

STATUS OF SKILLS DEVELOPMENT IN THE FINANCIAL SECTOR

(A NAMIBIA CASE STUDY)

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Date: 21 August 2019

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Abstract

A financial sector establishes stability on the capabilities and skills of its human resources, which comprises the essential material for its growth. Therefore, it is essential that the financial service sector improves the quality of its human resources in order to ensure enough human capital that fosters ongoing growth. The Namibian Government identified the shortage of skills in the financial sector as one of the biggest obstacles in realising economic growth targets set out in Namibia's Vision 2030. Namibia suffers from a shortage of skills in the areas of auditing, actuarial science, chartered accountancy, information technology, investment banking, property evaluation, and compliance and risk management.

The objectives of the study were to investigate the nature of strategies implemented in the financial service sector in order to address skills shortages experienced by this industry, to examine development challenges encountered by the financial sector, to identify critical and scarce skills within the financial industry and to investigate skills development funding mechanisms currently utilised by employers in the financial sector in Namibia. The study aimed to document the status of skills in the financial sector since the inception of the Namibian Financial Sector Strategy and Charter in 2012

Stratified sampling was used to select a sample from the 174 institutions classified as the study population. The banking and non-banking entities sampled were categorised according to characteristics they had in common which would identify them as homogeneous. Therefore, participants were divided into sub-sector categories. The database built from surveying those institutions was stratified according to the characteristics. The research instruments were two questionnaires, one for employers and the other for universities, which were utilised to collect data.

The essential finding of the research maintains that skills shortages, the expenditure budget allocated for training and the overall labour turnover in the financial sector hinders its skills development. A discussion of the study's findings was presented and concluded with recommendations for future research. The shortage of skills and a lack of experience in the workplace, coupled with labour turnover, were identified as challenges experienced by the industry. What is evident from the study is that these challenges are not unique to Namibia but

affect the global labour marketplace as well. The situation could, in part, be due to the process of globalisation.

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List of Abbreviations

Gross Domestic Product	GDP
Fourth National Development Plan.....	NDP4
Namibia Training Authority	NTA
Institute of Bankers	IOB
Namibia University of Science and Technology.....	NUST
University of Namibia.....	UNAM
Namibia Financial Institutions Supervisory Authority.....	NAMFISA
Price Waterhouse Coopers.....	PwC
United Kingdom	UK
The Association of Chartered Certified Accountants	ACCA
Prudential Regulation Authority.....	PRA
Financial Conduct Authority.....	FCA
Chartered Accountants of Ghana	ICAG
Vocational Education and Training Act	VET Act
Information and communications technology	ICT
South African Institute of Chartered Accountants.....	SAICA
National Qualification Framework.....	NQF

CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 Introduction

Boyd, Levine and Smith, (2001) noted that “a functional, financial sector is essential for economic development.” (p. 224). The financial sector plays an important role in promoting rapid growth in the income cycle of its poor population (Boyd, Levine and Smith, 2001). When a country strengthens its financial sector, the economy grows, which drastically helps the poor establish parity with the rest of its population (Bank of Namibia, 2011).

An effective financial system delivers improved financial services and supports an improved dispersal of resources. Well-founded legal and policy structures are also essential for a strong financial system. Therefore, several under-developed economies experience repressive economic policies in the form of high inflation tariffs, loan and deposit interest-rate ceilings, directed or funded credits, and credit rationing (Caprio & Hanson, 1999).

A sturdy financial sector depends on the capabilities and skills in, for instance, areas of knowledge and ability that are exhibited by employees (Baptiste, 2001). Therefore, it is imperative to note that the human capital in the financial sector should be sufficiently equipped with the skills that promote a country’s economic development. Human capital refers to knowledge, attitudes and skills which are developed and valued as possessing economic productive potential (Charles & Margo, 2010). Investment in human capital is a prominent feature of a flourishing financial service sector (Well, 2007), and exercises a significant influence on the productivity, competitiveness, and development of any economy on any continent. Similarly, the training of skilled and capable employees promotes the stability of the financial industry globally (Well, 2007).

This study is premised on the assumption that employees in the financial services sector in Namibia should be equipped with practical skills that would add economic value to the sector. Furthermore, employees should be helped to acquire collective and personal qualities that would exemplify and demonstrate adeptness in the ability to perform labour that would benefit the sector.

The trend towards globalisation has created a need for capacity building (Acri, 2008). Any country's financial sector plays a critical role in ensuring that experts employed in various sub-sectors are well-informed about the latest developments produced by the implementation of international financial standards (Franklin, Otchere, and Senbet, 2011). Realisation of the latest developments would further enable the sector to respond proactively to changes in markets and transitions made possible by an agile workforce. The Oxford Economics (as cited in Holmes, 2013) states that the baseline skill recommended is that, approximately 45 percent of the workforce in the financial sector have a high level of professional skills. Due to global labour-market shifts, this statistic applies to such professions as chartered accountants and financial consultants.

Shortages of highly trained professionals and experts have real consequences on the sector as the time required to train individuals in these fields is extensive (Adams, 2008). Shortages are the result of events that transpire on both the demand and supply sides of the market. Shortages on the demand side result from an upsurge in demand for financial amenities. This is applicable to a growing economy (Atchoarena, 2009) where there are strict administrative, regulatory and tax requirements enforced on institutions. For that reason, it is vital that the financial services sector continuously improves the standard of its human resources and guarantees an adequate supply of competent human capital to sustain growth expected in the sector.

1.2 Background of the study

Namibia is a developing country situated in the south-western part of Africa. Namibia has hosted, and continues to host, several financial firms. Some are international firms, while others, especially smaller ones, were founded inside the country. Several commercial banks operate in Namibia. These include Development Bank of Namibia, Standard Bank, First National Bank of Namibia, Bank Windhoek and Nedbank. The banking sector operates on modern principles, which is efficient and provides comprehensive domestic and international banking services.

Namibia has a population of 2.3 million. The World Bank has classified Namibia as an upper middle-income country. However, it should be noted that classification by income does not necessarily reflect status of development within the financial sector (Vasquez & Summer (2012). The financial service sector in Namibia has not met expectations regarding growth

since it gained its independence in 1990 (Thomas, 2014). An economy which is growing spurs development within the financial services sector and vice versa (Thomas, 2014). However, this is not the case in Namibia. The 2013/14 Global Competitiveness Report (Schwab, 2013) classified Namibia as 55th out of 144 countries in the accessibility of financial services, following South Africa, Mauritius, and Rwanda in sub-Saharan Africa. Namibia's banking institutions remain sound, lucrative and have a favourable capital base. Due to its solid financial base, the Namibian financial sector has absorbed shocks arising from the worldwide and Eurozone financial crunch (Schwab, 2013, p.306).

Despite its favourable standing, there are several reasons why the financial services sector in Namibia continues to experience a slow growth rate. The Namibian Government also recognised that the economy cannot support several banks and consequently took a step to protect and sustain existing financial institutions. Banks were particularly paramount amongst them. However, the Namibian Financial Sector Strategy and Charter provides information on the progress of Namibia's financial industry, depicted as the net demand per sector, which supports other national strategy documents, for example, Vision 2030, the Fourth National Development Plan (NDP4) and the National Human Resources Plan (Shejavali, Links & Hopwood, 2014, p. 14).

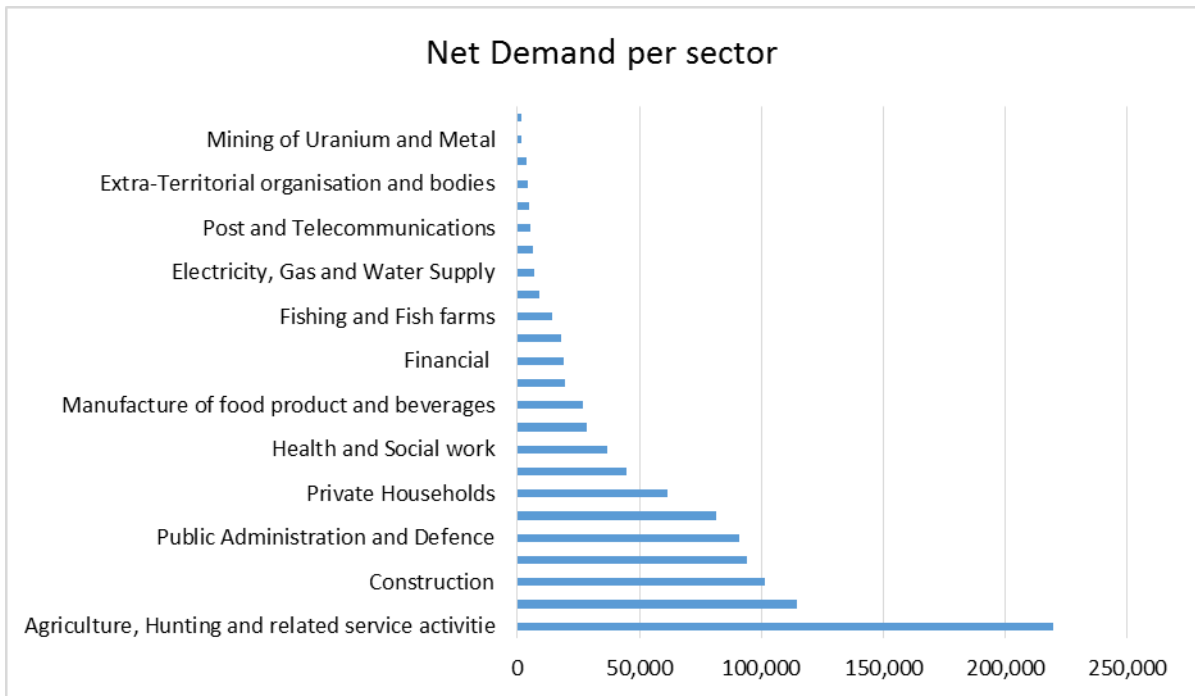


Figure 1.1: Net demand per sector (National Planning Commission)

Source: (Namibian Planning Commission, 2018)

Figure 1.1 highlights the skills that characterise all sectors within the Namibian economy. The skills were determined by a study conducted by the National Planning Commission in Namibia, which estimated a net demand of approximately 19 074 additional positions for the financial sector from 2012-2015. To emphasise a point, financial organisations influence the growth of skills within the sector. Their influence includes the following: setting educational standards, accrediting training institutions, developing syllabi, distributing resources, drafting and preparation of examinations, assessing practical experience, organising conferences, seminars and workshops, and publishing new knowledge and information in journals and news bulletins. When financial organisations suffer from a shortage of skills, for instance a skills gap, the financial sector is negatively affected, and the economy responds with an increased demand for skills. The figure below depicts the percentage of skills gaps level identified by the National Planning Commission.

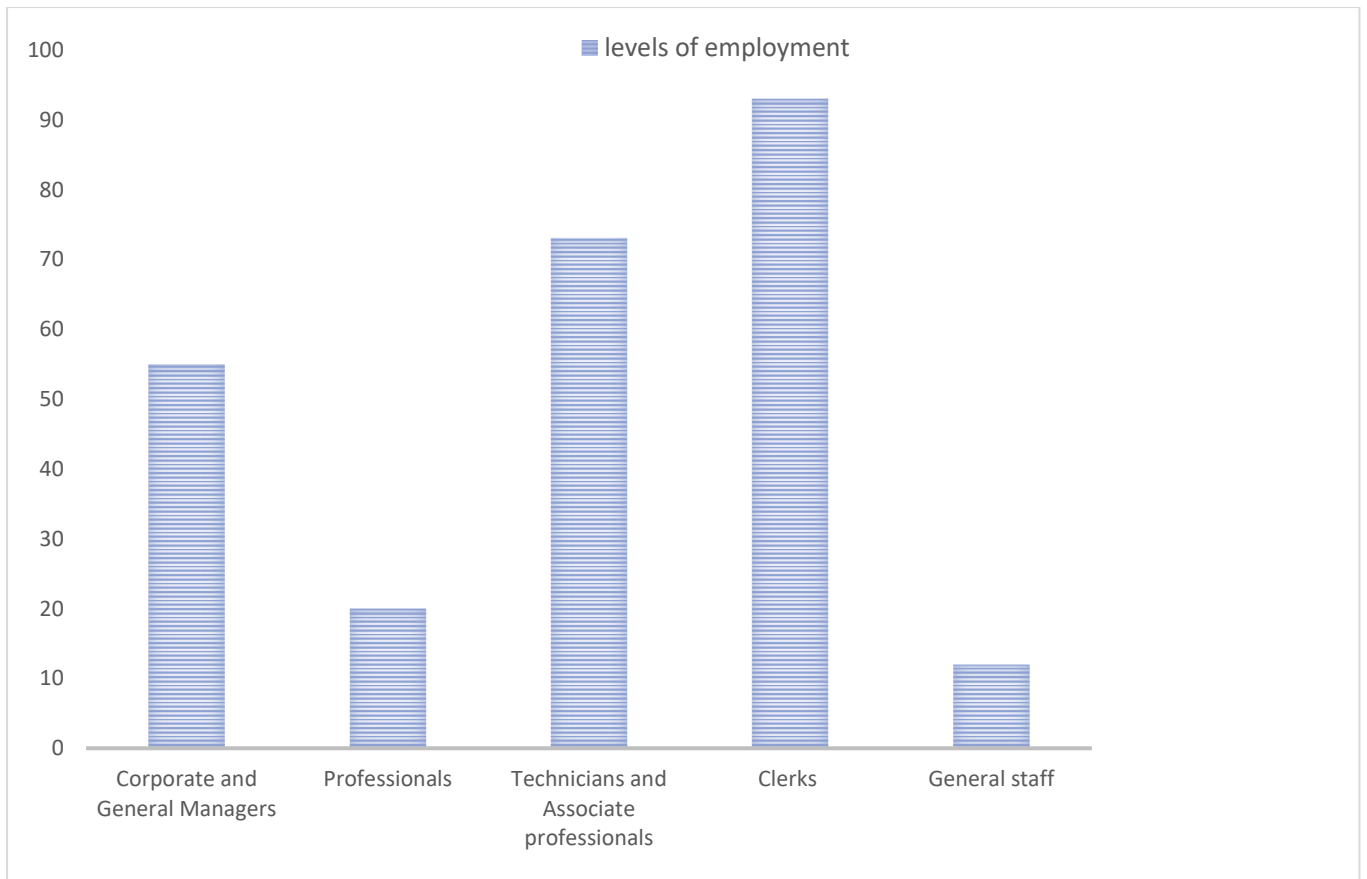


Figure 1.2: Percentage of skills gaps level identified by the National Planning Commission

Source: Namibian Government, 2012.

Figure 1.2 is a display of the skills gaps identified by the National Planning Commission of Namibia. Studies conducted by the Namibia Chamber of Commerce and Industries, the Institute for Public Policy Research (2010, 2011), and the Namibia Employers' Federation further confirm these shortages.

To address the challenges presented by the dearth of skills, the Namibian Government, through the Ministry of Finance, developed a financial sector strategy covering the period 2011-2021. The sector strategy targeted the following key areas:

- a) Development and deepening of the Namibian financial market
- b) Creation of financial safety nets
- c) Accessibility to financial services and products by all Namibians, with attention to consumer education and protection
- d) Namibianisation of the financial sector
- e) Development of the sectoral skills

1.3 Problem statement

Namibia would like to achieve status as an industrialised country by the year 2030. This goal can only be realised through human-resources development. The Namibian Government identified the shortage of skills as one of the greatest obstacles to realising its economic growth targets as they have been set in the Country's Vision 2030. Namibia still lacks critical skills in the areas of chartered accounting, auditing, actuarial science, property evaluation, information technology, investment banking, compliance, and risk management (The National Planning Commission in Namibia, 2018). The National Planning Commission (2018) estimated that there was a net demand for approximately 19 074 additional positions in the financial sector between 2012 and 2015.

