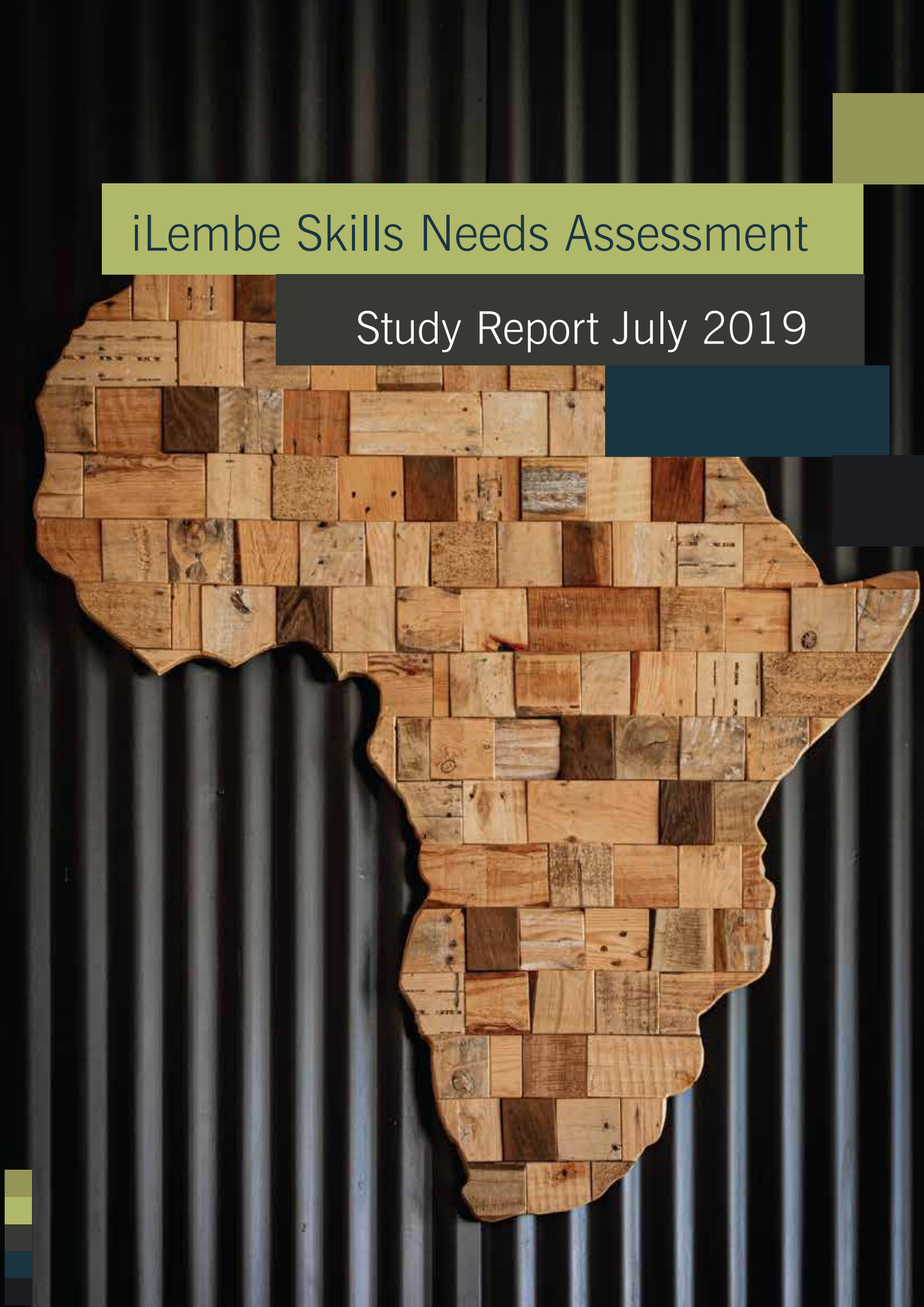
iLembe Skills Needs Assessment

Study Report July 2019



The iLembe Chamber of Commerce Industry & Tourism acknowledges the invaluable contribution and support of the Vuthela iLembe LED Programme and Engie Peakers Operations in conducting this assessment.

Foreword

Lesa Bradshaw, Vice President of the iLembe Chamber of Commerce, Chairperson of its Human Capital Standing Committee and Managing Partner at Bradshaw Le Roux Consultants.

In the current South African socio-political context, where the economy is impacted so fiercely by global and political influences, business survival demands an entrepreneurial spirit. To thrive, it requires adaptability, flexibility, and autonomy in its strategic, resource, and skills planning.

Skills development has long been one of the major challenges faced by South Africans, with the result that substantial pressure has been placed on the private and public sector to invest heavily in addressing the skills deficit. However, the question to consider is whether the alignment of skills development to current and potential skills demand is being realised.

In my experience within the Human Resource and Transformation context, the answer to this question is not always clear. Given that the search for skills is heavily influenced by geography, industry, and BEE profiling of talent, a more useful version of the question to local business becomes “Is the required skills pool, skills pipeline, and talent profile aligning to the demand of businesses in the area?”.

Our intent at the iLembe Chamber of Commerce is to place focus on answering this more specific question. It aims to consider the profile of the demand source, acknowledging that it is not only hard skills that are in demand, but those soft skills required to manage business within the dynamic and entrepreneurial context in which we are operating. Laxity in managerial competencies due to limited access to relevant and appropriate soft skills development has often been linked to small business failure despite its vital contribution to the economic development in South Africa. The attainment of this, and the development of other necessary ‘hard’ skills, are key to promoting business and manufacturing efficiency, as well as supporting the valuable Small Business Development initiatives which we have found to create positive impact in our local economy.

We appreciate the participation of those involved stakeholders who are driving this valuable initiative. We trust that the feedback inspires commitment from business, skills development stakeholders, and local talent from within our community to better align their efforts towards building and matching talent to work opportunities which benefit all.

Foreword

Andrew Carey,
Business Manager,
Engie Peakers
Operations

Reflecting on what it would take for a workforce to optimize productivity, my attention was drawn to an ants' nest as I walked past. In my experience, guidance on these matters can often be found in nature.

Insect colonies behave in an adaptive manner by adjusting their worker ratios to meet current colony needs. For example, as ant colonies grow in size, they produce more large-body workers. This is in contrast to early stages of colony development where primarily smaller workers are produced. Other ant colonies increase the rate of production of soldier ants when exposed to potential competitors. In other insects such as honey bees, some workers accelerate or reverse their behavioural development, performing tasks that were not previously designated but are greatest in demand.

The starting point of these successes of the animal kingdom come from an innate understanding of the skill requirements as set out by the environment in which the insects find themselves. This is contrasted against the skills available within the colony. The colony is able to adapt to close the gap between what is required and what is available. The outcome is an optimized efficient allocation of resources that ensures the ultimate survival and flourishing of the colony.

And so, when you look at the iLembe region as a workforce wishing to achieve optimal productivity and growth, it makes sense that the starting point is to obtain a clear understanding of the environment, what skill sets are required within this environment and what skills are available.

The iLembe Skills Needs Assessment is designed to perform this function by obtaining data from the market regarding the growth potential of the region, challenges with recruitment, skills deficiencies by skill type and by cause, along with various other pieces of useful information. The results of the assessment will allow more targeted training and effective implementation of resources.

We need to make sure that we constantly keep our feelers out as to what changes have taken place over time, to ensure that we are in a position to adapt. It is therefore imperative to us that this is not done as a once-off exercise, but over a three-year period with a follow up assessment.

We can have all the best intentions and invest all the time and resources in the world, but if it is not directed to the right place it will not have the desired impact.

Executive Summary

The iLembe Chamber of Commerce is dedicated to the advancement of the iLembe region as a competitive and attractive opportunity for investment and business growth.
The iLembe Business Confidence Index (iBCI) consistently highlights 'Skills shortages and labour related issues' as a primary business constraint.
In an effort to avoid the risk of generalisations, and to gain an understanding and plan an appropriate response, the iLembe Chamber of Commerce and the iLembe LED Vuthela Project, with the support of Engie Peakers Operations, undertook this inaugural iLembe Skills Needs Assessment.

Will the current supply of skills be adequate, relevant and responsive to realise the business and economic potential of the region?
What are the human capital needs that will allow industry within the iLembe District to be retained and prosper, and to entice new entrants?
The iLembe Chamber set out to find answers to these questions through the biggest study into the skills needs of industry ever undertaken in the region.

To better grasp the complexities of skills needs in the regional economy, businesses ranging from local SMMEs to large multinationals, were interviewed and surveyed.
Considering the significance of the public sector as an employer in the region, it is disappointing that this sector's responses did not constitute a credible sample for inclusion in this study report.
Whilst the needs of these employers varied, depending on size, location and sector, common platf orms did emerge.

In summary:
Of the businesses that completed the survey component of the study:

- 60% of the respondents have been operational for more than 10 years;
- 54% of the respondents have more than 10 employees;
- 37% had an annual turnover of more than R20 million;
- The majority of respondents operated within the Manufacturing and Assembly sector.

Businesses that completed the iLembe Skills Needs Assessment survey questionnaire employed almost an equal number of employees in the four skills categories indicated, i.e. highly skilled, skilled, semi-skilled, unskilled.
The majority of responding businesses expressed positive sentiment around business growth over various time periods into the future, with 81% expecting business growth over the next 5 years.
Staff recruitment methods differed according to skills grouping, with the most common, across all skills groups, being on-line recruitment.

- A lack of technical/job specific skills of applicants were considered the most significant recruitment challenge by 61% of respondents.

- The lack of relevant experience and a lack of soft skills were indicated as the next most significant recruitment challenges, highlighted by 57% and 54% of respondents respectively.

Skills deficiencies, identified by businesses that recruit from post-school institutions, were cited as a lack of experience (42%), followed by inadequate technical and professional knowledge (35%) and a lack of business, leadership and/or management skills (30%).

37% of responding businesses rated the supply of well-trained staff to be poor or very poor.

- Shortages associated with hard skills were identified as Technical Skills, followed by Industry Experience and Management Skills.
- Shortages associated with soft skills were identified as critical thinking, followed by problem solving and analytical skills.
- Although 90% of businesses indicated that they have a responsibility to up-skill their employees in order to meet business objectives, only 45% of responding businesses indicated that a dedicated training budget is available to do so.
- The highest priority skill requiring upskilling amongst existing staff was management, followed by technical and communication skills.

The most popular method of learning, skills development and skills transfer used by responding businesses was in-house training courses, followed by coaching and/or mentoring, and external training courses.

The nature of Technical Skills, identified by the vast majority of respondents as the primary hard skills need, varied significantly. In order to obtain more clarity, interviews were conducted with respondents that employ more than 50 employees, have a turnover of more than R50 million per annum and who indicated a recruitment and sourcing challenge around technical skills and whose top priority in upskilling was of a technical nature.

The following Technical Skills shortages were highlighted:

Trade qualifications	• Millwrights • Electricians, especially light current with electronics • Tool and Die Makers • Fitters • Riggers • Injection Moulding Machine Setters
Technologists	Process Controllers (various sectors)
Professionals	Mechanical Engineers Industrial Engineers

A common observation was that newly qualified engineers, technicians and artisans were poorly skilled with a poor grasp of more complex technical issues prevalent in especially the manufacturing sector.

A further challenge identified, specifically in the more remote industrial nodes such as the Isithebe Industrial Estate, was that suitably skilled candidates are not prepared to relocate to such isolated areas, and remain in the employ for the long term. This challenge is exacerbated by the perception of poor standard qualifications obtained through local secondary and post-schooling institutions.

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1. Acronyms and definitions

EDTEA	KZN Dept of Economic Development, Tourism and Environmental Affairs
Ei	Enterprise iLembe
iBCI	iLembe Business Confidence Index
iCCIT	iLembe Chamber of Commerce, Industry & Tourism
SMME	Small, Medium, and Micro Enterprises
iLembe LED Vuthela Project	The Vuthela Programme is a Swiss Government funded initiative to promote Local Economic Development in the iLembe Municipalities of KwaDukuza and Mandeni
TVET	Technical and Vocational Education and Training

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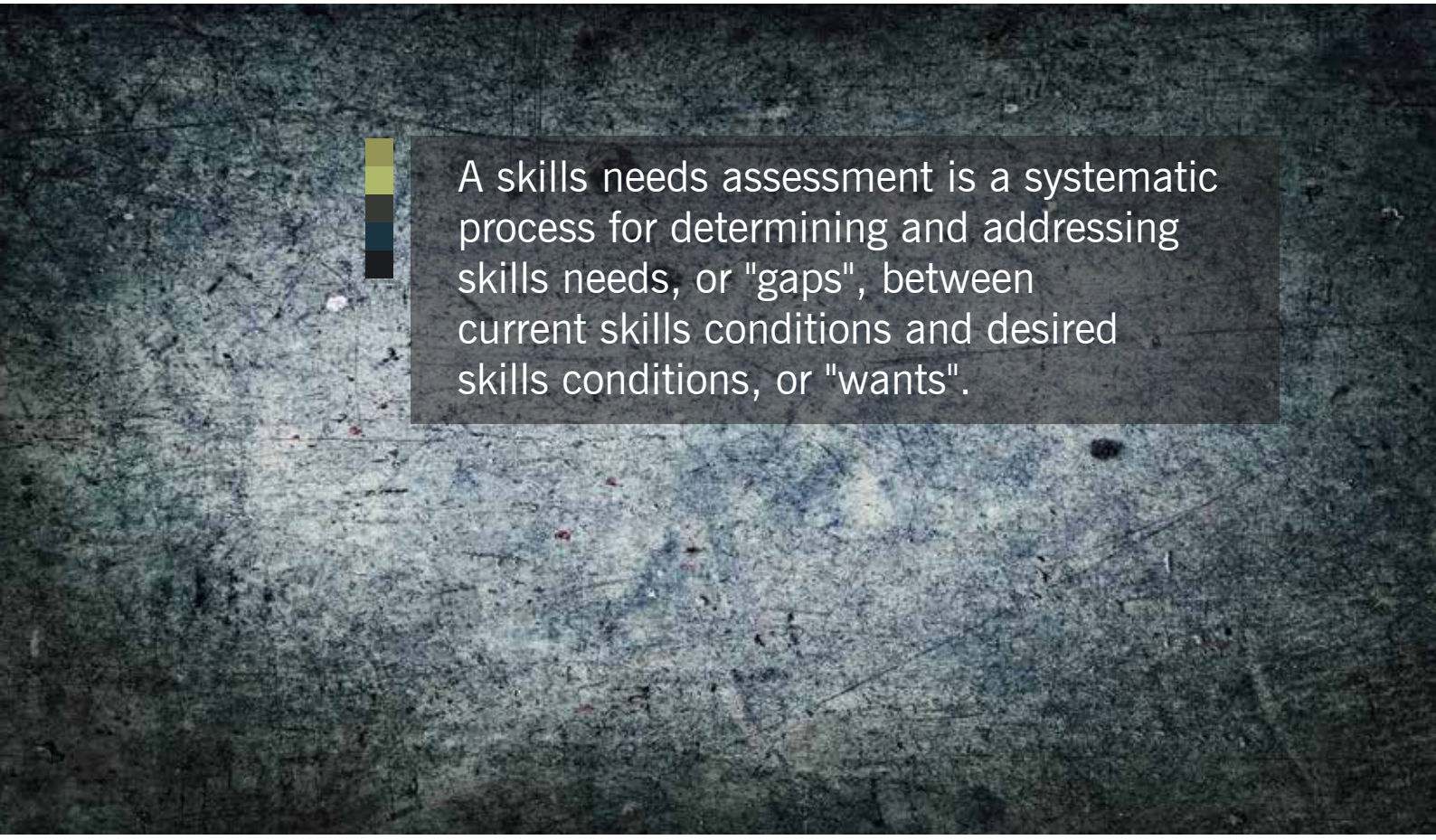
2 Background to study

Responses in the iLembe Business Confidence Index (iBCI) survey questionnaire consistently highlights *'Skills shortages and other labour related issues'* as a primary business constraint, together with the *two market related indicators of 'Competition' and 'Market Size'.*

The iBCI is conducted bi-annually by the iLembe Chamber of Commerce, Industry and Tourism (iCCIT), in collaboration with Enterprise iLembe (Ei).

