

# 'YES'

**BUT WHO? WHY? WHAT?  
WHEN? & HOW?**



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Tulani Hlabangana is the Director of Group Human Resources and the Learning Division at The Signa Group. She joined Signa in March 2018 following 16 years experience in the corporate Human Resources and Transformation space. Tulani has been instrumental in pioneering initiatives throughout her career, with a specific focus on skills and leadership development. Her solution-driven approach to transformation promotes an inclusive landscape towards organisations meeting their transformation milestones.

The South African Youth represents 17 million of our total population, of which 6.5 million are unemployed. The core reasons for the high rate of unemployment amongst the Youth is the vast deficit in wealth, the fact that 56% of students leave the education system without a matric, and demand for employment outweighing the supply.

The Youth Employment Service, otherwise referred to as 'YES', was launched on 27<sup>th</sup> March 2018 by President Ramaphosa, then published on 28<sup>th</sup> August 2018 as Notice 502 under Gazette #41866.

In supporting the demand side of employment, 'YES' aims to create opportunities for one million 'Black' People between the ages of 18 and 35. It is a collaborative effort between Government, business and labour, supported by legislation which rewards organisations with scorecard enhancement, upon an organisation meeting their full 'YES' commitments over a 12-month period. A unique feature of 'YES' is that an organisation can meet their 'YES' targets by sponsoring a 'YES' Employee to an EME or QSE for the duration of the 12-month contract.



The 'YES' portal is available for businesses, candidates, training service providers and 'YES' facilitators to register. The process is monitored, with checkpoints in place to evidence accurate activity of the 'YES' Employee and to ensure that an organisation or sponsoring organisation keep detailed records aligning with the Basic Conditions of Employment Act. This information further supports Employee Tax Incentive claims.

A 'YES' Employee qualifies to claim up to 50% of informal Skills Development expenditure under Category F and G on the Skills Development scorecard. This implies that informal training can be provided to equip 'YES' Employees with skills so they can be streamlined into their workplace environment. However, no double dipping in Skills Development claims on the B-BBEE scorecard is allowed.

## What does the 'YES' Programme offer employees?

- > A 12-month employment contract in line with Basic Conditions of Employment Act
- > Quality work experience.
- > Transparency on the continuation of an employment contract. In the ninth month of the employment contract, a 'YES' Employee must be advised whether or not they will be absorbed into their current position.

## What are the requirements for organisations to participate in the 'YES' programme?

- > The position offered must be a newly created one.
- > Employees must be 'Black' People as defined aged between 18 and 35.
- > An organisation must at least maintain or improve on their previous year's status level.
- > Qualification scorecard criteria per threshold are outlined below:
  - A Large Enterprise must meet the 40% sub-minimum requirements of the three Priority Elements; namely Ownership, Skills Development as well as Enterprise and Supplier Development, otherwise achieve an average of 50% across each of these Priority Elements.
  - A QSE must meet the 40% sub-minimum requirements across two Priority Elements, Ownership being one, then either Skills Development or Enterprise and Supplier Development.
  - The status level of an organisation from the previous year must be at least maintained or improved upon.
  - An EME does not have any qualifying criteria.

## How are 'YES' Targets determined?

The highest outcome of three scenarios determines an organisation's 'YES' target. To demonstrate each scenario and the scorecard outcome of all scenarios outlined within, the calculations are based on ABC Traders.

ABC Traders B-BBEE Status Level 4	1,500 Employees	R75M Turnover	R15M NPAT as a three year average
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### Scenario 1 based on Headcount

1.5% of ABC Traders headcount at the time of registration.

$$1.5\% * 1,500 = 22 \text{ 'YES' Employees}$$

### Scenario 2 based on NPAT

1.5% of an organisation's average NPAT from South African operations over the last three years, converted into a headcount by dividing the NPAT total by R55,000.00.

$$(1.5\% * R15M) / R55,000 = 4 \text{ 'YES' Employees}$$

### Scenario 3 based on Table 1, Annexure A

Turnover 'RM	Minimum Youth Jobs	Turnover 'RM	Minimum Youth Jobs
50-75	6	250-299	11
75-99	7	300-349	12
100-149	8	350-399	13
150-199	9	400-449	14
200-249	10	450-500	15

As outlined below, Scenario 1 has the highest outcome of all three scenarios. Therefore, ABC Traders' target is determined by this and set at 22 'YES' Employees.

Scenario 1 22 'YES' Employees	Scenario 2 4 'YES' Employees	Scenario 3 7 'YES' Employees
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## 'YES' Impact on Scorecard

### Scorecard Outcome – Scenario 1

ABC Traders, due to its infrastructural capacity, can only accommodate 20 'YES' Employees. To meet the full target of 22 Employees, ABC Traders employs 20 'YES' Employees, then uses the 'YES' Employee sponsorship option available for the other two. One is sponsored by a QSE in the ABC Traders supply chain, and the other is sponsored in an EME that is an Enterprise Development Beneficiary of ABC Traders.

Upon completing the 'YES' contractual obligations, one 'YES' Employee was absorbed into a sponsored organisation's workforce.

ABC Traders achieved their 'YES' target plus the 2.5% absorption requirement.	ABC Traders moves up one recognition level on their B-BBEE Scorecard to a Level 3.
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### Scorecard Outcome – Scenario 2

ABC Traders employs 22 'YES' Employees, then decides to employ an additional 11, totalling 33 'YES' Employees. They opt to use the 'YES' Employee sponsorship option available. Five are sponsored to various QSEs in their supply chain and three in EMEs that are Enterprise Development Beneficiaries of ABC Traders.

Upon completing the 'YES' contractual obligations, two of the total 33 'YES' Employees are absorbed into the ABC Traders workforce.

ABC Traders achieved 1.5% of their 'YES' target plus the 2.5% absorption requirement.	ABC Traders moves up one recognition level on their B-BBEE Scorecard to a Level 3, plus earns 3 Bonus Points. These Bonus Points could potentially move ABC Traders up one more level on their scorecard.
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### Scorecard Outcome – Scenario 3

ABC Traders employs 22 'YES' Employees, then decides to employ an additional 22 'YES' Employees, totalling 44. They opt to use the 'YES' Employee sponsorship option available. Five 'YES' Employees are sponsored to various QSEs in their supply chain and three in EMEs that are Enterprise Development Beneficiaries of ABC Traders.

Upon the successful completion of the 'YES' contractual agreement, two of the total 44 'YES' Employees are absorbed into the ABC Traders workforce.

ABC Traders doubled their 'YES' target and met the 2.5% absorption requirement.	ABC Traders moves up two recognition levels on their B-BBEE Scorecard to a Level 2.
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'YES' has the potential to address the dire unemployment crisis of our Youth. However, a core requirement is that an organisation either maintains or improves upon their previous B-BBEE status level. An organisation must be aware that not at least maintaining their previous B-BBEE status level, which could result from circumstances beyond their control, specifically in terms of the Ownership Net Value calculation, please see page 14. Therefore, all elements of the scorecard must be taken into account, as well as the risks and potential rewards, before blindly embarking on 'YES'.

