Learning session: Methodologies to identify skills needs

A Wildschut

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ADRS	Applied Development Research Solutions
ATR	Annual Training Report
CESM	Classification of Educational Subject Matter
DHA	Department of Home Affairs
DHET	Department of Higher Education and Training
DTI	Department of Trade and Industry
DoL	Department of Labour
FASSET	Financial, Accounting, Management, Consulting and other Financial Services Sector Education and Training Authority
HSRC	Human Sciences Research Council
LMIP	Labour Market Intelligence Partnership
MerSETA	Manufacturing, engineering and related services Sector Education and Training Authority
NMMU	Nelson Mandela Metropolitan University
NATED	National Accredited Technical Education Diploma
NCV	National Certificate Vocational
NMMU	Nelson Mandela Metropolitan University
NSF	National Skills Fund
OECD	Organisation for Economic Cooperation and Development
OFO	Organising Framework for Occupations
PSET	Post-school Education and Training
SETA	Sector Education and Training Authority
SIPS	Strategic Infrastructure Programmes
SPU	Skills Planning Unit
TVET	Technical and Vocational Education and Training
WSP	Work Place Skills Plans

THE PROBLEM

The search for appropriate methodologies to identify "skills needs" is high on the agenda of many countries around the world. In South Africa, a range of different approaches are currently being used to inform the identification of "skills needs", resulting in two key concerns for government. Firstly, *what signals and messages about "skills needs" should be communicated to the public*, and secondly, *how can different kinds of labour market measures be brought together into a simple and coherent form* to guide planning in the post-school education and training (PSET) system.

This challenge framed the space for discussion and engagement provided through this dedicated two day learning session; the 5th session of a six part LMIP Institutional Capacity Building series. The purpose of this particular session was to **engage with the range of methodologies currently being used** by the Department of Higher Education and Training (DHET) to identify "skills needs" for the PSET system, and to **propose ways to align these in a coherent manner** in order to inform the institutional mechanism for skills planning.

Presentations from DHET enrolment planners and other DHET staff involved in skills planning, as well as inputs from discussants over the two days provided the basis for engagement. The discussion was aimed at achieving the following four outcomes:

- **Outcome one:** The development of a common understanding of why we need information about "skills needs".
- **Outcome two:** The development of a common understanding of what we really want to measure in order to identify "skills needs".
- **Outcome three:** Proposals on how information about "skills needs" can be used to inform planning in the PSET system.
- **Outcome four:** Emerging proposals for a methodology to bring information about "skills needs" together in a coherent manner.

THE CONTEXT

The learning session was held at the Protea Capital Hotel in Pretoria from the 16th- 17th of August 2016. It was attended by more than 35 participants[1] from a range of institutional backgrounds; mainly the Department of Higher Education and Training (DHET), but also other government departments, Sector Education Training Authorities (SETA), universities and representatives from both public and private research entities. The following organisations were represented:

- Department of Higher Education and Training (DHET)
- Human Sciences Research Council (HSRC)

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[1] Refer to Appendix 1 for the full list.

- Nelson Mandela Metropolitan University (NMMU)
- merSETA (manufacturing, engineering and related services Sector Education and Training Authority)
- FASSET (The Financial, Accounting, Management, Consulting and other Financial Services Sector Education and Training Authority)
- National Skills Fund (NSF)
- Department of Home Affairs (DHA)
- Department of Labour (DoL)
- FR Research Services
- Department of Trade and Industry (DTI)

All participants had an interest in skills planning, be it research or practical application, and were keen to share ideas, as well as learn from both the speakers and discussions emanating from the session.

KEY ACTION POINTS AND DECISIONS EMERGING FROM THE EVENT

Organised in line with the four proposed outcomes of the session, the sub-sections below summarise the key points of agreement that emerged, including the identification of areas for further discussion and action. For a more extensive outline of the proceedings and the content of the presentations, please refer to Sections One and Two.

> **OUTCOME ONE**: THE DEVELOPMENT OF A COMMON UNDERSTANDING OF WHY WE NEED INFORMATION ABOUT "SKILLS NEEDS"

In line with this first outcome, the discussions and engagements over the two days illustrated that participants had come to a clearer understanding and **agreement on the purposes for skills planning.**

It was agreed that the traditional purposes for skills planning was to inform the following areas:

- Enrolment planning
- Career guidance
- Financial support decisions at institutional (through NSF/SETAs), programme and student levels (allocation of bursaries)
- The development of curriculum and qualifications, as well as informing programme mix
- Immigration policy

A new addition to the discourse was the recognition that skills planning should also consider how to contribute to sustainable livelihoods.

This outcome is related to the previous outcome where participants not only agreed that information and analysis for skills planning are important for their work, but also the specific kinds of information and analysis required will be shaped by the different purposes of skills planning. It is also important to take into account the nature of the different Post-School Education and Training (PSET) sub-systems i.e. Higher Education; Technical and Vocational Education and Training (TVET); and Community Education. Accordingly, skills planning in each case has a distinctive purpose, and this will inform the types of measures required.