Defining these skills shortages, and skills gaps, within a business community is a challenging but necessary task to identify the key priority areas that need to be addressed to enhance business performance, retain and attract investors and optimise the economic and social development of the iLembe District.

The iCCIT and the iLembe LED Vuthela Project, with the sponsorship support of Engie Peakers Operations, embarked on conducting a statistically valid analysis to identify and assess the availability of critical skills against the immediate and future requirements of industry within the iLembe District.



It is envisioned that the findings of the assessment will contribute to an enterprise development strategy that will foster a dynamic business sector within the iLembe District, enabling the alignment between industry, the educational sector and work seekers, and assist with the development and delivery of targeted skills development initiatives.

A better understanding of skills priorities, based on empirical data, essential to achieving business objectives, should direct skills interventions, encouraging economic growth and add to the competitiveness of iLembe-based businesses.

In addition to improved competitiveness, meeting skills needs of businesses will improve productivity, staff retention, create career advancement opportunities, and identify training and curriculum development needs for education partners to meet the skills needs of local businesses.

3 Survey approach and participation

Building on its knowledge and experience in conducting local economic development surveys, the iCCIT and Vuthela Project consultants designed an on-line survey focussed on identifying those skills that employers feel is required to achieve their business objectives, gaps and work vacancies, along with the attributes of such needs.

The survey primarily targeted members and businesses listed on the iCCIT's database and other SMMEs on Ei and municipal databases.

The survey was also distributed to Human Resource Department Officials of the five municipalities, i.e. the iLembe District Municipality, and the Mandeni, KwaDukuza, Maphumulo and Ndwedwe Local Municipalities. Provincial government departments, operating within the iLembe District, received the survey through the KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA).

The survey component of the assessment was closed on the 30th of May 2019.
A total of 85 businesses completed the survey. Of the companies that completed the survey, 20 opted to complete the survey anonymously, with the remainder disclosing their business names.

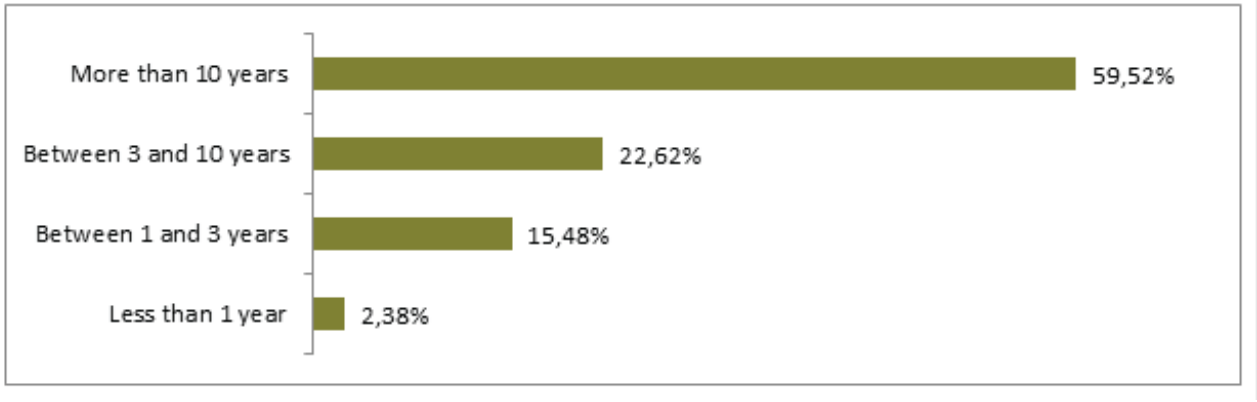
3.1 Profile of Survey Respondents

Survey respondents represented a broad range of organisations which will be highlighted in the sections to follow. This range of respondents allowed for specific skills needs to be identified for different business categories.

3.1.1 Years in operation

Respondents were requested to indicate how long they had been in operation in order to gain an understanding of the skills challenges facing older or newer businesses. It was interesting to note that nearly two thirds of businesses had been in operation for more than ten years, suggesting a stable business environment within the iLembe district. The small number of newer businesses (less than one year of operation) confirms the low investor confidence, and concern expressed about the two market related indicators of '*Competition*' and '*Market Size* 'highlighted in the iBCI.

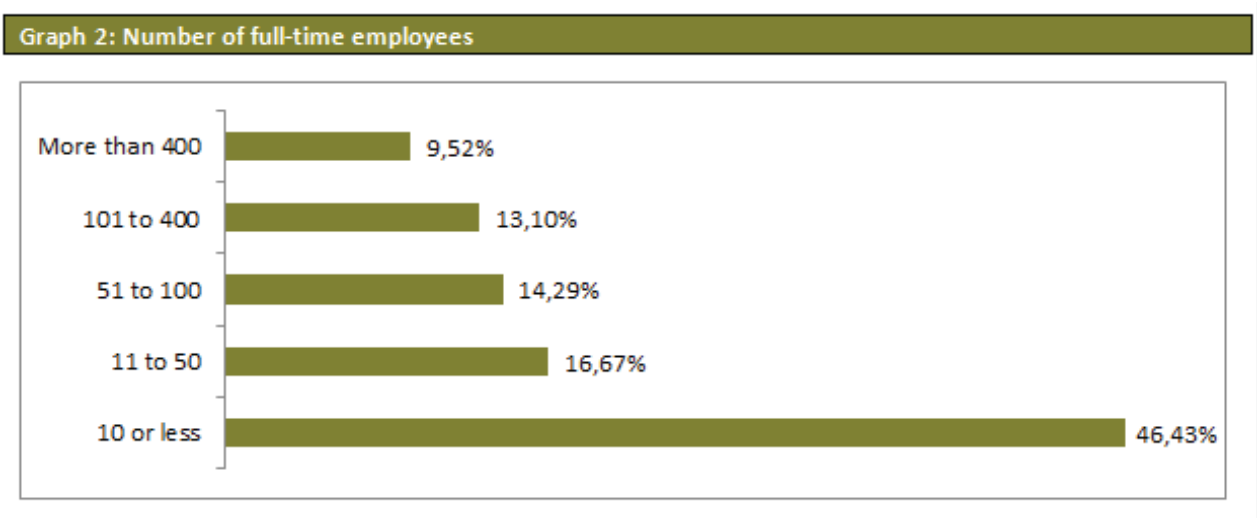
Graph 1: Number of years in operation



3.1.2 Business size

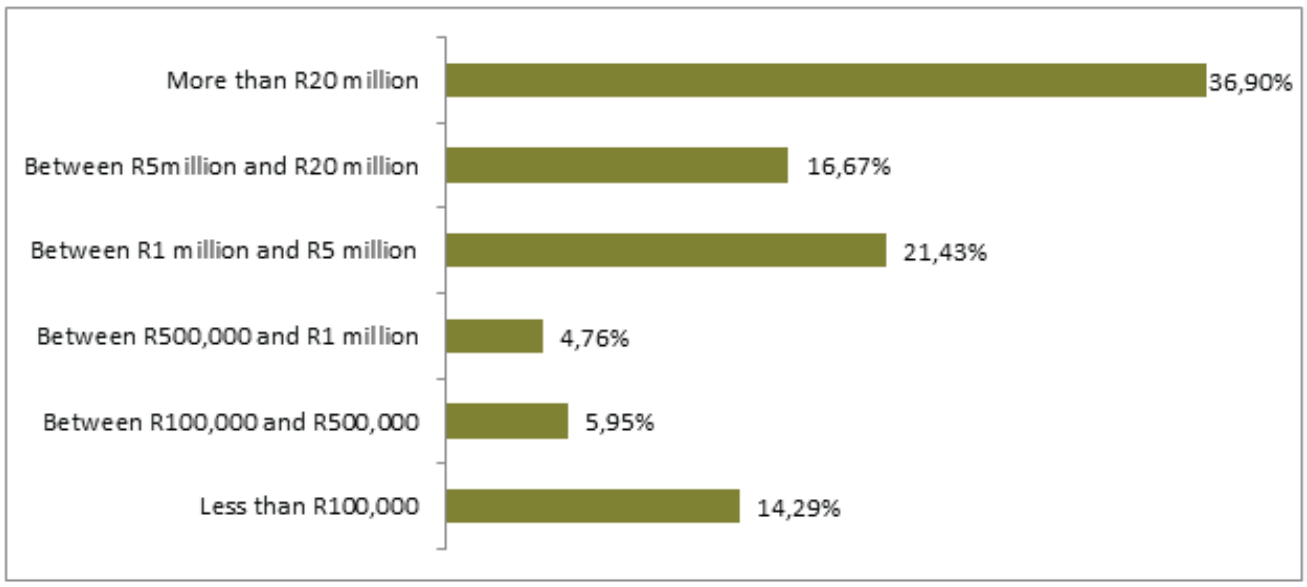
The determinants of business size were both in terms of the number of full-time employees, and average annual turnover. With regards to the number of employees, almost half of businesses surveyed employed 10 or less full-time employee, with almost 10% of responding companies employing more than 400 staff members.

Graph 2: Number of full-time employees



With regards to average annual turnover, 37% of respondents had a turnover of more than R20 million per annum.

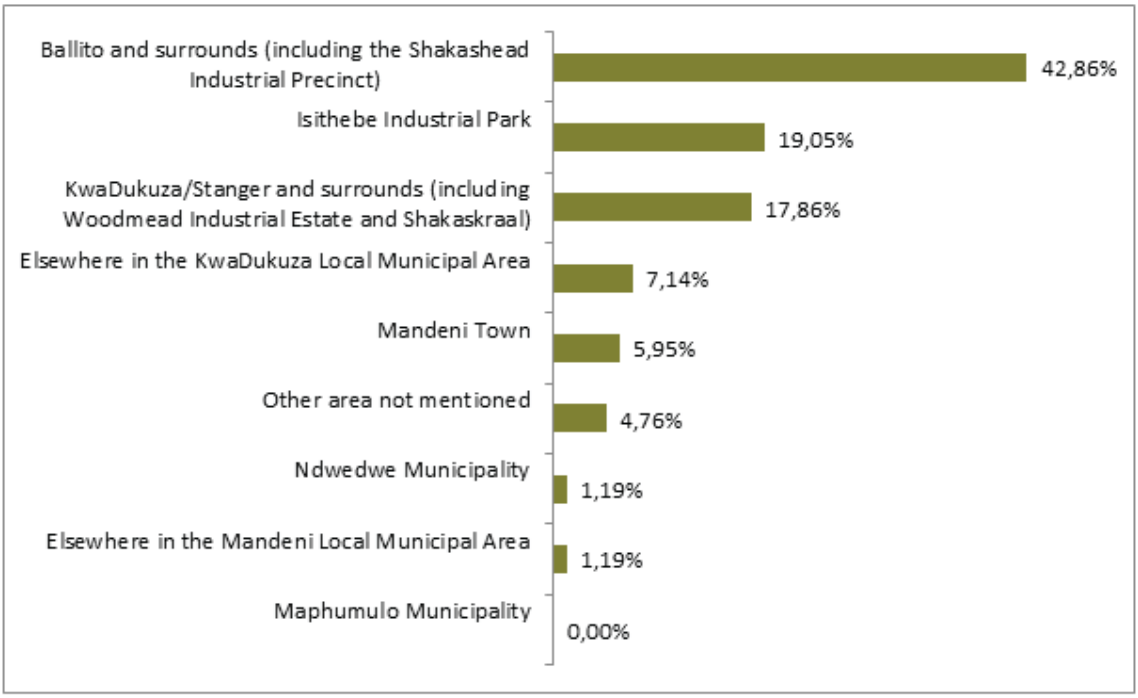
Graph 3: Average annual turnover



3.2 Location

Respondents were given the option of nine possible locations to indicate where their businesses operate from. The majority of respondents' businesses were based in Ballito and surrounds (43%), followed by the Isithebe Industrial Park (19%).

