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Organisational, training and operational strategies for the development of digital skills in insurance SMEs in South Africa

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2023
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Masvaure, Tendai. (2023). Organisational, training and operational strategies for the development of digital skills in insurance SMEs in South Africa [Master's dissertation, University of the Witwatersrand, Johannesburg]. WireDSpace. https://hdl.handle.net/10539/39004

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Organisational, training and operational strategies for the development of digital skills in insurance SMEs in South Africa

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business

Johannesburg, 2023

ABSTRACT

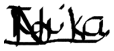
Many organizations and institutions have been driving the development of digital skills worldwide. This study explored the organizational and training strategies for developing of digital skills in insurance SMEs in South Africa. Despite the call by many organisations and government actions, many small to medium organizations still find it difficult to adopt digital skills. The literature review indicated that, indeed, there are various degrees of relations between digital skills development and organizational strategies. However, the applicability of these studies was limited because most of them were carried out in other industries and, in most cases, outside South Africa. The study used a qualitative research approach to deduce the impact of organisational and training strategies on digital skills development. Data was collected using interviews and a detailed interview guide from 12 interviews. The data was collected from small to medium insurance companies chosen to be part of the study using purposive sampling. The data was analyzed using thematic analysis to group the data into major themes. The findings showed that management strategies are critical for developing digital skills in the insurance sector due to their ability to control all aspects of the organization. In addition, training strategies used impact digital skills development, as do operational strategies used in SMEs. The significant findings point out that costs, management strategies, and compliance requirements influence digital skills in the sector. The study closed off by recommending that the government enact policies that make it less costly for SMEs to equip their employees, in addition, private organizations are advised to invest more in digital skills since they make operations more efficient. Lastly, the study recommends further studies be carried out on the role of digital skills on the performance of SMEs in the insurance sector.

KEYWORDS

Organizational strategies, Digital skills training, insurance sector, digital skills adoption, digital technologies, training strategies, operational strategies

DECLARATION

I, _____Tendai Masvaure_____, declare that this research report is my work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Name: Tendai Masvaure Signature: 

Signed at ……The University of Witwatersrand……

On the ……23rd …….. day of ……October…… 2023…..

DEDICATION

This report is dedicated to my father, Victor Nyika, who taught me to always maintain a positive attitude, regardless of the circumstances. Additionally, this is dedicated to my mother, Josephine Nyika, who instilled in me the desire to learn and the determination to never give up on my ambitions.

ACKNOWLEDGEMENTS

I cannot adequately express my appreciation to my superior for her outstanding patience and feedback. I also could not have travelled on this endeavour without the knowledge and assistance of my defence committee. In addition, this endeavour would not have been possible without the abundant support of the sovereign Creator, who sustained me emotionally, physically, and spiritually throughout my research.

I am also appreciative of my classmates and cohort members, particularly my workmates, for their editing assistance, late-night critique sessions, and moral support. Thanks should also be extended to the university's librarians, research assistants, and study participants, who have influenced and encouraged me.

Lastly, I would be negligent if I didn't thank my family, particularly my spouse, my daughter Gillia, and her siblings, for assuming the majority of my household responsibilities during this process. Their confidence in me has kept my motivation and sense of purpose high throughout this endeavour. I would also like to acknowledge the members of my gym team for their entertaining workouts and emotional support.

TABLE OF CONTENTS

DECLARATION……..II

LIST OF TABLES……..……IX

LIST OF FIGURES……..……X

LIST OF ACRONYMS……..……XI

DEDICATION……..IV

ACKNOWLEDGEMENTS……V

CHAPTER 1.INTRODUCTION……1

STATEMENT OF PURPOSE 1
BACKGROUND OF THE STUDY 1
RESEARCH PROBLEM 3
RESEARCH OBJECTIVES 5
RATIONALE 5
DELIMITATIONS OF THE STUDY 6
DEFINITION OF TERMS 7
ASSUMPTIONS 8
CHAPTER OUTLINE 8

CHAPTER 2.LITERATURE REVIEW AND THEORETICAL FRAMEWORK……..10

INTRODUCTION……10
DEFINITION OF TOPIC OR BACKGROUND DISCUSSION……10
THE ROLE OF ORGANISATIONAL MANAGEMENT STRATEGIES IN THE DEVELOPMENT OF DIGITAL SKILLS……..13
THE INFLUENCE OF ORGANISATIONAL MANAGEMENT STRATEGIES ON DIGITAL SKILLS DEVELOPMENT……16
PROPOSITION 1……18
TRAINING STRATEGIES' ROLE IN DEVELOPING DIGITAL SKILLS IN SMES OPERATING IN THE INSURANCE SECTOR18
THE INFLUENCE OF TRAINING STRATEGIES ON THE DEVELOPMENT OF DIGITAL SKILLS…… 19
PROPOSITION……21
OPERATIONAL STRATEGIES' ROLE IN DEVELOPING DIGITAL SKILLS IN SMES IN THE INSURANCE SECTOR. 21
THE ROLE OF OPERATIONAL STRATEGIES IN THE DEVELOPMENT OF DIGITAL SKILLS……22
ANALYTICAL FRAMEWORK 23
THEORETICAL FRAMEWORK……23
CONCLUSION OF LITERATURE REVIEW 25

CHAPTER 3.RESEARCH METHODOLOGY……26

RESEARCH APPROACH 26
RESEARCH DESIGN 27
DATA COLLECTION METHOD 27
POPULATION AND SAMPLE 28
POPULATION……28

SAMPLE AND SAMPLING.....28
THE RESEARCH INSTRUMENT 29
PROCEDURE FOR DATA COLLECTION 29
DATA ANALYSIS STRATEGIES AND INTERPRETATION..... 30
QUALITY ASSURANCE ..... .31
TRANSFERABILITY.....32
CREDIBILITY.....32
DEPENDABILITY.....33
ETHICAL CONSIDERATIONS ..... .33

CHAPTER 4.PRESENTATION OF INDINGS.....35

INTRODUCTION..... 35
THEMATIC ANALYSIS 35
DEMOGRAPHIC DATA 35
RESEARCH FINDINGS..... 36
THEMES THAT HAVE EMERGED 36
PROPOSITION 1: MANAGEMENT STRATEGIES ARE ESSENTIAL FOR THE DEVELOPMENT OF DIGITAL SKILLS IN SMES OPERATING IN THE INSURANCE SECTOR.....38
THEME ONE: MANAGEMENT ADVOCACY IN DIGITAL SKILLS DEVELOPMENT.....38
THEME TWO: ORGANISATIONAL STRATEGIC APPROACH TO DIGITAL SKILLS.....40
PROPOSITION 2: TRAINING STRATEGIES OF SMES OPERATING IN THE INSURANCE SECTOR IN SOUTH AFRICA HAVE AN IMPACT ON THE DEVELOPMENT OF DIGITAL SKILLS FOR THEIR EMPLOYEES. 43
THEME THREE: LEARNING AND DEVELOPMENT.....43
LEARNING AND DVELOPMENT DEPARTMENT.....45
THEME FOUR: TRAINING ADMINISTRATION IN SMES.....47
PROPOSITION 3: OPERATIONALSTRATEGIES ARE ESSENTIAL FOR THE DEVELOPMENT OF DIGITAL SKILLS IN SMES IN THE INSURANCE SECTOR. 48
THEME FIVE: COST REDUCTION IN SMES.....48
THEME SIX: OPERATIONAL EFFECTIVENESS.....51
SUMMARY OF THE FINDINGS 53
CONSISTENCY MATRIX..... 54

CHAPTER 5. DISCUSSION OF THE FINDINGS.....55

INTRODUCTION..... 55
PROPOSITION 1: MANAGEMENT STRATEGIES ARE ESSENTIAL FOR THE DEVELOPMENT OF DIGITAL SKILLS IN SMES OPERATING IN THE INSURANCE SECTOR..... 55
PROPOSITION 2: TRAINING STRATEGIES OF SMES OPERATING IN THE INSURANCE SECTOR IN SOUTH AFRICA HAVE AN IMPACT ON THE DEVELOPMENT OF DIGITAL SKILLS FOR THEIR EMPLOYEES 58
PROPOSITION 3: OPERATIONAL STRATEGIES ARE ESSENTIAL IN THE DEVELOPMENT OF DIGITAL SKILLS IN SMES IN THE INSURANCE SECTOR. 60
CONCLUSION 63

CHAPTER 6.CONCLUSIONS & RECOMMENDATIONS.....64

INTRODUCTION..... 64
CONCLUSIONS REGARDING RESEARCH OBJECTIVE ONE: TO DETERMINE THE ROLE OF ORGANISATIONAL STRATEGIES IN THE DEVELOPMENT OF DIGITAL SKILLS. 64
CONCLUSIONS REGARDING RESEARCH OBJECTIVE 2: TO EXPLORE THE ROLE OF TRAINING STRATEGIES IN DEVELOPING DIGITAL SKILLS IN SMES OPERATING IN THE INSURANCE SECTOR..... 65
CONCLUSIONS REGARDING RESEARCH OBJECTIVE 2: TO EXPLORE OPERATIONAL STRATEGIES' ROLE IN DEVELOPING DIGITAL SKILLS IN SMES IN THE INSURANCE SECTOR..... 66
RECOMMENDATIONS..... 67
TO THE GOVERNMENT.....67
TO THE SMES IN THE INSURANCE SECTOR.....67

To the academic world……...68
Suggestions for further research ……68
Limitations and Challenges of the Study 68

REFERENCES……70

APPENDIX A:……..83

The interview Guide..... 83

APPENDIX B:……..89

Request to Conduct Interview..... 89

APPENDIX C:……..92

Participant Consernt Form..... 92

APPENDIX D:……..96

Participant information sheet..... 96

APPENDIX E:……..99

Letter of permission to collect data..... 99

LIST OF TABLES

Table 1: Braun & Clarke's six-phase framework for doing a thematic analysis 35

Table 2: Consistency matrix: research objectives, propositions and themes .....**Error! Bookmark not defined.**

LIST OF FIGURES

Figure 1: Operational, technical and formal skills and competencies..... 24

LIST OF ACRONYMS

SDGs	Sustainable Development Goals
ICT	Information Communication Technology
SMEs	Small to Medium Enterprises
SWOT	Strengths Weaknesses Opportunities and Threats
PESTEL	Political Economic Social Technological Environmental and Legal

CHAPTER 1. INTRODUCTION

1.1. Statement of purpose

This qualitative study sought to examine the organizational and training strategies to enhance digital skills development in SMEs in the South African insurance sector.

1.2. Background of the study

The globe has experienced changes courtesy of new business models and ideas which came with the fourth industrial revolution (van Laar, van Deursen & van Dijk, 2022). According to Niewöhner, Abushamsiehand Aróstegui (2020), contemporary businesses increasingly dependon the use of technology like robots, artificial intelligence, and big data. Small- to medium-sized enterprises (SMEs) have competed successfully and efficiently for a share of the market by adopting new technology (Darbanhosseiniamirkhiz & Wan Ismail, 2012). Due to its advantages and benefits, particularly in boosting effectiveness and efficiency in organizations, the use of technology in business is expected to continue rising (Aduloju et al., 2019).

Information and technology (ICT) development has increased due to government regulations, technological breakthroughs, and changes in organizational business models (Chayita & Kaseke, 2021). The use of mobile networks has increased as well. Mobile phone ownership was 86% in 2012, and it is anticipated to reach over 90% by 2020, indicating a significant push toward digitalization in society and businesses (Gillwald et al., 2012).

Different industries have different levels and types of technology, but their use has increased (Gamache, Abdul-Nour & Baril, 2020). The primary motivation for SMEs and individuals to embrace new technology is to boost productivity, cut production costs, and expand wealth generation (Niewöhner et al., 2020; Prasad, 2008). This indicates that South African SMEs may profit if they use technology to save operational expenses.

Since South Africa liberalized the economy after the end of Apartheid, several programs were implemented to help individuals become more independent (Hugo & Twinomurinzi, 2021), particularly the disenfranchised blacks. Due to these regulations, there were more chances for black individuals to start businesses, which increased the number of small and medium-sized businesses in South Africa (Hugo & Twinomurinzi, 2021). Statistics South Africa (2019) report estimates that the contribution of SMEs to national revenue was approximately 39%. SMEs are essential to the growth of most countries, and this contributes to job creation, economic progress, and push in boundaries towards digital innovation (Modisane & Jokonya, 2021; Okeke-Uzodike et al., 2018; Statistics South Africa, 2019). SME contributions are considerable in South Africa, and government policies that promote entrepreneurship as a method of improving empowerment also play a role in this (National Planning Commission of South Africa, 2012).

According to forecasts, SMEs in South Africa will generate 90% of all new jobs by 2030, dramatically lowering the nation's economic unemployment rate (National Planning Commission of South Africa, 2012). Today, SMEs contribute to expanding domestic production, generating money, and expanding domestic production, generating money and raising living standards (Kinitzki, Sigle & Hertweck, 2019). There is no denying the importance of SMEs making it imperative to thoroughly comprehend every factor that can enhance their performance, including digital skills.

This inquiry is also essential in the insurance sector. According to the (South African Reserve Bank, 2022) in South Africa, there are 172 insurance businesses Due to its investment possibilities and the risks it takes commercial organizations and people, the insurance industry is essential to the economy (National Treasury of South Africa, 2021). *KPMG South African Insurance Industry Survey* (2021) estimates that the insurance sector generated roughly R6 billion in economic income in 2020. A few large firms and several SMEs comprise the industry (KPMG South African Insurance Industry Survey, 2021). Specialization, with businesses specialized in health insurance, legal insurance, and auto insurance, was cited as the cause of this unique feature (*KPMG South African Insurance Industry Survey*, 2021).

With such an, enormous asset value and most enterprises being SMEs, it is critical to understand the elements, particularly strategic aspects, influencing the growth of digital skills in the industry.

1.4. Research problem

The fourth industrial revolution has necessitated a significant organizational change in adopting digital business models (Kim & Kim, 2021). The benefits of SME digitalization are many and critical for the survival of new businesses in a competitive environment (Fedorets, Hnatuyk, Klochko & Maliar, 2020). Digitization aims to get economies of specialization, talent, and technology that provide demonstrable results (Teng, Wu & Yang, 2022). An organization that has established human resource competence may optimize its strategy and employ relevant technology to achieve its objectives (Teng et al., 2022). To enjoy these benefits, an organization must have a digitally proficient workforce; hence, this research aims to examine the organizational, operational and training strategies to enhance digital skills development in SMEs in the South African insurance sector. According to Progress Towards the Sustainable Development Goals (2022), just 10% of countries have more than 70% of their citizens proficient in basic digital capabilities such as email. This statistic reveals a fundamental lack of digital skills, which are critical for attaining the goals of the United Nations Sustainable Development Goals. The importance of digital skills goes beyond the advantages to people. Teng et al. (2022) have observed that a lack of digital skills impedes the adoption of new technology. As a result, organizations must educate and develop their people resources to accomplish the SGD goals while improving their profitability and ease of innovation uptake. Organizational strategies that do not encourage the development of digital abilities cause a lack of digital skills.

