

Good corporate citizenship and skills development in South Africa

Partnerships for Vision 2030

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Vision 2030



- Environment for sustainable employment and inclusive economic growth
- Employment in labour –absorbing industries
- Raising exports and competitiveness
- Strengthening govt’s capacity to give leadership to economic development
- Mobilising all sectors of society around a national vision

Economy that is more inclusive, more dynamic and fruit of growth shared more equitably

Economy is close to full employment

People have the skills they need
30 000 artisans a year by 2030

11 million jobs by 2030



Improve the skills base through better education and vocational training

Current reality

There is clear evidence of the importance of skills and people issues to business leaders

93% of CEOs are demanding a change to their strategy for managing talent¹

73% of business have concerns about finding the skills they need

Human capital is the **#1** source of "sustainable economic value" (IBM)

75% of CEOs are changing hiring and training to react to digital

2 of the top three areas that should be Government priorities by African and South African business are:
Creating a skilled workforce & Creating jobs for young people

Current reality

- Unemployment rate among people aged 15 to 34 increased from 32,7% to 36,1% between 2008 and 2014 (*2014 Stats SA*)
- Over 3 million young people not in employment, education or training
- Much of the education offered in our institutions is inadequate in quality and institutions such as the SETAs, NSF and the skills system as a whole have operated less than optimally
- Insufficient co-operation between post school institutions and employers
- Learners exiting universities, TVET colleges and programmes funded by SETAs are not finding work easily. Employers often describe them as lacking the skills needed.



Working together, moving forward

Whilst government is working on various initiatives to improve the skills levels of our citizens, they cannot tackle these challenges alone.

“ We appeal to the private and business sector to play a role in empowering graduates with skills and experiential training through internships and learnerships”

President Jacob Zuma: June 2015

What are companies doing in relation to skills development in SA as part of their corporate social responsibility?

Klaus Schwab, Executive Chairman of the World Economic Forum stated recently, “the key for the future” of any society “lies in the talent, skills and capabilities of its people.”

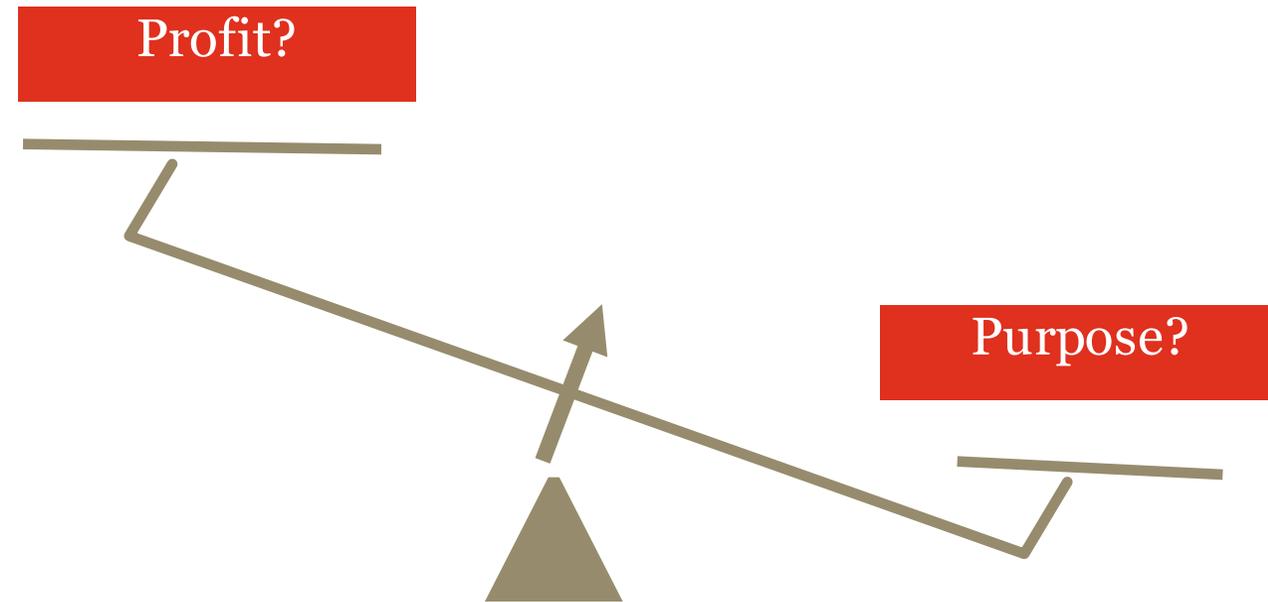
UN Secretary-General Ban Ki-Moon put it this way: “human capital...is every bit as important as financial capital”

Good corporate citizenship: What does it mean?

