

IDENTIFICATION OF SKILLS NEEDED BY EMPLOYERS: AN INSURANCE SECTOR CASE STUDY

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Declaration of authenticity

I declare that the research project, *Identification of skills needs by employers: A case study in the insurance sector*, is my own work and that each source of information used has been acknowledged by means of a complete reference. This dissertation has not been submitted before for any other research project, degree or examination at any university.

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Executive Summary

This study investigates how employers in the insurance sector gathered information which identified the skills development needs within their organisations. The investigation reviewed the processes employers or their representatives followed when identifying the organisation's skills requirements. The study examined whether the processes were consistent between employers from a cohort of organisations selected for purposes of the investigation.

The approach was explorative and interpretative as it explored the experiences and personal opinions of human resource personnel and Skills Development Facilitators (SDFs) concerning the phenomenon. This was done by using in depth interviews to collect key information and to allow the researcher to gain knowledge about the validity and context of the study.

The study revealed in its findings that there was a lack of understanding and analysis of the correlation between the skills needs identified and the organisational priorities. It was found that this was a result of weak performance management processes within the organisations that participated in the study. Since there is no structured and formal process of identifying skills needs that are properly aligned to organisational strategies and objectives, most often the process of submitting Workplace Skills Plans (WSPs) is flawed. As such inaccurate data is submitted to the Sector Education and Training Authorities (SETAs) for specific planning purposes. The skills development facilitators for medium and small organisations have dual roles and as a result gathering the required information for the compilation of the WSP is compromised.

Whilst the findings of the study have been suspected by INSETA previously, the study serves to confirm the stance that employers in the Insurance sector generally take when completing and submitting WSPs. The study therefore recommends that skills audits should be conducted annually together with an individual skills gap analysis that links to the organisations' priorities and that proof of such analysis must be made available on request. In addition, regular communication and feedback to employees regarding their skills needs to address skills gaps

should be accurately documented for submission to the SETA so that future planning of priority projects and funding becomes appropriate and relevant for the sector.

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Definition of key terms

Table 1: Key terms

Critical Skills	Refers to particular capabilities or expertise that is needed within an occupation for example communication skills and problem solving skills to do a job or task efficiently with pre-determined results. These skills are in high demand and are needed for the future development not only for the insurance sector but for the country
Employers / Organisations	A combination of levy, non-levy and levy exempt organisations including burial societies, stokvels, non-profit organisations, non-governmental organisations and co-operatives that are registered on the INSETA Indicum System
INSETA	Refers to the Insurance Sector Education and Training Authority
Insurance Industry	Defined in two categories: Long term insurance and short-term insurance (car and home insurance or life insurance)
Insurance organisations	Refers to levy or non-levy paying organisations registered with INSETA having their core business within the insurance sector
Levy Paying Employers	Organisations with a payroll of R500, 000 and more are required to pay 1% of their annual payroll as the skills levy to the South African Revenue Services (SARS)
Mandatory Grants	Funds designated as Mandatory Grants contemplated in regulation 4 to fund the education and training programmes as contained in the WSP and ATR
Non levy paying employers	Organisations with a payroll of less than R500, 000 are exempt from paying levies as they fall below the threshold. The companies are still registered with the INSETA as their core business is insurance related and they can still access funding for the various learning programmes through the discretionary grants
Scarce Skills	Refers to the occupations in which there is a scarcity of qualified and experienced people, currently or anticipated in the future occupations that are either new or emerging. This is due to skilled people that may be unavailable or they could be available but do not meet the criteria set by the employers. It is the inability to fill posts over a prolonged period
Sector Skills Plan	The compliance document, legislated by Section 10(1) (a) of the Skills Development Act (SDA), reporting on the priority scarce and critical skills required in the sector. The SSP informs the Strategic Plan and the Annual Performance Plan for the SETA
Skills levy	Refers to the skills development levy introduced in section 3 of the Act

List of Abbreviations and Acronyms

DHET	Department of Higher Education and Training
EEA	Employment Equity Act
EE	Employment Equity
HR	Human Resources
HRBP	Human Resource Business Partner
HRM	Human Resource Management
ILO	International Labour Organisation
INSETA	Insurance Sector Education and Training Authority
KRA	Key Result Area
LRA	Labour Relations Act
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NSF	National Skills Fund
PIVOTAL	Professional, Vocational, Technical and Academic Learning Areas
PSETA	Public Sector Education and Training Authority
SARS	South African Revenue Services
SDA	Skills Development Act
SDF	Skills Development Facilitator
SDL	Skills Development Levies
SDLA	Skills Development Levies Act
SSF	Sector Skills Facilitator
SSP	Sector Skills Plan

CHAPTER 1 Introduction to the Study

1.1 Introduction

This study is about identifying how employers in the insurance sector identify its skills needs.

The White Paper for Post-School Education and Training (Department of Higher Education and Training, 2013) emphasises that “identifying current and future skill’s demand as accurately as possible is extremely important if the goals of the National Development Plan, the New Growth Path and the Industrial Policy Action Plan are to be achieved”. The Department of Higher Education and Training (DHET), with the SETAs, will use the national and sectoral information on skills demand to plan supply (Department of Higher Education and Training, 2013, p. xvi). The manner and approach in which companies identify their skills needs impacts on the national goals to be achieved as this information is included in the national scarce and critical skills list compiled by the SETA.

The International Training Centre of the International Labour Office (ILO) (2018) views skills development as a key factor in the employability of workers and the sustainability of enterprises. In South Africa, skills development is governed under the Skills Development Act (SDA) which is further outlined below.

This chapter provides an overall view of the purpose and importance of the study. The aims and objectives, together with the research questions and research process, outline how the study will be undertaken. Finally, the chapter includes the limitations, an outline of the chapters and a process map of the study to provide the reader with a thorough understanding of the research processes that were followed.

Providing the context and legislative background of the study, chapter one explores how skills development is defined, legislated and implemented in South Africa.

1.2 Context and Legislative Background of the study

Skills development improves the quality of life of workers, their prospects of work and their mobility (Elphick-Moore, 2012). Skills Development is also seen as a key factor in improving the employability of individuals, increasing productivity and competitiveness of enterprises, reducing unemployment, poverty and exclusion, strengthening innovation and attracting investment (Aggarwal & Gasskov, 2013, p. 1).

Studies have therefore indicated that skills development benefits both the employer and the employee. When the skills development needs of employees are addressed, the employer receives immense return on investment as it now has better skilled staff at a higher level of productivity. The employee who is in a development programme will take more pride in their work, having been made to feel important enough to invest in (McIntyre, 2013). The ILO (2010) further asserts that agreements between employers and workers are important means of promoting workplace learning and of ensuring that increased skills lead to higher productivity, benefitting both employers and workers.

To ensure that employers invest in their staff, the Minister of Labour promulgated the Skills Development Act in 1998 (SDA No. 97 of 1998) to empower the South African workforce with skills and to ensure employees access more opportunities for skills acquisition (LMIP, 2017).

In terms of the SDA No. 97 of 1998 (as amended), it is compulsory for employers with an annual payroll of five hundred thousand rand or more to pay one percent of its payroll, as a skills development levy, to the South African Revenue Services (SARS). SARS distributes these funds to the SETA. The SETAs are accountable to the DHET (Department of Higher Education and Training, 2016) in achieving the National Skills Development Strategy (NSDS). As stated by the National Skills Authority (NSA, 2015), “The NSDS is the overarching strategic guide for skills development and provides direction to sector skills planning and implementation in the SETAs”.

Part of the skills levies can be claimed back by the employers on successful completion and submission of the Workplace Skills Plan (WSP) to the SETA. The WSP covers the skills process of the organisation. The remaining funds are used by the SETA for the funding of skills

development initiatives in the respective sectors. The planning of these initiatives has been based on the information received by the employers when submitting the WSP in April annually.

The credibility of the training needs received from employers in the WSP remains questionable. The uptake of the skills development programmes that these employers register their employees for and what have been identified as scarce skills by these employers, are vastly different. Therefore, it has been established that there is a need to investigate thoroughly the process and the path that employers follow to identify skills needs for their organisations and whether a skills audit and or training needs analysis has actually been undertaken. Owing to the inconsistency of the information submitted, it is being assumed that there is a lack of understanding on the part of employers on how to accurately plan for skills development needs. This, therefore, needs to be examined more closely to establish why companies place their employees on programmes not linked to skills shortages that have been identified in the insurance sector.

The White Paper for Post-School Education and Training (Department of Higher Education and Training, 2013, p. 24) asserts that the identification of skills needs can be used to inform human resource planning, funding allocations and programme development. The skills needs that are identified are the foundation for the Top 100 National Scarce and Critical skills List. This is a list that Government and SETAs utilise to prioritise funding and resources to reduce the skills gaps in the country.

According to the National Skills Development Strategy (NSDS) III Progress report 2011 – 2013, skills development has a key role to play in addressing the triple challenges in South Africa of unemployment, poverty and inequality as well as the urgent need to accelerate growth and equity in the context of an underperforming economy within a fragile global economy. One of eight pressing challenges identified in this report is the absence of coherent skills development strategies within the economic and industrial sectors.

These sentiments have also been expressly stated by Dr.BE Nzimande, MP former Minister of Higher Education and Training, *“For our country to achieve high levels of economic growth and address our social challenges of poverty and inequality, we must work together to invest in education and training and skills development to achieve our vision of a skilled and capable workforce to support an inclusive growth path”* (Department of Higher Education and Training, 2011, p. 4).

This study provides a synopsis of the existing skills development strategies (policies, procedures and or guidelines). It seeks to find out how these strategies are implemented when WSPs are submitted as this is key to addressing the triple challenges.

When the DHET was established in 2009, it was given the responsibility to address one of the twelve objectives of the South African Government, namely *“to develop the human resources of the workforce in an inclusive way”* (Field, Musset, Alvarez-Galvan, 2014:25). This responsibility was assigned to the SETAs as part of its mandate through its registered employers. SETAs are a schedule 3A Public Entity and twenty one SETAs were re-established by the Minister of Higher Education and Training in 2011 to promote skills development through the use of the skills levies paid by the employers.

1.2.1 SETA registered employers

When the Skills Development Levies Act (SDLA), Act No. 9 of 1999 was promulgated, the levy structure became an essential requirement for the funding of education and training as envisaged in the Skills Development Act, No. 97 of 1998 which came into operation on 1 September 1999 (Department of Higher Education and Training, 2016). The payment of levies to SARS came into effect in April 2000. The main objective of this legislation was to encourage employers to skill their workers, open up their workplaces for learning and claim back a portion of the levy as a financial incentive (Rajab, 2015, p. 29).

According to SARS (2016), the Skills Development Levy (SDL) is a levy imposed to encourage learning and development in South Africa and it is determined by the employers’ salary bill and these funds are to be used to develop and improve skills of employees. When companies

register with SARS, it is necessary to indicate under which SETA its core business activities fall within (SARS, 2016). In order to register with INSETA, the company's core business must be insurance sector related.

There are two types of employers registered with a SETA namely, levy or non-levy paying employers as depicted in Figure 1 below:

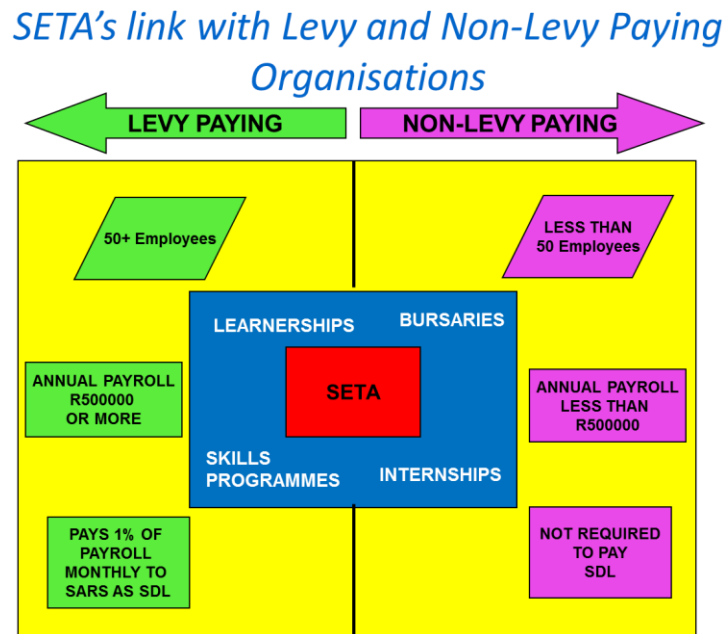


Figure 1: Levy and Non-Levy Paying Organisations adapted from www.sars.gov.za

Levy paying employers are employers whose payroll is five hundred thousand rand or more per annum. As mentioned earlier, these employers are required by law to pay one percent of payroll monthly as a skills levy to SARS. On average there are fifty or more employees within these organisations. However, it has been found that a few small to micro organisations that have less than fifty employees sometimes have a turnover of five hundred thousand rand or more, but these are still regarded as small or micro organisations. The determining factor for size is based on the number of employees in an organisation (INSETA, 2013, p. 4).

According to the Insurance Sector Education and Training (INSETA) Mandatory Grants policy, non-levy paying employers are those employers whose annual payroll is less than five hundred thousand rand per annum and are not obliged to pay a skills development levy. Although this

may be the case, in the researcher's experience, it has been found that a few of these employers opt to pay the levy despite falling below the threshold. For the purposes of this study, only levy paying employers will be selected.

Access into the SETA's discretionary grant funding (learnerships, bursaries, skills programmes and internships) for both levy and non-levy paying employers are reliant on the submission of the WSP within the annual stipulated due date as prescribed by the SDA of 1998. The INSETA's Mandatory Grants Policy further elaborates that companies not submitting WSPs are excluded from accessing discretionary grants including professional, vocational, technical and academic learning (PIVOTAL) funding for that particular financial year.

1.2.2 Workplace skills plan submission

Employers are legislatively required to submit a workplace skills plan by 30 April annually. The processes leading up to the successful submission of the WSP to the SETA will be examined. This includes aspects such as the performance appraisal process, skills needs analysis, training needs analysis and training plan compilation.

As stated earlier, in order for any employer to access SETA funding, it is a pre-requisite that a WSP must be submitted on a specified date to SETA. An employer may or may not be in a position to internally understand the submission requirements and to complete the process despite having appointed an internal Skills Development Facilitator (SDF). Alternatively, the employer may choose to contract the services of a Sector Skills Facilitator (SSF) or an external SDF.

An internal SDF is an individual that is permanently employed by the organisation whose sole or part functions relates to skills development facilitation. The SSF is appointed by INSETA to assist its' stakeholders in the completion and submission of the WSP at a cost agreed and contracted with INSETA. An external SDF on the other hand may be a consultant that would charge a company individually for services rendered in the compilation and timeous submission of the WSP to INSETA. Companies have the option of appointing an internal SDF which will not be an additional cost as this is a permanently employed staff member.

The SDF and SSF are required to undergo a specific SDF training programme in order to be adequately capacitated to complete and submit the WSP on behalf of the company. Based on the researchers' experience, it seems that not all SDFs and SSFs who submit the WSPs are qualified to do so. There is also a possibility that some do not put in the time or effort to complete a proper skills identification process. It is common for organisations to entrust this responsibility to an external SDF who may or may not undertake the process accurately or fully understand the strategic objectives of the organisation.

WSP submissions are strictly accepted during the open application windows from the time the Seta Management System, as with INSETA, opens until midnight of 30 April each year. As per the legislation, employers are allowed an extension until 31 May provided that a formal request of extension is received on the organisations letterhead and is approved by the SETA Board.

SETAs analyse and review the information provided in the WSPs which is key in developing the Sector Skills Plan as it directs the prioritisation of funding, indicating once again the importance of accurately undergoing a thorough skills audit, analysis and reporting.

1.2.3 Analysis of Workplace Skills Plans (WSPs)

SDFs submit the WSPs to the SETA which the organisation is registered with, by 30 April each year as per the legislative requirement. Generally, the Skills Unit at the SETA extracts and analyses this information as one of the ways of identifying the labour market information within its sector. This process has been in existence for more than seventeen years.

Despite the trends and patterns of the skills identified within the insurance sector through information received from employers, WSPs continue to be submitted with similar, if not, the same skills shortages every year. The situation begs the question as to whether organisations, or their skills development representatives that complete the WSP on their behalf, actually understand the organisations' strategic objectives and analyse the skills needs before completing the form.

The question in the researcher's mind is whether the approach to completing these forms is not done as a mere compliance for submission to qualify for mandatory grant claims or for access

to the discretionary grants. It sometimes appears that the quality of information provided may not truly reflect the skills needs of the insurance sector because of various unknown reasons and this, therefore, needs further investigation.

The PIVOTAL funding windows, targets and budgets are based on the need of the sector. (PIVOTAL programmes are further explained in section 1.2.4 below). Another important question arises *“Do the employers and SDFs understand the implication of the skills development information that is submitted to the SETA?”*

In light of the researcher being employed at the INSETA, and having gone through the WSP submission deadlines with the INSETA’s registered employers’ during the 2016 financial year, the need for this study became evident. The study will involve a cross section of small, medium and large levy paying companies that have submitted the WSP to the INSETA.

Guided by the Skills Development Act (Department of Higher Education and Training, 2017), the INSETA is responsible for the compilation of the Sector Skills Plan (SSP) which indicates the skills demand and supply within the sector. This information compiled by the Skills Unit, is subsequently used for INSETA’s strategic planning and the allocation of funding based on the skills needs of the sector as received in the WSP.

Based on the INSETA Sector Skills Plan (SSP) for the 2016/17 financial period, the total number of registered levy paying employers was 3415 of which only 943 employers submitted a WSP in 2016 showing a mere twenty eight percent participation rate for WSP submissions. This data is illustrated in Table 2 below. It can be argued that the low submission rate is a result of a lack of skills identification as this is a requirement in completing the WSP. Without organisations undergoing any form of skills needs identification and the proper recording of such information, compiling the WSP will not be possible. Despite the large and medium companies contributing the most levies it constitutes six percent each as compared to the small organisations which represents eighty eight percent.