With internet penetration 63% of the world's population internet access, environmentally friendly technology growth has been on the rise, with a 5% increase from 2015 to 2020 (*Progress towards the Sustainable Development Goals*, 2022). This shows a technology environment to aid in achieving SDG 17; yet insufficient worker skills remain, which has left some businesses unable to use ICT for enhanced business models. With over 63% internet

penetration, organizations must create a modern business plan that capitalizes on the world's interconnectedness (*Progress towards the Sustainable Development Goals*, 2022)

The attainment of the United Nations SDGs is dependent mainly on digitalization, which is heavily dependent on developing digital skills (Clark, MacLachlan, Marshall, Morahan, Carroll, Hand, Boyle, & O'Sullivan, 2022). The impact of digital skills goes beyond money generation to include long-term behaviours that may mitigate the effects of educational inequity, global warming, and poverty eradication. Human capital development is critical for ICT adoption. Without trained human capital, any organization would struggle to absorb new technology since it would be impossible to use it fully (Musaigwa & Mutula, 2022). The problem was evident in Musaigwa and Mutula's (2022) investigations, which raises the question of how organizations' operational plans can design an appropriate route for digital capabilities, which are vital in business operations.

A study by Hugo and Twinomurinzi (2021) focused on training strategies and digital skills development in Southern Africa. Available arguments point towards a lack of capacity by SMEs to train or formulate proper training strategies for their organizations. Managers are more concerned about the cost of the training (Arucy & Juma, 2018a), as such training impacts on digital skills in SMEs are now well documented. The fact that managers of SMEs have limited capacity for development-oriented programs due to limited funding, expertise and will augments this argument (Musaigwa & Mutula, 2022).

According to Musaigwa and Mutula (2022), managers in SMEs lack the competence to map a plan for digital skills development, which raises the question of the suitability of management methods utilized in SMEs and how they impact digital skills development. If organizations wish to compete in the world of technology, they must invest in a meaningful program to improve their employees' digital abilities (Teng et al., 2022). This viewpoint suggests that an organization must have a strategy promoting digital skills development to advance. This research tries to support this viewpoint by investigating the relationship between strategy and the development of digital abilities.

According to Prezioso and Margherita (2021), managers in both developed and developing countries have a pervasive lack of knowledge in gauging the need for digital capabilities.

SMEs lack established strategies for the competencies necessary for specific departments and the resources required for easy digital skill adoption (Prezioso & Margherita, 2021). According to (Teng et al., 2022), although SMEs recognize the advantages of digitalization, they lack a roadmap for getting started, do not properly comprehend how they may use ICT, and lack the skills necessary to construct a viable roadmap for digitalization. This study sought to understand and uncover how SMEs' organizational management and training strategies affect the development of digital skills in the insurance sector in South Africa.

1.5. Research objectives

1) To determine the role of organizational strategies in the development of digital skills.
2) To explore the role of training strategies in developing digital skills in SMEs operating in the insurance sector.
3) To explore operational strategies' role in developing digital skills in SMEs in the insurance sector.

1.6. Rationale

Organizations with digitally skilled or empowered employees outperform those without (Ramdani, Kawalek & Lorenzo, 2009; Rozak, Fachrunnisa & Rahayu, 2021). Digitalization is essential for SMEs to improve performance and acquire a competitive edge (Teng et al., 2022). According to these findings, SMEs must recognize the significance of digitalization. This research determines how easily SMEs can do so by emphasizing some reasons that impede digitalization initiatives. The study's results will potentially offer additional empirical findings and literature to the insurance sector's limited sources, which would benefit South African SMEs.

South Africa’s political leadership has encouraged the country’s entry into the fourth industrial revolution (4IR). Small businesses in South Africa are critical to the 4IR (‘Small business in South Africa is critical to the 4th Industrial Revolution NEWWAVE’, 2018). This can only be possible if both the corporate and governmental sectors of South Africa accept this shift, which will transform the country's economy into a knowledge-based one

(Vadra, 2017). SMEs must be adaptable and inventive to compete and contribute significantly to the global economy.

The United Nations Development Programme (2016) requires South Africa to execute the agreed-upon "17 sustainable development goals" (SDGs) by 2030. Goal 9 focuses on "business, innovation, and infrastructure" and claims that access to the internet is the fundamental right upon which all other SDGs may be realized (*Progress towards the Sustainable Development Goals*, 2022). As a result, enough consideration must be given to problems relating to the digital divide, particularly digital skills development (Progress towards the Sustainable Development Goals, 2022). There is a severe lack of digital skills, with just 10% of the world's nations having more than 70% of their people proficient in fundamental digital abilities. Clark et al. (2022) posits that the imbalance in digital skills could hinder the attainability of the SDG goals.

The insurance sector's growth is vital for the economy, and digital skills and ICT adoption heavily impact it since general business development is dependent on digital skills and ICT (Clark et al., 2022). As a result, this research investigates the factors influencing digital skill growth in the insurance business. The hope is to give policymakers and organizations, more excellent information as a result. Digital skills development is an important feature that needs a coordinated strategy from schools throughout their way up (Chetty Qigui, Josie, Wenwei & Fang, 2018). Hence, understanding the elements impacting the development of digital abilities is crucial.

This research looked for insights into the influence of SMEs' organizational and training strategies on digital skills development in the insurance industry. It will contribute these results to the pool of local research findings. The outcomes of this study will potentially contribute to the empirical knowledge accessible to government officials.

1.7. Delimitations of the Study

This study focused on organizational and training strategies' impact on digital skills development in SMEs operating in the insurance sector. The delimitations to the study are as follows:

1) This research shall cover SMEs operating in Gauteng, South Africa, and serving the South African market. Micro and survivalist enterprises were excluded from this research as defined in Section 1 of the National Small Business Act (1996).
2) from the research gathered data from insurance-related SMEs. The researcher chose the industry because of its significant potential for development and importance on the South African economy.
3) The targeted participants of this study are SME owners and managers.
4) The research will not cover the physical access and the adoption and uses digital divides.

1.8. Definition of terms

Digital skills: The ability to use technology to perform a task or deliver a service by human resources. Digital skills encapsulate one's or an organization's ability to use available technologies to accomplish set goals or tasks (van Laar et al., 2022). In the context of this study, digital skills are the technological know-how of the human resources and SMEs in the services sector. This covers their ability to operate or adopt and use technologies.

Insurance sector: Includes any life or non-life insurance business undertaken or perceived to be operating in the Republic, including reinsurance operations (The Insurance Act No 18, 2017).

Organizational strategy: An organizational strategy is a continuous blueprint showing how aorganization must change to achieve its goals and vision (Armstrong & Lee, 2021). It is a

strategy for allocating resources and supporting numerous company operations such as inventories, advertising, manufacturing, and infrastructure (Armstrong & Lee, 2021).

Small to medium enterprises: Small to medium enterprise has an annual revenue of below R100m in gross terms (The Banking Association of South Africa, 2019).

Training strategies: A human capital development roadmap put in place to constantly improve employee skill levels and capacity. They include training, frequency, and assessment measures (Arucy & Juma, 2018).

1.9. Assumptions

1) The participants shall provide truthful information voluntarily. This will be made possible by adequately explaining that the research is for academic purposes.

2) The theoretical elements of the operational, technical, and formal skills and competencies model apply to SMEs in the insurance sector.

3) The information collected is dependable and can be validated using appropriate data collection tools.

1.10. Chapter Outline

The study is structured as follows:

Chapter One: Introduces the purpose of the study and looks at the background to the study, the research problem, research objectives, the rationale of the study, delimitations of the study and the research assumptions.

Chapter Two: Covered the available literature for the research objectives and the formulation of hypotheses. It also covers available empirical evidence in the study areas.

Chapter Three: This chapter covered the research methodology and the design based on the research philosophy.

Chapter Four: This chapter defines the research themes from the data collection and presents findings from the sample. The findings are grouped into thematic areas.

Chapter Five: This part of the study analyzes the findings of the study and compares the findings with literature from past studies. It also merges the findings with the respective objectives of the study.

Chapter Six: This is the last chapter of the study, and it looks at the major findings of the study. It goes further to offer recommendations to various groups for further studies.

CHAPTER 2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1. Introduction

This chapter examines the global and South African growth of digital skills. It outlines the driving reasons for digitalization and the necessity for insurance workers to be digitally savvy. The chapter reviews previous studies to examine results on the influence of organizational and training initiatives on digital skill development. Finally, it offered the theoretical framework that informed the study's claims.

2.2. Definition of topic or background discussion

Technology adoption for a company necessitates a digitally skilled workforce. Digital skills are crucial in engaging workers via continual growth (van Laar et al., 2022). According to studies, productivity grows with staff development and digital skills, which is crucial for SMEs' survival (Teng et al., 2022). Because of the relevance of these abilities, this research examines the elements that influence the development of digital skills, emphasizing organizational and training strategies.

Lutfi et al. (2022) noted that ICT provides enormous advantages for the corporate world. The author argued that many organizations have experienced easy service delivery to their consumers and significant improvements in internal communication. The study's most important finding was that technologically trained individuals lower the burden of supervisors and managers, making the work environment more inspiring and empowering.

According to Helsper and van Deursen (2014), digital skills and innovation have enhanced business performance, especially financially. The researcher observed that the benefits of using better ways to supply a service significantly influenced how the firms fared in revenue.

Similar research was conducted by Rozak, Fachrunnisa, and Rahayu (2021), who found that competent personnel outperformed those who did not take up digitalization strategic

planning. Furthermore, Salleh and Janczewski (2016) discovered that companies with digitally trained workers in their digital marketing departments performed better in resolving consumer complaints and service delivery. These studies demonstrate the significance of digital skill models and how they may help SMEs.

Some SMEs depend on traditional business approaches and take a long time to adopt new technologies because they lack the digital capabilities required to implement digital solutions (Gamache et al., 2020; Modisane & Jokonya, 2021). ICT adoption is dependent on workers' digital skills, and without these skills, ICT adoption will be impossible (Chetty et al., 2018). Research conducted by Prezioso and Margherita (2021) on variables affecting the survival of SMEs discovered that a lack of digital skills is one of the primary contributors since SMEs find it difficult to use ICT without these abilities. They said that the absence of a digital model in a world undergoing the 4IR meant that small businesses could not compete with well-established corporations if they did not have an adequately skilled workforce that was fully ready to traverse the digital realm.

Training methods are the supporting framework at the core of human capital development (Rozak et al., 2021). These methods influence the amount of expertise workers will have in any organization. According to Chetty et al. (2018) and Van Laar et al. (2019), there is a disparity between the digital skills necessary and the capabilities available in SMEs. According to Musaigwa and Mutula (2022), the insurance industry's SMEs are experiencing digital skills divide due to technological developments. In today's fast-changing market, some businesses only notice a change when it is too late (Musaigwa & Mutula, 2022). This implies that a proactive effort to upskill people as often as feasible is required to address this gap.

The primary approach for long-term competitive advantage in the insurance industry is digital transformation (Musaigwa & Mutula, 2022). Firms may earn and keep relevancy by constantly inventing and hiring competent individuals who bring innovation and fresh ideas (Musaigwa & Mutula, 2022). Businesses must differentiate themselves by offering items other companies cannot, and digital capabilities are crucial in-service delivery (Musaigwa & Mutula, 2022). The researchers believed that organizations required a distinctive selling point and that digitally skilled human capital provided that unique point, therefore the necessity to embrace it.

Human capital development is vital for innovation development in the United States and Japan (Kinitzki et al., 2019). Companies use workforce development as a strategic strategy to enhance innovation and facilitate skills transfer (Kinitzki et al., 2019). This approach puts the workforce at the centre of organizational success as such skills development is encouraged. Such environments have led to developing digital skills in organizations for companies to meet future business models that guarantee success.

Organizational strategy dictates a company's future and how it will be perceived in the market (Armstrong & Lee, 2021). It is the design of a persona with specific features intended to produce the desired effect (Porter, 1995). Phillips (2011) described organizational strategy as the vision of an organization's methods, beliefs, goals, and approaches to achieving its objectives. Phillips highlighted many factors that compose a strategy, the most fundamental of which were management style, vision, goals, and methods accessible to the firm. According to Armstrong and Lee (2021), organizational strategy is a long-term plan that describes how a company intends to spend resources, accomplish goals, and distinguish itself from competitors. This is a more complete description based on an overall strategic perspective of the company.

Strategy is the master plan that determines the course of action that an organization must pursue (Rozak et al., 2021a; Ruel et al., 2021). As a result, strategies in an organization are crucial in deciding the company's destiny. According to Antonucci & d'Ovidio (2012), strategies are plans created by experienced individuals who can foretell or forecast the future. According to Prezioso and Margherita (2021), managers cannot understand the importance of digital capabilities. This suggests that SMEs lack understanding about how vital it is to design plans that concentrate on digitization via digital skills, resulting in the observed skill gap variation. All the preceding researchers' arguments summate in one statement: digital skills are critical for the survival of SMEs and for establishing a competitive edge. However, there is a lack of a skills development strategy in SMEs, and management lacks the necessary insights to recognize and appropriately match the abilities with the function or activities done in the organization.

2.3. The role of organizational management strategies in the development of digital skills

Digital skills are a competency or aptitude that permits the use and operation of fundamental technologies, such as comprehending how to send emails, basic cloud computing, and operating computers for essential functions (Oberländer & Bipp, 2022). Organizational and training strategies are aspects of a company's vision for achieving its goals. The impact of these strategies is to direct the organization toward its vision and goals (Porter, 1995). The two parts have a link examined throughout time, beginning with simple training and development and progressing to current digital skills training and organizational strategy (Oberländer & Bipp, 2022).

The beginning of the twenty-first century saw developments in the technological arena, with new models aiming to give more efficiency and competitive benefits for businesses and people (Oberländer & Bipp, 2022). Digital skills are required for the development of effective business operations and the survival of SMEs. The world is heading toward digital commerce, with the United Nations' most sustainable development objectives strongly linked to ICT adoption (*Progress towards the Sustainable Development Goals*, 2022). The SDGs' operationalization primarily relies on ICT uptake and equipping personnel with digital skills (Clark et al., 2022). This establishes the importance of digital skills in the globe and SMEs for achieving sustainable development, a sustainable business model, and a significant contribution to national revenues.

