




Wholesale&Retail

LEADERSHIP CHAIR

Collaboration opens the window to a world of opportunities



Towards effective Work-Integrated Learning (WIL) in Small, Medium and Micro Enterprises (SMMEs) in the retail industry A SUMMARY

THE 70:20:10 LEARNING FRAMEWORK effective workplace learning		
70%	experiential learning (through structured workplace practice)	
20%	social learning (through interaction with work colleagues)	
10%	formal learning (through structured knowledge courses)	

(Source: Education Development Center, Massachusetts)

INTRODUCTION

Work-Integrated Learning (or WIL) is internationally defined as career-focused learning that integrates theoretical knowledge with workplace practical application, within a vocationally designed curriculum. It can play a significant role in how employable a graduate student will be.

But teaching and learning in the classroom is not always integrated into workplace practices. This study identifies and prioritises WIL developmental policy and strategy, and makes recommendations for interventions for enhanced participation of Small, Medium and Micro enterprises (SMMEs) in effective WIL activities.

METHODOLOGY

This study made use of a qualitative methodology, including international and South African WIL literature reviews, augmented by interviews and questionnaire surveys of samples of SMME retailers, tertiary vocational education staff and students, as well as insights from retail corporates and independent skills development facilitators.

BACKGROUND

Many research projects relating to WIL barriers and best practices have been conducted in widely different international vocational and cultural contexts. This body of work underscores the importance of 'eagerness to learn at work' and 'employability skills development' through integrated management of formal and experiential learning in relevant workplace settings.

In this country, vocational education is influenced primarily by professional councils, which contribute to curriculum development and assessment of student competence. Vocational higher and further education institutions have also defined the need to provide skilled learners who are able to 'hit the ground running' when they enter the world of work.

The National Skills Development Strategy III Progress Report reflected critically on the achievement of effective WIL within SMMEs, including the need to promote the growth of a college system responsive to industry skills, the need for better use of workplace-based skills development and support for co-operatives, small enterprises and vocational training initiatives.

The Department of Small Business Development (DSBD) was set up to promote sustainable SMME growth, skills development and competitive competence. Information on SMMEs and co-operatives indicates that progress is slow when it comes to financial literacy, skills development funding and regulatory policies, all of which are constraints for business investors, WIL placement officers and aspiring retail career students.

THE SOCIO-ECONOMIC SIGNIFICANCE OF THE RETAIL SECTOR

Employment by size

700 872 jobs in retail trade



(Source: Statistics SA 2014)



Some 30 000 tax-registered enterprises employ 19% of the total economically active workforce of the country.

90% of new jobs should be created by SMMEs



90%

79% of SMMEs are in the retail sector

79%



Registered enterprises and WIL placements

- 86% small and micro
- 9.5% medium
- 4.5% large corporate



86% of registered enterprises are small and micro businesses and they are placing almost 0% of students for WIL.

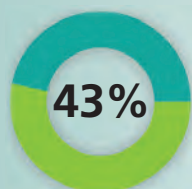
9.5% of registered enterprises are medium sized businesses and only a few of them are placing students for WIL.

4.5% of registered enterprises are large corporates and they are placing nearly 100% of the students for WIL.

Corporates are leading the the process in providing WIL opportunities to University and TVET students. **The problem is that there is insufficient involvement of SMMEs in providing WIL workplace opportunities.**

CONSTRAINTS TO SUSTAINABLE SMME RETAILING: ACCESS AND EXPANSION

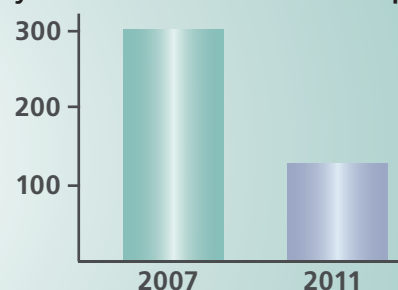
Although SMME development is one of the government's priorities, South Africa has a record of below-average entrepreneurial and small business development. Significant to the achievement of WIL objectives in the developmental context is that small and micro enterprises are mostly survivalist in nature, measured in terms of sales growth, employment creation and career scope (as perceived by students and educational staff).



ATTRITION IN SMME BUSINESSES IN SOWETO

300 SMMEs identified in 2007
130 SMMEs still in operation in 2011
43.3% Survival rate after five years

(Source: Unisa Bureau of Market Research Report 2013)



The highest densities of retail enterprises are in urban South Africa, which is moving increasingly towards mall-based retailing, a trend with negative implications for the competitive sustainability and job creation potential of retail SMMEs.

