

1 **Work-based skills upgrading in firms in the public and private sectors**

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In this section, we consider the challenges of skills upgrading at firm level, both public and private sector. **PUNDY PILLAY, ANDREA JUAN** and **THEMBINKOSI TWALO** present new data to show the scale and nature of investment in training in the public sector. **BONGIWE MNCWANGO, XOLANI NGAZIMBI** AND **THEMBINKOSI TWALO** show the importance of a standardised system of SETA (Sector Education and Training Authority) indicators to allow for better planning for skills development in firms, particularly small enterprises and cooperatives.

Skills development in the public sector is increasingly recognised as vital in improving the capacity of government departments to deliver services. Policy targets set under the National Skills Development Strategy II proposed that government departments should spend 1% of their personnel budgets on training by government departments. **PUNDY PILLAY, ANDREA JUAN** and **THEMBINKOSI TWALO** report on findings on government spending on skills development over the last five years, and the extent to which departments measure the impact of skills development.

To date, there has been very little collated data on the extent, nature and outcomes of government expenditure on skills development in the public sector. Given the challenges of policy implementation and service delivery in the country, it is important to assess what kind of impact, if any, such skills development has on the personal characteristics of individuals undergoing training courses.

We also tried to establish whether the training contributed more broadly to increased productivity with regard to policy development, service delivery, and policy implementation.

RESEARCH METHODS

For this study we made extensive use of data sources from the National Treasury (NT) and the Public Services SETA (PSETA) on training. It is unfortunate that training data was not also available from individual government departments as this would have enabled, among others, a comparative analysis of the number of government employees who received training relative to the total workforce.

While the NT data was extremely useful, it constrained the nature and extent of the analysis that needed to be undertaken. The PSETA data, in turn, was bedevilled by issues of quality, particularly data on expenditure. The best possible use was made of both these sources of valuable data for the first analysis of its kind.

For the assessment of the impact of training, we collected and analysed primary data using a questionnaire, and analysed a sample of national and provincial departments, namely Correctional Services, Home Affairs,

and the South African Revenue Services (national), and various departments in the following provinces: Eastern Cape, KwaZulu-Natal, Limpopo, and the Western Cape.

SPENDING ON TRAINING

The study found that national government departments, as a whole, were spending a considerable sum of money on training — a total of R1.8 billion in 2009/10, and more than 205 000 people attended some form of skills development programme.

It also found that most national departments were spending more than the mandatory 1%, but there was substantial variation across departments in terms of programme per capita costs.

Across provinces, there were substantial differences between budgets and actual expenditure. Substantial amounts were spent on bursaries, especially in departments such as Social Development and Health, probably as part of a strategy to address the long-term challenge of scarce skills. And, as with national departments, the per capita costs vary considerably across provinces and departments within provinces. Further research is required to determine the reasons for these variations.

MEASURING THE IMPACT OF TRAINING

With respect to impact assessment, the findings in general indicate that very little work has been done to develop the necessary institutional mechanisms to measure the efficiency and efficacy of training. Among the govern-



ment departments that were part of the survey, there was hardly any data on the impact of training in terms of public service productivity, increased occupational mobility or earnings.

In all the cases we evaluated, no formally defined institutional mechanisms existed for assessing the impact of training, with the exception of the Treasury Department in KwaZulu-Natal, where there was a serious effort to develop an impact assessment exercise.

In KZN, substantial amounts were spent on training and a considerable number of employees were trained in the three departments we examined.

There was also evidence of some innovation in the province, considering some serious efforts made at clearly identifying training priorities. Examples were the performance management development system put in place by the Department of Education and, very importantly, an impact assessment exercise that was being developed by the Provincial Treasury. In both the Eastern and Western Cape provinces a substantial amount of training was being undertaken, but very little information was available about the efficiency and efficacy of the training associated with such expenditure.

Given the relatively high level of expenditure on training in the public sector, it is unacceptable that so little information is available about the impact of training. Therefore, a much greater effort has to be made across the spheres and departments to improve the collection, reporting and analysis of data on training and expenditure, as well as the outcomes of such training.

RECOMMENDATIONS

- PSETA should invest substantially more resources (human and financial) in ensuring improvement in the quality of workplace skills plans and annual training reports submitted by national departments and provinces to PSETA; as well as building in-house capacity to analyse such data.

- The Department of Higher Education and Training (DHET) or PSETA should undertake regular studies to investigate the efficacy of resource utilisation, given the wide variance in per capita training costs across national departments and provinces.

- Given the high level of expenditure on training in the public sector, government should make a greater effort to measure the impact and efficacy of such training.