The focus of the current study is to investigate point (e) above, which seeks to address the development of skills in the financial sector. The government expects the country's financial sector to identify and develop skills needed internally. As such, the following strategies were implemented in order to produce the expected results:

- i) A financial sector training and skills development programme was to be established in 2013 to address skills shortages experienced by the sector. The programme had to be funded by industry players, regulators and other sources, such as the training levies collected by the Namibia Training Authority (NTA).
- ii) Revision and alignment of finance-related academic qualifications currently specified by the University of Namibia and the Namibia University of Science and Technology (NUST).
- iii) Capacity building programmes to strengthen the capacity of professional institutions, such as the Institute of Bankers (IOB) and the Institute of Chartered Accountants in Namibia.
- iv) Continuous development of skills among regulatory officials, keeping abreast of international regulatory standards so that they can implement their regulatory mandates efficiently.
- v) Importation of critical, as well as scarce skills from other countries to close the skills gaps experienced by the sector (Ministry of Finance, 2011).

1.4 Aim of the study

The purpose of this study is to document the status of skills development in the financial sector since the inception of the Namibian Financial Sector Strategy and Charter in 2012.

1.5 Objectives of the study

- 1.5.1 To investigate the nature of strategies implemented within the financial services sector in order to address skills shortages experienced by this industry;
- 1.5.2 To examine development challenges encountered by the financial sector;
- 1.5.3 To identify critical and scarce skills within the financial industry;
- 1.5.4 To investigate skills development funding mechanisms currently utilised by employers in the financial sector in Namibia.

1.6 Research questions

To achieve the above-mentioned objectives, the following research questions frame this study:

- a) What are the critical and scarce skills required by the industry and the reasons for the ongoing shortage of skills?
- b) What short-term and long-term strategies are employed in the sector to realise skills development related objectives and strategies set out in the Namibian Financial Sector Strategy and Charter?
- c) What are the challenges concerning skills development currently faced by the financial sector?
- d) What is the spending percentage by employers in the financial industry on skills development?

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The literature review provides information on skills-development interventions in the financial sector from an international, an African and a Namibian perspective. The concluding sections of the literature review cascade down to skills development efforts undertaken in Namibia and its financial sector.

It is important to note that while Namibia is not an exception in the global arena of skills development, the financial sector in Africa lacks reliable statistical information to enable an adequate forecast of the human resources needs in the sector (Fawcett, 2010). The paucity of information hampers investigation of the status of supply and demand regarding professionals within the financial sector on the African continent. For that reason, “skill building is an important ingredient to push the production possibility frontier outward and to take the growth rate of the economy to a higher trajectory. Skill building could also be an instrument to empower the individual and improve his/her social acceptance or value” (Atchoarena, 2009, p. 1032).

Moreover, skills development is regarded as obligatory for a country’s economic development, as is the need to recruit individuals from marginalised groups to increase the pool of skilled labour (Holmes, 2013).

2.2 A significant relationship: skills shortages vs. labour turnover

2.2.1 Skills shortage

Skills shortages are designated as major problems for the economic development of several countries. Healy, Mavromaras and Sloane (2011) define skill shortage as “an insufficient supply of appropriately qualified workers available or willing to work under existing market conditions” (p.6). The existence of similar patterns in diverse sectors leads to the assumption that there is an overall dearth of skills in the labour market. Evidence of skills shortage is usually produced and confirmed by other indicators, such as statistics regarding salaries for individuals with appropriate qualifications beyond standard inflation rates, coupled with low levels of unemployment (Allen, Bryant & Vardaman, 2010)

The concept of 'skills shortage' itself denotes a situation which occurs on two different but interconnected levels. In the first instance "it refers to a situation where employers cannot find suitable candidates to appoint to specific occupations or posts within their organisation" (Ocelli & Wilkins, 2008, p. 311). In this instance, a position may remain vacant for protracted periods of time, or might, in the long run, be taken by someone who lacks the required qualifications, skills or other traits specified by the employer, such as gender or a specific population group. In the second instance, the term "refers to specific areas of knowledge or ability that is not available in sufficient amounts among the existing workforce" (Ocelli & Wilkins, 2008, p. 311). Skills shortages that appear in this context are described as skills gaps. Mitchell and Quirk (2005) assert that "skills gaps may be the result of insufficient education and training at entry level or may stem from rapid changes and new demands in the work environment to which the workforce has not yet adapted" (p.11). Both these instances demand skills development intervention, even though target populations and tactics may vary.

Shortages of highly trained professionals and experts have real consequences for the financial sector (Allen, Bryant & Vardaman, 2010) as the time required to train individuals in these fields is extensive. Shortages on the demand side result from an upsurge in demand for financial amenities. This is applicable to a growing economy as well as to the strict administrative, regulatory and tax requirements enforced on institutions (Franck, 2013). For that reason, it is vital that the financial services sector continuously improves the standard of its human resources and guarantees an adequate supply of competent human capital to sustain growth expected in the sector.

A dearth of specialists originates from a low ratio of general employees to specialists and an unbalanced division of roles between general employees and specialists that results in the under-utilisation of specialised skills (Al Shayeb, 2013). Moreover, there are not enough students who progress up to honours level in the relevant fields, for instance, accounting. There is also a limited number of learners who matriculate with an average mark in mathematics and accounting (Stevens, 2007). However, professional bodies also contribute to the limited supply within the financial sector by setting the qualifications very high, without making adequate provision for career development that should commence at lower qualification levels.

2.2.2 The relation between skills shortage and labour turnover

Armstrong (2012) describes staff turnover as “the rate at which people leave an organisation” (p. 87). There is no fixed point or level at which employee turnover can be said to have a negative influence on an organisation’s performance (Long, Perumal & Ajagbe, 2012). A company’s position in this regard is influenced by the kind of labour market in which the organisation participates. Taylor and Finley (2010) assert that a “high rate of employee turnover in any industry has been linked to low skill requirements in most of the entry-level positions in the industry” (p. 684). Organisations that do not develop plans to cope with employee turnover may find they are plagued with persistent skill shortages over the years. The workforce is shifting dramatically, with demographic changes, augmented outsourcing of services and entrepreneurship on the rise. Therefore, skill sets and abilities are becoming worthless in some industries (Manpower, 2010). In a SHRM survey of human-resource professionals, 75 percent of the participants conveyed that they experienced complications finding appropriately qualified individuals in their occupation, since professionals with the desired skill sets were difficult to find (SHRM, 2011-2012).

2.2.3 Implications of skills shortages in the financial sector

The impact of skills shortages is mostly experienced in developed countries due to the aging of the population. Closing the skills gaps is especially important for the world’s young aged 15-24, most of whom live in developing countries where there are few opportunities for productive employment (Aring, 2012). However, skills shortage has a great effect on youth in developing countries where there are few if any alternate paths to sustainable livelihoods. According to the World Economic Forum (WEF), “companies are organizing for increasing talent mobility across borders, making it easier to import people with needed skills from other countries” (WEF, 2010). On that note, Namibian Employers agree that the issue of skills is “an urgent strategic concern across various sectors and that skilled people from outside the country are being imported while high unemployment rates of 51 percent prevails (Namibian Employers Federation, 2010, n.d.).

Skills shortages are a serious challenge, which hampers organisational competitiveness, performance and growth (Masibigiri & Nienaber, 2011). Skills shortages are constraining companies’ ability to grow, innovate, deliver products and services on time, meet quality

standards and meet environmental and social requirements. Anitha (2014) argues that a shortage of skilled labour could significantly affect the long-term productivity of the financial sector. Also, a lack of skilled labour could result in the financial sector being less competitive in comparison to other sectors, that is, without skilled labour, the financial sector may not be able to provide customers with new innovative products or even maintain their present level of service such as those found in developed countries (Harvey, 2012). These factors could negatively affect the long-term productivity of the financial sector.

2.3 Skills shortages in Namibia's financial sector

Namibia is facing an acute shortage of skills in the fields of auditing, chartered accounting, actuarial science, compliance, property evaluation, information technology, risk management, and investment banking, to name just a few (The Republic of Namibia, 2010). According to the Ministry of Finance (2010), industry players are concerned about skills shortages in the sector, which in turn have restricted innovation and aggressive entrepreneurship. For the Namibian financial sector to be competitive, skills in these fields need to be acquired and continuously developed as a matter of urgency (New Era, 2014).

The Namibia Labour Force Survey (2014) revealed that the financial sector in Namibia, which includes the banking industry, employs 51.1 percent of the total employed individuals; hence this clearly demonstrates the important role of the financial sector in employment creation. In the financial sector, one of the main sources of profit earnings is interest income on loans (Namibian Bank Annual Report, 2015). Information gathered from an econometric forecast conducted by the Namibian National Planning Commission in 2013 and 2014 indicated that professionals possessing the skills listed in Table 2.1 below were in demand in the financial sector in the years 2015 to 2020 respectively (The Republic of Namibia, 2014).

Table 2.1: Skills demand in Namibia's financial sector

Types skills within the Profession	Skills Demand 2015	Skills Demand 2020
Professionals Chartered Accountants	100	150
Accountants	400	700
Auditors	100	200
Financial Managers	200	400
Risk Managers	50	100
Lawyers	60	120
Statisticians	30	60
Actuaries	20	30
Financial Analysts	20	50
Financial Advisors	200	300
Underwriters	50	80
Information Technology Managers	100	200
Computer Network and Systems Engineers	30	40
Economists	100	150
Accounting Technicians (Bookkeepers)	600	1200
Assessors	50	80
Computer Systems Analysts	50	100
Computer Programmers	50	100
Claims Adjusters	70	140
Tax Practitioners	300	400
Database Designers and Administrators	200	450
Total Demand	2780	5050

Source: (Ministry of Finance Namibia, 2011)

The Namibia Training Authority (2014) also identified shortages of the following soft and hard skills in the financial sector: teamwork skills, analytical skills, decision-making and presentation skills, advanced business savvy, staying abreast of legislation and accounting standards, risk-management skills, project-management skills, management and leadership skills, customer service skills, and marketing skills. Moreover, skills related to information technology are paramount, which are data analysis, numeracy, products, specific industries, regulatory and compliance skills (Namibian Training Authority, 2014).

2.4 Reasons for skills shortages

A shortage of skills is defined as an outcome of a disparity between the demand and supply side of the market (Healy, Mavromaras & Sloane, 2011). The following discussion highlights the most significant reasons that have increased the demand for highly skilled financial professionals and executives.

2.4.1 Increase in demand for financial services

Even though the services offered by the financial and accounting sector encompass numerous disciplines, such as accounting and auditing, cost and management accounting and management consulting, the demand in each discipline is directly related to the level of economic activity in the country. Over the past years, Namibia has seen positive economic growth, which represents an increase in the demand for financial services (Shahn & Burke, 2005). Growth has occurred in the proliferation of small and medium-sized businesses since they have a greater tendency to rely on exterior services than large businesses do (Shahn & Burke, 2005).

2.4.2 Outsourcing financial services

A universal tendency in all sectors is that businesses redefine and concentrate on primary business activities while outsourcing peripheral and secondary activities. The predominant notion is that superior, low-priced services can be acquired in this fashion. Thus, the tendency of some financial services regarded as non-core activities and being contracted to specialised accounting firms increases the demand for financial services (Backes-Gellner & Tuor, 2010, p. 275).

2.4.3 Low student intake

Regardless of the rising numbers of students who qualify with degrees in financial disciplines and management sciences, graduates from universities in specific subject areas required by the financial sector do not seem sufficient in order to meet the needs from its sector (Paisey & Paisey, 2010). Student output in some related disciplines in Namibia is limited due to several factors. Firstly, institutions of higher learning regulate student intake. NUST, UNAM and other

institutions in the Namibian academic environment, limit the number of students allowed to register in any academic year. Relevant personnel have stated that an insufficient number of facilities is the main reason for this.

Setting ceilings on student admission, as well as controlling other processes affecting selection, limit access to education, particularly among applicants from underprivileged families (Paisey & Paisey, 2010). Furthermore, financial restrictions not only prevent potentially good students from enrolling with institutions of higher learning, but also contribute to high dropout rates, or elongated periods of study.

2.4.4 Role of professional bodies in controlling supply

Companies regulate the supply of skills into the market. Therefore, by setting criteria for education and training, accrediting training institutions and amending certain requirements for qualifications within the financial sector while directing entry exams fairly, more students can be trained accordingly (Backes-Gellner & Tuor, 2010). Professional bodies in finance regulate the industrial market. Their roles are strengthened when specific functions are kept in line respective to professions that control qualifications or designations. Backes-Gellner and Tuor (2010) maintain that in this regard, currently upheld criteria are realistic and ought not to be changed in order to increase the number of individuals who reach a qualification, for example as financial analysts.

2.5 Reasons for skills development

In order to be efficient, skills-development strategies should involve the private sector. The main aim of skills development in terms of social and economic reasons is to assist people to gain marketable skills while supporting them to find suitable jobs in which they can develop those skills (Dunbar, 2013). To achieve this aim, in-depth awareness of a sector, whether financial or managerial, whether local, national or international, must have the capacity to fashion established wisdom and relevant knowledge into training programmes which appeal to inexperienced or marginally educated jobseekers.

Skills development means cultivating skills by members of the workforce in order to increase their efficiency, to be well-informed on developments in the sector or in a respective professional field, and to expand one's personal career (Ananiadou, Jenkins & Wolf, 2003). Every financial sector worldwide needs training in specialised fields. Private organisations, institutions of higher learning and consultancy firms play an important role in the development of specialised financial skills (Borrell-Damian, Morais & Smith, 2015). Moreover, since the world "faces rapid computerisation in all functions, the workforce is obliged to keep up with these technological advances. Hence, there is a need for computer literacy and the development of computer skills across all occupational categories in the financial sector (Black & Lynch, 2004, p. 99). Additionally, it is important that workers in the financial sector acquaint themselves with non-financial or soft skills. These are skills necessary for effective interaction with the public and include oral and written communication skills, presentation skills, and client service orientation. Furthermore, managerial skills are an essential in the financial sector (Black & Lynch, 2004, p. 99). Besides the ability to satisfy clients' needs and facilitate innovation, specialists must be familiar with aspects intrinsic to their sector and be able to conduct business meetings effectively.

In another way, employers contribute to skills development in the sector by providing bursaries for learners. An employer survey conducted by the Financial and Accounting Services Sector Education and Training Authority (FASSET) (2017), discovered that a mere 10 percent of employers offer bursary schemes. Eight percent provide bursaries to employees, four percent to outside candidates and one percent to the children of employees (FASSET, 2007).

2.5.1 Skills development in Namibia's financial sector

As is the case in other countries around the world, Namibia needs to build its financial sector and equip it with institutional skills, with the ability to conduct research and to improve labour-market analysis. The Namibian Government, by way of the Vocational Education and Training Act (VET Act), No. 1 of 2008, established the Namibia Training Authority (NTA). The VET Act tasks the NTA with the responsibility of institutionalising an effective and efficient national training regime, which can address current and future shortages in the labour market. In accomplishing this task, the NTA requires authoritative, consistent and comparable labour market intelligence to inform the development of VET's provisions in Namibia.