Table 2: Small, medium and large levy and non-levy-paying organisations (employers) in the insurance and related services sector (INSETA, 2016)

Type	2016 Total Registered Employers	Total Registered Employers who submitted data during the 2016 WSP period	2016 Employee data for 3415 registered employers	2016 WSP data received from 943 employers
Large (150 + employees)	210	195	6 893	1 678
Medium (50 – 149 employees)	208	139	149 520	4 554
Small (1 – 49 employees)	2 997	609	259 837	150 736
Total	3 415	943	416 250	156 968

It is evident from table 2 above that large organisations employ the smallest workforce and small organisations employ the largest workforce. Thus data received may not truly reflect the needs of small organisations as it is not a legislative requirement to form any committees that will look into the skills needs of the organisation. When analysing the 943 WSPs received, a mere 109 companies were able to indicate its scarce and critical skills needs (INSETA, 2016). According to the ILO (2010), by using up-to-date information, those working in education and training can assess the match between the skills they are teaching and those in demand in the workplace. The question remains focussed on the understanding of organisations in identifying these skills that are reported to the SETA for national and sectoral planning.

This trend of poor participation is evident across all sectors as most SETAs statistics are similar to those above. It can be argued that the lack of accurate and reliable labour market information may be due to the lack of policies and guidelines with regards to skills development in these organisations. It could also be that there may be insufficient methods of analysis undertaken in order to reach skills needs required. Inaccuracies may impact on productivity and outputs of organisations, as well lead to wasteful expenditure of state resources.

The continued claim of the same skills requirements within the industry as skills shortages raises the question as to whether companies understand the consequences of providing inaccurate information to the INSETA who in turn uses the information for skills planning for the entire insurance sector. As stated earlier, the same situation seems to apply to other SETAs and has been confirmed by Itzkin (2015) *“WSP information submitted by companies to obtain mandatory grants could not be confirmed as accurate and often lacked credibility.”*

It is important to emphasize that the WSPs directly provide information of the skills needs of a particular sector which in turn directs the SETAs funding streams.

1.2.4 Funding streams

Employers who are eligible to pay a skills levy are entitled to claim twenty percent of the mandatory grants provided that the WSP has been completed and timeously submitted to the INSETA. A further forty nine and a half percent can be claimed through the discretionary grant process for PIVOTAL and Catalytic programmes. The monies that are not claimed are transferred into the National Skills Fund for future training needs by Government (Department of Higher Education and Training, 2016). Ten and a half percent of the levies go to the SETA that the company is registered with for Administration purposes. These are outlined in Figure 2 below.

Funding directed through the discretionary grant process is reliant on labour market information received through WSPs from the organisations. The SETA plans and allocates funding for each year, based on the information received in the WSP. When inaccurate labour market information is submitted to the SETA, and this information directs how funds are allocated for the following financial year, little or no progress is made in addressing skills shortages. As a result the same problems identified in previous years still exist and are the same. A recurrence of the problem finally results in claiming a specific skill shortage as a priority skill for the sector from the SETA discretionary funding through Pivotal or Catalytic Programmes.

As depicted in Figure 2 below, Discretionary grant funding is broken up into Pivotal programmes and catalytic programmes. PIVOTAL is an acronym which means professional, vocational, technical and academic learning areas that result in part or full qualifications on the National Qualifications Framework (NQF). Catalytic programmes are special strategic projects identified by a SETA that do not fall into any of the PIVOTAL offerings.

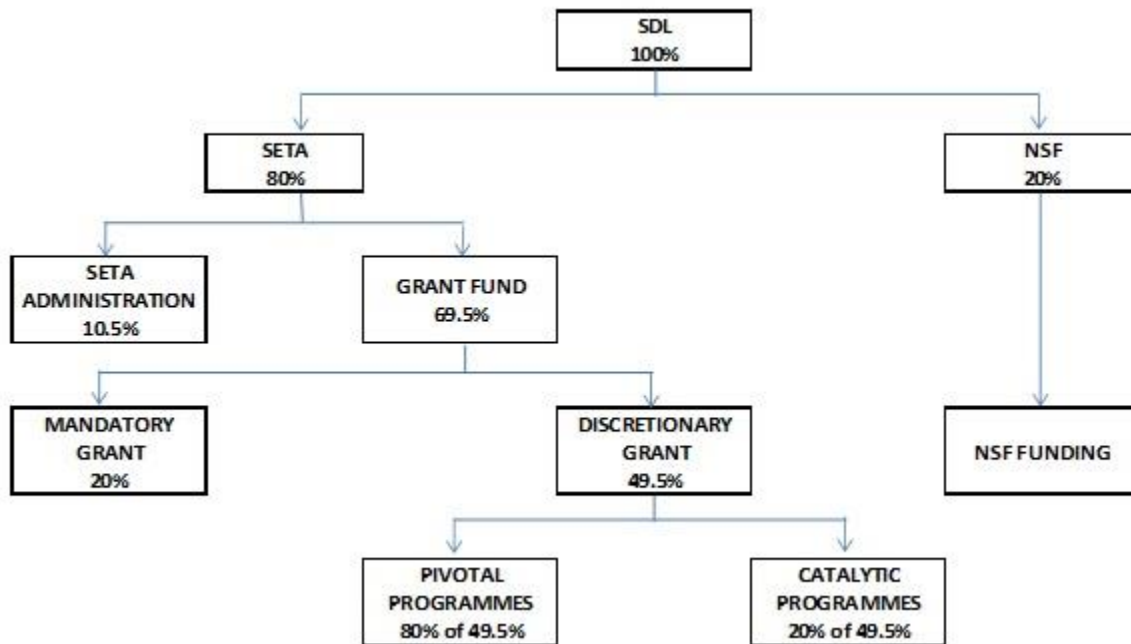


Figure 2: Discretionary and Mandatory Grant Allocation (INSETA, 2015b)

The breakdown of the levy distribution percentages is depicted in figure 2 above. From the one hundred percent levy, eighty percent is transferred to the SETA whilst the remaining portion is transferred to the National Skills Fund (NSF). SETAs play a central role in ensuring that the mandate of the National Skills Development Strategy III (NSDSIII) is achieved by assisting employers in offering PIVOTAL training initiatives such as Learnerships, bursaries, skills programmes and work-integrated learning to assist employers to carry out their job functions more productively.

Employers are important providers of training and have a responsibility to provide training, while employees have a responsibility to pursue opportunities for lifelong learning whether on the job or through training providers (International Labour Organisation, 2010:23). The various qualifications offered through these learning interventions are based on the demand, and the scarce and critical skills required in the specific sector as informed by the WSP.

Based on the understanding that employers must pay skills development levies as legislated, it is a requirement that a WSP is submitted once the employers are registered as levy payers (SARS, 2016). This is also a pre-requisite for accessing PIVOTAL funding. It becomes imperative that the SETA ensures that employers link their organisational needs to national imperatives to create a skilled and capable workforce for the South African economy (Department of Higher Education and Training, 2011). All this is possible through a well-informed WSP.

McIntyre (2013) states that 'prior to beginning training an organisational needs or gap analysis should be conducted'. This is often not done in cases where 'skills development is merely done for window dressing purposes; the company has a budget for Skills Development, so it does it' (McIntyre, 2013).

1.3 Problem Statement

This study will investigate whether organisations conduct an organisational needs or gap analysis prior to the commencement of training. Skills needs identification should be an on-going process in any organisation with a purpose to grow and improve productivity. More often than not, it appears that many organisations undergo a skills identification process for WSP submission requirements only.

Despite the submission of the WSP as required by legislation, once analysed by the INSETA, the submission does not seem to address the skills shortages identified, leading to a skills gap. The labour market information received does not seem to be a true reflection of the skills development needs within the organisations.

The information is 'submitted to the SETA who is expected to direct and facilitate the delivery of sector-specific skills interventions that help achieve the goals of the NSDS and to address employer demand' (Department of Higher Education and Training, 2013). It seems that the situation is repeated every year as employers do not internally identify their skills needs accurately and do not appear to be finding ways to address the skills gap.

1.4 Aim of the study

The aim of this study is to explore why there is a recurring skills gap by investigating the manner, method and approach in which insurance organisations identify scarce and critical skills. The findings from this study can be extrapolated to other sectors and by doing so will endeavour to reduce the national scarce and critical skills gaps in the country.

1.5 Research Objectives

The aim is supported by the following objectives:

- To investigate how organisations identify their current and or future skills needs
- To determine if skills development policies and guidelines are in place and adhered to for skills planning within organisations
- To investigate the level of involvement of employees in identifying skills needs
- To investigate the role of the SDF in gathering data for the WSP compilation

1.6 Research Questions

Based on the research objectives, the following questions were raised:

The primary question of the study is:

- Why is there a recurring skills gap despite the annual submission of a WSP by employers?

The secondary questions of the study are:

- What methods are currently used to identify skills needs for organisations?
- How are the Human Resource (HR) strategies being implemented with regards to skills development initiatives?

- What is the level of employee involvement during the skills identification process?
- What is the SDF's role in gathering data for the WSP?

1.7 Significance of the study

The findings of this study are relevant and are expected to be of assistance to several groups of people, namely:

1. Levy paying employers in all sectors

If the findings of this study are considered by employers who currently pay a skills levy it will serve as a resource to refer to when identifying skills needs in its organisations. The methods and approach used can then be refined to ensure that the skills needs are linked to the organisational requirements.

Based on the skills levy paid, organisations are eligible to claim back a portion of the levy upon submission of the WSP to the SETA. The money claimed back could be used to grow and develop the employees and the business. By embracing this process as a strategic driver, not only will the company benefit, it will also support the strategic objectives of the company and support economic growth in South Africa as a whole.

2. INSETA

This research will act as reference material to the levy paying Employers when identifying scarce and critical skills in its organisations, ensuring that the information submitted to the SETA is a true reflection of the skills development needs in the insurance sector in South Africa. By doing so, the data collected contributes to the original strategic intent of the SDA and SDLA. The strategies supported by INSETA will contribute to the development of key skills within the sector so that economic development is ensured in the long term.

3. Internal and External Skills Development Facilitators

Skills development facilitators are able to engage with management and key role players to ensure that human resources are linked to the strategic objectives and that HR priorities are

adhered to. This is important in identifying the gaps between strategy and execution. When SDFs realize their strategic importance and use this opportunity as a strategic driver within their organisations, then identifying and addressing skills gaps on an organisational level will lead to a reduction in the skills gaps on a sector and ultimately on a national level.

4. Other researchers

The findings from this study can be used by other researchers who are interested in this area of study. The study will contribute to the body of knowledge on how skills needs are identified which ultimately impacts on the national scarce and critical skills gaps. The outcome of the study will contribute to the improvement of the quality of data collected through the WSP process supported by legislation. Additional research in other sectors can enhance and isolate specific sector problems.

1.8 Limitations

The following limitations will be applicable to the research study:

- The study is limited to large, medium and small levy paying employers. The employers selected for the participation of the study may not truly represent the full population as non-levy paying employers are excluded from the study
- The levy paying employers selected for the study are limited to the Insurance Sector
- Another limitation is that the selected employers are based in Gauteng only. This is due to resource constraints and the location of most head offices that are in Gauteng
- The research is limited to levy paying employers that have submitted a WSP to INSETA by 30 April 2017
- Interviews with HR personnel and SDFs limit other managers being interviewed. The willingness and co-operation of the respondents to participate in the study is a further limitation
- Data is restricted to what currently exists only

1.9 Assumptions

Information provided for in the scarce and critical skills section of the WSP may be inaccurate and are submitted for compliance purposes (Intoweb, n.d.). If this underlying assumption is correct, the interpretation of data submitted and the analysis of the skills needs becomes an important factor to address in the future.

This study is based on the assumption that:

- All respondents will understand and be knowledgeable on how the skills needs are identified
- WSPs are accessible for the study purposes
- Sampled organisations will co-operate in the in-depth interviews
- Skills needs identification is conducted quarterly by organisations
- The organisations conduct a training needs analysis or skills audits regularly

1.10 Research process

An exploratory qualitative, inductive, interpretivist perspective will be used in this study. The outline and process map of the study are illustrated in Figure 3 and Figure 4 respectively and are further explained in chapters two and three.

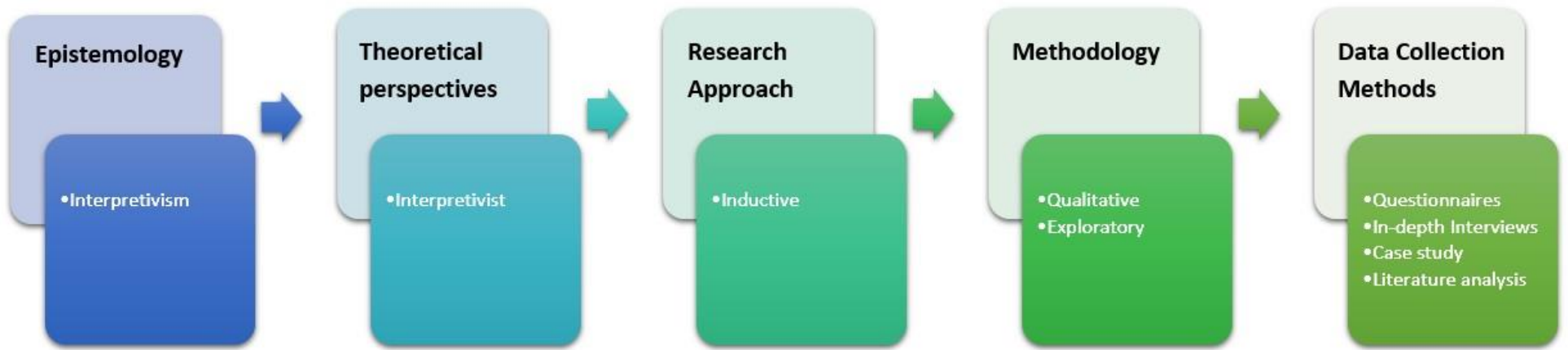


Figure 3 Outline of the study

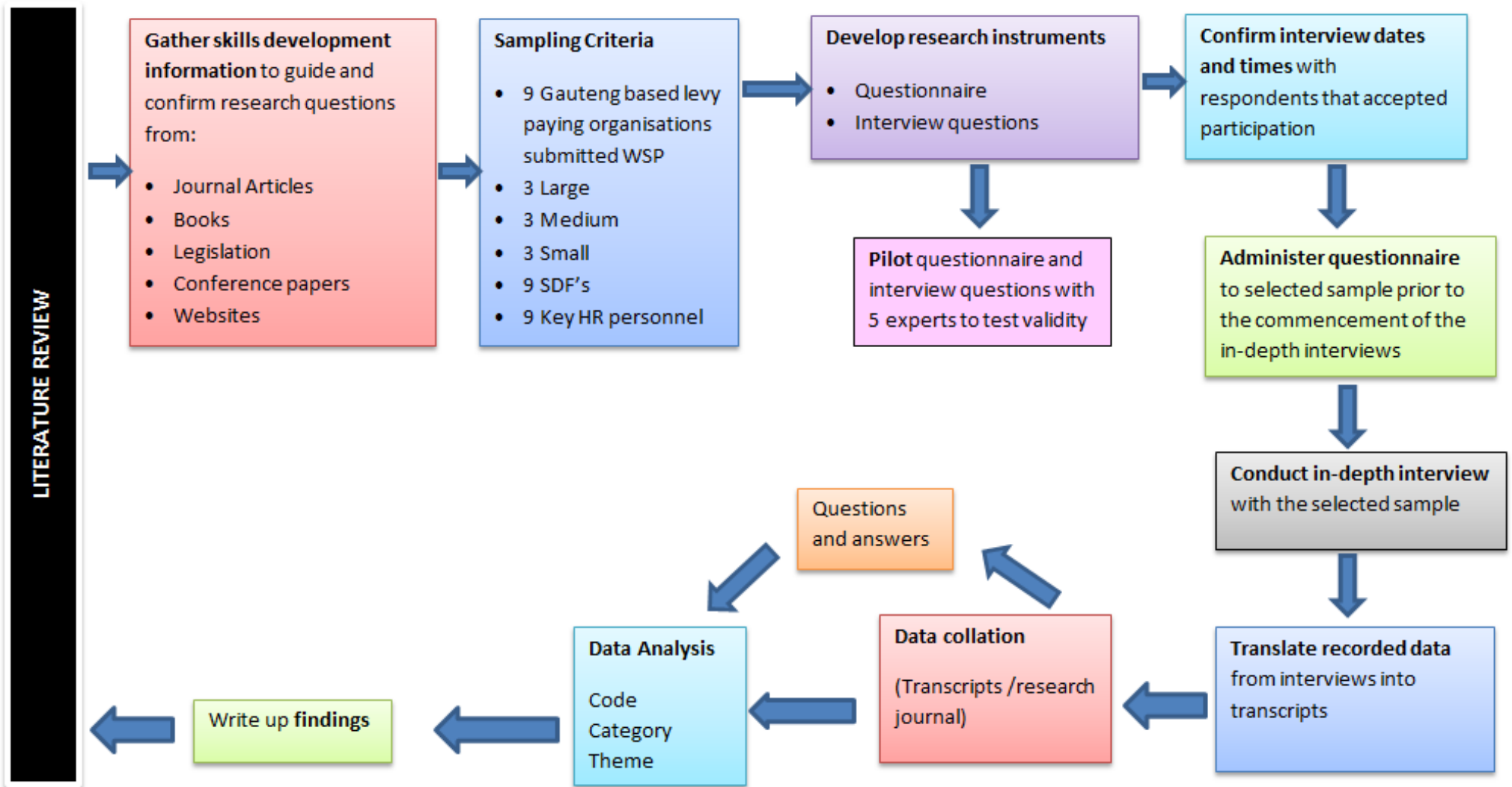


Figure 4 Process map of the study

1.11 Chapter outline

The structure of the research report is as follows:

Chapter one - **Introduction to the study**, discusses the background and context of the study, problem statement, research questions, and the aims and objectives of the study.

