

*PROPOSED BASIC WORKPLACE SKILLS PLAN
FOR SMALL AND MICRO BUILDING CONTRACTORS*

BY

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DECLARATION

"I, Jacqueline Ann Penfold, hereby declare that:

- the work contained in this research paper is my own original work;
- all sources used or referred to have been documented and recognised;
and
- this research paper has not been previously submitted in full or partial fulfilment of the requirements for an equivalent or higher qualification at any other recognised education institution."

January 2006

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DATE

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ABSTRACT

The objective of this research was to establish a means to assist, and ultimately encourage, small and micro building contractors to develop and submit a Workplace Skills Plan (WSP) that both qualifies for levy grant recovery and provides strategic value to the organisation.

Targeted contractors are those who do not have the know-how necessary to develop such a WSP. Thus the need for a basic approach or model that will, through its simplicity and ease of application, assist and encourage such contractors nonetheless to undertake the process.

Achieving this objective required a detailed examination of relevant literature and legislation, to identify the basic or minimum requirements for developing a strategic WSP and for meeting grant recovery regulations respectively.

Newly released grant recovery regulations were examined to identify the implications thereof, and to establish the minimum legislative requirements, for the WSPs of small and micro contractors.

Existing relevant general training and training needs assessment models were examined to identify the requirements for developing a strategic WSP. To establish the minimum strategic requirements it was necessary to firstly identify all the requirements proposed by the different models for identifying

and meeting the training needs of an organisation, and thereafter reach a decision regarding which could be considered as minimum requirements. The decision rule for selection as a minimum strategic requirement was inclusion in all the surveyed models. To enable a less subjective analysis than relying solely on the opinion of the researcher, a content analysis was selected as the research technique, as the steps of a typical content analysis include a number of measures to increase objectivity.

The legislative and strategic requirements identified by the study were converted into a series of simple sequential action steps to formulate a practical model that would guide the targeted contractors through the process of developing a value-adding WSP.

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LIST OF ACRONYMS

DOL	Department of Labour
CEM	Critical Events Model
CETA	Construction Education and Training Authority
EEA	Employment Equity Act 55 of 1998
KSA	Knowledge, Skills and Abilities
MBA	Master Builders' Association
NSDS	National Skills Development Strategy
PAYE	Pay As You Earn
RSA	Republic of South Africa
SARS	South African Revenue Service
SDA	Skills Development Act 97 of 1998
SDF	Skills Development Facilitator
SDL	Skills Development Levy
SDLA	Skills Development Levies Act 9 of 1999
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SKA	Skills, Knowledge and Attitudes
SME	Small and Micro Enterprise
SMME	Small, Medium, and Micro Enterprise
TN Analysis	Training Needs Analysis
TN Assessment	Training Needs Assessment
UIF	Unemployment Insurance Fund
WSP	Workplace Skills Plan

CHAPTER 1

INTRODUCTION, PROBLEM STATEMENT, AND OUTLINE OF THE RESEARCH PROJECT

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CHAPTER 1

INTRODUCTION, PROBLEM STATEMENT, AND OUTLINE OF THE RESEARCH PROJECT

1.1 INTRODUCTION

The Skills Development Act 97 of 1998 (SDA), as amended, and the Skills Development Levies Act 9 of 1999 (SDLA), as amended, have introduced various new institutions, programmes and funding policies that are designed to increase investment in skills development in South Africa (Department of Labour [DOL], 2001b: 3).

These include a levy grant system to encourage employers to invest in the training and development of employees, by allowing employers to recover varying percentages of the levies paid in terms of skills development legislation, depending on the type of grant (DOL, 2001b: 3, 2003: 3).

A variety of grants are available to employers, divided into two categories: mandatory grants, and discretionary grants. Mandatory grants must be paid to those employers meeting legislated grant recovery requirements. Discretionary grants may, if any residual levy income is available, be paid to those employers meeting legislated grant recovery requirements (Construction Education and Training Authority [CETA], 2003: 6; Republic of South Africa [RSA], 2005b).

One of the primary legislative requirements for access to any of these grants is that an employer submit a Workplace Skills Plan (WSP) to the relevant Sector Education and Training Authority (SETA). The WSP itself must also meet certain legislative requirements (CETA, no date f: 1; RSA, 2005b).

For a WSP to be of full value to an organisation, however, it should – in addition to meeting these legislative requirements – be aligned with the organisation's short- and long-term goals, and with what needs to be accomplished or changed to achieve these goals. The WSP should therefore be developed from the organisation's strategic plans, which are in turn developed from its overall strategy (DOL, 2001a: 42).

The aim of this research was to assist, and ultimately encourage, small and micro enterprises (SMEs) operating in the Building Contractors' sub-sector of the Construction Industry to develop a WSP that both meets legislative requirements and provides strategic value to the organisation.

1.2 PROBLEM STATEMENT

The following research problem was addressed:

How can small and micro building contractors be assisted and encouraged to develop a strategic workplace skills plan that satisfies legislative requirements?

Three sub-problems were identified to develop the research strategy to investigate and solve this research problem:

■ SUB-PROBLEM ONE

What does the literature review reveal as the basic requirements for developing a strategic workplace skills plan?

■ SUB-PROBLEM TWO

What are the legislative requirements for a workplace skills plan to qualify for grant payments?

■ SUB-PROBLEM THREE

How can the results of sub-problems 1 and 2 be integrated to formulate an easy-to-implement model for developing a strategic workplace skills plan that meets legislative requirements?

1.3 DEMARCATION OF THE RESEARCH

The boundaries of the research were defined in terms of (1) sub-sector of the Construction Industry, (2) size of the organisation, and (3) the level in the organisational structure at which training and development occurs.

1.3.1 Sub-sector of the Construction Industry

The Construction Industry is divided into three sub-sectors: the Building and Civil Contractors sub-sector; the Materials Manufacturers and Suppliers sub-sector; and the Built Environment or Professionals and Consultants sub-sector (CETA, no date d: 1).

This study was limited to the Building Contractors section of the Building and Civil Contractors sub-sector.

1.3.2 Size of the Organisation

SETAs classify organisations as micro, small, medium, large, or super large, according to the number of people employed by the organisation.

- Micro enterprises employ 10 or less people;
- Small enterprises employ 11 to 49 people;
- Medium enterprises employ 50 to 149 people;
- Large enterprises employ 150 to 4999 people; and
- Super large enterprises employ 5000 or more people (Insurance Sector Education and Training Authority, 2003: 2).

This study was limited to micro and small enterprises – that is, building contractors employing 49 or less people.

1.3.3 Level of Training and Development

The training and development of senior officials and managers, and clerks and administrative staff, was excluded from this research.

The study was limited to the training and development of employees who apply the knowledge and experience of skilled trades and handicrafts (so-called skilled workers), and those who perform mostly simple and routine tasks (so-called labourers) (CETA, 2005a: 8-9; RSA, 2001: 37).

1.4 DEFINITION OF CONCEPTS

To enhance clarity, terms included in the problem statement that may be open to interpretation are operatively defined here – that is, defined in the context of the research.

1.4.1 Strategic Workplace Skills Plan

A WSP can be defined simply as an organisation's training plan for each annual period from 1 April to 31 March (CETA, no date e: 2; Erasmus & van Dyk, 2003: 86).

It specifies what skills are needed in the organisation, who needs them, and how they will get them (DOL, 2001a: 30, 2003: 3).

For a WSP to be of full value to an organisation it should, as previously discussed, be aligned with the organisation's long-term goals, and with what needs to be accomplished or changed to achieve these goals.

Implied in this simple definition, therefore, is the need for this annual training plan to be based on an analysis of the business requirements of the organisation and of the skills needs of current employees (DOL, 2001a: 58, no date b: 3; Erasmus & van Dyk, 2003: 86).

For the purposes of this study, a strategic WSP will be defined as follows:

An annual training plan, for the period 1 April to 31 March, which specifies the skills that need to be acquired to implement a business strategy and to achieve business objectives, the training required to obtain these skills, and the employees who should receive this training.

1.4.2 Easy-to-Implement Model

A model is an abstract representation that illustrates the components and/or relationships – that is, the essential structure – of a phenomenon (Laudon & Laudon, 2003: 353; Stockburger, no date: 1).

The model to be developed in this research will illustrate the requirements for developing a strategic WSP that meets grant recovery criteria.

The target audience of this model is SME building contractors who do not have ready access to the know-how necessary to develop such a WSP. The purpose of the model is to encourage SME contractors, through the simplicity of the model, nonetheless to undertake the process of developing a strategic WSP that meets legislative requirements.

Thus the need for an easy-to-implement model, which is defined for the purposes of this research as:

An abstract representation that illustrates the minimum components and/or relationships that are required to retain the essential structure of the phenomenon.

The easy-to-implement model will therefore illustrate the basic or minimum requirements for developing a strategic WSP that meets grant recovery criteria.

1.4.3 Legislative Requirements

The term “legislative requirements” is used in the context of this research to refer to the criteria or standards that SME contractors must meet to be eligible for skills development levy (SDL) recovery through the levy grant system.

1.5 ASSUMPTIONS

The following assumptions have been made:

- The SME building contractors are liable to pay the SDL in terms of section 3(1) of the SDLA.
- The SME building contractors are not designated employers in terms of the Employment Equity Act 55 of 1998 (EEA); therefore in addition to employing fewer than 50 people, annual turnover is less than R5 million.
- The SME building contractors do not have a Human Resources department and/or manager to provide the know-how necessary to develop a strategic WSP.
- Findings from the United States of America and the United Kingdom are applicable in South Africa.

1.6 SIGNIFICANCE OF THE RESEARCH

The drive to increase investment in the training and development of South African employees, as introduced by the SDA and the SDLA, is embodied in the National Skills Development Strategy (NSDS) (DOL, 2001a).

Table 1.1 below indicates the level of participation in the NSDS by small, medium and micro enterprises (SMMEs) in the Construction Industry.

	EMPLOYERS	
	NUMBER	PERCENTAGE
LEVY- PAYERS IN INDUSTRY	11 082	100%
SMME LEVY- PAYERS	10 746	96.9%
SMMEs THAT HAVE SUBMITTED WSPs	863	8%

Table 1.1: Analysis of SMME Participation in the NSDS, 2004

Source: Compiled with information obtained from Dlamini (2004a)

As indicated in the table, about 97 per cent of the skills development levy-paying employers in the industry are SMMEs. Only 8 per cent of these employers had submitted WSPs to the Construction Education and Training Authority (CETA) in Year 4 (2004) of the NSDS, which means that only 863 SMME employers were taking advantage of the grant payments that were implemented to encourage employers to invest in the training and development of their employees.

This low level of participation was of concern to CETA (CETA, 2004b: 3), and various efforts were made to encourage these employers to submit WSPs. These included, among other things, the free provision of WSP Agents and Skills Development Facilitators (SDFs) to assist employers in compiling and submitting WSPs, and the payment of an additional annual grant amounting to 10 per cent of the employer's annual levies (with a minimum and maximum limit of R2000 and R10 000 respectively) on the submission of the WSP in an approved electronic format (CETA, 2004a: 11).

