BUSINESS TRUST

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Authors	Cecil Macheke
CONTACT	**CECIL MACHEKE**
e-mail	cecil@glab.co.za
Cell	079 422 9454
Telephone	0861 11 GLAB (0861 11 4522)
Facsimile	011 728 7834
Website	www.glab.co.za
Address	Modlin House 104 William Road Norwood Johannesburg 2192

1. Training provider analysis

A survey was conducted with training providers which sought to better understand some fundamental issues. The survey sought to establish:

- to what extent are companies drawing on public resources when conducting training for their employees (how is the training being paid for?);
- which occupational groups are placing the greatest demand on training and what are the typical training durations for the different occupational groups?
- at which occupational level (managers, supervisors, agents) is the highest demand for training?
- what is the current demand for accredited training in the BPO&O sector? (statistics of learners on the NLRD);
- completion rates of accredited training?
- types of training provision preferred by companies in the sector;
- sector-specific demand for training (captive contact centres, outsourced contact centres) and whether the current training offered meets employer requirements?

Training providers that participated in the survey

Training providers accredited or provisionally accredited with the Services SETA were targeted for the survey. They were identified from the list of accredited training providers on the Services SETA's website. Sixty-three (63) training providers that had accredited programmes including contact centre support and management were identified.

Forty two (42) were in Gauteng, seven in KZN and 14 in the Western Cape. These companies were contacted telephonically and introduced to the survey and then emailed a formal request to participate in the survey. Attached to the email was a letter from the Business Trust, which gave a fuller description of the study as well the study questionnaire.

Nineteen companies returned fully completed questionnaires as illustrated in Table 1.

Table 1: provincial spread of companies that participated in the survey

Province where head office situated	No. of training providers	% of training providers
Gauteng	11	58%
Western Cape	4	21%
KwaZulu Natal	4	21%
Total	**19**	**100%**

Source: Training provider survey

More than half of the companies (58%) were based in Gauteng, and the remainder were located respectively in KwaZulu Natal and Western Cape split equally at 21% representation each.

Table 2: Description of core business activity of participating companies

Province	Contact Centre training	Management Training	RPL Assessments	Soft Skills training	Total
Gauteng	6	2	1	2	11
Western Cape	4	0	0	0	4
KwaZulu Natal	1	1	0	2	4
Total	**11**	**3**	**1**	**4**	**19**

Source: Training provider survey

Companies in Gauteng offered a wider variety of training programmes. Those in Western Cape were exclusively focused on contact centre training, while in KwaZulu-Natal the focus was on soft skills training.

To what extent are companies drawing on public resources when conducting training for their employees?

Table 3: How client companies are paying for training by province

Province	Levy grant	Own fund	Both	Total
Gauteng	0	3	8	11
Western Cape	0	1	3	4
KwaZulu Natal	2	2	0	4
Total	**2**	**6**	**11**	**19**

Source: Training provider survey

Seventy three (73 percent) of the training providers in Gauteng report that their clients tend to use a combination of both the levy grant funding and their own funds for training of their staff with 27 percent of providers reporting that their clients only use their own funds for training. A similar phenomenon can be seen in Western Cape. In KwaZulu Natal, 50 percent of training providers reported that their clients made extensive use of the levy grant system while the other 50 percent reported that their clients pay for training using their own funds.

In general, the survey found that companies normally use a combination of both levy grant and their own funds in paying for training. This suggests that companies tend to use the levy grant funding for generic skills that are normally offered by accredited training providers and then use their funds to pay for specialised or core training that they would normally conduct in-house.

Table 4: Different programmes of training providers by source of training funds from client companies

Different programmes of training provider	Levy grant	Own Funds	Both	Total
Contact Centre	2	0	9	11
Management training	0	1	2	3
RPL assessments	0	0	1	1
Soft skills training	1	0	3	4
Total	**3**	**1**	**15**	**19**

Source: Training provider survey

Data in Table 4 shows that for contact centre programmes, the majority (58 percent) of client companies are reported to use a combination of both levy grant and own funding to pay for this type of training, followed by soft skills training and management training. Again, the data shows that nearly 80 percent of training providers reported that their clients use a combination of levy grant and own funds for training.

Which occupational groups are placing the greatest demand on training and the typical training durations for the different occupational groups?

Table 5: Occupational groups placing greatest demand on training

Occupational group	No. of responses	Average no. of training days	Median no. of training days
General managers	9	45.2	10
Professionals	5	42.7	5
Team leaders/Supervisors	14	85.8	21
Call centre agents	14	78.1	30

Source: Training provider survey

The majority of respondents reported that the greatest demand for training is for call centre agents and team leaders/supervisors, followed by training for managers and professionals.