Several studies have been conducted to measure the influence of training programs on employee skill development (Mozael, 2015; Nassazi, 2013; Rodriguez & Walters, 2017). Milhem, Abushamsieh, and Aróstegui (2014) define training and development as acquiring new information and abilities for a specific task. It is a planned event, indicating that strategies have been put in place to decide how an organization expects to grow and equip its human resources with suitable skills for the goals it seeks to attain (Milhem et al., 2014). The author outlined many ways to develop an organization's strategy. According to the author, most organizations study strengths, weaknesses, opportunities, and threats

(SWOT). This ensures an organization realizes where it falls short and how to compensate. This analysis is done for personnel, and a training program is created.

A method that considers an organization's existing condition is vulnerable to outside influence; for example, threats are an external force, and outside forces will significantly impact any strategy an organization develops (Teng et al., 2022). This might suggest that training to meet external factors can impact a company's training strategy (Van Laar et al., 2022).

A company's training plan affects how it addresses human capital development; numerous evaluations may be performed to confirm a need (Milhem et al., 2014). The SWOT analysis discusses internal evaluation, which may be accomplished via competence profiles and job descriptions, which try to identify the skills required for a certain role (Milhem et al., 2014). An internal evaluation is performed to match existing abilities with particular roles. If the requisite skills are not present, training is requested to repair the gap based on the skills gap analysis.

Another training and development strategy creation approach comprises a step-by-step procedure in which a training and development strategy is developed based on the organization's core strategy (Arucy & Juma, 2018). An organization that develops training strategies based on core strategy is primarily internally focused and seeks to supplement the overall organizational plan through different methods (Li & Herd, 2017). This strategy directly influences training and development approaches (Milhem et al., 2014). The difficulty with this method is that it focuses on a company's internal demands, which has the disadvantage of ignoring the potential impact and relevance of external influences.

Using a SWOT analysis for training methods guarantees that the organization's strategic goals are met. Before engaging in strategy design, a resource analysis is required to ensure that the plan speaks to the available resources (Armstrong & Lee, 2021). This point was also advanced by Milhem et al. (2014), who said that a strategy developed based on a thorough examination of available resources speaks to an organization's actual requirements. The downside of this method is that the plan will be influenced by external pressures, such as the demand for digitalization pushed by the United Nations SDGs. For this study, training is

a continuous process in organizations, and the strategies designed to enhance digital skills are comprehensive and consider both internal and external factors. The study investigates the effectiveness of such strategies to ensure that all factors are brought into consideration.

An organizational strategy is a road plan that outlines the direction and approaches a company will follow in the immediate future (Armstrong & Lee, 2021; Sammut-Bonnici, 2015). An organization with a forward-thinking and progressive strategy has a greater possibility of permitting multiskilling people and developing digital skills. This is crucial for developing digital skills in organizations since it is guided by the strategy (Arucy & Juma, 2018). This study aims to identify and investigate the influence of organizational and training strategies on developing digital skills. The relevance of the insurance business and the need to acquire digital skills for the SDGs make this research crucial.

Many strategies are available in strategic management, including strategic and organizational plans (Sammut-Bonnici, 2015a). Management's perspectives and approach style significantly influence employee performance. This impacts an organization's overall course (Eva, 2018; Uzoamaka & Kingsley, 2015). Strategies constantly change in organizations, and the effect of the shift might be structural, financial, or both. These developments have an influence on the organization's personnel as well as on the organization itself (Uzoamaka & Kingsley, 2015).

Several strategies include reward and recognition systems and organizational resources distribution systems, and the management's leadership style determines their primary goal. Some managers choose a democratic leadership style that empowers staff, while others prefer a more authoritarian style that limits employees' capacity to explore and learn (Teng et al., 2022; Smit & Watkins, 2012).

Management strategies are the methods and attitudes managers or leaders use to accomplish organizational control, resource allocation, general administration, and planning operations (Rozak et al., 2021). How a manager distributes resources, key performance metrics used to review resource distribution priorities, drivers of training requirements, and

attitude toward change all have a role in deciding how individuals are regarded in an organization (Winterton & Stringfellow, 2005). Regarding learning, some management methods emphasize change and technology adoption, while others are rigid and seek to keep things the same (Milhem et al., 2014).

According to (Hitt et al., 2017), two primary management strategies are used in organizations. Managers utilize these as the foundation for developing a plan of action. The authors discuss the two ways below. Adaptive strategic management is a strategy that entails a thorough examination of both the internal and external environments. The leadership will decide how to adapt to the changes demanded by the present climate, which may entail training personnel if necessary (Hitt et al., 2017). Their observations in the company environment will inform their approach to pondering on managerial jobs. This strategy is based on the organization's strategic purpose and vision. This means that management focuses only on the strategic plan and models every strategy or action taken to attain that goal without regard for the external environment (Li & Herd, 2017). This strategy results in a rigid, reactive organization that may not train personnel unless explicitly expressed in the vision and mission statement.

Nother management strategy includes in-house grooming and career promotion, in which an organization promotes internal human resources rather than recruiting outside the organization (Mwamba & Angaman, 2021). This is a typical strategy in Japan and generally results in educating current staff to meet global standards (Van Laar et al., 2022). The strategy used in this research is to investigate the influence of various management strategies as they feed into the organizational strategy of an organization operating in the insurance industry in South Africa.

2.4. The Influence of organisational management strategies on digital skills development.

Digital skills, according to the Progress towards the Sustainable Development Goals (2022), are a critical component in the development and achievement of SDG 17. This phrase

implies that training, in the form of an evaluation, is required to attain the goals. The fundamental argument is that the United Nations policy is now impacting the requirement for training to achieve the goals. In their study, Salleh and Janczewski (2019) posit that strategy informs all actions in an organization's organization.

Rozak, Fachrunnisa, and Rahayu (2021) researched the impact of digitalization strategic planning and found that organizations with a management style focused on digital skills development outperform their rivals. Furthermore, Salleh and Janczewski (2016) revealed that organizations inclined to innovate had technologically competent workers. According to the authors' results, a defined strategy for staff development boosts skill improvement in an organization (Salleh & Janczewski, 2016). These studies show that strategy-based planning provides a direction for digital skill development, showing the potential effect of strategy on skill development.

Some SMEs depend on old business strategies and take a long time to adapt to new technologies, and they lack the digital competencies required to implement digital solutions (Gamache et al., 2020; Modisane & Yokonya, 2021). ICT adoption depends on workers' digital abilities, and ICT adoption will be impossible (Chetty et al., 2018). SMEs struggle to develop a suitable digital skills-friendly strategy, particularly at the management level (Prezioso & Margherita, 2021). The results of these authors show that a manager's strategy and perception of digital skills influence the growth of these talents, particularly in SMEs.

According to Sammut-Bonnici (2015), organizational strategy dictates a company's future and how it will be perceived in the marketplace. It is the design of a public image with specific features intended to produce the desired effect. Furthermore, Phillips (2011) described strategy as the vision of an organization’s methods, beliefs, goals, and approaches toward achieving its objectives. The first of these concepts highlights a key feature of strategy: impact on actions. Digital skill development is a strategic activity that an organization performs. The second component is the establishment of characteristics; a rigid organization develops set structures that may be sluggish to adapt to changes, causing the organization to lag in capabilities.

The difficulty of seeing digital skills training and development only as a function of strategy has limited applicability in SMEs. According to Stonehouse and Pemberton (2002), around 36% of SMEs do not have plans in place because they are managed on an informal basis or cannot afford to recruit experienced individuals with the requisite planning abilities needed to design a strategy. This indicates that research concentrating on strategies does not explain other impacts outside management's reach on what drives digital skills development.

Given the arguments for and against the influence management strategy has on the development of digital skills, the purpose of this study is to conduct a systematic study to examine and investigate the impact of management strategies on the development of digital skills in South Africa, with a particular focus on the insurance sector. The plan is to incorporate additional empirical information with a South African emphasis since the strategy is situational and the impact is context dependent**.**

2.5. Proposition 1

Management strategies are essential for developing digital skills in SMEs operating in the insurance sector.

2.5.1. Training strategies' role in developing digital skills in SMEs operating in the insurance sector.

Training is an ongoing process of obtaining skills and knowledge to master efficiency in a specific field (Aguinis & Kraiger, 2009). One of the fundamental duties of the human resources department of an organization is to guarantee that human resources are constantly developed to meet the organization's needs (Hitt et al., 2017). A training plan is a method a company utilizes to provide its workers with the necessary skills and competencies (Li & Herd, 2017).

There are two ways to train strategies, each with several versions depending on the strategy taken by the organization under consideration. Off-the-job and on-the-job training are the two essential categories. An off-the-job strategy is when an organization sends an employee

to be taught away from the workplace to gain the necessary skills (Aguinis & Kraiger, 2009). Off-the-job training has the advantage of being delivered in an atmosphere that enables the learner to be instructed by an expert in a neutral environment, and it is often ideal for the services industry (Aguinis & Kraiger, 2009; Mwamba & Angaman, 2021). On-the-job training is provided on the job and takes a hands-on approach to skill development (Aguinis & Kraiger, 2009). According to Milhem et al. (2014), training and development is acquiring new information and abilities for a specific task. When developing a training plan, most organizations do a strength, weakness, opportunities, and threats (SWOT) analysis (Milhem et al., 2014). This ensures an organization realizes where it falls short and how to compensate. This analysis is done for personnel, and a training program to be created.

A company's training plan affects how it addresses human capital development; numerous evaluations may be performed to confirm a need. The SWOT analysis discusses internal evaluation, which may be accomplished via competence profiles and job descriptions; both try to identify the skills required for a specific role (Milhem et al., 2014). An internal evaluation matches existing abilities with roles. If the requisite skills are not present, training is requested to repair the gap based on the skills gap analysis.

Another training and development strategy formulation comprises a step-by-step approach in which a training and development strategy is developed based on the organization's core plan (Arucy & Juma, 2018). This primary and internally focused method supplements the overall organizational plan. This strategy directly impacts how training and development are approached (Milhem et al., 2014). The difficulty with this method is that it focuses on a company's internal demands, which has the disadvantage of ignoring the potential impact and relevance of external influences.

2.5.2.1. The influence of training strategies on the development of digital skills

There is a favorable interaction between digital abilities and training, according to (Erasmus & Loedolff, 2015). This suggests that the more individuals are taught, the more digital abilities they will develop in an organization. According to Teng et al. (2022), training is the primary

contributor to human resource development in any organization. There is a widely held belief that an organization with an on-the-job training approach has a more significant impact on employee growth. The argument is founded on the fact that this training is practical (Teng et al., 2022). According to research by Uzoamaka Kingsley (2015), an organization with a well-defined training strategy has superior strategies for human resource development.

Employees perform better in organizations with well-defined training methods. An effective training strategy will target the correct areas for skill inadequacies (Teng et al., 2022). Employee reliance on organizational training is largely acknowledged as why most firms with training strategies have high-performing staff. In research conducted by (Rodriguez & Walters, 2017), well-trained personnel outperformed those who were not trained, and the author concluded that the discrepancies in skill levels stemmed from the inequalities in training methodologies used by various organizations.

In terms of digital skill development, these studies have several drawbacks. Many assumptions are made in the investigations, either explicitly or by ignoring particular facts. The following are some of these assumptions:

a) Employees depend solely on a company's training plan: research that showed that organizations with a clear training strategy had higher performing employees due to their abilities assumed that all the skills demonstrated by employees were a consequence of the company's training. Some workers may take it upon themselves to enhance their abilities outside the firm (Aguinis & Kraiger, 2009). The authors observed that some individuals are so eager for knowledge and competence that they would go out of their way to acquire a new skill on their initiative, a phrase drawn from Abraham Maslow's hypothesis, which found that humans desire self-actualization (Arucy & Juma, 2018b; Erasmus & Loedolff, 2015).

b) There are margins of error in measuring training efficacy based on performance. A company's performance is influenced by various elements, including leadership quality, technology, competition, and product type (Armstrong & Lee, 2021; Slack, Brandon-Jones, Johnston & Phihlela, 2017). Employee performance is influenced equally by motivation levels and financial and non-financial rewards, which result in

various outputs (van Laar et al., 2022). The hawthorn effect demonstrated that other elements influence employee competence (Sedgwick & Greenwood, 2015).

Despite prior researchers' conclusions having probable margins of error and assumptions, this study believes that with a suitable methodology, it is feasible to determine the actual influence training tactics have on digital skills development.

2.6. Proposition 2

Training strategies of SMEs operating in the insurance sector in South Africa play a role in the development of digital skills for their employees.

2.6.1. Operational strategies' role in developing digital skills in SMEs in the insurance sector.

Operational strategies are the methods and tactics used in a company's day-to-day operations to enhance how it produces and provides its offerings to customers (Slack et al., 2017). Organizational and operational strategies integrate into the overall company strategy. The primary goal is to guarantee that the organization employs the finest approach to production (Slack et al., 2017). The strategies in an organization include internal communication channels, reporting structure, cost reduction measures, data management, and best practices processes (Slack et al., 2017). Most cost reduction mechanisms have a huge impact on the development of digital skills inside organizations.

Operational strategies fluctuate depending on the areas of concentration, and the areas of focus influence the kind and quality of individuals required for the work (Slack et al., 2017). The following are operational strategy categories:

Client-Driven: This strategy provides what the customer requires; these strategies influence the training programs for customer contact personnel (Slack et al., 2017).

Core Capabilities: These are ways to build core competencies in people and the organization. They are the result of operational skill analyses. The primary goal is to have

distinct capabilities that may propel the organization ahead of its competition (Paradkar et al., 2015; Slack et al., 2017).

Product or Service Development: Product development and design strategies strive to improve the product (Slack et al., 2017).

The nature of the operational plan determines the areas of emphasis on staff development. Distinct tactics need unique and technologically enabled human resources.

This research aims to determine the significance of these strategies in developing digital skills in the insurance business in South Africa.

2.6.1.2. The role of operational strategies in the development of digital skills

Scholars have stated that operational strategies are critical for skill development and progression (A. Braun, 2015; Slack et al., 2017). According to studies, operational strategies strive to increase service delivery in organisations by growing their staff for greater capabilities (Slack et al., 2017). Operational strategies are used to enhance corporate operations procedures. Most operational strategies strive to reduce costs, optimize processes, create a flexible system, and increase production (Rozak et al., 2021). In light of this, businesses are encouraged to examine their digital strategy as a cost-cutting measure. According to (Fedorets et al., 2020), digital skills, like any other ability, need continual updating to remain current.