A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates.

Companies express this citizenship in various ways:

- Educational and social programmes
- Environmental priorities
- Development of skills of employed resources



What is the social responsibility of business?

Skills development impact within business objectives

Investments that focus on education and skills development are an attractive priority for companies



Organisations require an increase in the availability of workforce skills. An organisation's core business and the continued growth of that business depend on an adequately educated workforce. **In 2013, education was cited as one of the top sustainability challenges affecting the core business by 40 percent of over 1000 chief executives. A lack of key skills was considered a potential economic and policy/business threat to growth.**



Return on investment is high for both business and society. A recent study shows that for every \$1 invested in a child's education, there is a \$53 return to an organisation at the start of that person's employment. Investing in education promotes economic growth, leads to more stable societies, fosters healthy communities and makes it easier to function effectively.



Investing in education can help reduce the global education funding gap and the world's out of school population. There are 58 million children of primary school age currently out of school around the world and at least 250 million children and youth who cannot read or write. The private sector contributes \$683m.

So what are corporates doing in relation to skills development?

pwc
at a
glance

758
locations

157
countries

195,433 people
including 10,002 partners
and 185,431 staff

44,721 people
people joined PwC firms
around the world in FY 2014

Network Purpose Statement

Corporate Responsibility

PwC's commitment to being a responsible business is demonstrated through our commitment to building relationships and creating value in the communities in which we operate. Our approach to Corporate Responsibility is locally adapted and considers local priorities to ensure that we make a meaningful difference. Our programmes are designed to enable our people to lend their time and professional skills to the benefit of our communities, on which our business depends.



A market-leading approach to corporate responsibility

Our strategy

Clear aims and focus areas give us a **shared direction** across the Network, with local firms defining initiatives within this framework that best meet the needs of their **clients**, their **people** and their local **communities**.



77% of our people are satisfied with the actions PwC is taking to be socially responsible

69% of our people agree that PwC is responding appropriately to address the impact of our business activities on the environment

Our global corporate responsibility commitments

The global CR strategy provides the PwC network with the support they need to deliver on our key areas of global focus:

- 1.**
Harness the power of our Network to scale responsible business behaviours
- 2.**
Build an even more inclusive culture that values difference
- 3.**
Increase the positive social impact of our community activities
- 4.**
Manage our impact on the environment
- 5.**
Enhance the transparency and relevance of our CR reporting

Global Corporate Responsibility Focus Areas



Responsible business – PwC is committed to responsible business practices and promoting responsible corporate citizenship. Whether with clients, vendors or other organizations, we promote sustainable practices and good governance



Diversity & Inclusion – PwC is committed to investing in our people by providing a range of opportunities to support them in reaching both their personal and professional goals. We are focused on developing responsible leaders.



Community – PwC is committed to making a positive, lasting impact in our communities by sharing our time, knowledge and resources as well as inspiring and harnessing the dedication and capabilities of our people.



Environment – PwC is committed to respecting the environment by raising awareness of the footprint we are leaving on the planet and taking measurable steps to reduce the environmental impact of our business operations.

*Our South African
approach to CR*

Commitment to compliance

At PwC we strive to adhere to the Broad Based Black Economic Empowerment (BBBEE) Act in an effort to accelerate the participation of disadvantaged populations in the economy encouraging change in the following key areas:



Diversity and Inclusion

Our commitment to Transformation

Our objectives

- To have representation of all demographic groups in the workplace at all levels of staff and management
- To address past imbalances in the workplace
- To transfer skills to historically disadvantaged groups
- To increase black female representation
- To foster an environment and culture in which all employees can engage and feel a part of the firm

Our goal

- Continuing to increase the number of black partners admitted to the partnership,
- Continuing to grow the pool of black Chartered Accountants and black professionals,
- Continuing to identify black talent and implementing retention strategies.