These efforts to increase participation in the NSDS have had a positive impact on the Construction Industry across all sub-sectors and in organisations employing varying numbers of employees, including SMEs in the contractors sub-sector (Khuzwayo, 2005).

Table 1.2 below reflects this increasing trend in WSP submission rates by SME employers in the industry as a whole, and in the building and civil contractors sub-sector.

	2002/2003 (Year 3)	2003/2004 (Year 4)	2004/2005 (Year 5)
CONSTRUCTION INDUSTRY AS A WHOLE	218	594	1399
BUILDING + CIVIL CONTRACTORS SUB-SECTOR	120	335	754

Table 1.2: SME WSP Submission Trends, 2003 – 2005

Source: Compiled with information obtained from Khuzwayo (2005)

There is, however, still a large number of companies of varying sizes in the Construction Industry that are not participating in the NSDS. Specifically, the SMEs that have submitted WSPs in Year 5 represent a relatively small percentage of the 7425 registered levy-paying SMEs in the industry – namely, 18.8 per cent. And this percentage is, in all probability, even lower in reality, as over four thousand of all the registered levy-payers in the industry over this time period were classified as “unknown” with regard to size of the organisation or number of employees. At least some of these will be SMEs (Khuzwayo, 2005).

Additionally, and equally importantly, the assistance that is provided via WSP Agents and SDFs relates to administrative assistance only – that is, how to prepare and complete the necessary paperwork to submit a WSP that meets legislative requirements (CETA, no date e: 2). It does not provide employers with assistance in determining actual training and development needs and developing a WSP of strategic or long-term value to the organisation.

Notwithstanding the need to meet legislative requirements for compiling and submitting WSPs, this additional assistance is needed by many employers in the industry, especially those SMEs that do not have ready access to the

know-how necessary to determine training and development needs and/or to develop a strategic WSP.

In addition to the potential for increasing SME participation in the NSDS, assisting SMEs to develop WSPs which enable them to achieve their long-term business goals could be an important step towards eradicating the current perception in the industry that the training and development of employees and making profits are mutually exclusive goals (Dlamini, 2004b: 10).

1.7 OBJECTIVES OF THE RESEARCH

The objective of this study was to offer SME building contractors an easy-to-implement model, based on existing literature and current legislative requirements, for developing a WSP that both qualifies for grant payments and provides strategic value to the organisation.

The specific objectives were to:

- Identify the phases, stages, and/or steps proposed by each of the authors included in the literature review as necessary for developing a strategic WSP.
- Establish the minimum requirements for developing a strategic WSP on the basis of identifying and including only those phases, stages, and/or steps proposed by all of the authors included in the literature review as necessary for developing a strategic WSP.
- Establish current legislative requirements for a WSP to qualify for available grants.
- Formulate a model that, through its simplicity and ease of application, will assist and ultimately encourage SME building contractors that do not have any knowledge or training in the field of human resources, or ready access to such knowledge, to develop and submit a strategic WSP that meets legislative requirements.

1.8 RESEARCH METHODOLOGY

Meeting the stated research objectives involved a systematic examination of relevant literature and legislation. The research design selected for the research process was therefore a content analysis.

By definition a content analysis is a detailed and systematic examination of the contents of a specified body of material, for the purpose of identifying patterns, themes, or biases, within that material, and making replicable (reliable) and valid inferences from the material to their context (Krippendorff, 1980: 21; Leedy & Ormrod, 2001: 114; Stemler, 2001: 1).

Qualitative research is by nature more subjective than quantitative research. As a general rule, however, a content analysis is quite systematic, and measures can be taken to make the process as objective as possible (List, 2005: 1; Leedy & Ormrod, 2001: 156; Stemler, 2001: 1).

The opinion of relevant individuals and/or institutions (*viz* SME building contractors, SDFs, and CETA) was also sought to determine whether they agreed or disagreed that appropriate interpretations and valid conclusions had been drawn from the data. Such feedback from others is seen as a means of supporting the validity of the findings of qualitative research (Leedy & Ormrod, 2001: 106; Stemler, 2001: 7).

The methodology followed in the research process is outlined below.

1.8.1 Literature Review

The literature review focused on authors who have developed models for managing training and development in organisations and/or for identifying the training needs of organisations, with particular emphasis given to those models developed or recommended by South African authors.

The basic or minimum requirements for developing a strategic WSP were determined from these models by identifying the requirements (the steps, stages, and/or phases) proposed by each of the authors included in the literature review, and then identifying and including only those requirements proposed by all of the authors as basic requirements.

The measures taken to increase the objectivity of the process conformed to the steps of a typical content analysis – namely:

- Specifying the body of material to be studied;
- Developing the coding scheme, that is, the procedure that will be used to examine the body of material systematically;
- Testing the coding scheme, to address validity and formative reliability issues;
- Coding the data, or applying the coding scheme, and thereafter assessing final reliability;
- Tabulating or reporting the results; and
- Interpreting and analysing the results (Baker, 1988; Leedy & Ormrod, 2001; Mayring, 2001; Neuendorf, 2001; Schmeck, 1997).

1.8.2 Legislation Review

Legislative requirements for a WSP to qualify for grant payments were identified from current skills development legislation, regulations, and guidelines. Feedback was obtained from CETA and practicing SDFs to ensure that these grant qualifying requirements had been correctly interpreted.

1.8.3 Developing an Integrated Model

The results of the literature and legislation reviews – namely, the identified strategic and legislative requirements – were integrated to formulate a simple and easy-to-use model to assist, and ultimately encourage, SME building

contractors to develop a WSP that both qualifies for grant payments and provides strategic value to the organisation. Feedback was obtained from contractors regarding ease of use.

1.9 OUTLINE OF THE DISSERTATION

The research project is presented in five chapters:

- Chapter 1: Introduction, problem statement, and outline of the research project.
- Chapter 2: Identifying the basic requirements for developing a strategic WSP.
- Chapter 3: Identifying legislative requirements for WSPs.
- Chapter 4: Developing an easy-to-implement yet value-adding WSP model.
- Chapter 5: Summary, conclusions, and recommendations.

1.10 CONCLUSION

The aim of this Chapter was to place the study in perspective by providing a statement of the research problem and an overview of the research project.

The significance of the study was discussed, definitions of selected concepts provided to enhance clarity, the assumptions made in the research process indicated, and the research demarcated.

Three sub-problems were identified as necessary to solve the main research problem, and the research methodology followed in the effort to solve each of these sub-problems, and thus the main research problem, was described.

The following chapters aim at addressing each of the sub-problems. The focus of Chapter 2 is on identifying the basic or minimum requirements for developing a strategic WSP.

CHAPTER 2

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CHAPTER 2

IDENTIFYING THE BASIC REQUIREMENTS FOR DEVELOPING A STRATEGIC WORKPLACE SKILLS PLAN

2.1 INTRODUCTION

A strategic WSP was defined in Chapter 1 as an annual training plan that specifies the skills that need to be acquired for an organisation to implement a business strategy and to achieve business objectives.

“Training” and “development” are both means of acquiring such skills – that is, they both refer to processes for enhancing the skills of employees (Blanchard & Thacker, 1999: 7; Muchinsky, Kriek & Schreuder, 1999: 138). Historically, however, the terms have had a somewhat different focus. Development was generally reserved for skill-enhancing processes for managerial- and supervisory-level employees, while training was generally applied to skill-enhancement processes in jobs lower in the organisational hierarchy. In effect supervisors and managers were “developed” and non-managers were “trained” (Carrell, Elbert & Hatfield, 1995: 400; Muchinsky et al, 1999: 139; Nel, 2004: 426; van Dyk, Nel, van Z Loedolff & Haasbroek, 1997: 227).

Today this distinction is not as meaningful as it once was; the need for skill enhancement for employees at all organisational levels is acute in the increasingly competitive global economy. All employees should therefore be engaged in the process of expanding their capabilities through training and development, and some authors are now distinguishing between “employee development” and “management development” (Beardwell & Holden, 1997; Erasmus & van Dyk, 2003: 2-3; Jacobs & Washington, 2003: 344; Muchinsky et al, 1999: 139; Swanepoel, Erasmus, van Wyk & Schenk, 2003: 452). That is what is done in this research.

The different focus is not the only divergence between the terms. They refer to different kinds of learning, and the processes through which this learning takes place can also differ.

“Training” refers to job-related learning provided by employers for their employees, with the main aim of improving employees’ skills, knowledge and attitudes so that they can perform their duties according to set standards (Beardwell & Holden, 1997: 379; Erasmus & van Dyk, 2003: 2; Swanepoel et al, 2003: 452). It is strongly recommended that such job-related learning or training take place through a planned, systematic process (Erasmus & van Dyk, 2003: 2; Nel, 2004: 476; Osborne, 1996: 1).

In contrast, “employee development” refers to general growth through learning; it is a broad term that is not constrained by any relationship to a present or future job (Erasmus & van Dyk, 2003: 2; Jacobs & Washington, 2003: 344; Swanepoel et al, 2003: 452). Such general growth or development can occur through daily life, through education, and/or through training – that is, through intentional (planned) or unintentional (unplanned) learning (Beardwell & Holden, 1997; Erasmus & van Dyk, 2003: 3; Swanepoel et al, 2003: 452). The focus here is on intentional learning, and specifically on training to achieve this intentional learning.

The emphasis in this research project is therefore on using a planned and systematic process for developing a strategic WSP or annual training plan.

A number of different models have been developed by different authors to facilitate this process. These can be divided into two broad categories – namely, general training models and training needs assessment models.

The general training models typically cover all aspects of managing training and development in organisations, including, for example, the implementation and evaluation of training and development initiatives. While all these

aspects are important to the ultimate success of any training and development initiative, they fall beyond the scope of this research, and will not be discussed in any detail. The needs assessment models, in contrast, focus specifically on identifying the training needs of organisations.

The various models all identify distinct, although often interrelated, phases, stages, and/or steps for managing training and development or for identifying training needs. Different authors, however, do not all propose the same phases/stages/steps (ie requirements) for strategically managing training and development or for identifying training needs.

The objective of this research is to formulate a simple and easy-to-apply model that will assist, and ultimately encourage, SME building contractors that do not have any knowledge or training in the field of human resources, or ready access to such knowledge, to develop and submit a strategic WSP that meets legislative requirements. There is therefore a need to simplify the process of developing a strategic WSP as much as possible, while still retaining the essential elements of the process.

On the premise that those phases/stages/steps proposed by all the models could be regarded as the minimum requirements for developing a training plan, the data analysis phase of the literature review or content analysis focuses on eliminating those phases/stages/steps not recommended by all the authors as a requirement for developing a strategic WSP.

Particular emphasis was given to models developed or recommended by South African authors in selecting models to include in the content analysis (literature review). Additional models were included, however, on the basis of their suggested suitability or adaptability for use in smaller organisations or for developing training plans. This was done in order to include as many different models as possible.