According to Sammut-Bonnici (2015), most businesses develop operational strategies to lower operating expenses. Digital adoption and skill development are these initiatives' most frequent factors. According to the author, cost-cutting measures can include a component of technology adoption. This viewpoint is consistent with the arguments advanced by Walker & Brown (2019), who said that adopting a digital business model allows telecom businesses to lower some of their operating expenses.

The use of technology aids process improvement efforts. According to the study (Walker & Brown, 2019), SMEs may improve their operations using big data technologies. The implications of these results imply the development of digital capabilities in the

process optimization strategies. This study aims to clearly explain the influence of operational strategies on digital skills development in South African SMEs.

2.7. Proposition 3

Operational strategies are essential for developing digital skills in SMEs in the insurance sector.

2.7.1. Theme Five: Cost reduction in SMEs

2.7.1.1. Increasing speed and efficiency

SMEs are concerned about their cost, so their training and development initiatives consider costs. The level of competition in insurance needs a company to stand out and deliver services efficiently in a less costly manner as such digital skills are important. The sector views digital skills as a cost-reducing mechanism.

2.8. Analytical Framework

The study takes an inductive approach to determine the impact of organizational and training strategies on developing digital skills in the insurance sector. To achieve the intended analysis, the study adopts operational, technical, and formal skills and competencies, an amalgamation of models showing the skills a digitally competent person should have.

2.8.1. Theoretical Framework

For a theoretical framework, the research relies on stakeholder theory. Four essential lines of organizational management were used to build the idea. Strategic organizational planning, corporate social responsibility, systems theory, and organizational theory are all included in the theory (Buchholz & Rosenthal, 2005). The idea describes the interplay between an organization and its stakeholders, resulting in a multifaceted relationship. Employees,

consumers, government suppliers, and rivals are examples of organizational stakeholders (Buchholz & Rosenthal, 2005).

According to theory, the organization's activities impact the stakeholders and vice versa; regardless, this research emphasizes the interaction between the strategies, strategic planning, and organizational systems and how these affect the organization's personnel. The hypothesis has been proposed to explain how organizational structures influence employee behaviors and motivation (Buchholz & Rosenthal, 2005). Considering this knowledge, an organization's strategy, culture, and training methodologies directly influence employee growth. This research hypothesizes that the organization's activities, culture, and strategy affect digital skills development.

	Totals	ESHET-ALKALAI (2004)	JENKINS (2006)	MARTIN & GRUDZIECKI (2006)	HARGITTAI (2007)	BAWDEN (2008)	CALVANI ET AL. (2008)	HOBBS (2010)	BELSHAW (2011)	ALA-MUTKA (2011)	FERRARI (2013)	UNESCO (2013)	VAN DIJK & VAN DEURSEN (2014)	VAN DEURSEN, HELSPER & EYNON (2014)
INDICATORS														
DIGITAL SKILLS and COMPETENCES														
OPERATIONAL, TECHNICAL AND FORMAL		6	4	3	5	3	4	5	5	8	8	4	6	6
Knowing and using hardware	13	x	x	x	x	x	x	x	x	x	x	x	x	x
Knowing and using digital tools and software	12	x	x	x	x		x	x	x	x	x	x	x	x
Knowing and using the Internet	11	x	x	x	x			x	x	x	x	x	x	x
Knowledge of where to seek assistance	4				x					[x]	x		(x)	
Cross-platform navigation	3								x	x	x			
Handle digital structures	10	x				x	x	x	x	x	x	x	x	x
Device safety	4	x								x	x			x
Privacy | protection of personal data	10	x	x		x	x	x	x		x	x		x	x

Figure 1: Operational, technical and formal skills and competencies (Iordache et al., 2017, p29).

The operational, technical, and formal skills and competencies model is used as the theoretical framework in this research to interpret digital skills. This model depicts an employee's abilities to be classed as having digital talents (Iordache et al., 2017, p29). This model is a compilation of contributions from eleven various sources, and it addresses the

areas of digital skills competencies that an employee should possess. Research conducted by de Marks (2018) applied the model for online education administrators and discovered that the claimed abilities were necessary for online education. This research will use the model's foundation as the standard for digital abilities.

The research uses the model's competencies to show the degree of digital skills competencies as metrics to evaluate the level and development of digital skills in the insurance business. The model evaluates digital abilities based on the capacity to utilize standard computer hardware, software tools, the internet, and how to defend one from undesired privacy invasions online. Because of the constant changes in technology and needs, the model has had various additions since its conception. This allows this research to adapt the model to the insurance industry, whose environment differs from the generic digital skills model.

2.9. Conclusion of Literature Review

Literature highlights that recruitment and selection tactics strongly influence digital skills development since they deal directly with personnel. Nevertheless, this does not diminish the importance of management strategy. Other factors that dominate and influence human resource development are strategic, as shown by the following studies and reports, in which it is clear that strategy is driving the need for training and development to achieve set objectives (National Policy on Students and Community Support Services for Community Education And Training Colleges, 2021; Progress towards the Sustainable Development Goals, 2022).

CHAPTER 3. RESEARCH METHODOLOGY

Chapter three focused on the research approach and methodology chosen to explore the research problem effectively. It further discussed the data collection methods and data analysis approaches. Lastly, it covers the sampling technique and validity and reliability issues.

3.1. Research approach

The study employed qualitative research, with data obtained from samples being analyzed using the thematic data analysis method to determine the organizational elements impacting digital skills development in the insurance industry. This study used qualitative research approach since the issue under investigation contains human impact components or when seeking a more profound knowledge of a problem (Taylor et al., 2015) this view was backed by (Aspers & Corte, 2019). A thorough qualitative investigation provides insight into the motivations behind particular behaviors (Taylor et al., 2015). It is suggested that they reveal the motivations for actions and choices (Aspers & Corte, 2019), so qualitative research will explore the motivations for the role of management strategies, training and development strategies, and operational efficiency strategies in digital skills development in the insurance industry.

The qualitative research is suited for contexts in which studies about perception, interpretation, and perspective are explored, most commonly from the individual's viewpoint (Hammarberg et al., 2016). Quantitative inquiries include systematically collecting data about a phenomenon using established metrics (Hammarberg et al., 2016). It entails the methodical gathering, organizing, describing, and interpreting of written, vocal, or visual data (Hammarberg et al., 2016). The qualitative research design seeks to explain, comprehend, describe, or understand human experiences, activities, opinions, beliefs, or inventions (Denny & Weckesser, 2019). Various research methods are used in the qualitative research design (Denny & Weckesser, 2019) including interview which were selected for this

research. The research data collected was used to inform the study's position on digital skills development in SMEs operating in the insurance sector.

3.2. Research design

The study used an exploratory research design to determine the factors influencing digital skill development in the insurance business. It also helps to explore why a certain phenomenon occurs and predict future occurrences. This is because explanatory research is mostly suitable in responding to the question of assessing relationships between multiple variables to explain phenomenon.

This study collected data from the chosen population using an interview guide. For a complete data-collecting exercise, qualitative research should employ interview data collection (Dworkin, 2012). An interview technique enabled the researcher to gather data using thematic analysis, which has been supported as a trustworthy metric for qualitative data since it allows for additional explanation and categorization of data based on features (Braun et al., 2016).

The technique enabled the research to develop themes based on the study's objectives and propositions. The technique aided in developing distinct topics for data exploration and analysis, as advised by (Braun et al., 2016). Interviews enabled the researcher to see various nonverbal communication signals from participants, enhancing the study and providing the researcher with a more excellent knowledge of the subject (Aspers & Corte, 2019). Qualitative research may analyze complicated topics, particularly those containing human factors. Considering these guidelines, this research used interviews and interview guides, with the results analyzed utilizing a theme analysis technique.

3.3. Data collection method

Interviews were used to acquire data from the sample for the research. The phenomenological method requires a thorough comparison of data for regions of

divergence and convergence (Aspers & Corte, 2019). Because the data must be similar, it should be obtained using a consistent data-gathering technique (Hammarberg et al., 2016). Because interviews allow the researcher to explore additional information, they are suitable for qualitative data gathering (Hammarberg et al., 2016). The study's qualitative data was collected utilising an interview guide. Interviews enable the researcher to redirect the study based on data from the field (Hammarberg et al., 2016).

In summary, the study's data was gathered using interviews. The data was organized into themes and contrasted using the thematic content analysis technique to get conclusions. Interviews enable the interviewer to elicit more information and detect nonverbal communication indicators.

3.4. Population and sample

3.4.1. Population

The study population covers the insurance companies operating and registered in South Africa. The total population of the study includes insurance companies operating in South Africa, registered by the Reserve Bank of South Africa, and found on the Reserve Bank of South Africa insurers list. Population selection includes elements that share the characteristics mentioned in the study, and the population size should be taken from a reputable source (Kiger & Varpio, 2020). Initially the research sought to recruit a population of five 20 participants from five different insurance companies. The researcher however ended up accessing only 12 participants from three different companies.

3.4.2. Sample and sampling method

In qualitative investigations, the environment determines the sample size. Nevertheless, some experts advocate for data collection to be done until a point of saturation has been reached (Daniel, 2016). Because qualitative research is not intended to be generalized to persons outside the community, it requires a thorough examination of the problem with a manageable sample size (Denny & Weckesser, 2019). Corbin and Strauss (1990) and

Denny and Weckesser (2019) state that a qualitative study should collect data from participants until a point of saturation. This is the point at which no new information is obtained from new participants.

The study used non-probability sampling namely convenience sampling. As a non-probability sampling method, convenience sampling consists of selecting the units that are easiest to access by the researcher for inclusion in the sample. Convenience sampling allowed the researcher to select those SMEs that were within the range from an accessibility perspective. SMEs in the insurance business were selected to boost the study's credibility in establishing the organizational factors influencing digital skill development. Operational managers and other managers responsible for operational, organizational, and training strategies were contacted for interviewing.

3.5. The research instrument.

The study used an interview guide. The interview guide was broken into four sections, with the first providing demographic information for respondent profiling. The latter four sections covered the study's three objectives. The researcher then came up with a set of questions under each section. Questions were framed based on how they would address the research objectives. The selection of businesses for the study was based on whether they fell under the SME category based on the study’s definition of the term. Semi-structured questionnaires have been recommended for qualitative research because they allow for more flexibility in data collection, allowing the interview to capture extra distinctive characteristics that may be unique to a certain organization (Gill et al., 2008).

3.6. Procedure for data collection

Permission to conduct the study was obtained from the shortlisted organizations. Following email or telephonic communication, the researcher was directed to the proper offices for digital skills development to schedule an interview. Targeted participants had the option of choosing between in-person and remote interviews. Remote interviews such as telephone interviews are permitted when the researcher cannot physically contact the subject for a

physical interview, as supported by (Goundar, 2012). It is worth noting that newer technologies like MS teams integrate the tele and video in what is known as teleconference calling. Therefore, I also resorted to teleconference call with interviewees. These interviews were recorded using Microsoft Teams recording tools. Interviews were conducted, and the researcher recorded the techniques in writing and on audiotape with the consent of the participants. The collected information was sorted, and any information that may be used to identify the organization was removed from the record. The interviews were between 30 to 60 minutes long, depending on the information shared.

3.7. Data analysis strategies and Interpretation

Qualitative research is comprehensive and often yields a vast quantity of data; numerous methods exist for examining and analyzing qualitative data (Kiger & Varpio, 2020). This study employed thematic analysis to understand better the factors influencing digital skills development in the insurance industry in South Africa. The thematic analysis looks for areas of similarity and difference in data from interviews by topic, and the common areas are shown as the result's position (Braun et al., 2016). After careful evaluation, the material is analyzed and assigned to a subject.

According to the research propositions, subjects such as organizational strategies, training methodologies, competency profiles, and skill gap assessments were used. The study's factors influencing digital skills were allocated to themes based on the research objectives. The thematic analysis provides a comprehensive topic description based on the reasons acquired throughout the data collection phase (Sandelowski, 2000).

The approach has two significant advantages: it provides research versatility since it may be used for inductive or deductive research (Braun et al., 2016). This study employed a deductive approach, resulting in a conceptual framework. Another benefit is the approach's ease of use; themes are used to integrate data, making it easy to identify views by themes.

The investigation was carried out in stages:

- **Phase 1:** Data familiarization. The researcher became acquainted with the data collected by reading through the interview transcripts and taking brief notes. The process allowed the researcher to pick up on another point that was possibly overlooked during the interview.
- **Phase 2**: After creating the initial codes, the researcher assigned them to information with similar interests or meanings. Code allocation aids in categorizing information for analysis.
- **Phase 3**: The researcher began by distributing the coded data to chosen topics while searching for themes (Braun et al., 2016). The author mentioned themes as areas of shared interest expressed by participants. The researcher assigned the same codes to the data for each topic.
- **Phase 4:** Review prospective themes; at this point, ensure that all data codes have been assigned to the relevant themes. The procedure includes adding and deleting themes as some combine, and others are segregated (Braun et al., 2016).
- **Phase 5**: Defining and naming themes, which included providing specific goals and ensuring that the topics are not too ambiguous or broad (Braun et al., 2016). The researcher ensured that the topics were concise and precise.
- **Phase 6:** Report production; this is the last stage, and the researcher organized the results into themes. This level also included the interpretation of data and behavior.

The research used Microsoft excel to group the data thematically by colour-coding. This was followed by a synthesis of the major themes in Microsoft word. The standout themes were represented by quotations which were incorporated into the study.

3.8. Quality Assurance

The quality of the study is measured using result transferability, dependability, credibility, and confirmability.

3.8.1. Transferability

The article describes the study context and the assumptions made before data collection. These elements are essential for reproducing the study in a similar situation Shenton (2004). However, since qualitative data is context-dependent, the study's transferability will be limited if applied to a new location utilizing a different approach and context (Shenton, 2004). This approach has minimal applicability outside of the context presented in this work. According to Shenton (2004), qualitative studies may boost transferability by thoroughly clarifying the study strategy and design; the researcher must be impartial and accurate to have the least impact on the data acquired, and the data must be gathered from reputable sources.

The study approached data collection using open-ended questions, allowing participants to share information freely. The data was analyzed using thematic analysis, which group the data into themes based on responses made by participants. This ensured the researchers' impartiality and increased the study's transferability if conducted within the same parameters.

Purposive sampling was used to choose relevant participants for data collection. This method improved the result's transferability.

3.8.2. Credibility

The research's credibility is critical since data was collected only from the designated sample. The themes created in the questionnaire were utilised to analyze the sample data (Shenton, 2004). The interviews set the tone for the data collection process, ensuring that the information acquired is relevant to the research topic, which is the insurance sector.

