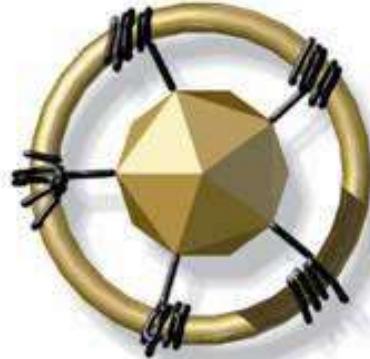


# **Motor Research Project: Employment and Educational and Skills Audit of the merSETA Motor Chamber**



**merSETA**  
MANUFACTURING, ENGINEERING  
AND RELATED SERVICES SETA

## **Synopsis**

## **Introduction and overview**

Business enterprises was appointed to conduct an employment and educational & skills audit for the merSETA Motor sector.

Based on the project terms of reference (ToR) the following deliverables and timeframes were agreed upon and a delivery contract signed between Forest Dawn Properties (Pty) Ltd and Business Enterprises at the University of Pretoria (BE at UP)

<b>Deliverable</b>	<b>Completion date</b>
Project charter signed	30 August 2012
Workshop held with merSETA	3 September 2012
Recommendations on current SSP completed	14 September 2012
Draft scarce and critical skills development assessment submitted	25 September 2012
Impact assessment completed (First interim report - Annexure A)	1 October 2012
Supply and demand analysis submitted (Second interim report – Annexure B)	3 November 2012
Assessment of delivery institutions completed	30 November 2012
Desktop research on 2020	3 December 2012
Assessment of existing skills delivery qualifications and curricula completed	4 January 2013
Draft strategy proposals submitted	4 January 2013
Strategic session held	17 January 2013
Third and final report: Implementation strategy – Annexure C	21 January 2013
Final session convened with merSETA	12 February 2013
Final implementation report submitted	18 February 2013
Contract closure	18 February 2013

The research methodology to successfully execute the project can be summarised as follows:

- Comprehensive desktop research on drivers of change and other factors that affect the Motor Sector

- Stakeholder consultation by means of focus groups. Various captains of industry attended these focus groups and very valuable information was obtained
- Personal visits and telephonic interviews with key stakeholders. Information obtained on current training offerings and curricula was compared with desktop research and information secured at the focus groups

At the last meeting held at merSETA on 12 February 2013, final inputs were received by stakeholders after having studied all reports, but especially the final report on implementation strategy. Attendees expressed their satisfaction with the outcome of the research project. It was agreed that all stakeholders be involved in the implementation process.

Due to exceptional stakeholder support and good initial progress made, it was possible to complete the project earlier than anticipated.

### **Impact assessment**

This report outlines a comprehensive assessment of the impact of various factors on the longer term skills supply to the Motor Sector.

No skills development initiative of value can be sensibly planned and implemented without an understanding of the policy landscape of South Africa.

In a rapidly changing industry such as motor sector, global forces have a major impact on the way in which business is done. Through globalisation, factors such as technological developments and competition become more important. Amid the global forces, motor industry in South Africa is also subject to the implementation of the South African policy agenda.

A comprehensive analysis of all related government policies confirms that despite the enormous impact of the global environment, skills solutions should be based on South Africa's realities, as reflected in the policy documents studied.

The 2020 landscape was extensively researched and the impact on the Motor Sector outlined

The following drivers of change will have a significant impact on skills supply and it is essential that skills development solutions be aligned with the anticipated 2020 environment:

- Convergence of industries
- Technological innovation
- The Green agenda
- The ageing population
- The growing middle class
- Social media
- Economic drivers of change
- Social drivers of change
- The legislative drivers of change

Future skills requirements will have to take these drivers of change into account. These factors do not appear in any existing learning material, which implies that extensive curricula updates will be required.

## **Supply and demand analysis**

The supply and demand analysis relied on the following methodology:

- Desktop research on skills demand and supply in the industry
- Personal visits to skills providers. A few leading providers of skills required by the automotive industry were visited and officials consulted
- Desktop research on the training offerings provided by skills providers. It was found that desktop research is valuable to obtain information on
  - Training prospectuses
  - Qualifications
  - Short courses and other training offerings
- Desktop research of qualifications and unit standards underlying the training offerings

This report focuses extensively on future demand and existing offerings, especially from a learning content perspective. It is clear that existing material need to be extensively updated.

Focus should also be on:

- Identification of the required skills per position anticipated for 2020.
- Secure and evaluate more information on the; role & impact of the QCTO w.r.t. current & future skills development practices in the Motor Industry.
- Further research on the impact of the listed drivers of change on possible occupation and job content.

Specific solutions to increase supply to meet skills demands are set out in the final report.