Socio-Economic Development

Our commitment to sustainable development

- **Education:** Recognising the collective power of public, private and civil society partnerships, PwC seeks to formulate collaborations that enable us to leverage on the firm's broad skills and draw on the combined expertise of our partners to increase the impact of our interventions.
- **Enterprise Development:** PwC undertakes to contribute to the development of the small businesses or emerging businesses. Through our Business Skills for South Africa (BSSA) and Faranani Rural Women's programmes we seek to strengthen the business skills of small and emerging enterprises through knowledge transfer and capacity-building.
- **Pro bono services:** At PwC, delivering pro-bono services is a key component of our commitment to building trust in society by using our skills, expertise and relationships.

CR focus areas– linked to our business goals

Focus Area	Talent	Quality	Brand	Revenue	Profit
<i>Ethics, integrity and trust</i>	√	√	√	√	
<i>Evolving core services- Pro bono work</i>		√	√	√	
<i>Environmental stewardship</i>	√		√	√	√
<i>Community/ Socio-Economic Value</i>	√		√	√	√
<i>Education and Capacity Building efforts</i>	√		√	√	
<i>Diversity and Inclusion</i>	√	√	√	√	√
	Direct impact			Secondary impact	



Our purpose: Build trust in society and solve important problems

***1,41% net profit
after tax investment
with focus on
education and
entrepreneurial dev***

***5,2% of payroll on
training with 44%
spent on black staff***

***+12000 hours
Staff involvement and
skills sharing***

***Business Skills for
South Africa
Foundation***

***R34m to 245 students
from disadvantaged
backgrounds for
careers in chartered
accounting***

***Foundations for the
Future
PwC Graduate
Programme***

***Faranani Rural Women
Training Programme***

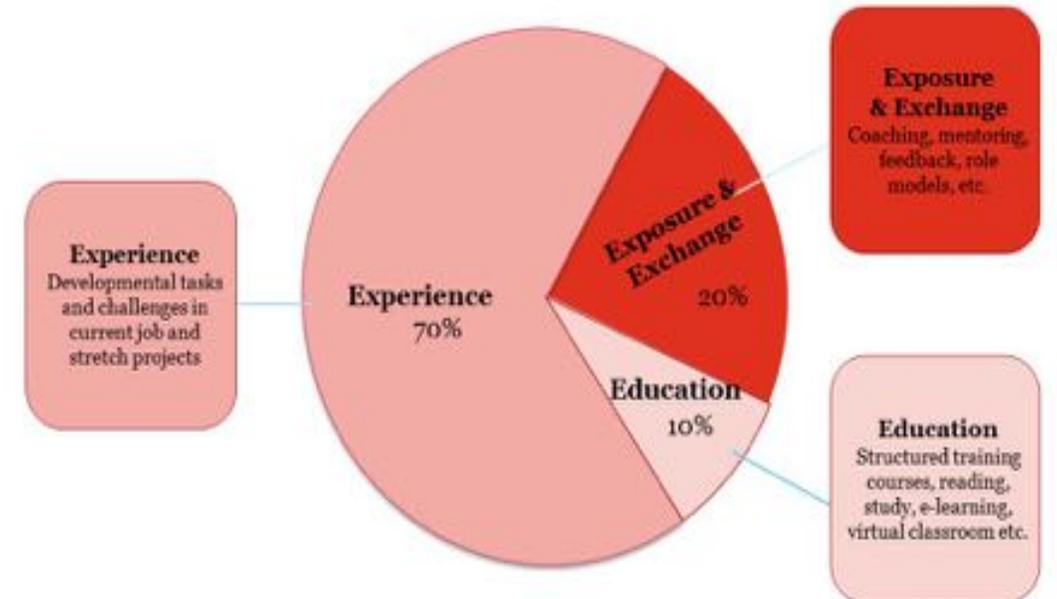
***Siyabona Education
Trust***

Open Minds, Change Minds



PwC's Business School

A distinctive learning and development culture
70+20+10 = accelerated development and sustainable learning



70:20:10 does not establish proportions of time or money to be invested in each element of learning.