Because of the poor response to the survey, the average number of training days does not provide a true reflection hence the median number of training days was used as a measure. According to this, call centre agents go through the longest period of training followed by supervisors and general managers. This seems to make more sense as normally agents would need longer periods of training to go through generic as well as product-specific training that would make them ready to start fielding calls in their particular industries. Supervisors and managers would need shorter training periods because their training is more specialised and focuses mainly on leadership and management.

Total training days for different types of training programmes

Table 6: Number of training days by types of training programmes

Type of programme	No. of responses	Average no. of training days	Median no. of training days
Induction training	12	3.3	1
Soft skills training	15	16.6	6.5
Product training	13	28	24
On-the-job training	8	46.1	20

Source: Training provider survey

Table 7: Training days per training programme per province

Province	No. of companies	No. of induction training days	No. of soft skills training days	No. of product training days	No. of on-the-job training days
Gauteng	11	30	231	322	346
Western cape	4	15	212	310	115
KwaZulu Natal	4	6	210	303	332

Source: Training provider survey

The approach of using the median instead of the average was again adopted in respect of the data in Tables 6 and 7. It shows that the longest training time is spent on product training followed by on-the-job training and then soft skills training which show a much reduced median number of training days when compared to the other two. Table 7 shows that training providers in Gauteng spend a lot more days on training than in the other provinces. It is not clear from the information available why this is the case but it correlates to the finding in an earlier section of this report which is that learners who go through longer periods of training tend to get placed in employment more often than those who were trained for shorter periods. This suggests that longer training periods produce higher quality workers and since the bulk of contact centre activities are in Gauteng, companies in the province are probably insisting on longer training periods.

Types of training provision preferred by companies in the sector

Table 8: Types of training provision preferred by companies and types of preferred providers

Type of provider	Own training	Outsourcing	Both internal and outsourced training
Local providers	4	6	11
International providers	0	0	0
Any provider	3	2	5

Source: Training provider survey

The majority of respondents indicated that companies tend to use a combination of both internal and outsourced training providers. Internal training mainly focuses on specialised technical or product-training aspects of the work and outsourced training is focused mainly around fundamental, generic and soft skills. What is also interesting is that none of the respondents reported companies that use international training providers, which suggests that companies are generally satisfied with the quality of training offered locally.

Table 9: Determinants of quality training by province

Province	Locally accredited training provider	Internationally accredited training provider	Increased production
Gauteng	7	0	7
Western Cape	1	1	4
KwaZulu Natal	4	1	3

Source: Training provider survey

Most respondents reported that increased production and the local accreditation of training providers are used as measures of quality by client companies with more emphasis on increased production. Notably, only two respondents stated international accreditation of training providers as a measure of quality, which could indicate the value that companies are getting from local training providers.

Does the current training offered by training providers address employer demands?

Table 10: Current training meeting employer demands by province

Province	Frequency of Yes responses	Frequency of No responses
Gauteng	10	2
Western Cape	9	1
KwaZulu Natal	6	2

Source: Training provider survey

The majority of respondents indicated that the training provided by training providers does address employer demands.

Sector specific demand for training (captive contact centres, outsourced contact centres)

Table 11: Types of businesses training providers get most requests for training from

Type of business	Frequency of Yes responses	Frequency of No responses
Captive only contact centres	5	13
Outsourced only contact centres	1	17
Captive and outsourced contact centres	10	7

Source: Training provider survey

The majority of respondents said that they get more requests from the captive-only market than from outsourced-only contact centres. This suggests that the South African market is still predominantly a captive environment and that more needs to be done to establish a state of balance between the two markets.

Table 12: Reasons for re-skilling of contact centre occupations by province

Reasons for re-skilling	No. of GP responses	No. of WC responses	No. of KZN responses	Total
High staff turnover	2	1	1	4
Team leadership/management/supervisory improvement	3	3	0	6
Retention of agents	1	0	0	1
When unacceptable time is used for training	0	0	1	1
Nature of banking, finance, insurance industry	1	1	1	3
Shortage of entry-level agents	1	1	1	3
Improve sales and service consultants	1	1	1	3
Product knowledge and technical skills	1	0	0	1
Outstanding sales and collections	0	1	0	1
Total	**10**	**8**	**5**	**23**

Source: Training provider survey

The majority of respondents indicated that most re-training is aimed at improving supervisory and team-leadership skills, and also at addressing the problem of high staff turnover in the sector, the shortage of entry-level agents and the general improvement of the skills of agents in companies.