### **Implementation strategy**

Based on extensive strategic analyses, the following priorities (or focus areas) have been identified:

Based on the above strategic analysis, the following priorities or focus areas have been identified:

- Priority 1: To accelerate e-learning
- Priority 2: To accelerate SMME development
- Priority 3: To align learning content with the 2020 landscape / and drivers of change
- Priority 4: To strengthen the resource base through further research projects
- Priority 5: To develop the after market
- Priority 6: To focus on Rural area needs
- Priority 7: To expedite the delivery of artisans required by the motor industry.
- Priority 8: To facilitate the establishment of centres of excellence to improve skills delivery and partnering with education & talent pipeline providers, bringing about the meeting of industry entrance requirements
- Priority 9: To market the industry among potential entrants
- Priority 10: To address skills accelerations and overcome career path restrictions

Although there were some contributions during the last consultative session on 12 March to combine or renumber the priorities, it was agreed that appropriate action be taken during the implementation process.

It was agreed that some duplication exists between Priority 1: To accelerate e-learning and Priority 3: To align learning content with the 2020 landscape / and drivers of change. It is recommended that the 10 priorities be further refined/combined during the implementation process.

### **Conclusion and recommendations**

#### **Current SSP**

There have been some factors identified in the SSP that might justify further research/investigation. This is only summarized and could need further explanation in a face-to-face setting. Below are some of the gaps/concerns/noteworthy areas:

- Some outdated statistics should be updated.
- The informal education/training section in the SSP needs to be updated.
- More strategies to redress reduced employment should be considered.
- Strategies to exploit tyre production opportunities for South Africa could add further value.
- With a high employment rate but low training rate, further empowerment initiatives could be considered.
- The motor sector does not lay sufficient focus on strategic drivers (i.e. waste, greening, renewable energy, advanced technologies, etc.) –The solution is addressed in this well-timed research report.
- That a task team be appointed to assess the impact of the QCTO on skills development interventions of the Motor sector and to facilitate the process to implement the new concept.

### **Updating curricula**

The impact assessment done so far indicates a major opportunity to update curricula and learning content in terms of the 2020 drivers of change.

All of the above information needs to be verified by the merSETA. This information is believed to be not a true reflection of all the qualifications and that there are even more providers specific to the Motor Chamber. This also does not take into account the informal sector.

While researching the qualifications no sign was found of the significant 2020 drivers of change being mentioned in the unit standards. The drivers of change linked to qualifications are as follows:

- Social media/Facebook/Twitter/LinkedIn, etc.
- Green agenda/carbon credits/environmental protection/waste act.
- Middle class growth and buying power.
- Innovation and technological changes.
- Convergence of markets and industries.
- The period after 2012 and adaptation.
- Mobile telephone/technology.
- Eastern countries (i.e. China/India/Korea) and their influences.
- Future customer – younger, smarter and more technologically orientated.
- E-learning – growth paths being developed through e-learning.
- Rural development and the informal training environment there in.

- Global thinking with globalisation of industries in mind and interdependency of markets.

It is recommended that the entire skills offering for the industry be realigned with future skills demands. This ambitious effort will require the cooperation of all key stakeholders

### **Stakeholder consultation**

It is clear that industry experts have added much more value than mere quantitative data. There is a clear understanding of future skills requirements. It is therefore essential that stakeholder consultation be an ongoing process. Continuous stakeholder consultation is therefore recommended.

It is clear that the Motor Chamber of merSETA has broken new ground in the challenging skills landscape of a very demanding industry. It is clear that existing skills delivery needs to be intensified and accelerated to meet future skills demands. Very few SETAs look beyond the 2011-2016 planning period. Stakeholder consultation is therefore of the utmost importance.

During the final consultative session on 12 February, the following final inputs were recorded and included:

- The implementation of E learning will be an uphill battle in the rural areas and customised solutions are required. The Chamber needs to sit down and discuss implementation.
- Research findings should be incorporated in future WSPs and SDFs be informed/empowered accordingly.
- A summary of this research should be made available to all stakeholders. Further suggestions to refine implementation should be incorporated in the implementation strategy.
- The Chamber should determine what is achievable now to offset the implementation strategy.
- Race Transformation should be part of the implementation strategy and an enabling environment should be created
- A workshop should be convened on the green agenda that includes presentation. All stakeholders should be invited and the focus should be on themes such as:
  - Green as defined in the context on the Motor industry.
  - Green initiatives should be identified.
  - Quantify the impact of green agenda
- The SME toolkit should receive priority attention

- Attention should be given to cooperatives to accelerate SME development
- Inter chamber cooperation should be encouraged.

During the last consultative session on 12 February, it was agreed that if this report is successfully implemented, the following research questions stated in the beginning of this research project will be answered

- Does the Motor sector have sufficient skills for future requirements?
- If not what appropriate action should be taken?
- Is longer term planning included in the current strategy?
- What are the longer term challenges (and opportunities) to be addressed?
- Does current learning material include key future requirements that emerged from the drivers of change research?
- If not, how will the future skills supply shortcomings be addressed?

It is clear the Motor Chamber of merSETA is well informed on future challenges and is committed to put actions in place to secure future skills required.