“... the Department of Higher Education and Training (DHET) has been steering post-school education and training institutions to open up possibilities for partnerships with commerce and industry; and requiring SETAs to plan and fund numerical targets for workplace learning and experience.”
 – Chief Director DHET: Work-Integrated Learning

INTERVENTIONS

In recent months, educational governance thought-leaders and talent development practitioners have initiated reviews of the effectiveness of current vocational skills learning and development.

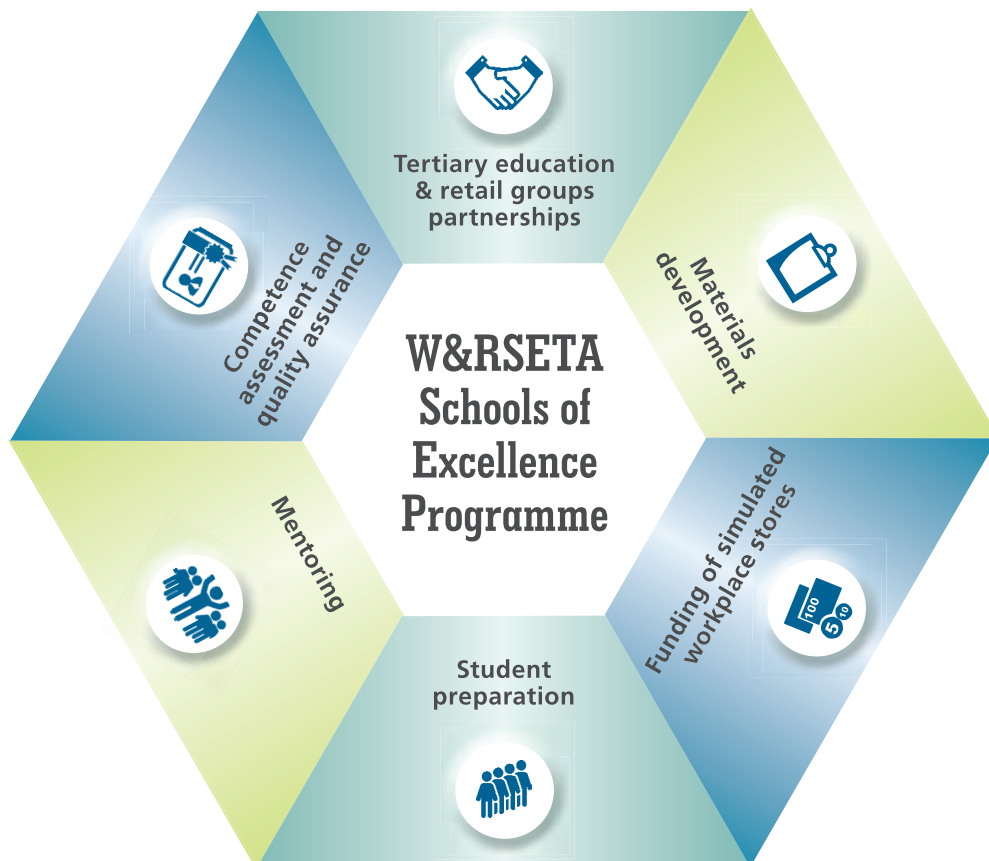
Two recent interventions were as follows:

DHET WIL workshop

“Together, Turning Every Workplace into a Training Space”

This workshop focused on stakeholder perceptions, partnerships, funding models and best practices to promote workplace-based learning.

Building on WIL principles and the need for higher education institutions to develop business sector partnerships, W&RSETA outlined a Retail ‘Schools of Excellence’ programme, which has been initiated in major centres. Key components include: Partnerships between tertiary education institutions and major retail groups, materials development, funding of simulated workplace stores, student WIL preparation, mentoring, competence assessment and quality assurance.



African Society for Talent Development: Annual Conference 2015

“Shaping the Talent Landscape for 2030”

Reflecting the NDP strategies, this conference focused on communities of practice and partnerships, for inclusive workplace learning and transformation. The conference debated SMME management skills, and the need for well-structured WIL to achieve effective transfer of student learning from textbook to workplace.

Subsequent interactions with corporate retailers reflected a similar ‘workplace learning support’ partnership strategy, leading to effective skills outcomes, where competent branch managers were designated as WIL mentors. A similar WIL mentoring strategy is viable for W&RSETA and educational institution partnerships with regional retail SMME incubators and co-operatives.

SUMMARY OF KEY FINDINGS

Based on the literature review and responses from 120 stakeholders in this study, the key WIL findings are broadly aligned with national socio-economic strategies to strengthen SMME businesses, towards entrepreneurial and youth skills development, coupled with economic growth and sustainability.