The primary purpose of the NTA is to provide advice to the Ministry of Education regarding vocational training and education. Section 24 (1) of the VET Act makes provision for the National Training Fund. All Namibian organisations that employ workers contribute a levy of 1.5 percent of the employers' total payroll to the National Training Fund. The fund may only be drawn upon to provide financial and technical assistance and to fund VET programmes and projects (Namwandi, 2013, p. 2). The financial industry, in collaboration with the NTA, must provide funding allocations for financial skills development interventions within the financial sector (Namibian Training Authority, 2014).

The Namibian Financial Sector Strategy, 2011-2021, seeks to produce reforms in a wide range of key areas, one of which is skills development in the financial services sector, where knowledge, skills, competencies, and capabilities will be key strategic drivers of productivity, competitiveness, and growth (Republic of Namibia, 2010). In response to the objectives and strategies of the Namibian Financial Sector Strategy, the NTA has prepared and adopted a Sector Skills Plan (SSP) for the finance and business services sector. The NTA has created a strong foundation by developing a workable plan for skills development in the sector (NTA, 2014). According to the NTA (2014), an institutional research capacity for national skills planning was to be established between 2015 and 2017. Supporting structures for workplace-based skills development was also to be introduced. Nonetheless, none of these structures have yet been established.

Some financial institutions in Namibia have adopted the Namibian Financial Sector Strategy to overcome and reduce skills disparity in the financial sector. In support of the sector strategy, Bank Windhoek introduced skills development interventions to address skills gaps currently experienced in the financial sector and to introduce competent financial and accounting specialists (New Era, 2014. p.7).

2.6 Brief review of financial skills challenges

2.6.1 A global perspective

Although skills gaps and skills challenges are experienced by most sectors in global economies, financial sectors have had challenges attracting employees with basic numeracy skills who

could be trained in higher-order skills, such as accounting and risk-management (Price Waterhouse Coopers [PwC], 2010). PwC's 18th annual chief executive officers survey of financial services found that an inadequate reserve of vital skills was identified by 70 percent of chief executive officers as a threat to their growth prospects (PwC, 2014, p. 19). Manpower's 10th Talent Shortage Survey established that 38 percent of employers in the financial sector across the globe were struggling to fill vacancies. Japan, Peru, and Brazil were the top three countries that could not fill most vacant positions in the financial sector during 2015. In Manpower's 2008 survey of 33 countries and territories, accounting and finance were listed in the ninth position of the top ten jobs employers found most difficult to fill. Furthermore, it was in the seventh place in their 2015 list (Manpower Group, 2015, p. 4).

In the United Kingdom (UK), the Association of Chartered Certified Accountants (ACCA) declared that the UK is facing a crisis due to a paucity of financial experts (Financial Management, Accounting and Auditing Skills Shortage, 2015). Price Waterhouse Coopers (2010) found that there were shortages and gaps in both generic and financial sector-specific skills in England. Shortages range from basic numeracy, problem solving and people skills, to primary industry and product knowledge, risk management and risk assessment skills (PwC, 2010). According to PwC, a sound, operational, financial services sector could generate over 218,000 additional jobs in the British economy by 2020 (PwC, 2013). Britain's two financial regulators, the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) show high rates of labour turnover. The PRA indicated that one in every six employees left the company in 2014. Figure 2.1 below provides Britain's financial regulation sector turnover rates for the period of 2010 to 2014 (Morse, 2014, p. 31).

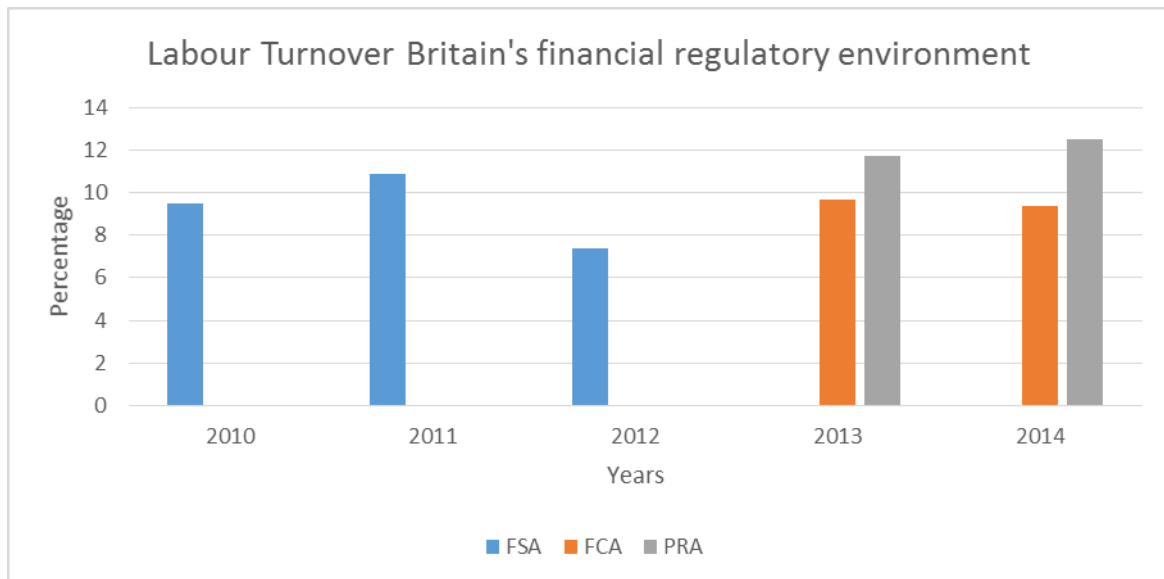


Figure 2.1: Labour turnover in Britain's financial regulation sector

Source: the British National Audit Office

Heavy workloads as well as the implementation of new regulations and standards in the UK's financial regulatory environment have also been offered as primary reasons why employees are leaving jobs to look for manageable employment elsewhere (Morse, 2014, p. 34).

The Gateway Survey (Scotland Skills Investment Plan, 2013) found that the areas of customer services, sales and technical roles in investment operations were in highest demand at that time. Skills identified that would be critical in the future were risk management, compliance, information communication and technology, and investment accounting (Scotland Skills Investment Plan, 2013). To address shortages, Scotland has established more than seventy sectorial Apprenticeship Frameworks (including the financial services) to provide training to a minimum standard of capability levels identified by employers through Sector Skills Committees (Partnership, 2014).

A dearth of skills in the financial sector is significant not only in the United Kingdom, but in countries like New Zealand and Australia as well. In New Zealand, the industry experienced a 5.3 percent growth in demand for accountants between 2002 and 2005 (New Zealand, 2006). According to Half (2011), 84 percent of Australian employers surveyed indicated that skills gaps existed in the financial sector (Robert Half International, 2010). A study conducted by Sattin (2015/2016) of financial and insurance services in Australia found that a third of financial services companies had planned to increase their workforce in 2016 due to business

expansion and workloads. The major challenge for recruitment and selection faced by these firms would have been the scarcity of competent professionals. Soft skills such as client service, communication, risk management, business knowledge, project management, regulatory knowledge, leadership, and compliance were in demand in New Zealand's financial sector at the time of the survey (Sattin, 2016).

In the United States of America, companies are experiencing skills shortages in accounting and finance (American Productivity & Quality Centre, 2010). This was confirmed by a study conducted in 2014 by the Institute of Management Accountants (USA), which found that there was a shortage of highly skilled accounting and finance experts needed to fill key financial and accounting vacancies in American companies. These recruitment challenges hamper company performance and economic growth in the country (Thomson, 2014).

The effect of skills shortages is exacerbated by high labour-turnover rates that are currently experienced by the financial sector in the USA. A job-opening and labour turnover survey conducted by the United States Department of Labour in March 2016 showed that companies in the country's financial sector had experienced an average labour turnover of 9 percent of staff, in the year 2015. Resignations were more numerous in actuarial, IT and financial positions (Expert HR, 2015).

Research conducted by Robert Half Consulting (2015) discovered that chief executive officers in the United Arab Emirates' financial sector, perceived a threat by the potential loss of staff to British and American companies hosted in the country. Investors further confirmed that applicants for jobs proved not competent enough to fill specialised positions in the financial sector (Dickinson, 2015).

More than four in ten (41 percent) Belgian senior managers agree that the dearth of talent in the financial sector is the biggest barrier to building effective cross-functional teams in their companies. Throughout the economic recession, many businesses in Belgium were forced to review the skill sets represented in their workforce. Employers were compelled to devise hybrid human resource strategies to ensure adequate staffing in their companies (Dickinson 2015). Managers of surveyed organisations further confirmed that recruiting qualified accounting and finance experts was their biggest challenge.

The skills shortage is one of the most crucial challenges currently faced by the financial sector in India. Labor turnover rates are high and low levels of succession are regarded as barriers to the growth of the sector. Indian regulatory authorities find themselves hard pressed to develop remedial measures to address these challenges (Shukla, 2014, p. 360). Shukla (2014) also discovered that state-owned financial institutions do not have well-defined employee retention policies, whereas private sector financial entities dedicate more attention to talent retention. Private sector financial organisations can alter their human resource policies according to strategic requirements and competitiveness in the banking environment.

2.6.2 An African perspective

This section focuses on skills development and attendant challenges in the financial sector on the African continent. A selection of cases will be used to describe and analyse challenges and development in the African financial sector. This review will throw light on the skills challenge phenomenon, cascading from a global perspective to a continental one.

2.6.3 African skills challenges in the financial sector

According to Kayode (2015), experts in the fields of accounting and finance play a critical role in Africa's growth pattern. A long-term, human resources development plan for accounting and finance needs formulation to promote general education in these fields. Africa needs a robust financial sector in order to develop its economies. Public-private partnerships and other complex commercial arrangements continue to find a foothold in many African economies. To promote new business models, finance and accounting skills will be necessary to deliver financial reporting, auditing, and other services to boost investors' confidence in African enterprises (Kayode, 2015). The African Development Bank confirmed that there is a continent-wide shortage of skills in the accounting and auditing fields. Competency in these professions is crucial for adaptation to rapidly changing technologies and processes that are a prerequisite for the African financial sector to flourish (African Development Bank Group, 2015).

According to World Bank, regulatory surveys conducted in Africa between 2009 and 2010, Mauritius has a more advanced labour market for accounting professionals than most first-world countries such as Denmark, the UK and Sweden. By contrast, Mozambique, Rwanda

and Malawi are characterised by a scarcity of accountants (Dihel, Fernandes, Mattoo & Strychacz, 2010, p. 4).

In West African countries such as Nigeria, Ghana and Sierra Leone, skills shortages are the biggest challenge for their financial sectors. This problem was confirmed in research conducted by Professor Chibuike Uche from the University of Nigeria. His study concluded that there is a critical shortage of accountants in the financial sectors of Nigeria, Ghana, and Sierra Leone (The Accountant, 2007). In one instance, Ghana supported Professor Uchei's (2010) conclusions precisely regarding the country, and likewise, the need to meet the needs of Ghana's economy.

Challenges posed by skills shortages in the financial sector also exist in Southern Africa. This conclusion was confirmed by research conducted by RUDO Consulting (2012) for the financial sector in Southern Africa. The research revealed that shortages of skills are observed among managers and staff in the areas of information and communications technology (ICT), human resources, risk management, and credit card specialists (Bank Seta, 2013). Table 2.2 below indicates the top ten skills that were sought in the Southern African financial sector for the financial year, 2015/16.

Table 2.2: Top ten scarce skills for 2015/16 in the Southern Africa financial sector

No.	Occupations	Number of positions required
1	Trainee accountant/auditor/article clerk	1249
2	External auditor	255
3	Computer network and systems engineer	153
4	Debt collector	141
5	Financial manager	111
6	Management consultant	108
7	Financial investment advisor	86
8	Office administrator	74
9	Accountant (general)	70
10	Economist	48
	Grand total	2295

Source: (FASSET, 2015)

The greatest challenge faced by employers in South Africa is finding suitably qualified job applicants from previously disadvantaged population groups who have experience in the financial sector.

2.7 Conclusion

In previous paragraphs, this study has provided some information regarding skills needs in the financial sector, efforts made to develop those skills and the challenges associated with skills development in Namibia. In sections 1.2 and 2.3 it has been stated that Namibia has a sound financial sector but also a critical shortage of qualified personnel in several disciplines important in the financial sector. These include accountants, financial consultants, underwriters, and information system administrators, to mention a few. In this sub-section, the literature was reviewed and skills shortages in the financial sectors of selected countries were highlighted. Some patterns have been identified by the brief research, and findings reveal that a shortage of skills in the financial sector is a common phenomenon in western and southern Africa.

CHAPTER 3: RESEARCH METHOD

A research method is “a process by which information and vital data are collected for the sole purpose of deducing informed results during a piece of research” (Kumar & Phrommathed, 2005, p. 43). The process guides the researcher to uncover enough information necessary to answer the research question. Gathering information also implies the observance of ethical considerations when implementing a methodology, which logically, will also define its limits. In this Chapter, the the research methods used are outlined.

3.1 Research design

According to Mouton (1996) a research design serves to “plan, structure and execute research to maximise the validity of the findings” (p.175). A research design is a “plan of action for getting from here to there, where here may be defined as an initial set of questions and there as a set of conclusions” (Yin, 2003, p. 19).

A research design can be thought of as the foundational logic, or master plan, of a piece of research that throws light on how the study should be conducted (Mouton, 1996, p. 107). It shows how the elements of research, which include population, samples, instruments and analysis, work together to produce coherent answers to research questions. Both Cantrell (1993, p. 83) and Guba and Lincoln (1994, p. 109-111) postulate that the choice of a research design has implications for the choice of data collection and analysis in a research study.

It should be noted that every person who initiates a research study begins with certain assumptions about how that research should be carried out. The researcher employed a descriptive quantitative research design. The researcher conducted an evaluation on the status of skills development on the financial sector using a questionnaire that was administered to various institutions and two universities to determine to what extent significant progress has been made to address skills shortages in the financial services sector.

3.2 Study population

Participants were selected based on their membership from the Namibian banking and non-banking financial institutions. Table 3.1 below displays the study population.

Table 3.1: Survey participants: Namibian financial, non-financial institutions and Universities

Institutions	No.	Institutions	No
Financial Regulators	2	Investment Companies	22
Banks	6	Unit Trusts	12
Medical Aid Administrators	8	Stock Exchange	1
Medical Aid Funds	10	Pension Fund Administrator	8
Pension Funds	99	NUST (University)	1
Stockbrokers	4	UNAM (University)	1
Total			174

3.3 Sample and sampling procedure

Stratified sampling was used to select a sample from the 174 institutions classified as the study population. The banking and non-banking entities sampled were categorised according to characteristics they had in common, which would identify them as homogeneous. Therefore, participants were divided into sub-sector categories as indicated in Figure 3.1 below. The database built from surveying those institutions was stratified according to the characteristics in Figure 3.1. The researcher discovered that there was some overlap with the participants. For instance, one participant was registered with NAMFISA both as an insurance company and as an investment manager.

