

BSU Business Breakfast 27th September 2011 at the Coastlands on the Ridge, Durban

Speech from DVC: TIP, Professor FAO Otieno

The Chair of DUT Council, Vice Chancellor, Distinguished Guests, Guests, Colleagues, Ladies and Gentlemen

It gives me great pleasure to be able to introduce to you briefly the context of the Business Studies Unit within the Durban University of Technology. 2011 has been a turbulent and challenging year for the Unit, given conflicting understandings of the BSU and competitors in the field.

Organisationally the BSU is located in the Technology, Innovation and Partnerships ambit. This is a relatively new ambit, having been created in 2008 specifically with the aim of moving the University's agenda forward as a University of Technology, and promoting and supporting the University's research, innovation, technology transfer and 3rd stream income activities.

The BSU is the youngest directorate in the Technology Innovation and Partnerships ambit having been brought into the TIP fold in November 2009 on the basis of its external engagement towards the generation of third stream income for DUT. While the BSU is located in the TIP ambit, it is academically strategically linked to the Faculty of Management Sciences. One of the BSU's most successful offerings is that of the University's BTech Management programme; in 2011, a total of 302 students graduated with this qualification, through the BSU. However, the BSU does more than just this.

The strategic role of the BSU within the TIP ambit relates to supporting the process of taking education to the people and addressing the needs of an emerging market for adult education to sustain competitiveness in a knowledge based economy. Through brokering mutual collaborations between academic departments and industry requirements, we believe the BSU is ideally poised to address the training and development needs of the world of work. Therefore studying via the BSU does more than promoting academic enrichment and personal growth; it enhances career development and builds knowledge, skills and attitudes essential for success in today's competitive workplace.

I think it is pertinent to look at three views of how building skills can contribute to the development of the country.

These are the knowledge economy, lifelong learning and workforce development.

Skills in the knowledge economy

In 2009, Professor Barney Pityana, then the Vice Chancellor and Principal at Unisa, enumerated three main challenges facing universities and their responsibilities in a knowledge based society, these being (i) human resource development (ii) mobilisation of human talent and (iii) the potential for lifelong learning to contribute to the socio-economic, cultural and intellectual life of a rapidly changing society. In a knowledge based economy, knowledge is not a product – it is a tool which can lead to transformation in business and society. The potential contribution of higher education institutions to economic competitiveness is crucial where innovation and skills are seen as drivers of growth and productivity. There is a need for universities to respond in a more targeted way to national growth and development needs, in particular looking at what kind of training they provide in skills that will drive innovation and development.

I think it safe to say that the BSU is indeed taking on these challenges in a systematic and sustainable manner. Skills are critical to our future. People's job prospects and incomes are closely linked to their education and personal and professional skills. The productivity, competitiveness and profitability of companies are shaped by their ability to develop and effectively deploy a skilled workforce. South Africa's skill base is a major determinant of our economic growth, future living standards and fiscal capacity, and as such we should be looking to increase the levels of learning outside of formal qualification programmes, to upskill our labour force, hopefully to improve labour market outcomes, and thus, ultimately to increase economic growth.

There is wide ranging debate about what competencies and skills are needed for the knowledge economy. Fast paced technological change is undoubtedly placing stress on the workplace and the kinds of skills required to adapt to and adopt new technologies, in order to be competitive. Industry thus needs appropriate organisational structures, a skilled workforce and competent management. These changes are having a significant impact on the type of skills required in the workforce. The OECD states that while there is no clear agreement on the specific competencies needed for the knowledge economy, both basic skills and other non-academic skills are now required for improved job performance (OECD, 2000). It reports that in the United Kingdom, communication skills, learning ability, problem-solving skills, team work and the capacity for self-management have been found to be more important than technical, ICT or numeracy skills as criteria in the recruitment of graduates (Hesketh, 2000). Employers are now placing high importance on inter-personal and intra-personal skills and giving less weight to narrower, learned skills. I wonder if this is what you, as employers, are experiencing with your workforce?