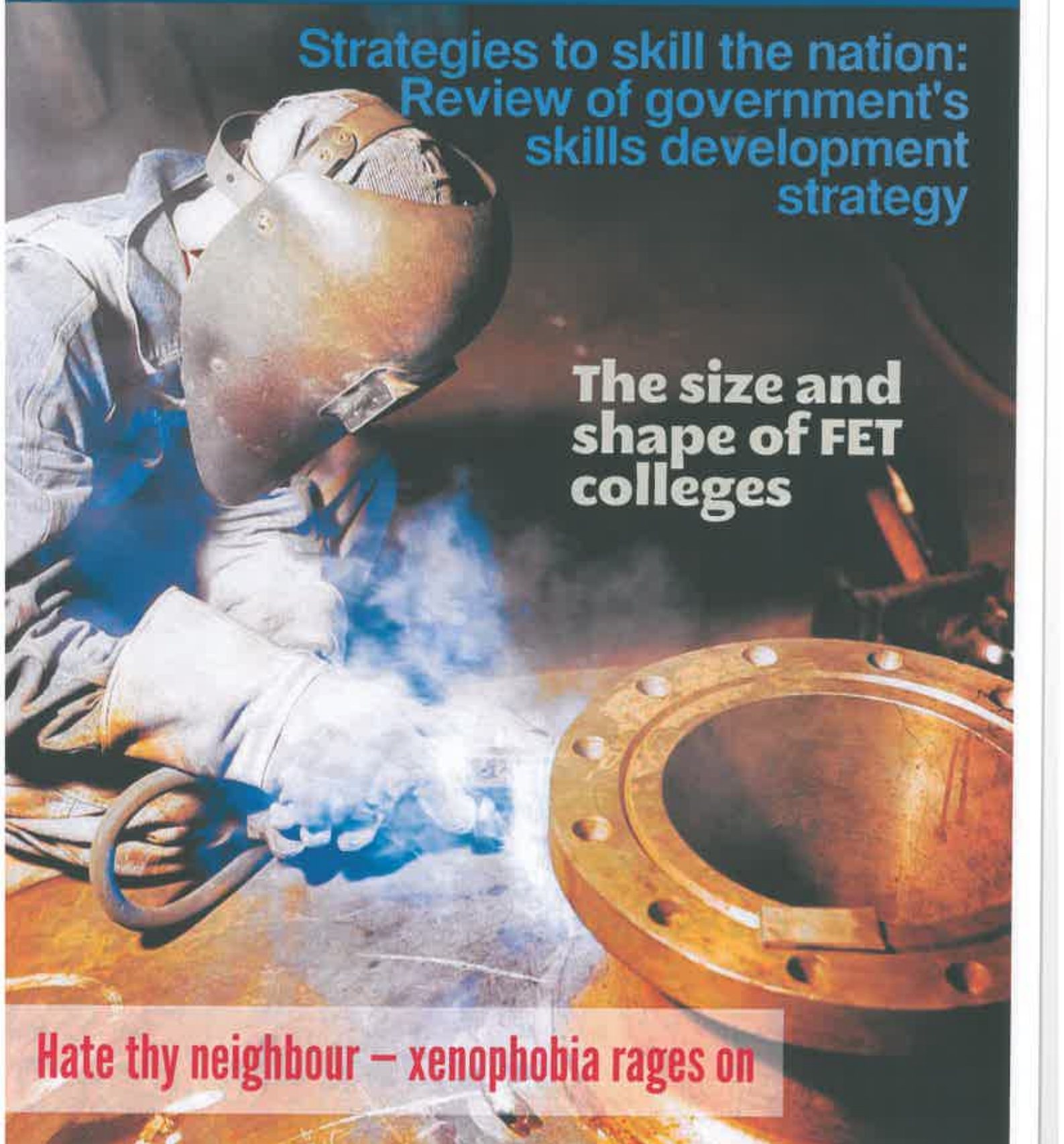
- The DHET should lead the efforts to design appropriate evaluation mechanisms, while PSETA should be given the task of coordinating the assessment of training across the country. Consideration should be given to the role provincial training academies could play in this regard, for example, in the Western Cape and KZN.

- In the development of appropriate institutional mechanisms for assessing the impact of training expenditure, appropriate levels of general, specific and scarce skills should be developed. In this regard, linkages should be made with the responsible institutions at national and provincial levels for monitoring and evaluating the country's national human resources development strategy.

- With regard to the development of a specific training assessment model for the public service, consideration should be given to building on the promising model that has been developed by the KZN Treasury. ◀◀

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