Chapter two – **Literature review and Theoretical Framework**, provides a review of the relevant literature and reflects the constructs and concepts of the study.

Chapter three – **Research Design and Methodology**, presents a detail of the research design and methodology used in the study, the philosophical underpinnings (ontology and epistemology) of the study, the population, sampling and sample size and ethical considerations.

Chapter four – **Data analysis and Research findings**, outlines the results of the research. Tables, diagrams and pie charts are used to present the results of the investigation.

Chapter five – **Conclusions and Recommendations**, summarises the findings and conclusions of the study. Recommendations arising from this study for future research are also considered.

1.12 Conclusion

Chapter one serves as an introduction for setting out the context and rationale of the researcher's work- based challenge. It also provides an overview of the legislative background, problem statement, research questions, and the aims and objectives of the study.

Chapter two follows and details the literature review with key concepts and constructs for the study.

CHAPTER 2 Literature Review and Theoretical Framework

2.1 Introduction

In chapter one, a brief background to the study, problem statement as well as the aim and objectives of the study were discussed. In this chapter, organisational and HR business strategies, approaches used to identify skills needs and the development of the WSP are explored with key concepts that are defined to gain a common understanding for the purpose of this study.

The Ministerial Task Team on SETA Performance, as well as the White Paper on Post-School Education and Training (PSET), expressed concern about the quality of data received by SETAs from employers, and the limited potential for credible analysis of this data for skills planning (LMIP, 2017). It seems clear that the credibility of the data received remains questionable. Whilst there are attempts to review the existing WSP format, understanding employer interventions in skills development requires in depth examination.

This study will investigate the manner in which data is gathered through the constructs and concepts identified by the researcher which follow.

2.2 Constructs and concepts of the study

A theory is defined as:

A set of interrelated constructs (concepts), definitions and propositions that present a systematic view of phenomena by specifying relations among variable, with the purpose of explaining and predicting phenomena (Kerlinger, 1986, p. 9).

In identifying skills requirements, employers tend to follow various processes in discussion with staff to ascertain what the skills needs are. The study will draw on constructs and concepts linked to these processes which are the organisational priorities, HR strategies and the development of the WSP.

According to Gray (2004), a construct is the particular way in which an individual expresses meaning about a concept and further clarifies concepts as abstract ideas that form the building blocks of theory.

The process of skills identification, seen as the construct, in figure 5 below, begins with the employer addressing the skills needs of the organisation in relation to the business objectives and employee involvement that leads to the development of the WSP which is seen as the concepts.

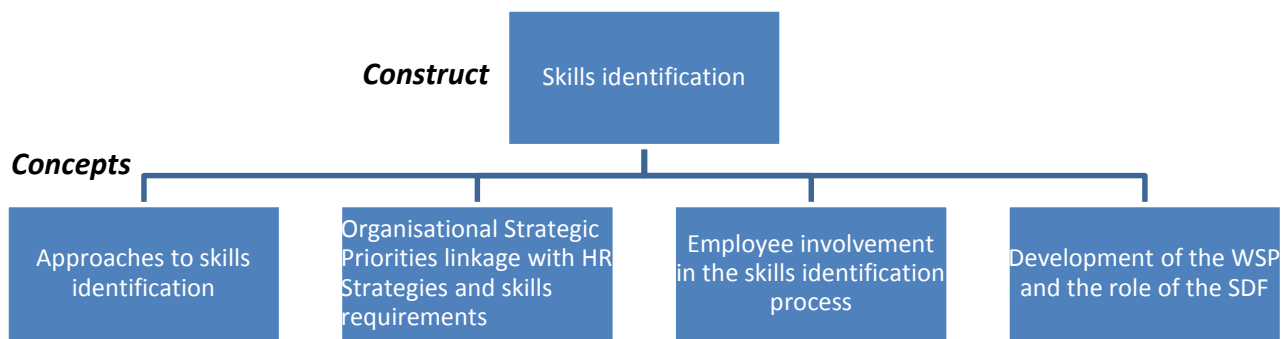


Figure 5: Construct and Concepts

These concepts and the construct relate to the research phenomenon. This study is based on a qualitative interpretivist approach which is further explained in chapter 3. The approach will be to understand the processes followed using current practices of skills needs identification. The findings will be drawn from the analysis of the interviews conducted with the sampled organisations. The skills needs identification process in any organisation is beneficial to both employer and the employee. Once the employees’ skills needs are enhanced, the organisation performs better and has competitive advantage whilst the employees career development progresses.

The researcher is interested in finding the links between the organisations’ strategic priorities and the manner, method and approach of how skills needs are identified. This information in turn is the key element required for the completion of the WSP. It will also determine why there is a recurring skills gap based on the manner, method and approach used. The

conceptual framework ‘forms the basis of the study that will inform the research design and alignment to the research methodology will follow’ (McArthur, 2014, p. 37).

In the skills development arena words commonly used may be interpreted differently. For the purpose of this study, the explanation of these concepts follows.

2.2.1 Definition of key concepts

Skills Development: *Developing employee’s skills set to improve productivity in the workplace and the competitiveness of businesses which will add value to the organisation and employee’s career development and mobility*

Skills: *The knowledge and ability to carry out particular tasks with pre-determined results within a specific time period.*

Skills Needs: *The skills sets required in an organisation to fulfil its organisational objectives.*

Skills Gaps: *Refers to the lack of specific competencies by employees to perform tasks successfully at required industry standards*

Skills Mismatches: *Occurs when the supply of workers is not related to occupational demand*

WSP: *A legislated template as contemplated in regulation 4 of the Skills Development Act allowing Employers to provide statistical data on a range of skills development interventions planned to address the skills needs identified.*

Performance Appraisal: *is an evaluation of the employee’s job performance within a specified period of time.*

Personal Development Plan: *is a documented process between the employee and employer whereby educational needs are identified, objectives are set and educational activities are planned with evidence indicating the skills knowledge or understanding that has been achieved*

2.2.2 Approaches to skills identification

The early identification of skills needs reduces skills mismatches and avoids skills shortages and bottlenecks to development and growth at the level of the national economy (International Labour Office, 2008). Organisations utilise various ways to identify their skills needs. Skills needs are identified in terms of scarce skills and critical skills.

A scarce skill is a qualification or a job for which there are few or no people available to do the job whereas critical skills refer to specific proficiencies or competencies needed within an occupation such as communication, general management skills or technological skills. The way in which employers understand these terms and identify these skills internally are critically important as this impacts on the prioritisation of the scarce and critical skills list by the SETA (Department of Higher Education and Training, 2014) which filters into the national scarce and critical skills list.

It is suspected that different organisations may use various methods or a combination of methods to identify their skills requirements. In the researcher's experience, a skills audit and a performance management process is understood in broad terms. For the purposes of this study, these concepts are considered and discussed below:

- Skills audit,
- Performance management process

2.2.2.1 Skills Audit

A skills audit is a process for measuring and recording the skills of an individual with the purpose of identifying the skills and knowledge that the organisation requires as well as the skills and knowledge it currently has (Watson, 2004). It seeks to obtain information on the core competencies of an individual (FASSET, 2004) against predefined sets of skills that are required for a role. Competencies refer to an individual's knowledge, skills, abilities and personality characteristics that directly influence his or her job performance (Soundview Executive Book Summaries, 2001, p. 8).

Watson (2004) and (FASSET, 2004) further assert that the outcome of the skills audit process is a skills gap analysis which ensures that the correct person is deployed in each position. On the other hand, (Cognology, 2017) views the outcomes of the skills audit as a training needs analysis where training is needed. Clearly there are multiple views on the outcome of a skills audit. Training needs analysis addresses skills gaps at individual, departmental and organisational levels and should be conducted at all three of these levels to ensure maximum

return from training and skills development throughout the organisation (HRZone, 2017). It assesses the knowledge, skills and attributes that are required to perform a job. Any training analysis has to be explicit about what people must start doing, stop doing and continue to do to execute strategy (Latham, 2003, p. 219).

According to FASSET (2004), there are three stages to a skills audit:

Step 1:	Determine Skills Requirements	Determine what skills each employee requires
Step 2:	Audit Actual Skills	Determine which of the required skills each employee has
Step 3:	Determine Development Needs and Plan for Restructuring	Analyse the results and determine skills development needs

The question remains: Do insurance organisations follow the steps required for a skills audit?

Conducting a skills audit allows for the achievement of company strategic goals. Potential repercussions include invalid and unreliable training plans that are not specific to individual, departmental and organisational goals (Watson, 2004, p. 10).

As illustrated in figure 6 below, FASSET (2004) clearly articulates that once the organisation has a clear picture of where it is in terms of skills using a Skills Audit and a clear vision of where it needs to be in terms of strategic development, skills matrices, what remains to be done is to conduct a gap analysis.

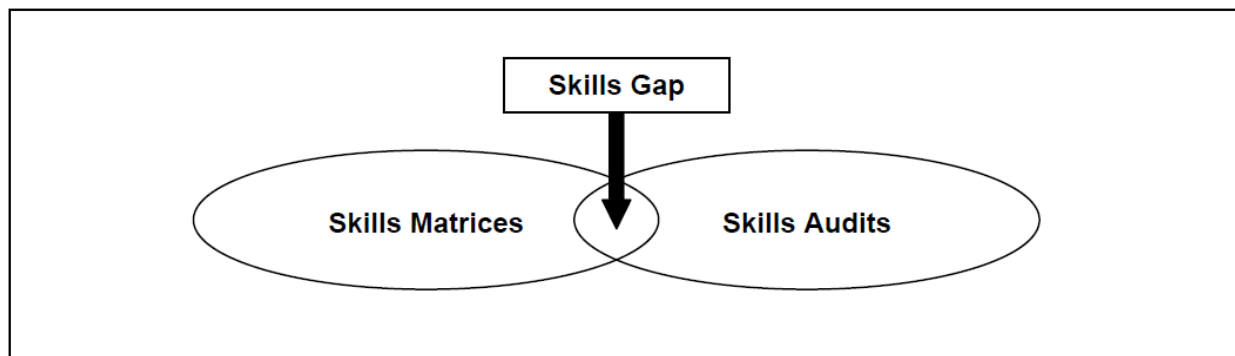


Figure 6: Conducting a skills gap analysis. Adapted from (FASSET, 2004)

This study will investigate how insurance companies conduct a skills audit if any, as this is key to identifying the skills requirements and training needs of the organisation. If there are no skills audits conducted then the performance management process will be thoroughly reviewed and analysed as this information will form the basis for the completion of the WSP.

2.2.2.2 Performance management process

Many corporate executives acknowledge that their current performance management systems are not working (Bussin & Smit, 2015, p. 2), whilst many organisations do not use a job evaluation system at all (PwC, 2010, p. 11). According to the Global Human Capital Trends: Engaging the 21st-century workforce (2014) depicted in figure 7 below, eight percent of companies report that their performance management process drives high levels of value while fifty eight percent said it is not an effective use of time.

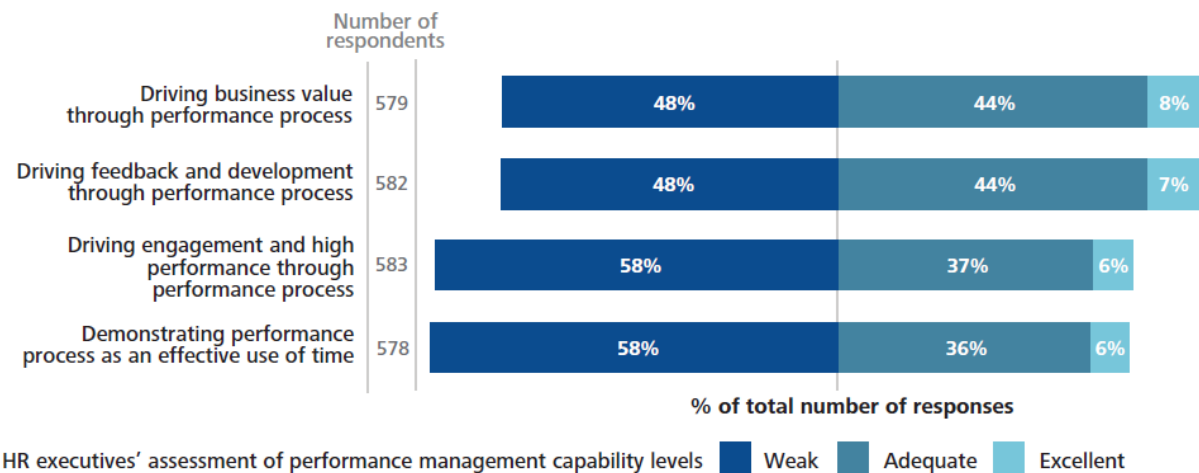


Figure 7: HR's Executive Assessment of Performance Management (DELOITTE, 2014, pp. 45-52)

From Figure 7, it is clear that many executives do not believe that their current performance management systems are working. There is a possibility that if performance management processes are weak, the process of identifying skills needs remain weak and can become questionable, therefore requiring investigation.

According to Boselie (2010), performance management is a microcosm of strategic human resource management which is expanded on in Section 2.2.3.

It is commonly known that the terms performance review, performance management, performance appraisal and personal development plan are often used interchangeably and regarded as one in the same process. This investigation will seek to unravel if this may be the case with the sampled organisations.

The approaches used to identify skills requirements emanates from the HR strategies. Understanding the link between the HR strategies and business priorities in terms of skills needs identification will be further investigated.

2.2.3 Organisational Strategic Priorities linkage with HR Strategies and skills requirements

The HR system consists of strategies, policies and procedures. Many organisations have multiple discreet HR practices with no explicit or discernible links between them (O'Riordan, 2017, p. 15).

Equipping the workforce with the skills required for the jobs of today and those of tomorrow is a strategic concern in the national growth and development outlooks of all G20 countries (International Labour Organisation, 2010:1). In order to investigate the current practice of how the organisations have been identifying its skills requirements, the approach that will be undertaken is to explore which skills development policies and procedures are adhered to in the organisation and the linkages of these policies to the organisations strategic priorities. The ILO (2010) concedes that dedicated policies and measures are required to facilitate access to training and skills development by individuals.

It is suspected that these policies and procedures outline how skills requirements are identified, and the understanding thereof will be investigated. This is supported by Botha (2008) who states that *“The aim of the training philosophy, policy and strategy are to give an indication of the manner in which the skills of executives, managers and employees should be developed in order to give rise to the current and future effective performance”*.

According to Latham (2003), *“companies in Europe and North America spend one billion dollars a year upgrading the knowledge, skills and abilities of their employees so that they understand*

the overall strategy .” Understanding the policy and strategy of the organisation allows for the right skills in the organisation to be identified. Career development and succession plans should be linked to business strategy (Latham, 2003:221). Career development explained by (Nadarajah, Kadiresan, Kumar, Ramesh, Kamil, & Yusoff, 2012:102) is the on-going acquisition of skills and knowledge, including job mastery and professional development, coupled with career planning activities.

The ILO (2010), confers that the basis of a policy framework for developing a suitably skilled workforce is firstly a close matching of skills supply to the needs of enterprises and labour markets. secondly, it also anticipates and prepares for the skills needs of the future. All G20 countries have identified skills development as a strategic objective (International Labour Organisation, 2010:54). For this reason, most companies adopt a strategic human resource management or a strategic training process approach.

“A strategic training process is used to equip executives, managers and employees for the changing nature of performance arising from the emergent strategic orientation of the company. Although it applies to all employees in the company, it is a process that is of fundamental importance to executives and managers involved in formulating and implementing the strategic orientation of the company. As expected the executives and managers must ensure that the current, but especially the future strategic orientation of the company is translated in terms of skills which employees will need to ensure their effective performance in future. (Botha, 2008, p. 97)”

Botha (2008) further asserts that companies most probably are not able to identify and address the strategic training needs of executives and managers because they do not make use of a strategic training process. Strategic Human Resource Management on the other hand focuses on integrating and relating skills development to business strategy (Watson, 2004). By contrast, traditional human resource development involves the development of the skills of executives,

managers and employees as they flow from the current strategic orientation of the company (Botha, 2008, p. 97).

The HR department is placed with the responsibility of ensuring that it plans adequately for all the organisations' future engagements that will involve people (Darvish, Moogali, Moosavi & Panahi, 2012:254). In so doing, there are strategic partners that translate business strategy into action and align HR practices with business strategy (Ulrich, 1997, p. 158). Strategic partners who are regarded as the HR experts are credible (a person who is respected and admired) and activist (who offers new ideas and challenges) (Darvish, et al., 2012, p. 259) and are most beneficial in ensuring the linkages between organisational strategic priorities, HR strategies and skills requirements. This is further supported by (Armstrong & Taylor, 2015) who identifies one of the goals of Human Resource Management (HRM) as *“supporting the organisation in achieving its objectives by developing and implementing HR Strategies that are integrated with business strategy.”*

It is important to also elaborate on the employee consultation and involvement in the skills identification process.

2.2.4 Employee involvement in the skills identification process

If workers feel their interests are adequately addressed through a representative process, they are more likely to avail to the organisation their full skills, knowledge and effort through direct involvement (Fenton-O'Creevy, 2003, p. 167). O'Riordan (2017) asserts that the opportunity to contribute to decisions and a sense of involvement is valued by most employees and that effective communication is a vital part of the process.

The ILO (2010) confirms that a good skills development system will be able to amongst others, anticipate skills needs and engage employers and workers in decisions about training and development.

According to Nadarajah et al (2012), employees may need encouragement and support in reviewing and re-assessing their goals and activities to be successful in their job performance. This in turn ensures success of the business in the long term. (O'Riordan, 2017, p. 18), states

that there are a range of mechanisms used by organisations to promote involvement and participation by staff which include employee opinion surveys, suggestions schemes, partnership committees and work councils.

The Employment Equity Act 55 of 1998 makes provision for Employers to report on employee skills in the organisation including how inexperienced employees can acquire skills by providing a forum through which agreement on such matters can be reached (Edwards, 2015). This means that Employers should have established skills development or a skills training committee. Regardless of the name of the committee, the focus should be on employers consulting with its employees on skills requirements.