The researcher adhered to the procedures in the data collection process to ensure data is gathered from the proper offices. The research will conform to the ethics above to ensure that all participants offer accurate and meaningful information to the study. The research will also specify the number of organizations and interviews to be done, the data collecting

instrument, and the time frame for data collection—the information provided above assists in making qualitative research transportable (Shenton, 2004).

3.8.3. Dependability

Following the study design to guarantee that all components are executed tactically results in dependability (Shenton, 2004). The study considered all the factors mentioned in the research strategy and design to guarantee that the results represent the sample. Shenton (2004) recommends that the study describe the research concept and its execution, operational details of data collection, and a reflective study analysis. The researcher followed all the measures and suggestions to ensure the study's dependability.

3.9. Ethical considerations

The research followed several ethics to ensure that the output represents an accurate stance. The researcher sought ethical clearance from the University's ethics committee before fieldwork begins. This ensured the research protects the participants and researchers from harm. The research guaranteed that the result does not harm the insurance industry by following the following ethics.

1. The researcher had explicit permission and approval from the targeted organizations to gather data. The institutions were given suitable documents identifying the researcher as a university student.
2. No participants were forced to participate in the research and were free to quit at any time.

During the interviewing stage, the researcher informed all participants of the study's nature and possible outcomes as part of informed consent. Participants were given a consent form to agree or disagree to participate in the research. Furthermore, the researcher took up non-coercive approaches during the interviews. All participants were informed that they can withdraw from the study at any time at any stage in the interviewing process.

The confidentiality of participants was paramount. Protection of the participants' identities could not be guaranteed but the risk of identity exposure was reduced by using pseudonyms. The participant information sheet also helped inform the participants that their identities would remain anonymous, and their responses will be recorded and kept safely in a password-protected computer.

CHAPTER 4. PRESENTATION OF FINDINGS

4.1. Introduction

This chapter presents the research findings from the data collection, which are presented in sections per the research propositions. The research propositions are further broken down into research questions for data classification. The data is presented qualitatively in themes per the research methodology; themes are based on propositions and the study's objectives.

4.2. Thematic analysis

The study is divided into six thematic areas. The themes are subcomponents of the research's three propositions. The six themes are management advocacy in digital skills development, organisational strategic approach to digital skill, learning and development, training administration in SMEs, cost reduction in SMEs and operational effectiveness. When conducting qualitative research, themes for data analysis should be developed from the study's propositions to keep the study's focus (Hammarberg et al., 2016; Kiger & Varpio, 2020). The study sorted all the data based on these four core areas, analyzed the data for areas of convergence and divergence, and then presented the data to show common findings. Therefore, the study used Braun & Clarke's six-phase framework for a thematic analysis, as explained in the table below.

Step 1: Become familiar with the data, Step 2: Generate initial codes, Step 3: Search for themes,	Step 4: Review themes, Step 5: Define themes, Step 6: Write-up.

Table 1: Braun & Clarke's six-phase framework for doing a thematic analysis (2016).

4.3. Demographic Data

This section presents the demographic profile of the participants, including their gender, highest level of education, age, and work experience in the SME insurance industry. Interviews were conducted with twelve participants during this research. The individuals

whose job responsibilities range from middle management to business ownership. These were identified utilizing convenience sampling. These participants were regarded to possess the required knowledge and experience due to their prior employment in SME insurance companies and their current management positions. These participants were selected to obtain a variety of perspectives on the current organizational and training strategies for developing digital skills in South African SME insurance organizations, as perceived by them.

The sample of participants included eight men and four women. One participant had a national diploma, one with a professional certificate, six with a bachelor's degree, and four with a master's or postgraduate degree. Most participants were between the ages of 40 and 45 and had progressed through various roles and disciplines in the insurance SME sector. These participants were exposed to strategy formulation and execution and actively participated in their insurance companies' digital skills development journeys.

4.4. Research Findings

Themes that have emerged

The study findings revealed the following themes. These themes were then tied to the three propositions addressed by the study and are discussed in depth.

- **Theme One:** Management advocacy in Digital skills development
- **Theme Two:** Organisational strategic approach to digital skills
- **Theme three**: Learning and development
- **Theme Four:** Training administration in SMEs
- **Theme Five:** Cost reduction in SMEs
- **Theme Six:** Operational effectiveness

The themes and their sub-themes appear in the order summarised in table 2:

RO #		Research Objective	Research Proposition	Research Themes
1		To determine the role of organizational strategies in the development of digital Skills	**Proposition One** Management strategies are essential for the development of digital skills in SMEs operating in the insurance sector	**Theme One:** Management advocacy in Digital skills development • Advocacy **Theme Two:** Organizational strategic approach to digital skills • Automation strategies • Growth strategies • Compliance with regulations
2		To explore the role of training strategies in developing digital skills in SMEs operating in the insurance sector	**Proposition Two** Training strategies of SMEs operating in the insurance sector in South Africa have an impact on the development of digital skills for their employees	**Theme three**: Learning and development • Skills gap analysis • Learning and development department **Theme Four:** Training administration in SMEs • Training scope • Job rotation
3		To explore operational strategies' role in developing digital skills in SMEs in the insurance sector	**Proposition Three** Cost reduction strategies are essential in the development of digital strategies are important for the development of digital skills in SMEs in the insurance sector	**Theme Five:** Cost reduction in SMEs • Efficiency and speed • Reduce deadweight **Theme Six:** Operational effectiveness

Table 2: Consistency matrix: research objectives, propositions and themes (Author, 2023).

4.5. Proposition 1: Management strategies are essential for the development of digital skills in SMEs operating in the insurance sector.

There is an upward trend in adopting integrated communication technologies as advocated by management in the sector. Most participants highlighted that management has advocated for adopting technologies that enable employees to perform their duties and communicate effectively.

4.5.1. Theme One: Management advocacy in Digital skills development

Management advocacy

Management is at the forefront of developing digital skills in SMEs in the insurance sector. Many participants highlighted that management emphasizes the benefits of digital skills to the organization.

> *"there are changes happening in the environment and they need not be afraid, so what we do is communicate with each and every department and division. We identify the key people in divisions, we train them, and they then train others we listen to the needs of the people in the departments because they work every day with the system so we need to listen to them and we use that information from clear communication to map the training. We always highlight the importance of digital skills to our employees which in turn we hope inspires them to develop themselves"* -***participant 1***

> *"it is absolutely key that management is clear about its purpose about digital skills development because without that intention now on the skills development and the digital space development will actually not take place if management does not take the initiative"* ***-participant 11***

> *"our responsibility as management is to create an atmosphere that is amenable to the growth of our employees' digital needs. We have begun to take the necessary steps to initiate this kind of development in order to direct our resources toward the development of digital skills"* - ***participant 3***

*“Our management teaches us the importance of digital skills to the organisation and our personal lives which encourages employees to want to have their digital skills improved”-**participant 4***

*“I'm aware that the upper echelons of management in my company are actively fostering the growth of digital competence. This is because advances in technology are becoming increasingly vital to the sector”-**participant 7***

“I understand that managers in SMEs within the insurance sector are pushing the development of digital skills. This is due to the increasing importance of technology in the industry. As the world becomes more digitally focused, insurance companies must develop their digital capabilities to stay competitive. Digital tools and techniques can help insurers streamline operations, enhance customer experience, and improve decision-making. Therefore, as such, I encourage employees to develop digital skills and create a culture of innovation to keep up with the changing landscape of the insurance industry” –**Participant 9**

Management's drive to encourage personal development in digital skills is aimed at improving employee performance in the organization, but at the same time, it improves their digital skills.

*“We encourage employees to develop digital skills because it makes them more productive and efficient which is what we need in our organisation”-**participant 1***

Management views digital skills as critical in the industry due to the high rate of digitization of the industry. The study noted that with technology adoption, digital skills are the backbone of productivity. They encourage employees to train in digital skills and teach other employees. This approach has allowed continued skills development in organizations as employees are encouraged to share skills. The management highly supports new ideas regarding digital skills because they understand that there are various skills and the environment is constantly changing.

4.5.2. Theme Two: Organisational strategic approach to digital skills

Automation strategies

Different systems are integrated with critical organizational services and require every employee to be skilled digitally. Before the change in systems, most organizations used software such as Excel and other essential and broad Microsoft Office products; these resulted in the creation of many databases within organizations resulting in a disjointed approach to business. The adoption of new software has enabled organizations to work from the same database, which has caused the management to support for employee familiarisation with the system so that they can communicate information effectively.

> *"We prepare ourselves as a company by moving into a space where we can communicate easily with our customers instead of using the old ussd system and Excel. The platform we have is built on a dot net, it's easy to expand and years of development went into this. This makes it easy to add new products in 48hrs instead of the more time we use to take back in the day"* ***-participant 1***

> *"We adopted a new system, before then we used excel for most of our processes but now we have a new software, to make sure our employees are equipped we trained them to use the new software"-* ***participant 2***

Most digital skills in SMEs caused by the introduction of automation and technology adoption result in developing skills explicitly aimed at the adopted software.

> *"we train employees to use the specific software because that what they need after all, its cost effective that way and we do not get to waste much time. We think that when they specialise they become better and perform even better, training employees in things they do not use is not necessary or smart'-* ***participant 1***

The changing business environment makes It essential for organizations in the insurance sector to adopt technology and digital skills. Automation of many business systems results in management's prioritization of digital skills, which can make employees perform better.

"*Very often, digital skills reduce the cost of operations by enabling companies to streamline their processes and automate many of their tasks. By using technology to handle routine tasks. Insurance companies can free up their employees to focus on higher level work that requires more specialized knowledge and expertise. This not only increases efficiency, but also reduces the risks, the risk of errors and improve the overall quality of the work. Additionally, digital skills helps our organisation to better track data and analyze it more effectively by using advanced analytics to identify patterns and trends in our data. Our organization makes more informed decision and adjust their operations accordingly".*

" –**Participant 9**

"The adoption of digital tools and techniques can bring significant benefits to insurance companies. For instance, digital tools can help automate processes, including underwriting, claims processing, and customer service, which can help reduce costs and improve efficiency. Also, with the rise of social media and digital marketing, companies can use digital tools to reach out to potential customers more effectively" –**Participant 11**

4.5.2.1. Growth strategies

Management's organisational growth ambition has led to adopting new future-focused technologies fully integrated with all core services of the insurance industry.

*"The industry is highly competitive and requires innovation for growth, in the modern business era growth is inspired by technology that's why we push for the development of digital skills"-**participant 5***

This response means that organizations view digital skills as the drive they need to grow. This makes digital skills critical because growth is one of the key objectives of most SMEs.

4.5.2.2. Compliance with regulations

According to the findings, most insurance companies have a learning and development department with digital skills development policies meant to empower employees for future roles requiring digital skills. The departments are regularly reviewed and monitored by management to adjust the skills being driven in those departments and offer support in any way they can to ensure continued digital skills development. The departments are mandated to regularly appraise employees on digital skills and adjust the training based on skills required and gaps discovered.

> "*We have internal departments for skills development, especially those digital skills at the core of compliance issues"-**participant 9***

> "*We focus on a number of things not just digital skills, we have a training committee that sort that out*" -***participant 1***

> *"Our company has a section dedicated to training and development so that we can guarantee that all of our staff members are equipped with the information and abilities required to do their duties successfully. As a result of the rapid pace at which new technologies and regulations are being implemented, as well as the ongoing evolution of the sector as a whole, it is imperative that staff remain current on the most recent trends and advances. As a result, the department of learning and development plays an important part in the process of providing employees with the training and development opportunities they require to acquire the skills they need to perform effectively in their positions" -**participant 7***

> *"I understand that our organisation has a learning and development department to ensure that employees have the necessary skills and knowledge to perform their jobs effectively" -**participant 8***

The study noted that in support of the in-house development teams, managers also outsource trainers for specific skills and software expertise that might not be available in the company. Most companies stated that they have budgets for external digital skills development for their employees to acquire skills from sources outside the organization.

In summary, management strategies and involvement are crucial for developing digital skills. The participants stated that managers spearhead technology adoption and identify the gaps within the company regarding digital skills. They also craft strategies to deal with those gaps and ensure employees are trained concerning their skills. There is a positive acceptance of digital skills by management. In most cases, they promote the development of these skills to ensure that the organizational goals are met. The study supports the proposition based on findings from the field.

4.6. Proposition 2: Training strategies of SMEs operating in the insurance sector in South Africa have an impact on the development of digital skills for their employees.

4.6.1. Theme Three: Learning and Development

Insurance sector training focuses on the technology in use and depends on the preferred software in the organization.

4.6.1.1. Skills gap analysis

There are skills gaps in the sector when it comes to digital skills. Managers noted that some employees are lagging when grasping digital skills. The study noted that the training strategies are not compulsory for all employees rather, they mainly focus on all employees needing these skills in their job descriptions. Those without the need for the skills can join the training based on their choice.

> *"We measure the skills the employees have and recommend training based on their needs and skills. If an employee is lacking in a skill we need we train them. This includes digital skills where necessary"-**participant 8***

> *"… an assessment was actually done, whereby we figured that 20% of employees within the organisation need extensive training in adapting to the new change of the Industrial Revolution. We then organise training for the 20% of employees but anyone is free to take part including executives." -**participant 3***

*"… we have a technology to perform skills analysis, but we are not completely satisfied with the skill sets that are accessible, owing to the highly dynamic nature of the digital migration environment. So, when you compare those skills to what is out there and the technologies that are out there, we from time to time, in short, based on the results of the analysis tools, based on the results, we then identify certain growth for a particular trainee…"-**participant 5***

*"Definitely, in my space I constantly mentor colleagues. If I see that there is a need, I do reach out and provide what I may call on the job training and showing them" -**participant 12***

Employees are assessed on their training needs first based on already established standards. The decision to train employees with digital skills is influenced by their current digital skills and the needs of the organizations. This is deduced from the views of the following participants.

"*Training is systematic and expensive at the same time. Employees are training based on their strengths and weaknesses, if an employee already has digital skills them we do not need to train them"-**participant 1***

"**Employees they usually contribute towards skills development and as part of an organisation if an assessment has been done to identify the gaps, then that approach is utilised to upskill employees"**-participant 3

*"… training must be based on the lacking skills in the organisation"-**participant 7***

*"… it is a possibility that maybe we might be doing some assessments to see the gaps, to identify gaps so that we can have a more informed skills development programme which seeks to cover the gaps that have been identified." -**participant 11***

*"… In addition, we sent our employees to external environments where they could acquire digital skills pertaining to specific products related to their job responsibilities within the organization" -**participant 6***

Training in the insurance sector is done using the most needed skills approach, the development of digital skills takes place when a need is identified in the training needs.