3.4 Sample characteristics

3.4.1 Characteristics of institutions surveyed

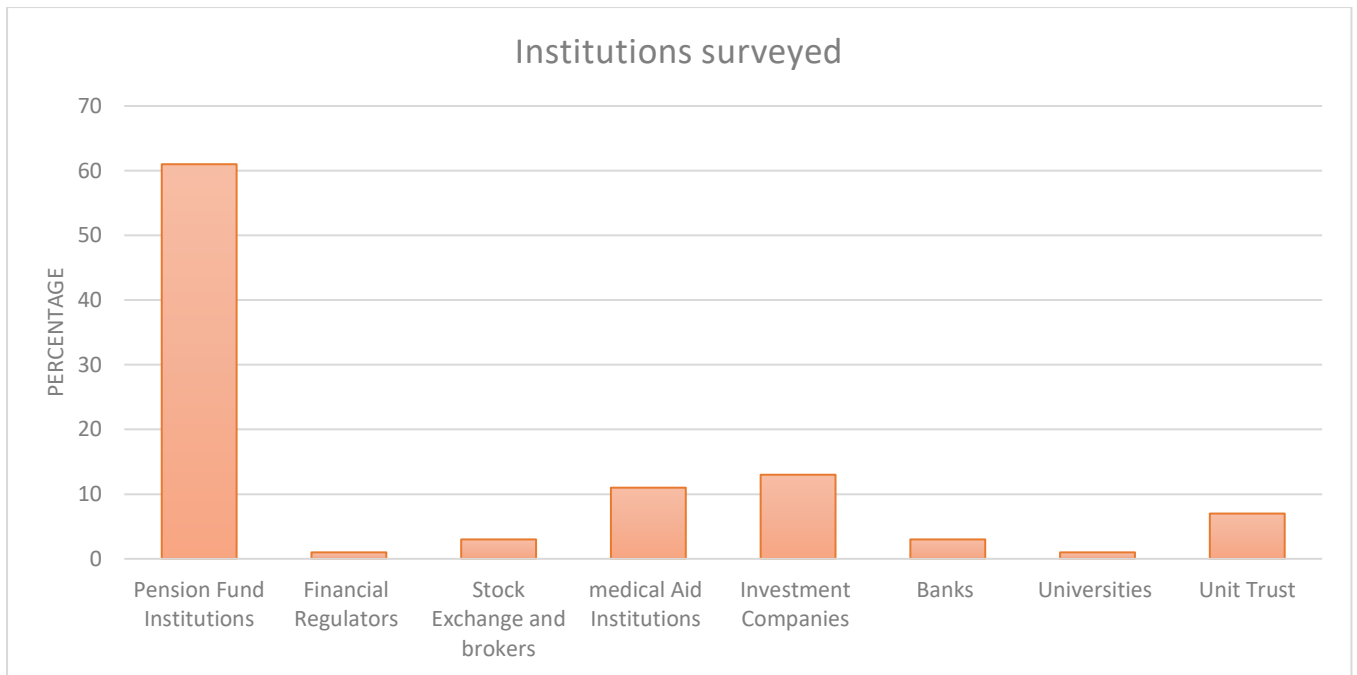


Figure 3.1: Percentage of institutions surveyed

From the institutions surveyed, 61 percent were pension fund institutions, 1 percent financial regulators, 3 percent stock exchange and brokers, 10 percent medical aid institutions, 13 percent investment companies, 3 percent banks, 1 percent universities and 7 percent unit trust. Thirty-one percent of the sample were small enterprises with 0-49 employees. Fifty-four percent were medium enterprises with 50-149 employees, while 15 percent were large enterprises with 150 or more employees.

3.4.2 Gender composition of the financial institutions surveyed

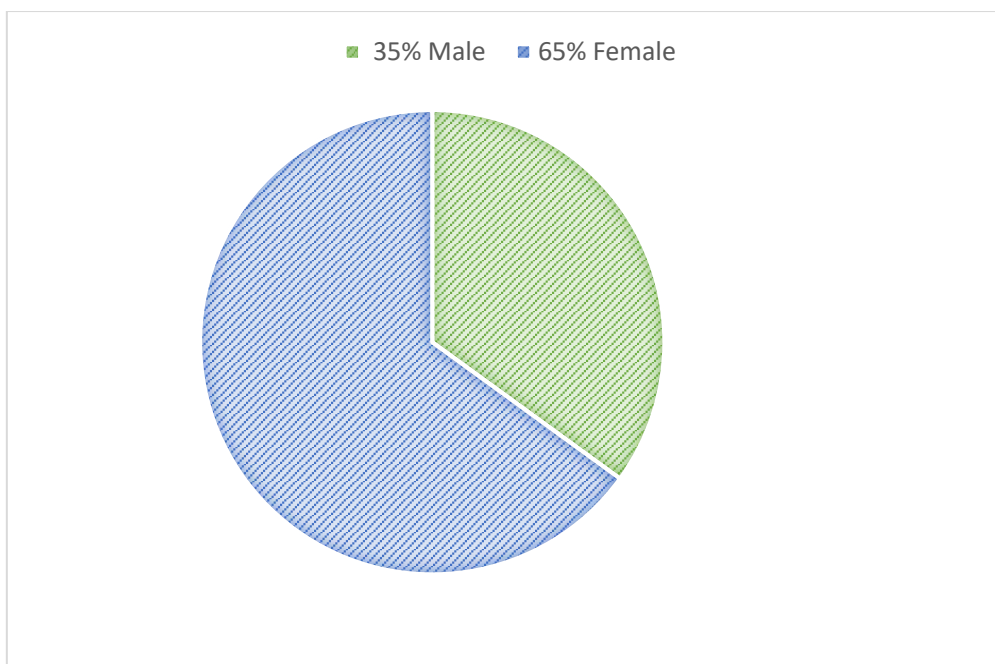


Figure 3.2: Gender composition of the financial institutions surveyed

From the institutions surveyed, 35 percent of employees were male while 65 percent were female. This indicates an unbalanced representation of gender within the Namibian financial sector.

3.4.3 Average age of employees from the financial institutions surveyed

Age Group	Age percentage represented in population
Under 21 years	1%
21 – 29 years	36%
30 – 39 years	34%
40 – 49 years	21%
50 – 59 years	7%
60 years and older	1%
Total	100%

Table 3.2: Average age of employees from the institutions surveyed

From the financial institutions surveyed, 1 percent of the employees were under the age of 21, 36 percent were between the ages of 21 to 29 years, 34 percent were between ages of 30-39 years, 21 percent were between the ages of 40 to 49, 7 percent were between the ages of 50-59 years while 1 percent was represented by the age of 60 years and older. This proves that most financial institutions surveyed employed millennials, between the ages of 21 to 29 years. This

evidences the lack of skills in the Namibian financial sector since most of the millennials are just starting with their careers and have not gained much experience in order to be specialists.

3.5 Research instruments

The research instrument as annexed in Appendix A, (Employer questionnaire) and Appendix B (Universities questionnaire) were utilised to collect data. Based on the aims of the research and to establish the status of skills development within the sector, the researcher compiled a structured questionnaire. The questionnaire was used to ascertain perceptions regarding both existing and projected skills in the financial sector. It was also used to investigate the nature of strategies implemented within the financial services sector in order to address skills shortages experienced by the industry; examine development challenges encountered by the financial sector; identify critical and scarce skills within the financial industry; and investigate skills-development funding mechanisms currently utilised by employers in the financial sector in Namibia.

Ranjeet (1999) notes that scaling is a technique used to measure qualitative responses of participants, such as those based on their feelings, perceptions, likes and dislikes, interests and preferences (p. 209). A selection of responses is evaluated using a weighted scale based on differences of *5 points*. Sample characteristics are selected and coded by the researcher, for example:

a) Size of your organisation/company:

Small enterprise (0 – 49 employees)	
Medium enterprise (50 – 149 employees)	
Large enterprise (150 and more employees)	
Micro enterprise (an informal sector business)	

b) Years in existence of the organisation/company:

0 – 5 years	
6 – 10 years	
11 – 15 years	
16 – 20 years	
20 years and over	

c) What is your labour turnover rate for the last five years?

	0 – 5%	5-10%	10% & more
2011			
2012			
2013			
2014			
2015			

A database of institutions registered as Namibian banking and non-banking financial institutions was initially obtained from NAMFISA. The database encompassed all institutions that were on file. When registering for the skills levy, organisations are asked to describe their business activities and assign themselves a Standard Industrial Classification (SIC) code (FASSET, 2007). Moreover, two electronic questionnaires utilised by the Financial and Accounting Services Sector Education and Training Authority (FASSET) in South Africa entitled: “Skills development in the Financial and Accounting Services Sector” was also adapted for the Namibian context and used in this study as secondary information.

3.5.1 Employer survey

The questionnaire (see Appendix A) comprises 48 questions, arranged in eight sections. This survey elicits precise information about the workplace such as:

- How much is spent on skills development in the organisation?
- How many expatriates did the organisation employ in the last five years?
- What were their labour turnover rates for the last five years?
- Does the organisation have a bursary scheme?
- Does the organisation experience difficulties in finding suitable employees for the advertised jobs?

3.5.2 Universities survey

The Universities questionnaire (see Appendix B) is comprised of 33 questions arranged in six sections. Below are examples of the questions included in the questionnaire:

- Is the organisation accredited as training provider?
- What financial sector-related current courses does the organisation offer?

- Does the organisation set any restrictions on the number of students for your courses?
- Does the organisation set any targets with respect to race, gender and disabilities when admitting students to the courses?
- Does the organisation use assessment or screening procedures to admit students to their organisation?
- Does the organisation offer any bursaries, grants or other forms of financial assistance to students?
- What factors inhibit students' access to education/training in the financial sector?
- Is the organisation involved in interventions or does it plan future interventions to develop a skills base in the sector?
- What was the organisation's student enrolment and output (qualified) for the last five years?

3.6 Procedure

Soft copies of the questionnaire were mailed electronically to the sample, which comprised chief executive officers and human resources executives at the selected banking and non-banking institutions, and to human resource departments at the universities. The researcher informed the participants about the purpose of the study through an attached cover letter. The letter stated that the study is purely for academic purposes. Moreover, the researcher guaranteed the participants confidentiality and anonymity. After receiving responses from the participants, the researcher analysed the data and the results of such analysis are presented in Chapter 4.

3.6.1 Research ethics

Strict observance of ethical standards with regards to personal rights, privacy, and confidentiality of information was exercised throughout the study. Participants were assured that confidentiality would be maintained in processing completed questionnaires and the publishing of data supplied. Welman, Kruger and Mitchell (2005) explain that the principles underlying research ethics are universal. The following principles were observed:

- i) The project was endorsed by the Ethics Committee of the University of Cape Town.
- ii) *Participants' rights and privacy* were taken into consideration at all stages of the research process.

- iii) *Right to confidentiality*: Information gathered in this study was treated confidentially, and no disclosure regarding sources of information was ever made. Access to raw data collected was restricted and content was stored securely. Participants were assured of this fact and the observance of confidentiality was clearly stated in the letter requesting their participation in the research. Leedy and Ormrod (2010) state that researchers must also keep the nature and quality of participants' performance strictly confidential (p.102).
- iv) *Researcher's responsibility and honesty*: The researcher requested permission from the participants to conduct research and acknowledged the work of secondary research (literature review) through in-text referencing and listing of sources in the bibliography.
- v) *Informed consent*: Participants were informed that participation was voluntary on a cover page of the questionnaire. The significance of the research, why participation was important, and implications of non-participation were also explained. In short, it was elucidated for the participants that their participation was totally a matter of choice (Leedy & Ormrod, 2010).
- vi) *Protection from harm*: Participants were assured that they would be protected from subjection to any harm due to participation in the study. This protection was guaranteed by the measure that their identity would not be revealed on the questionnaire. In addition, publishing the findings of the research would be carried out in a manner that did not identify participants.

3.6.2 Data analysis

Data was collected, summarised and analysed using a descriptive method. Information extracted from the questionnaires was collated utilising a Microsoft Excel spreadsheet. A spreadsheet is a document form that organises and displays data and other information in rows and columns (Bernard, Jackson & Randall, 2002, p.106). Bar charts from the spreadsheet were transferred to text pages in Chapter 4 of the research report. Each chart was described and interpreted.

3.6 Conclusion

In this Chapter, the method utilised to conduct research was highlighted with focus on: What are the critical and scarce skills required by the industry and the reasons for the ongoing shortage of skills? What short- and long-term strategies are employed in the sector to realise

skills-development related objectives and strategies set out in the Namibian Financial Sector Strategy and Charter? What are the challenges concerning skills development currently faced by the sector? and What is the spending percentage of employers in the financial sector on skills development? The research design, study population, sampling, research instruments, and procedures, including research ethics and data analysis were also clarified.

CHAPTER 4: FINDINGS

4.1 Introduction

The author made use of both secondary and primary data. The former was collected and published by external sources. The latter was collected by the researcher first-hand, utilising the research instruments. Findings extracted from collected data has demonstrated the status of skills development in the Namibian financial sector since the inception of the Namibian Financial Sector Strategy and Charter in 2012. The essential finding of the research reveals that skills shortages, the expenditure budget allocated for training and the overall labour turnover in the financial sector hinders its skills development.

The findings of the study are drawn from responses received from representatives of selected financial institutions and public tertiary institutions. Financial institutions fall into the categories of employer or beneficiaries of skills development interventions. Tertiary institutions conduct skills development by means of education and training.

4.2 Short- and long-term skills development strategies

This section presents the short-term and long-term strategies employed in the sector to realise skills development-related objectives and strategies set out in the Namibia Financial Sector Strategy and Charter. Firstly, the sector has baseline profiles to assess compliance with the VET Act, and to give direction to skills-development strategies. Additionally, population group and gender profiles are readily available since skills development initiatives are required to support employment equity objectives. Development initiatives set within the financial sector mainly concentrate on stimulating employment opportunities in professions which require skilled employees. Moreover, any skills development strategy focuses on National Qualification Framework (NQF) levels 5 and higher. However, trainers are consistently trained as this is a key component in skills-development.

4.2.1 Sector funding of skills development interventions

This section provides results which address question (d) of the research questions, (*what is the spending percentage by employers in the financial industry on skills development?*). This question highlights the budget set by employers for skills development within their organisations.

4.2.2 Training expenditure per sub-sector

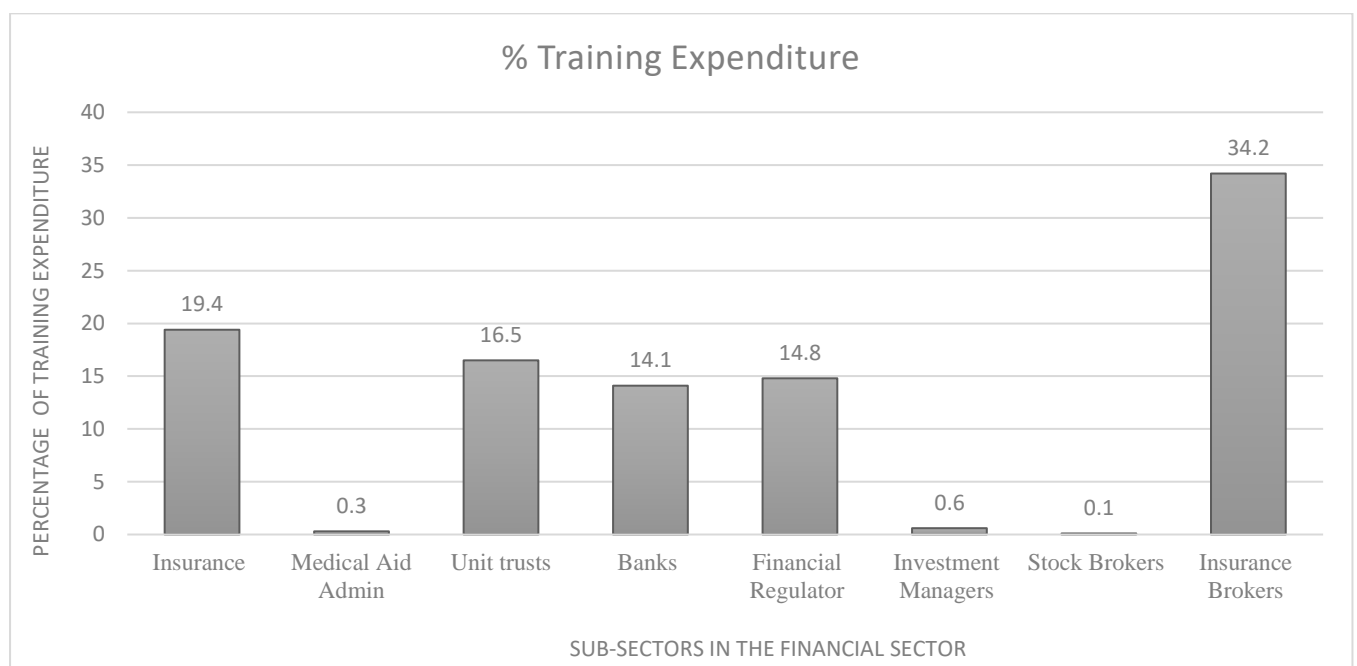


Figure 4.1: Percentage of training expenditure per sub-sector

Figure 4.1 above illustrates the training expenditure per sub-sector in the financial sector. The Insurance brokers have the highest training expenditure percentage (34.2%) compared to all the other subsectors. The stockbrokers recorded a 0.1 percent for their training expenditure, followed by a 0.3 percent by the medical aid administration sub-sector. Moreover, the financial regulators, banks, unit trusts and the insurance sub-sector recorded an average percentage for their spending expenditure. These are 14.8 percent, 14.1 percent, 16.5 percent and 19.4 percent respectively.