Edwards (2015) further states that although skills development committees do not appear in any Act related to Skills Development, the following three Acts refer to the training and development of employees, for which consultation with employees are required:

- The Employment Equity Act 55 of 1998 (and amendments) refers to the fact that employees must have the relevant experience and learning to do a job properly
- The Labour Relations Act refers that a company must provide a workplace forum for employees
- The Constitution of South Africa indicates that every citizen has a right to education

In this study, the process of employee involvement and consultation, either individually or through committees in place within the organisation, with regards to the skills identification process, will be a key factor to investigate. Once employees have been consulted, the information regarding the skills requirements are used by the skills development facilitator (SDF) to compile the WSP.

2.2.5 Development of the WSP and the role of the SDF

As indicated in chapter one, employers who pay a skills levy are eligible to claim back a portion of this on successful completion and submission of the WSP. The WSP is a document that contains the organisations' skills and training requirements for a particular period. The SETA

analyses this information for skills planning and the allocation of funding for the respective sector.

Nationally, there are levy and non-levy paying stakeholders registered with either one of the twenty one SETAs depending on their core business activities. There is a diverse number of employers ranging from very small (10 employees and less) to very large (in excess of 12,000 employees).

It may appear that many organisations are unaware of the benefits of growth and improved productivity that can be attained when they submit accurate and well analysed information in the WSP to the SETA.

In order to compile a WSP, there are a number of requirements that need to be in place within the organisation for the information to be filtered through. Some of the sources of information include the skills audit and performance management process as outlined in Section 2.2.2.

In chapter one, the internal SDF, SSF and external SDF were discussed. These individuals are responsible for the compilation and submission of the WSP to the SETA, therefore managing the skills development initiatives (INSETA, 2013), in accordance with the SETA requirements. Some of these requirements include but are not limited to liaison with the SETA, facilitated training committee meetings (for large and medium sized organisations), interpreting and understanding the business objectives and requirements for skills development, and co-coordinating skills development interventions (Squire, 2013). Other requirements are conducting a needs analysis process and documenting the results for WSP purposes. Documented information reduces inaccurate and inconsistent data submitted in the WSP.

In many organisations, HR is challenged by the multiple roles it is required to fulfil – administrator, strategic partner, champion of good people management (O’Riordan, 2017, p. 5) and internal SDF.

2.3 Conclusion

Nadarajah et al (2012) articulates that very little research has been conducted to investigate the relationship between the HR practices and the job performance of the employees. This study seeks to add to the existing limited research by identifying the manner, method and approach in which skills needs are identified.

Yin (1999), acknowledges that even exploratory case study research should make use of a conceptual framework to define priorities to be explored. To this end, one concept and four constructs have been identified to interpret the research phenomenon. These include the approaches to skills identification; organisational strategic priorities, linkage with HR Strategies and skills requirements; employee involvement in the skills identification process; and the development of the WSP and the role of the SDF.

Having explained the concepts in this chapter, the methodology and design for the research to be conducted is outlined in chapter 3 that follows.

CHAPTER 3 Research Design and Methodology

3.1 Introduction

As pointed out in chapter two, this study is based on the research paradigm of a qualitative interpretivist approach. Punch (1998) states that qualitative research may be found in any one of three paradigms: positivist, interpretivist and critical. Paradigms represent what we think about the world but cannot prove (Hale-Haniff, 1999). According to Creswell & Clark, (2004) qualitative research is an inquiry approach in which the inquirer explores a central phenomenon, asks participants broad general questions and collects detailed views of participants in the form of words. This approach was appropriate for the study as the researcher engaged with key people in the HR division, including a sample of managers and SDFs from the identified organisations, to achieve the purpose of the research. Simply stated, the approach informed the researcher on perceptions of reality pertaining to the process of skills identification and provided an insight of the organisation's understanding with regard to skills identification, which directly affects the sector education and training authority SETA in achieving its mandate.

One aspect of the regulatory mandate of the INSETA is to ensure that skills gaps within the Insurance sector are addressed (INSETA, 2016). INSETA can only address these gaps by analysing the data submitted by the insurance sector employers when WSP are submitted to the INSETA on an annual basis. The researcher began the research believing that the study would identify how the skills needs of the insurance organisations were identified for WSP purposes since this was a key element for strategic planning and funding of skills development initiatives for the insurance sector by the INSETA. The researcher investigated both method and process.

The second aspect of the INSETA mandate is to ensure that scarce and critical skills are identified so that funding can be made available for interventions that will address these skills for the insurance sector (INSETA, 2016). It is thus imperative that the application for funding from employers is based on sound and well analysed data from within each organisation to ensure that the funding that is made available for skills development is worthwhile.

The researcher suspected that strategic planning for the insurance sector was not adequately prepared. This was due to the poor quality or lack of information in the WSP supplied by the employers within the insurance industry as well as the consistent recurring skills gaps identified over a long period of approximately fifteen years. The SETA's strategic plan sets out the targets that the SETA needs to achieve during a particular financial period. This stemmed directly from the Sector Skills Plan SSP from which input was provided by industry in the form of the WSP submitted by employers (MICTSETA, 2012). Failure to submit sound data by employers leads to wasteful expenditure on the SETA side if the problem was not addressed. Ideally training should be done for the purpose of up skilling and reducing unemployment, therefore it was important to understand the skills needs and shortages in the labour market which the SETA can fund through PIVOTAL programmes via the discretionary grant process as explained in section 1.2.4 of chapter one. The research investigated the reasons why the problem recurs on an on-going basis.

Chapter 3 explains the research design, the ontological and epistemological position of the study, research methodology, research sampling, a description of the data collection methods, the methods of analysis of the data collected, and the data integrity process. Finally, the chapter concludes with the limitations and ethical considerations of the study.

Rajasekar, et al., 2013 defines research design as 'creating the foundation of the entire research work'. It is therefore important that the research design or the "big plan" be explained.

3.2 Research Design

As stated by Creswell (2009), research designs are plans and procedures for research that span the decisions from broad assumptions to detailed methods of data collection. Welman, et al. (2005) further includes that research designs guides the researcher on how to obtain data about the research phenomenon from the respondents.

Rajasekar, et al. (2013) explains that quantitative research is based on the measurement of quantity or amount, and the result of the research is essentially a number or a set of numbers

whereas qualitative research is concerned with qualitative phenomenon involving quality and is non-numerical, descriptive, applies reasoning and uses words. Similarly, Creswell (2009) confirms that quantitative research is a means for testing objective theories by examining the relationship among variables whilst qualitative research is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem.

In this study the researcher has adopted a qualitative research approach. The process followed was to be exploratory and discovered and defined through the interaction with key informants (Sofaer, 2002, p. 332) as the researcher wanted to understand the views of the respondents. The researcher also explored how skills requirements are currently being identified in the organisations. Gray (2004) indicates that exploratory studies seek to explore what is happening and to ask questions about it. This involved understanding the skills identification process by collecting and analysing data based on the experiences encountered through data collection techniques such as, in-depth interviews and document analysis.

Qualitative analysis such as in-depth interviews and document analysis have been included to gain in depth information in order for the researcher to make a conclusion. Berry (1999) concedes that in depth interviewing is a type of interview which researchers use to elicit information in order to achieve a holistic understanding of the interviewees' point of view or situation. This type of interview involved open-ended questions that provided varying responses that are interconnected and complementary. It allowed the researcher to probe wherever necessary, and to obtain data deemed useful (Berry, 1999). The open-ended questions identified what the relationship of poor skills identification is on strategic planning for the insurance sector. It will also assist in finding out how this impacts on the reduction of the insurance sector's scarce and critical skills gaps.

The epistemological approach of this study was relativism which related to multiple perspectives of reality to be co-constructed (Gray, 2004:257). This approach is further elaborated upon in Section 3.4. Based on the sample, multiple perspectives were gained from

the SDFs and key HR personnel across three organisations in each of the large, medium and small size categories that identified skills requirements.

An inductive approach was used as a type of inquiry since the study was concerned with the generation of new theory emerging from the data. Unlike a deductive approach which was aimed at testing theory (Gabriel, 2013) the researcher gained insights into the actual experience of employers and their representatives. Gabriel (2013) further asserts that inductive approaches are generally associated with qualitative research whilst deductive approaches are more commonly associated with quantitative research. As this study was qualitative and by generalising the responses received, an inductive approach allowed the researcher to explore and discover the potential gaps that organisations are unaware of. Data collected was interpreted and analysed by the researcher before identifying common themes that were grounded in the respondents words (Hesse-Biber & Leavy, 2006:8), as reflected in Chapter four.

Terreblanche & Durrheim (1999) explained that the research process has three major dimensions namely Ontology, Epistemology and Methodology. This was further supported by Creswell (2009) who stated that when planning a study, researchers need to think through the philosophical worldview assumptions that they bring to the study, the strategy of inquiry that is related to this worldview, and the specific methods or procedures of research that translate the approach into practice.

Ontology is the nature of reality (Hudson & Ozanne, 1988, p. 509) and epistemology is the relationship between the researcher and the reality (Carson, Gilmore, Perry & Gronhaug, 2001:62). These ideologies are further detailed in section 3.3 and 3.4.

3.3 Ontology

Expanding on the dimensions proposed by Terreblanche & Durrheim (1999), the word 'ontology' comes from the Greek: ontos = being and logos = study (Chauncy, 2012) which means the study of being and what is reality. The researcher is currently the Skills Development Specialist at INSETA and became interested in this topic when it was perceived that not all employers were effectively identifying the skills gaps for SETA planning to be adequately

prioritised. The problem seemed to be a recurring one and required investigation. Having been in the skills development arena for over fifteen years and experiencing the same problem on an annual basis, the researcher was curious about finding out possible reasons or any missing links that existed in identifying the skills needs within the insurance sector.

As part of its mandate to deliver and enhance skills development in the sector, SETAs provide financial budgets on an annual basis. This was an important factor since the information received from employers influenced the allocation of funding for the sector and contributed to national planning for skills development.

Labour market information from all sectors was received mainly through the submission of the WSP as well as industry research in the form of focus groups, interviews and stakeholder consultations. The national scarce and critical skills lists had been largely accessed from the information provided in the WSP. From the researcher's experience, it was observed that year on year trends indicate that the information from the WSPs received was not a credible source of information for planning purposes.

3.3.1. Significance of the research for the self, others and social context

As mentioned earlier, the researcher had been in the skills development arena for more than a decade, and had become acutely aware that poor skills planning affect human resource development in any sector of the economy. This means that poor skills planning leads to continuous skills shortages and skills mismatches and these factors are continuously being experienced in the insurance sector.

Organisations seemed to be unaware of the consequences of the lack of skills planning and the effect this has had on the national scarce and critical skills list which is usually comprised from the information submitted in WSPs. Ideally, all workers, persons who are currently employed, should be up skilled regularly due to the dynamically changing business environment and the increasing competition in the marketplace (Agarwal, 2012:1). Also, organisations need to see the employee's true potential and to make a positive impact on the South African economy.

Organisations would ideally like to grow the bottom line and this can only be achieved if the calibre of the employees was of the standard that is expected of them. The lack of skills planning and employee consultation could lead to employee unhappiness which in turn leads to a decline in morale, therefore affecting performance and ultimately organisational output. Vittee (2015) defines employee engagement as the emotional connection an employee feels towards their organisation. An unhappy employee is an unproductive employee (Matsaung, 2014).

On the other hand, an engaged workforce who possess the necessary skills, knowledge and expertise is crucial for any organisation who wants to achieve high levels of business success (Kirke, 2012). Skills needs that are identified with employees leads to training and ultimately a greater level of job satisfaction and confidence in carrying out their required tasks. Kirke (2012) suggests that learning and development provides a way to address and improve employee engagement.

“In order to harness the positive effects of training, employees have to see the link between where they are now and where they want to get to and how training is going to bridge this gap. It sounds obvious but without this being made explicit, organisations run the risk of training and development being viewed as a chore instead of a reward...” (Kirke, 2012)

According to Mahajan (2016), employee engagements in the workplace and employee satisfaction have become core functions today. Although this may be commonly known in organisations, only a few are known to implement it. There is a wide gap between the expectation of employers and the skills developed in employees (Mahajan, 2016). Lauby (2013) purports that employee engagement lies at the intersection of maximum contribution for business and maximum satisfaction for employees; it's a sustainable level of high performance that benefits both the company and the employee. This study identified if there sufficient levels of employee engagement as employee engagement should be made a daily priority in any

organisation. For the purposes of this study, employee engagement relates to the level of consultation the organisation has had with its employees regarding skills requirements.

Some approaches of identifying skills needs was through conducting a skills audit, compiling a training needs analysis and even a performance appraisal process in which the achievements of the individual are highlighted and developmental training is outlined. This information feeds into the WSP submission to the SETA which is used for planning and funding purposes.

It is widely known that businesses excel as a result of a competent and capable workforce. Therefore it is imperative that skills gaps are identified early so that businesses excel. This was eloquently expressed in a quote by the former President of South Africa, Nelson Mandela: *“The future of South African businesses will be evaluated largely on its Human Resource Development”*.

McIntyre (2013) further added that the South African economy needs people who have true employment and not just a job. True employment is meaningful to the employee, their family and the country as a whole. To have true employment, people need to be passionate about what they do; but when skills shortages are rife, there can be no passion (McIntyre, 2013). Thus it was imperative to investigate the root causes of a recurring skills gap in the insurance sector which has a direct impact on the growth of the South African economy. Findings from the research can be adapted to other sectors with the anticipation of reducing the national skills gap.

Having explained ontology, the second dimension proposed by Terreblanche & Durrheim (1999) is expanded on in 3.4.

3.4 Epistemology

The word ‘epistemology’ comes from the Greek: episteme = knowledge and logos = study (Chauncy, 2012), which means the study of knowledge and a question; how can one know reality. According to Gray (2004), epistemology provides a philosophical background for deciding what kinds of knowledge are legitimate and adequate. It is the worldview assumptions the researcher brings to the study (Creswell, 2009:3). The basis of this study is clearly

articulated as one of the intentions of the revised grant regulations that were gazetted in 2012, which impacted on the allocation of SETA funding.

“.....Improve the quantity and quality of labour market information received by SETAs through Workplace skills plans, annual training reports and professional, internships, vocational, occupational, technical and academic learning (PIVOTAL) training reports, which provide a reflection of skills needs and inform planning, (Department of Higher Education and Training, 2012)”.

As the world dives into the complexities of growing industrial needs and technological advancements, the need for skills development increases (Mahajan, 2016). To date, the skills needs identified and provided in the WSP submissions have not been a credible source of labour market information which leads to poor skills planning for the insurance sector and resulted in minimal changes to the national scarce skills list.

As stated earlier, the epistemological position of this research was based on the relativist approach. There were multiple versions of the reality as large, medium and small organisations identified vast differences to the approaches used to identify skills needs.

The skills development regulations (Department of Labour, 2001) recommended that organisations with more than fifty employees were required to establish a Skills Development Committee, also regarded as a Training Committee. The purpose of this committee should reflect the interest of employees from all occupational categories in the organisation's workplace (Department of Labour, 2001). In the case of organisations that have less than fifty employees, such committees were not required to be established but steps had to be taken to consult with employees about the WSP. Therefore the way in which skills were identified in small organisations involved the owner or senior manager planning for the organisation as a whole instead of fifteen people that represent a training committee as in the medium and large organisations.

An interview schedule was sent out to the various sampled organisations falling into the large, medium and small levy paying categories that submitted a WSP to INSETA in the previous financial year. Interaction with all the identified organisations provided a comprehensive view of how skills needs were identified.

As stated earlier, an inductive and interpretivist perspective was used to reach conclusions. Benz & Newman (2008), stated that the inductive approach allows the researcher to put forward subjective reasoning based on the use of real life examples. Inductive research reasoning was based on particular observations in order to eventually reach conclusions that led to generalisations (Hussain & Khuddro, 2016, p. 21).

“The inductive approach will firstly collect the relevant data, thereafter will it be analysed to determine if any trends or patterns are visible that could suggest any relationships existing between the variables. From these observations it may be possible to construct generalisations, relationships, patterns and even theories or meanings (Gray, 2004, p. 17).”

Crotty (1998) states that interpretivism looks for ‘culturally derived and historically situated interpretations of the social life world’. Interpretivism is further explained in 3.5.

3.5 Interpretivism

The position of interpretivism in relation to ontology and epistemology is that interpretivists believe the reality is multiple and relative (Hudson & Ozanne, 1988). The knowledge acquired in this discipline is socially constructed rather than objectively determined and adopts more personal and flexible research structures (Carson, et al., 2001) which are receptive to capturing meanings in human interaction (Black, 2006, p. 319) and makes sense of what is perceived as reality (Carson, et al., 2001). The interpretivist researcher enters the field with some sort of prior insight of the research context but assumes that this is insufficient in developing a research design due to the multiple and unpredictable nature of what is perceived as reality (Hudson & Ozanne, 1988).

This study involved engagement through in-depth interviews with large, medium and small levy paying insurance organisations registered with INSETA to understand the experiences, gain new knowledge and interpret meanings in human behaviour rather than to generalise and predict causes and effects (Hudson & Ozanne, 1988).

A systematic way to solve the problem (Rajasekar, et al., 2013) is explained in the research methodology.

3.6 Research Methodology

Research methodology refers to the philosophy and theoretical perspectives (Leedy & Ormrod, 2005: 148) and is concerned with the process and the method by which the researcher acquires knowledge about the world (Creswell, 2009:6). There are two main approaches to research which are primary and secondary research.

Primary Research involves original data and information gathering that you conduct yourself (Fatteross, 2017). This study involved interviewing the HR manager and the SDFs on the process and information gathered for the WSP. This data collection process for the WSP implied that the organisation had undergone some type of a skills need identification process.

Secondary Research uses research and data that is already compiled, gathered, organised and published by others (Fatteross, 2017). Various legislation, reports, articles, trade journals, industry publications, website searches and books on skills development will be reviewed.