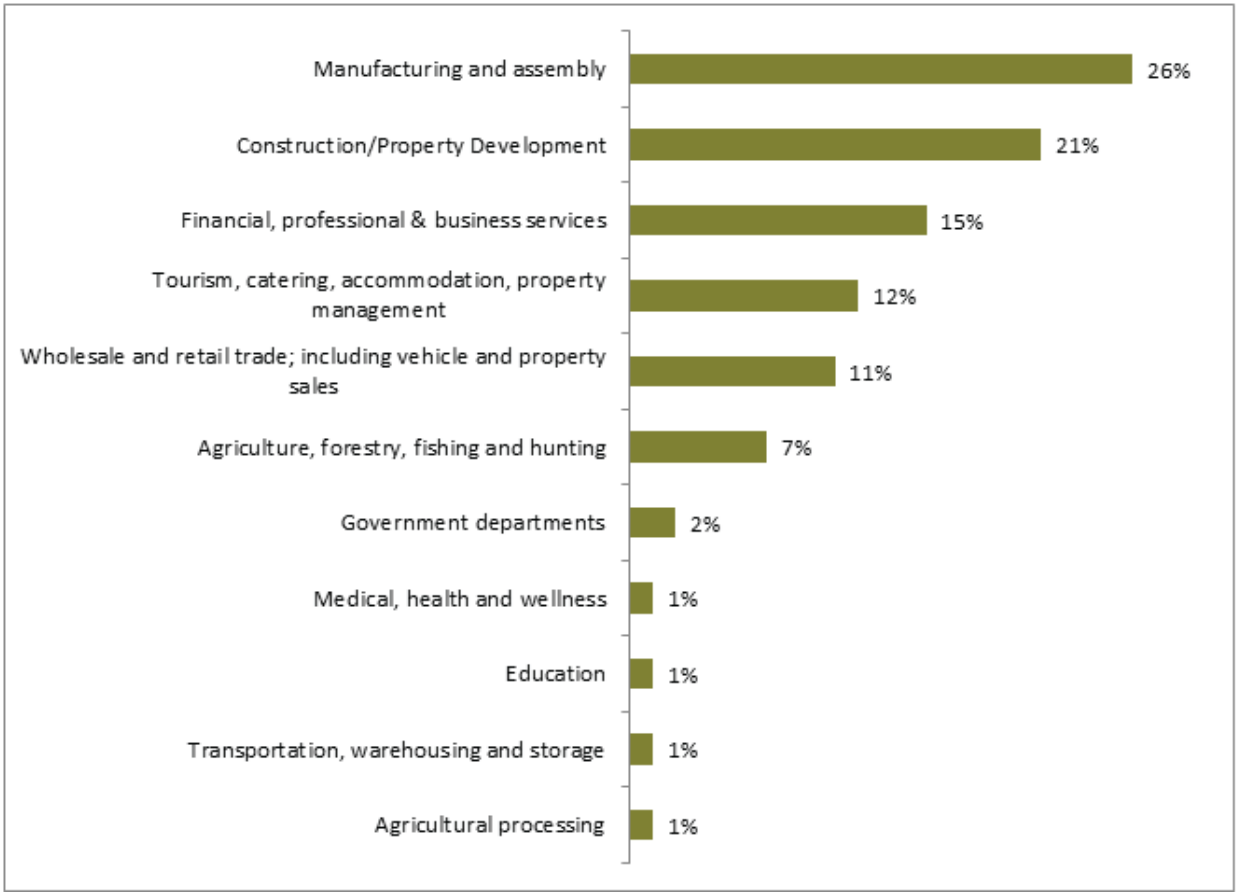
Graph 4: Business location



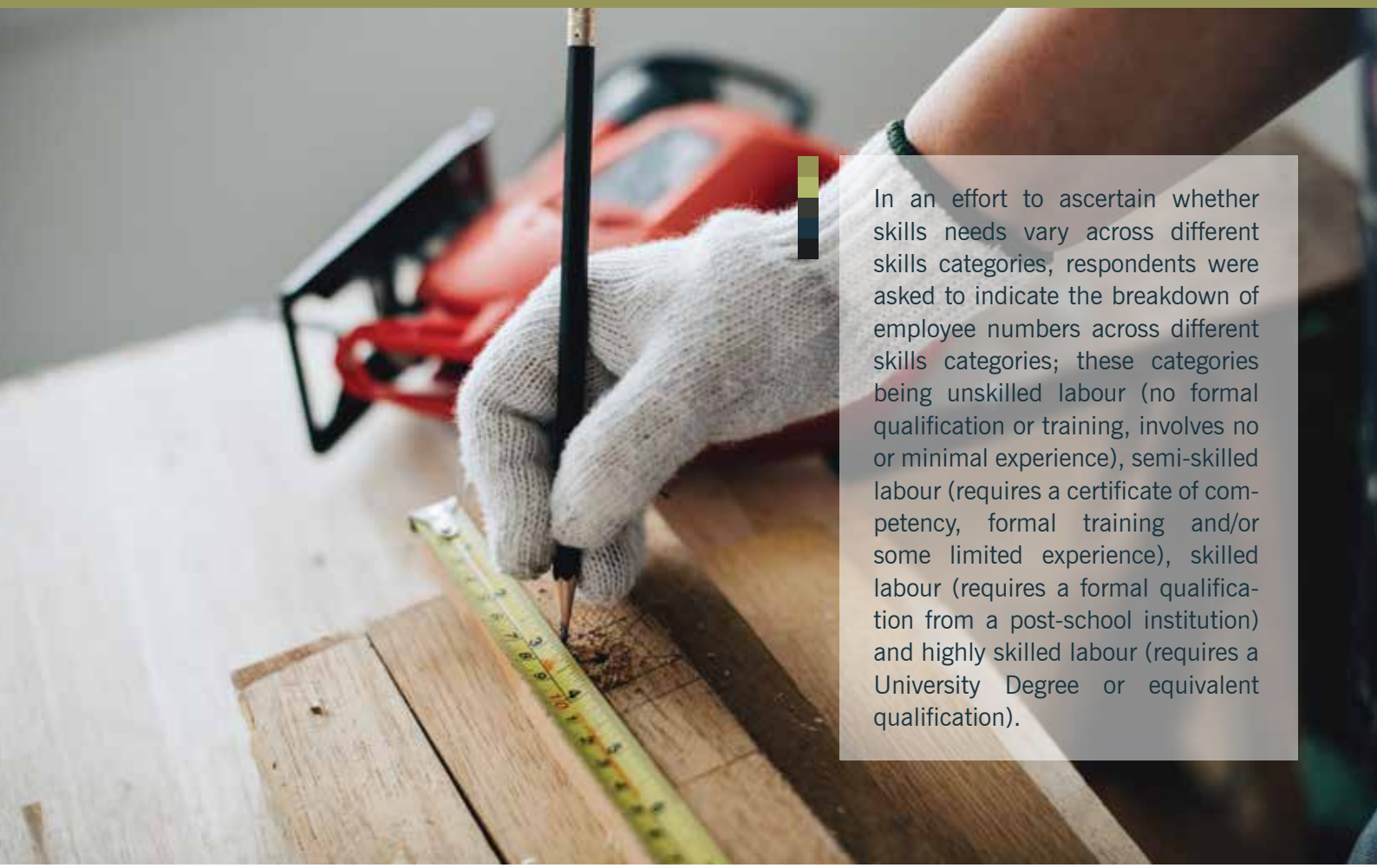
3.2.1 Business sector

The following graph indicates the industrial sectors that respondents operate in, with more than a quarter of the businesses conducting business in Manufacturing and Assembly, followed by Construction/Property Development, and Financial, Professional & Business Services.

Graph 5: Sector the business is operating in



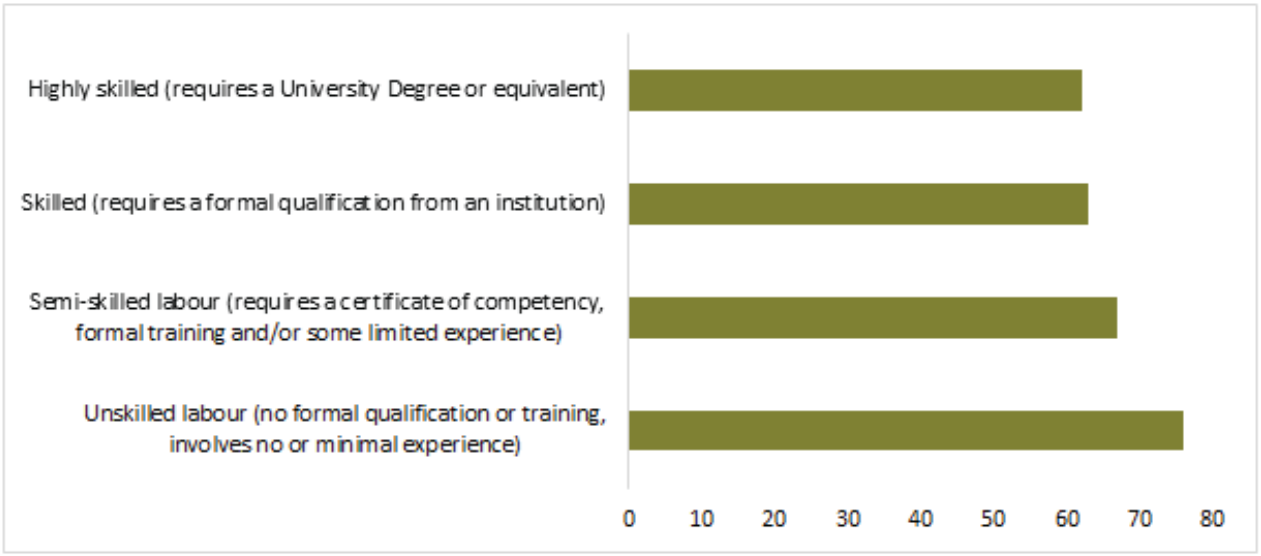
4 Employment by skills categories



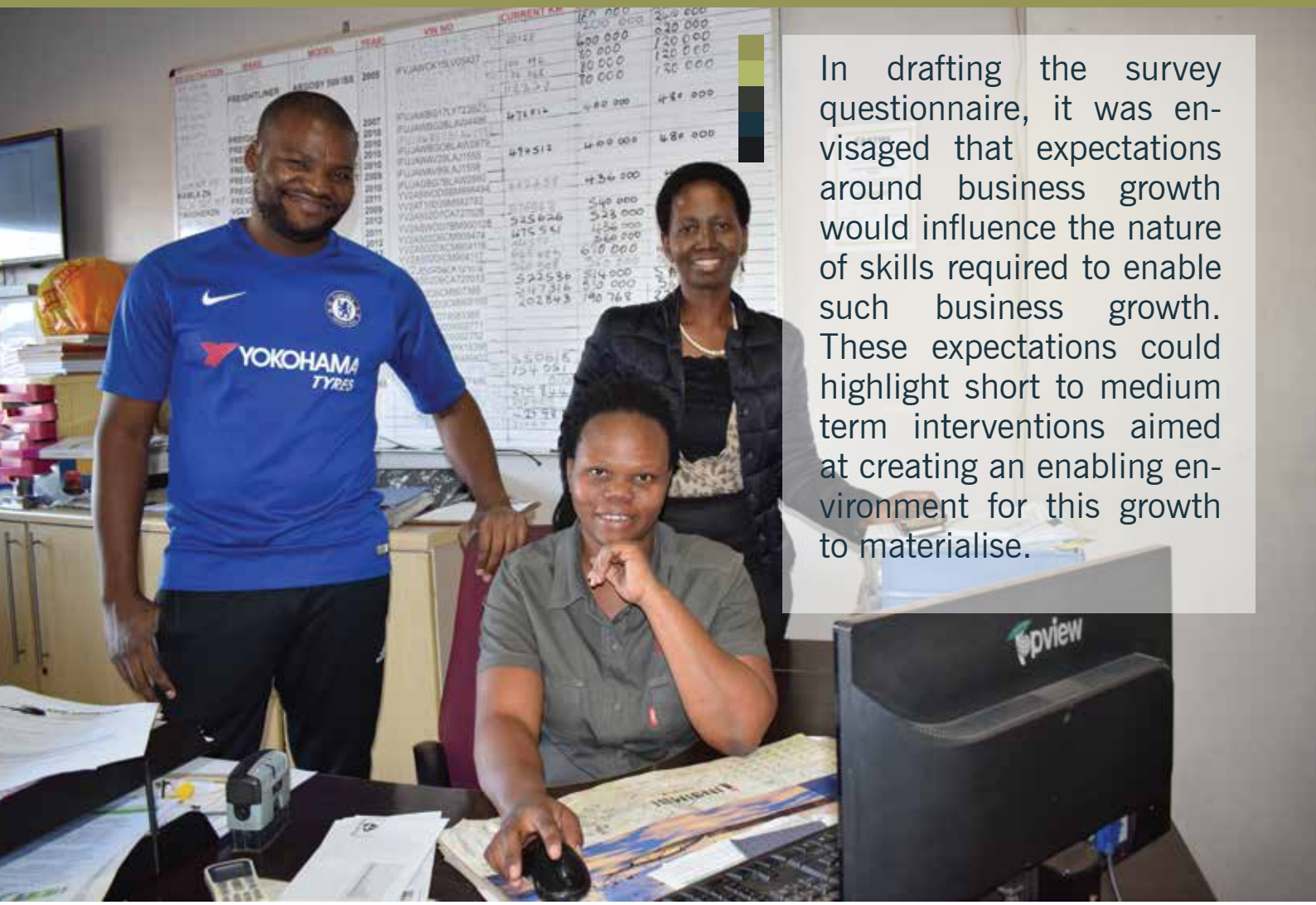
In an effort to ascertain whether skills needs vary across different skills categories, respondents were asked to indicate the breakdown of employee numbers across different skills categories; these categories being unskilled labour (no formal qualification or training, involves no or minimal experience), semi-skilled labour (requires a certificate of competency, formal training and/or some limited experience), skilled labour (requires a formal qualification from a post-school institution) and highly skilled labour (requires a University Degree or equivalent qualification).

The results displayed in the graph below show that, whilst unskilled labour made up more staff than any of the other skills categories, the employee numbers across the different skills categories varied very little.