For example, to inform immigration policy and decisions (purpose) there is a need to know what the current occupational and skills shortages are, as well as the reasons for such shortages. For another example, see Figure 1 below, illustrating the link between enrolment and the types of skills needs information required.
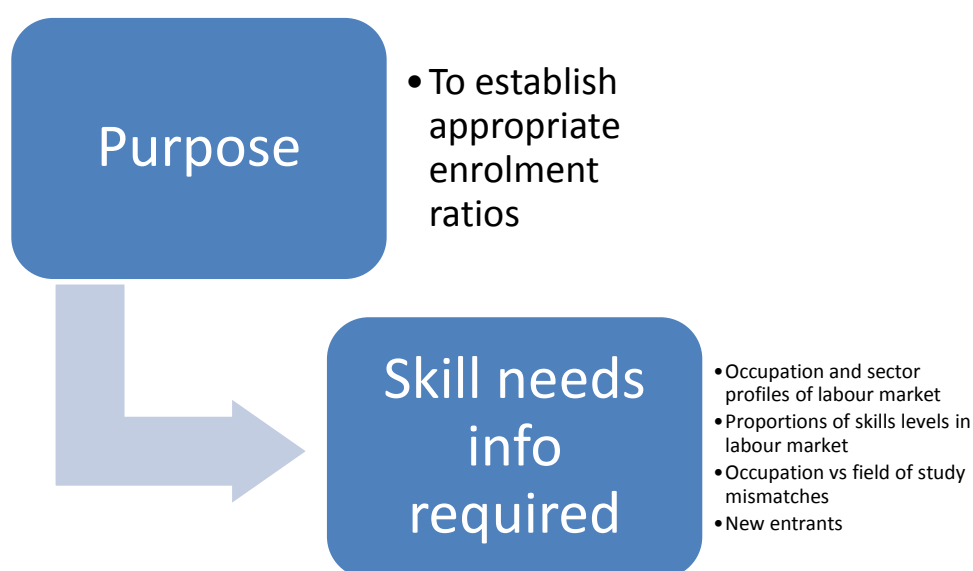

Figure 1: Illustration of the link between a planning purpose and the types of skills needs information required

In other words, what needs to be measured is informed directly by the distinctive skills planning purpose/s that different institutions have (as outlined above), while some measures may be able to address more than one purpose.

In this regard, the need for clear and more shared definitions of concepts used for skills planning and analysing the labour market, continually emerged as a critical area for engagement.

OUTCOME THREE: PROPOSALS ON HOW INFORMATION ABOUT "SKILLS NEEDS" CAN BE USED TO INFORM PLANNING IN THE PSET SYSTEM

There appeared to be four key proposals around how skills needs should or can be used to inform planning in the PSET system. Some proposals emerged from the ways in which different institutions are currently using a range of measures to inform particular planning needs; whist others emerged from the current difficulties experienced by certain institutions, in trying to fulfil some planning needs.

One of the key ways in which we use information on skills needs, is to inform and guide funding decisions. For this, institutions need information about the structure of the economy and distribution of employment, by skills, regions and industry sections. A key gap in informing such decisions remains the lack of information on skills profiles in rural communities, as well as constraints on training and funding particular programmes.

The second way in which skills needs information can be used is to inform the provisioning of skills programme mix at institutions. Here particularly, better information to contribute to understanding the structure of the economy was highlighted as important. Here institutions feel they would benefit from improved national data on the appropriate ratios of occupations in relation to fields to inform their programme provisioning mix.

The third way in which skills needs information is used is to inform enrolment planning. In this regard, some session attendees noted that there is a lot of labour market information available, adding that institutions need to engage with the signals from this data and use it to inform their decisions.

A final insight highlights that most proposals on how information on skills need can be used to inform planning, tends to focus on the formal labour market, leaving a gap in understanding marginalised individuals outside of the formal labour market.

In this way, the Learning Session provided a space for engagement on the different ways in which information about skills needs can and is currently being used, as well as identifying gaps in the information required to better support planning in the future.

OUTCOME FOUR: EMERGING PROPOSALS FOR A METHODOLOGY TO BRING INFORMATION ABOUT "SKILLS NEEDS" TOGETHER IN A COHERENT MANNER

Towards a central mechanism for skills planning, the Learning Session recommended the following, for action by the Department and the Labour Market Intelligence Partnership (LMIP):

- The development of a composite indicator that could adequately capture and represent the skills needs and complexity of skills imbalances in South Africa.
- Adapting the 21 steps designed for the Strategic Infrastructure Programmes (SIPS) methodology could function as a common process that could be followed, to identify skills needed for government interventions, programmes and projects.

- A report on demand and supply could provide a summarised and periodic set of skills supply and demand signals that would inform planning across the PSET system.
- The list of Occupations in High Demand can function exclusively or in conjunction with the Annual Report on Demand and Supply as key information sources to support skills planning in the country for different purposes.
- SETA labour market information systems can be consolidated, better utilised and co-ordinated across DHET, so to limit duplication and inform planning.

GENERAL COMMENTS

Some discussion and comments emerging throughout the two days did not strictly correspond to the four key outcome questions framing this learning session. These issues tended to relate more to data and operational matters, but are indeed relevant to the overall theme. These discussion points are listed, below, so to underpin future planning in the PSET system:

- More effort needs to be put into ensuring reliable and credible labour market information datasets.
- More shared definitions of concepts used for skills planning and analysing the labour market will provide an important foundation.
- There is a need to investigate how templates to gather labour market information across the system can be standardised.
- A method to assess skills gaps in terms of competences required in the workplace will be critical in the future.
- The Work Place Skills Plans (WSPs) could function as a mechanism to collect missing labour market information at firm level to provide demand side signals. It is thus critical that all sub-systems contribute and engage with the process of review of the WSPs.
- There needs to be engagement on whether skills planning should be occupationally driven, and what level of disaggregation would be appropriate.
- The role and functions of the envisioned Skills Planning Unit (SPU) in relation to the current branch and cross-branch skills planning structures and processes should be clarified.