What is the current demand for accredited training in the BPO&O sector? (Statistics of learners on the NLRD in 2007)

Table 13 shows the number of learners that were uploaded on the NLRD in 2007 per province. All of these learners received a National Certificate: Contact Centre Support at NQF Level 2. This was only year on which data was received from Services SETA and therefore a trend analysis on the number of learners uploaded onto the NLRD on an annual basis could not be conducted.

Table 13: Number of learners uploaded on the NLRD in 2007 per province

End date of training	No. of learners on NLRD	Province	No. of learners per province
1 March 2007	14	Gauteng	495
1 January 2007	1	Gauteng	
1 January 2007	1	Gauteng	
1 January 2007	1	Gauteng	
1 January 2007	2	Gauteng	
1 January 2007	20	Gauteng	
1 January 2007	47	Gauteng	
1 January 2007	49	Gauteng	
1 January 2007	70	Gauteng	
1 January 2007	88	Gauteng	
1 January 2007	90	Gauteng	
4 January 2007	1	Gauteng	
4 January 2007	111	Gauteng	
12 February 2007	2	Western Cape	142
12 February 2007	10	Western Cape	
1 February 2007	8	Western Cape	
15 March 2007	12	Western Cape	
12 February 2007	1	Western Cape	
1 February 2007	3	Western Cape	
1 March 2007	16	Western Cape	
5 February 2007	1	Western Cape	
12 February 2007	5	Western Cape	
18 April 2007	8	Western Cape	
1 March 2007	3	Western Cape	
1 April 2007	1	Western Cape	
2 April 2007	6	Western Cape	
5 February 2007	12	Western Cape	
12 February 2007	1	Western Cape	
5 March 2007	2	Western Cape	
5 February 2007	1	Western Cape	
16 May 2007	2	Western Cape	
5 February 2007	2	Western Cape	
20 June 2007	12	Western Cape	
2 April 2007	1	Western Cape	
2 April 2007	6	Western Cape	
2 April 2007	11	Western Cape	
2 April 2007	1	Western Cape	
1 August 2007	13	Western Cape	
17 August 2007	2	Western Cape	
1 January 2007	1	KwaZulu Natal	34
1 January 2007	31	KwaZulu Natal	
5 March 2007	1	KwaZulu Natal	
4 October 2007	1	KwaZulu Natal	
Total	**671**		**671**

Source: Services SETA, January 2009

The data in Table 13 shows that Gauteng had the highest number of learners registered on the NLRD followed by Western Cape and then KwaZulu Natal in 2007. The results for Gauteng are consistent with other findings of the survey and other research related to provincial contact centre activity.

Comparing findings with the SA National BPO and Call Centre Report 2007/2008

Because of the small sample of respondents to this survey, some of the findings were compared to the C3 report on the South African National BPO and Call Centre Report 2007/2008 to record similar trends or major differences.

Use of levy grant system
The majority of companies use a combination of own funding and the levy grant system. This finding is similar to that of the C3 report, which stated that companies use a combination of in-house and external trainers. In most cases internal training would be paid for by the company's own funds and external training through a combination of levy grant and own-funding.

Duration of training
The findings of this survey and those of the C3 study are similar with regard to duration of training. Large numbers of contact centres provide induction, soft skills training, product training and on-the-job training that lasts for more than 10 days.
Both this survey and the C3 study found that contact centres in Gauteng provided the longest training periods followed by KwaZulu-Natal and the Western Cape.

Conclusion

Although the sample of responses was limited, the findings paint a similar picture to that contained in the C3 study. Gauteng has the largest share of contact centres in the country and most service the captive market.

Most companies in the sector use a combination of the levy grant and own funding for training and that the training is divided between in-house training which deals with specialised product training and outsourced training for more generic and soft skills. However, the extent to which companies are drawing on public resources is still minimal. According to this provider survey, the effect of publicly funded training in the BPO&O sector can still be improved as it seems that companies are spending their own resources on in-house product-specific training that could potentially be funded through the levy grant funding.

In terms of talent development approaches, companies are putting more effort into the training of call centre agents followed by team leaders/supervisors and the median number of training days shows that more training days are allocated to product and on-the-job training, with the least number of days dedicated to induction training. The amount of time dedicated to induction training is less than that found by the C3 study.

The findings suggest that companies are generally satisfied with the quality of training provided by locally accredited training providers and that the there is not a major effort to use internationally accredited providers. This points to the existence of a high demand for accredited training providers for the training that companies tend to outsource to external providers.