4.6.1.2. Learning and development department

Most SMEs in the insurance sector do not have a stand-alone digital skills development plan rather, they have a general employee development plan which covers specific needs based on jobs and positions. This means those employees needing digital skills are the only employees with digital skills development in their development plans as administered by the learning and development department. This approach is deemed cost-effective as it focuses resources where they are needed most as far as employee development is concerned. The study encountered participants who said the following:

> "*We do not have a plan to say all of you guys have to go on a digital course but the technology we have already helps them gain skills and gain more knowledge. We encourage them to develop these skills and we motivate them even though we do not really push them because of time concerns. This includes everyone including the executives."* –**Participant 1**

> "*The plan that we have in place is not very specific. In the not-too-distant future, we will need to investigate this matter further. Our current strategy calls on us to make it a priority to educate and train all of our staff members so that they are able to make effective use of the various technological resources at their disposal. That is the plan that we have in place at the moment, but we are looking into different methods to include it into our policy"* –**Participant 6**

> *"Our organization has a learning and development department that ensures employees have the necessary skills and the knowledge to perform their jobs effectively, The industry is constantly evolving and new technologies and regulation are continuously introduced, making it essential for employees to stay up to date with the latest trends and developments. Then the learning and development department therefore plays a critical role in providing employees with the necessary training and development opportunities to acquire the skills they need to excel in their jobs. By*

investing in employees development our organization can improve employees in performance, increase retention and maintain competitive edge in an ever changing industry" –**Participant 9**

"So we do not have a specific digital development plan in place, but we have an overall skills development plan and we are making sure that digital is part of that overall plan for skills development and we have partnered with some world renowned institutions to ensure that the curriculum that's available and in that plan and the sort of skills we're looking at are not only available easily for our employees…" –**Participant 11**

"Yes, we do have a training and development program, but it is not focused on the transition to digital. Our policy does, however, include a specific, narrowed emphasis on the benefits of digitizing the office environment. Okay, consequences for our business sector, too. Yes, so the focus of our overall plan is not just on digitalization, but also on skills development and skills development …" –**Participant 5**

Learning and development mandates and functions have a role to play in the development of digital skills in the insurance sector. The decision made by the department determines the level of skill an organisation will have in digital skills. The following view supports this.

"Our company has a section dedicated to training and development so that we can guarantee that all of our staff members are equipped with the information and abilities required to do their duties successfully. As a result of the rapid pace at which new technologies and regulations are being implemented, as well as the ongoing evolution of the sector as a whole, it is imperative that staff remain current on the most recent trends and advances. As a result, the department of learning and development plays an important part in the process of providing employees with the training and development opportunities they require to acquire the skills they need to perform effectively in their positions …"-**Participant 7**

"We normally use professional consultants to do that when we recruit new employees and whenever we feel that we need to check if the skill sets we have are good enough

for our organization's need. In most cases, we use recruitment organizations to conduct skills analysis on us on our employees as well as new recruits.

They always have the industry-focused tools and technology to do the assessments meaningfully for us to see if we have the right skills in our current business environment" -**Participant 6**

Learning and development departments or sections have a global view of skills development guided by organizational goals to grow and perform well.

4.7. Theme Four: Training administration in SMEs

4.7.1. Training scope

The scope of the training strategies is restricted to what the organizations specifically need and nothing outside that. The study noted that organizations have training strategies in place in line with the digital technology they use in the organisation, popularly those employees dealing with databases are trained in database management skills, and some are given advanced Excel training as it applies to their jobs only. Those employees willing to expand their digital skills but are not necessarily required to have the skills are free to join but not obligated to do so. Various participants shared the following views:

"*We restrict digital skills training to only the scope we want due to various reasons. One of the primary reasons is that organizations we have limited resources, and therefore, we want to focus on training that is specific to business needs. By restricting the training to the scope, we want, we can ensure that employees are trained in the specific digital skills that are relevant to their roles and responsibilities*"-**Participant 3**

"*… it's on-the-job training. But we have people going for advanced Excel training so that they gain skills but we focus more on the customer services skills, operation and service knowledge***"** -**Participant 1**

"*So, there is technology specific or digital technology specific training when we roll out something. So that's something that they would have to do and would probably*

be compulsory if it's something that is to do with their role. ” **Participant 11**

The scope of training is limited to what the employee needs, which limits the scope of the skills an employee will have. Training scope is also determined by the need to keep certain aspects of the organization's digital tools hidden. Some participants reveal this.

"*We have proprietary technology and tools that we do not want to expose to competitors. By limiting the scope of digital skills training, we can ensure that our employees are trained only in the digital skills required to operate the tools and technology specific to our organization”*-**Participant 1**

“Limited budget for training and development programs, focusing on training within a specific scope can helps manage costs while still providing employees with the necessary skills to perform their jobs effectively" –**Participant 3**

The existence of training strategies is very crucial for the development of digital skills, this was noted in the findings of the study and cemented by the fact that those employees with exposure to digital skills development programs have better digital skills it is apparent that training strategies are crucial.

4.8. Proposition 3: Operational strategies are essential for developing digital skills in SMEs in the insurance sector.

4.8.1. Theme Five: Cost reduction in SMEs

4.8.1.1. Increasing speed and efficiency

SMEs are concerned about their cost, so their training and development initiatives consider costs. The level of competition in insurance needs a company to stand out and deliver services efficiently in a less costly manner as such digital skills are important. The sector views digital skills as a cost-reducing mechanism. However, they are very analytical about acquiring the skill to ensure that it does not increase the cost of business. Participants had the following views:

“, I think they do assist in terms of saving cost. Because if something is done digitally, it's efficient, it's quick, it's reliable, and I think it's not even prone to errors. So yeah, I think it's cost effective. Whereby in our industry, if something has happened wrong due to human error, then it becomes a big problem, and it would have a huge financial implication” –**participant 3**

“… work that will be done may have required three or four employees to put in perhaps an excessive amount of hours. Each one may be accomplished with relative ease by a single person by utilizing technology, technology, and for them to make use of that technology. It is patently evident that they have to rely on their digital abilities. And you'll find that instead of the organization having to bear the cost of paying those three or four people, this is something that is now just being done by one person …” –**participant 4**

“*Technology is about reducing the cost of business by employing faster and better ways of doing business, when employees are equipped with digital skills it means they have cost-reducing capabilities which help the firm*” –**participant 5**

“*When we think of methods to cut costs, one of the first things that typically comes to mind is providing employees with training and utilizing technology in order to accomplish more with fewer resources. The abilities that employees acquire in the process of utilizing technology typically help the organization more in the long term. This is because such digital skills are at the core of cost reduction*” – **Participant 7**

New products constantly developed in the industry are offered at a lower cost to the market. The companies take time to research and find new cost-cutting technologies that better serve the market. These require digital skills to be fully implemented, so employees are encouraged to learn the skills needed. Digital skills are crucial for cost reduction in the sector even though the main aim of their implementation is for increased efficiency and more business not necessarily to reduce the cost as the primary cause.

Digital skills can be a powerful tool for small and medium-sized enterprises (SMEs) looking to reduce costs. Here are a few ways digital skills can assist SMEs in cost reduction. Most of the cost cutting measures brought about digital skills were highlighted as follows:

> *"Streamlined processes: Digital skills can help SMEs automate and streamline many of their business processes, reducing the time and resources required to complete tasks. This can lead to significant cost savings over time" –**participant 7***

> *"Marketing and communication: Digital skills can help SMEs market their products and services more effectively, reaching a wider audience at a lower cost. Digital tools can also be used for communication, reducing the need for expensive phone systems or travel expenses"-**participant 9***

> *"Online sales: Digital skills can help SMEs set up online sales channels, reducing the need for physical storefronts and associated costs like rent, utilities, and staffing"-**participant 6***

> *Data analysis: Digital skills can help SMEs analyse data more effectively, identifying areas for cost reduction and optimization. For example, data analysis can help SMEs identify areas where they can reduce waste or streamline their supply chain*"-**participant 3**

This shows how digital skills are put at the forefront of organisations to reduce costs..

4.8.1.2. Process optimisation

Digital skills have been seen to reduce cost and make operations more efficient. This has been a factor in leading the development of digital skills as companies will be trying to streamline their operations. The participants support this.

> *"Digital skills reduce the cost of operations in the insurance sector by enabling companies to streamline their processes and automate many of their tasks. By using technology to handle routine tasks, insurers can free up their employees to focus on higher-level work that requires more specialized knowledge and expertise. This not only increases efficiency but also reduces the risk of errors and improves the*

*overall quality of the work. Additionally, digital skills can help insurers to better track their data and analyse it more effectively. By using advanced analytics to identify patterns and trends in their data, insurers can make more informed decisions and adjust their operations accordingly, further reducing costs and improving the bottom line" –**participant 9***

*"digital skills make processes faster and leaner thereby eliminating unnecessary activities which might add more cost"-**participant 5***

In summary, various cost reduction strategies are implemented in the insurance sector. Still, the primary purpose of their application is to improve product delivery and compliance instead of cost reduction. The strategies reduce cost due to the technology they employ and the digital skills involved in service delivery, even though the core aim of their implementation is on compliance and delivery instead of cutting costs.

4.9. Theme six: Operational effectiveness

Digital skills are increasingly important in the sector, especially in increasing efficiency and effectiveness. The importance of digital skills depends on the specific product being offered and the target market.

*"Our market determines the level and type of digital or non-digital skills we need to have in the organisation. The expectations of our customer determine how we operate"-**participant 8***

Most participants stated that digital skills are encouraged in the sector and considered when crafting operation strategies to provide a link between what employees are capable of and the skills available. In the findings, operational strategies focus not on digital skills or technology adoption but on compliance and service delivery. This is highlighted in some instances where participants are not concerned with the level of digital skills available, but compliance standards required in the industry.

*“Digital skills are at the centre among many other factors when we are making our operations strategies, it is good to have a good strategy but it becomes better with the right skills of execution”-**participant 5***

*“Because isn't when the strategies are being crafted, there is always a section on how these strategies are going to be actioned. And the actioning of those strategies, usually, borders around devices. Like I mentioned earlier, things like our laptops and other technologies that we use. So I would say yes, the company does consider digital skills when crafting operational strategies” -**participant 4***

*“We are required to make use of digital technologies in virtually all of our contacts with our customers. Because of this, having digital abilities has become an essential component of the operations level. We deal with a large amount of client data, since it is an essential part of our business. However, data in this day and age is almost entirely a digital asset, which necessitates the possession of digital skills in order to process it and earn a profit from it”-**participant 6***

4.9.1. Job rotation

There is constant job rotation in the sector for employees to gain different skills. These rotations are not aimed at employees gaining digital skills specifically but exposure to other roles. In the process, some employees are exposed to digital skills if they happen to be assigned roles or duties that require digital skills. The rotation takes place in most cases between jobs with almost similar requirements. For example, sales teams are often exposed to claims roles so that they get an appreciation of the claims process. Consequently, they get exposed to the claims systems, which require specific digital skills.

*“within my particular department, we participate in rotations in which we are actively encouraged to learn new abilities. Therefore, as you are aware, in the event that one of our employees is not present, this should not be a barrier to accessing the necessary information” -**participant 6***

*“Occasionally, however, we do enable people to participate in order for them to learn technologies and determine the environment. However, it has constraints. Because the vast majority of employees specialize in their particular job positions.”-**participant 5***

*“digital skills are about practice and exposure, we belive that structuring our operations in a way that rotate employees makes them gain new skills and knowledge”-**participant 7***

In summary, digital skills are essential in operations, but operational strategies are not crafted to enhance digital skills but compliance and delivery. Even though the core aim is to improve delivery, the strategies are affected and affect levels of digital skills in the insurance sector. As such, employees learn these skills regardless of the primary purpose of implementation.

4.10. Summary of the findings

Management strategies are critical for digital skills development in the insurance sector. Due to the rapid rate of industry digitization, management sees digital skills as essential. According to the study, digital skills are the foundation of productivity as more people adopt new technology. They encourage staff members to learn digital skills and pass those lessons on to other workers. As employees are encouraged to share skills, this strategy has allowed for ongoing skill development within organizations. The management is very open to new ideas regarding digital skills because they know that there are many different kinds of skills and that the environment is constantly changing. The training strategies' scope is constrained to what the organizations themselves specifically require and nothing more.

According to the study, organizations have training plans that correspond to the digital technology they use. For example, employees who work with databases are frequently given advanced Excel training because it is specifically relevant to their jobs. Employees who want to improve their digital literacy but who are not necessarily required to do so are free to join but are under no obligation to do so. SMEs are concerned about costs, so they consider costs when planning their training and development programs. Due to the level of

competition in the insurance industry, businesses must stand out and provide services effectively and affordably. The industry sees digital skills to cut costs, but they are meticulous about how they are acquired to ensure that they won't raise costs for doing business.

4.10.1. Consistency Matrix

The table below provides a summary perspective of the research objectives, research propositions, and research topics that relate to the research propositions for convenience of reference.

CHAPTER 5. DISCUSSION OF THE FINDINGS

5.1. Introduction

The findings presented in chapter four are presented in this chapter. These findings are based on the sample of SMEs in the insurance sector, which is representative of the South African SMEs in the insurance sector. The chapter compares these findings with the results discussed in chapter two. Moreover, this chapter also includes the participants' demographic information and its correlation with the study's findings in the South African insurance sector.

5.2. Proposition 1: Management strategies are essential for developing digital skills in SMEs operating in the insurance sector.

There is an increase in the adoption of technology in the insurance sector by SMEs in South Africa, as a result, the number of digitally skilled workforce needed is also on the rise. This is evidenced mainly by the drive by management to engage in digital business due to various benefits and external pressure. These findings are similar to arguments and propositions discovered in chapter two. Technology has enabled businesses to operate efficiently. As such it has become the core focus of management and should be at the centre of strategy (Clark et al., 2022a; Progress towards the Sustainable Development Goals, 2022a). The study found that external pressure from organisations such as the United Nations, competition and scholars is encouraging managers to plan with digital skills in mind, leading to rapid technology adoption and digital skills development. Oberlander (2022) stated that technology improves business operations, efficiency, and engagement. As such managers are making it a strategic stance to incorporate digital skills and technology in businesses, and these findings are similar to what the study discovered in the South African insurance sector, particularly the SMEs.

The changes in the software used by these small organizations from Excel to more comprehensive software which needs further digital skills, are similar to arguments (Chivasa & Hurasha, 2021). The authors noted that as companies grow, their capacity to adopt better

technology increases. As such, they end up adopting better technologies for better performance.

The study noted that most SMEs analyze the environment to inform their strategies. This makes them rely on the SWOT approach to strategy formulation and implementation. This approach was discussed by (Milhem et al., 2014b; Van Laar et al., 2022; Wu et al., 2022), who stated that such an approach influences the organization's adoption of its technology, especially when competitors are adopting the same technology. Organisations adopt technology to stay ahead of the competition or to make up for their weaknesses. Adopting digital skills in the insurance sector may be influenced at the strategy level when SMEs notice that their competitors are resorting to technology use.

