



# Skills Development and Retention

IMFO Conference

Presented by

Mr Duma Nkosi, Chairperson, EDI Holdings

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# Presentation Overview

- ❖ Introduction
- ❖ Reality Check
- ❖ Why are people moving?
- ❖ Financial specific skills requirements
- ❖ Distribution of skills
- ❖ Retention challenges
- ❖ Conclusion

**For the purpose of this presentation skills shortage refers to the “number of people required” as well as the “attributes, competencies, training and education level required” to effectively perform the task at hand.**

- ❖ Skills shortages are widely recognised as a key contributing factor preventing South Africa from reaching its growth targets
- ❖ The competition for skills, the movement of skills and the shortage of skills are global trends
- ❖ The correct skills and competencies are critical to the sustainability of any business
- ❖ Economic growth, wealth creation, job creation etc. is not possible without sustainable businesses, inclusive of Local Government
- ❖ The question is: What are we doing about skills recruitment, skills development and skills retention
- ❖ The world wide economic recession is impacting on employment opportunities

- \* Some high level research provided the following insights:
  - International survey during 2007 in 17 countries and 5000 companies indicated that 56% of companies had difficulty in finding the right level of skilled candidates
  - 362 000 jobs were lost in South Africa during the second quarter of 2009
  - The real gross Domestic Product (GDP) growth in South Africa slowed to 3.1% compared with 5% in the previous three years
  - For the first time in 15 years South Africa experienced three consecutive quarters of negative growth
  - The Expanded Public Works Programme (EPWP) created a cumulative 1.65 million work opportunities in the first phase
- \* Companies are delaying, where possible, appointments due to amongst others the current economic climate
- \* The consequence of the delay in recruitment, appointment, training and retention of competent staff, could directly lead to opportunities missed when the economy improves
- \* Badly structured recruitment, appointment, training and retention strategies and plans can create significant company brand challenges and directly lead to demotivated staff

# Why are People Moving

- ❖ While research presents a number of reasons why people leave an organisation some of the key reasons are:
- Lack of visible competent leadership and effective management in the organisation
  - Lack of visible leadership during times of uncertainty or trying times in the business
  - Employees do not feel part of the organisation and are not effectively engaged in the key processes, decisions and business direction setting
  - Ineffective use of internal capacity e.g. the syndrome of “consultants no better than my own staff”
  - Uncertainty within the organisation and the inability to effectively communicate with the staff
  - Lack of career path and opportunities
  - Lack of appropriate recognition, development and training opportunities
  - Remuneration/compensation package

# Financial Specific Skills Requirements

- ❖ Financial functions calls for a specific body of knowledge
- ❖ Specific functions within the financial discipline requires specific formal education complemented with practical training and exposure
- ❖ A solid understanding of the various legislative requirements, governance, compliance, regulations and practice notes is required
- ❖ Ability to focus on detail and a passion for “numbers”
- ❖ Ability to provide guidance and think out of the box while respecting the governance and compliance requirements i.e. you cannot “only be a bean counter, those days are over”

# Distribution of Workers in Financial Occupations (%)

Year	African %	Coloured %	Indian %	White %
2001	21.7	11	12	55.3
2002	22.6	10	9.7	57.7
2003	26.1	11.2	9.1	53.6
2004	25.2	13.9	8.5	52.4
2005	24.1	14.5	6.7	54.7
2006	24.6	13.7	6.3	55.3

Source: Labour Force Survey (LFS) 2007

# Financial Positions: Retention Challenges

\* (Expressed as % organisations finding difficulty in retaining skills)

Position	Private Sector	Public Sector	Total
Financial Manager/Directors	3.3%	37.7%	7.1%
Supply Chain Managers	0.4%	5.7%	1.0%
Accountants (CAs)	3.7%	1.9%	3.6%
IT Specialists	1.5%	1.9%	1.6%
Taxation Experts	1.1%		1.0%
Accountants	6.4%	26.4%	8.7%
Cost & Management Accountants	1.3%	5.7%	1.8%
Internal Auditors	0.7%	7.5%	1.4%
Accounting Clerks	8.8%	18.9%	10.1%
Financial Staff (general)	2.2%	7.5%	2.8%

\* Source: Financial Management, Accounting and Auditing Skills Shortage Survey; Dr DP van der Nest

- ❖ If we want to make the elephant dance, we will have to:
  - Address financial vacancy rates in the public sector
  - Address recruitment and retention of skills in the public sector
  - Evaluate the remuneration packages and conditions of employment to ensure that they are competitive and that working conditions are conducive to high performance
  - Recruit skills who will give Local Government the desired competitive edge



... are we awake and ready to go?

**THANK YOU**



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