2.2 GENERAL TRAINING MODELS

A number of different general training models exist for the management of training and development in organisations. These models aid understanding of what is essentially a complicated process by representing reality in a simplified and comprehensible form (van Dyk et al, 1997: 239).

As previously indicated, these models cover all aspects of managing training and development in organisations, including some aspects that fall beyond the scope of this research. Such phases/stages/steps will be indicated to give a complete overview of the relevant model, but will not be discussed further.

Seven different general training models are included in this analysis. The first is a model presented by South African authors as a guide to undertaking skills development planning. The following three are models recommended by a number of different South African authors. The next two are models that can be adapted for use in smaller organisations. The last model is, according to the authors, a synthesis of the “best features” of a number of other general training models.

2.2.1 Bellis and Hattingh’s Skills Planning Process Model

Bellis and Hattingh (2003) have developed a model to guide South African organisations through the process of planning and executing the skills development process.

The model describes a set of action steps that should be customised to suit an organisation’s unique needs and circumstances. Factors identified as influencing the nature and extent of an organisation’s skills planning process include: structures and processes already in place; size of the organisation; availability of resources; and management’s commitment to employee training and development (Bellis & Hattingh, 2003: 2-3).

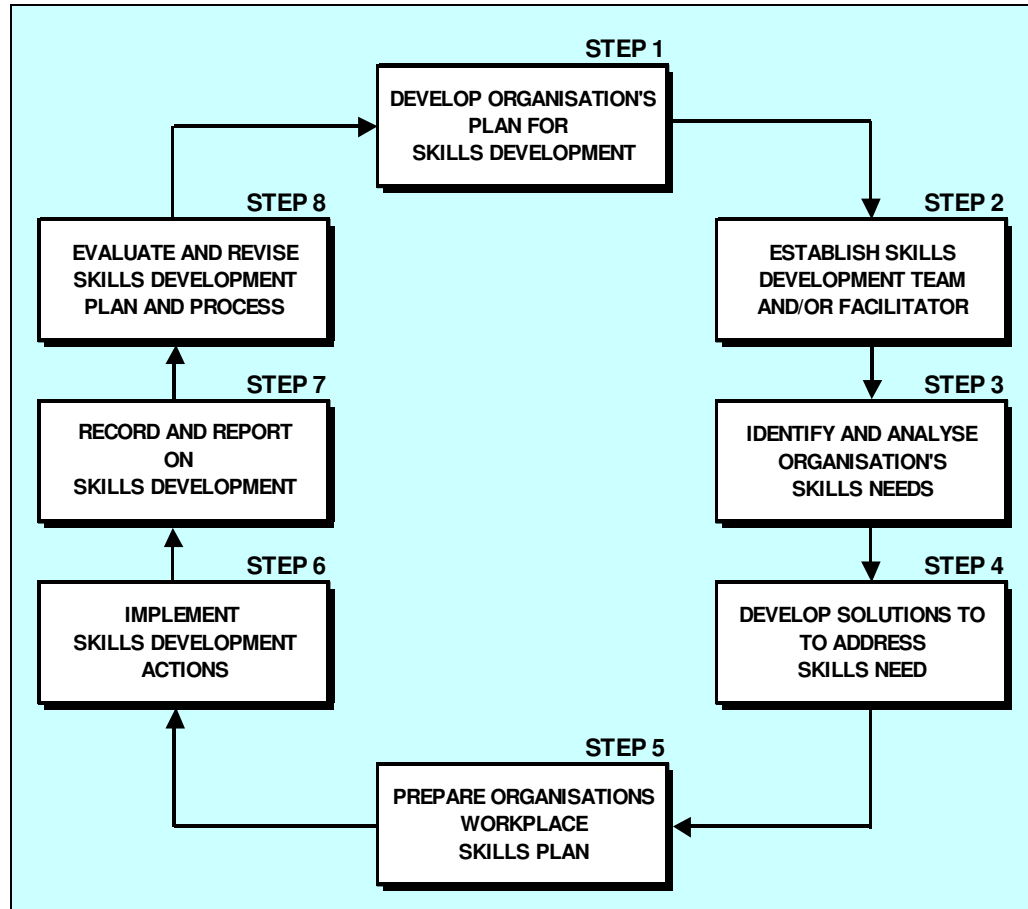


Figure 2.1: Skills Planning Process Model

Source: Adapted from Bellis and Hattingh (2003: 4)

The model is illustrated in Figure 2.1 above. As indicated, eight steps are identified: developing the organisation's plan for skills development; establishing the skills development team; identifying and analysing skills needs; developing solutions to address skills needs; preparing the WSP; implementing skills development actions; recording and reporting on skills development; and evaluating and revising the skills development plan and process.

The latter three steps fall outside the scope of this research and are excluded from further discussion.

■ **Step 1: Develop the Organisation's Plan for Skills Development**

Step 1, developing (or confirming) the organisation's plan for skills development, entails determining the focus and goals of the organisation's skills planning strategy (Bellis & Hattingh, 2003: 3).

This includes: determining management's commitment to skills planning – that is, deciding if skills planning be viewed as an opportunity to develop the workforce and the organisation, or merely as a means to recover skills development levies – and integrating skills planning into organisational processes, including strategic planning processes and human resource processes and strategies (Bellis & Hattingh, 2003: 3-7).

■ **Step 2: Establish Skills Development Team**

Step 2, establishing (or confirming) a skills development team, entails appointing the committee that will be involved in the skills planning process, and identifying the person who is to be registered as the SDF for the organisation (Bellis & Hattingh, 2003: 8).

The committee, established for consultation on training matters, should reflect the interests of employees from all occupational categories, and should include representatives of the main trade unions representing employee interests in the organisation if applicable. The SDF's main roles are to assist and advise during the development and implementation of the organisation's WSP, to report on progress, and to act as the contact person between the employer and the relevant SETA (Bellis & Hattingh, 2003: 8).

■ **Step 3: Identify and Analyse Skills Needs**

Step 3, identifying and analysing skills needs, entails identifying performance problems, and distinguishing between those problems that should be

addressed by training and those that can best be addressed by non-training means (Bellis & Hattingh, 2003: 9-10).

Performance problems (skills needs) can be identified on three levels: organisational, group, and individual (Bellis & Hattingh, 2003: 9).

Organisational skills needs may arise from changes in: the structure of the organisation; its goals and objectives; legislation; and technology. Group skills needs arise when a number of employees, either working together as a team or individually, have the same skills deficiencies, often as the result of organisational changes. Individual skills needs may arise from performance gaps, which are defined as the difference between required performance levels, or standards, and present performance levels (Bellis & Hattingh, 2003: 9-11).

When analysing the identified performance problems, the focus should be on finding out what is needed to bring individuals and groups to perform at the required standard, and beyond. This requires determining the causes of performance gaps, which may include lack of necessary skill/s, poor supervision, lack of feedback, lack of motivation, lack of tools, and an unsupportive work environment (Bellis & Hattingh, 2003: 13-14).

■ **Step 4: Develop Solutions to Address Skills Needs**

Step 4, developing solutions to address skills needs, entails matching the causes of performance problems or gaps to appropriate solutions (Bellis & Hattingh, 2003: 14).

Training is only a suitable option for performance problems caused by skill deficiencies. Solutions are provided for all the identified causes of performance gaps, but they fall beyond the scope of this research and are not discussed further (Bellis & Hattingh, 2003: 14).

What is relevant to this research is how to design or select an appropriate training solution. Attention should be paid to the following criteria:

- **Content and product:** must be appropriate, complete, and relevant;
 - **Outcomes-based approach:** structure and design of the programme must be based on the skills and competencies that need to be acquired and applied by the learner, and the level of the outcomes must be at the correct or desired level;
 - **Process and methods:** the learning experiences must be appropriate to the objectives that they are designed to achieve;
 - **Assessment:** procedures must be designed and conducted to determine whether the learner is “competent” or “not-yet-competent” to perform the outcomes to the required standards; and
 - **Quality of delivery:** accredited training providers should be used wherever possible (Bellis & Hattingh, 2003: 15-18).
-
- **Step 5: Prepare Workplace Skills Plan**

Step 5, preparing a WSP, entails preparing the annual training plan that will meet business requirements and the skills needs of current employees, and be submitted, in the required format and timeframe, to the relevant SETA (Bellis & Hattingh, 2003: 14).

This includes prioritising the training needs of the organisation, specifying the training programmes that are required to meet and deliver these priorities, and identifying the employees who will receive the relevant training (Bellis & Hattingh, 2003: 18).

2.2.2 Goldstein’s General Systems Model

Goldstein’s systems approach is a well-known approach for managing training and development in organisations. It is recommended by a number

of different authors the world over, including *inter alia* the following South African authors: Swanepoel, Erasmus, van Wyk and Schenk (2003); Muchinsky, Kriek and Schreuder (1999); and Carrell, Elbert, Hatfield, Grobler, Marx and Van der Schyf (1997).

According to Goldstein (1986: 289) training is both a system, consisting of a number of different and interacting components, and a subsystem, just one element or component in the complex organisational system; and the success of training is dependent on an approach that considers all of these interacting components.

The systems approach is embodied in a general systems model that emphasises the important components and their interactions, providing a useful tool for examining the total training process (Goldstein, 1986: 15).

Most of the components of the model are considered important for any training process, although the degree of emphasis may change for different programmes (Goldstein, 1986: 16).

The model is illustrated in Figure 2.2 on the following page. As indicated, three phases are identified in the training process: a needs assessment phase; a training and development phase; and an evaluation phase. The latter phase falls outside the scope of this research and is excluded from further discussion.

■ Needs Assessment Phase

The first phase, the Needs Assessment Phase, provides the necessary information to design the entire training programme, and consists of identifying training needs through organisation analysis, through a task and knowledge, skills and abilities (KSAs) analysis, and through a person analysis (Goldstein, 1986: 17).