This study embarked on the following steps:

Case study: According to Gray (2004) case studies are designed to illustrate key research methodologies or approaches that may produce findings and indicate trends worthy of replication for further research.

This study investigated insurance organisations in each size category in terms of the manner, method and approach it used to identify its skills needs requirements. This assisted the researcher to understand the process followed and to compare across the categories the difference and similarities of skills identification.

In-depth interviews: In depth interviews are a technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program, or situation (Boyce & Neale, 2006). Interview schedules with pre-determined questions were used for the respondents. There would also be flexibility in answering the questions as the researcher probed the respondent where required for further input.

Nine organisations (three in each size category) were interviewed to understand the process and to gather multiple perspectives from these various organisations.

Written Questionnaire: According to Gray (2004), written questionnaires are research tools through which people are asked to respond to the same set of questions in a pre-determined order.

The written questionnaire was piloted with the researchers' mentors to test the validity and reliability of the questions asked.

Once the researcher was satisfied with the final written questionnaire, it was directed to large, medium and small organisations to understand how the developmental needs of the employees were identified. SDFs were included in the completion of the written questionnaire.

The written questionnaire was completed with the organisations name appearing on the interview schedule; however the organisations name does not appear on the research report. The respondents participating in the in-depth interviews were required to sign a consent form for their participation in the study, which was voluntary.

Document analysis: This is a systematic procedure for reviewing or evaluating documents – both printed and electronic (computer-based and Internet-transmitted) material (Bowen, 2009:27). An examination of related skills development data available in the sector including legislation, key definitions and meanings, research reports and findings regarding the scarce and critical skills was analysed. This data was largely found on the internet from the websites of

different SETAs, various Government departments, research providers, insurance organisations and relevant research reports.

3.7 Population and Sampling

3.7.1 Sample size and target population

The qualitative research paradigm offers researchers a range of sampling methods. For the purpose of the investigation, the non-probability sampling strategy of purposive random sampling was used and included levy paying organisations that had submitted a WSP in the Gauteng region. Gray (2004) argues that with this type of sampling, the researcher deliberately selects the subjects against one or more trait to give what is believed to be a representative sample. Owing to time and funding limitations, sampling was restricted to Gauteng based levy paying organisations that had submitted a WSP. This was also due to the fact that many head offices are based in the Gauteng area. It would not have been feasible to study all employers in the sector due to the large numbers, time and financial constraints.

Terreblanche & Durrheim (1999) define sampling as a selection of research participants from an entire population that will be representative of the population about which the researcher aims to draw conclusions. The source of information was obtained from at least nine employers across each of the size categories that were purposely selected by the researcher as illustrated in the table 3 below. These employers had all submitted a WSP in 2017.

Owing to the strong stakeholder relationships built within the insurance sector, it was envisaged that it would not be challenging for the researcher to identify key role players within various organisations who were most likely to participate in the research. There was a vested interest for the organisations to participate in the research. These organisations had been through a skills identification process in order to develop the WSP. Hence the experiences and process followed was investigated across all the organisations.

The HR manager and the SDF for the same company were interviewed separately in order for the researcher to obtain different views and to build knowledge on how skills requirements had been identified as first-hand information was provided. For the purposes of this study, SSFs as

explained in section 1.2.2 of chapter one, were not be considered for this study. Only internal SDFs or external SDFs, who the sampled company had contracted with, were interviewed.

The companies had been uniquely coded to ensure confidentiality. The size category of large refers to an organisation with one hundred and fifty (150) or more employees, medium refers to fifty (50) to one hundred and forty nine (149) employees and small refers to organisations with less than fifty (50) employees. These unique codes are further explained below:

L1: This refers to the first large company to be sampled with a staff compliment of two thousand five hundred and twenty four (2524) in total. In this company, the learning and development manager (L1LDM) and the skills development facilitator (L1SDF) will be interviewed.

L2: This refers to the second large company sampled with a staff compliment of seven hundred and ninety five (795) in total. In this company, the chief human resources officer (L2CHRO) and the Skills Development Facilitator (L2SDF) were interviewed.

L3: This refers to the third large company to be sampled with a staff compliment of nine thousand one hundred and forty four (9144) in total. In this company, the skills development manager (L3SDM) and the skills development facilitator (L3SDF) will be interviewed.

M1: This refers to the first medium company sampled with a staff compliment of eighty (80) in total. In this company, the human resource officer (M1HRO) and the Skills Development Facilitator (M1SDF) were interviewed.

M2: This refers to the second medium company sampled with a staff compliment of eighty three (83) in total. In this company, the financial manager (M2FM) and the skills development facilitator (M2SDF) were interviewed.

M3: This refers to the third medium company sampled with a staff compliment of sixty eight (68) in total. In this company, the human resource manager (M3HRM) and the skills development facilitator (M3SDF) were interviewed.

S1: This refers to the first small company to be sampled with a staff compliment of thirty four (34) in total. In this company, the managing director (S1MD) and the information technology manager (S1ITM) were not interviewed. *It should be noted that despite several attempts to meet the above respondents, the researcher was unsuccessful.*

S2: This refers to the second small company sampled with a staff compliment of fifteen (15) in total. In this company, the sales and marketing manager (S2SMM) and the Skills Development Facilitator (S2SDF) were interviewed.

S3: This refers to the third small company sampled with a staff compliment of forty two (42) in total. In this company, the financial manager (S3FM) and the skills development facilitator (S3SDF) were interviewed.

The above codes and interview dates are illustrated in the table below:

Table 3 Population sample

Company Size	Company Code	Respondent Code	Interview date
LARGE (150+)	L1 (2524)	Learning and Development Manager: L1LDM Skills Development Facilitator: L1SDF	L1SDF: 29 June 2017 at 10am L1LDM: 29 June 2017 at 11am
	L2 (795)	Chief Human Resources Officer: L2CHRO Skills Development Facilitator: L2SDF	L2SDF: 23 June 2017 at 10am L2CHRO: 23 June 2017 at 11am
	L3 (9144)	Skills Development Manager: L3SDM Skills Development Facilitator: L3SDF	L3SDM: 27 June 2017 at 10am L3SDF: 28 June 2017 at 2pm
MEDIUM (50-149)	M1 (80)	Human Resources Officer: M1HRO Skills Development Facilitator: M1SDF	M1SDF: 14 June 2017 at 1pm M1HRO: 14 June 2017 at 2pm
	M2 (83)	Financial Manager: M2FM Skills Development Facilitator: M2SDF	M2SDF: 20 June 2017 at 1pm M2FM: 30 June at 11:30am
	M3 (68)	Human Resources Manager: M3HRM Skills Development Facilitator: M3SDF	M3HRM: 14 June 2017 at 10am M3SDF: 19 June 2017 at 10am
SMALL (1-49)	S1 (34)	Managing Director: S1MD Information Technology Manager: S1ITM	Company unable to commit to scheduled meetings. Confirmed on 3 various days
	S2 (15)	Sales and Marketing Manager: S2SMM Skills Development Facilitator: S2SDF	S2SDF: 6 July 2017 at 9am S2SMM: 6 July 2017 at 10am
	S3 (42)	Financial Manager: S3FM Skills Development Facilitator: S3SDF	S3SDF: 19 July 2017 at 9am S3FM: 19 July 2017 at 10am

The research was conducted using in-depth interviews which included an introductory letter explaining the purpose of this study and with the researcher maintaining integrity at all times. Further to the introductory letter, permission letters from the INSETA supporting the research and the Da Vinci Institute approval for the researcher to collect data were attached to the email sent to the respondents when requesting their participation in this research.

The researcher telephonically contacted the respondents and provided a brief summary of the research to be conducted. Thereafter, if the respondent was in agreement with participation in the research, an email was sent together with a detailed description of the research including the introductory and permission letters. Respondents were given a timeframe to formally accept or decline participation in the research and thereafter provided suitable dates for the researcher to conduct the interview at the respondent's workplace.

The respondents, who accepted participation in the research, were asked to complete a written questionnaire. The written questionnaire was comprised of multiple choice questions in a table that respondents completed prior to the commencement of the in-depth interviews. The purpose of the written questionnaires was for the researcher to gain insight into the level of understanding of process, policies and procedures of the sampled company. Written questionnaires are research tools through which people are asked to respond to the same set of questions in a predetermined order.

The interviews were conducted after 30 April 2017 as the WSP submissions had been received by the SETA and the process of skills identification had been compiled by the organisation by then.

3.8 Instrument development and pilot testing

In general, there are a wide variety of research methodologies that may be used. For the purpose of this study, the best approach was for the researcher to use in-depth interviews to gather as much information as possible using a pre-determined set of open ended questions intended to elicit views and opinions from the participants (Creswell, 2009:181). With in-depth interviews, the researcher was certain to interview the correct person in the organisation. The

questions were explained if the interviewee did not understand the question. The researcher was able to probe and seek more clarity from the interviewee where required if an answer was unclear or not fully detailed. The interview questions were developed based on the primary research question and the secondary research questions. The researcher sought guidance and approval from an academic supervisor and immediate manager on the finalised interview questions before administering to the sampled companies.

Multiple choice questionnaires were completed by the respondents prior to the in-depth interview commencing. In these questions, the respondents were asked to rate the answers from “Totally Agree” to “Totally Disagree”. This type of measurement allowed for the respondent’s opinions to be statistically analysed and evaluated.

The purpose of providing the written questionnaire to the sampled population prior to the in-depth interview was for the researcher to gain common understanding on how skills identification was perceived on an individual level. A copy of the written questionnaire is attached as Annexure 1.

When conducting the pilot study, the researcher administered the research instrument with ten research respondents employed at INSETA. The research respondents were made up of six Management Committee members and four specialists in the Skills, Learning, Education and Training Quality Assurance divisions. Feedback and input received was incorporated into the final question schedule prior to the interviews commencing. For example, the initial number of interview questions were comprised of thirty questions. Based on the invaluable feedback received, the researcher was able to reduce the interview questions to sixteen in total. A copy of the final interview questions is attached as Annexure 2.

3.9 Administering the interview questions

The researcher telephonically contacted all respondents to explain the nature of the research and ascertain the respondents’ interest in participating in the research. Following a telephonic agreement with the respondent, the researcher electronically mailed the covering letter, consent form and permission letters from INSETA and the DaVinci Institute. This process was

done for all companies identified in the sample. However, the researcher was unable to meet with one small employer due to the respondent not keeping to the scheduled appointment on three separate occasions.

The interviews with all respondents were recorded and permission for the recording was sought prior to the commencement of the interviews. By recording the interviews, the researcher was able to reflect and think more deeply about the respondents' feedback. The accuracy of all responses received during the interviews was checked by the researcher at the time of the interviews. This was done by paraphrasing questions where required and seeking clarity and probing where little information was provided or if an answer was not fully explained by the respondent.

3.10 Data Collection Methods

Various data collection techniques were used in this study to gain a holistic view of the current situation of skills identification within the insurance industry such as:

3.10.1 In-depth Interviews

In-depth interviews were conducted with HR managers to collect information and to understand the context of the experience from an organisational perspective; and with SDFs to explore and understand the process followed when completing the WSPs with particular reference to the scarce and critical skills section of the WSP.

In-depth interviewing is a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea or situation (Boyce & Neale, 2006).

Using this type of data collection method, there was no time delay between question and answer and the interviewer and interviewee could directly react to what the other said or did (Opdenakker, 2006, p. 11). The researcher probed the response received to gather more concise information. As the interview was recorded, the researcher was able to accurately record the response and capture the view of the interviewee.

A consent form, briefly explaining the need for the research and the confidentiality of the information received, was signed by all respondents prior to participating in the interviews. Interview questions and an interview schedule were available during the interview process. Respondents were made aware that participation in this study was completely voluntary and that they may at any time stop the interview.

3.10.2 Written Questionnaire

The written questionnaire consisted of fifteen rating scale questions that allowed the respondent to assess their understanding of the organisations business requirements ranging from “totally agree” to “totally disagree”. The written questionnaire was piloted with five people to test the validity and reliability of the questions asked. Thereafter it was completed by the respondent on the day of the interview prior to the commencement of the in-depth interviews.

Once the researcher was satisfied with the written questionnaire responses, it was directed to large, medium and small organisations to understand how insurance organisations identify the skills needs of the employees. SDFs of these organisations were included in the completion of the interview.

The written questionnaire was completed with the organisation’s name appearing on the interview schedule, however the organisation’s name did not appear in the findings and analysis.

3.1.1 Method of analysis of collected data

All interview recordings were fully transcribed by the researcher with confidentiality maintained. A thorough review of the responses prior to commencing with the analysis was necessary.

Riessman (1993) identified the following four models for qualitative analysis:

1. Thematic Analysis which focus on what is said rather than how it is said
2. Structural Analysis provides emphasis on the way the story is related

3. Inter-actional Analysis provides emphasis on dialogue between the teller of the story and the listener
4. Performative Analysis provides emphasis on narrative as a performance that explores the use of words and gestures to get a story across

It was appropriate for this study to follow the model of 'thematic analysis' instead of structural, inter-actional or performative analysis as the researcher gained an understanding of how the sampled levy paying insurance organisations identified their skills needs. The researcher first organised and then identified themes from the data collected.

In organising the data, the researcher used a manual coding process, line by line to reduce bias, with the transcripts in Microsoft Word and used comments. The first level of analysis was coding the data from the transcripts. Thereafter, the codes were clustered into categories and then clustered into themes.

The recorded data received from the in-depth interviews was transformed into a transcript for it to be easy to retrieve and understand. The transcripts were then checked for accuracy by the researcher, analysed and categorised into themes for further analysis and interpretation which led to the findings and conclusion of the study.

Data received from the interviews with employees from the sampled organisations were recorded verbatim and key themes were extracted. All transcripts were kept confidential.

Table 4 below outlines the research questions and sub questions broken down into the number of participants in the research, the sampling method used, reasons why the sampled participants were chosen, data collection methods used, how the data was analysed and the data validation and integrity.

Table 4: Breakdown of the research questions and sub-questions

Main Question:					
<i>Why is there a recurring skills gap despite the annual submission of a WSP from Employers?</i>					
Sub-research question 1:					
<i>What methods are currently used to identify skills needs for organisations?</i>					
Sample and Number	Sampling method	Why?	Data collection	Data analysis	Data validation/ data integrity
8 HR Managers and broader insurance sector	Purposive sampling	Experts/ Knowledgeable/ personal experience	Written and in-depth interviews	Responses categorised into relevant themes	Verbatim transcriptions and the summary report from written interviews
8 SDFs	Purposive sampling	Experts/ knowledgeable	Written and in-depth interviews	Responses categorised into relevant themes	Verbatim transcriptions and the summary report from written interviews
Sub-research question 2:					
<i>How are the HR strategies being implemented with regards to skills development initiatives?</i>					
Sample and Number	Sampling method	Why?	Data collection	Data analysis	Data validation/ data integrity
8 HR Managers and broader insurance sector	Purposive sampling	Experts/ knowledgeable/ personal experience	Written and in-depth interviews	Responses categorised into relevant themes	Verbatim transcriptions and the summary report from written interviews
8 SDFs	Purposive sampling	Experts/ knowledgeable	Written and in-depth interviews	Responses categorised into relevant themes	Verbatim transcriptions and the summary report from written interviews
Sub-research question 3:					
<i>What is the level of employee involvement during the skills identification process?</i>					
Sample and Number	Sampling method	Why?	Data collection	Data analysis	Data validation/ data integrity
8 HR Managers and broader insurance sector	Purposive sampling	Experts/ knowledgeable/ personal experience	Written and in-depth interviews	Responses categorised into relevant themes	Verbatim transcriptions and the summary report from written interviews
8 SDFs	Purposive sampling	Experts/ knowledgeable	Written and in-depth interviews	Responses categorised into relevant themes	Verbatim transcriptions and the summary report from written interviews
Sub-research question 4:					
<i>What is the Skills Development Facilitator's (SDFs) role in gathering data for the WSP?</i>					
Sample and Number	Sampling method	Why?	Data collection	Data analysis	Data validation/ data integrity
8 HR Managers and broader insurance sector	Purposive sampling	Experts/ knowledgeable/ personal experience	Written and in-depth interviews	Responses categorised into relevant themes	Verbatim transcriptions and the summary report from written interviews
8 SDFs	Purposive sampling	Experts/ knowledgeable	Written and in-depth interviews	Responses categorised into relevant themes	Verbatim transcriptions and the summary report from written interviews

3.12 Limitations

Specific limitations of the studied were identified as follows:

- Interviews were limited to levy paying employers in the insurance sector that had submitted a WSP. By submitting a WSP, the levy paying employers are entitled to claim a portion of the skills development levy and may apply for funding from the SETA (explained in chapter one)
- Not all employers confirmed participation in the study. Despite several attempts, the researcher was unable to confirm an interview with one small employer. This limited the sample to two small employers
- As one of the SDFs' was unavailable to meet the researcher face to face, the interview was conducted telephonically
- In the absence of HR personnel, two senior managers were interviewed. The responses were therefore limited to the perspective of the senior manager

3.13 Ethical issues to be considered

Researchers need to anticipate the ethical issues that may arise during their studies (Hesse-Biber & Leavy, 2006:86). The researcher will ensure that the study will be done credibly and with integrity by protecting the research participant's identity in the research report, developing a trust with them, guarding against misconduct and impropriety that might reflect on their organisations and coping with new, challenging problems (Israel & Hay, 2006). Ethical issues have been considered throughout this research report as follows:

3.13.1 Ethical issues in the research problem

Hesse-Biber & Leavy (2006) questions, "How do ethical issues enter into your selection of a research problem?" When the researcher identifies a research problem it is important that it must benefit the individuals being studied, and one that will be meaningful for others besides the researcher (Punch, 2005:37). The research problem in this study directly affects all respondents as their companies, being a levy paying employers, are required by law to submit a WSP and by so doing would need to identify skills and training that are lacking.