4.2.3 Training offered by financial institutions

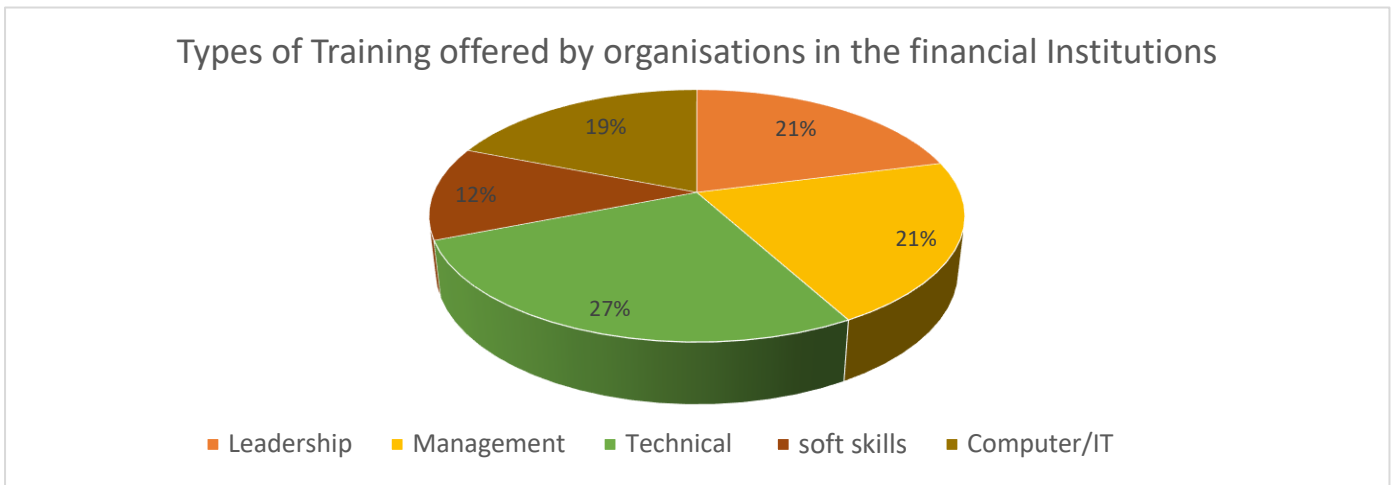


Figure 4.2: Training offered by organisations in the financial sector

Figure 4.2 shows the types of training and development interventions currently offered by financial institutions to close the skills gaps in the financial sector. Interestingly, both leadership and management training are currently being offered by financial institutions on equal levels of 21 percent. In the technical category, training in practical and mathematical skills, scientific tasks, data analysis, project management, social-media formatting, administration, and writing skills are offered at a striking 27 percent. Additionally, the field of computer and IT, which includes software design, cyber security, operating systems, data storage and maintenance received 19 percent of the training in the financial sector. In contrast, soft skills, which represent personal qualities vital to success in the workplace, such as communication skills, critical thinking, leadership, teamwork, and work ethics was offered at 12 percent.

4.2.4 Satisfaction with training provided

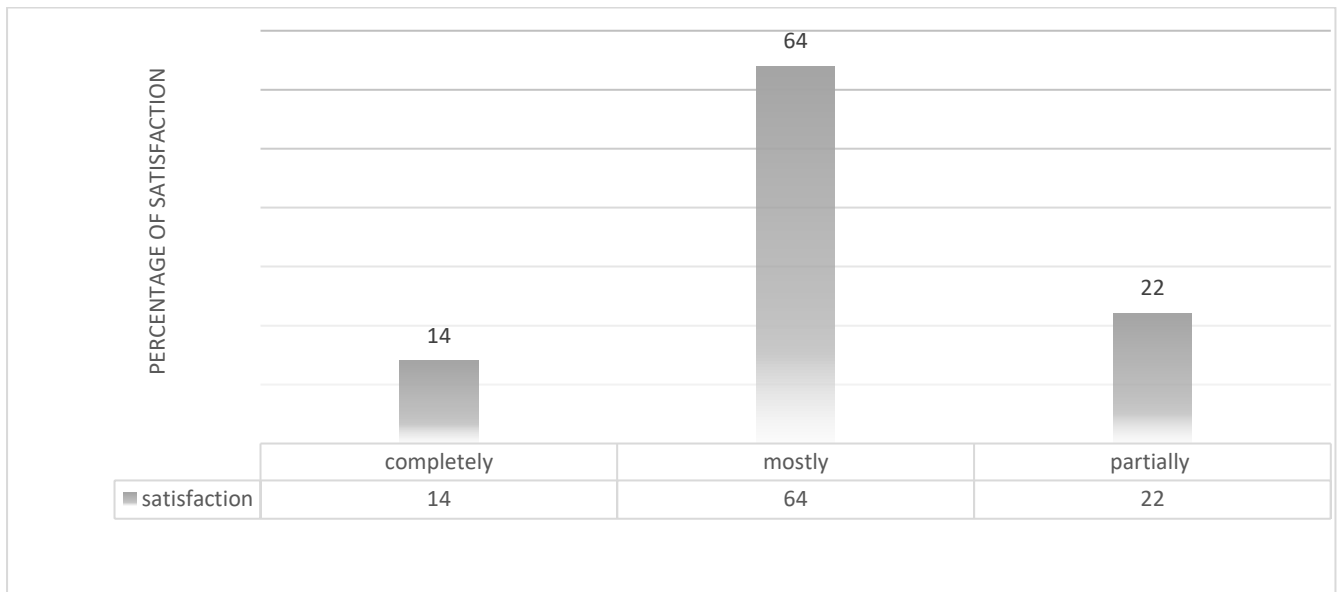


Figure 4.3: Satisfaction with training provided to participants

Figure 4.3 above indicates that 14 percent of the participants were completely satisfied with the training. This group was largely comprised of novices within the financial sector. By comparison, 64 percent of the financial institutions participating in the survey were mostly satisfied with the training offered by the trainers they had assigned to this function. This means that more than half of the training recipients have benefited from the training by acquiring more knowledge. Moreover, 22 percent were partially satisfied with training offered at their institution. One contributing factor in this appraisal was the perception that the training was of no importance to them, meaning that the training was a diversion from their duties in the workplace rather than a support. Furthermore, the highly qualified participants were often counted as members of this group as they were already experts in the field addressed by the training.

4.2.5 Cross- tabulated results - Training satisfaction level as per surveyed participants

Table 4.1: Training satisfaction level as per the banking and non-banking institutions

Training satisfaction level

Participants	Completely satisfied	Mostly satisfied	Partially satisfied	Mostly dissatisfied	Completely dissatisfied
Financial Regulators		×			
Banks	×				
Medical Aid Administrators		×			
Medical Aid Funds			×		
Pension Funds		×			
Stockbrokers		×			
Investment Companies			×		
Unit Trusts		×			
Stock Exchange			×		
Pension Fund Administrator		×			
NUST and UNAM	×				

Table 4.1 above is a cross tabulation of the diverse institutions in the financial sector along with the level of satisfaction with the training provided. The banks, NUST and UNAM represent participants who were completely satisfied with the training. Contrastingly, financial regulators, medical aid administrators, pension funds, unit trusts and pension fund administrator represent those who were mostly satisfied with the training. Additionally, medical aid funds, investment companies and stock exchange represent participants who were partially satisfied with the training provided.

4.3 Financial assistance from financial institutions

4.3.1 Types of assistance offered to staff

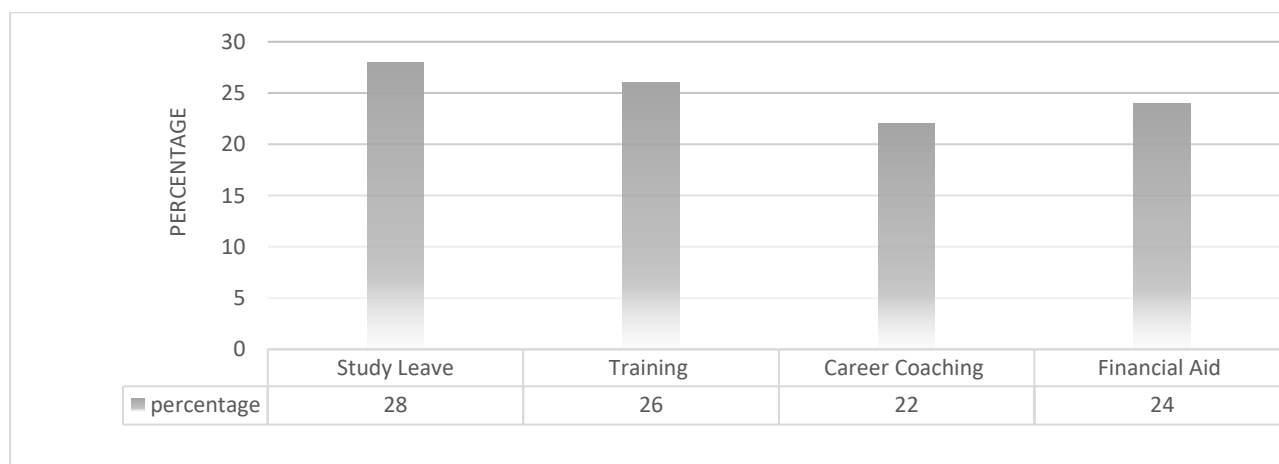


Figure 4.4: Types of skills-development-assistance offered by employers

Figure 4.4 indicates participants' skills-development-assistance as offered by their employers. Regarding study leave, 28 percent of participants stated that their employers granted them study leave. In contrast, 26 percent of participants are trained by industry leaders through workshops, lectures and group discussions. In this regard, employers paid for these types of training. Interestingly, 22 percent of the participants reported that their companies employ counsellors who assist with career development of staff. A large percentage of staff who received career coaching were novices to the industry as they were new graduates. However, of the 22 percent, a few indicated that they did not specialise yet, hence they needed guidance. Likewise, 24 percent of participants reported that their employers provided financial support for academic training. This support usually takes the form of bursaries or loans. Additionally, students are sometimes compensated by their employers after they pass their final examination

4.4 Academic institutions offering finance related programmes/qualifications

4.4.1 Number of NUST graduates from 2012 to 2015

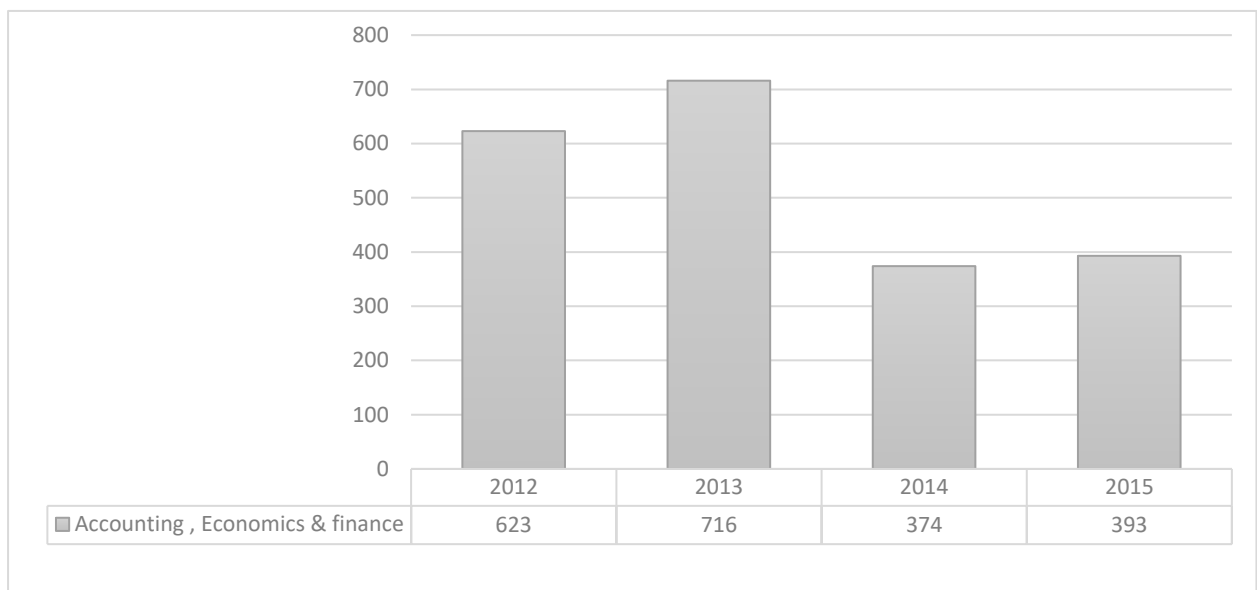


Figure 4.5: Number of NUST graduates from 2012 to 2015

The survey results indicate that NUST offers courses with the aim of awarding qualifications in finance-related courses or programmes. These include accounting, economics and finance. Furthermore, Figure 4.5 indicates that NUST has trained 2,106 graduates who majored in accounting, economics and finance since 2012. The findings, as per Figure 4.5, demonstrate that the number of graduates in these programmes increased in 2013 then decreased to a great extent in 2014. However, the number slightly increased in 2015.

4.5 Skills development challenges

This section provides results which address question (c) of the research questions, which is related to the *skills development challenges currently faced by the financial sector*.