IN SUMMARY

The proposals made at the session are deemed to be an advance to the Department's goal to establish a credible, institutional mechanism for skills planning as supported by the LMIP, which sets out clear considerations that should underpin the process, while also suggesting concrete ways in which this can be taken forward in short-medium term.

1.1. BACKGROUND

The LMIP is a unique undertaking designed to inform and support evidence-based skills development policy in South Africa. In addition to research collaboration and information sharing, this large-scale programme includes a component aimed at research and institutional capacity development in the country. This is a very ambitious goal, conceptualised to move beyond increasing the number of researchers working in this area (through a bursary and internship programme), to focus on strengthening and supporting the capacity of the DHET and other stakeholders to manage a labour market intelligence system through structured learning sessions.

The capacity-building programme centres on six structured 'learning sessions' over the lifespan of the LMIP. The sessions are aimed to provide research teams, DHET staff and SETAs the opportunity to interact with each other, sharing and learning collectively, using the evidence base provided by the research as a new opportunity for engagement, reflection and capacity building in the area of skills planning. The sessions are not conceived as merely a one-way flow of knowledge. They are planned to be designed in consultation with DHET, as knowledge sharing workshops to build capacity around using the LMIP research results and skills planning more broadly.

This document discusses the concept underpinning the fifth learning session which focuses on "Methodologies to identify skills needs".

1.2. PROBLEM STATEMENT

The search for appropriate methodologies to identify "skills needs" is currently on the agenda of many countries in the world, including South Africa. While most countries have systems and tools for identifying skills needs, the approaches vary significantly (OECD, 2016). Consequently, there is little agreement about what is actually being measured. The term "skills needs" or ''skills demand'' are often used broadly, having many different interpretations. When some talk of 'skills needs', they might be referring to "shortages", "scarcity" or "critical skills"; others may be concerned about "mismatches", "gaps", or "skills imbalances". These key concepts are not exactly the same since they represent and measure different things, each in relation to different purposes. In addition, the methodologies that have been used to measure "skills needs" might not take into account the requirements of a Developmental State[2], which South Africa aspires to be.

In South Africa a range of different approaches are currently being used to inform the identification of "skills needs", resulting in two key concerns for government in guiding planning within the PSET system i.e. (a) What signals and messages about "skills needs" should be communicated to the public; and (b) how can different kinds of labour market measures be brought together into a simple and coherent form?

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[2] This can be understood as a state or government that "plays an active role in guiding economic development and using the resources of the country to meet the needs of the people… [and] to balance economic growth and social development." (www.etu.org.za).

This challenge framed the space for discussion and engagement provided through this learning session.

1.3. PURPOSE

The purpose of the event was to engage with the range of methodologies currently being used in the South African PSET to identify "skills needs" and to propose ways to align these in a coherent manner in order to inform the institutional mechanism for skills planning.

1.4. EXPECTED OUTCOMES OF THE LEARNING SESSION

It was expected that the learning session would lead to the following learning outcomes:

- The development of a common understanding of why we need information about "skills needs".
- The development of a common understanding of what we really want to measure in order to identify "skills needs".
- Proposals on how information about "skills needs" can be used to inform planning in the PSET system.
- Emerging proposals for a methodology to bring information about "skills needs" together in a coherent manner.

1.5. KEY QUESTIONS

- Why do we need to understand "skills needs"?
- What do we really want to measure, and for what purpose/s?
- How can we use information about "skills needs" for planning in the PSET system?
- What methodologies should we use to identify current and future "skills needs"?

These key questions informed the development of the two-day programme[3].

1.6. CURRENT PROCESSES (THAT ARE KNOWN) TO IDENTIFY SKILLS IN SOUTH AFRICA

Currently, there are a number of initiatives and methodologies being employed to identify "skills needs". These include the following:

- The identification of occupations in high demand (which draws upon information provided from other processes and sources as indicated in the list below).
- The indicators proposed by the HSRC, through the LMIP research.
- The skills needs that have been forecasted, using the Applied Development Research Solutions (ADRS) forecasting model.
- The identification of occupations required for strategic government projects (21 steps of SIPs).
- The identification of scarce and priority skills undertaken by SETAs through the "WSP/ATR"/Annexure 2" processes.
- The identification of skills needed for the ocean economy, through the Phakisa[4] project.

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[3] Please refer to Appendix 2 for the full programme.

- The recently initiated Organisation for Economic Cooperation and Development (OECD) project, which aims to identify skills imbalances across different countries.
- Methodologies being used to identify skills required by communities for sustainable livelihoods.
- Research undertaken by other government departments, professional bodies, the private sector, employer bodies and other organisations which identify skills needs through their own research endeavours.

As better information and data becomes available, and coordination is improved, it is expected that these initiatives will improve and evolve with time. A key challenge however remains; i.e. how do we bring all of the approaches together in a coherent way, and for what purpose/s?

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[4] Operation Phakisa is an initiative of the South African government. It is designed to fast track the implementation of solutions on critical development issues as identified in the National Development Plan (NDP) 2030 such as poverty, unemployment and inequality. It is an innovative and pioneering approach to translate detailed plans into concrete results through dedicated delivery and collaboration…Through Operation Phakisa, Government aims to implement priority programmes better, faster and more effectively" (www.operationphakisa.gov.za).