3.13.2 Ethical issues in the purpose and research questions

When developing the purpose and research questions for the study, the researcher needs to convey the purpose of the study that will be described to the participants (Sarantakos, 2005:32). The researcher had ensured that the purpose was fully outlined and that there were no deceptions or ulterior purposes. The researcher requested permission from the INSETA chief executive officer (CEO) to undertake this research in the Insurance sector and to contact the sampled employers registered with INSETA. Permission to do this was granted on 21 October 2016. Key personnel in the organisations, identified as part of this research, received an introductory letter explaining the purpose of the research and a request to participate in this study via electronic mail. The researcher obtained a permission letter from the immediate manager at INSETA and the DaVinci Institute that were also sent to respondents prior to commencing the in-depth interviews.

3.13.3 Ethical issues in data collection

As researchers anticipate data collection, they need to respect the participants and sites for research as many ethical issues arise during this stage of research (Creswell, 2009:89). The participants were interviewed at their workplace and signed an informed consent prior to engaging in the research. This form, acknowledging the participants' rights, will be collected during data collection (Creswell, 2009: 217). The participant's or company's name will not be divulged in the research report ensuring confidentiality. The researcher has uniquely coded each company and participants were informed of this coding. An electronic meeting request was accepted by the participants thereby allowing the researcher access to conduct the interview at their workplace. Interviewing in qualitative research is increasingly seen as a moral inquiry (Kvale, 2007). The interview was recorded with the permission of the respondents at the beginning of the interview. The researcher respected the workplace of the respondent and left it undisturbed after the interview.

3.13.4 Ethical issues in data analysis

According to (Creswell, 2009:91), the researcher should consider the following when analysing and interpreting qualitative data:

- How will the study protect the anonymity of individuals? In qualitative research, inquirers use aliases or pseudonyms for individuals to protect their identities
- Data, once analysed, needs to be kept for a reasonable period of time. Investigators should then discard the data so that it does not fall into the hands of other researchers who might misappropriate it
- The question of who owns the data once it is collected and analysed
- In the interpretation of data, researchers need to provide an accurate amount of information

In light of the above, the researcher ensured that each sampled company was uniquely coded, and the respondents were not identified. The participants' privacy was respected and maintained at all times. Having recorded the interview, the researcher was able to provide accurate data. Data received during the in-depth interviews were transcribed verbatim and thereafter analysed into themes for further analysis. Research results were correctly and honestly reported according to the data received. Raw data was not attached as proof but would be made available on request. All research data received would be retained by the researcher for a period of five years before discarding the information.

3.13.5 Ethical issues in writing and disseminating the research

The language used in the research was not biased and all acronyms were explained in full. The researcher used data from the actual findings and did not falsify or invent findings (Creswell, 2009:92). The final submission was well referenced and submitted to Turnitin to test for plagiarism by the Research Office at The DaVinci Institute. Interested respondents would be advised of the findings on successful completion.

3.14 Conclusion

In this chapter, the researcher discussed the research design and methodology used in the study. The population and sampling design were identified and the method of analysis was explained. In addition, assumptions, data integrity and the limitations of the study have also

been explained. Based on the research methodology followed, chapter four documents the research findings and analysis of the research data obtained.

CHAPTER 4 Data Analysis and Research Findings

4.1 Introduction

In chapter 3, the research design and methodology, data collection methods and approach to the coding process were discussed.

At the outset of the research, it was suspected that the continuous recurrence of scarce and critical skills identification by employers may be as a result of the submission of a Workplace Skills Plan (WSP) as a compliance issue and a tick box exercise. It was believed that employers may not be taking the time to analyse their human capital resource requirements versus the need to identify the skills gaps within the organisations for the purposes of completing the WSP.

According to The White Paper for Post-School Education and Training (2013), *“the skills system has not produced good information about skills needs and that the WSP generally does not provide reliable data about the sector or the workplace”*. In light of this, the researcher wants to gain an informed understanding of how skills needs are identified by the sampled organisations.

This chapter presents the findings and analysis of the research data obtained through the written questionnaire and in-depth interviews. The structured interview questionnaire consisted of a five-point scale rating that sought the respondents’ personal understanding of the skills identification process in their organisations (see Annexure 1). The in-depth interview consisted of sixteen open ended questions with the last question obtaining the respondents view in general (see Annexure 2). The questions asked in the interviews were directly related to the main research question: *Why is there a recurring skills gap despite the annual submission of a WSP by employers?*

During the investigation, the researcher maintained a research diary which included reflections, thoughts and ideas that emerged as the study was conducted. By doing this, the researcher was able to capture information that otherwise may have been overlooked during the analysis and findings process. As mentioned earlier, data received from the two sources namely,

questionnaires and interviews, were analysed and discussed. The written questionnaire analysis and findings are presented whilst the four themes identified are explained in section 4.3.

4.2 Written questionnaire analysis and findings

Prior to the commencement of the in-depth interviews, respondents were asked to complete a one-page written questionnaire consisting of fifteen questions. The researcher wanted to gain insights into the level of understanding of the respondents' personal experiences and knowledge of the skills identification process in the individual organisations. The consolidated results of all respondents are illustrated in table 5 and further explained.

Table 5 Written questionnaire analysis

#	Statements:	Totally Agree	Agree	Unsure	Disagree	Totally Disagree
4.2.1	<i>I understand the business requirements of the organisation</i>	75%	25%			
4.2.2	<i>There is sufficient employee consultation with staff representatives of various committees</i>	38%	56%	6%		
4.2.3	<i>The skills identification process positively impacts on my personal development</i>	50%	44%	6%		
4.2.4	<i>I am satisfied on how skills needs are identified</i>	31%	56%	6%	7%	
4.2.5	<i>I received an evaluation regarding my development of skills</i>	19%	56%		19%	6%
4.2.6	<i>The evaluation that was received was adequate</i>	27%	53%	7%	13%	
4.2.7	<i>Skills needs are identified in all departments</i>	31%	50%		19%	
4.2.8	<i>A training needs analysis has been done in the last year</i>	50%	36%	7%	7%	
4.2.9	<i>A skills audit has been conducted in the last year</i>	27%	40%		33%	
4.2.10	<i>Changes in the global insurance industry and economy affects the organisation</i>	69%	25%		6%	
4.2.11	<i>The strategic objectives of the organisation are linked to the skills requirements of the organisation?</i>	60%	40%			
4.2.12	<i>I am aware of the policies and guidelines relating to the skills identification process</i>	47%	53%			
4.2.13	<i>I understand the policies and guidelines regarding the skills identification process</i>	40%	60%			
4.2.14	<i>The WSP is aligned to the organisations</i>	38%	62%			

#	Statements:	Totally Agree	Agree	Unsure	Disagree	Totally Disagree
	goals					
4.2.15	The WSP provides strategic value to the organisation	38%	62%			

4.2.1 I understand the business requirements of the organisation

In analysing the data in table 5, seventy five percent (75%) of the respondents totally agreed with understanding the business requirements of the organisation whilst twenty five percent (25%) agreed. From the analysis, the researcher can conclude that all respondents understood the business requirements of the organisation.

4.2.2 There is sufficient employee consultation with staff representatives of various committees

The results show that the majority of the respondents (56%) agreed that there was sufficient employee consultation whilst thirty eight percent (38%) totally agreed (see figure 8 below). Six percent (6%) of the respondents were unsure and this could imply that these respondents did not receive sufficient consultation. It could also imply that the respondents were unsure of the committees in place or that the representatives of these committees are unknown.

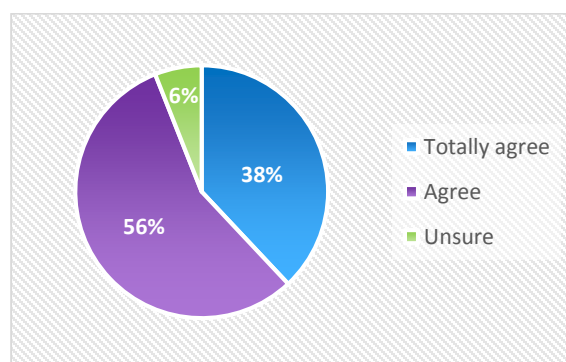


Figure 8 Employee Consultation

4.2.3 The skills identification process positively impacts on my personal development

The skills identification process positively impacts the personal development of fifty percent (50%) of respondents that totally agreed and forty four percent (44%) that agreed. Six percent

(6%) remained unsure (see figure 9 below). As the majority of the respondents agreed, it is implied that the skills identification process does have a positive impact on personal development.

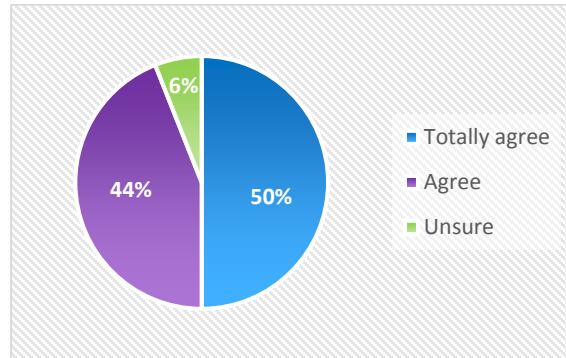


Figure 9 Impact of skills development

4.2.4 I am satisfied on how skills needs are identified

In analysing how skills are identified, thirty one percent (31%) of respondents totally agreed and fifty six percent (56%) agreed. This implies that eighty seven percent (87%) were content with how skills needs are identified. On the contrary, six percent (6%) were unsure whilst seven percent (7%) disagreed as seen in figure 10 below.

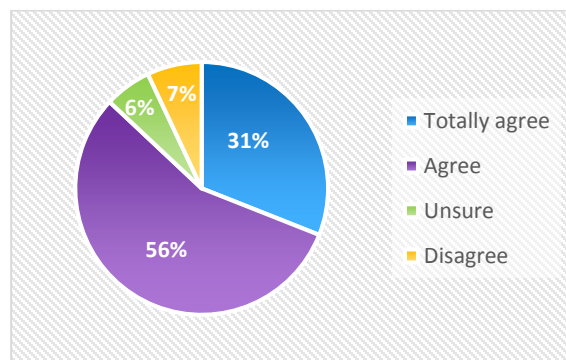


Figure 10 Satisfied with skills needs identified

4.2.5 I received an evaluation regarding my development of skills

With regards to receiving an evaluation of the development of their skills, the results show that nineteen percent (19%) totally agreed and the majority (56%) agreed. Furthermore nineteen

percent (19%) disagreed with at least six percent (6%) that totally disagreed (see figure 11 below). As a quarter of the respondents did not agree, this could imply that an evaluation regarding the development of their skills was not provided.

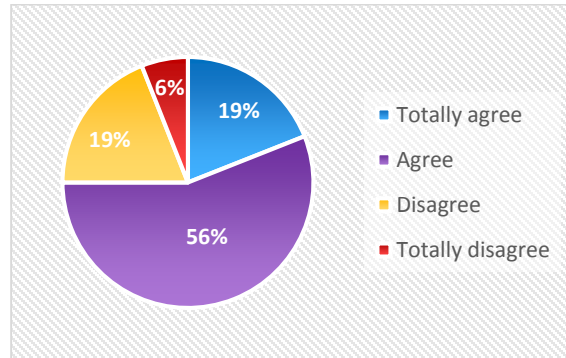


Figure 11 Evaluation received

4.2.6 The evaluation that was received was adequate

The results indicate that twenty seven percent (27%) totally agreed that the evaluation received was adequate, whilst the majority (53%) of the respondents agreed. Furthermore seven percent (7%) remained unsure whilst thirteen percent (13%) disagreed as reflected in figure 12 below. Twenty percent (20%) of the respondents did not receive an adequate evaluation. This could imply that these respondents did not receive any evaluation.

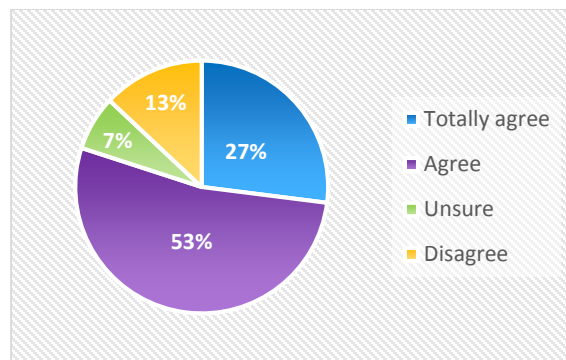


Figure 12 Adequate evaluation received

4.2.7 Skills needs are identified in all departments

On examination of skills needs identified in all departments, thirty one percent (31%) of the respondents totally agreed while fifty percent (50%) agreed. Moreover, a total of nineteen percent (19%) disagreed to this statement as shown in figure 13 below. This implies that not all departments may be actively involved in identifying their skills needs.

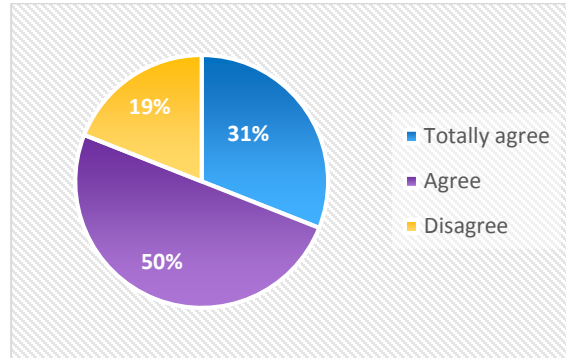


Figure 13 Skills identified in all departments

4.2.8 A training needs analysis has been done in the last year

The results in figure 14 below show that half of the respondents (50%) totally agreed that training needs analysis was conducted in the last year with thirty six percent (36%) that agreed. In addition, seven percent (7%) remain unsure whereas seven percent (7%) disagreed.

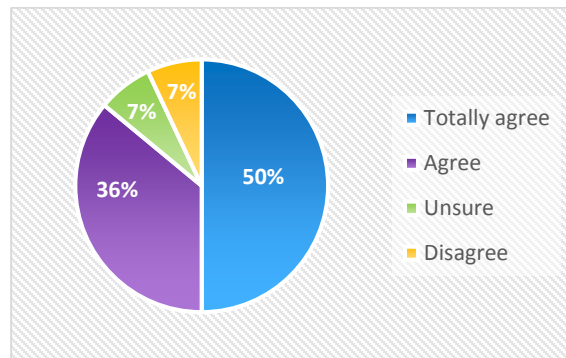


Figure 14 Training needs conducted annually

4.2.9 A skills audit has been conducted in the last year

According to the data in table 5, twenty seven percent (27%) of the respondents totally agreed and forty percent (40%) agreed that a skills audit was conducted in the last year. On the other hand, thirty three percent (33%) of the respondents disagreed as shown in figure 15 below. This implies that a skills audit was not conducted in approximately one third of the sampled organisations.

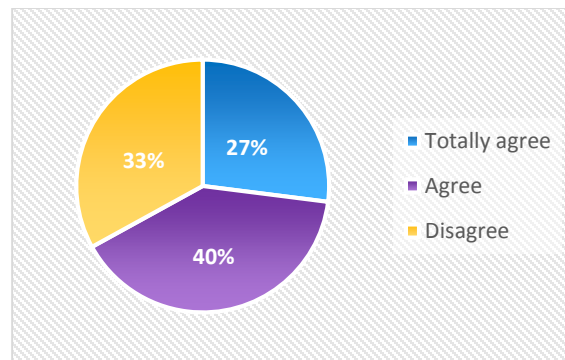


Figure 15 Skills audit conducted in the last year

4.2.10 Changes in the global insurance industry and economy affects the organisation

The results illustrate that sixty nine percent (69%) totally agreed that changes in the global insurance industry and economy affect the organisation whilst twenty five percent (25%) agreed. In addition, six percent (6%) disagreed.

4.2.11 The strategic objectives of the organisation are linked to the skills requirements of the organisation?

The results in table 5 indicate that sixty percent (60%) of respondents totally agreed that the strategic objectives of the organisation were linked to the skills requirements of the organisation whilst forty percent (40%) agreed. Based on these results, it implies that the strategic objectives of the organisation are linked to the skills requirements of the organisation.

4.2.12 I am aware of the policies and guidelines relating to the skills identification process

With forty seven percent (47%) and fifty three percent (53%) of the respondents that totally agreed, and, agreed respectively, the implication is that there was awareness of the policies and guidelines relating to the skills identification process. This therefore denotes that policies and guidelines relating to the skills identification process were available in all sampled organisations.

4.2.13 I understand the policies and guidelines regarding the skills identification process

From the results, forty percent (40%) total agreed and sixty percent (60%) agreed to have an understanding of the policies and guidelines regarding the skills identification process. Therefore by implication, the full sampled population understood the policies and guidelines regarding the skills identification process.

4.2.14 The WSP is aligned to the organisations goals

The results show that thirty eight percent (38%) of the respondents totally agreed whilst sixty two percent (62%) agreed that the WSP was aligned to the organisations goals. With all the respondents agreeing to this statement it implied that the WSP was aligned to all organisations goals.

4.2.15 The WSP provides strategic value to the organisation

With regard to the WSP providing strategic value to the organisation thirty eight percent (38%) of the respondents totally agreed whilst sixty two percent (62%) agreed. Based on all the respondents agreeing, it therefore implied that the WSP provided strategic value to the organisation.

On completion of the questionnaires, the researcher began the in-depth interviews. The above results of the questionnaires are based on the respondent's individual views which are divided into the four themes categorised from the in-depth interviews.