Investment in developing our people



Average course evaluation 4.4/5

Global benchmark: 3.8/5

Average facilitator evaluation 4.3/5

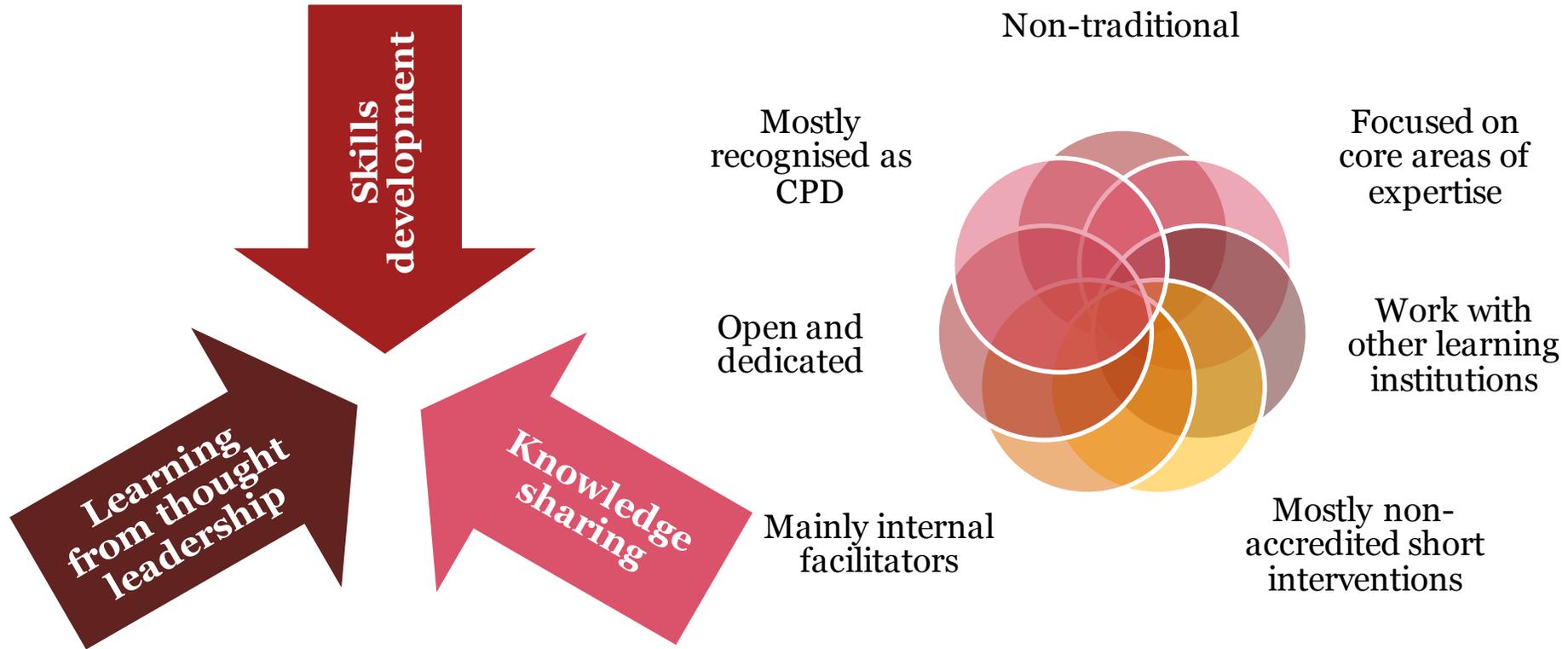