2.1. ENGAGEMENT AND DISCUSSION: DAY 1 (16 AUGUST 2016)

The facilitator, **Glenda Kruss** welcomed all participants, asking everyone to briefly introduce themselves and share their expectations of the learning session. She also asked that everyone share broadly their expectations of the session in terms of achieving a common understanding around skills planning. The expectations in general related to the learning that would be gained through the engagement as well as how sharing understandings and practices of skills planning could contribute towards:

- Enrolment planning (University and TVET sector).
- Guidance into funding decisions.
- The attraction and retention of foreign national skills.
- Better matching of skills supply and demand.
- What to be done and not just the identification of skills needs.
- Determining what needs to be funded and at amounts.
- Enhancing college responsiveness.
- Instruments and methodology used to justify funding decisions.
- A coherent methodology on skills identification.
- The identification of shortages and critical skills needs.
- The enhancement of current skills planning activities at sector level.
- Sharing thinking and current practice on different methodologies and approaches to identifying skills needs.
- Accurate identification of the demand for labour.
- The identification of skills needed for SIPS and how this aligns to other methodologies.
- Understanding of the different methodologies and their efficacies.
- Determining how national identification can interface with sectoral planning.
- Determining what LMIP has done to inform the anticipation of skills planning at a national level.
- Determining what they need to know, and how to use that information.
- New information to enhance SETA processes.
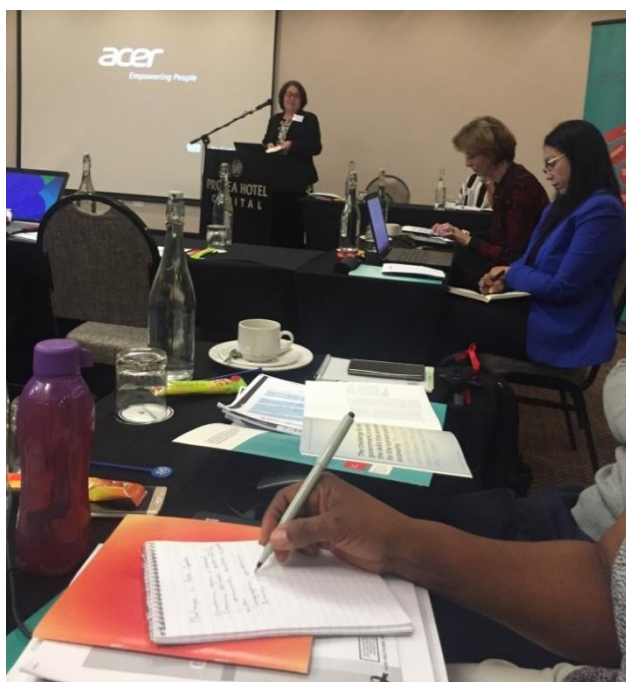
The facilitator then proceeded to set out the complexity of skills planning, highlighting that there would be four questions framing the discussion and engagement throughout the two days. She added that they were all there with a shared quest, noting that while the global context was important, they needed to engage on these debates from the South African context.

2.1.1. SESSION 1: WHY DO WE NEED INFORMATION ABOUT SKILLS?

Session 1 attempted to respond to the following framing question: *Why do we need information about skills needs?* **Monica Mawoyo** presented to sketch the issue of skills needs identification in terms of the DHET's mandate and purpose. She highlighted the importance of understanding the policy context within which skills planning takes place. She emphasised that while skills planning was important, it was only one aspect of planning. She saw the purposes of identifying skills needs in terms of DHET's mandate as being, to inform:

- Inform enrolment planning that is responsive to skills needs (but enrolment planning cannot stifle niche demand)
- Allocation of resources to develop programmes and qualifications responsive to skills needs
- Inform capacity development priorities of lecturing staff in the system
- Determination of funding norms for funded programmes
- Assist with prioritizing allocation of funding for students
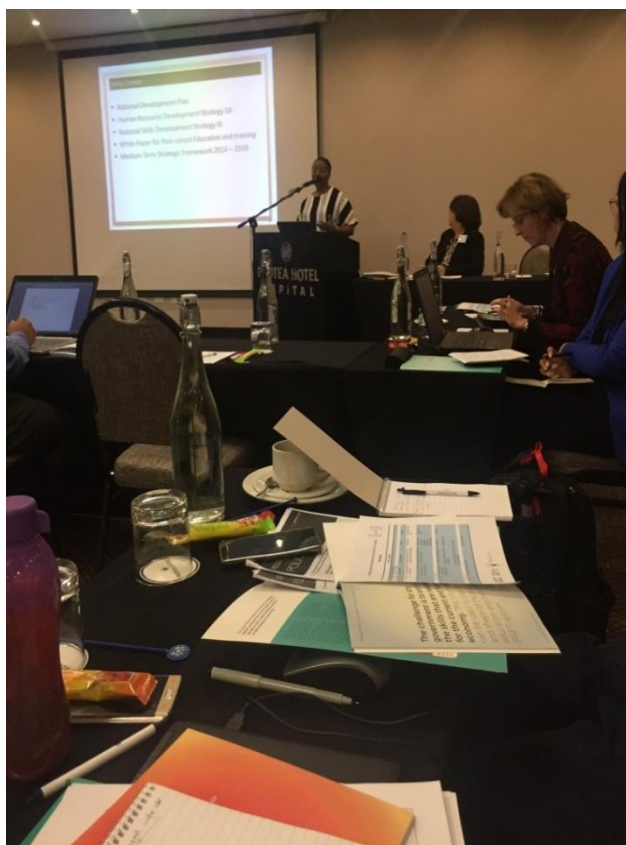
She closed by reiterating that planning needs to be specific to the South African context and that they need to be clear about the purposes for identifying skills needs. In essence, it is important to understand: (a) the current policy context; (b) what kinds of information is needed to identify skills needs; and, (c) how this relates to DHET's overarching mandate.