4.3 In-depth interview thematic analysis and findings

As explained in chapter 3, the results of the in-depth interviews were analysed using ‘thematic analysis’. The themes identified are illustrated in figure 16 below and discussed:

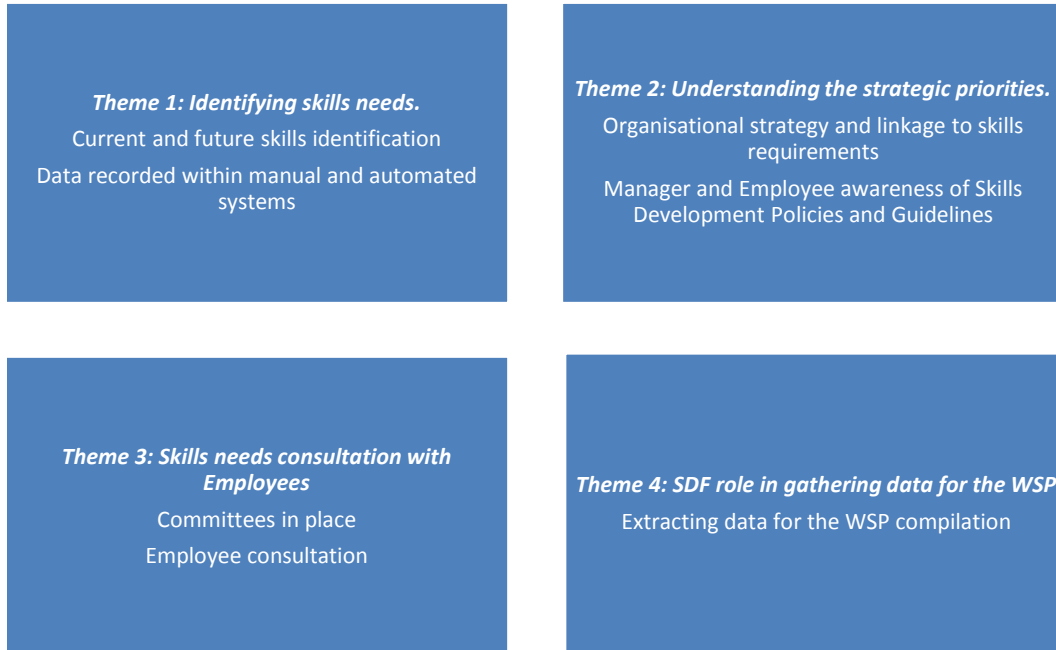


Figure 16 Diagrammatic representation of themes identified

4.3.1 Theme 1: Identifying skills needs.

This theme is aligned to the following research objective:

<i>Research Objective 1</i>	<i>To investigate how organisations identify their current and future skills needs</i>
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As explained in chapter one, a key requirement of the SETAs are to identify and list scarce and critical skills in the designated sector (Department of Higher Education and Training, 2014) through the SSP. Part of the information for the compilation of the SSP is extracted from the WSP which organisations submit annually. The way organisations identify their skills needs were investigated.

Chapter two described various practices in place to identify skills needs. These range from a skills audit, training needs analysis, gap analysis, performance review and a performance management process. In essence these practices aim to identify the skills within the

organisation in comparison to what the organisation requires to meet its goals and objectives. The way this information is obtained is explained.

The respondents were asked about the organisational strategic priorities and to explain if the strategic priorities were linked to the skills requirements. In order to explore the above research objective, the respondents were then asked, *“How are current and future skills needs identified in your organisation?”* Based on the responses, the researcher further probed into *‘how the data was recorded’* so that it could be used for reporting and future planning purposes.

Current and future skills identification

From the data analysed, it is evident that not all organisations approached their skills needs in the same way. Of the three large companies in the study, L1 and L3 have formalised performance management processes for current skills, which links to the individual’s role and impact on the organisational strategy. The performance management process included a performance appraisal and an Individual Development Plan (IDP) which is completed bi-annually. It is interesting to note that a three sixty performance review is completed within six months of the training to determine changes in behaviour. For future skills requirements, L1 consulted with their Strategy Team taking into account local and global trends whilst L2 consulted with its executive committee and the Human Resource Business Partners (HRBP) in terms of recruitment and scenario planning. Based on the uniqueness of the various business units, L1 skills audit was undertaken differently in each business unit whereas L2 had not conducted any skills audit to date.

Although L2 conducts a talent review biannually, the budget process, retirement and hard to fill vacancies are also factored into its process of identifying skills requirements. The system reminds staff about the next talent review process that should take place. The talent review process looks at how staff has performed taking into consideration the requirements and identifying the gaps. However, this is not a consistent process in all business units which poses a

challenge in the workplace. Unlike L1 and L3, L2 used a nine box grid as part of the talent review process which also included calibration with other managers.

A surprising finding was that despite these operational processes being in place, L2SDF is unable to clearly indicate how scarce and critical skills are identified. Being a HR manager and fulfilling the role of a SDF is seen as one and the same yet it encompasses different functions. The terms talent review and performance review; skills analysis and skills audit were used interchangeably. It is therefore evident that there was a lack of understanding of these concepts and the requirements for each process. L3 acknowledged that no formal management training was provided despite being in a management position for several years. Similarly, managers that had been in a management role for a number of years may have *'lost touch with what's out there'* as in the case of L2 where managers were supposed to conduct a talent review monthly but did not. Therefore the *'system reminder'* is essential. This means that there needs to be on-going discussions between SDF/HR and managers to ensure that the latter are up to date in their understanding of organisational priorities and how to analyse their skills requirements.

Notably, two of the three large organisations (L2 and L3) had not conducted a skills audit. However, there was only evidence of a skills matrix with L2 which outlined the skills and training required for all job positions which was not a skills audit. Nonetheless this skills matrix included training that is not reflected on it, as managers preferred developing the staff beyond the role requirements on the skills matrix. In contrast other L2 managers were reluctant to send their staff on training because of time and capacity constraints. As a result of this, staff were not being trained and therefore the skills gaps remained. On the contrary L1 conducted an annual skills audit that was *"recorded in the WSP as we wouldn't want to have multiple platforms to see our own content and information"* (L1LDM).

Of the three medium sized companies that participated in the study, M1 focused their skills identification on staff that was not performing against the sales targets. They did this through a

closely monitored performance appraisal assessment. Thereafter a performance counselling session was initiated to ascertain the areas of poor performance. M1 sent out a survey for all staff to assess themselves against their qualification, if they met legislative requirements and to indicate training required for future progression. Based on the large number of youth employed at M1, obtaining the completed survey can be challenging as indicated by M1HRO '*...they don't want to do anything that they are not going to benefit from*'. It is surprising that the HR Officer referred to this as a 'survey' whereas the external SDF views this as a training needs analysis.

Conversely M2 and S2 did not have performance management systems in place. Nevertheless, staff is monitored fortnightly with M2 and monthly with S2. M2 and S2 skills are identified through one on one conversation with staff as and when the need arose. M3 on the other hand had a formalised performance review process conducted mid-year and at year-end. The performance review process focussed on areas of personal development plans, future aspirations, skills gaps identified and suggestions on closing the skills gaps. Although M3 expected staff and managers to update their personal development plans at six-monthly intervals, it was not always adhered to as a result of time constraints.

From the data, it was found that although the Compliance Officer at S2 compiled a monthly report on the training requirements in terms of legislative requirements, it was separate to the performance monitoring of staff. S3 on the other hand, conducted a performance appraisal with all staff which was reviewed by the HR manager and the CEO.

Whilst M1 did not clearly articulate how future skills are identified, M2 looked into the market that they are entering into and investigated whether the current skills that they have are appropriate or not; and M3 future skills focuses on graduates, information from competitors, new entrants including current trends in the market and a skills analysis. Identifying future skills determined the training requirements recorded in the WSP. As explained in chapter one, once SETA funding has been allocated for the financial period, companies are not able to re-apply

during the year hence the importance to adequately identify future skills requirements included in the WSP.

Understanding the organisation's strategic priorities is vital to identifying the skills requirements in the organisation as there is a direct link between them during the individual performance assessments (Neilson, et al., 2008). Managers need to be in a position to explain the strategic priorities to staff so that they can be easily understood and for staff to be evaluated against them. On the other hand, managers need to also "*understand their staff and their specific learning preferences*" (L3SDF) so that potential skills gaps and skills mismatches can be addressed. Skills mismatch as defined by the (OECD, 2015) occurs when there is a gap between workers' skills and skills needs to cope with the job.

Based on the findings therefore, it appears that managers were the key source of identifying skills requirements for their staff. When the organisational requirements were not understood, the information that was submitted for WSP purposes remained questionable. It also appeared that the medium and small companies focussed on short term performance issues as a result of their business activities.

The skills identification processes in all the sampled organisations were inconsistent with a misconception that all these process are the equivalent to each other. In addition, nineteen percent (19%) of respondents disagreed that skills were identified in all departments as illustrated in figure 13. It was evident that management had a lack of understanding of these concepts when identifying their skills requirements and it can therefore be concluded that there was no proper identification or analysis of the skills needs. As illustrated in figure 15, a third of the respondents indicated that a skills audit was not conducted in the last year. Hence the information recorded in the WSP remained inaccurate and incomplete.

Identifying the skills needs in organisations may be a complete waste of time if it is not addressed or properly recorded. All organisations showed varied records of the data obtained when identifying skills needs. The findings on the records of the data are explained below.

Data recorded within manual and automated systems

From the results analysed, organisations recorded data using manual or automated systems, a combination of both manual and automated systems or simply had no systems in place at all. The SETA needs to receive accurate data from employers depends on how the data was recorded during the process of identifying skills requirements.

It was evident that all large organisations had online systems to review and monitor processes. L1's 'training and development philosophy' was found to be accessible to all staff. This included a Learner Management System which recorded all training information. L2 staff was required to load their goals in February, each year, on the performance management system which was approved by the manager for a period of twelve months. L3's performance appraisal was conducted through the online system as the core competencies for each job was reviewed.

On the contrary, one out of three medium companies had an online system in place whilst both small organisations had some manual systems where performance information was filed. When a manual system is used, there is no proper data capture and no tracking mechanism for the performance review process. The information was generally kept with HR and sometimes managers and staff struggle to find the information that was discussed at the previous performance appraisal.

According to Potgieter (2004), automated systems have the following benefits:

1. If the system is used more frequently, managers are more familiar with it and therefore don't need as much re-education
2. Staff are constantly using the same systems throughout the year and are more familiar with the system and process

Data from the skills identification process is required for the compilation of the WSP. An advantage of automated systems is that the information is linked and readily available for planning and WSP purposes. Manual processes are a thing of the past whilst automated systems are more effective and provide Managers with the right tools to achieve their business and development objectives (Potgieter, 2004).

In order to identify skills needs, it is essential to have an understanding of the strategic priorities of the organisation.

4.3.2 Theme 2: Understanding the strategic priorities

This theme is aligned to the following research objective:

<i>Research Objective 2</i>	<i>To determine if skills development policies and guidelines are in place and adhered to for skills planning within organisations</i>
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Underlying effective human resources management policies is collaboration on strategy between HR and the organisations leadership because the company’s success rests on its human capital (Mayhew, 2017). It is therefore essential for organisations’ leadership to focus on the strategic priorities as this is significant in ensuring that the right skills are available and that skills needs are identified accordingly.

In order to meet the objective, various questions were asked of all participants at the interviews. Questions such as *“What are the strategic priorities of your organisation?”*; *“Briefly explain if the strategic priorities are linked to the skills requirements of the organisation?”*; *“What skills development policies and guidelines are in place in your organisation?”* and *“Please describe your understanding on how these policies and/or guidelines are implemented?”* assisted in gaining information of the respondents understanding of the organisational strategic priorities, the skills development policies and guidelines in place and the implementation thereof.

The sub categories identified under this theme are:

- (1) *Organisational strategy and linkage to the skills requirements*

(2) *Manager and employee awareness of the skills development policies and guidelines.* These concepts are elaborated further.

Organisational strategy and linkage to skills requirements

Based on the question, “*Briefly explain if the strategic priorities are linked to the skills requirements of the organisation?*” L1 goals were linked to each employee’s key performance indicator and were measured against performance on a monthly basis. One of the key strategic priorities for L2 is ‘*growth*’. This is twofold, relating to company growth financially on the one hand and employee growth on the other hand. L2 stated ‘the more we grow our people, the more our growth is going to grow from a business perspective’. L3 derived their skills development strategy from the organisational strategy. It was evident that all large companies were able to briefly explain and agree that the skills requirements within their organisations were determined by the strategic priorities. In contrast two medium companies and one small company were unable to adequately explain their strategic priorities or distinguish a link to skills requirements. As such, there was no evidence of an analysis being done against the skills identified and the organisations strategic priorities.

In the researcher’s experience, understanding the strategic priorities when identifying the skills needs ensure that appropriate training programmes (as described in chapter one), available from the SETA, are used to support the organisational strategic goals. This is important for any company’s long-term strategy of efficiency and growth (Bradley, n.d.) On the contrary a lack of this understanding, as in the case of the medium and small companies, leads to inaccurate planning for the company which then cascades down to a sectoral and national level. Table 2 in chapter one, shows that seventy nine percent (79%) of the WSPs submitted in 2016 were from medium and small companies. It was therefore evident that a lack of understanding of strategic priorities when identifying skills needs resulted in a recurring skills gap that remains evident year on year despite the annual submission of the WSPs.

Manager and employee awareness of skills development policies and guidelines

Respondents were asked about their organisations skills development policies and guidelines and how these were implemented within their organisations.

Of the three categories of companies analysed, the findings of large companies are presented first. L1 adopted a learning and development philosophy which is available on the intranet for staff to access. This was woven into the organisational strategy and matched with the individual employees' key performance areas. In the same way, L2 indicated that the training and development policy and the talent development policy were linked to the strategic objectives. However, this is *'not consistently applied'* (L2CHRO). Similarly, L3 has a policy for skills development which was *'not looked at very often'* although it was also linked to the strategy.

On examining medium sized companies, it was not surprising to find that M1 did not have a fully-fledged HR department and worked in conjunction with its external SDF to draw up the policies and guidelines. This organisation had a skills development policy which was implemented *'somewhat effectively'* according to the external SDF who also indicated that *'Managers don't understand the procedure as clearly as what I would like them to'* (M1SDF). On the other hand, M2 had a generic policy document which was available to all staff whilst M3 had learning and development policy which was easily accessible to all staff on its shared drive. In addition M3 had a *'meet and greet'* session with staff to inform them of any new policies or changes to existing policies.

There was no evidence of skills development policies or guidelines with S2 as only the prescribed minimum industry requirements were followed. In comparison, S3 has an HR policy which incorporates its training and development and was available to all staff through a shared drive.

It is therefore concluded that although skills development policies and guidelines may be available (as mentioned in section 4.2.12) and accessible, the understanding and knowledge of them was lacking. It is important for managers to understand these policies and guidelines as they are responsible for the effective execution in the organisation. A lack of understanding

implies that the policies and guidelines are not enforced and adhered to. This adversely affects the organisations skills planning and decision making with regards to skills identification when managing performance.

It therefore seems that although there are policies for skills development in organisations, they are not consistently applied throughout the organisations. This may lead to gaps in skills planning. It has been found that while large companies agreed that policies and skills planning need to be directly linked, there was a lack of evidence to support this consensus.

The third theme identified in the study related to the skills needs in consultation with employees.

4.3.3 Theme 3: Skills needs in consultation with Employees

The theme “identifying skills needs in consultation with employees” is aligned to the third research objective of this study.

Research Objective 3	To investigate the level of involvement of employees in identifying skills needs
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Respondents were asked whether employees were consulted in order to identify the skills needs. They were also requested to specify the various committees that focused on the identification of skills needs within the organisation. If people are communicated to regularly and in an effective manner, they are much more engaged with the company and have a more positive attitude towards their work and their customer (Weal, 2014).

The terms consultation and communication were often used interchangeably. Communication is concerned with the interchange of information whereas consultation involves managers actively seeking the views of employees before making a decision (Acas, 2014).

The researcher has decided to report on the findings regarding consultation by discussing the findings in two sub categories. Firstly, committees in place are discussed and secondly employee consultation.

Committees in place

The analysis of the data indicated that twelve out of the sixteen respondents named committees such as the Employment Equity Forum, Skills Development Committee, Diversity Committee, Training Committee, HRBP forum and Employee Committee. This was true of all large and medium companies. Owing to the low staff compliment, small companies did not have such committees in place and the training and development needs of the organisation were discussed and identified by management. As decisions were solely decided by management the skills needs were not analysed further.

It is evident from the results that representation in these committees included both management and staff across all divisions. The number of individuals represented in the committees varied between the large and medium companies. On average, in large companies, committees consisted of between eleven to thirty representatives whereas in medium companies, representation ranged between five to ten staff and management. The variance in the size of committees between large and medium sized companies is understandable given the number of employees in these organisations. Hence larger companies would require larger committees and vice versa.

The results revealed that the committees in the large organisations were structured and met once a quarter whereas the committees in the medium organisations met at least bi-annually. The same principles seemed to apply as larger companies with more employees needed to meet more often.

In analysing the data from the medium companies, M1's Employment Equity Committee concentrated on regulatory training requirements whilst M2 on the other hand did not have any committees in place but hosted an annual conference with all staff to address organisational concerns. However, M2 would prefer to a 'one to one' consultation with its staff. There were on-going discussions between staff and management on training needs. The approval of the training was based on its relevance to the organisational direction. Whilst M3's Training Committee consisted of forty percent of employee representation (4 out of 10

members) who were nominated and voted in by the employees. It was evident that M3 utilised the training committee to *'see what the training needs and gaps are'*.

The results for the small companies indicated that S2 consulted with staff as soon as INSETA funding (as described in chapter one) was available. Being a small organisation of a staff compliment of fifteen, there were no committees in place. Although S3 has a flat structure, there was open communication with staff according to the S3SDF however; there had been no indication of the recording of such communication.

The results indicate that most of the large and medium companies had at least training committees in place fulfilling the requirements of the Skills Development Act. As part of the WSP submission, SETA's requested employers to submit proof that the committee was in place and that consultation had taken place (Squire, 2015). As it is not a requirement for small companies because of their low staff compliment, there are no formal committees in place. Despite this, communication still takes place informally on a daily basis according to the respondents interviewed. There were no formal minutes or evidence of individual input from staff.

According to McIntyre (2016), one of the roles of the training committee is to ensure that the skills needs of the organisation are identified. Therefore large and medium organisations keep documented meeting minutes, not only to verify that a meeting took place, but to also consult and communicate with their employees on their skills requirements. On the contrary, small businesses do not formally document individual discussions that take place with their staff and any meaningful discussions regarding the employees skills needs may be lost.