Global benchmark: 3.8/5



**PwC South Africa FY'14
Learning & Development
Investments**

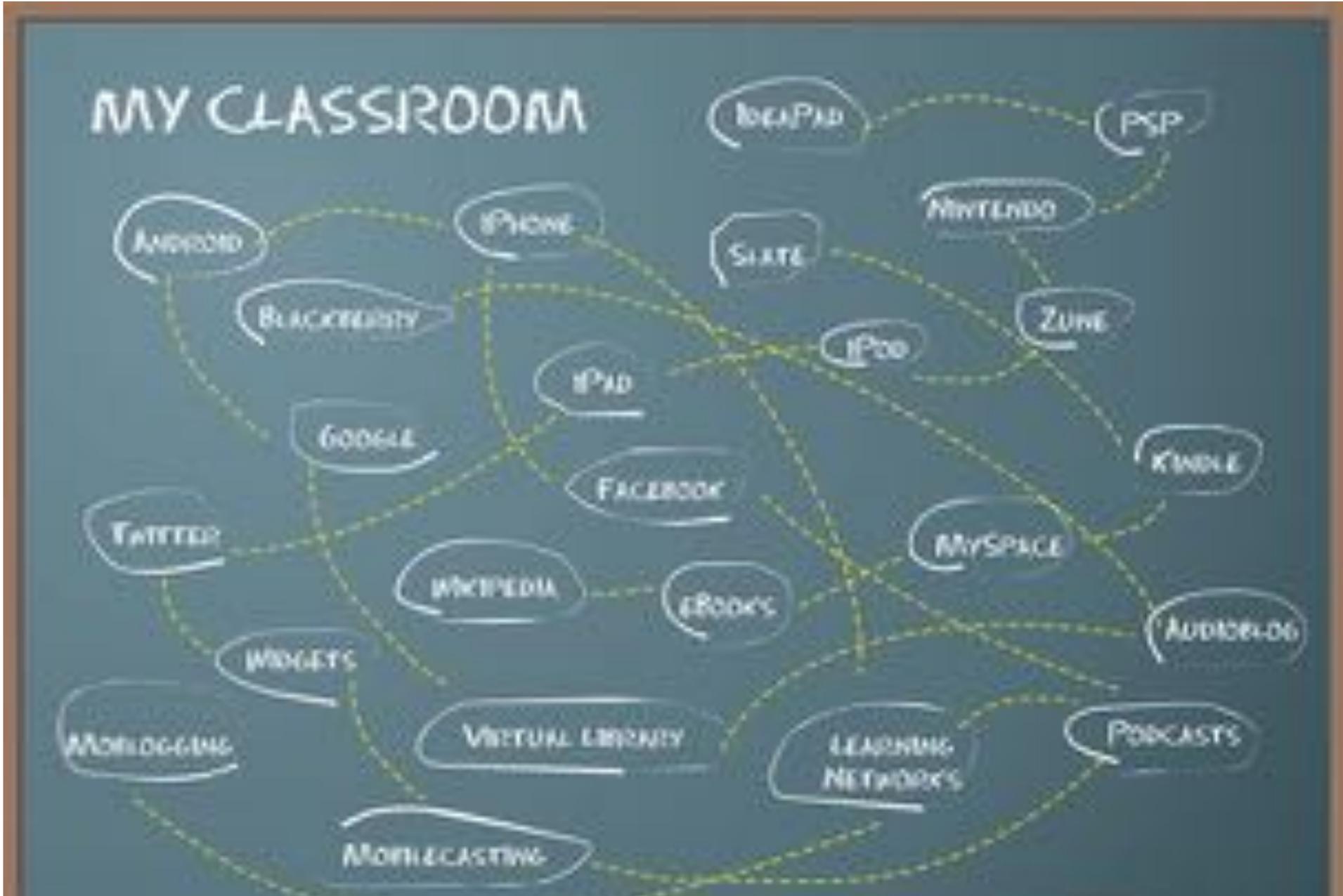
For our clients and markets...

PwC's platform for *delivering*:

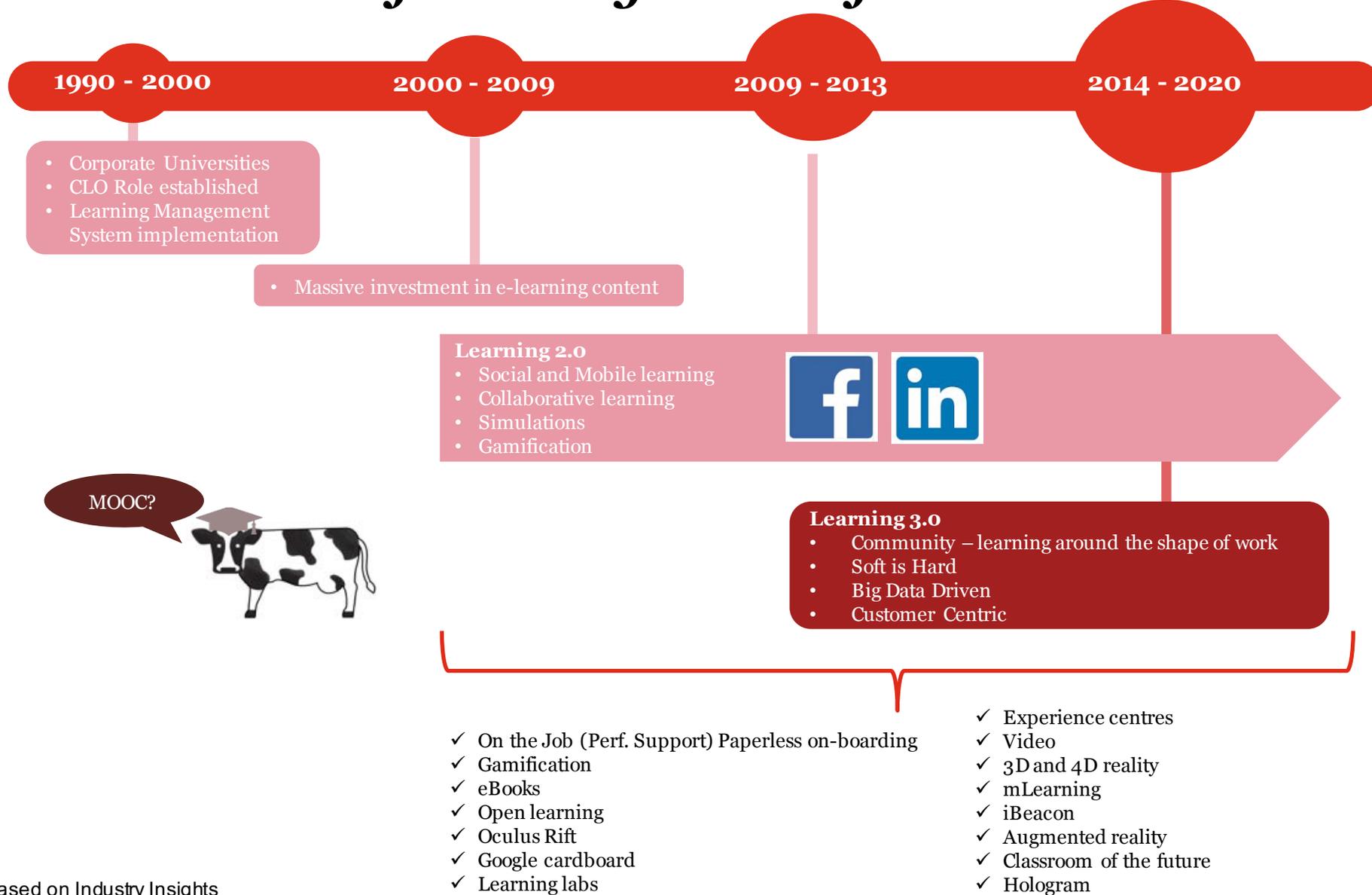


The evolution of learning

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The evolution of learning and the future ahead



Evolution of learning



This highly diverse environment will make the grade schools of the next generation the most diverse ever. Higher levels of technology will make significant inroads in academics allowing for customized instruction, data mining of student histories to enable pinpoint diagnostics and remediation or accelerated achievement opportunities