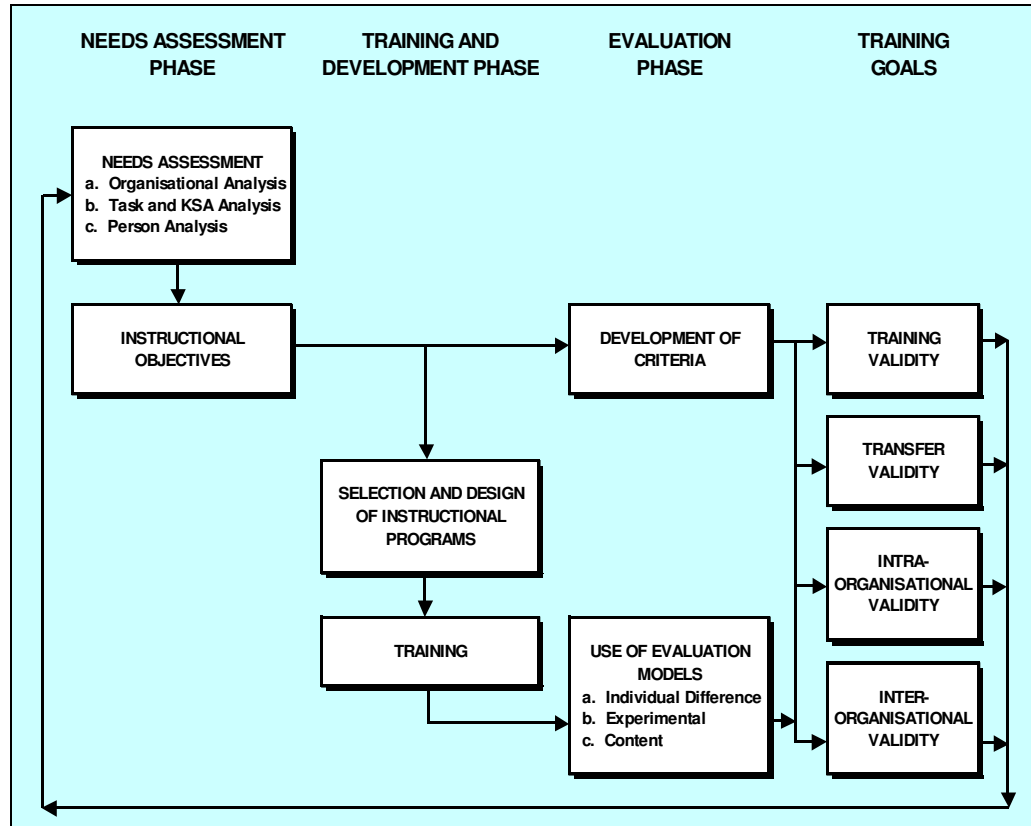


Figure 2.2: General Systems Model for Training and Development

Source: Adapted from Goldstein (1986: 16)

An organisational analysis focuses on the system-wide components of the organisation that may have an impact on training, and includes an examination of: the short- and long-term goals of the organisation, as well as the trends that are likely to affect these goals; the resources of the organisation; and any internal and external constraints present in the environment (Goldstein, 1986: 27-30).

A task and KSAs analysis entails a careful analysis of the job being performed, to specify required performance standards and identify the KSAs necessary to perform at the required level. It includes examining duties, special conditions under which the job is performed, and all the tasks required on the job (Goldstein, 1986: 36-38).

A person analysis is concerned with assessing how well an individual employee is carrying out the tasks that make up his/her job – that is, how well the employee demonstrates the KSAs required by the job. This final step in determining training needs focuses on whether individual employees need training – that is, if there is a difference between required performance and KSAs and actual performance and KSAs – and on determining exactly what kind of training can best address the KSAs deficiency (Goldstein, 1986: 45-48).

A blueprint of the objectives to be achieved by the trainee on completion of the training programme emerges from the information obtained in the assessment of training needs. These are specified as behavioural outcomes, and provide the input for the design of the training programme, as well as for the measures of success (criteria) that will be used to evaluate the training programme (Goldstein, 1986: 59-62).

■ Training and Development Phase

The second phase, the Training and Development Phase, entails designing the environment to achieve the objectives determined in the previous phase (Goldstein, 1986: 20).

The focus is on matching training environments to required behaviour outcomes. Consideration must therefore be given to the tasks that are performed and the KSAs necessary to perform these tasks, to determine what type of training programme, in terms of learning principles and training media, will produce the best results (Goldstein, 1986: 21-22).

However, attention should also be given to trainee characteristics such as level of readiness and motivation, when considering suitability of training programmes (Goldstein, 1986: 67-70).

The implementation of the selected training programme falls outside the scope of this research and is not discussed further.

2.2.3 Nadler's Critical Events Model

Nadler's model, the Critical Events Model (CEM), is likewise presented by a number of authors as a general training model for managing training and development in organisations, including *inter alia* the following South African authors: Nel (2004); Erasmus and van Dyk (2003); van Dyk, Nel, van Z Loedolff and Haasbroek (1997); and Gerber, Nel and van Dyk (1997).

According to Nadler (1982: xi) the actual conducting of training is the proverbial tip of the iceberg that tends to get most of the attention, while the designing of the training experience, a crucial task or element in the training process, is not nearly as visible, and often receives too little attention.

Nadler (1982: 1) therefore identifies the activities that should take place in every training process, and especially in designing the training experiences provided by employers to employees – the so-called “critical events”.

The CEM is particularly suited to training programmes related to current jobs (training); adjustments can be made, however, to adapt the model to develop or identify appropriate training programmes for future jobs (development) (Nadler, 1982: 13).

The model is illustrated in Figure 2.3 on the following page. As indicated, nine critical events are identified: identifying the needs of the organisation; evaluation and feedback; specifying job performance; identifying learner needs; determining objectives; building curriculum; selecting instructional strategies; obtaining instructional resources; and conducting training (Nadler, 1982: 18).

The latter three phases fall outside the scope of this research and are excluded from further discussion.

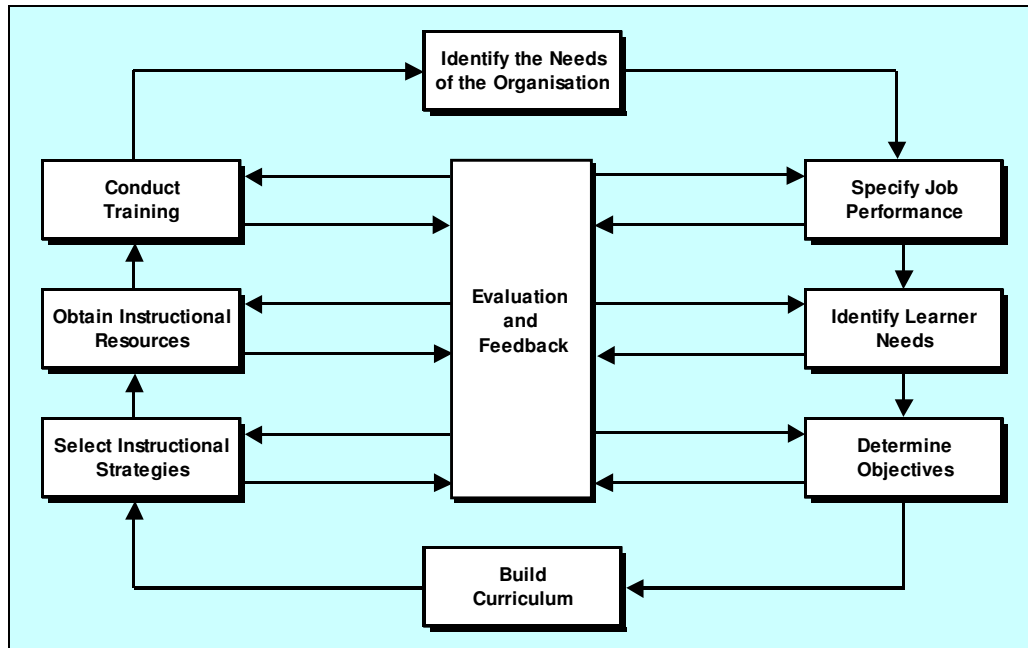


Figure 2.3: Critical Events Model

Source: Adapted from Nadler (1982: 12)

■ Critical Event 1: Identify the Needs of the Organisation

The first critical event in the training process is identifying the needs of the organisation. Nadler (1982: 17) identifies the objectives of this event as: (1) determining the nature of performance problems; and (2) determining whether training is the appropriate solution to the identified problems.

An assumption of the CEM is that organisations generally do not provide training unless there is a specific need. It is therefore necessary to determine if the needs of the organisation – that is, what the organisation must have to attain its current and future goals – relate to some kind of employee performance problem, and whether these performance problems can best be addressed by training (Nadler, 1982: 17-19).

■ Critical Event 2: Evaluation and Feedback

Evaluation and feedback is regarded as a particularly significant element in the CEM. Nadler stresses the importance of stopping at each event and purposefully evaluating progress in terms of the previous events in the CEM, as opposed to conducting an evaluation at the end of the training process, as is the case in many other models. This avoids wasted time and effort, and contributes to a better training experience (Nadler, 1982: 13).

Evaluation and feedback is identified as the second critical event in the model to indicate that it should occur at the end of each critical event from this point of the training process forward. The process would therefore move from identifying the needs of the organisation in event 1, to specifying job performance in event 3, at the end of which evaluation and feedback should occur; and so on until the end of the process (Nadler, 1982: 37).

Nadler (1982: 39) identifies the objectives of this critical event as: (1) determining if the needs and criteria established in earlier events are being met; (2) identifying the individuals who should be involved in the process and receiving specific feedback from them; (3) modifying the process based on the feedback received from selected individuals; and (4) obtaining necessary approval to proceed with the next event of the CEM.

■ Critical Event 3: Specify Job Performance

The third critical event in the training process is specifying job performance. Nadler (1982: 47) identifies the objective of this critical event as specifying the level of performance expected from the person doing the designated job.

The CEM is based on the premise that needs can only be assessed against some kind of standard, which is in turn based on agreement about the job to be performed. Until agreement is reached on what the job contributes to the

organisation, it is meaningless to attempt to find out how to improve the job (Nadler, 1982: 47).

It is therefore necessary to specify some kind of standard for the output of each job. Quality and quantity are identified as the most common; until agreement is reached on these two components it is not possible to specify the job performance that can produce the required quality and quantity (Nadler, 1982: 53-54).

■ **Critical Event 4: Identify Learning Needs**

The fourth critical event in the training process is identifying learning needs. Nadler (1982: 82) identifies the objective of this critical event as identifying the learning or training needs of those who are currently doing the designated job.

The term “learning or training needs” is defined as the difference between expected job performance and actual job performance – that is, the difference between the standards set in the previous critical event (specifying job performance) and what the job incumbent already knows and/or does (Nadler, 1982: 96-97).

■ **Critical Event 5: Determine Objectives**

The fifth critical event in the training process is determining objectives. Nadler (1982: 103) identifies the aim of this critical event as: (1) identifying the elements that must be considered in determining objectives for the training programme as a whole (termed “programme objectives”), and for the individual/s receiving the training (termed “learning objectives”); and (2) listing, according to priority, the specific programme and learning objectives.

Two levels of objectives are therefore distinguished: the more general programme objectives, which relate to the skills, knowledge and attitudes (SKAs) that the training programme must address to meet the needs identified in the previous critical event; and the more specific learning objectives, which relate to the performance required of the individual trainee/s at the end of the training programme (specific behavioural outcomes) (Nadler, 1982: 103-113).

The objectives, defined as statements of what is to be accomplished, are determined from the needs identified in the previous event. In recognition that constraints may limit the possibility of meeting all of the identified needs, the training needs output from the previous event are prioritised before establishing any objectives; and objectives are established only for those needs that should and can be met by the current training programme. The output of this critical event is therefore a prioritised list of programme and learning objectives (Nadler, 1982: 106-108).

■ **Critical Event 6: Build Curriculum**

The sixth critical event in the training process is building the curriculum, which refers to identifying what is to be learned, and the sequence of learning (Nadler, 1982: 124). At this point in the training process the trainer must decide whether to “make or buy” the appropriate training programme (Nadler, 1982: 140).