DISCUSSION

*The discussion considered what information is still missing for skills planning. **Adrienne Bird** and **Jocelyn Vass** raised critical questions around whether skills planning should respond to a highly fragmented labour market, suggesting that they need to consider projects/programmes that are trying to change the structure of the economy.*

2.1.2. SESSION 2: HOW CAN WE USE INFORMATION ABOUT SKILLS NEEDS FOR PLANNING IN THE PSET SYSTEMS?

Session 2 attempted to respond to the following framing question: How can we use information about "skills needs" for planning in the PSET system? **Engela Van Staden** shared how the DHET University Branch is steering planning in the system by means of enrolment plans. She highlighted a few key issues in her presentation, as follows: "The nature of planning required in the complex and interconnected society we live in means that the Department cannot plan in isolation. The information is there and we need to engage more on how to plan for a particular signal that is coming from the country. Universities have to plan and interpret the data in a co-ordinated manner. They have to be able to read the demands from the labour market and how they can respond in terms of their own context, realities and capabilities, but we tend to forget the input when we plan. Skills' planning is not an exact science, but neither is it a numbers game. Universities have to be able to interpret and implement reading from the signals".

Gerda Magnus shared how the TVET University Branch plans for the provisioning of skills which guides funding decisions. She outlined the main types of programmes, noting that the NATED and NCV courses are most prominent, whilst the uptake of occupational programmes are limited. She noted that an overarching issue for the sector is the need for more secure funding, adding that colleges need to be incentivised. In comparison to the planning that takes place in the universities, the planning activities at TVET are more rudimentary. There is little understanding of the structure of the economy as well as how this information should be used to steer enrolment and funding. Financial viability is often the first concern, with national and provincial needs being second. There is currently no provincial or national coordination across the system and institutions mostly assume that they have to respond locally. The main request emerging from the session was directed towards indications of occupational ratios/fields required in terms of enrolment planning.

Mvuyusi Macikama shared the NSF view of how information about skills can inform their work. He also felt that is was important to engage with how LMIP research can be used. He reminded participants of the overall transformation context and the critical role/impact of the economy on skills needs. He also reiterated the importance of understanding the causes of shortages in an effort to better respond to them. He concluded that he saw the information coming from the LMIP as being able to inform:

- The allocation of funding.
- The determination of sectors that have high employment.
- The fund for workplace learning opportunities.
- The identification of appropriate interventions.
- The identification of skills needs at the national level (SPU) so that NSF can make funding decisions.

DISCUSSION

The discussion highlighted that it is important to take into account the pace of change and that while the context of planning is important, universities have to remain cognisant of the fact that they are producing for a national labour market, also needing to be wary against reproducing past stereotypes and inequalities. The related questions emerging from this discussion were concerned with the particular processes to be followed in planning and how current and proposed processes would relate to planning processes at national level. In this regard there is a recognition that as a starting point there needs to be better understanding around all the current methods employed in the PSET system (for example, what are universities doing and how does this differ from what colleges are doing?) There were also some questions that point to the need for greater clarity around the levels at which planning should occur, as well as how responsiveness to change will be built into the process.

2.1.3 SESSION 3(A): WHAT METHODOLGIES SHOULD WE USE TO IDENTIFY CURRENT AND FUTURE SKILLS NEEDS?

Session 3(a) attempted to respond to the following framing question: What methodologies should we use to identify current and future skills needs? The session had three speakers and a discussant that had the responsibility of engaging with the content of the presentations and offering a critique.

Lesley Powell presented first on an emerging project, attempting to identify skills needs of communities for sustainable livelihoods. She started off by indicating this to be fledgling work that is going to be conducted in her capacity as research chair. She indicated that she would be focusing on issues around youth, unemployment, employability and empowerment. Reflecting on literature, she then raised some important points/assumptions for continual reflection when engaging in skills planning. These points are captured, below:

- The idea that skills have to respond to the labour market.
- Skills have technical, conceptual and socio-political dimensions.
- Getting skills right is only one part of the problem towards addressing mismatches.
- Skills planning should not be focused only on the formal labour market.
- A model for skills planning should consist of different types of information sets.

Powell drew on these distinctions to start conceptualising the project, with the central argument being that the planning for skills tends to focus and better understand the formal labour market, thus, leaving a gap in understanding marginalised individuals outside of the formal labour market.

This was followed by a presentation from **Hoosen Rasool** who shared the methodology used to identify *Occupations in high demand*. He reminded the audience that the labour market is inevitably driven by forces of demand and supply. He asserted that when supply exceeds demand, this is not a problem and does not require intervention, whereas a shortage of supply does. He explained that the methodology included modelling techniques, secondary data analysis, a literature review, and stakeholder engagement, reiterating the importance of qualitative data in this regard. He highlighted that stronger conceptualisation of terminologies used to measure is required.