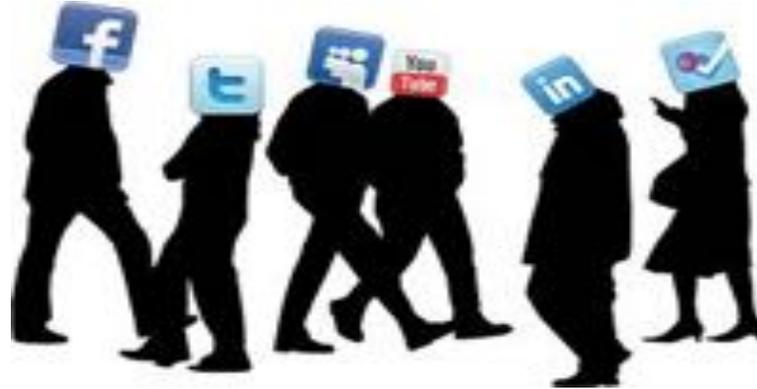
Baby Boomers

Gen X

Millennials

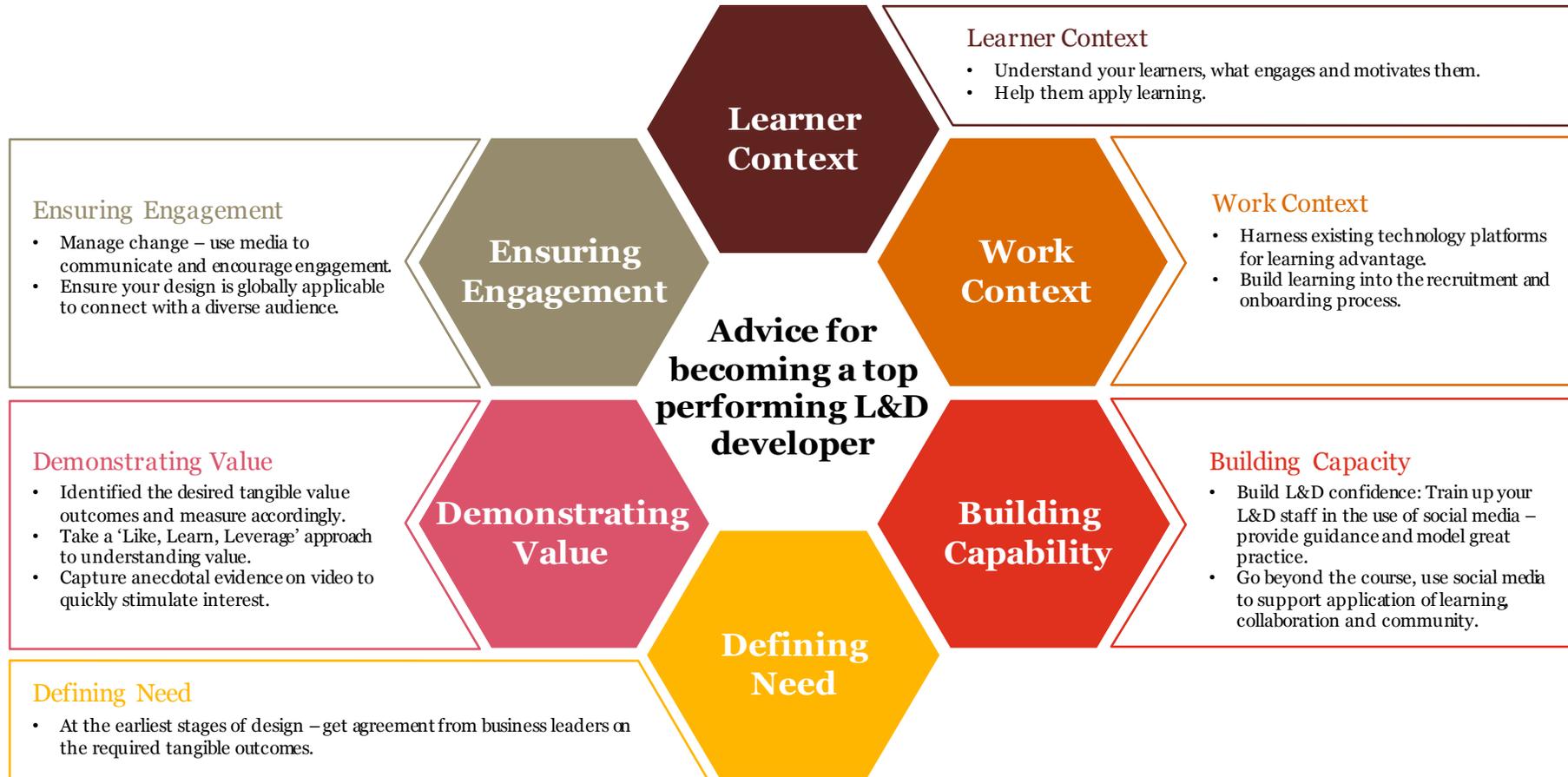
Generation Z

How students learn today



- Simultaneously instant messaging + talking on the phone + loading their iPod with new music + studying for tomorrow's quiz.
- Some learn very well the 'old' way from a textbook and a lecture.
- Many students learn best when content is presented in smaller 'chunks' rather than in textbook chapters.
- They find their learning resources on the Internet rather than from the library and textbooks.

Advice from PwC for becoming a top performing L&D developer



Working together, moving forward

*If you want to walk faster,
walk alone*

*If you want to walk further,
walk with others*