Making – that is designing an in-house training program to provide the required learning – falls outside the scope of this research. What is relevant to this research project, however, is that curriculum deals with SKAs. The objectives developed in the previous critical event now serve as a checklist; each of the stated learning objectives should be readily identifiable in the curriculum of the selected (bought) training programme (Nadler, 1982: 126).

2.2.4 Chang's High-IMPACT Training Model

Chang's model, the High-IMPACT Training Model, is another general training model favoured by a number of South African authors, including, *inter alia*, Nel (2004) and Erasmus and van Dyk (2003).

According to Chang (1995) training is too often treated as a quick fix in practice, and as a result, it serves only as a band-aid which works itself loose over time. Successful training on the other hand – that is training that improves performance and ultimately the bottom-line – is training that has a lasting impact.

To have any lasting impact, training should be regarded as a process of deliberate planning, strategic implementation, and follow-through that must be carefully observed. The focus is therefore on the importance of effective, targeted training. Extending the model beyond the evaluation stage, the point at which most other training models end, maintains the results or outcomes of training, and provides the required follow-through (Chang, 1995).

The model is illustrated in Figure 2.4 on the following page. As indicated, the name is an acronym for the six phases of the model namely: identifying training needs; mapping the approach; producing learning tools; applying training techniques; calculating measurable results; and tracking on-going follow-through (Chang, 1995: 16).

The first 2 phases are relevant to this research; the remaining phases are excluded from further discussion.

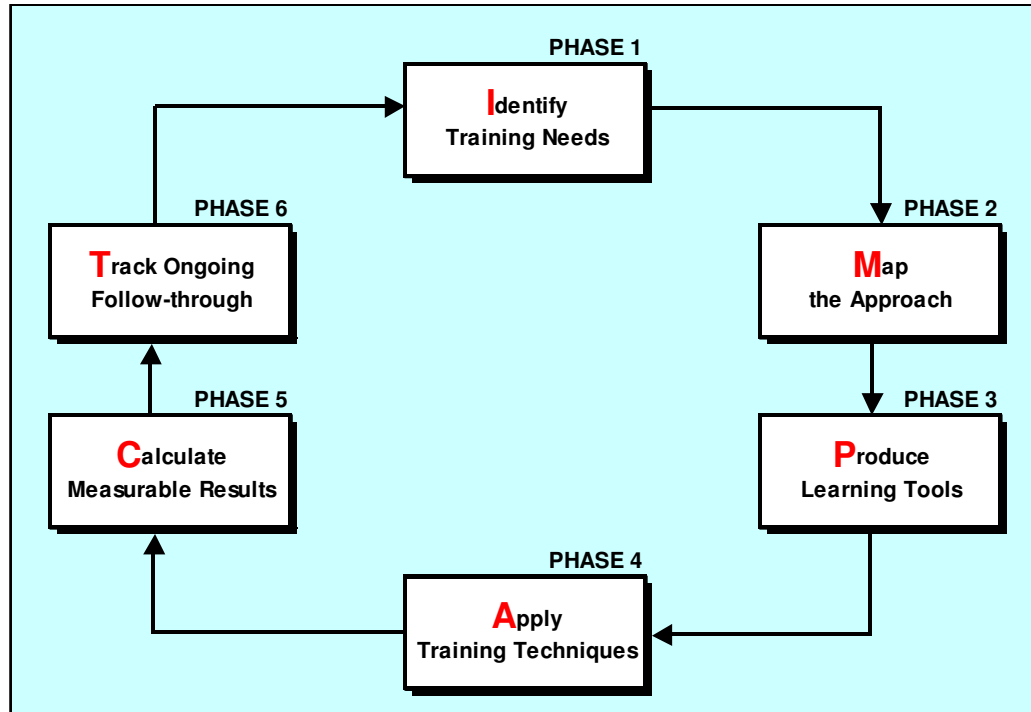


Figure 2.4: High-IMPACT Training Model

Source: Adapted from Chang (1995: 15)

■ Phase 1: Identify Training Needs

Phase 1, identifying training needs, entails determining if and how training can play a role in improving job performance, and targeting training outcomes (Chang, 1995: 16).

Conducting a needs analysis, which comprises the six basic steps below, identifies training needs, and ensures that the training addresses the organisation's unique circumstances (targeted training needs):

- **Assessing the current situation**, to obtain a clear definition of the problem. This includes assessing organisational problems, issues and/or situations that could drive the need for training, and current business strategy and goals.

- **Envisioning the future**, to determine future plans and goals, and the role that training will play in achieving those plans. This includes defining and understanding what training will accomplish.
- **Gathering information**, to identify performance gaps (difference between actual and required performance). This includes considering what additional information needs to be collected to identify the causes of, and potential solutions to, performance gaps, who will best provide the necessary information, and how best to obtain that information from them.
- **Sorting information**, to identify, categorise, and prioritise themes and issues that must be addressed to reach the envisioned future.
- **Sharing results**, to inform, encourage and receive feedback.
- **Deciding the next step**, to translate the recommendations of this phase into a plan of action, or list of activities to be accomplished, that will be used in the phases that follow. It includes confirming that recommendations point to training as the required solution, or ending the current training process if they do not (Chang, 1995: 22-33).

■ Phase 2: Map the Approach

Phase 2, mapping the approach, entails choosing the training approaches that will best support the targeted outcomes and improve job performance (Chang, 1995: 16).

Mapping the right training approach incorporates the following three steps:

- **Creating training objectives**, which entails defining what training must accomplish, and creating the learning objectives that will reach that goal.
- **Considering trainees**, which entails analysing the target audience in terms of, *inter alia*, education, language skills, age, motivation, *et cetera*, to facilitate matching employees to appropriate training approaches.

- **Designing the approach**, which entails selecting the appropriate learning method/s and the type of training to accomplish training objectives (Chang, 1995: 37-51).

2.2.5 Osborne's Training Cycle Model

According to Osborne (1996: 23) training exists to support the business plan. The business plan must dictate training in the widest sense, and must explain the connection between business objectives and investment in people.

In general this would necessitate translating the business objectives, strategy, plans, policies, and procedures and rules of the organisation as a whole, into objectives, strategy, policies, *et cetera*, for the training function of the organisation. Osborne, however, acknowledges that this may exceed the capabilities of smaller organisations. The requirement for such organisations may therefore be limited to developing a training plan designed to support business plans and satisfy existing training needs (Osborne, 1996: 32-34).

This recognition of possible differences between large and small organisations in managing training and development, together with the emphasis on developing a training plan – a component neglected in many other general training models – is the reason for the inclusion of this model in the content analysis.

Osborne (1996) conceived training as a cycle of activity in which different roles and skills are appropriate at each stage of the cycle. He formulated the Training Cycle Model to encapsulate these views.

The model is illustrated in Figure 2.5 on the following page. As indicated, four stages, consisting of different training activities and trainer roles, are identified: the Identifier/Evaluator Role; the Diagnostic Role; the

Designer/Planner Role; and the Implementor Role (sic). The last stage falls outside the scope of this research and is excluded from further discussion.

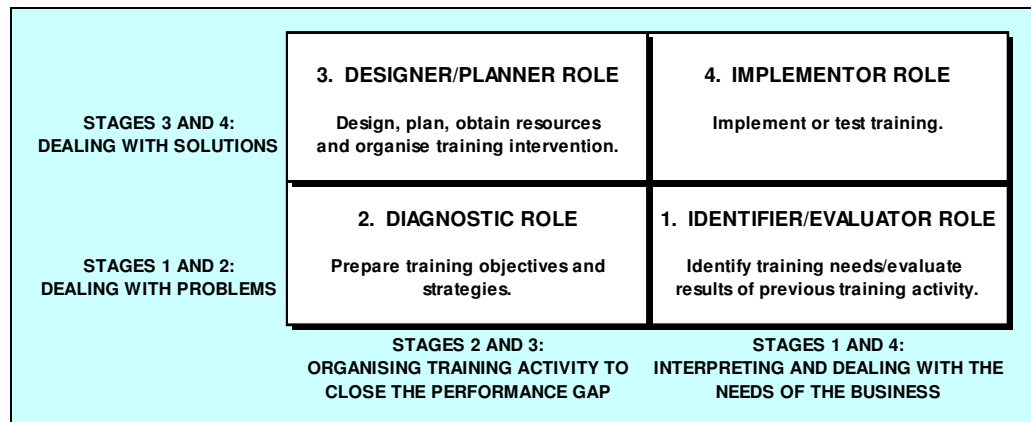


Figure 2.5: Training Cycle Model

Source: Adapted from Osborne (1996: 23)

■ Stage 1: The Identifier/Evaluator Role

In Stage 1 the trainer plays an identifier or evaluator role, and performs the following activities: identifying training needs; and evaluating the results of previous training activities. These activities are reversed after training has been implemented, to evaluating the results of previous training initiatives, and identifying further training needs (Osborne, 1996: 24-26).

Training needs only exist when performance gaps are most economically addressed by training interventions. Identifying these needs, or conducting a Training Needs Analysis (TN Analysis), entails determining business needs by (1) examining the organisation's present and expected operations and the manpower necessary to carry them out, and (2) identifying performance gaps, by examining the difference between actual and required performance, in order to identify the numbers and categories of employees needing to be trained or retrained to reach the required standards of performance in current or future jobs (Osborne, 1996: 3).

■ **Stage 2: The Diagnostic Role**

In Stage 2 the trainer plays a diagnostic role, and formulates training objectives and strategies. The whole training effort is defined in this stage: objectives define what is to be achieved by the training; and strategies identify the steps to be taken to support the achievement of the training objectives (Osborne, 1996: 27-28).

■ **Stage 3: The Designer/Planner Role**

In Stage 3 the trainer plays a designer and planner role, and performs the following activities: designing, planning, and organising the training intervention (Osborne, 1996).

These activities relate to developing the Training Plan. This describes the “who, how, where, when and why” training will be undertaken, and includes selecting appropriate training programmes. There is no fixed approach to presenting Training Plans; the structure should reflect the needs of the organisation. For convenience however, a tabulated approach is often preferred (Osborne, 1996: 28-29).

2.2.6 Blanchard and Thacker’s Training Processes Model

Blanchard and Thacker (1999: 17-18) likewise recognise that smaller organisations may implement training models differently from medium- to larger-sized organisations. The main criterion used to identify such “small businesses” is that the organisation does not have a formalised Human Resources Department. The term may, however, also apply to organisations employing fewer than 100 workers.

The authors identify, where applicable, strategies, methods, and practices that might be more appropriate for smaller organisations in the application of

their training model. These adaptations are not required, however – that is, the model is suitable for small and large organisations as is; they merely provide suitable options that smaller organisations can use if desired (Blanchard & Thacker, 1999: 18).

Blanchard and Thacker (1999) view training as a set of integrated processes, and present a Training Processes Model incorporating five phases to reflect this view. Each phase is a process of inputs and outputs, and together they form the set of integrated processes.

The model is seen as a problem-solving tool: analysing and responding to organisational and employee needs in such a rational, logical and strategic manner is seen as a means of providing the desired inputs into each phase, and thus a means of providing output of maximum value to the organisation for its investment in training (Blanchard & Thacker, 1999: 21).

