23,000000	1,000000	14,000000	1,000000	1,000000
<10000	2	4,669899	1,000000	13,058955	1,5342935	1,000000	16,473107	
10000-49999	3	4,1403544	17,25878	6,8486341	4,6823778	9,6349586	8,6155843	
50000-99999	4	3,5286272	23,525205	4,8396387	1,0000000	7,9189207	13,807874	
100000-499999	5	3,9936288	7,251308	5,5924027	1,1048318	2,5367993	5,8557437	
500000-999999	6	3,5835224	1,9258655	5,8971451	1,3167453	1,6383293	10,959629	
>1000000	7	1,4087638	1,9262304	3,4227327	1,0000000	16,210232	5,4960209	

Besides summarised total employment figures, organisations also had to provide detailed biographical information on individual employees. Not all organisations could assist the research team with this information and not all information provided could be used. Detailed employee information received in the survey had to be re-weighed. The same category system as explained above was used and weights that could be applied to the individual records belonging to organisations in each category were calculated as follows:

Weight IE = E_C/E_S

Where

E_C= total weighted employment of organisations in the category and

E_S = Total number of individual employee records of organisations in the category.

ANNEXURE B: PROJECTIONS OF EMPLOYMENT BY DIFFERENT OCCUPATIONS

i. Clerical Support

Low Growth of 1%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	41435	45433	50490	56111	62355	69295
New positions to be filled during the year	269	968	1075	1195	1328	1476
Positions that need to be replaced during the year	3729	4089	4544	5050	5612	6237
Total positions to be filled during the year	3998	5057	5620	6245	6940	7713
Total employment at the end of the year	**45433**	**50490**	**56110**	**62355**	**69295**	**77007**

Baseline Growth of 2%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	41435	45703	53929	60801	68292	76458
New positions to be filled during the year	539	1622	1914	2158	2424	2714
Positions that need to be replaced during the year	3729	4113	4854	5472	6146	6881
Total positions to be filled during the year	4268	8227	6872	7491	8166	8902
Total employment at the end of the year	**45703**	**53929**	**60801**	**68292**	**76458**	**85361**

High Growth of 4%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	41435	46241	52701	60064	68455	78018
New positions to be filled during the year	1077	2298	2619	2985	3402	3877
Positions that need to be replaced during the year	3729	4162	4743	5406	6161	7022
Total positions to be filled during the year	4806	6460	7362	8391	9563	10899
Total employment at the end of the year	**46241**	**52701**	**60064**	**68455**	**78018**	**88917**

ii. Technicians

Low Growth of 1%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	14828	16909	18791	20882	23206	25789
New positions to be filled during the year	746	360	400	445	494	549
Positions that need to be replaced during the year	1335	1522	1691	1879	2089	2321
Total positions to be filled during the year	2081	1882	2091	2324	2583	2870
Total employment at the end of the year	**16909**	**18791**	**20882**	**23206**	**25789**	**28660**

Baseline Growth of 2%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	14828	16355	19299	23054	27148	31611
New positions to be filled during the year	193	581	685	818	964	1122
Positions that need to be replaced during the year	1335	1472	1737	2075	2443	2845
Total positions to be filled during the year	1527	2944	3755	4094	4463	4866
Total employment at the end of the year	**16355**	**19299**	**23054**	**27148**	**31611**	**36477**

High Growth of 4%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	14828	16548	18860	21495	24497	27920
New positions to be filled during the year	386	822	937	1068	1218	1388
Positions that need to be replaced during the year	1335	1489	1697	1935	2205	2513
Total positions to be filled during the year	1720	2312	2635	3003	3422	3900
Total employment at the end of the year	**16548**	**18860**	**21495**	**24497**	**27920**	**31820**

iii. Professionals

Low Growth of 1%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	55708	61084	67882	75438	83834	93165
New positions to be filled during the year	362	1301	1446	1607	1786	1984
Positions that need to be replaced during the year	5014	5498	6109	6789	7545	8385
Total positions to be filled during the year	5376	6799	7555	8396	9331	10369
Total employment at the end of the year	**61084**	**67882**	**75438**	**83834**	**93165**	**103534**

Baseline Growth of 2%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	55708	61446	72506	81050	90363	100516
New positions to be filled during the year	724	2181	2574	2877	3208	3568
Positions that need to be replaced during the year	5014	5530	6526	7294	8133	9046
Total positions to be filled during the year	5738	11060	8544	9313	10153	11067
Total employment at the end of the year	**61446**	**72506**	**81050**	**90363**	**100516**	**111583**

High Growth of 4%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	55708	62170	70855	80754	92035	104892
New positions to be filled during the year	1448	3090	3522	4013	4574	5213
Positions that need to be replaced during the year	5014	5595	6377	7268	8283	9440
Total positions to be filled during the year	6462	8685	9898	11281	12857	14653
Total employment at the end of the year	**62170**	**70855**	**80754**	**92035**	**104892**	**119546**

iv. Managers

Low Growth of 1%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	19678	21577	23978	26647	29613	32909
New positions to be filled during the year	128	460	511	568	631	701
Positions that need to be replaced during the year	1771	1942	2158	2398	2665	2962
Total positions to be filled during the year	1899	2402	2669	2966	3296	3663
Total employment at the end of the year	**21577**	**23978**	**26647**	**29613**	**32909**	**36572**

Baseline Growth of 2%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	19678	21705	25612	29935	34648	39786
New positions to be filled during the year	256	771	909	1063	1230	1412
Positions that need to be replaced during the year	1771	1953	2305	2694	3118	3581
Total positions to be filled during the year	2027	3907	4323	4713	5138	5602
Total employment at the end of the year	**21705**	**25612**	**29935**	**34648**	**39786**	**45388**

High Growth of 4%	2016	2017	2018	2019	2020	2021
Total employment at the beginning of the year	19678	21961	25029	28525	32510	37052
New positions to be filled during the year	512	1091	1244	1418	1616	1841
Positions that need to be replaced during the year	1771	1976	2253	2567	2926	3335
Total positions to be filled during the year	2283	3068	3496	3985	4542	5176
Total employment at the end of the year	**21961**	**25029**	**28525**	**32510**	**37052**	**42228**