The study found that in South Africa, in the insurance industry, digital skills development strategies taken by management are based on the organization’s needs. When a new product is developed, a strategy is formulated to implement and launch the product, leading to employee training. This approach is similar to what (Arucy & Juma, 2018a) stated as the step-by-step procedure for strategy formulation. The authors noted that in this case, management develops a strategy for employee development based on the organization’s core objectives. The similarity in these findings is possible because all organisations are guided by a vision and a core strategy, which informs other supporting strategies necessary for achieving the core strategy. The idea of a core strategy informing subsequent strategies is also supported by (Abbasi et al., 2018; Oberlander, 2022). Considering these arguments, it is evident that the core strategies of the firms in the insurance sector subsequently influence the development of digital skills in the insurance sector, specifically SMEs.

Most participants highlighted that management strategies are forward-focused as training needs are identified and covered to meet the organization’s future needs. SMEs in the insurance sector stated that they train employees in digital skills to meet the technology of the future in the sector. This aligns with the findings of (Sammut-Bonnici, 2015b). The author stated that an organization with a forward-thinking and progressive strategy has a greater possibility of permitting multiskilling people and developing digital skills. This is crucial for developing digital skills in organisations since it is guided by the organization's strategy (Arucy & Juma, 2018). It, therefore, can be argued that organizations with forward-

looking strategies and managers are more likely to train their employees in digital skills leading to digital skills development.

Rozak, Fachrunnisa, and Rahayu (2021) argued that organizations with strategic plans and management styles focused on developing digital skills outperform their rivals. Furthermore, Salleh and Janczewski (2016) revealed that organizations inclined to innovate had technologically competent workers. These findings are similar to what the SMEs in the insurance sector are trying to emulate. They believe that their performance depends on better skills mainly digital skills. Considering these findings, a defined strategy for staff development boosts skill improvement in an organisation.

The study found that SMEs view not adopting technology as detrimental in the long run. As such, their strategies are always focused on trying to incorporate digital skills and e-business. This view is in line with the view that depending on old business techniques, taking a long time to adapt to new technologies, and lacking digital competencies required to implement digital solutions leads to poor performance (Gamache et al., 2020; Modisane & Yokonya, 2021). The authors argued that ICT adoption depends on workers' digital abilities, and ICT adoption will be impossible without these skills. In light of these findings and arguments, it is clear that organizations base their performance on digital skills, and their strategies are biased towards these skills to perform better.

In summary, the findings made in chapter four are like the findings made in the literature review chapter two. The strategies used by management and their perception play a crucial part in the development of digital skills in the insurance sector. Most contributors to the study in literature and the participants highlighted that management strategies play a critical role in digital skills development in the SMEs, and the insurance sector in South Africa is not an exception.

5.3. Proposition 2: Training strategies of SMEs operating in the insurance sector in South Africa have an impact on the development of digital skills for their employees.

In chapter four, the study found that organizations in the insurance sector use various forms of training to improve employees' digital skills. The study noted that SMEs attribute effective product launches to skilled employees and employ various training forms to achieve the required skills. This established relationship between training and better employee performance is echoed as well in a study by (Wu et al., 2022), the authors argued that there is a favourable or positive relationship between digital skills and training in organizations. The same sentiments were asserted by Erasmus and Loedolff (2015), who noted that digital skills in any organization are a function of sound training strategies. With these arguments and findings, it can be stated that in organizations employees develop digital skills as a function of training strategies. If the training strategies are not promoting digital skills development, it is logical to conclude that employees will be poorly skilled in digital skills.

The study found that most SMEs used on-the-job training, and they believe the strategy to have better results, especially on digital skills, meant to achieve a specific task within the confines of the organization. There is a widely held belief that the on-the-job training approach has a greater impact on employee growth and development in digital skills. The argument is founded on the fact that these pieces of training are practical in nature, and the same views were expressed in studies done by Teng et al. (2022). According to research (Uzoamaka & Kingsley, 2015), an organization with a well-defined on-job training strategy has superior strategies for human resource development. This argument is based on the practical approach, which is very critical in digital skills.

The digital skills required in the insurance sector in South Africa are based on the specific software the organization is using. These skills are transferable but highly specialised. As such they are better understood when an employee is trained in a work environment. However, there is evidence of limited scope regarding the digital skills employees develop under such conditions. The study noted that employees are trained to use specific software and perform particular duties, limiting the scope of the skills they develop. This same view

was covered in studies by (Erasmus & Loedolff, 2015; Uzoamaka & Kingsley, 2015; Wu et al., 2022). The authors indicated that specialized learning has a limited scope. In light of these arguments, it can be inferred that on-the-job training strategies are an effective and efficient way of developing digital skills in detail but on a limited scope.

To make up for the limitations of on-the-job training, SMEs in the insurance sector often outsource and train their employees using outside experts for better results and extensive skills unavailable in their organizations. Using outsiders to train employees brings new perspectives and skills to the organization leading to better skills development (Aguinis & Kraiger, 2009b). The study noted that when organisations want to develop skills outside the scope of their current skills, they hire experts.

Various measures are put in place to measure the effectiveness of training and assess the need for training. Participants highlighted that they have learning and development departments responsible for this role. They highlighted that the effectiveness of training strategies is measured using job performance and constant evaluations against industry standards. However, they could not account for the margin of errors in measurement resulting from other issues such as leadership type, the type of technology and its performance, product type, and employee motivation, as highlighted in studies by Armstrong, and Lee (2021), Brandon-Jones (nd) and Johnston and Phihlela, (2017). They argued that many variables affect skills development outside training strategies.

The organizations in their measurement of the effectiveness of their training strategies, do not account for outside pieces of training undertaken by employees outside the initiatives of the employer. Aguinis and Kraiger (2009b) stated that some workers may take it upon themselves to enhance their abilities outside the firm. The authors observed that some individuals are so eager for knowledge and competence, so much so that they may go out of their way to acquire a new skill on their initiative, a phrase drawn from Abraham Maslow's hypothesis, which found that humans desire self-actualization.

The other issue noted in the study is that the scale used to measure competencies in digital skills in these organizations is not universally agreed upon. Organizations use various measures to assess digital skills, which are determined in-house. These differences mean

that an employee can be digitally skilled in one organization but can be considered poorly skilled in a different organisation even for the same position. These differences can be equated to the arguments of Anguis and Kraiger (2009). The authors argued that digital skills in organizations are defined based on the needs of the specific organization; hence it is difficult to assess unless a measure of central tendency is established. In this study, it can be argued that digital skills development attributed to training is attributed to the specific needs of the training. If the training objectives are met, then an employee is deemed digitally skilled because those skills will be sufficient for the execution of their duties.

In summary, the study concedes that training strategies are essential to the development of digital skills in SMEs in the insurance sector in South Africa. The various methods used, including on-the-job and off-the-job training, play a critical role in shaping the digital skills available in the insurance sector. The learning and development departments and compliance departments are responsible for keeping track of how effective these strategies are. The study also concedes that there are challenges in ascertaining the actual contribution of training strategies in organizations due to various factors contributing to digital skills development.

5.4. Proposition 3: Operational strategies are essential in the development of digital skills in SMEs in the insurance sector.

SMEs are cost-sensitive, and they operate in ways meant to reduce cost, which in turn means their approach to business is centred on lowering activities deemed as strategically unnecessary (Arucy & Juma, 2018a; Erasmus & Loedolff, 2015; Jaiswal & Singh, 2020). This is in line with the study's findings, the SMEs in the insurance sector enact cost reduction strategies that affect digital skills development. The study found that digital skills are often used as cost reduction tactics; however, the development of the skills is hindered by management's cost-cutting measures that reduce training activities.

The level of competition in insurance needs a company to stand out and deliver services efficiently in a less costly manner as such digital skills are important and this is supported by the notion that the most critical performance indices for SMEs is low cost and this enables

them to compete (Arucy & Juma, 2018a; Chivasa & Hurasha, 2021). The sector views digital skills as a cost-reducing mechanism. However, they are very analytical about acquiring the skill to ensure that it does not increase the cost of business.

The development of digital skills is driven in part by new products introduced as a cost reduction measure or to provide a service at a lower cost in the insurance sector, various authors put forward this view and is supported by the view that technology adoption is in part expected to reduce business cost (Abbasi et al., 2018; Aguinis & Kraiger, 2009b; Arucy & Juma, 2018a; Williams et al., 2015).

The companies take time to research and find new cost-cutting technologies that better serve the market. These require digital skills to be fully implemented, so employees are encouraged to learn the skills needed. The industry takes advantage of the long-run cost benefit of digital skills. In the short run, however, it is notable that the strategies employed are conservative towards digital skills development. However, as soon as the skill is gained, the skills are relied on to reduce costs. The best way to take advantage of technology, therefore is to leverage its cost reduction capabilities, but it requires initial investments to be made, SMEs ought to invest in the skill to enjoy the benefits of reduced cost in the future. The same sentiments were highlighted in the telecommunications sector study, which stated that technology adoption requires financial commitment (Akande & Van Belle, 2014; Kshetri, 2014).

In summary, cost reduction strategies hinder the development of digital skills in the short run in the insurance sector when focusing on SMEs. However, when they adopt the skills further reduce the business's cost structure, this leads to some SMEs enacting cost reduction strategies aimed at developing digital skills. However, these strategies are still in their infancy, and more needs to be done.

Several academics say operation techniques are crucial for skill development and advancement. Studies show that operational strategies improve service delivery in organizations by developing the capabilities of their staff (Slack et al., 2017). In this study, the researcher established that the importance of digital skills is rising in the industry,

particularly as efficiency and effectiveness soar. The target market and the product offered determine how important digital skills are.

Digital skills are encouraged in the insurance sector. They are considered when crafting operation strategies to ensure that there is a link between what employees are capable of and the skills available. In the findings, operational strategies focus not on digital skills or technology adoption but on compliance and service delivery. Most operational strategies strive to optimize processes, create a flexible system, and increase production (Rozak et al., 2021). In light of this, businesses are encouraged to examine their digital strategy as a cost-cutting measure. According to (Fedorets et al., 2020), digital skills, like any other ability, need continual updating to remain current. These arguments by the stated authors are reflected in the findings. SMEs continuously update their employee's digital skills to deliver the best possible service in an efficient manner which is backed up by operations strategies.

The study noted that the operations of the SMES in the insurance sector are based on efficiency and effectiveness. The need to achieve these two brings in the need for digital skills, which enables the organizations to leverage the benefits of technology. The importance of digital skills in organizations is reflected by the number of efforts put by SMEs in crafting operation strategies focused on digitisation and employee development (Galdon-Sanchez & Gil, 2022). The study discovered that companies try to increase organization efficiency by adopting technology which requires employees to be trained in digital skills, leading to the development of these skills. Digital skills development, therefore, a function of operational strategies, which in this case, are becoming more and more digitally focused.

In summary, the study agrees with studies made by previous authors, including (Fedorets et al., 2020; Galdon-Sanchez & Gil, 2022; Rozak et al., 2021b). The strategies enacted in operations aim to improve efficiency, and in modern days, the focus has been on the digitization of processes. This shift has been having a notable positive impact on developing digital skills in the insurance sector, particularly looking at SMEs. The study affirms that process optimisation strategies are important for developing digital skills in SMEs in the insurance sector.

5.5. Conclusion

The study found that management strategies in the insurance sector, particularly in the SMEs, directly influence the development of digital skills. The participants confirmed that management sets the targets and skills development paths inorganizations through various departments, such as the compliance department. In this regard, the study concedes that management strategies are important for developing digital skills in SMEs operating in the insurance sector. The same conclusion was reached regarding digital skills development and organizational and training strategies. The study confirms that training strategies of SMEs operating in the insurance sector in South Africa influence the development of digital skills for their employees.

Organizations understudy showed that they are concerned with the cost of business, and their strategies are aimed at cutting costs by using digital skills as a cost-cutting measure. Still, at the same time, they reduce the extent of digital skills development when the cost is beyond their abilities. In this regard, the study confirms that cost reduction strategies are essential in the development of digital strategies are necessary for the development of digital skills in SMEs in the insurance sector. In addition, findings confirm that operations of the SMEs in the insurance sector concerning efficiency and effectiveness have an impact on digital skills. This study confirms that process optimisation strategies are essential for developing digital skills in SMEs in the insurance sector.

CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS

6.1. Introduction

The chapter examines the study's propositions and findings about the research objectives and focus. The findings made in chapters four and five are combined in this study under respective objectives and are used to assess the extent to which the objectives were met. In addition, recommendations are made to different groups identified in Chapter One. The recommendations are based on the findings of the study. Lastly, recommendations are made for further studies.

6.2. Conclusions regarding research objective One: To determine the role of Organisational Strategies in developing digital Skills.

Insurance sector organizations operate based on the strategies set by management and the executive. These strategies are the core guidelines of all developments taking place in the insurance sector. The study concludes that organizational and training strategies in the SMES operating in the insurance sector in South Africa affect the development of digital skills in the sector. The findings agree with the majority of the literature findings, which mostly agreed that strategy is the major driver of action and development in organisations.

The impact on developing digital skills in the sector is mostly influenced by strategies formulated due to the impact of the external business environment. This is a new dimension discovered in this study. Most SMEs strategies based on the micro and macro business environment rather than being internally focused. Therefore, the strategies with the most impact on digital skills are imported into the organisations. The study also revealed that the most impactful strategies are forward-looking strategies meant to ensure the organization's continued survival of the organization also revealed that the most impactful strategies are forward-looking strategies intended to ensure the organization's continued survival.

Literature findings did not highlight the importance of future forecasts on strategy crafting and how that affects digital skills development in SMEs.

In summary, strategies formulated to outperform the competition and ensure the survival and growth of the organization are impactful when it comes to developing digital skills in the SMEs in the insurance sector. Strategic plans of organizations determine the level of digital skills development in organizations, this is because strategies are the roadmap to what needs to be achieved and how it is to be achieved. Therefore, it is concluded that organizational and training strategies are critical to developing digital skills in the SMEs in the insurance sector.

6.3. Conclusions regarding research objective 2: To explore the role of training strategies in developing digital skills in SMEs operating in the insurance sector.

The study noted that training strategies are critical to developing digital skills in the insurance sector, especially when looking at SMEs. Participants stated that the level of digital skills in organizations is a function of their training strategies. The study also further discovered that in the insurance sector, training strategies are heavily influenced by compliance needs which heavily influence digital skills development. This gap was not found in the literature covered in chapter two. Training strategies are crafted to meet insurance compliance strategies, and these specific compliance issues influence the skills employees develop and acquire.