Graph 6: Staff employed across 4 skills categories



5 Expectations around business growth

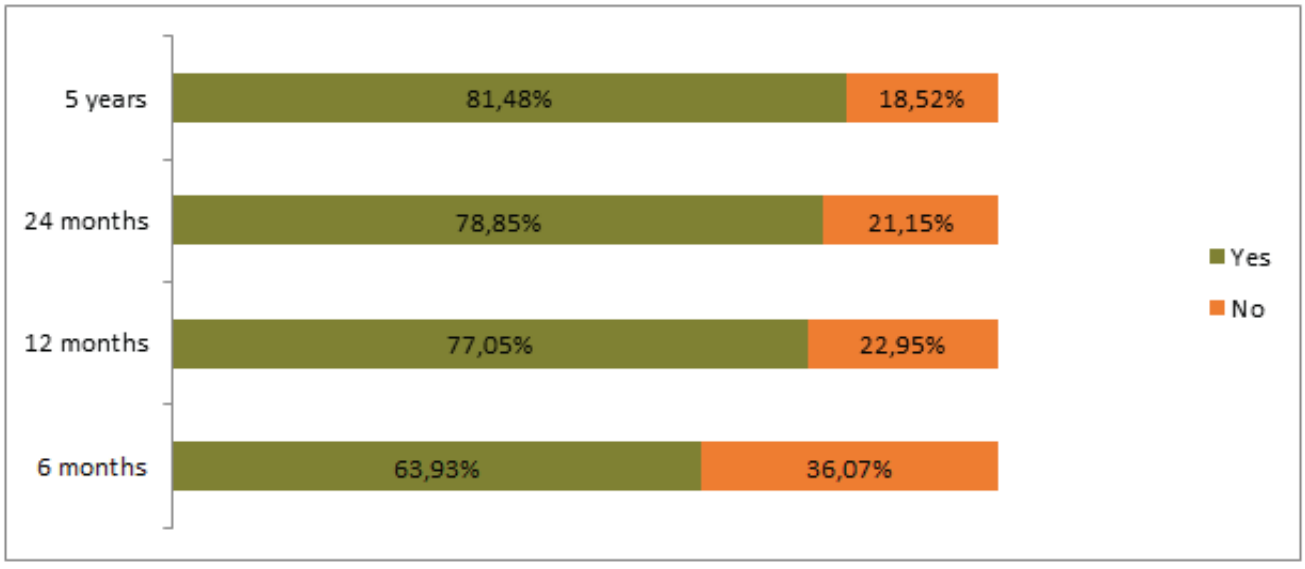


In drafting the survey questionnaire, it was envisaged that expectations around business growth would influence the nature of skills required to enable such business growth. These expectations could highlight short to medium term interventions aimed at creating an enabling environment for this growth to materialise.

The table below indicates anticipated growth over a number of time periods. The majority of responding businesses expected growth over the 4 time period choices provided, with fewer expecting growth over the short term, than over the long.

For smaller companies, with staffing levels below 50 employees, the sentiment was similar with 81.82% of companies saying they expect business growth over 5 years, and 18.18% saying 'no'. For companies with 50 employees and more, the same responses are given.

Graph 7: Expected business growth over various timeframes



6 Recruitment

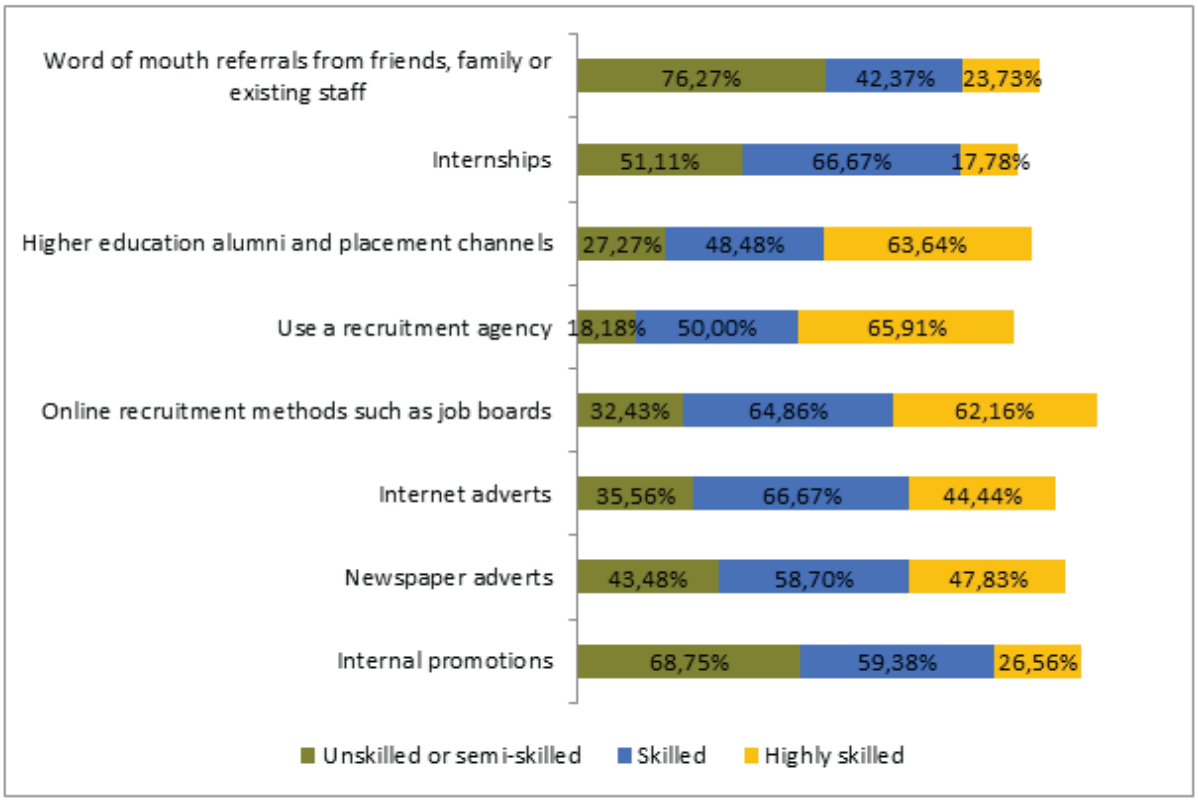
6.1 Recruiting methods

Means of recruitment, applicable to the different skills categories, differed, with the most common means of recruiting Highly Skilled Staff being Recruitment Agencies (66%), followed by Higher Education Alumni and Placement Channels (64%) and On-line Recruitment (62%). Recruitment means for the Skilled Staff category highlighted Internships (67%) and Internet Adverts (67%) as the most common, followed by On-line Recruitment (65%).

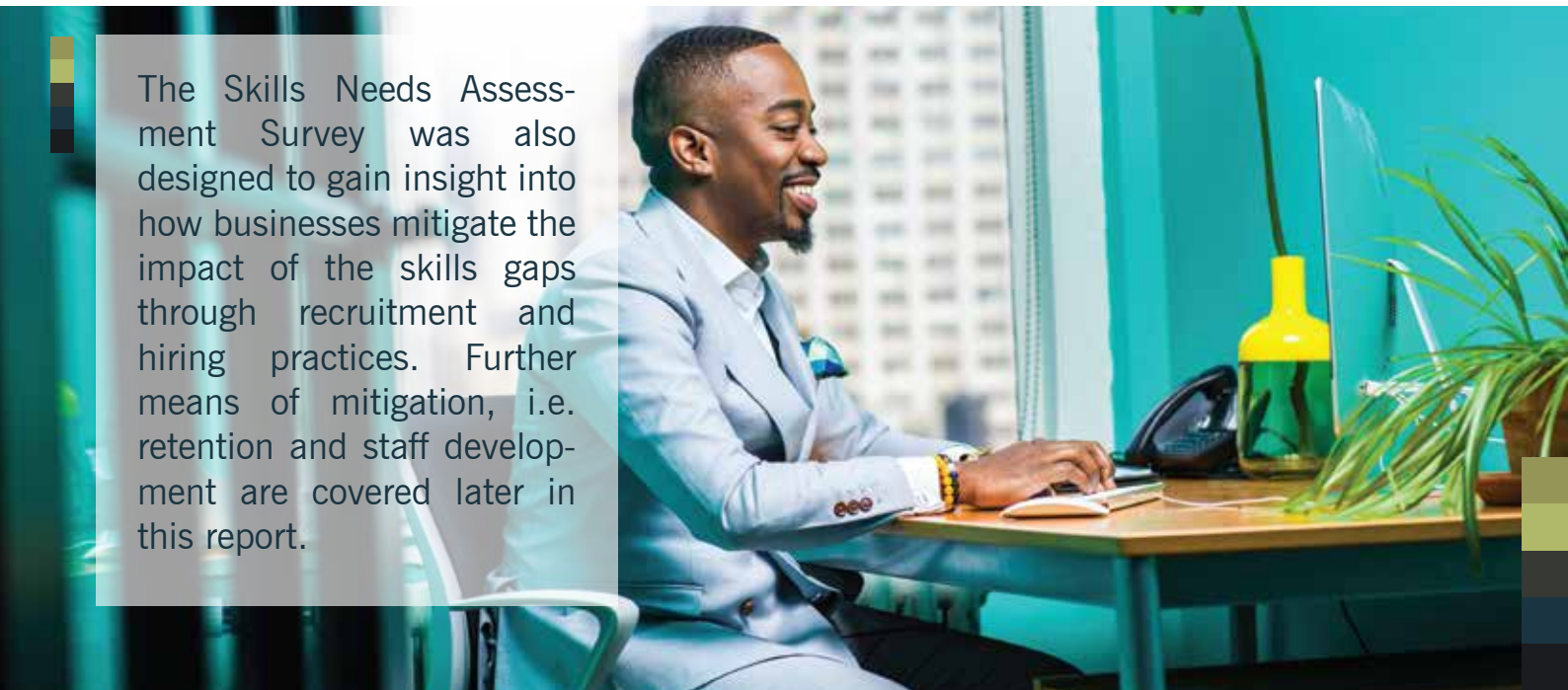
Word of Mouth Referrals was the most common recruitment method for Unskilled and Semi-skilled Staff (76%), followed by Internal Promotions (69%) and Internships (51%).

Across all skills categories, On-line Recruitment was found to be the most popular, followed by Internal Promotions and Newspaper Adverts.

Graph 8: Most effective method(s) used to fill vacancies in the various skills levels



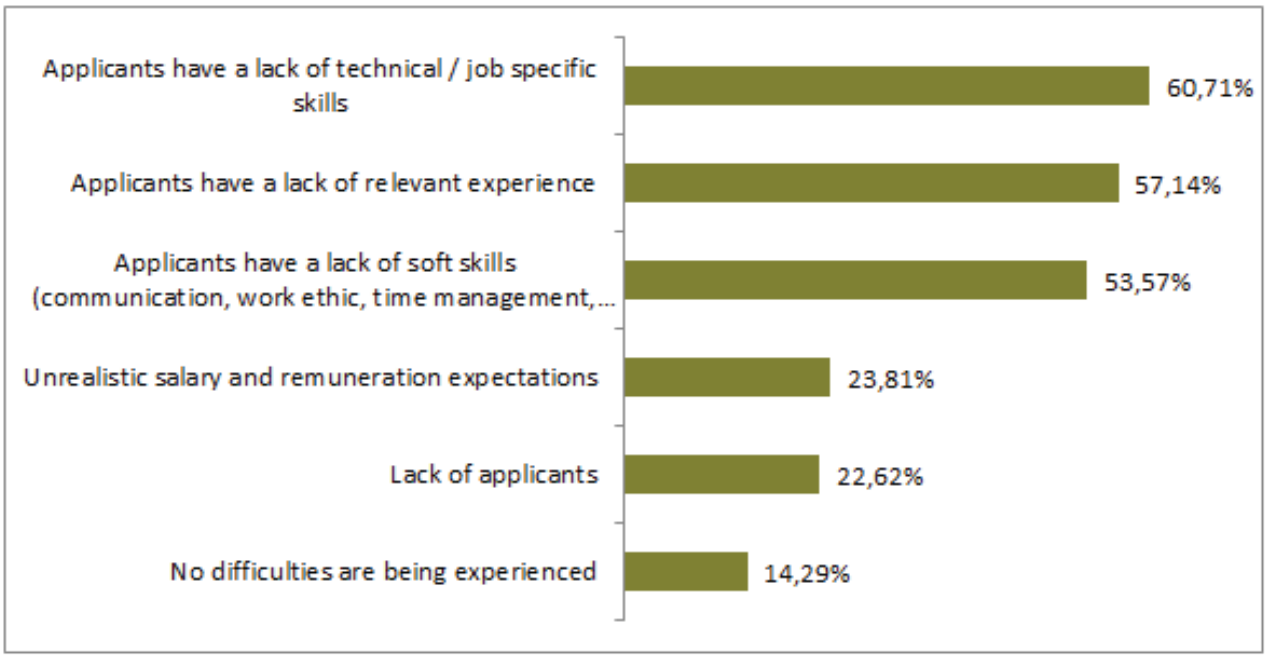
The Skills Needs Assessment Survey was also designed to gain insight into how businesses mitigate the impact of the skills gaps through recruitment and hiring practices. Further means of mitigation, i.e. retention and staff development are covered later in this report.



6.2 Recruitment challenges

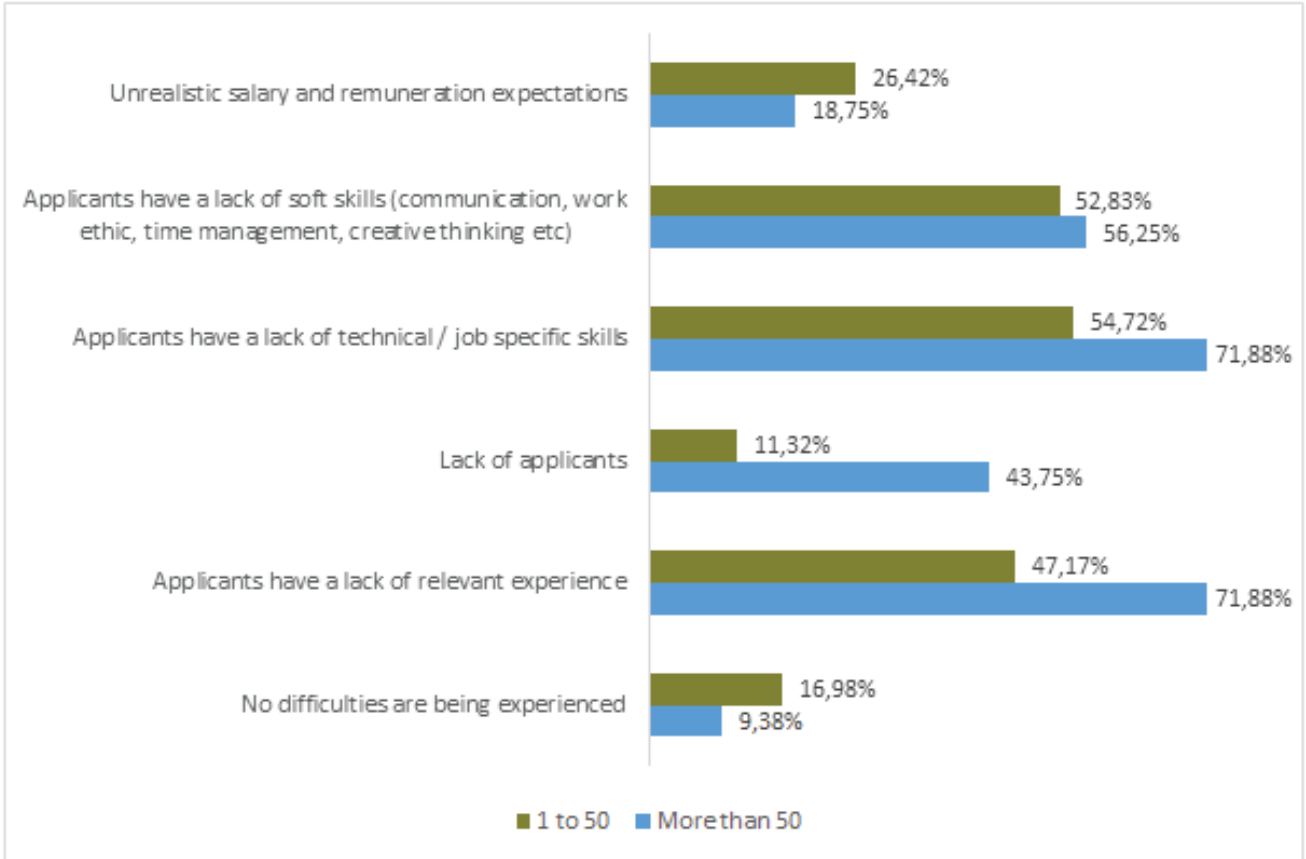
In view of its relevance to fulfilling skills needs, survey respondents were asked to identify the three biggest recruitment challenges facing their businesses. The biggest challenge cited, across all businesses, was applicants' Lack of Technical/Job Specific Skills (61%). This was followed by the lack of Relevant Experience (57%) and Lack of Soft Skills (54%).

Graph 9: Three biggest staffing and recruitment challenges



These recruitment challenges remained the most pressing, irrespective of the size of the workforce. It was however interesting to note that these challenges were more concentrated in businesses that employed more than 50 employees, with both a Lack of Relevant Experience and Technical/Job Specific Skills highlighted by more than 70% of the respondents in this category.

Graph 10: Recruitment challenges by company size (number of employees)



6.3 Recruitment from post school institutions

Survey respondents were also probed with regard to specific difficulties they face when recruiting from post school institutions, allowing for the identification of potential interventions, in collaboration with education institutions, to address skills gaps identified.
A Lack of Experience (42%) was cited as the highest deficiency associated with employees joining employers from post school institutions, followed by inadequate Technical and Professional Knowledge (35%), and a Lack of Business, Leadership and/or Management Skills (30%). A mere 4% of respondents noted "No Deficiencies Encountered" when acquiring skills from these institutions.

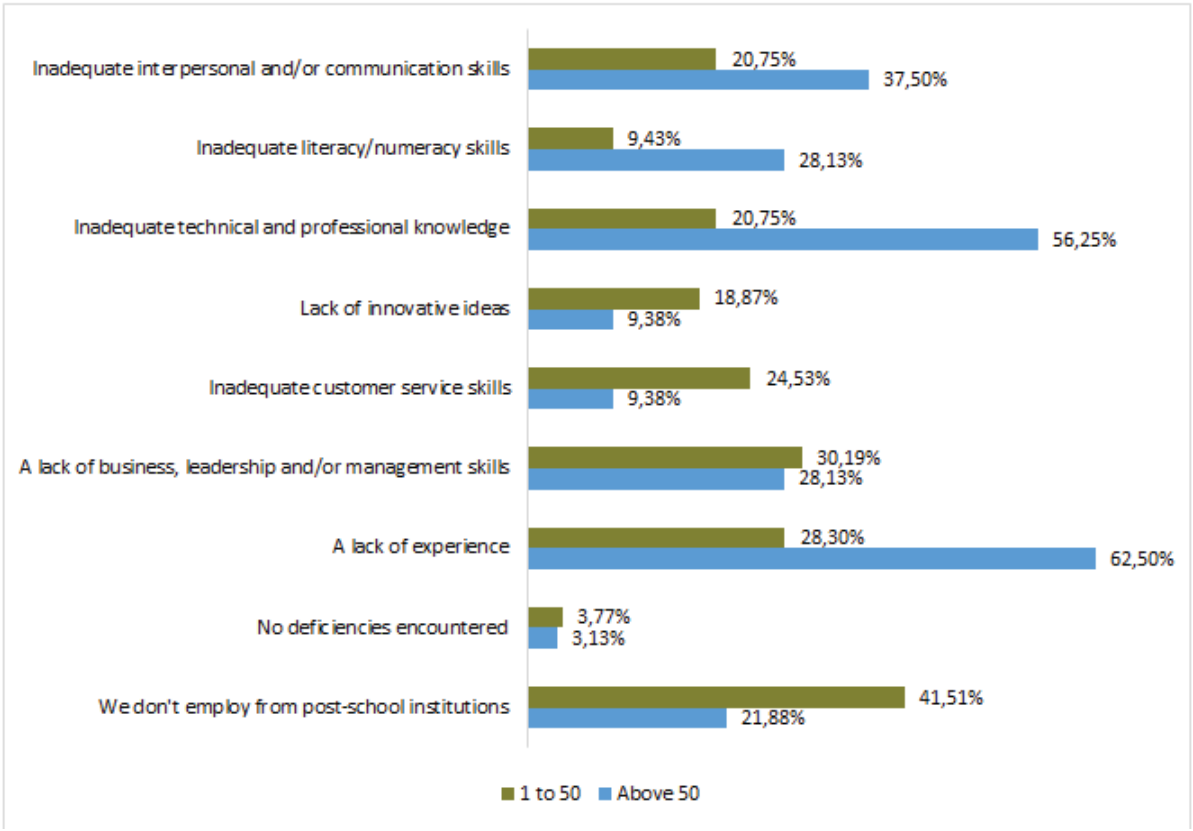
Graph 11: Skills deficiencies encountered from post school institutions

The large number of bigger businesses, i.e. 50 or more employees, that indicated a Lack of Experience and an Inadequate Level of Technical Knowledge as significant skills deficiencies once again highlighted the value that bigger employers attach to these specific skills. Inadequate Interpersonal and/or Communication skills were also indicated as a skills deficiency by more than 1/3 of bigger employers.

Although the majority of smaller employers, i.e. less than 50 employees, indicated that they do not employ from post-school institutions, but when they do, the lack of Business, Leadership and/or Management skills were cited as the most common skills deficiency, followed by the Lack of Experience.

Inadequate Technical and Professional Knowledge was cited as the third biggest skill deficiency by these smaller employers, possibly reflecting on the technical nature of these businesses.

Graph 12: Skills deficiencies encountered from post school institutions (number of employees)



7 Skills needs and gaps

The Survey component of the Assessment was also designed to identify the nature of skills needs, as well as upskilling needs including whether these needs are for soft skills or hard skills.

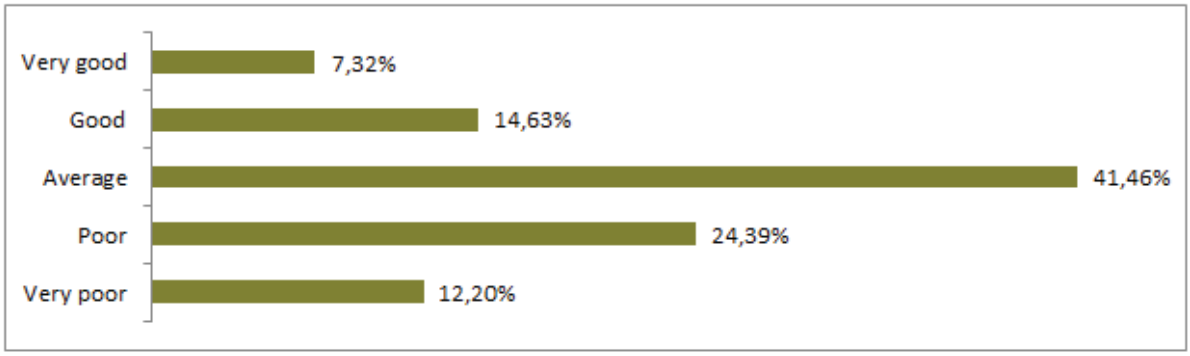
7.1 Skills to meet business objectives

Survey respondents were asked to identify the top three skills that they anticipate will impact on their ability to achieve business objectives – business objectives were categorised over three time periods, i.e. current, over the next three years, and beyond the next three years. For the current timeframe, a total of 209 responses were received. These included both hard and soft skills. Similar responses were received over the various timeframes and it was therefore not possible to include any projections on future skills needs. Of the responses in the immediate timeframe, 'technical skills' was listed most frequently as the scarcest skills to limit businesses from achieving business growth (12 mentions). Although it is noted that specific technical skills such as computer programmes, valve technicians etc were also mentioned separately. This was followed by 'sales and marketing' (9 mentions) and communication (6 mentions).

7.2 Supply of well-trained staff

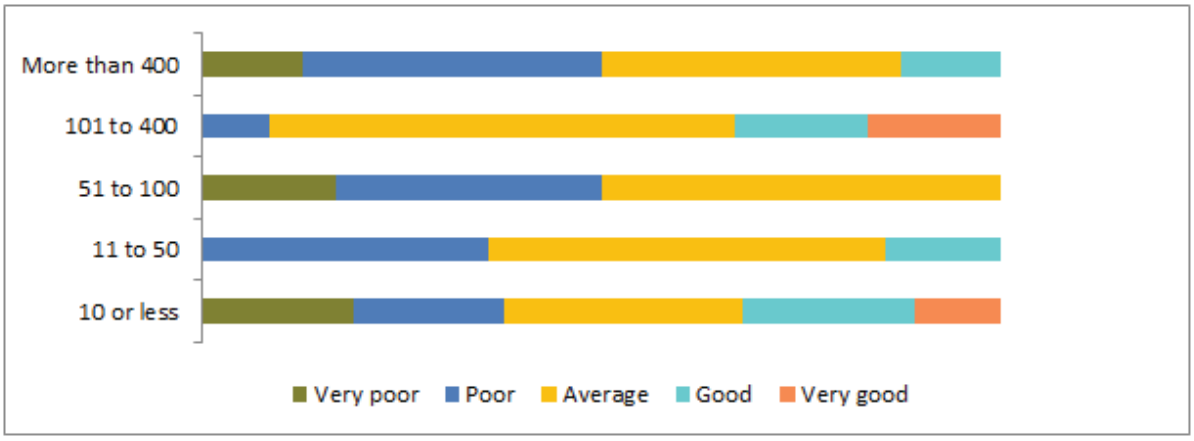
With regards to the supply of staff, that are considered to be well-trained, respondents were asked to rank the supply from very poor to very good.

Graph 13: Rating of the supply of well-trained staff



A significant 37% of respondents rated the supply of well-trained staff as either poor or very poor. Only 22% of responding businesses rated the supply of well-trained staff to be good of better.

Graph 14: Rating of the supply of well-trained staff (number of employees)

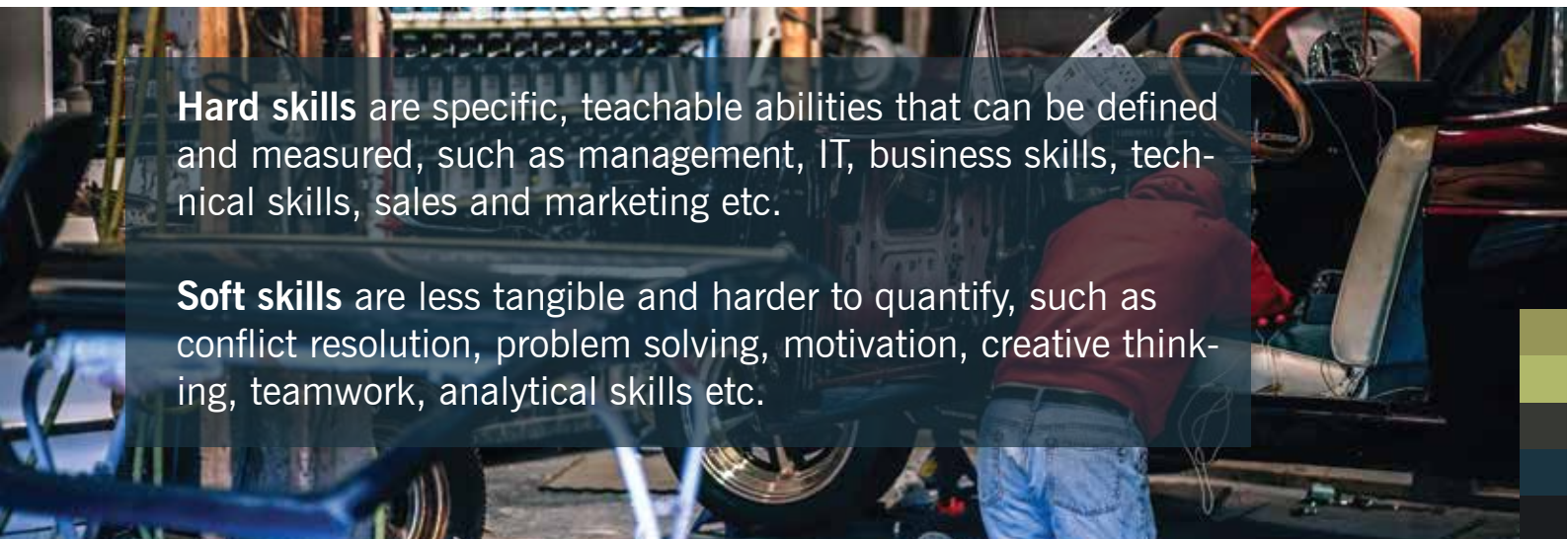


There appears to be no strong trends emerging, with regards to the supply of well-trained staff, when comparing businesses with different size workforces. The majority of companies with more than 50 employees rated this supply as very poor to average suggesting that larger employers especially struggle to source well trained staff.

When comparing the supply of well-trained staff among businesses that have been in operation for different periods of time, the data shows that business who have been in operation for less than three years, the supply is rated mostly good or very good. More established companies, i.e. in operation for more than three years, the supply of well-trained staff was mostly reported as average.

7.3 Specific skills needs

For the purpose of differentiating between skills groupings in this study, business skills were divided into hard and soft skills.



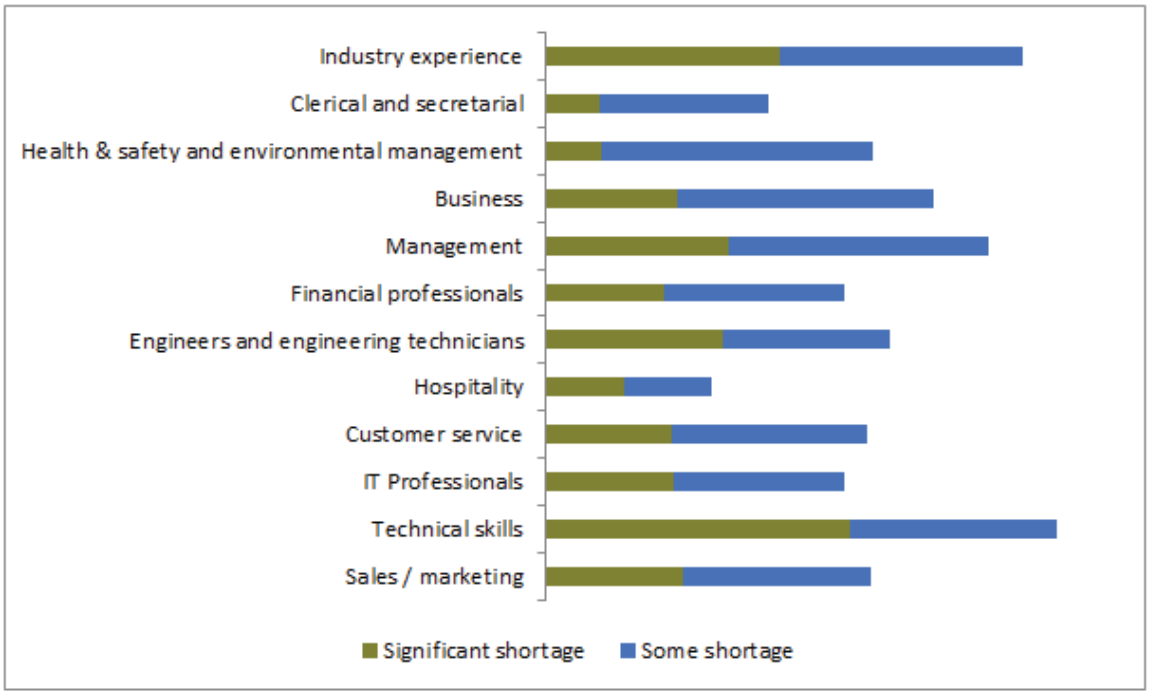
Hard skills are specific, teachable abilities that can be defined and measured, such as management, IT, business skills, technical skills, sales and marketing etc.

Soft skills are less tangible and harder to quantify, such as conflict resolution, problem solving, motivation, creative thinking, teamwork, analytical skills etc.

Respondents were asked to indicate, using the scale comprising of Significant Shortage, Some Shortage, No shortage or Not Applicable, experiences associated with sourcing hard and soft skills.

7.3.1 Hard skills

Graph 15: Experience when sourcing hard skills



The most significant hard skills shortage indicated was for Technical Skills, closely followed by Industry Experience and Management Skills.

Hard skills in least short supply was Clerical and Secretarial Skills, Hospitality Skills and, surprisingly, IT professionals.

7.3.1.1 Hard skills shortages by company size

For smaller companies (less than 50 employees), the most significant hard skills shortage was Technical Skills, followed by Industry Experience and Management. Hard skills in least short supply was Clerical and Secretarial, followed by Health & Safety and Environmental Management, and Hospitality.

For large company respondents (more than 50 employees) Technical Skills shortages were indicated as the most significant gap. For this category of employer, it was followed by Engineers and Engineering Technicians, and Management skills.

Clerical and Secretarial skills were in least shortage, followed by Sales and Marketing, and Customer Service skills.

7.3.1.2 Details of Technical Skills shortages

Survey respondents highlighted Technical Skills as an area of severe shortage, and responding businesses also indicating that they are experiencing difficulties in sourcing these skills. The free text field entries detailing the nature of Technical Skills varied to the extend that no specific or meaningful deductions could be made from the information provided through the survey.

In an effort to obtain more clarity on specific technical skills needs, interviews were conducted with respondents that employ more than 50 employees, have a turnover of more than R50 million per annum, and who indicated that:

- It had a recruitment and sourcing challenge relating to a lack of technical skills, and
- The top priority in upskilling was of a technical nature.

The technical skills highlighted related mainly to qualified artisans and other trade qualifications. Trades specifically highlighted included:

- Millwrights
- Electricians, especially light current with electronics
- Tool and Die Makers
- Fitters
- Riggers
- Injection Moulding Machine Setters

Skills that require a technical qualification, that are in high demand, included Process Controllers within various sectors.

Technical skills, at professional level, that are in short supply included Mechanical Engineers and Industrial Engineers.

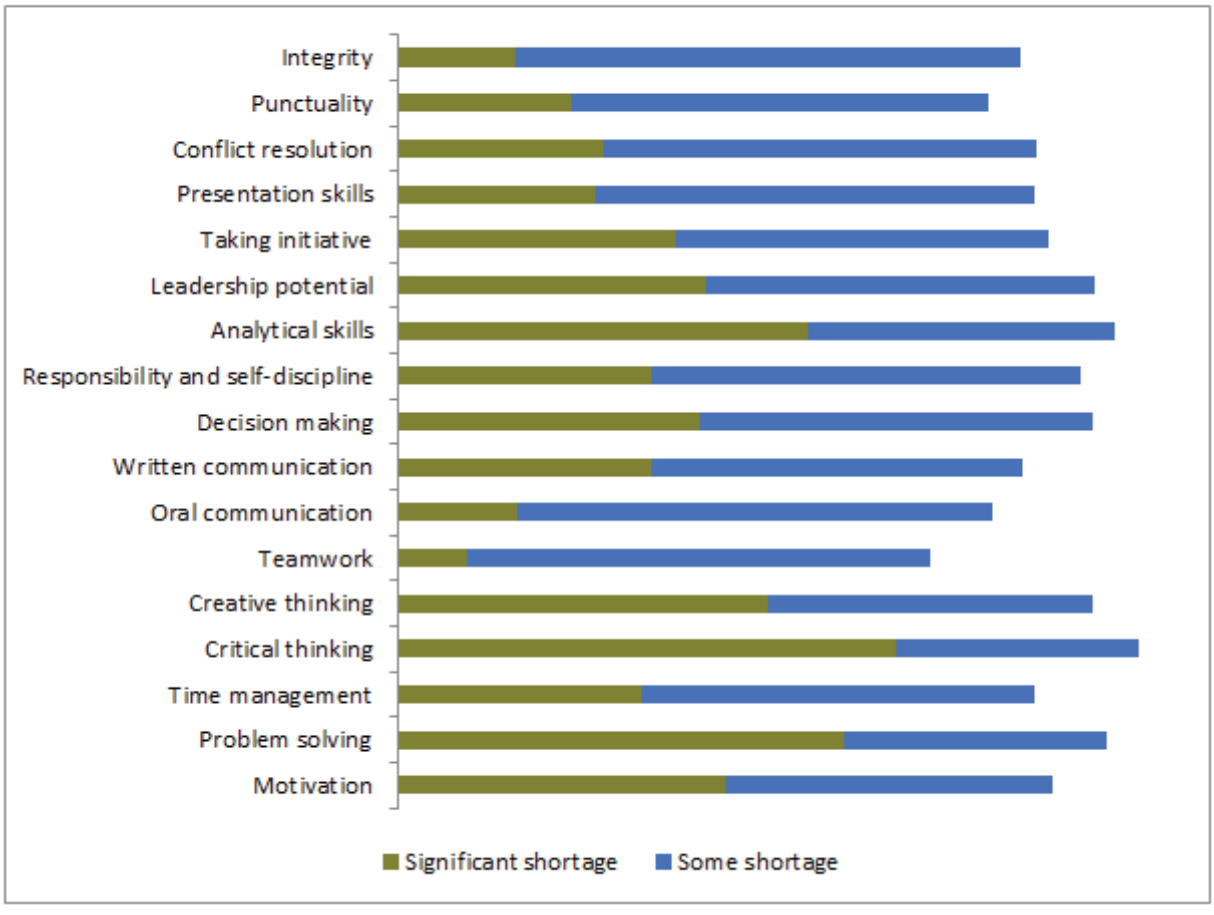
In order to overcome the operational vulnerability associated with a shortage of artisans especially, these employers embarked on successful in-house artisan development programmes.

A common observation was that newly qualified engineers, technicians and artisans were poorly skilled with a poor grasp of more complex technical issues prevalent in especially the manufacturing sector.
A further challenge identified, specifically in the more remote industrial nodes such as the Isithebe Industrial Estate, was that suitably skilled candidates are not prepared to relocate to such isolated areas, and remain in the employ for the long term. This challenge is exacerbated by the perception of poor standard qualifications obtained through local secondary and post-schooling institutions.

7.3.2 Soft skills

In terms of experiences when sourcing soft skills, business responses were recorded as follows:

Graph 16: Experience when sourcing soft skills



The most significant soft skills shortage was indicated as Critical Thinking, followed by Problem Solving and Analytical Skills. The soft skills in least short supply was indicated as Teamwork, Punctuality and Oral Communication.

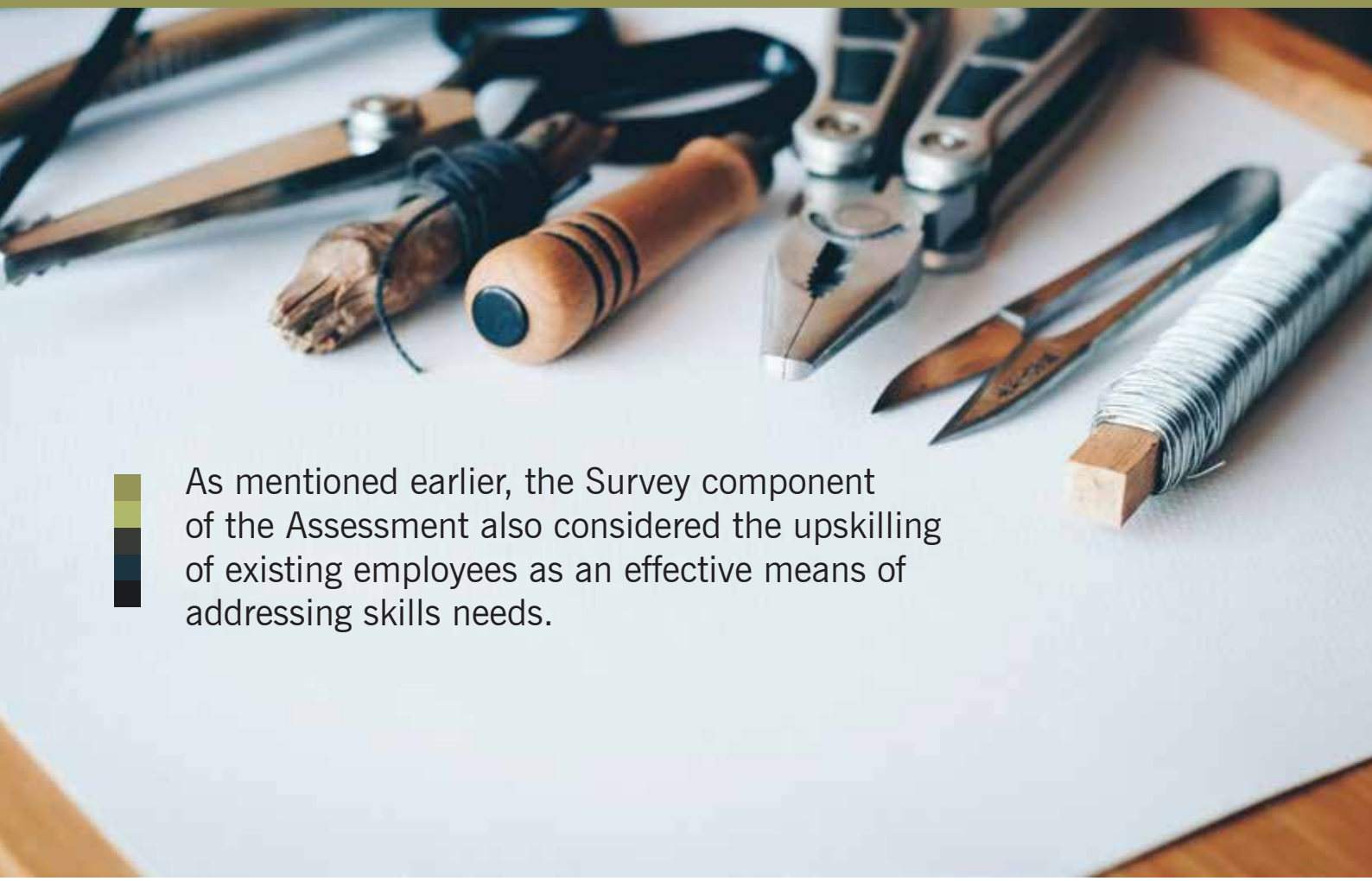
7 Skills needs and gaps continued

7.3.2.1 Soft skills shortages by company size

For smaller companies (less than 50 employees), the most significant soft skills shortages were indicated as Critical Thinking, Problem Solving and Motivation. The soft skills in least short supply was indicated as Teamwork, Punctuality, and Integrity.

For larger employers, i.e. 50 employees and more, the most significant soft skills shortage experienced was Critical Thinking, Analytical Skills and Problem Solving, similar to the shortages indicated by smaller employers. Teamwork, Oral Communication and Punctuality were soft skills in least short supply.

8 Employee upskilling



As mentioned earlier, the Survey component of the Assessment also considered the upskilling of existing employees as an effective means of addressing skills needs.

8.1 Business need for upskilling

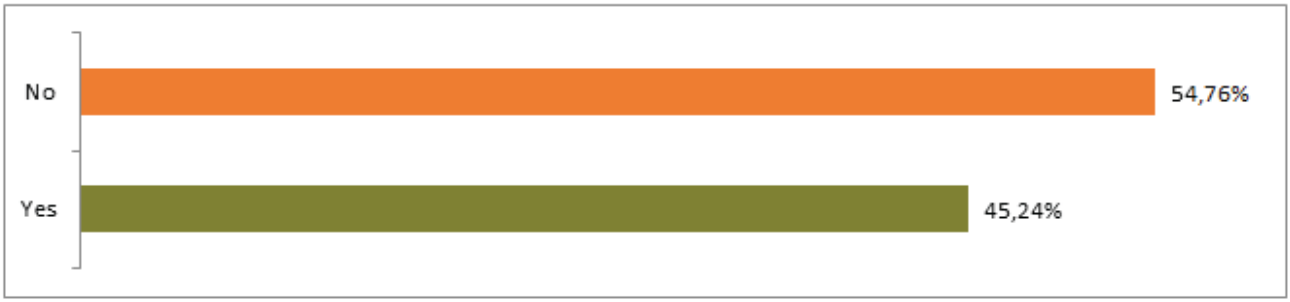
In response to the question of whether businesses feel they need to upskill its employees in order to meet business objectives, the overwhelming majority (90%) of respondents indicated that their businesses had a need to upskill employees.