The final presentation in this session was by **Mamphokhu Khuluvhe** who presented on the *OECD methodology for identifying skills imbalances.* She explained the objective of the study was to explore the use of a composite indicator to capture the complexity of skills imbalances. She noted the goal was to come up with a measure that is comparable across countries; can be regularly updated; is at a sufficient level of disaggregation; and allows mapping information about occupational shortages into skills needs. The rest of the presentation went into more detail on the definition of key terms and focused on the following three sub-indicators proposed to measure occupational imbalances: 1) wage pressure (compares the growth of wages across occupations with the average growth of wages for the whole economy), 2) employment pressure (where employment growth within an occupation is seen to signify increased demand as well as possibly indicative of rising skill shortages), and 3) talent pressure (where the evolution and persistence of qualification/field of study and occupation mismatch can assist in detecting skills shortages and surpluses).

Cuen Sharrock was the formal discussant for this session. Drawing on the presentations he raised the following important points for their continued engagement around skills planning in South Africa:

- Continual reflection and stronger conceptualisation of key terminologies is required.
- Critiques of different methodologies sometimes tend to overlook the different purposes.
- Employers will always play a critical role in identifying skills needs.
- SETAs can play a significant role in co-ordinating and collating information across employers.
- The context is paramount for interpreting skills planning information and enabling decision making and intervention.
- The importance of good quality datasets in this endeavour cannot be underestimated.
- They need to bear in mind the capacity and information that is currently available, so while they are aiming at an overall better quality system, they need to have a short, medium and long term perspective of this.

The floor was then opened for discussion, with the facilitation being done by **Angelique Wildschut**.

DISCUSSION

*Some key questions emerged in response to the presentations and the input from the discussant. Many of the questions and comments were raised in relation to the presentation by **Lesley Powell**. While everybody agreed that her work will have a critical role to play and that it will be addressing a key gap in understanding, there was some criticism. Much of this related to lack of clarity in terms of the outcome of her framework. There was also criticism and contestation around the key assumptions that underpinned the conceptualisation of the project, particularly, the relation between economic growth and inequality, and the relation between education and the economy. It was noted that there are also many lessons that can be learnt from the work of the DoL in this regard. **Adrienne Bird** raised the question of whether Business Process Mapping as an approach can offer a common way in which different institutions can plan for skills. **Hoosen Rasool** raised the issue of rigour, methodology and analysis and challenged the LMIP around perceived lack of conceptual and overarching clarity around skills planning.*

Action items emerging from the session were noted as follows:

- **Mamphokhu Khuluvhe** was asked to make the paper available that she was referring to in her presentation.
- **Lesley Powell** to contact **Ismail Ackelwyre** and **Frans Strydom** whom both are doing work in the same area and could share insights and experience to support her in the development of the proposal.

Glenda Kruss opened the day by reflecting on the role of the LMIP, the evidence that has emerged and what it has suggested towards an overarching framework for skills planning in the country. A key question was raised to guide further discussion and engagement through the day: who takes up the leadership role as the SPU is being established?

2.2.1. SESSION 3 (B) WHAT METHODOLOGIES SHOULD WE USE TO IDENTIFY CURRENT AND FUTURE SKILLS NEEDS?

Session 3(b) attempted to respond to the framing question: *What methodologies should we use to identify current and future skills needs?* It draws on two distinct methodologies for skills planning that are responding to very specific skills needs purposes. **Adrienne Bird** started off by presenting on the methodology to identify skills needs for the governments' SIPS. She alerted the audience to the complex problem of planning in that the lead times for education and training to respond to labour market needs are very long, and that is why they have to plan strategically for the skills needs of major government programmes. She indicated that she does recognise that planning to respond to projects is associated with risks, but contends that SIPS are major and relatively sure commitments to growth that one can plan for. She also talked to the funding mechanism that translates the identification of skills needs into an education and training intervention – priority package for occupations grant. She proceeded to take the audience through 21 steps to identify skills needs which she proposed could be a model for skills planning across different systems and for different purposes.

This raised the following questions and comments:

- If we plan by occupations, at which level would this be appropriate?
- The SIPS methodology can derive signals that the supply side can respond to, but they must be careful of the assumption that skills needs or shortages can be rectified only by the supply side.
- The SIPS methodology proposes to map and translate skills needs into specific qualification programmes – should they aim for planning at this level of detail?

