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## **Skills training: Companies win when staff win**

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### **Deon Oberholzer, co-founder of ProudAfrique Human Capital**

“Local companies are caught between a rock and a hard place,” says Deon Oberholzer, co-founder of ProudAfrique Human Capital, a Skills Development Facilitation business that assists companies in B-BBEE accredited training. “Many are not in a position to create new jobs and haven’t closed the skills gap with the staff they already have.”

With this in mind, Oberholzer says ProudAfrique’s mission is to provide leveraged skills and career programmes for any person at any level in any department of any company in any industry. It’s a big statement to make.

“Yes, it sounds like mission impossible,” he says, “but we are actually doing it. The skills programmes we provide as our core offering are essential for every company and, while a client’s business may require skills in the short-term, business owners should be planning ahead for medium- and long-term skills development, which allows for the creation of a sustainable company through skilled employees.”

With many years of experience in readying companies for B-BBEE compliance and its positive returns, Oberholzer points out that skills development has moved to the front of



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the line in terms of the Amended B-BBEE Scorecard. “It provides as many points as the ownership element; and with the increase in targets from 3% to 6%, companies are embracing a more sustainable approach rather than throwing money at meaningless training just to get points on the scorecard.”

Training for the sake of training and receiving training from sub-par companies can be detrimental to both the company and its staff. However, effective training can have a massive impact on any company’s scorecard, he asserts.

“With careful planning, companies can achieve more than 90% of the available skills development points by spending less than 25% of their total BEE scorecard target,” Oberholzer says. “There’s a plethora of incentives to make this more cost effective for companies, including tax rebates, subsidies, SETA funding and the allowance - in specific cases - of including salaries of employees as part of the recognised costs in terms of BEE.”

It’s an area that needs to be explored, according to ProudAfrique, because effective implementation of skills training programmes creates a win for the company and, particularly, a win for the staff who are empowered by the training. “For example,” Oberholzer point out, “workplace based learning programmes” apply academic and technical skills to progress the learner’s employability through courses that blend the academic part of the curriculum with practical application in the workplace to maximise the benefit to the learner and the business.

“Short skills programmes, on the other hand, typically takes the employee away from work for a few days or weeks and, at best, provide the employee with ‘just enough’ training and knowledge and sometimes offer no more than an attendance certificate. Short skills programmes have their place, but it should not be at the core of the Human Resource Development strategy of a business.”

“It includes tax rebates on learnerships; the so-called youth subsidy to promote job creation for young work seekers; SETA grant funding structures; and the inclusion of salaries for employees on internships, learnerships and apprenticeships,” says Oberholzer, adding that company that takes the trouble to get this mix right could easily get full points for the skills development element, plus extra points in employment equity (employment of people with disabilities) and procurement (procuring skills programmes from black owned skills suppliers).

“The B-BBEE Scorecard was never intended to be carried out in silos. By integrating people development strategies with various other elements in the scorecard, there are numerous opportunities for synergy and cost saving.”

### **Opportunity hidden behind negativity**

Oberholzer urges companies to see past the negative narrative about the SETAs and the educational challenges we face as a country and note the robustness of the underlying foundation of our educational framework. “One can take a combination of SAQA registered unit standards and include unaccredited skills programmes into formidable client-specific



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training programmes,” he says, noting that ProudAfrique Human Capital currently offers more than 300 programmes from NQF1 through NQF7, both online and onsite.

“In many instances a solution to almost any training challenge already exists. If it doesn’t, it is possible to either repackage existing training components or to create new ones. The moment a company takes a long-term view on people development, almost anything is achievable.”

At this point, managers will be asking about when they will see effective return on investment (ROI) through skills development and training, to which Oberholzer responds, “This is really the wrong question. The real question is, ‘how a company could not see a significant ROI from investing into their own people?’

“We are faced with some unfortunate realities in our early education in South Africa, with millions of kids not having access to school books or even a classroom. To top that off, our statistics are dismal if you give even the slightest credibility to the annual the Global Competitiveness report published annually by the World Economic Forum (WEF).

“Consider this for a moment,” he says: Out of 137 companies included in the report this is where we fit in:

- Quality of Primary Education 116 (2008: 104/134)
- Quality of education system 114 (2008: 110/134)
- Quality of maths and science 128 (2008: 132/134)
- Internet access to schools 95 (2008: 91/134)
- Availability of scientists and engineers 100 (2008:110/134)
- Extent of Staff training 39 (2008:15/134)

\*(Source WEF GCR 2017/18 and 2008/2009)

“The measurement of the extent of staff training at 39 out of 137 countries is a breath of fresh air, but we have sadly been relegated from 15th in 2008. The BEE Codes are probably a significant contributor to this being in a better position on the ranking, but it would appear that it is still not enough. The major disappointment, though, is that nothing material has changed since 2008.”

Pressed for his view on reasons for the skills shortage and what can be done about it, Oberholzer says we can rightfully blame past and present governments for not sorting out basic education, but that does not solve the skills shortage in the short term. “Businesses have to do their bit in employing people with the potential to become skilled in their specific business requirements, and then invest into those people.



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“At the same time, people must realise that they need to take some responsibility in developing themselves,” he adds. “A company is far more likely to help a person that is already helping himself or herself.”

For those companies looking to be compliant with skills development requirements on their B-BBEE scorecards, Oberholzer suggest firstly that they get the right guidance. “One of the challenges we have found is that this market is saturated with people offering a particular product and trying to convince business that theirs is best.

“One has to approach it with a skills and objectives strategy and then partner with suppliers and specialists that can offer optimised solutions. One size does not fit all. The options, solutions and alternatives that exist are plentiful, but without a proper understanding of how to approach it, the cost to company may be a lot more than it needs to be - and the benefit to the company’s scorecard, bottom line and staff will simply not be optimised.”