Graph 17: Businesses need to upskill its employees to meet business objectives - Yes or No

8.2 The administering of internal skills development

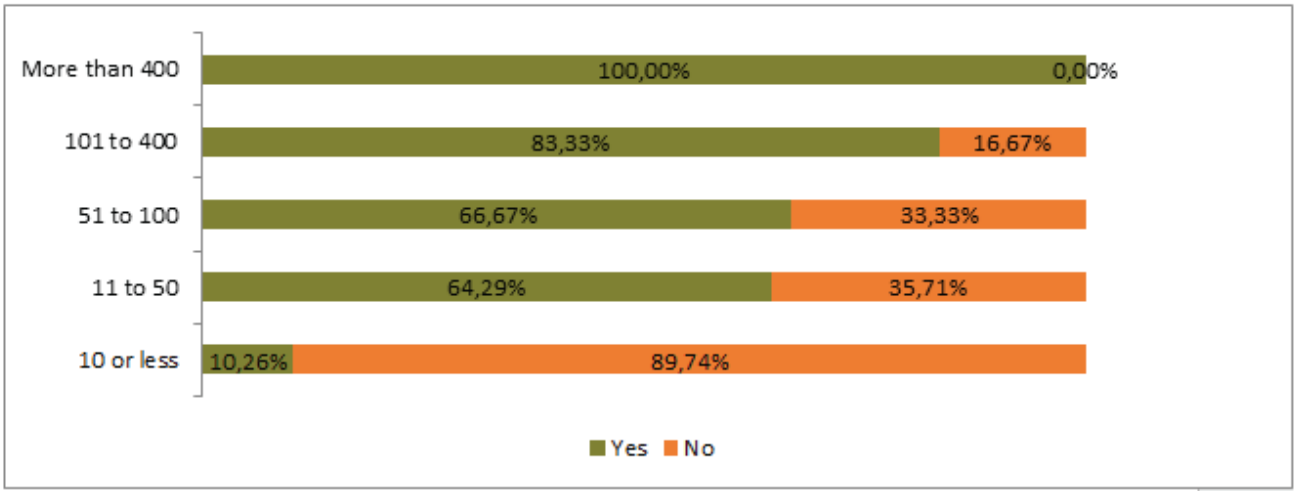
With regards to the administration of internal skills development, survey respondents were asked if a dedicated training budget existed within their businesses, and whether a dedicated official is responsible for skills development.

Graph 18: Dedicated training budget exists



Despite the consensus on the need to upskill employees, only 45% of businesses surveyed indicated that a dedicated training budget existed to fulfill this need.

Graph 19: Dedicated training budget (number of employees)



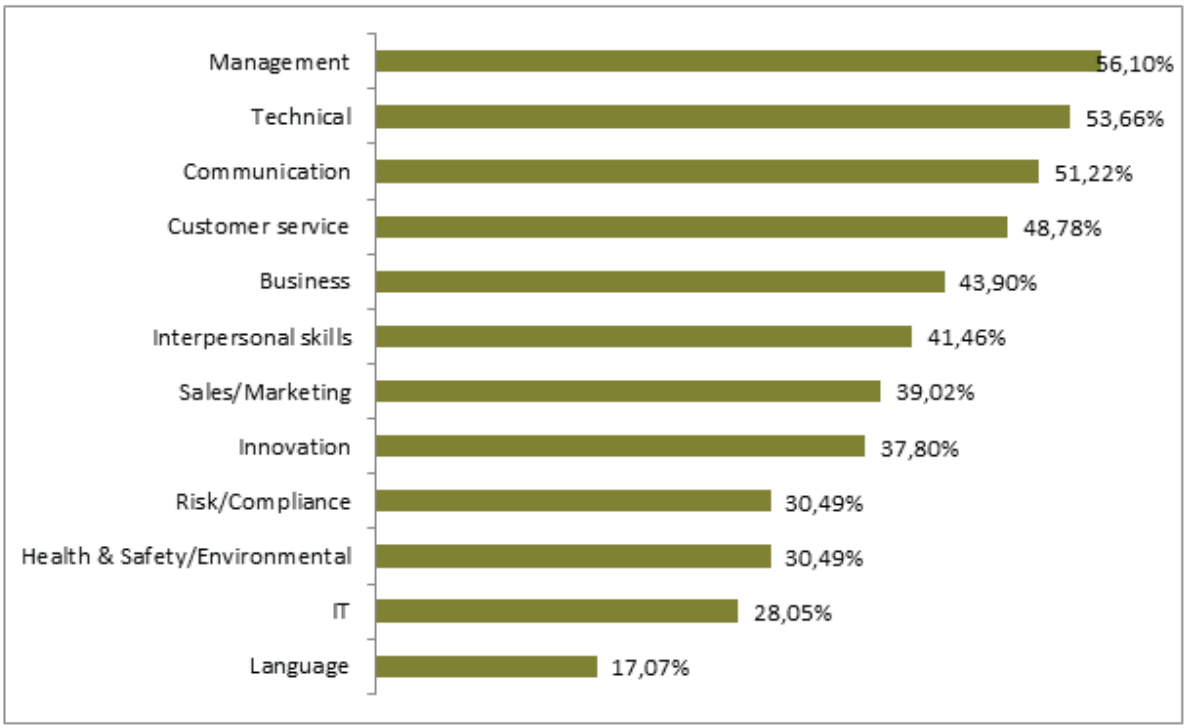
As expected, larger employers were more likely to have a dedicated training budget for the purpose of upskilling staff, in contrast with the only 10% of smallest category listed (10 employees or less employees) having an upskilling/training budget. All responding companies, employing more than 400 employees, had a dedicated training budget.

Apart from the smallest employers, most companies had a dedicated staff member responsible for skills development.

8.3 Upskilling priorities

In order to broaden the understanding of upskilling priorities, respondents were requested to identify the top skills for which upskilling was required among existing employees.

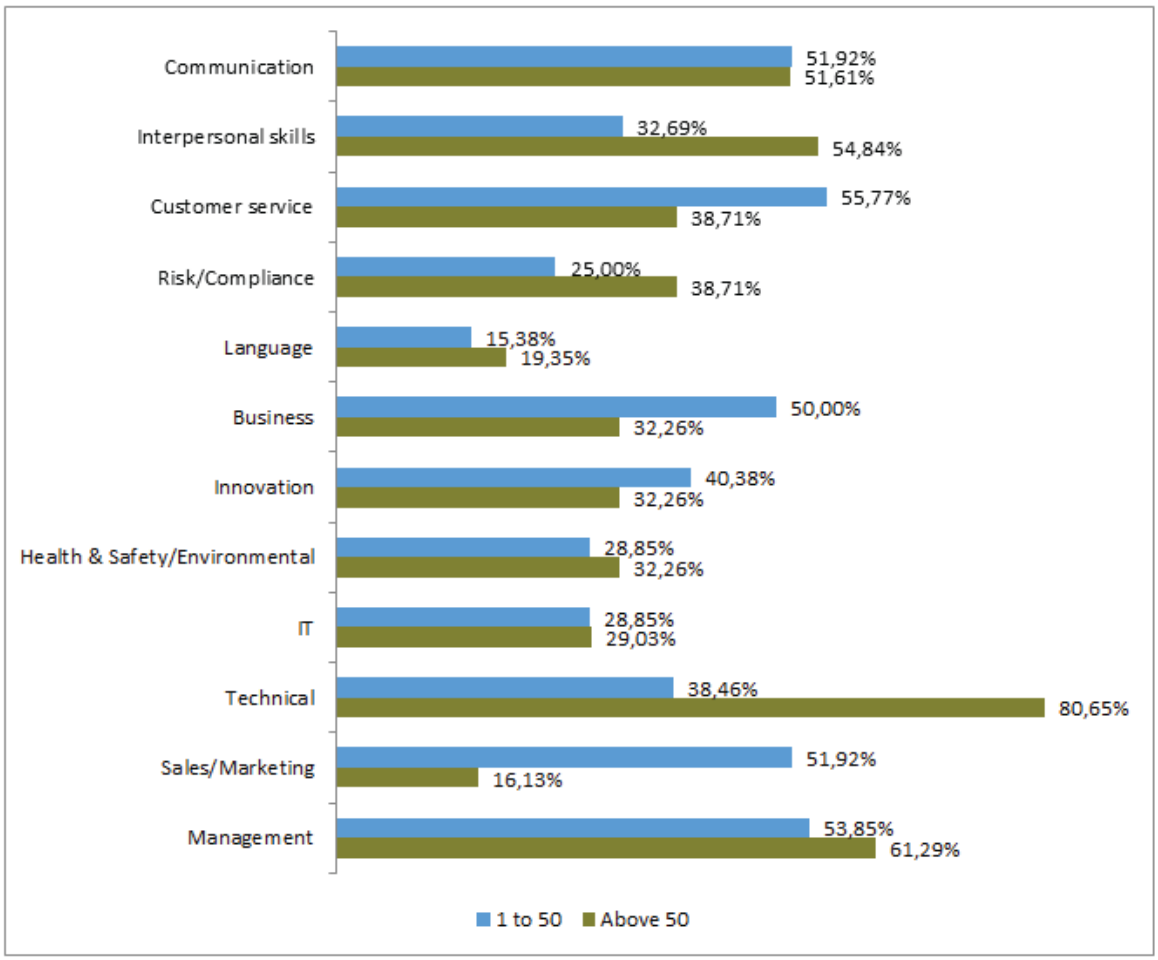
Graph 20: Upskilling priorities among existing employees



8.4 Upskilling priorities according to company size

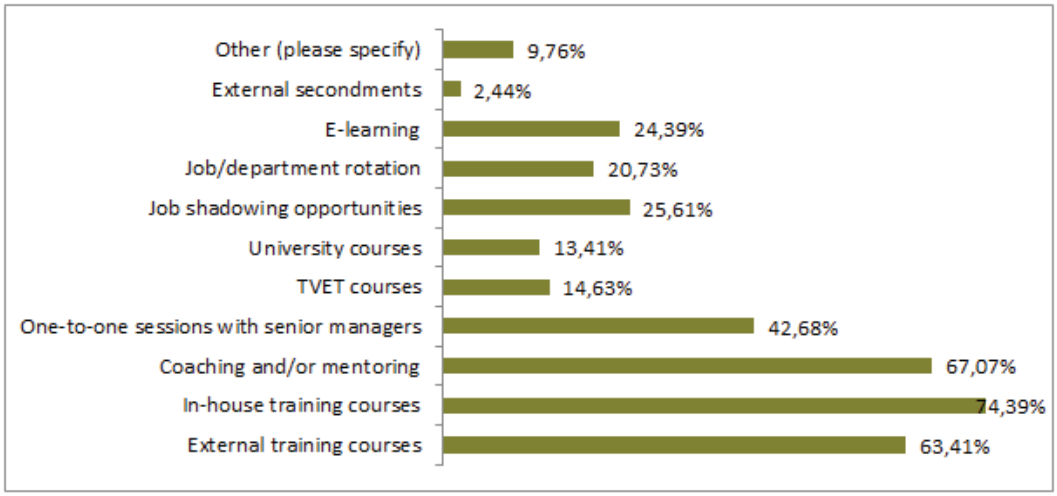
Priority upskilling needs among smaller respondents (50 or less employees) were indicated as Customer Service skills, Management, Sales and Marketing, and Communication skills. For bigger respondents (50 and more employees) the skills most in need of upskilling were Technical, Management and Interpersonal skills. Interestingly again, Technical upskilling did not feature highly for smaller companies.

Graph 21: Upskilling priorities (number of employees)



The Survey also explored which methods of learning and skills development are used by responding businesses. The most popular method of learning, across surveyed companies, is In-house Training Courses, followed by Coaching and/or Mentoring, and External Training Courses. The least used methods are External Secondments, University and TVET courses.