The model is illustrated in Figure 2.6 on the following page. As indicated, the five phases are: a Needs Analysis Phase; a Design Phase; a Development Phase; an Implementation Phase; and an Evaluation Phase. The Implementation Phase falls outside the scope of this research and is excluded from further discussion.

■ Needs Analysis Phase

The first phase or set of processes, the Needs Analysis Phase, entails identifying problems and their causes (Blanchard & Thacker, 1999: 22).

Blanchard and Thacker provide a framework for conducting a TN Analysis, in the form of a Needs Assessment Model. This model is discussed in the Training Needs Assessment Models section of this chapter.

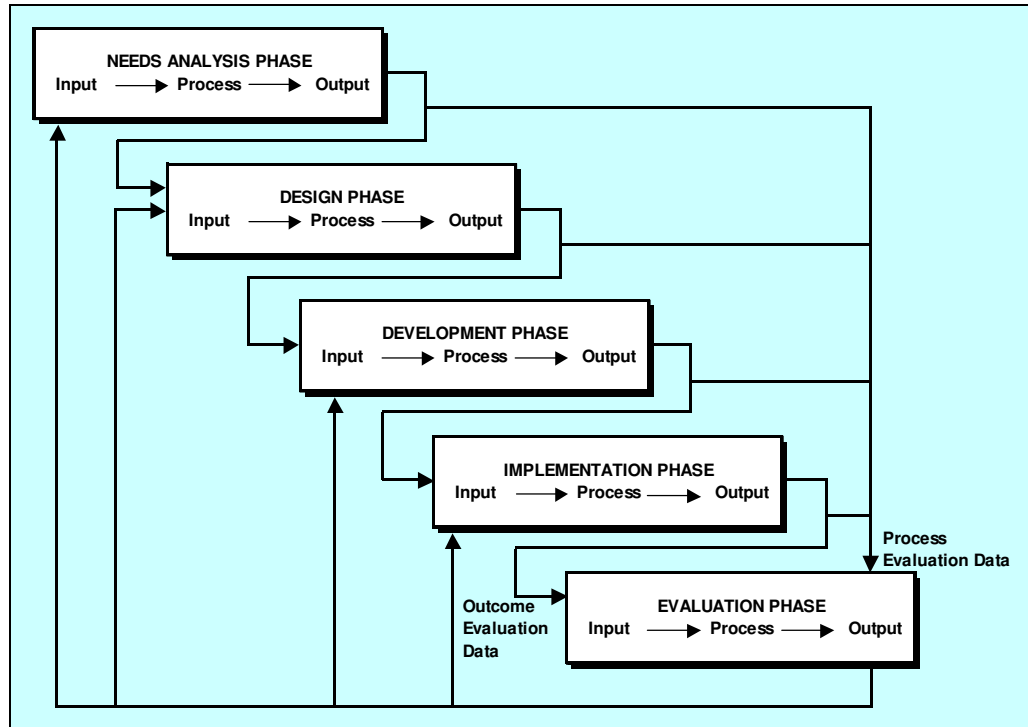


Figure 2.6: Training Processes Model

Source: Adapted from Blanchard and Thacker (1999: 21)

■ Design Phase

The second phase or set of processes, the Design Phase, entails developing training objectives (Blanchard & Thacker, 1999: 22).

The training needs identified in the analysis process serve as the major input into the design process. Inputs are also derived from the organisational and operational analyses. These constitute both the constraints placed on training and the areas of expected support. Additional input is also derived, if applicable, from learning theory, used in the design of training programmes to facilitate learning and the transfer of the learning back to the working environment (Blanchard & Thacker, 1999: 23).

Training objectives are the output of this phase. They specify what the employee should be capable of doing, and the conditions under which it will be done, after receiving training (Blanchard & Thacker, 1999: 23).

■ **Development Phase**

The third phase of set of processes, the Development Phase, entails developing a training plan (Blanchard & Thacker, 1999: 22).

The training objectives developed in the design process are the inputs into the development process. All elements of a particular training programme are determined during this phase: the specific content, instructional methods, materials, equipment and media, manuals, and facilities. These are integrated into a training plan – the output of this phase, designed to achieve the training objectives (Blanchard & Thacker, 1999: 24).

■ **Evaluation Phase**

Two types of evaluation are included in this training model: outcome evaluation and process evaluation (Blanchard & Thacker, 1999).

Outcome evaluation refers to determining the effects of training on the trainee, the job and the organisation. It is conducted after training has been implemented, and as such falls outside the scope of this research. Process evaluation, however, refers to how well any one process has achieved its objectives (ie outputs), and is relevant to this research (Blanchard & Thacker, 1999: 23-24).

Each phase of the training processes model is a process with inputs and outputs. Collecting and analysing data about how well each process has achieved its objectives (outputs) is seen as an opportunity to provide early

warning of potential problems in the training programme, and a means to improve the training process as a whole (Blanchard & Thacker, 1999: 23).

2.2.7 Camp, Blanchard and Huszco's Sequential Training Process Model

Camp, Blanchard and Huszco (1986) present a basic outline of a training model, referred to as a skeletal model, to clarify their definition of an effective training process rather than to serve as a general training model. The authors have, however, attempted to integrate “some of the best features” of several existing training models in developing this model (Nadler and Goldstein's models, discussed above, are particularly mentioned) (Camp et al, 1986: 4).

The model is illustrated in Figure 2.7 below. As indicated, eight sequential steps, in addition to soliciting continuous feedback, are identified: diagnosing; establishing objectives; identifying resources; developing the curriculum; planning logistics; performing training; facilitating transfer of learning; and evaluation (Camp et al, 1986: 5). The latter three steps fall outside the scope of this research and are excluded from further discussion.

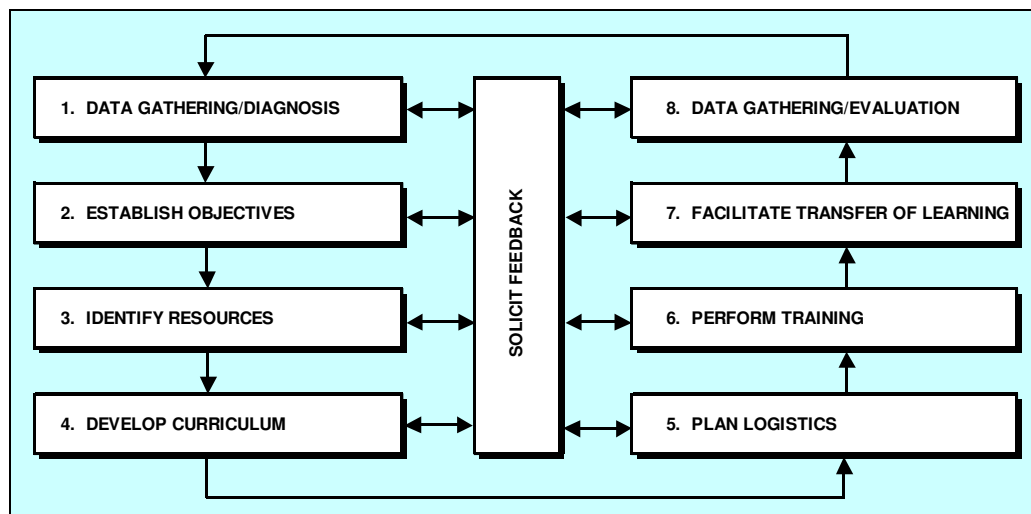


Figure 2.7: Sequential Training Process Model

Source: Adapted from Camp et al (1986: 5)

The model, termed a “sequential model of an effective training process” is not comprehensively discussed; a brief overview, as discussed below, is given.

■ **Step 1: Diagnosis**

The first step in the training process, diagnosis, entails gathering and analysing data to identify training needs, or conducting a Training Needs Assessment (TN Assessment) (Camp et al, 1986: 5).

The authors present a General Training Needs Assessment Model, as a guideline for conducting this diagnosis process. This model is discussed in the Training Needs Assessment Models section of this chapter (section 2.3 below).

■ **Step 2: Establish Objectives**

The second step in the training process, establishing objectives, entails translating identified training needs into specific training and learning objectives to guide every subsequent step in the training process (Camp et al, 1986: 5).

Training objectives are defined as statements of what the desired results of training should be, and learning objectives are the learning outcomes required to achieve these overall training objectives (Camp et al, 1986: 101).

■ **Step 3: Identify Resources**

The third step in the training process, identifying resources, entails recognising the need to make training decisions in an environment of limited resources. No organisation has unlimited resources; stated training objectives therefore need to be best satisfied with available resources (time, money, people, and materials) (Camp et al, 1986: 5).

■ **Step 4: Develop Curriculum**

The fourth step in the training process, developing the curriculum, entails designing training for effective learning, which includes identifying and evaluating various training approaches, and thereafter selecting an appropriate approach to achieve training goals (Camp et al, 1986: 97-98).

■ **Step 5: Plan Logistics**

The fifth step in the training process, planning logistics, entails doing the groundwork necessary for the selected training approach to be successful. This includes facilitating the learning process by, *inter alia*, ensuring that the trainees are motivated and that structures are in place to provide the necessary feedback and support to enhance transfer of training, once trainees are back in the workplace (Camp et al, 1986: 98).

■ **Solicit Feedback**

Soliciting feedback is seen a continuous process; descriptive and evaluative feedback should be sought throughout the training process, not only at the end of the process (Camp et al, 1986: 6).

2.3 TRAINING NEEDS ASSESSMENT MODELS

A large variety of needs assessment models exist for determining or analysing the training needs of organisations. These models provide direction and focus to the analysis process and a framework within which to work and to report results (van Dyk et al, 1997: 255).

It must be noted, however, that not all of these models are suitable to all situations. The suitability of any particular model will be affected by, *inter alia*, the purpose and objectives of the analysis, the type of organisation, the

resources available, including time and money, and even the personal preference of the user (Erasmus & van Dyk, 2003: 147; Gupta, 1999: 8-14; van Dyk et al, 1997: 255).

Five different needs assessment models or approaches are included in this analysis. The first is a model presented by South African authors for providing the input necessary for developing a WSP. The following three models are recommended by a number of different South African authors and/or are models previously introduced in the General Training Models section of this chapter. The last is a model presented by the author as a practical guide for SMEs to match the organisation's training needs to existing training courses or programmes.

2.3.1 Van der Schyff's Skills Gap Diagnostic Model

Van der Schyff (2001) presents a basic diagnostic model, the Skills Gap Diagnostic Model, to determine the skills requirements, or training needs, of an organisation – that is, to provide the information necessary to develop the organisation's WSP.

The model is illustrated in Figure 2.8 on the following page. As indicated, three steps are identified: strategic training needs analysis; individual training needs analysis; and prioritising the skill requirements or training needs.

■ Step 1: Business and Departmental Strategy Needs Analysis

Step 1, business and departmental strategy needs analysis, entails diagnosing the core skills or competencies required to meet current and future business plans – referred to as broad or strategic skills requirements. This diagnosis process can include a full-scale strategic analysis and/or less formal discussion between top and lower-level management (van der Schyff, 2001: 76).