Lifelong learning

Enskilling strategies can be categorised in three groups, viz. *re-entrant training* that targets people who are currently unemployed or not yet in the work force. For this group, the training aim is to update and improve their vocational and employability skills, to enable them to become competitive in the workplace. The second category is *continuing training* that targets people who are already employed, to enable them to maintain and upgrade their skills so they continue to be competitive in the workforce, and thirdly *refresher training* that targets people who are underemployed, to enable them to maintain and improve their skills and move towards fully utilising their qualifications. Training that helps build or retain relevant skills is based on the concept of lifelong learning. Research shows that the high rate of employment in the Scandinavian countries is related to their commitment to lifelong learning, where the aim is to ensure that all adults have access to learning opportunities throughout their lives. Learning is seen as important from an economic perspective (because it leads to increased productivity) but also for personal and social reasons. Lifelong learning, however good its basic aim for personal and social development, needs to happen within a framework at the business level. Many companies invest in training of their workforce, but it is not structured in terms of specific needs. There may be a volume of training that happens, but the learning is never brought back into the company or industry. This leads onto the third consideration, viz. workforce development.

Workforce development

Workforce development incorporates more than just enskilling one's workforce. It means not only increasing the capacity of individuals to participate effectively in the workforce throughout their whole working life, but also increasing the capacity of the company or business to adopt high-performance practices that use and require the further development of their employees' skills and value. It thus involves much more than providing training courses that equip individuals to meet employers' current needs for specific skills. Businesses need to look at their practices in relation to the training opportunities that are provided, and adapt and adopt new systems and practices as required. An OECD report (OECD 2000) comments that pressures on industry and the adoption of new technologies, as evidenced in the knowledge economy, to become more competitive have led to considerable changes. There is an increase in flexible management practices, including multi-skilling, extensive use of teamwork, reduced hierarchical levels and a delegation of responsibility to individuals and teams. These have led industry to demand more flexibility and higher levels of different skills from their workforce. A literature review shows that the need for training investments increases with the introduction of multi-skilling and teamwork, increased focus on customer service, quality improvement drives and the introduction of new products, processes and technology (Glass et al 2002, Smith et al 2002, The Conference Board of Canada Case Studies 2002, 2005). It follows then, that if a business

is operating competitively in the knowledge economy, not only will it be looking at developing and utilising specific skills of its workforce, but it will also be looking at its own businesses practices.

Providers of training such as the BSU need to broaden their role beyond the provision of basic skills, so that they also help to ensure that the skills they provide are applied and used in the real world of work, ensuring relevance and quality. Industry, on the other hand, should form active and robust partnerships with learning providers to ensure that learning opportunities are customised, relevant and delivered appropriately.

Many changes have taken place at the BSU in the recent past, and handling these changes continues to be a challenge requiring hard work and dedication. But with the full resources of DUT, including the intellectual, organisational and institutional expertise, being harnessed by the BSU, these historical issues will be readily resolved. The BSU's present existence bears testimony to the goodwill associated with the brand and heralds the success that is yet to come. This can be achieved by partnering with academic departments and their associated home faculties to design, develop, deliver, assess and certificate courses and programmes that serve as a principal point of entry to the University for lifelong learners.

We invite you to partner with the BSU and DUT in the important task of human capacity development whereby the skills and competencies of our people are increased to enable them to compete effectively in the globalized environment. While we are all different entities with different challenges and opportunities, if we work across sectors we can strengthen and improve our individual performances. Furthermore, collaboration builds norms for successful practice. We at the BSU and the University look forward to continued engagement and collaborative practice. We want to forge cooperation, collaboration and partnerships. We want to be able to help you to develop your human resources so that you can effectively and incrementally penetrate your markets, but not only that, to develop the country's economy and global competitiveness and ultimately the good of South African society.

As I conclude, allow me to Thank Dr Kavita Beemsen and her dedicated staff for the role that they play in ensuring that DUT is able to compete in this highly competitive industry. I also wish to thank the university for the support that they give the BSU and to Council for its leadership in the same.

I thank you all for finding time to be here with us today and we look forward to your continued support in this venture.

God Bless you all

Thank you.

Professor FAO Otieno, DVC: Technology, Innovation and Partnerships

References

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