Individual Employee consultation

The follow up question related to the way communication was filtered down to the Employees from the various committees. Communication and information sharing of minutes and discussions from the committee meetings ensure that staff are informed of their developmental needs. These requirements are part of the responsibilities of the committees as set out in its terms of reference. This is practiced by the Vaal University of Technology whose

terms of reference of the Employment Equity and Diversity Committee responsibility are to, *“report back to constituencies on progress made with matters discussed through official minutes of the meetings as a basis for reporting back”* (VUT, 2017).

From the data analysed, it appears that although there were representatives on all committees that included staff members apart from management, there was still a concern regarding the filtering of information to staff level. In light of this, L2 stated *“This is an area for improvement”* and L3 was *“unsure if they do”* filter the information post the committee meetings. With regards to L3, feedback from the training committee was not provided to the staff although there was regular staff surveys issued to identify key issues to be addressed. It was evident that although information was received from staff, feedback on their training and development needs from the committees was not provided. This may result in skewed information and disengaged employees. The training committees met infrequently as there was constant consultation with the HRBP who provided the relevant training information. Alternatively, L1 regularly posted committee feedback on the intranet which was available to all staff. M1, M2 and M3 have a training committee with six, seven and ten staff and management representatives respectively.

Weal (2014) argues that *“in order to achieve engagement in the workforce, employees need to be informed and engaged through regular and effective communication which are relevant and timely”*. The channels of communication rest with the relevant committees in place as these committees are responsible for the training and developmental needs of the organisations. Figure 8 shows that at least six percent (6%) of the respondents were unsure that sufficient consultation was received. In addition, figure 11 depicts that a quarter of the respondents indicated an evaluation of the development of skills was not received. Communication is a two-way process which requires information to flow up from employees as well as down from managers (Acas, 2014). Information filtered into the various committees were as a result of feedback received from staff. Based on the discussion, it was suggested that committee consultations should be relayed to the staff either through electronic or verbal communication.

It should be noted that theme one entailed the process that employers followed to identify their current and future skills needs which included a deeper level of employee consultation individually and in teams. The information received from the process followed in theme one follows through to theme three where the structured committees meet to discuss and plan for their training and development requirements.

The committees are significantly influential in determining the skills requirements of the organisation. It could be argued that a lack of consultation with employees implies that skills needs are not adequately identified and addressed. Data received from the committees and individual consultation with staff is required by the SDF for the compilation of the WSP.

4.3.4 Theme 4: SDF role in gathering data for the WSP

This theme is aligned to the following research objective:

<i>Research Objective 4</i>	<i>To investigate the role of the SDF in gathering data for the WSP compilation</i>
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The WSP information submitted by a company to obtain mandatory grants could not be confirmed as accurate and often lacked credibility (Itzkin, 2015). Similarly, Public Sector Education and Training Authority (PSETA) (2014) indicates that the, “*WSP data is unreliable as the data capture and administrative functions such as record keeping is poor.*” As the SDFs for the companies, the respondents were asked about their experiences in identifying skills requirements and if the information provided was utilised towards the compilation of the WSP.

The researcher has decided to report on the findings regarding how data is extracted for the compilation of the WSP, including consultation and communication in the organisation. It should be noted that the processes explained in theme four were similar to the processes identified in theme one. Theme four however focused on the data gathered for the compilation of the WSP whereas theme one reflected on how skills were identified from the SDFs’ perspective.

Extracting data for the WSP compilation

In analysing the data received, L1 conducted a skills audit formally annually and this information was recorded in the WSP through *“an electronic system in place to avoid using multiple platforms”* (L1LDM). There was consultation with management with reference to the individual development plans and training budget which was collated by the SDF for the organisation which was included in the WSP. L1SDF was part of the Employment Equity (EE) forum which has a standard agenda item for skills development. The WSP is reviewed constantly and is not a static plan.

Similarly, L2SDF consulted with the CEO, Skills Development Committee and EE Committee based on the information uploaded onto the performance management system in conjunction with the HRBPs. L3 approached the Human Resource Capital Managers (HRCM) to complete a template on the training planned and bursaries allocated for the year which fed into the WSP. However, obtaining the information in the required time can be a challenge.

It is evident that although M1 had an external SDF, there were discussions that took place with staff and management when finalising the WSP. Similarly, M2SDF (who is also the General Manager) was proactive and *“sends reminders at the beginning of the year to managers to compile the information required for the WSP”*. M3SDF, on the other hand, *“extracted the required information from the training gap analysis conducted with all managers at the beginning of the year”*.

According to the response received, S2SDF found difficulty in compiling the WSP despite there being performance appraisals, with relevant information in place. It should be noted that S2SDF also fulfilled the role of a client service manager who consequently experienced difficulty as an SDF. The assistance of INSETA was necessary during the WSP submission time. Although S2 staff indicate the training required, when INSETA funding becomes available, management approach selective staff members for training. S2 conceded that the main reason for submitting the WSP was to receive funding from INSETA. The researcher suspected this and discussed it in chapter

one. On the contrary, S3SDF consults with the divisional heads of departments and staff is consulted individually on their training and skills requirements. This information, together with the training and development information recorded on their payroll system, feeds into the compilation of S3's WSP which is regarded as a *"working document instead of a reporting document"* (S3SDF).

It is evident that all large companies have dedicated internal SDFs whose core function focusses on skills facilitation. Medium and Small companies are not as fortunate as their SDF plays a dual role as the HR Manager, HR Advisor, HR Officer, General Manager or Client Services Manager. The functions of a SDF are not fully carried out and although they may be registered as the internal SDF with INSETA, only two medium and one small SDF have undergone the SDF training. At the onset the researcher suspected many SDFs who submit the WSPs are not qualified to do so. It has been found that the ability to compile the WSP according to the SETA requirements remained questionable. Due to this, pertinent information on skills requirements was excluded based on the lack of understanding on how to obtain this information.

An interesting finding was that the responses from the HR personnel and the SDF for the same company differed in some cases. Based on this finding, there seems to be inconsistencies in understanding the manner and approach in which skills needs are identified.

4.4 Conclusion

This chapter explained the four main themes from the findings namely:

1. Identifying skills needs
2. Understanding the Strategic Requirements
3. Employee consultation
4. The SDFs' role in gathering data for the WSP which addresses the main objectives of the study

A summary of the main findings is:

Theme 1: Despite approaching the skills needs identification differently and using various skills identification terms interchangeably, there is a lack of understanding of the concepts and the analysis of the data obtained. Data stored manually is often difficult to retrieve at a later stage when required.

Theme 2: There is a lack of understanding of the strategic priorities when identifying skills needs which results in the recurring skills gap based on the WSP data received from medium and small companies

Theme 3: Unlike small employers, large and medium employers have formal committees in place to consult with their employees on skills requirements as legislated, with minutes of the meetings available. Despite small organisations stating that there is communication with staff, there is no documented evidence to substantiate their claims.

Theme 4: Obtaining information for the WSP can be a challenge despite having the information available. Small employers have difficulty in populating the WSP with the required information.

Chapter five follows with the conclusion of the study and recommendations.

CHAPTER 5 Conclusion and Recommendations

5.1 Introduction

The preceding chapter described the analysis and findings of the study. This chapter provides a summary of the study's findings with a focus on the research questions as explained in chapter one. Additionally, this chapter outlines the key findings discussed in chapter four and provides recommendations.

5.2 Purpose of the research

The purpose of the research was to investigate the possible reasons of a recurring skills gap despite the annual submission of the Workplace Skills Plan (WSP) from levy paying employers. The selection of the topic for the research study was inspired by the researcher's practical and professional experience of the past sixteen years in the Sector Education and Training Authority (SETA) environment. The researcher worked as a Monitoring and Reporting Manager and secondly as a Skills Development Specialist and identified the recurring problem faced by the SETA and decided that this required investigation.

The researcher examined the manner, techniques and approach in which employers identified their skills requirements. The research questions formed the basis of the structure needed to gain understanding of the problem.

5.3 The primary and secondary research questions

The primary research question of the study was:

Primary research question

Why is there a recurring skills gap despite the annual submission of a WSP from employers?

The study used a qualitative exploratory case study approach by means of the following secondary questions:

Secondary research questions

What methods are currently used to identify skills needs for organisations?

How are the Human Resource (HR) strategies being implemented with regards to skills development initiatives?

What is the level of employee involvement during the skills identification process?

What is the Skills Development Facilitator's (SDF's) role in gathering data for the WSPs?

The secondary questions are initially explained as the findings provide responses to the primary research question.

5.3.1 What methods are currently used to identify skills needs for organisations?

According to the findings, the methods were inconsistent across all respondents. Methods varied from performance appraisals, individual development plans, talent reviews, skills audits and training needs analyses. The terms were used interchangeably and a lack of understanding of these concepts was evident. The findings of the study revealed that just above a third of the companies did not conduct a skills audit.

Despite the different methods used, there was little or no evidence of an analysis of the skills identified. The information gathered was subsequently submitted to the SETA. This confirmed the notion that majority of employers did not accurately analyse their skills requirements and therefore the information submitted for the WSP was not a true reflection of the organisations skills needs requirements.

It was clear that all sampled organisations have inconsistent skills identification processes in place. Whilst more effort was evident in large and medium organisations, little is seen in the small organisations. The researcher suspects that this may be done for compliance purposes only.

5.3.2 How are the Human Resource (HR) strategies being implemented with regards to skills development initiatives?

From the analysis in chapter four, it was evident that majority of organisations have varying HR processes for performance appraisal and they were not linked to the organisational strategic objectives. As a consequence of the different concepts used, it was found that WSPs were not just submitted for compliance but there was a lack of understanding on how the HR processes were integrated with the requirements of the WSP. The varying responses from managers on how skills were identified indicated a lack of understanding of the process as compared to the SDFs understanding of the same process.

The researcher concluded that a lack of understanding of skills development policies and guidelines results in inaccurate and unreliable data that was submitted in the WSP. In addition, there is a lack of evidence of any analysis done of the skills identified against the organisations strategic priorities.

5.3.3 What is the level of employee involvement during the skills identification process?

Although in terms of the SDA (1998) large and medium employers have established training committees, the research finding reveal that in this study most respondents did not consult with its employees on skills requirements. Involving the employees in the skills needs identification process allows for accurate and up to date information that is required for future planning.

5.3.4 What is the Skills Development Facilitators (SDFs) role in gathering data for the WSPs?

From the analysis of the study, SDFs in all large and two thirds of the medium organisations clearly defined roles regarding the gathering of information for the WSP. In contrast, the small organisations have SDFs that perform a dual function of a manager responsible for a specific department. This can be challenging as the work load is great. Small organisations rely on the assistance of the SETA to complete the WSP. At this stage, the required processes are not fully comprehensive and the WSP is completed as a compliance tick box. Once the WSP is submitted, the small company was able to apply for funding which was the actual purpose of submission. It was also found that half of the small organisations' SDFs, despite being registered with the SDF with the SETA, have not gone through the appropriate training and qualification required of an SDF. Therefore, these SDFs were not in a position to conduct the necessary processes to identify the organisation's skills requirements.

5.4 Achieving the Aim and Objectives

The aims and objectives of this study have been achieved through reporting the responses and findings to each of the research questions explained earlier. This study allowed the researcher to understand how organisations identify their skills requirements, ascertain the adherence to skills development polices and guidelines, the level of employee involvement including the role

of the SDF in compiling the WSP. Hence, through the study, the aims and objectives have been met.

5.5 Limitations

The study was limited to levy paying insurance companies that had submitted a WSP. Levy paying companies is limiting in itself as there are employers that do not pay a levy and yet submit a WSP. These non-levy paying employers were excluded from the study. The manner, method and approach used by the non-levy paying companies to identify the skills needs remain unknown.

5.6 Assumptions

In chapter one the researcher assumed that the information provided for in the WSP may be inaccurate and submitted for compliance purposes only. Based on the findings, the inaccurate information submitted was found to be a result of a lack of understanding of the processes involved in identifying skills needs. The researcher also assumed that the respondents would be aware of the skills needs and that training needs analysis or skills audits would be conducted regularly. The findings indicate that is not the case with many of the respondents.

5.7 Challenges

The only challenge encountered in the study was to secure an interview with one sampled small employer. Despite several attempts, the researcher was unable to meet with management and the SDF of the small employer and therefore this employer was excluded from the study.

5.8 Recommendations

In light of the in-depth analysis and findings described earlier, the study can firmly recommend the following:

- Organisations should firstly conduct a skills audit at least annually to identify and understand its skills requirements and to make sure that the right skills are trained and reported in the WSP which the SETA uses for national planning purposes. Proof of such analysis must be made available on request to the SETA.

- Secondly a gap analysis should be done to ensure proper training and skills needs are identified to achieve the organisational goals. Instead of conducting a high level organisational skills gap, companies should focus on individual skills gap analysis with all employees. Although this may be time consuming, it will yield the benefits in the long term. Organisations should consider using a 360-degree appraisal process in which feedback is gathered from managers, peers, subordinates, customers and the individual (Cates & Rahimi, 2003:129)
- An analysis of the organisational and individual skills needs identified should be done prior to the compilation of the WSP
- If performance management processes are weak then the process of identifying skills needs remains questionable. Hence organisations should have stronger performance management processes with a clear delineation of the various processes used. This will avoid using performance management processes interchangeably. Capacitation of management and staff regarding the performance management process is required
- Feedback from the skills development committees should be more structured and minutes of the meetings made available to all staff. This process should be included in the procedure and guidelines for these committees
- Once skills requirements have been identified, an organisational analysis should be conducted prior to the information being collated for the WSP. It is recommended that SETAs develop a checklist for the necessary process prior to the submission of the WSP
- Managers and staff should equally be aware of, and understand, the skills development policies and guideline available as it is essential for the effective implementation of them. This affects the adherence to specific requirements and deadlines. For example, a skills development policy that states regular feedback and communication with staff, and if not adhered to then Managers rush the process and do not effectively engage with staff and analyse their skills requirements. The manner in which managers carry out their HR activities should be in line with the skills development policies and procedures especially in small organisations

- Minutes of committee meetings where consultation on skills and training needs have taken place should be compulsory for companies to submit to the SETA. In organisations where committees are not established or are a requirement, there should still be proof of consultation submitted to support the information reported in the WSP
- SETAs should work closely with professional bodies in conducting research to validate the scarce and critical skills in the sector
- Clearly defined KRAs should be linked to the organisation strategy. If employees have clear expectations of their roles as it is easier for them to identify the gaps if they are not performing according to the job description. Clear communication between manager and employee on performance expectations is needed. Most employees will appreciate and respect forthright clarity (Sarvadi, 2005)

5.9 Suggestion for future research

Due to time and resource constraints the study was confined to levy payers in the insurance sector that had submitted a WSP. It is imperative that further research be undertaken in this area of study for all organisations in other economic sectors to find solutions to reducing the national skills gaps.

5.10 Final conclusion

It was clear from the results of the study that both primary and secondary research questions have been well addressed. That is, in investigating how employers go about (1) identifying skills needs; (2) understanding the strategic priorities; (3) consulting with employees regarding skills need, and (4) information gathered by the SDF for the WSP the data provided sufficient evidence to allow the researcher to make concrete conclusions. It was evident that accurately identifying and analysing skills needs at an organisational level assists in reducing the skills gaps at a national level as it is a true reflection of the skills required in the sector. In order to do so, staff must be consulted and have a thorough understanding of the organisation's strategic priorities when skills needs are identified. The information received was the basis for the compilation of the WSP prior to submission to the SETA.

By adhering to the skills development policies and analysing the skills needs, organisations would be able to provide accurate data to the SETA which could be used as a basis for funding (as explained in chapter one). SETA funding can therefore be channelled to adequately address the skills required for the respective sectors with the hope of reducing the triple challenges of poverty, inequality and unemployment in South Africa.

Annexure 1: Written Questionnaire

1. For each statement below indicate whether you totally agree, agree, unsure, disagree, totally disagree:

Statements: (Mark your answer with X)	Totally Agree	Agree	Unsure	Disagree	Totally Disagree
I understand the business requirements of the organisation					
There is sufficient employee consultation with staff representatives of various committees					
The skills identification process positively impacts on my personal development					
I am satisfied on how skills needs are identified					
I received an evaluation regarding my development of skills					
The evaluation that was received was adequate					
Skills needs are identified in all departments					
A training needs analysis has been done in the last year					
A skills audit has been conducted in the last year					
Changes in the global insurance industry and economy affects the organisation					
The strategic objectives of the organisation are linked to the skills requirements of the organisation?					
I am aware of the policies and guidelines relating to the skills identification process					
I understand the policies and guidelines regarding the skills identification process					
The WSP is aligned to the organisations goals					
The WSP provides strategic value to the organisation					

Annexure 2: Interview Questions

Question Schedule

1. What is your position in the organisation?
2. What are the strategic priorities of your organisation?
3. Briefly explain if the strategic priorities are linked to the skills requirements of the organisation?
4. What skills development policies and guidelines are in place in your organisation?
5. Please describe your understanding on how these policies and/or guidelines are implemented.
6. In terms of the performance review process how much of that information is linked to identifying critical skills needs in the organisations?
7. How are scarce and critical skills identified in your organisation? Explain some of the methods /approach.
8. How would you go about identifying current and future skills requirements in your organisation? Please explain each separately.
9. Is there sufficient employee consultation on the organisational skills needs with staff representatives of various committees?
10. In your opinion, what is the importance of identifying skills needs in your organisation?
11. What impact did the skills identification process have in your organisation? In the absence of a skills identification process how different would your company appear?
12. Briefly explain some of the experiences you have had either identifying skills requirements for your staff or undergoing this process with your manager.
13. Is any of the information that you have provided thus far, utilised towards the compilation of the annual WSP for your company?
14. What are some of the challenges experienced when identifying the skills requirements of your organisation?
15. In your opinion, what methods could be used to bridge the skills gap in your organisation? Please explain.

Closure:

Thank you, we have come to the end of the interview, please indicate any other comments with regards to skills needs identification in general.

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