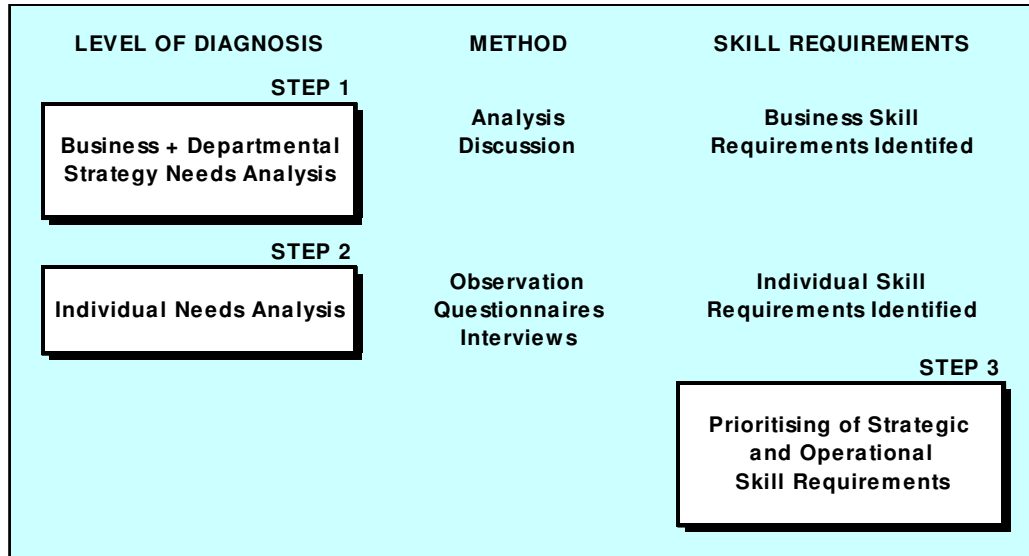


Figure 2.8: Skills Gap Diagnostic Model

Source: Adapted from van der Schyff (2001: 77)

■ Step 2: Individual Needs Analysis

Step 2, individual needs analysis, entails identifying individual training needs across the organisation – referred to as specific or operational skills requirements (van der Schyff, 2001: 76).

Conducting a skills-need analysis includes specifying the skills necessary to perform jobs to the required level, determining employees' current skills levels, and comparing actual to required skills levels to identify skills gaps that need to be addressed by training (van der Schyff, 2001: 76).

■ Step 3: Prioritising Skill Requirements

Step 3, prioritising skills requirements, entails identifying the training priorities of an organisation for the next annual training period (van der Schyff, 2001). This includes aggregating individual training needs to obtain an overview of the workforce skills gaps in terms of both strategic and operational needs,

and developing detailed training plans to meet the core or primary skills requirements of the business and the employees (van der Schyff, 2001: 76-77).

These detailed training plans include identifying training interventions able to meet the skills priorities of the organisation, and specifying the employees who will be receiving the selected training interventions (van der Schyff, 2001: 77).

2.3.2 Mager and Pipe's Performance Analysis Model

Mager and Pipe's model, the performance analysis model, is a well-known approach that is recommended by a number of different authors the world over for identifying training needs, including *inter alia* the following South African authors: Swanepoel, Erasmus, van Wyk and Schenk (2003); and van Dyk, Nel, van Z Loedolff and Haasbroek (1997).

The model is presented as a systematic procedure for analysing and identifying the nature and causes of human performance problems, with the purpose of identifying appropriate solutions for these problems (Mager & Pipe, 1990: 2).

The model is illustrated in Figure 2.9 on the following page. As indicated, the flow diagram is divided into four main parts. Part 1 deals with identifying performance discrepancies, part 2 with performance problems caused by skill deficiencies, part 3 with performance problems caused by factors other than skill deficiencies, and part 4 entails determining which solution or remedy is best for any particular performance discrepancy (Mager & Pipe, 1990).

Part 3, dealing with non-training needs, falls outside the scope of this research and is excluded from further discussion.

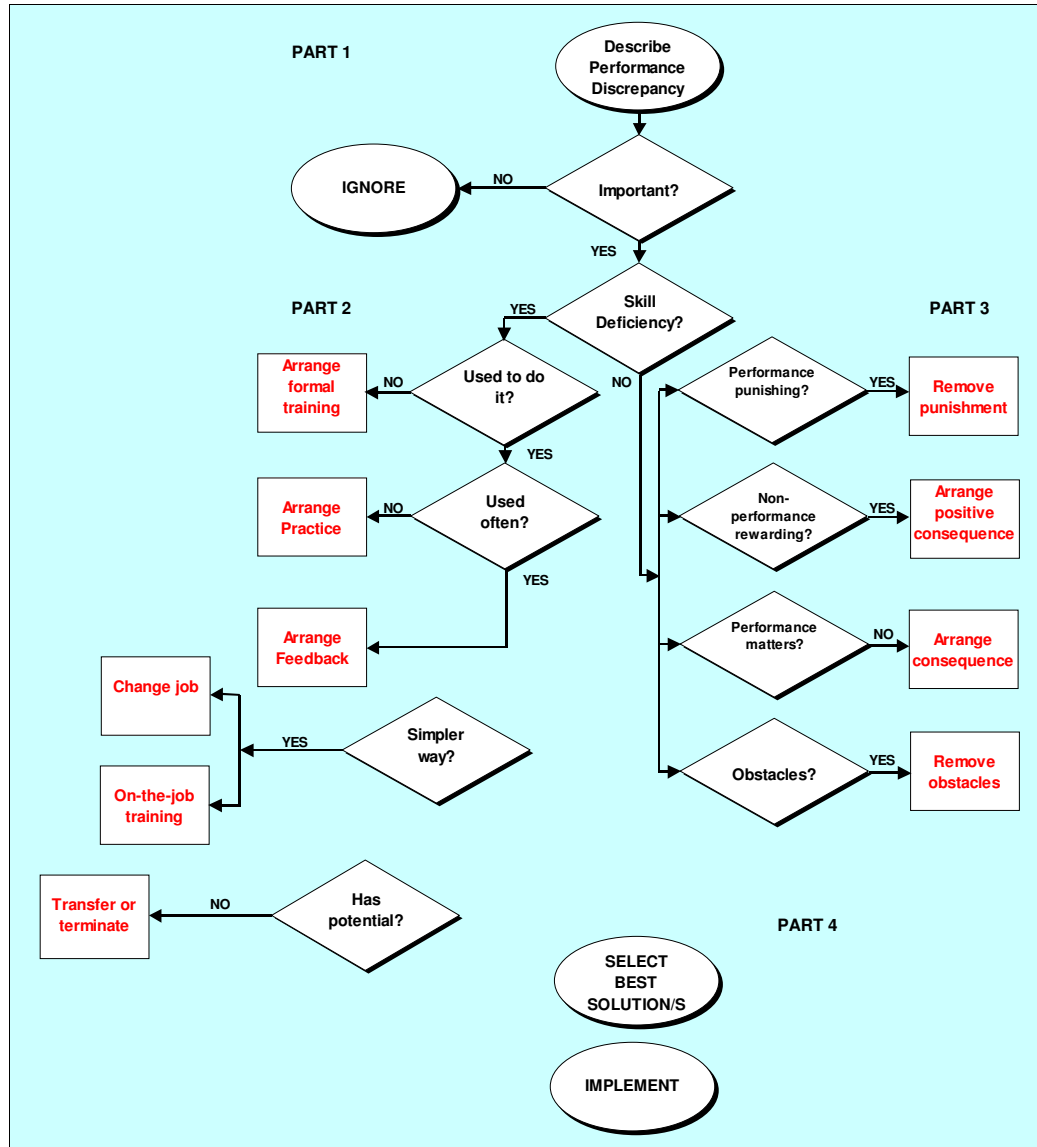


Figure 2.9: Performance Appraisal Model

Source: Adapted from Mager and Pipe (1990: 132)

■ Part 1: Performance Discrepancies

The first step in part 1 is to describe identified performance discrepancies (differences between desired and actual performance), with an emphasis on describing the problems themselves and not potential solutions (Mager & Pipe, 1990: 7-11).

Step 2 entails considering the consequences (in terms of both outcomes and costs, if possible) of the performance discrepancy, to determine the effects of doing nothing about the discrepancy. No further action need be taken if the result of doing nothing would be negligible; if the result is substantially larger than nothing, it is necessary to move on to the following step (Mager & Pipe, 1990: 13-23).

Step 3 entails determining the cause of the discrepancy, so that appropriate solutions can be selected or designed. Determining if the discrepancy is the result of a skill deficiency in essence entails determining whether non-performers are not performing as desired because they do not know how to do it (lack the necessary skill/s), or if they are able to do it but are not doing it (possess the necessary skills but are not applying them) (Mager & Pipe, 1990: 25).

If there is a genuine skill deficiency, the primary remedy must be either to change an existing skill level by teaching new skills or to change what people are required to do. In the latter case, the solution lies in something other than the enhancement of skills (Mager & Pipe, 1990: 25-30).

■ **Part 2: Dealing with Skill Deficiencies**

Training is not presented as the only or necessarily the best solution for performance discrepancies caused by skill deficiencies; and the steps in part 2 outline the factors that should be considered before embarking on a formal training programme (Mager & Pipe, 1990: 31).

The first step entails determining whether employees were able to perform at the required level in the past. Formal training is only a potential solution if they were never able to perform as required – that is, they were never in possession of the necessary skills (Mager & Pipe, 1990: 33-34).

If employees displayed the necessary skills in the past, it is necessary to determine if the skill is used frequently but has deteriorated despite regular use, in which case a potential solution is to provide periodic feedback to maintain performance at required level; or if the skill is used infrequently, in which case a potential solution is to provide a regular schedule of practice to maintain performance (Mager & Pipe, 1990: 33-43).

Additional potential solutions include what the authors consider “simpler” than performance maintenance and formal training, namely changing the job, by changing the skill requirements to meet the skills available, or arranging informal on-the-job training. These simpler solutions are often neglected, but may represent easier and/or cheaper ways to address the performance discrepancies, and should therefore be considered before selecting formal training as the required solution (Mager & Pipe, 1990: 45-51).

Before moving on to part 4 where the final choice is made between the various solution options identified, it is also necessary to determine whether the employee has the mental and/or physical potential to benefit from the proposed solutions and perform as desired; if not, transfer to a new position or termination of employment should be considered (Mager & Pipe, 1990: 53-57).

■ **Part 4: Selecting the Best Solution**

Part 4 entails selecting the best of all potential solutions identified for a performance discrepancy by estimating the total cost (tangible plus intangible costs) of each potential solution, and selecting the solution or combination of solutions that will add the most value – that is, which is most practical, feasible, and economical (Mager & Pipe, 1990: 121-129).

2.3.3 Camp, Blanchard and Huszco's General Training Needs Assessment Model

Camp et al (1986: 26-33) define a TN Assessment as the examination or diagnostic portion of the training process in which it is determined if and how training can help to solve performance problems. They present what they term a General Model of Training Needs Assessment that may be regarded as an "idealised guideline" that the implementer or trainer can modify as needed.