Stakeholder perceptions and attitudes to WIL

Clearly evident was consensus regarding the value of well-integrated and implemented student WIL with retail SMMEs, in terms of practical skills development, employability and career scope. Not evident, however, was consensus around modalities for WIL effectiveness, co-ordinating academic and workplace learning and mentoring strategies. Reflecting this diversity of perception, a seasoned stakeholder described South African WIL policy and implementation as a ‘vigorously contested terrain’.

Academic staff and work placement officers

All academic and work placement staff recognise the value of career-relevant WIL. Concerns expressed related to the need for consensus on a defined WIL framework that was credible for both employers and students alike, along with time management challenges for SMME workplace mentoring and quality assurance.

Students

All students were eager to gain relevant workplace experience, towards a recognised qualification. Most expressed a preference for their WIL to take place within a well-known, large business, where they would gain good practical exposure; and be able to show what was, in their view, reputable business experience on their CVs. Few students felt SMMEs would meet their competence and employability criteria.

SMME retailers and trade associations

SMME owners recognised the value they themselves had gained from workplace experience, and wanted to contribute to society by training competent student talent. Time for WIL duties in small enterprises was frequently identified as a major constraint, and regional SMME co-operatives and financial support should therefore be used to promote viable workplace learning policies.

Learning and development practitioners

DHET and SETA management, as well as several independent learning and development practitioners, were aware of the diversity of WIL interpretations, and supported the need for a national WIL policy and governance framework. Respondents indicated that proposals from educational institutions were needed, especially relating to curriculum constraints, capacity building of regional SMME co-operatives and mentors, for WIL support.

RECOMMENDATIONS

W&RSETA management described these WIL research findings as ‘an important mandate for our facilitation and co-ordination’. They endorsed the need to strengthen retail SMME management and financial literacy, towards building effective WIL mentorship, practical skills learning and student employability. Recommendations included the following:



There is a need for a review and update of SETA policies, including SMME skills funding, small business work placement programme proposals and retail ‘Schools of Excellence’ WIL learning strategies where appropriate.



For the W&RSETA executive management and board members to take the lead to ensure ‘due diligence’ standards of WIL within retail SMMEs and relevant regulatory frameworks.



W&RSETA management, HET and TVET Qualifications Management Body representatives and retail employer organisations should promote collaborative sectoral achievement of the socio-economic vision of the National Skills Development Strategy.



W&RSETA recommendations should be referred to a SETA CEOs Forum for collective consideration and endorsement.



Once these consultative WIL policy steps are achieved, organisational role-players should engage with W&RSETA and DSBD officials to define SMME capacity norms.



This should be done with a view to WIL funding and regulatory strategies for business management competence, with incentives for effective WIL twinning, mentorship programmes and quality assurance outcomes.



There is a need to strengthen workplace learning processes, through ‘twinning’ of retail corporates with local / regional SMMEs.

CONCLUSION

WIL programmes are 'vigorously contested terrain'. For WIL to succeed in retail SMMEs, their economic sustainability and entrepreneurial skills need to be supported by collaborative pre-WIL processes and workplace mentorship strategies. In addition, a collaborative review by W&RSETA executive management, vocational education governance thought-leaders and regional small business development co-operatives, incubators and mentors would promote progress towards effective work-integrated learning within SMMEs.



THE W&R SECTOR

W&R is the fourth largest contributor to GDP and the 30 000 tax-registered retail enterprises employ about 20% of the total economically active workforce according to Stats SA.

About 86% of registered enterprises in this sector are small and micro enterprises, 9.5% medium size and 4.5% large companies. Only 66% of operational retail traders are formally registered and contributing to the fiscus, suggesting there are over 100 000 informal (unregistered) traders in the sector accounting for 10% of national retail turnover.

The main employment increase has been in the informal /SMME sub-sector.

Wholesale&Retail **LEADERSHIP CHAIR**

Cape Peninsula University of Technology, Cape Town

THE WRLC

The Wholesale and Retail Leadership Chair (WRLC) at the Cape Peninsula University of Technology (CPUT) was established in 2013, based on an initiative by the Wholesale & Retail Sector Education and Training Authority (W&RSETA) to contribute towards sector research and professional qualifications development at higher education levels.

A national survey report entitled Priority Research Needs of the South African Wholesale and Retail Sector marked the first step taken by the WRLC towards the creation of a basis for relevant research in this dynamic business sector.



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The research was carried out by researchers Dr W J Sewell, Research Associate, P Venter, CPUT and Prof R B Mason, the Wholesale and Retail Leadership Chair, Cape Peninsula University of Technology, Cape Town.

The full report is available at <http://wrlc.org.za/wp-content/uploads/2015/09/2015-16-Towards-effective-Work-Integrated-learning-in-the-South-African-Retail-SMME-Sector.pdf>

APPLIED RESEARCH • LEADERSHIP DEVELOPMENT • SERVICE TO RETAIL COMMUNITY

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