4.5.1 Cross- tabulated results - Skills challenges in the financial sector

Table 4.2: *Skills development challenges in the financial sector*

	Count % of participants who highlighted the challenges		
	6%	12%	23%
Budget constraints/ training expensive	×		
Determining the quality of the trainer/course before attending	×		
Difficult to find someone with the right aptitude to teach the skills	×		
Lack of management commitment	×		
Lack of performance appraisals		×	
Limited service providers to offer required course content			×
No framework to ensure acquired or developed skills implementation	×		
Staff not motivated for personal development	×		
Tight work deadlines or no chance to attend training courses	×		
Unable to practically measure return on investment	×		

Table 4.2 above displays a cross-tabulated list of skills-development challenges currently experienced by the financial sector. The overarching factor contributing to the lack of skills development within the financial sector is the *limited service providers who offer required course content* (23%). The minor factors contributing to the lack of skills is at 6 percent which include *budget constraints/training expenses; determining the quality of the trainer/course before attending; no framework for ensuring acquired or develop skills implementation; tight work deadlines or no chance to attend training courses; and unable to practically measure return on investments on skills development*. However, the *lack of performance appraisals* accounts for 12 percent of the skills challenges experienced by the financial sector.

4.6 Overall labour turnover

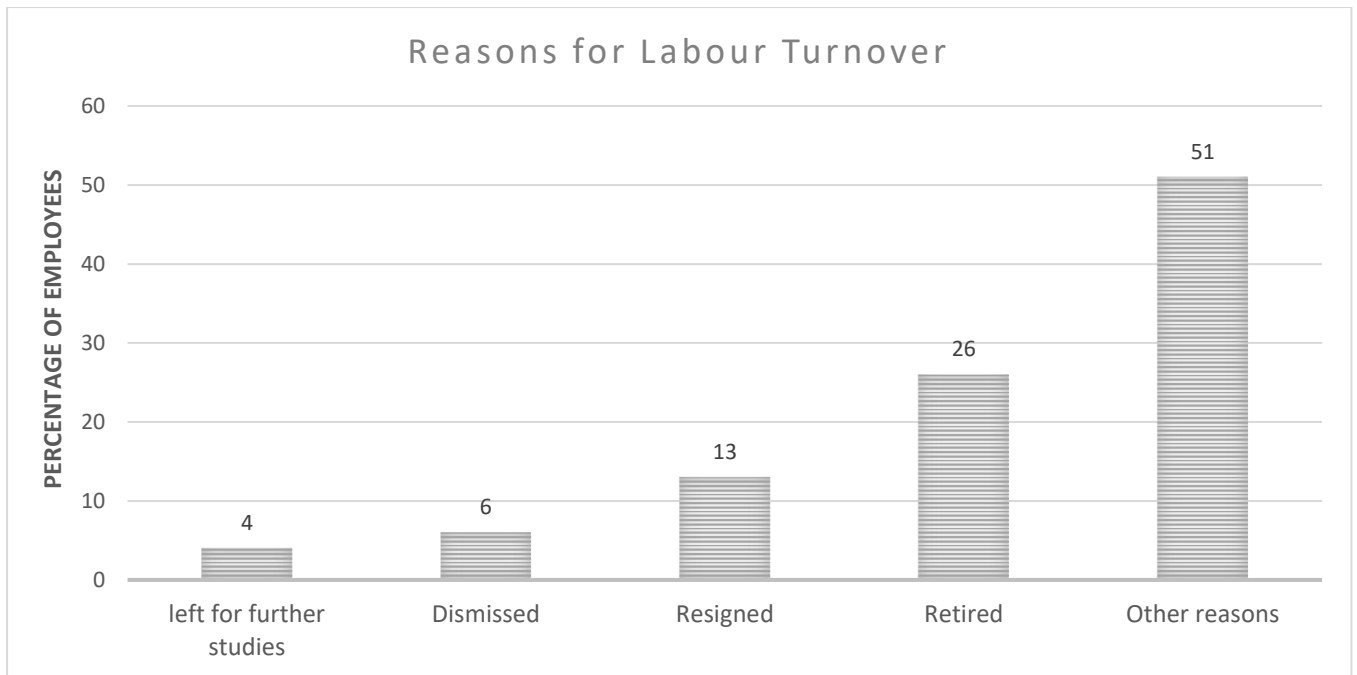


Figure 4.6: Overall labour turnover

Based on question 3.10 (*how many employees left your organisation during the last five financial years*) and question 3.11 (*of those who left, how many left because they had completed further studies, were dismissed, resigned, retired, other reasons (please specify)*) of the employer questionnaire, findings as shown in Figure 4.6 reveal that over the past five years, the majority of employees (51%) either left, or were forced to leave their employment for several reasons. These reasons include *unexplained resignations or dismissals*, such as *non-renewal of work permits, the expiration of contracts, disability or emigration*. However, results show that 4 percent of employees left due to *further their studies*, 6 percent of employees left due to *dismissal*, 13 percent of employees *resigned* while 26 percent had *reached their age of retirement*.

4.6.1 Labour turnover per sub-sector

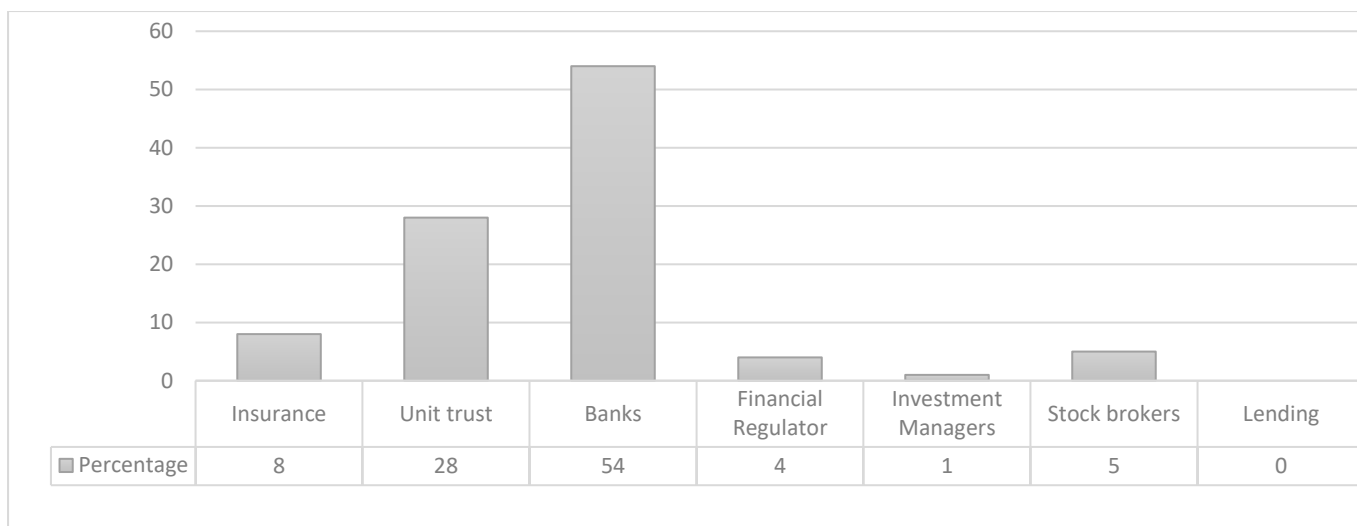


Figure 4.7: Labour turnover within the sub-sectors

Survey findings indicate that among seven professional fields in the financial industry, banks experienced the highest turnover rate of (54%). The shortage of skilled labour caused by turnover influences the long-term productivity of banks. Thus, turnover rates within the banks results in them being less competitive. Moreover, unit trusts had the next highest turnover of 28 percent, followed by insurance (8%), stockbrokers (5%), financial regulators (4%) and the investment managers (1%). The lending sub-sector had no turnover as per respondents.

4.7 Cross tabulated results - Critical and scarce skills required in the Namibian financial sector

This section provides results which address question (c) of the research questions (*what are the critical and scarce skills required by the industry and reasons for the ongoing shortage of skills?*) which relates to critical industry skills that are scarce and explores reasons for the skills shortages in these areas.

Table 4.3: Critical and scarce skills required in the Namibian financial sector

	Count % of participants indicating the shortages in the sector						
	1%	3%	4%	5%	6%	7%	32%
Accountants	×						
Actuarial						×	
Branch Managers							×
Business Development Consultants	×						
Chief Risk Officer	×			×			

Claims Negotiations/Technicians			×				
Client Executives	×						
Compliance Officer	×						
Employee wellness & IR officer				×			
Finance Administrator Projects		×					
Forex Consultants			×				
IT Assistant	×						
Legal and Collections Officer		×					
MIS Specialist				×			
Personal Assistant/Receptionist	×						
Personal Banker		×					
Portfolio Managers			×				
Premises/Maintenance Officer	×						
Project Office Administrator	×						
Recovery Officers		×					
Research Analyst/Officers		×					
Sales Support	×						
Senior Internal Auditor	×						
Short term assessors				×			
Tellers	×						
Treasury Dealers			×				
Underwriters	×						
Valuation Officers		×					

Table 4.3 above is a cross-tabulated list of areas in which skills shortages, defined by the type of profession, are experienced in the financial sector. This tabulation provides clear evidence of the existence of skills shortages in the financial and accounting services sector. Thirty-two percent of employers' participants indicated that they were hard pressed to find capable candidates to fill posts as branch managers. On the contrary, participants who believed that changes might take place in the future indicated they foresaw that more professionals would enter the sector and that current skills shortages would be alleviated. Seven percent of participants indicated that the actuarial position was also a shortage to the financial sector. Chief risk officer, employee wellness & IR officer, MIS specialist and short term assessors were indicated by 5 percent of participants as a shortage in the financial sector. Four percent of participants indicated that the positions of claims negotiations/technicians, forex consultants, portfolio managers and treasury dealers remained a shortage in the financial sector. Positions indicated by 3 percent of the participants as a shortage to the financial sector were finance administrator projects, legal and collections officers, personal bankers, recovery officers, valuation officers and research analyst/officers. Last but not least, accountants, chief risk officers, client executives, compliance officers, IT assistants, personal assistants/receptionists,

premises/maintenance officers, project office administrators, sales support, senior internal auditors, tellers and underwriters were indicated by 1 percent of the participants as a shortage in the financial sector.

4.7.1 Cross tabulated results - Reasons for skills shortage

Table 4.4: Reasons for skills shortages

Count % of participants who highlighted the challenges					
	4%	8%	13%	17%	25%
Unqualified candidates - lack of relevant experience				×	
Demand for financial services			×		
Employee turnover					×
Increase in the demand for financial services					×
Insufficient student output		×			
Lack of candidates with specialization				×	
Outsourcing of financial services	×				
The role of professional bodies in controlling supply				×	
Underutilization of highly skilled staff	×				

The surveyed cross-tabulated findings display reasons that contributing to skills shortages in the financial sector. The increase in the demand for financial services and employee turnover were cited by 25 percent of participants as the top reasons for skills shortages. Unqualified candidates (lack of relevant experience), the lack of candidates with specialization and the role of professional bodies in controlling supply were cited by 17 percent of the participants as the next top reasons for skills shortages. Thirteen percent of the participants indicated that the demand for financial services was a valid reason for the skills shortage. Likewise, insufficient student output contributed towards skills shortage as indicated by 8 percent of the participants. The underutilisation of highly skilled staff and outsourcing of financial services contributes to skills shortage in the financial sector as indicated by 4 percent of the participants.

4.8 Overall bursary-scheme distribution

Most institutions in the financial sector provide opportunities for students to develop skills through a bursary scheme. This is an area of funding that may see development in the future. Several participants who do not have bursary schemes asserted that they perceive a need to institute such schemes. Moreover, employee bursary schemes pave the way for well-deserving

employees, as well as their children, to gain access to education, which they otherwise might never be able to afford with their salaries.

4.9 Conclusion

In this Chapter findings were presented from the research questions: a) what are the critical and scarce skills required by the industry and the reasons for the ongoing shortage of skills? b) What short-term and long-term strategies are employed in the sector to realise skills development related objectives and strategies set out in the Namibian Financial Sector Strategy and Charter? c) What are the challenges concerning skills development currently faced by the financial sector? d) What is the spending percentage by employers in the financial industry on skills development?

The primary data was collected by means of two types of questionnaires (employer questionnaire and universities questionnaire). Likewise, skills development interventions being conducted in the financial sector were reviewed which served as secondary data. These interventions serve to address skills shortages currently faced by the financial services sector in Namibia. The subsequent Chapter contains a discussion of these findings.

CHAPTER 5: DISCUSSION

5.1 Introduction

The study aimed to document the status of skills in the financial sector since the inception of the Namibian Financial Sector Strategy and Charter in 2012. Additionally, through the specific research objectives, the study aimed to: a) investigate the nature of strategies implemented within the financial services sector in order to address skills shortages experienced by this industry; b) examine development challenges encountered by the financial sector; c) identify critical and scarce skills within the financial industry; d) and, investigate skills development funding mechanisms currently utilised by employers in the financial sector in Namibia. Findings extracted from collected data have demonstrated the progress that has been made in Namibia with regards to skills development in the financial sector since the inception of the Namibian Financial Sector Strategy and Charter in 2012. The essential finding of the research maintains that skills shortages, the expenditure budget allocated for training and the overall labour turnover in the financial sector hinders its skills development. In this Chapter, a discussion of the study's findings are presented and concludes the study by providing recommendations for future research.

5.2 Status of skills development in the financial sector

The financial industry, in collaboration with NTA, provides funding allocations for financial skills development interventions within the financial sector. In response to the objectives and strategies of the Namibian Financial Sector Strategy, the NTA has prepared and adopted a Sector Skills Plan (SSP) for the finance and business services sector. The development of soft skills will assist the industry to close skills gaps identified by the NTA. From the findings indicated in Figure 4.2, it appears that most employers and trainees are satisfied with the training received from their respective service providers.

Participants expressed the need for financial skills across a broad spectrum of workers in the financial sector. However, their comments concentrated primarily on the subdivisions of the

sector in which they were employed. The study has revealed that individual employers in the industry are implementing training interventions to address skills gaps in their respective organisations. These interventions range from technical training to management and leadership training. Training in the areas of information technology and soft skills has also been provided by employers in the industry. The actual provision of training and development interventions to build skills levels in the industry was usually outsourced.

Additionally, the primary data indicates that, though training and other interventions are being implemented, the effort is hampered by relatively high levels of labour turnover. Results in Figure 4.6 show that 4 percent of employees left due to furthering their studies, 6 percent were dismissed, 13 percent resigned while 26 percent retired. Additionally, Figure 4.7 shows the labour turnover within the sub- sectors: insurance accounts for 8 percent of turnover, unit trusts 28 percent, investment 1 percent, lending 0 percent and stockbrokers 5 percent. The highest rate (54%) of employee turnover in the sector is encountered by banks. Understanding the labour turnover in the financial sector is important because turnover is directly related to skills shortage. Skills shortages are constraining companies' ability to grow, innovate, deliver products and services on time, meet quality standards and meet environmental and social requirements (Paisey &Paisey, 2010). Hence, uncontrolled labour turnover could negatively affect the long-term productivity of the financial sector. As a result, banks will not provide clientele with new innovative products or even maintain their present level of service such as those found in developed countries (Harvey, 2012).

Some financial institutions in Namibia have adopted the Namibian Financial Sector Strategy to overcome and reduce the skills disparity in the financial sector. In support of the sector strategy, Bank Windhoek introduced skills-development interventions to address the skills gaps currently experienced in the financial sector and to introduce competent financial and accounting specialists. The results indicate that the number of students graduating from NUST has declined between 2011 and 2015. NUST's output dropped by 28 percent from 2012 to 2015. It is possible that this is linked to declining interest in finance-related programmes or because potential students do not meet entrance requirements set by tertiary institutions (FASSET, 2007).