In chapter two, it was discovered that authors agreed that training was critical for developing digital skills. However, it was not specified in terms of the form of the training most effective for digital skills development between on-the-job and off-the-job. This study discovered that on-the-job training is essential for digital skills development since it provides the crucial practical experience needed for such skills.

The influence of the training strategies depends on the mode of delivery, the skill level of the training, and the type of employees. All these factors were discovered to be influential to the development of digital skills in the SMEs operating in the insurance sector since they

influence the effectiveness of the training. This is another area uncovered by the study. The influence of the training strategies on digital skills depends on the effectiveness of the actual training.

In summary, training strategies are influential when it comes to developing digital skills. Still, their influence depends on the type of training, employee type, the trainer, and mode of training delivery. In the study context, the objective was met, and new dimensions were brought up.

6.4. Conclusions regarding research objective 2: To explore operational strategies' role in developing digital skills in SMEs in the insurance sector.

Process optimization strategies are essential for developing digital skills in SMEs in the insurance sector. The study discovered that organizations try to create efficiency and effectiveness by creating convenient processes in businesses, and these processes in the modern-day environment involve using technology. Most of the findings in this regard support the findings made in literature, which support that processes are realigned in ways that incorporate technology because of the various benefits of technology. These technology adoptions require employees to learn new digital skills.

The discoveries made in the insurance sector suggest that companies adopt new software for compliance purposes and to cut costs to increase their profits. These adoptions must be accompanied by digital skills which employees are encouraged to learn to fit into the new process.

Cost reduction strategies are essential in developing digital strategies and are essential for developing digital skills in SMEs in the insurance sector. the study supports the view that technology is used to reduce costs in business, as found in the study. The insurance sector is using technology to reduce costs and, by so doing, enhance the development of digital skills.

6.5. Recommendations

6.5.1. To the government

The study found that most reasons behind digital skill development in the insurance sector are based on facilitating conditions. For example, organizations craft strategies based on the conditions in the external environment. The government should consider assisting SMEs by providing some of the facilitating conditions that make it easier for them to develop the digital skills of their employees. These could be done through training through the insurance commission to ensure that SMEs are not left out. The study also found that digital skills are used to reduce cost. This is a significant motivation for the government to ensure that digital skills are quickly developed in the sector because a low-cost structure leads to lower premiums.

Considering the size of the insurance sector and the number of economic activities it generates in the country, the government must ensure that SMEs are given incentives to develop employee digital skills to grow and contribute to the economy at a larger scale. Such incentives include some form of certified recognition that is awarded to SMEs that are taking advantage of of digital skills development. Incentives can also include funding towards approaches that encourage digital skills development.

6.5.2. To the SMES in the insurance sector

The study discovered that digital skills are used to reduce cost. Therefore, based on this foundation, the study recommends that SMEs invest in digital skills for better performance. The findings in the literature also support the benefits of a digital skills workforce. Employees with digital skills often perform better compared to those without the skills. Investing in developing digital skills is in the organization's best interest. In addition, training in digital skills should be appropriately done by experienced professionals, which gives maximum impact on the development of digital skills. The employees chosen for digital skills development should be properly assessed to ensure they are suitably motivated and ready to be trained.

6.5.3. To the academic world

Available literature takes a broader approach by proclaiming that training influences the development of digital skills. This study showed a need to investigate the actual pieces of training and how they are delivered in practice to fully determine how effective they are and how influential they are to the development of digital skills. This approach will ensure that all aspects that influence the development of digital skills are appropriately examined.

6.6. Suggestions for further research

The study discovered that the type of organizational and training strategies also affects the impact these strategies have on digital skills development. There is more to be covered, especially on the impact these aspects have on digital skills development. It is yet to be answered whether the on-the-job training method is the most effective for all circumstances. Many issues were raised in the study, including finance, employee calibre, and management type. These are broad areas which need to be further dissected. Considering these findings, the following recommendations are made for future studies.

a) The study recommends further analysis of the impact of on-the-job training and off-the-job training on technical and non-technical skills in the insurance sector in South Africa.
b) The study recommends further studies be carried out on the impact of government regulations and compliances on the development of digital skills in the insurance sector.
c) Lastly, recommendations are made to further analyze the impact of management and leadership age on the development of digital skills in the insurance sector.

6.7. Limitations and Challenges of the Study

The research confronted the following challenges:

1. There were obstacles in obtaining the desired twenty interviews from five organizations; however, the study ended up with twelve interviews from industry

experts from different insurance SME organizations. However, the obtained data was valuable and met the study's objectives.

2. Open-ended interview guides generate a large quantity of data that must be processed and analyzed. Some material needed to be condensed to keep the study's focus.
3. Interviews take time and need a lot of concentration. This lengthened the time required for data collection.

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APPENDIX A:

The interview Guide

SECTION A: CHARACTERISTICS OF PARTICIPANTS (Please tick in the box that corresponds to your response)

Table 3: Profile of participants (by position or context, not name)

A1	**GENDER**	**Tick a box in this column**
	Male	
	Female	

A2	**Highest Education Qualification**	
	Masters/Postgraduate degree	
	Bachelor's degree	
	Professional certificate	
	High school certificate	

A3	**Age**	
	20 to 30 years	
	31 to 40 years	
	41 to 50 years	
	51 to 60 years	
	61+ years	

A4	**Work Experience**	**Tick a box in this column**
	Below 5 years	
	6 to 10 years	
	11 to 15 years	
	16 to 20 years	

	21+ Years	

SECTION B: Management Strategies in the development of digital Skills.

B1: What digital technologies does your organisation use?

……

B2: What is the role of management in your organisation on employee development?

……

B2: How important is this role to the development of employees?

……

B3: What's the management's take on employee digital skills development?

……

……

B4: What are the steps or strategies managers use to push digital skills development?

……..

.....

B7: How receptive is the management to new ideas and skills development?

……

SECTION C: The Importance of training strategies on the development of digital skills.

C1: To what extent do you think the employees of the organisation are equipped with digital skills?

……

……

C2: Does the company have a digital skills development plan in place and how useful is it?

……

C3: How are employees assessed for digital skills?

……

……

C5: Are employees willing to take part in skills development programs?

……

……

C6: How are employees showing interest in digital skills development?

……

……

C7: Are there any other training-related actions taken to develop digital skills?

……

C8: How effective are the actions highlighted in C7 on digital skills development

……
……

C9: When hiring new employees, does the company consider digital skills?

……

……

SECTION D: Role of operational strategies on the development of digital skills.

D1: How important are digital skills at the operations level in your organisation?

……

D2: How often are employees encouraged to learn new skills at the operations level?

……

……

D3: When crafting operation strategies, does the company consider digital skills development for employees?

……

……

D4: Does the company encourage job rotation for employees to learn new digital skills?
……
……

D5: How important are digital skills to cost reduction strategies?

……

D6: When updating or upgrading operations procedure with new technology, do employees require digital training to match the new requirements?

……
……..

D7: Does the flexibility, speed and dependability of technology in operations encourage the development of digital skills in your organization?

……

THANK YOU FOR TAKING YOUR TIME

APPENDIX B:

Request to Conduct Interview



University of the Witwatersrand,

Fuculty of Law, commerce and Management, School of Business

[Insert addressee details] [Contact
person] [Organisation name]
[Organisation address]

[Date]

Dear Sir/Madam,

Re: Permission to conduct research at [insert organisation name].

My name is Tendai Masvaure, I am studying for a Master of Management in the field of Digital Business in the Faculty of Commerce, Law and Management at the University of the Witwatersrand. I am seeking permission to do research at [insert organisation name].

I am undertaking research on the impact of organisational and training strategies on the development of digital skills. The study's goal is to determine how organizational policies influence the development of digital skills. The goal of this research is to identify how organisations in the insurance industry are advocating for digital skill development. The South African economy is transitioning to the fourth industrial revolution, and the economy is being impacted by quick and significant technology advances. These developments have an impact on how firms operate. Companies are increasingly reliant on technology such as artificial intelligence, machine learning, big data, and the internet of things (IoT). Organizations need to embrace digital technology in order to increase their performance and endure completion. Organisations with employees that are digitally savvy may do this efficiently. According to a United Nations assessment, there is a worldwide lack of digital skills. These abilities are crucial for achieving sustainable development objectives such as

Goal 9, which calls for supporting innovation, promoting inclusive and sustainable industrialization, and constructing sustainable built environment. There are few studies on organisational strategies and digital skills development, particularly in South Africa; this study will potentially contribute to the body of knowledge, and businesses will be able to incorporate some of the results into their plan creation.

The study will solely gather data from employees of organisations in the insurance industry. I will invite members of your organisation to take part in this research. Specifically, individuals who can talk about the digital capabilities available in your organisation and are familiar with your organization's plans. If they accept, they will be requested to participate in an interview. The interview will be no more than 30 minutes, and most responses will be written down. With the agreement of the interviewee, I would also want to record the audio of the conversation for cross- referencing with written notes.

Before the study starts, participants will be asked to provide written or verbal permission. Their comments will be handled discreetly, and their identities (their names and the name of the organisation) will be kept private unless clearly stated otherwise. Individual privacy will be respected in all published and written data generated by the research.

The findings will be reported in a dissertation as part of the above-mentioned curriculum. Participants in the study will not be disadvantaged in any manner. They will be reassured that they may revoke their authorization at any point throughout the project without incurring any penalties. There are no known dangers associated with participation in this research. This study's participants will not be compensated.

All research data will be stored for two years from the date of the exam board before being destroyed; no copies will be kept.

As a result, I am writing to seek permission to do research at your organisation. The authorization letter should be written on your organization's letterhead, signed and dated, and include my name and the subject of my research.

Please let me know if you need any other information. I look forward to reading your response as soon as possible.

Yours sincerely,

Researcher:

Tendai Masvaure

Email: 2613905@students.wits.ac.za

Supervisor:

Ms Ayanda Magida.

Email: Ayanda.Magida@wits.ac.za Phone:
011 717 3953

APPENDIX C:

Participant Consernt Form

Participant Consent Form

Organizational and training strategies for the development of digital skills in insurance SMEs in South Africa.

Consent to take part in research

- I.....voluntarily agree to participate in this research study.
- I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.
- I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.
- I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.
- I understand that participation involves: Responding to interview questions and providing necessary information fully.
- I understand that I will not benefit directly from participating in this research.
- I agree to my interview being audio-recorded.
- I understand that all information I provide for this study will be treated confidentially.
- I understand that in any report on the results of this research my identity will remain anonymous. This will be done by changing my name and disguising any details of my interview which may reveal my identity, my organization name or the identity of people I speak about.

- I agree that direct quotations from my interview may be used by the researcher in their research report.
- I understand that if I inform the researcher that I or someone else is at risk of harm they may have to report this to the relevant authorities - they will discuss this with me first but may be required to report with or without my permission.
- I understand that signed consent forms and original audio recordings will be retained in the researcher's password protected computer, with only the researcher having access to the data until the University of Witwatersrand exam board confirms the results of the researcher's dissertation.
- I understand that a transcript of my interview in which all identifying information has been removed will be retained for two years from the date of the exam board.
- I understand that I am free to contact any of the people involved in the research to seek further clarification and information.

Researcher:

Tendai Masvaure
Witwatersrand University

Faculty of Law, Commerce and Management

Master of Management Digital Business Management
Email: 2613905@students.wits.ac.za

Supervisor:

Witwatersrand University

Faculty of Law, Commerce and Management

Master of Management Digital Business Management
Ms Ayanda Magida.

Email: Ayanda.Magida@wits.ac.za
Phone: 011 717 3953

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Signature of participant Date

Signature of researcher

I believe the participant is giving informed consent to participate in this study

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Signature of researcher Date

APPENDIX D:

Participant information sheet

Dear Sir/Madame,

Tendai Masvasure is my name. I am a Masters student at the University of the Witwatersrand's Faculty of Commerce, Law, and Management in Johannesburg. Ms Ayanda Magida is my supervisor. I am undertaking research on the influence of organisational strategies on the development of digital skills. The study's title is Organizational and training strategies for the development of digital skills in South African insurance SMEs.

I'd like to invite you to participate in an interview on digital skills development, organisational, and training initiatives for your company. If you opt to participate, this research study will run around 30 minutes. The interview will take place at your job at a time convenient for you.

I'd like to audio-record the interview with your consent. This data will be kept on a password-protected computer until the University of the Witwatersrand exam board confirms the results of the researcher’s dissertation. The data will be accessible only to the researcher. The transcript of the interview in which all identifying information have been removed will be retained for two years from the date of the exam board

I will need to ask for some personal information about you throughout the research activity, such as your age, degree of education, and years of experience.

The interview will be kept private and anonymous. When I disclose the findings of the research study, I will not include your name or any other information that may be used to identify you. Other researchers may utilise the data generated

from this research project with your agreement, but your name and any personal information will not be used or passed on.

You should participate in the research project because you desire to volunteer. You may leave the study at any moment. You are not required to respond to any questions if you do not want to. If you agree to participate in the research study, you will not get any direct advantages. If you choose not to join, you will not lose any services, advantages, or privileges that you would usually enjoy. It will not cost you anything to participate in the research study. You will not be compensated for your participation in this research project.

The risks associated with this research study are no greater than those encountered in normal life. Should any of the questions make you feel uneasy, I will pause the interview and resume it later.

This research study will be documented in the form of a research report. The report will be published on the website of the university library. If you would want a summary of this report, I would gladly provide it to you.

If you have any concerns regarding this research project, please contact me or my supervisor using the information provided below. If you have any questions or concerns concerning the ethical processes of this research project, please contact the University Human Research Ethics Committee (Non-Medical), phone +27(0) 11 717 1408, or email hrecnon-medical@wits.ac.za.

Yours sincerely,

Researcher:

Tendai Masvaure

Email: 2613905@students.wits.ac.za

Supervisor:

Ms Ayanda Magida.

Email: Ayanda.Magida@wits.ac.za

Phone: 011 717 3953

APPENDIX E:

Letter of permission to collect data

[Date]

Dear Tendai Masvaure (Student No. 2613905),

Re: Permission to conduct research at [**insert organisation name**].

We have granted you permission to collect data from us solely for your studies (Master of Management in Digital Business Management) during the 2023 academic year. Your research topic is: **Organizational and training strategies for the development of digital skills in small and medium-sized insurance companies**. We acknowledge that our agreement with you stipulates that our organization's and individuals' privacy would be maintained in all published and written data resulting from this investigation. The findings will be documented exclusively in a dissertation as part of the curriculum described above.

Signature: