

# **Unlocking the Potential of your Skills Development Levy**

Written by Catherine Shooter, Transformation Key Account Manager

Not too sure why you are paying a Skills Development Levy? Yes, its mandatory and you don't really have a choice in the matter, but do you know where your hard earned money is actually going? Most business owners/business managers would answer 'NO', accept that this is a mandatory payment and continue on their daily lives.

Submitting your EMP201 to SARS every month and making the necessary payments is just the beginning of a process that could transform your business.

So what is a Skills Development Levy? It is a levy paid by employers to SARS who pay it over to your particular SETA to encourage employers to train and upskill their employees. Should you train your employees, you are able to claim a portion of this money back from your SETA. It's basically as simple as that.

Call it a dangling carrot or whatever you wish, at the end of the day it encourages companies to upskill their staff, and its working! Your 'hard earned money' is funding the SETAs (Sector Education Training Authorities), whose primary aim is to develop the National Skills Development Strategy, and implement this strategy in the most productive way possible. Ultimately they are responsible for developing, managing and regulating learning programmes specifically designed for each sector. Yes, you heard right, your hard earned money is funding these Authorities – which are providing you with the ability to provide your staff with quality training, which in turn impacts their productivity, and your bottom line.

Results may not be immediate, and some may not even attempt to train their staff because of the costs and lack of time, but the ones who have, reaped the benefits tenfold.

So what are these benefits?

- Getting more for less: paying for a training course seems expensive, but the increased productivity and performance of your valued employees will not only pay for the training, but exceed the costs in the short, medium and long term.
- Retaining good workers: Investing in your employees shows them you care, and they will more than likely stick around. Retaining your staff means less costs spent on costly recruitment fees and lack of productivity of new staff members while learning the 'new business'.
- Increased Service levels: Happy skilled staff = happy customers.
- Grow from within: Keep the employees you have – train them into higher level positions. This will keep them motivated and encourage innovative and creative thinking.
- Attract the best: People want to work for Companies that invest in their people. Become the employer of choice.

This probably sounds too good to be true, but training your staff has no drawbacks. There are no limitations. Without your employees, your business would not survive – invest on your greatest assets – your employees. Unlock their potential by investing in them and their future, and your future will be as bright as theirs.

So yes, your skills development levy may be a cost you don't want to incur, but use it to your advantage, utilize what you have been given – use the SETAs, they are there to develop your people. And while you are developing your people, increasing their productivity and unlocking skills and potential you didn't know they had, you can claim back your levy – which will be minimal in comparison to the benefits you will get from simply investing in your future.

Do you now see how easy it is to transform your business?