The next presentation was by **Chantal Dwyer** and focused on the planning for Operation Phakisa as part of the University Planning function, while **Engela Van Staden** introduced the presentation with a few key points. It was noted that while universities do enrolment planning, the purpose of which is to train for the country, Operation Phakisa is only one of the skills needs signals that have to be taken into account. Planning cannot happen in a vacuum and has to take into account the context. She also indicated that it is possible to link the Organising Framework for Occupations (OFO) to the Classification of Educational Subject Matter (CESM) codes, although it will not in all cases, be a one to one match. **Dwyer** talked to how the university plans in general and then focused more specifically on the process that is followed with regard to the planning for Operation Phakisa. This includes an environmental scan, collaboration with professional bodies, engagements with universities, and engagements with other government departments. The mechanisms involve formal agreements and funding.
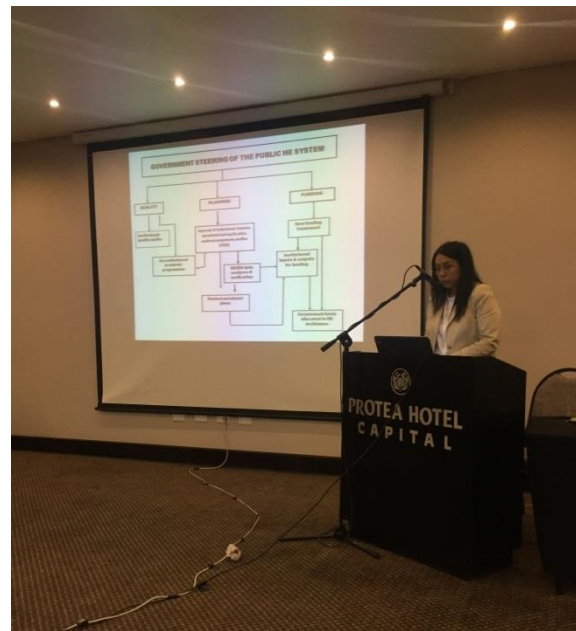
The discussant for this session was **Jocelyn Vass**. She started off by reflecting on the presentations and indicated that she did not see either methodology as problematic. She did recognise the need to secure investment in terms of skills, but all these objectives need to be weighed up with the role the State has to play in providing skills regardless of such projects. She argued that occupations do not arise at the education and training institution. It is related to work and the labour market and what it requires. She added that planning at such a high level of disaggregation, to link CESM and OFO codes, might be too complicated and unnecessary. She further asserted the State's role is not to respond only to the labour market, it also has to intervene to ensure that the labour market functions within the priorities of the country as a whole.

She closed by raising the following questions; what would be a more efficient way of planning? Should we be planning for occupations? Are we crowding in or crowding out in the planning process? Is the risk associated with external factors taken into account? How does this link to the need for inter-governmental co-ordination?

The discussion that followed raised even further questions that had to be considered as they moved into the two final and closing sessions. This included considering the role of the SPU and SETAs; how it would be possible to support the department in identifying the skills that are needed; whether SETAs can play the role of engaging and coordinating skills needs across industry sectors; whether it would be possible for DTI to draw on the approaches discussed and contribute in terms of an economic perspective of the need for skills in key industry sectors; what to be done about the pool of unemployed skills; whether there are enough work placements for training; and finally, how work and workplaces of tomorrow will be incorporated into the planning process?

It was also noted that some key assumptions need to continually be interrogated: the relation between occupation and qualification, skills planning as an exercise only to respond to demand from employers and lastly, competence and quality of skills also needs to be foregrounded – it is not only a numbers game. The funding perspective of the discussion was continually highlighted by NSF colleagues. They indicated the following needs: a clear indication of skills needs to target funding; closer consideration of the funding implications of skills needs identification; and an answer as to where they should target their funding first so to get the best return on investment. The identification of the causes of mismatch is also particularly critical to inform where funding should be targeted (whether it relates to a labour market failure, more funding needed for infrastructure, or more funding to a particular programme as opposed to another). **Melissa Erra** *contributed to the discussion by highlighting the SETA perspective on the issue of planning. She asserted that they need to engage with the very real issue of duplication of effort and planning functions, and they need to look in this regard at what is already being done by SETAs and see how this can be better co-ordinated. She indicated that their system always struggles to gain access to supply side data, although it is clear the data is being gathered. She encouraged the colleagues present to engage on the review of the WSP process, which could be a critical labour market information collection mechanism.*

Other colleagues warned against the linking of specific courses with an occupation and emphasised the need for an integrated system that can limit duplication. Many colleagues still struggle with the question: how to interpret and implement interventions once skills have been identified?

Hersheela Narsee was the final presenter and reflected on why DHET needs a coherent framework and understanding of the identification of skills needs across the various sub-systems. She started by outlining the standard reasons for skills planning i.e. career guidance, allocation of bursaries, to inform qualification development and programme mix/content; immigration policy, enrolment planning, and allocation of funding. She continued by elaborating on each aspect, indicating what kind of information is needed to guide decision making in relation to each. Another section of her presentation aligned the policy questions deriving from the need to make decisions around the dimension outlined with particular measures. For example, the PSET system needs to know what should be the balance between the provisioning of high, medium and low skills. Here, information about the occupational profile of the labour market and the qualification/skills/occupation mismatch would be required. She closed by proposing the following priorities; firstly, the need to strengthen the conceptualisation of key terms, secondly, systematising what they want to measure and for what

purpose, thirdly; identifying indicators and developing indices (skills shortage index with thresholds and weightings), fourthly; determining the relation between indicators and lastly, developing tools and methods to identify occupations required for government programmes and for identifying skills needed by communities.

Glenda Kruss raised the closing question: *How do we move toward common ground?* This in turn raised further questions or queries. These can be summarised as a set of questions relating to the issue of standardisation of an approach and templates to collect data on skills across sectors, provinces and nationally. This would also require the clarification of roles in terms of the process of skills planning which needs to be addressed appropriately. While there was definite agreement on the need to move to a more standardised process, there was also a caution that it might not be possible to adopt one methodology. In this regard participants also acknowledged the need to remain aware of the differences informing planning for the future and for current skills needs (here scenario planning was also mentioned). The final set of comments related to a caution around an occupationally driven process that might disadvantage the marginalised and so it will remain important to engage whether this is an appropriate approach.