5.3 Skills-development challenges identified

Findings indicate that employers have faced a variety of challenges relating to skills development within the sector, and these include a shortage of service providers offering relevant courses and a lack of performance appraisals. In addition, some participants maintained that a lack of skills development due to budgetary constraints and low motivational levels regarding personal development, among other challenges, were contributing factors. The study revealed definite skills gaps in the contemporary workforce, as well as specific areas that need constant training. The first and most obvious need is for training in soft skills, which include oral and written communication skills, presentation skills and client-service-orientation skills, among others. The second area is the need for computer literacy and the development of computer skills in all professional categories. Furthermore, though technical skills received 27 percent attention in training, the management and leadership skills received 21 percent of all training. Nevertheless, an ongoing need for training in those areas is progressing.

The skills-development challenges in the financial sector are exacerbated by high labour turnover currently experienced in the industry. Labour turnover is associated with non-renewal of work permits and expiry of contracts for immigrants among the 51 percent of employees who left their jobs over the past five years. This statistic reveals a contradiction in the stated official stance where the strategy is to import critical and scarce skills from other countries in order to close skills gaps experienced in the sector. From the findings of the primary research, the importation of skills from neighbouring countries has not been effective to close the skills gap. The sector is further threatened by the loss of skilled professionals in finance to multinational companies such as Deloitte, PwC and KPMG. These companies offer global opportunities to employees in their sister companies operating all over Africa. This confirms findings of research by Half (2015) in the United Arab Emirates, where the financial sector is losing valuable staff to British and American companies (Dickinson, 2015).

The results of the study show that employees are also leaving the sector for reasons such as retirement, resignation, dismissal and to advance their studies. It is therefore crucial that employers in the industry implement career planning to assure succession as specialists move out of positions. As indicated in Figure 4.1, there is a large gap in training expenditure: the insurance sub-sector accounts for 19.4 percent of training expenditure, unit trusts 16.5 percent, banks accounts for 14.1 percent, financial regulators 14.8 percent while insurance brokers accounts for 34.2 percent. However, medical aid administration is at 0.3 percent, investment

managers is at 0.6 percent, and the gap for stockbrokers is at 0.1 percent. As such, thoughtful planning needs to be considered in order to equate all training expenditures. Moreover, as depicted in Table 4.2, limited service providers to offer required course content accounts for 23 percent of skills challenges. As such, skills management strategies to ensure advancement in skills need to be initiated. Likewise, the decline in NUST's graduates from 623 in 2012 to 393 in 2015 needs to be addressed. Moreover, financial constraints may prevent graduates from continuing with post-graduate studies and from acquiring professional registrations. NUST and UNAM should offer bursaries or grants to students who want to pursue training in the specific fields. These institutions should consider appointing student advisors or facilitators who can help students with problems, and they should provide extra lessons if necessary (Franck, 2013). Moreover, these institutions should offer additional time for one-on-one consultation when necessary. In the meantime, they should develop their staff - in this case, lecturers - through short courses, collaborating in research, and hosting conferences with different stakeholders (Anitha, 2014).

During the process of collecting information in the survey, it became apparent that UNAM and NUST had conducted research on labour market requirements in collaboration with employers on a small scale by initiating in-depth consultations. Such collaborations should be continued to promote alignment of educational programmes with the requirements of the labour market. Interventions to improve experiential learning for students should also be implemented. A 'career fair' should be held to promote interaction between employers and students in finance fields while inviting professionals to speak to students during their studies. Students visiting diverse workplaces should also be encouraged.

5.4 Financial-sector skills shortages

The shortage of skills in the Namibian financial sector is one of the main challenges hampering growth and it contributes to a high unemployment rate in the country. By the same token, the financial sector is arguably one of the most important industries in the Namibian marketplace. Without a sound financial sector, the Namibian economy would fall into chaos, meaning that a spiralling financial services skills shortage could have significant long-term implications. The question whether skills shortages existed in the sector was posed to many stakeholders and was inspected from different angles. For one, employers who participated in the survey confirmed

the dearth of candidates possessing the skills required to serve as branch managers as only 32 percent of the applicants were suitably qualified.

The study identified several reasons for skills shortages. a) The increase in demand for financial services: over the past years, Namibia has seen positive economic growth, which represents an increase in the demand for financial services. Growth has occurred in the proliferation of small and medium-sized businesses since they have a greater tendency to rely on exterior services than large businesses do. b) Outsourcing financial services: a universal tendency in all sectors is that businesses redefine and concentrate on primary business activities while outsourcing peripheral and secondary activities (Backes-Gellner & Tuor, 2010). Thus, the tendency of some financial services regarded as non-core activities and being contracted to specialised accounting firms increases the demand for financial services.

Likewise, low student intake also contributes to skills shortage in the financial sector. NUST, UNAM, as well as other institutions in the Namibian academic environment, limit the number of students allowed to register in any academic year. Relevant personnel have stated that an insufficient number of facilities is also the main reason for this. Furthermore, financial restrictions not only prevent potentially good students from enrolling with institutions of higher learning, but also contribute to high dropout rates, or elongated periods of study.

The findings of the study reveal that the systems and strategies in place are not efficient in decreasing the lack of skills development or skills gap within the Namibian financial sector. Moreover, as far as skills shortages are concerned, the financial services sector cannot be viewed in isolation. Financial and related skills are utilised in all sectors of the economy and from statistics highlighted in this study, it appears that the perceived skills shortages are not only the outcome of growth in the demand for financial services but are to a great extent the result of an increase in the demand for financial skills in the public, business and industrial sectors (Backes-Gellner & Tuor, 2010). For this reason, other sectors in the economy should also engage in promoting the acquisition of financial skills in Namibia.

5.5 Skills retention in the financial sector

Figure 4.7 shows the labour turnover within the sub-sectors. The banks' current labour turnover rates at 54 percent is relatively high compared, for example, to the United States at 9 percent (Expert HR, 2015) and the UK at 12.5 percent (Morse, 2014). According to the employers who participated in this study, 51 percent of the workers in the sector left their places of work over the past five years. Among the employees who resigned, 13 percent, (as indicated in Figure 4.6), said they left because they were not happy with the working conditions offered by their respective employers. It is commonly understood that when an employee's personal goals correspond reasonably to their organisational goals, the likelihood that an employee will leave the organisation can be successfully reduced. In contrast, when it is relatively easy to recruit and train new employees and at a relatively low cost, it is possible to sustain high quality service provision, despite a high turnover rate as portrayed in the banking sector at 54 percent (Figure 4.7).

Moreover, the insurance sector accounts for 8 percent of labour turnover within the financial sector while the unit trust sector accounts for 28 percent. The insurance sector plays a vital role in financial and economic development. "By reducing uncertainty and the impact of large losses caused by various reasons such as labour turnover, the insurance sector can encourage new investments, innovation, and competition" (Feyen, Lester & Rocha, 2011, p. 2). Additionally, the insurance sector can also improve the effectiveness of other subdivisions of the financial sector, such as banking and unit trusts. A moderate level of staff turnover can reduce costs within organisations where business levels are unpredictable from month to month. Thus, employers in the sector should implement a combination of retention strategies such as improving organisational operating principles, increasing employee benefits, remuneration levels, internal relationships, training programmes, cultivating employee participation, individual attitudes towards work and improving organisational fairness. However, employers should also ensure that new recruits possess enough skills to perform their jobs effectively.

5.6 Funding mechanisms

One way in which employers contribute to skills development in the sector is making bursaries available. Results indicate that 24 percent of employers provided financial aid to their employees. Likewise, the financial aid was also beneficial to external candidates as well as the

employees' children. This corresponds to the study conducted by FASSET (2007), which claimed that "10 percent of employers indicate they have bursary schemes. Eight percent give bursaries to employees, four percent to outside candidates and one percent to the children of employees" (FASSET, 2007). Financial institutions also offered additional financial assistance and study leave to their employees between 2012 and 2013, to help them improve their academic qualifications as depicted in Figure 4.4. This statistic is in line with the objectives of the strategy, which require employers to provide continuous skills-development interventions for staff members in order to be on par with international regulations and standards.

For the Namibian financial sector to be competitive internationally, skills development and training need to be conducted and continuously improved as a matter of urgency. It should be required that all employers establish adequate budgets for skills development. Moreover, providing bursary opportunities and funding for the training of employees by all employers in the sector will help address the identified skills gaps.

5.7 Recommendation for sectorial stakeholder collaboration

In consideration of findings from both primary and secondary data, organisations in the financial sector together with other stakeholders should consider fast-tracking the establishment of an institutional research capacity for national skills planning. Since 13 percent of employees were found to resign for sundry reasons, organisations should endeavour to avoid both immediate and remote causes of high labour turnover, which include the reduction of wages. Moreover, they should develop effective policies regarding staff recruitment and dismissal and introduce incentives that encourage employees to remain with current employers (Bortz, 2018).

Employers in the financial sector should collaborate with service providers in education, training and development to ensure that tertiary programmes are aligned with sector skills requirements. Most sub-sectors have a low training budget which could mean that they do not take enough pride in the enhancement of skills. A sector training and development plan should be developed to ensure that identified skills are nurtured. Likewise, employers need to take ownership of skills development to avoid the mismatch of skills currently experienced by the

Namibian Financial sector. In the next section, the limitations pertaining to this study are highlighted.

5.8 Study Limitations

The main shortcomings of the study and how these might have been avoided (Babbie & Mouton, 2001) are reviewed in this section. The limitations of this research are linked to the literature, as well as the primary data of this study. According to the limitations pertaining to the literature, the researcher tried to source the first hand or primary information in all the cases where the references were cited. The references were utilized depending on their availability. A few references could not be traced, however, the comprehensive argument of the author was utilized.

The researcher observed that some participants did not have a clear understanding and denotation of the term skills shortage, and this denotation varied from one employer to the next. Most participants referred to motivational deficits, in correlation to both current and prospective employees. This suggests that a lack of social skills is a vital factor of the skills shortage problem. These findings highlight two limitations in this literature: first, there is no appropriate or commonly accepted measure of skills shortage. Additionally, there is no steady understanding between employers as to what they agree to be categorised as skills shortage.

The study aimed to document the status of skills in the financial sector since the inception of the Namibian Financial Sector Strategy and Charter in 2012. There is a significant number of views on the progress that has been made within the Namibian financial sector. An additional limitation is the skills shortages as presented in *Table 2.1: Skills demand in Namibia's financial sector*, *Table 2.2: Top-ten scarce skills for 2015/16 in the southern African financial sector*, *Table 4.3: Critical and scarce skills required in the Namibian financial sector*. These skills were drawn from a wide variety of sources and there is a chance that other vital skills were omitted. Finally, based on some organisations' policy of privacy, it was challenging for the researcher to acquire some basic information such as *the total salary bill for the last fiscal year of the organisation*.

5.9 Areas for future research

Further studies could examine retention strategies that could be implemented by employers in the banking sector to reduce or minimise the high labour turnover currently experienced. This kind of turnover is harmful to productivity in the financial services sector, since workers with the required skills often leave their employment for what they perceive to be greener pastures. This phenomenon might be attributable to unsatisfactory working conditions in the financial services sector.

5.10 Conclusion

Findings extracted from collected data has demonstrated that the Namibian financial sector has improved its skills shortages and challenges experienced since the inception of the Namibian Financial Sector Strategy and Charter in 2012.

The essential finding of the research maintains that skills shortages, the expenditure budget allocated for training and the overall labour turnover in the financial sector hinders its skills development. Moreover, explanations of causes for skills shortages have been a recurring subject of analysis and are verified to be an important component in understanding the relation between skills shortages and sector performance. During recent years, Namibia has witnessed economic growth, which is an indication that the demand for financial services has increased. The Namibian Financial Sector Strategy and Charter has improved the development of initiatives in the financial sector to concentrate on stimulating employment opportunities. Additionally, skills-development strategies focusing on National Qualification Framework (NQF) levels 5 and higher and the training of industrial trainers has been improved in a similar manner.

The shortage of skills and a lack of experience in the workplace, coupled with labour turnover, were identified as challenges experienced by the industry. What is evident from the study is that these challenges are not unique to Namibia but affect the global labour marketplace as well. The situation could, in part, be due to the process of globalisation. Skills shortages in the financial sector in Namibia were identified in the categories of branch managers, accountants, bank tellers, forex consultants and actuarial scientists. Reasons for skills shortages in financial institutions in Namibia include the paucity of qualified Namibian candidates, the lack of candidates with specialization, unqualified candidates (lack of relevant experience), demand for financial services, employee turnover, increase in the demand for financial services,

insufficient student output, outsourcing of financial services, the role of professional bodies in controlling supply and the underutilization of highly skilled staff.

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APPENDICES

Appendix A: Employer Questionnaire



NAMIBIAN FINANCIAL sector skills audit EMPLOYER questionnaire

July/August 2015

Dear Sir/Madam,

The skills shortage was identified as one of the biggest obstacles for the Namibian government to reach its economic growth targets (Joint initiative on priority skills acquisition, 2015). The Namibian government through the Ministry of Finance developed a financial sector strategy covering the period 2011 -2021 which focuses amongst others on, Skills development in the financial sector (Ministry of Finance Namibia, 2011). The approach supports the National Human Resources Plan 2012 -2025, in which a net demand of 19,074 positions was estimated for the financial sector for the 2012-2015 periods. The National Human Resources Plan also directs sectors to come up with sectorial plans to address the skills gaps in their respective industries in the country (Namibian Government, 2012).

As part of my MPhil studies at the University of Cape Town, I am investigating as to what type of skills development are in place to address the skills shortage currently faced by the financial sector in Namibia. The research has been approved by the Commerce Faculty Ethics in Research Committee. The result of this study will provide information on the status quo of the skills development and shortages with the financial sector.

As a representative of your company, you are requested to complete a survey that asks questions about skills development interventions in your organisation. This questionnaire is intended for all firms within the financial sector regardless of your workforce size.

Your participation in this study is completely voluntary. Although there are no risks associated with this project, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. Your response is greatly valued and appreciated.

Your survey responses will be strictly anonymous and data from this research will be reported only in the aggregate. Your information will be coded and will remain confidential. If you have questions at any time about the survey or the procedures, you may contact Heritha Muyoba at 264811279106 or by email at the email address specified below.

Thank you very much for your time and support.

IMPORTANT NOTES:

- ❖ This questionnaire should take you approximately **20 minutes** to complete.
- ❖ The questionnaire is divided into **six(6) Sections**, namely:

Section One: Deals with the organisational information.

Section Two: Deals with the financial information of the company – in respect of your training budget.

Section Three: Deals with the employee profile of your organisation. You will need to have specific company information (e.g. number of employees, gender breakdown, equity information, etc.) on hand to complete this section.

Section four: Deals with bursaries that your organisation provides within and outside the organisation.

Section Five: Deals with enterprise based people development standards.

Section Six: Current training and future training, skills and in-house support

- ❖ All responses to this questionnaire will be treated with the strictest **confidence** and **anonymity**.

- ❖ Please complete this questionnaire as honestly and comprehensively as

SECTION ONE: ORGANISATIONAL INFORMATION

1.1 Please answer the following questions as honestly and accurately as possible.

Name of the Company	
---------------------	--

1.2 Size of your organisation/company:

Small enterprise (0 – 49 employees)	
Medium enterprise (50 – 149 employees)	
Large enterprise (150 and more employees)	
Micro enterprise (an informal sector business)	

1.3 Years in existence of the organisation/company:

0 – 5 years	
6 – 10 years	
11 – 15 years	
16 – 20 years	
20 years and over	

1.2 From the list below, please select only one applicable to the main business activities of your organisation.

Institutions	No.	Institutions	No.
Financial Regulators		Investment Managers	
Banks		Unit trusts	
Auditing and Accounting Firms		Microfinance Institutions	
Medical Aid Funds		Stock Exchange	
Pension funds		Insurance Brokers	
Stock Brokers		Insurance Agents	
Insurance		Friendly Societies	
Medical Aid Administrators		Other specialized finance institutions (please specify)	

SECTION TWO: FINANCIAL INFORMATION

Please provide information on the amount spent on training for the last fiscal year of your organisation (if you do not have accurate figures available, please estimate and indicate the figures as such in the space provided). Direct expenditure on training should include all direct fixed and variable costs, e.g. courses fees, venue costs, travel expenses, accommodation costs, and trainer's salaries. On the job training should be included only if it can be quantified as a direct cost.