Graph 22: Methods of learning and skills development used

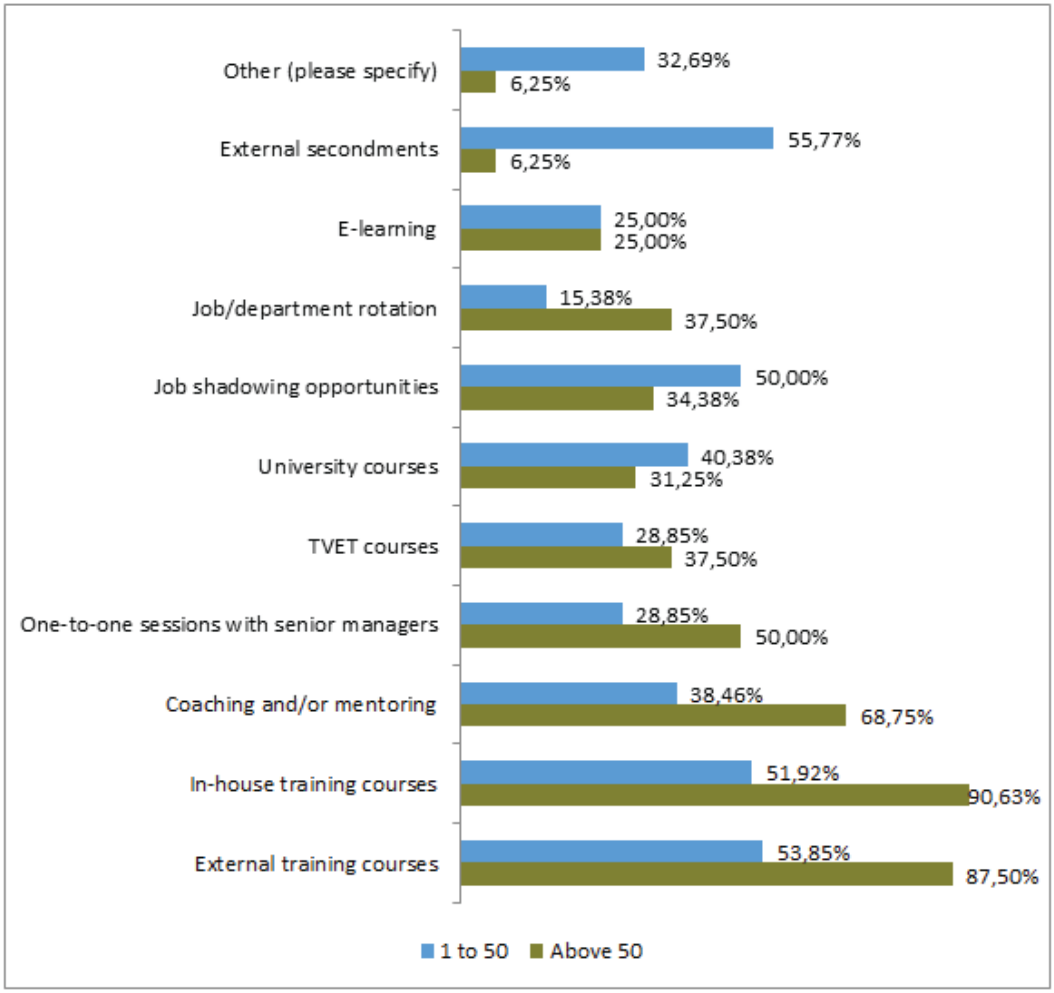


Methods specified under the category 'Other" included:

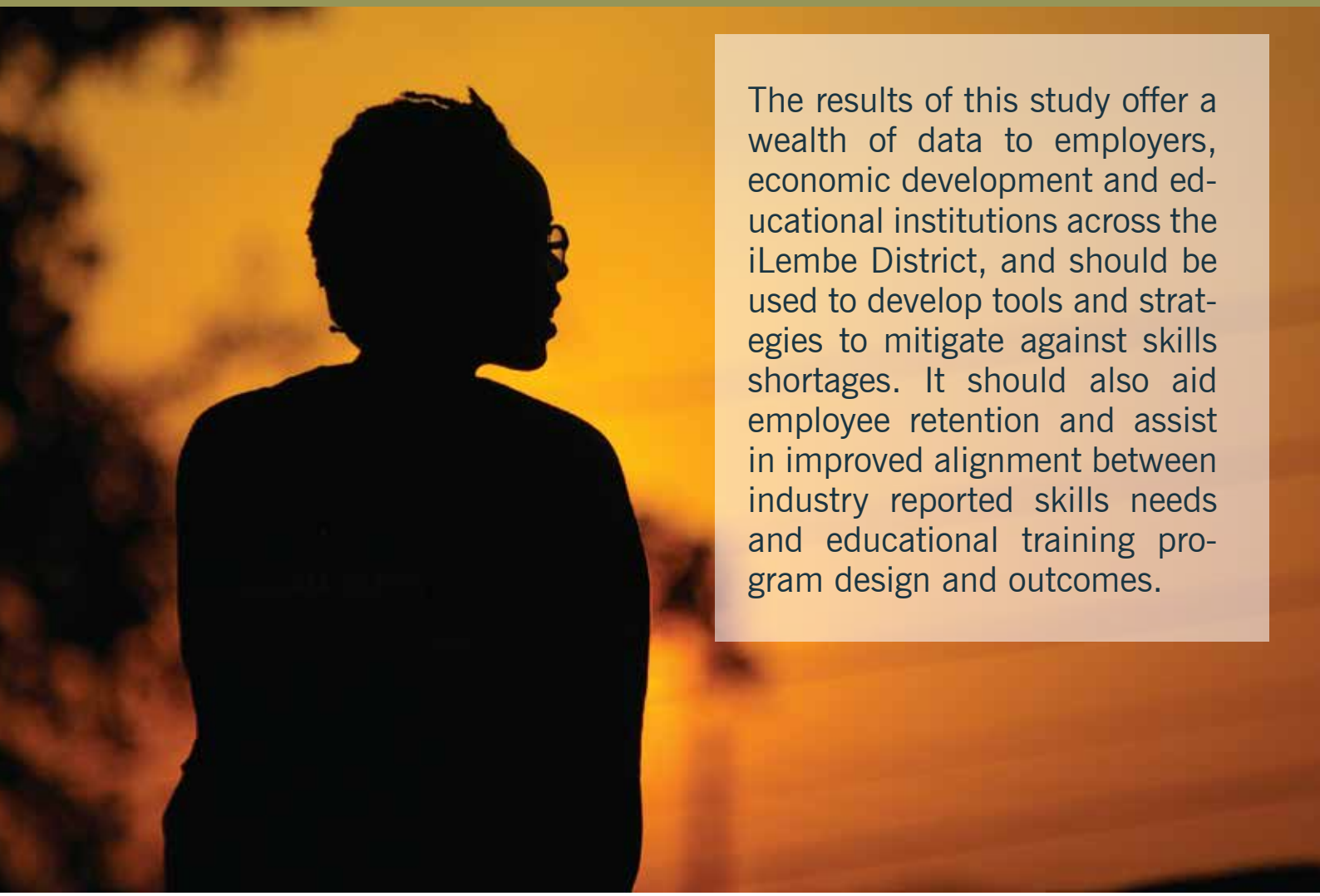
- Learnerships;
- Supplier input;
- Internal within the Group, secondments and inter-departmental secondments, and
- Business Chamber and Professional Institution events.

Graph no. 23 below indicates the methods of learning and skills development used by respondents of different sizes, as determined by employee numbers.

Graph 23: Methods of learning and skills development (number of employees)



9 Study conclusions and recommendations



The results of this study offer a wealth of data to employers, economic development and educational institutions across the iLembe District, and should be used to develop tools and strategies to mitigate against skills shortages. It should also aid employee retention and assist in improved alignment between industry reported skills needs and educational training program design and outcomes.

The assessment of skills needs emphasized the central importance of the knowledge of the local labour market, labour market processes and future skills needs, to the economic development of the iLembe region. Regular and accurate information on the skills and recruitment needs of local businesses, as well as other employability issues, will further assist in informing the curriculum design of local skills training providers.

It is recommended that a **regular assessment and monitoring of iLembe skills needs** be conducted to identify key training and recruitment needs, and to monitor progress made in addressing the skills needs identified.

The iLembe Chamber's Human Capital Standing Committee, together with key economic development and higher education stakeholders, amongst others Enterprise iLembe, Trade and Investment KZN, the KZN Department of Economic Development, Tourism & Environmental Affairs, the national Department of Higher Education & Training, Umfolozi TVET College and the Durban University of Technology, **establish a regional Skills Development Forum** where a specific action plan can be developed and agreed to address the top priority skills needs identified across the iLembe District.

It is envisaged that the scope might include, should funding allow it, the appointment of a Skills Development Officer/Manager that can develop and deliver appropriate interventions.

A priority of the forum should be to **expand existing partnerships and collaboration between the education and business sector** aimed at developing solutions that will enhance the regional talent pool, specifically the identified skills in demand. A dynamic education and training framework that responds to the ever evolving, industry specific, skills needs are critical to business retention and expansion in our region. An entity, with an equal standing within industry and education, need to be identified to effectively lead the development of the proposed framework.
Exploring modern trends such as workforce education, which leaves students with skills that allows for immediate employment, should be central to deliberations on a proposed framework.

Concerns were expressed about the lack of skills, insight and experience of qualified job seekers, coupled with the poor reputation of local secondary and post-schooling institutions.

To partly address these constraints, opportunities for **practical exposure, meaningful work placements, externships and educator/lecturer workplace experience** should be increased to enable students, educators and lecturers alike to gain the industry insight so much in demand.

Achieving this will require a consolidated effort, firstly for businesses to provide an increased number of meaningful work placements, and secondly for more businesses, especially small and medium sized businesses, to support the work placement initiative.

A related recommendation, also suggested by study participants, is the establishment of an **iLembe Opportunities Data Base & Business Linkages Programme,** creating an improved link between job seekers and iLembe-based businesses looking for staff, interns or apprentices.

The business sector should also be encouraged, also through formal means, to participate in **joint curriculum design, recommending new or revised coursework and employer-designed standards and content which will prepare students for highly skilled jobs and enable them to adapt to meet the skills needs of the future.** This partnership model, which will contribute to the relevance, and quality, of technical and vocational training within the manufacturing sector specifically, is also a central recommendation from the 2018 South African Presidential Job Summit.

The need for skilled managers that can create and lead competitive manufacturing operations also offers an opportunity to reverse the declining fortunes of the manufacturing sector to the South African, and iLembe, economy. The re-establishment and strengthening of the labour intensive manufacturing sector had been identified as one of the key strategies in the National Development Plan.

The concentration of manufacturers within the Isithebe Industrial Estate, the industrial heartland of the iLembe District, lends itself to the establishment of an **institute with a manufacturing focused curriculum**, not dissimilar to the recently established Toyota Wessels Institute for Manufacturing Studies (Twims) in Kloof, KZN.

Such an institute, or a campus thereof, will strengthen the manufacturing culture prevailing in Isithebe, whilst the modern facilities will encourage the relocation of new companies from outside the area who are seeking a skilled workforce. Secondary school pupils will also be motivated to pursue technical careers because they will be exposed to the latest manufacturing technologies.

The skills demand of industry necessitates that all the recommendations detailed as part of this report **include the development of soft skills**, primarily critical thinking, problem solving and analytical skills.

The recruitment of appropriately skilled and qualified local staff, which would also aid staff retention in often remote industrial locations, would benefit from **industry-sponsored scholarships and other forms of funding and support towards skills in demand.**
The Department of Higher Education and Training, as confirmed at the 2018 Presidential Job Summit, have been tasked to ensure that the mechanisms for such funding are put in place, and should be tapped into.

Considering the acknowledged contribution of employee upskilling to alleviate skills needs, **smaller employers should be encouraged and supported to realise the benefits and value of employee training.** The implementation of learning methods used by larger organisations, such as job rotation and mentoring should be explored.

Entities such as Enterprise iLembe, TIKZN, Productivity SA, amongst others, should **factor the skills needs identified into their offerings and interventions.**

10 Appendix A – Recommendations by respondents

Survey respondents were asked, through an open-ended question, to offer any other recommendations on how the skills needs in their businesses can be addressed, including what can be done to assist by the iLembe Chamber and/or other stakeholders.
A total number of 131 recommendations were made, the main responses being:

Recommendations regarding the type of skills to be developed

"Technical skill very important"
"Fundamental skill training needed"
"Work readiness programme needed"
"I.T. skills and IT training"
"More training courses on 4th Industrial revolution"
"More training courses on business trends"
"Understanding how business works. What employers expect"
"Ensure people are trained for jobs that will exist when they complete their education/training"
"Lack of formal training for Process Controllers"
"Artisan training"
"Basic skills required for non-matriculants"
"Offer general management training"
"Focus on Leadership development on all levels"

Recommendation regarding recruitment methods

"Central database for skilled retail assistants"
"Create a database of local interns/youths, who can register themselves"
"Develop a recruitment database"

Recommendations relating to the role of schools

"The schools need more support as this is where the start of the skills shortages gets resolved. This assistance isn't always in the form of big money. Assistance and guidance in the form of manhours, advice, exposure to the business world, etc also counts a lot."
"More entrepreneurship exercises in high school"
"Very important to implement early adoption of tech in schools so people are digitally literate"
"I believe that the school children should be exposed to different careers when they are in Grade 7, Grade 11 and Grade 12. This will inspire them to work towards becoming a qualified professional. Big business should hold open days whereby these pupils come to learn from existing professionals."
"Quality of education, specifically numerical literacy must improve"
"Teach soft skills in high school'
"Local schools and TVET colleges to work with business on skills gaps & how to fill them"

Recommendations relating to post school institutions

"Improve access to post-secondary education and training providers"
"Partner with SMME's association"
"Programs like SEDA"
"Alignment of tertiary curricula with industry needs"
"Technical colleges to be more available"
"More training services providers in the area"
"Dedicated courses focused on Architectural Technology at Universities and TVETs"
"More training available on Building Information Modelling (BIM)"
"Easy access of Training Courses in Soft Skills to Students"
"Training courses seem too generic - Industry specific training required"
"Develop an Entrepreneurial School"
"Soft skills community classes and Customer experience community classes"
"Map current market demand to skills training upliftment"
"Internships working alongside formal qualifications"
"Provide closed door workshops to dedicated business"

Recommendations pertaining to on-the-job training

"Refresher courses are needed"
"Soft skills to be developed through job placements"
"More workshop and mentoring"
"Give all people from 36 upwards free skills sort of learnership with a stipend"
"Explore learnerships and apprentices"
"Continuous training and mentoring needed"
"Early Morning short presentations on specific subjects"
"Apprenticeship programmes need to be mandated to businesses within the area and levy to be availed for business to make it lucrative and iLembe to champion this with business"
"Provide scholarships for local youngsters whilst implementing retention policies to ensure skills are available after the training periods"
"Inhouse Training has significant results"
"Internships which are subsidised to encourage take-up"
"Internships to be structured with regular assessment & feedback"

Recommendations relating to the role of stakeholders

"Cut the red tape that's preventing small business from surviving"
"Linking skills opportunities with skills supply in the area"
"Map current market demand to skills training upliftment"
"There should be more facilitation given by iLembe Chamber to marry the high performing students from our area with the businesses in our area. This can form a good win-win relationship between business and high performing students."
"Provide mentorship to us business owners on how to develop our employees better"
"Entrepreneurship avenues and ideas need to be developed and supported"
"Partnershis with TVETs, Universities"

Recommendations regarding funding

"Channel Enterprise Development funding/spend to support this initiative, especially for the local youth"
"Bursaries should be given for small businesses"
"Funding for skills development"
"Sponsor Students"
"Make training subsidies easier to apply for"
"Partner with us to assist financially in upskilling employees"

Other recommendations

"Develop free Wi-Fi hotspots in town to enable people to access the internet. This will open a world of opportunities for the underprivileged and in turn will contribute to upskilling our local workforce"
"Get local experienced church members as mentors"
"Attend seminars and conferences"
"Continue to dynamically map job demand to skills upliftment in pro-active manner"
"Public figures need to be well versed and have supreme technical knowledge to enhance mentorship in the view of the youth'
"Now we only see youth that have opportunities what about us??"
"Improve safety and security to retain skilled labour within the region/country"
"Create a database of local interns/youths, who can register themselves"
"Give all people from 36 upwards free skills sort of learnership with a stipend"