A key theme emerging from this session and in relation to the question raised at the start was: **How can this be taken forward, taking into account the structures and mechanisms within DHET currently to strengthen skills planning?** *Can the SPU play this role?* **Hersheela Narsee** *confirmed that the way forward would be to take the key recommendations through to the inter-branch committee on skills planning.*

The following key questions emerged from the two day engagement and form a critical reflection of gaps and recommendations that need to be taken through the inter-branch committee process:

- **What is the common process that can provide a way forward?** *Can the SIPS serve as an example/template of a set of common steps that all systems can follow in identifying skills needs? Can the Report on Skills Supply and Demand on an annual/ 2 yearly basis support skills planning across the system?*

- **How do we move forward with a common process, as branches and entities use a range of methodologies for distinct sets of purposes for skills planning in the different sub-systems?** *Can the idea of a matrix feed into this process? Can the concept of a common process work? Can partnerships function as a methodology?*

- **What are the measures for different sets of purposes?**

- **What role can the SPU play in skills planning across the system (standardised templates) that can feed into the PSET sub-systems?**

- **How do we get the numbers right**?

- **What is the role of SETAs in obtaining information about the labour market; and how do they co-ordinate with professional bodies?** *The discussion started off by questioning whether it would be appropriate for SETAs to play such a role as the perspective was that professional bodies are cross-sectoral. While the participants agreed that professional bodies can indeed feed through valuable skills needs information, not everyone was convinced that SETAs could play the role of co-ordinating this information.*

- **Can skills planning be occupationally/ qualification driven and at what levels? (data systems, feasibility)**

- **How can we develop an index for skills shortages?**

- **Conceptual clarity? Can we have it – is it possible?**

APPENDIX 1: LIST OF ATTENDEES

	Name & Surname	Organisation
1	Phindiwe Mbhele	DHA
2	Adrienne Bird	DHET
3	Chantal Dwyer	DHET
4	Mampho Khuluve	DHET
5	Gerda Magnus	DHET
6	Monica Mawoyo	DHET
7	Hersheela Narsee	DHET
8	Firoz Patel	DHET
9	Mmaphake Ramasodi	DHET
10	Engela Van Staden	DHET
11	Melissa Erra	DHET
12	Victor Mathonsi	DHET
13	Emanuel Baloyi	DHET
14	Eddie Majadibodu	DHET
15	Abrahams Mutedi	DoL
16	Paul Raidani	DTI
17	Qondani Rwigema	DTI
18	Jocelyn Vass	DTI
19	Hoosen Rasool	F R Research Services
20	Laura Derman	Fasset
21	Fabian Arends	HSRC
22	Glenda Kruss	HSRC
23	Mariette Visser	HSRC
24	Angelique Wildschut	HSRC
25	Laura Crosby	merSETA
26	Perevelle Franca	merSETA
27	More Manda	merSETA
28	Ivor Baatjes	NMMU
29	Lesley Powell	NMMU
30	Shaafig Fredericks	NSF
31	Kgaogelo Hlongwane	NSF
32	Wean Minnie	NSF
33	Frans Strydom	NSF
34	Sanel Theron	NSF
35	Mvuyisi Macikama	NSF
36	Eubert Mahola	NSF
37	Cuen Sharrock	Palladian Consulting
38	Haroon Bhorat	UCT
39	Stephanie Allais	Wits

APPENDIX 2: PROGRAMME

		Day 1: 16 August			
	9:30 - 10:00	Arrival and registration			
Welcome	10:00 – 10:10	Glenda Kruss (Facilitator)			
		Framing question	**Title of presentation**	**Presenter**	**Discussant**
Session 1:	10:10 – 10:30	*Why do we need information about skills needs?*	Identifying skills needs: What is the purpose in terms of DHET's mandate?	Monica Mawoyo	Discussion from the floor
Session 2:	10:30 –12:30	*How can we use information about "skills needs" for planning in the PSET system?*	Using information about skills needs to plan in the PSET sub-sectors	Engela van Staden Chantal Dwyer Gerda Magnus Mvuyusi Macikama	Discussion from the floor
	12:30 – 13:30	Lunch			
Session 3a:	13:30 – 15:00	*What methodologies should we use to identify current and future "skills needs"?*	Identifying occupations in high demand	Hoosen Rasool	Cuen Sharrock
			Identifying skills imbalances: The OECD methodology	Mamphokhu Khuluvhe	
			Identifying skills needs of communities for sustainable livelihoods	Lesley Powell	
	15:00 – 15:15	Tea			
Discussion	15:15 – 16:00	Summative critique, discussion and closing		Glenda Kruss (Facilitator)	

Day 2: 17 August

		Framing question	Title of presentation	Presenter	Discussant
	08:30 – 09:00	Arrival and Tea			
Welcome:	9:00 – 9:15	Glenda Kruss (Facilitator)			
Session 3b:	9:15 – 11:00	*What methodologies should we use to identify current and future "skills needs"?*	Identifying skills needs for government priority programmes	Adrienne Bird (SIPS) Chantal Dwyer (PHAKISA)	Jocelyn Vass
	11:00 – 11:30	Tea			
Session 4:	11:30 – 12:00	*What do we really want to measure, and for what purpose/s?*	Measuring skills needs: The need for consensus	Hersheela Narsee	
Session 5:	12:00 – 13:00	*Emerging proposals to bring information about "skills needs" together in a coherent manner*	Group discussions		
	13:00 – 14:00	Lunch			
Session 6:	14:00 – 15:30	*Emerging proposals to bring information about "skills needs" together in a coherent manner*	Report back from group discussions		
Closing session:	15:30 – 16:00	Audience discussion and closing			Glenda Kruss (Facilitator)