2.1 Please indicate your organisation's financial year (e.g. July – August)		
	Actual	Estimate
2.2 Direct expenditure on training		
2.3 Time expenditure (cost of working time lost while employee undergoes training)		
2.4 Turnover for the last financial year of your organisation		
2.5 Total salary bill for the last fiscal year of your organisation.		
2.6 What percentage of your annual expenditure is allocated to skills development and training programmes?		

SECTION THREE: EMPLOYEE PROFILE

3.1 please indicate the number of branches/offices per region, and the total number of employees at those branches/offices.

Region	Number of employees
Oshikoto	
Otjozondjupa	
Oshana	
Omusati	
Omaheke	
Ohangwena	
Kunene	
Khomas	
Okavango West	
Okavango East	
!Karas	
Hardap	
Erongo	
Zambezi	
Total	

3.2 Percentages of employees per organisation/company level: PLEASE ENSURE THE TOTAL ADDS UP TO 100%

LEVEL	NO	%
Senior management (i.e. the highest management level and includes senior officials and professionals)		
Middle management (i.e. that level of management that is not as high as senior management and includes technicians)		
Supervisory (i.e. that level that has employees working under them e.g. team leaders and includes clerical/administrative workers, skilled workers)		
Operational (i.e. that level of employee that do not have staff reporting to them and includes service workers, agricultural and fishery workers, plant/machine operators and assemblers, labourers and apprentices/learners)		

3.3 Gender breakdown per level (please insert figures):

LEVEL	MALE	FEMALE
Senior management		
Middle management		
Supervisory		
Operational		

3.4 Gender composition of your organisation (please insert figures):

Male	
Female	

3.5 Employees with disabilities in your organisation:

Yes	
No	

3.6 Employees with disabilities per level (please insert figures):

Senior management	
Middle management	
Supervisory	
Operational	

3.7 Percentages of employees per organisation/company level in terms of BBEE: PLEASE ENSURE THE TOTAL ADDS UP TO 100%

LEVEL	BLACK	WHITE	OTHER (SPECIFY)
Senior management (i.e. the highest management level and includes senior officials and professionals)			
Middle management (i.e. that level of management that is not as high as senior management and includes technicians)			
Supervisory (i.e. that level that has employees working under them e.g. team leaders and includes clerical/administrative workers, skilled workers)			
Operational (i.e. that level of employee that do not have staff reporting to them and includes service workers, agricultural and fishery workers, plant/machine operators and assemblers, labourers and apprentices/learners)			

3.8 Your employees average age:

Under 21 years	
21 – 29 years	
30 – 39 years	
40 – 49 years	
50 – 59 years	
60 years and older	

3.9 how many foreign employees do you have in organisation during the last five financial years

3.10 how many employees left your organisation during the last five financial years

3.11 Of those who left, how many	
Left because they had completed further studies	
Were dismissed	
Resigned	
Retired	
Other reasons (please specify)	

3.12 how many of the employees who left the organisation during this period emigrated/left the country

3.13 What is your labour turnover rate for the last five years?	0 – 5%	5-10%	10% & more
--	---------------	--------------	-----------------------

2011			
2012			
2013			
2014			
2015			

SECTION FOUR: BURSARIES

This section covers information on the bursaries the organisation provides to employees and new entrants to the labour market. (Bursaries are defined as awards made on the basis of academic achievement, financial need and other consideration.)

	yes	No
4.1 does your organisation have a bursary scheme?		

	Employees	Outside candidates	Both
4.2 If yes, to which of the following parties does your organisation provide bursaries?			

4.3 if your answer to 4.1 above, what percentage of the bursary recipients are from the AA designated groups	
--	--

	yes	No
4.4 if no, does your organisation have a need for a bursary scheme		

Job title, e.g. accountant	Number

SECTION SIX: ENTERPRISE-BASED PEOPLE DEVELOPMENT STANDARDS

This section focuses on the standards the organisation employs to ensure effective functioning.

6.1 Do you have an enterprise-based people development standard?	Yes	No
--	-----	----

6.2 If yes, which of the following quality management systems/standards does the organisation comply with?

	Applies the standard	Certified to the standard
ISO 9000		
Investors in People		
No Standard		
Other, please specify		

	yes	no	unsure
6.3 If no, does your organisation have a need for a quality management system?			

SECTION SEVEN: CURRENT AND FUTURE TRAINING, SKILLS AND IN-HOUSE SUPPORT/ASSISTANCE

Please answer the following questions as honestly and accurately as possible.

8.1 TRAINING

8.1.2 What training is currently offered by your organisation/company?

Leadership	
Management	
Technical	
Computer/IT (please specify)	
Other (please specify)	

8.1.3 What are the most important training needs of your organisation?

Technical training (i.e. training related to the practical aspects of the job, e.g., accounting etc.)	
Soft skills training (i.e. leadership, management, communication, time management, stress management, etc.)	
Coaching and Mentoring (i.e. a dedicated person who guides an employee in performing more efficiently in his/her job)	
On the job training/In store training	
Other (please specify)	

8.1.4 Name the training providers who currently provide training in your organisation/company. This includes formal (through a higher education institution) and informal (short course) training.

8.1.4.1 How satisfied are you with such training providers?

Completely satisfied	
Mostly satisfied	
Partially satisfied	
Mostly dissatisfied	
Completely dissatisfied	

8.1.4.2 Can staff apply what they have learnt in the training programmes?

Yes	
No	

8.1.4.3 If YES, how is staff able to apply what they have learnt in the training programmes?

8.2 SKILLS

8.2.1 List the five most important scarce skills in your organisation. These are occupations (jobs) in which there is a scarcity of qualified and experienced people, currently or anticipated in the future, either because such skilled people are not available or they are available but not meet employment criteria. For example Engineers.

1.
2.
3.
4.
5.

8.2.2 List the five critical skills in your organisation in order of importance. This refers to a specific key or generic and “top up” skills within an occupation. There are two groups in SA context:

- a) Key or generic skills, including critical cross-field outcomes. These would include cognitive skills (problem-solving, learning to learn), language and literacy skills, mathematical skills, ICT and working in teams.
- b) Particular occupationally specific “top-up skills” required for performance within that occupation to fill a “skills gap” that might have arisen as a result of changing technology or new forms of work in the organisation.

1.
2.
3.
4.
5.

8.2.3 Which stakeholders does your organisation /company interact with to improve the levels of skills of staff?

Financial Sector	
Financial Sector Association	
Higher Education institutions	
Private training providers	
In-house training department	
Skills Development Facilitator (SDF)	
Other (please specify)	

8.3 IN-HOUSE SUPPORT / ASSISTANCE FOR SKILLS IMPROVEMENT

8.3.1 What types of assistance does your organisation offer the staff?

Financial aid (e.g. bursaries, study loans)	
Study leave or time off	
On the job training	
Coaching/mentoring	
Other (please specify)	

8.3.2 How satisfied have you been with such assistance?

Completely Satisfied	
Mostly satisfied	
Partially satisfied	
Mostly dissatisfied	
Completely Dissatisfied	

8.4 GENERAL

8.4.1 How is information about training interventions being communicated in the organisation /company?

Email	
Discussions / Meetings	
Posters / flyers	
Through the SDF	
Through the training department	
Other (please specify)	

8.4.2 How satisfied are you with the communication about training programmes?

Completely Satisfied	
Mostly satisfied	
Partially satisfied	
Mostly dissatisfied	
Completely Dissatisfied	

8.4.3 Identify 3 challenges in terms of skills development in your organisation and industry

1.
2.
3.

8.4.4 Any other information or recommendations you would like to share concerning skills development in your organisation/ company.

Appendix B: Universities Questionnaire



NAMIBIAN FINANCIAL sector skills audit
UNIVERSITIES questionnaire

2015

.Dear Sir/Madam,

The skills shortage was identified as one of the biggest obstacles for the Namibian government to reach its economic growth targets (Joint initiative on priority skills acquisition, 2015). The Namibian government through the Ministry of Finance developed a financial sector strategy covering the period 2011 -2021 which focuses amongst others on, Skills development in the financial sector (Ministry of Finance Namibia, 2011). The approach supports the National Human Resources Plan 2012 -2025, in which a net demand of 19,074 positions was estimated for the financial sector for the 2012-2015 periods. The National Human Resources Plan also directs sectors to come up with sectorial plans to address the skills gaps in their respective industries in the country (Namibian Government, 2012).

As part of my MPhil studies at the University of Cape Town, I am investigating as to what type of skills development are in place to address the skills shortage currently faced by the financial sector in Namibia. The research has been approved by the Commerce Faculty Ethics in Research Committee. The result of this study will provide information on the status quo of the skills development and shortages with the financial sector.

As a representative of your company, you are requested to complete a survey that asks questions about skills development interventions in your organisation. This questionnaire is intended for all firms within the financial sector regardless of your workforce size.

Your participation in this study is completely voluntary. Although there are no risks associated with this project, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. Your response is greatly valued and appreciated.

Your survey responses will be strictly anonymous, and data from this research will be reported only in the aggregate. Your information will be coded and will remain confidential. If you have questions at any time about the survey or the procedures, you may contact Heritha Muyoba at 264811279106 or by email at the email address specified below.

Thank you very much for your time and support.

IMPORTANT NOTES:

❖ This questionnaire should take you approximately **20 minutes** to complete.

❖ The questionnaire is divided into **six(6) Sections**, namely:

Section One: Deals with the organisational information.

Section Two: Deals with the financial information of the company – in respect of your training budget.

Section Three: Deals with the employee profile of your organisation. You will need to have specific company information (e.g. number of workers, gender breakdown, equity information, etc.) on hand to complete this section.

Section four: Deals with bursaries that your organisation provides within and outside the organisation.

Section Five: Deals with enterprise based people development standards.

Section Six: Current training and future training, skills and in-house support

❖ All responses to this questionnaire will be treated with the strictest **confidence** and **anonymity**.

❖ Please complete this questionnaire as honestly and comprehensively as possible and submit it by **Friday, 04 December 2015** to:

Ms. Heritha Nankole Muyoba - Researcher

SECTION ONE: ORGANISATIONAL INFORMATION

1.1 Please answer the following questions as honestly and accurately as possible.

Name of the Company	
---------------------	--

1.2 Size of your organisation/company:

Small enterprise (0 – 49 employees)	
Medium enterprise (50 – 149 employees)	
Large enterprise (150 and more employees)	
Micro enterprise (an informal sector business)	

1.3 Years in existence of the organisation/company:

0 – 5 years	
6 – 10 years	
11 – 15 years	
16 – 20 years	
20 years and over	

1.2 From the list below, please select fields of study that the institution offers.

Area of Study	Type of Qualifications offered	Area of Study	Type of Qualifications offered
Financial Regulators		Investment Managers	
Banks		Unit trusts	
Auditing and Accounting Firms		Microfinance Institutions	
Medical Aid Funds		Stock Exchange	
Pension funds		Insurance Brokers	
Stock Brokers		Insurance Agents	
Insurance		Friendly Societies	
Medical Aid Administrators		Other financial related qualifications (please specify)	

1.3 are you accredited as a training provider?

Yes
No

1.4 If yes, which body/bodies?

1.5 Type of institution

University	
Technical	
Technical College	
Other (please specify)	

SECTION TWO: TYPE OF TRAINING

2.1 Please identify current courses that you offer related to the financial sector.

Course (leading to a qualification)	Is the course accredited?		With which body is the course accredited	Skills after acquired qualification	duration	NQF level
	Yes	No				

2.2 Please identify financial sector related courses you plan to offer in the next:

Course (leading to a qualification)	Is the course accredited?		With which body is the course accredited	Skills after acquired qualification	duration	NQF level
	yes	No				

SECTION THREE: FACTORS INFLUENCING ACCESS TO TRAINING

3.1 ACADEMIC

3.1.1 Does the organisation offer any bridging or remedial programmes for students who do not meet the initial entry requirements for the course in 2.1?

Yes
No

3.1.2 If yes, please describe the nature and duration of such programmes and indicate which subjects, courses or fields of study these are applicable.

Subjects, course or field of study	Nature	duration	Target group

3.1.2 Do you set any restrictions on the number of students for your courses?

Yes	
No	

3.1.3 If yes, please explain why you restrict the numbers of student

3.1.4 Do you set any targets or apply any ratios according to race, gender or disabilities when admitting students to your courses?

Yes	
No	

3.1.5 If yes, please give details

3.1.6 Do you use any of the assessment or screening procedures regarding the admission of students mention the table below:

Assessment or screening procedures	yes	no
Psychometric testing (e.g. aptitude)		
Entry exam		
Selection based on personal interviews		
Other, please describe		

3.2 FINANCIAL

3.2.1 Does the organisation offer any bursaries, grants or other forms of financial assistance to students for the courses mentions in 2.1?

Yes	
No	

3.2.2 If yes, please indicate the courses and reason for offering grants or bursaries for the specific courses and if these are targeted at a particular group.

Courses	Reasons for offering grants or bursaries to the listed courses	Target group

3.2.3 Does the organisation get external funding for bursaries/grants?

Yes	
No	

3.2.4 If yes, please indicate the source

Source	Description
Government	
Private Sector	
International donors	
Other	

3.3 What, in your opinion, are the most important factors inhibiting students' access to education/training in the financial sector?

SECTION FOUR: DEVELOPMENT OF THE SKILLS BASE OF THE SECTOR

4.1 is the organisation involved in the intervention or does the organisation plan future interventions to develop the skills base of the sector?

	current	Future
Yes		

5.3 In your opinion, which skills are the most in demand in the sector? Please prioritize.

5.4 In your opinion, is there a shortage of skills in the sector?

Yes	
No	

5.5 If yes, please indicate the types of skills shortages that exist in the sector. Please prioritize.

5.6 In your opinion, what initiatives should be taken to address the shortage of skills in the sector?

5.7 What initiatives does your organisation take to address the shortages of skills in the sector?

SECTION SIX: ENROLMENTS AND STUDENT OUTPUT

Please provide us with the summary information on the total number of students who were enrolled and a number who qualified in each field of study over the past five years.

6.1 ENROLMENTS

Year	Level (year)	Study field	Total number	Black		White	
				M	F	M	F
2011	1						
	2						
	3						
	4						
2012	1						
	2						
	3						
	4						
2013	1						
	2						
	3						
	4						
2014	1						
	2						
	3						
	4						
2015	1						
	2						
	3						
	4						

6.2 STUDENT OUTPUT (QUALIFIED)

Year	Level (year)	Study field	Total number	Black		White	
				M	F	M	F
2011	1						
	2						
	3						
	4						
2012	1						
	2						
	3						
	4						
2013	1						
	2						
	3						
	4						
2014	1						

Year	Level (year)	Study field	Total number	Black		White	
				M	F	M	F
	2						
	3						
	4						
2015	1						
	2						
	3						
	4						