This model was previously introduced in the General Training Models section, and represents the means by which Step 1, Diagnosis, of the authors' Sequential Training Process Model is implemented.

The model is illustrated in Figure 2.10 on the following page. As indicated, four key steps are identified: (1) defining performance deficiencies in behavioural terms; (2) prioritising performance deficiencies (organisational analysis); (3) identifying job requirements, trainee skills and abilities, and environmental constraints on correcting deficiencies – that is, job analysis, person analysis, and work environment analysis respectively – and (4) developing behavioural description of training needs (setting objectives) (Camp et al, 1986: 32).

■ Step 1: Define the Deficiency in Behavioural Terms

The first step in the diagnostic process is to clearly define the performance deficiency – that is, the difference between expected and actual job performance that needs to be corrected (Camp et al, 1986: 33).

Camp et al (1986: 33) emphasise the importance of defining the deficiency in behavioural terms (what the person should be able to do), and not in terms of perceived solutions. An accurate training needs assessment is viewed as

“highly improbable” without a specific behaviour description of the performance problem.

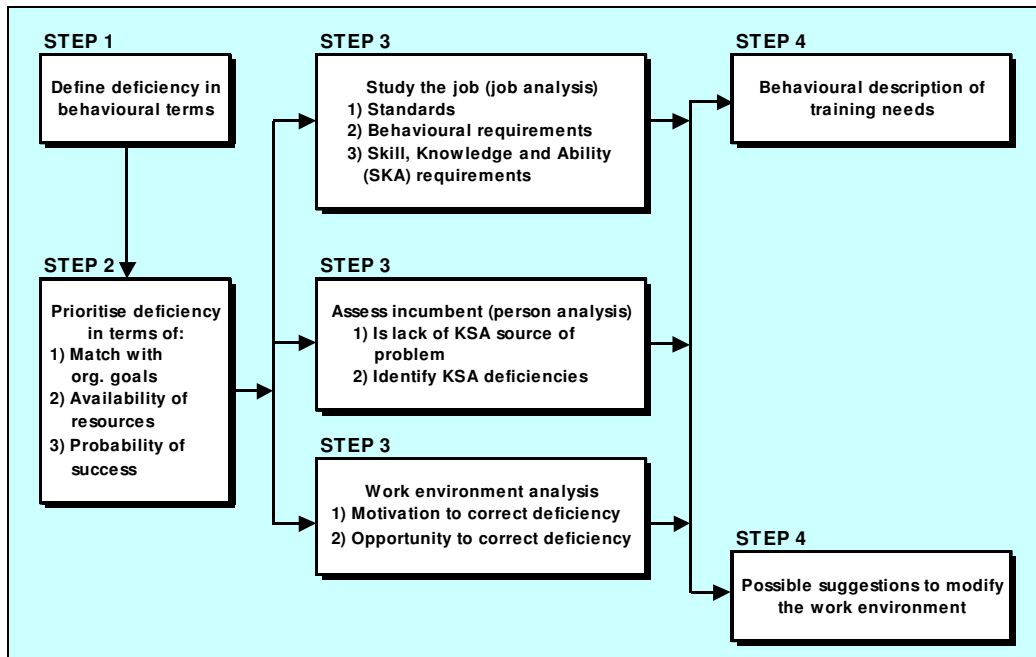


Figure 2.10: General Training Needs Assessment Model

Source: Adapted from Camp et al (1986: 32)

■ Step 2: Prioritise – Organisation Analysis

The second step in the diagnostic process is to undertake an organisation analysis to determine which problems the organisation can attend to. Organisations typically have limited resources and it is unlikely that all identified problems can be handled simultaneously (Camp et al, 1986: 22).

Considering the organisation’s goals and objectives, its capacity (available resources), and the probability of successfully improving performance, facilitates determining which problems should be solved to provide the greatest benefit – that is, to prioritise the performance deficiencies (Camp et al, 1986: 34).

■ **Step 3: Job, Person, and Work Environment Analysis**

The third step in the diagnostic process is for prioritised problems to undergo the following three analyses: job analysis; person analysis; and a work environment analysis (Camp et al, 1986: 38).

The Job Analysis entails establishing standards of performance, how the tasks are to be performed to meet the standards, and the KSAs needed for performance (Camp et al, 1986: 38).

The Person Analysis entails establishing why current performance is below the required standard – that is, it focuses on identifying the sources of performance deficiencies. This will indicate if the deficiency is due to lack of KSAs (which can be addressed by training) on the part of the person performing the job, or other reasons (which require non-training solutions) (Camp et al, 1986: 42-48).

The Work Environment Analysis entails establishing if employees have both the opportunity and the motivation to perform to required standards (Camp et al, 1986: 38-52).

■ **Step 4: Develop Objectives**

The fourth step in the diagnostic process is to translate the information obtained in the job, person, and work environment analyses into training objectives – that is, behavioural outcomes required of the employee after training (Camp et al, 1986: 52).

These analyses may also reveal information regarding changes to the work environment that may improve job performance. However, this falls outside the scope of this research and is not given further consideration (Camp et al, 1986: 52).

2.3.4 Blanchard and Thacker's Needs Assessment Model

Blanchard and Thacker (1999: 127) define a TN Analysis as a systematic method for determining what needs to be done to bring performance in a particular job, or set of jobs, to the expected level; and present a Needs Assessment Model as a framework for conducting the training needs analysis process.

This model was previously introduced in the General Training Models section, and represents the means by which the Needs Analysis Phase of the authors' Training Processes Model is implemented.

The model is illustrated in Figure 2.11 below. As indicated, the input into the analysis process is information from organisational, operational, and person analyses, and the output is the identification of training and non-training needs (Blanchard & Thacker, 1999: 129).

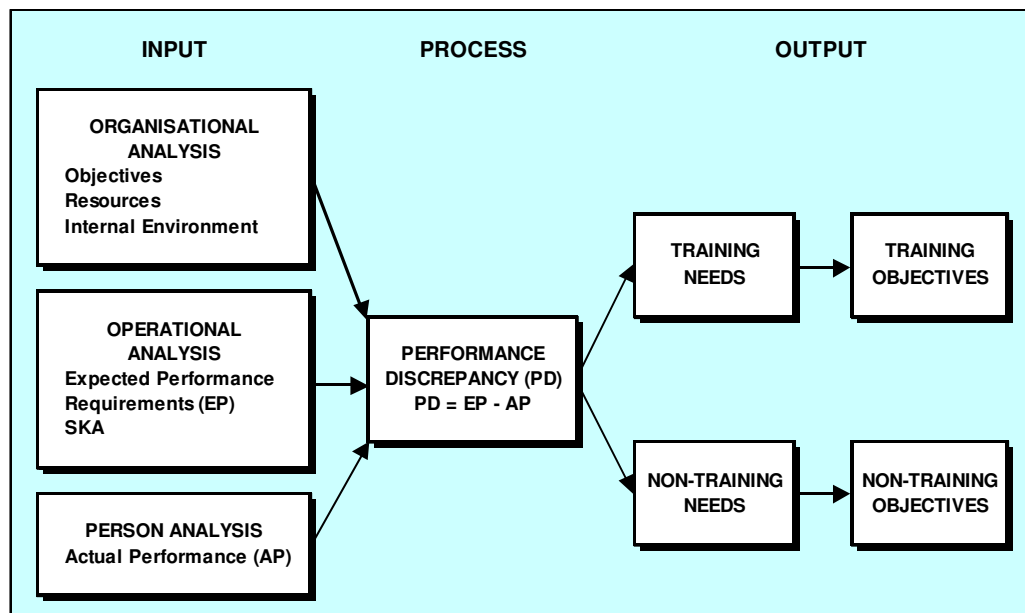


Figure 2.11: Needs Assessment Model

Source: Adapted from Blanchard and Thacker (1999: 120)

■ Inputs

The inputs in the TN Analysis process are three distinct but closely interrelated components: an organisation analysis, an operations analysis, and a person analysis (Blanchard & Thacker, 1999: 129).

An organisational analysis involves looking at the internal environment of the organisation (eg strategy, structure, policies and procedures, job design) and determining its fit with organisational goals and objectives, and how both these factors affect job performance. It is also necessary to identify any constraints limited resources may put on training, including *inter alia* time, money, and the employees themselves (Blanchard & Thacker, 1999: 129-136).

Once the organisational performance discrepancies have been identified and analysed, it is necessary to perform an operational analysis in these areas. Such an analysis involves examining specific jobs to determine the requirements necessary to get the job done. It includes identifying what tasks are to be performed, at what level they must be performed (expected performance), and what SKAs are necessary to perform them. It is also necessary to identify and analyse any roadblocks employees face in doing an effective job. The operational analysis therefore overlaps with the organisational analysis at this point (Blanchard & Thacker, 1999: 136-143).

Once performance expectations have been defined in terms of tasks and SKA requirements, it is necessary to determine who is not meeting these expectations. A person analysis involves appraising actual performance, and thus identifies those incumbents who are not meeting the performance requirements (Blanchard & Thacker, 1999: 153-161).

■ Process

Identifying performance discrepancies involves comparing expected performance and actual performance. A performance discrepancy exists when the standards for the job (from the operational analysis) do not match an employee's performance (from the person analysis). Not all performance deficiencies are worth fixing however. A decision therefore needs to be made whether or not to proceed with the effort to improve performance (Blanchard & Thacker, 1999: 131).

■ Outputs

The outputs of the TN Analysis process are the identification of training needs, and their priorities. Once the decision has been made to alleviate performance deficiencies, it is necessary to distinguish training needs (deficiencies caused by lack of required SKAs) from non-training needs (deficiencies with other causes) using the information collected during the organisational, operational, and person analyses (Blanchard & Thacker, 1999: 162-164).

Only deficiencies caused by a lack of the required SKAs should be considered for training, bearing in mind that training is not the only solution to SKAs deficiencies. That is, job aids, practice, and even changing the job, are all possible alternatives to be considered. If training is deemed necessary, the next step is to develop a clear and unambiguous list of the SKAs that need to be acquired, and their priorities (Blanchard & Thacker, 1999: 162-164).

2.3.5 Peterson's Training Needs Analysis Process Model

Peterson (1998: 8) defines TN Analysis as the process of detecting and specifying training needs at individual or organisational levels, and thereafter

determining how best to meet these needs for performance improvement. She presents a Training Needs Analysis Process model outlining the key stages in the analysis process.

Peterson (1998: 67-68) recognises that many SMEs may not have the resources to engage in comprehensive needs analyses and so they outsource the analysis process or seek to meet their needs through recruitment and/or the use of existing training programmes. The model is presented, *inter alia*, to the managers of such organisations as a practical guideline for selecting people with appropriate skills sets or selecting appropriate training courses or programmes (ie those that relate to performance needs on the job).

The model is illustrated in Figure 2.12 on the following page. As indicated, seven key stages, in addition to continuous monitoring and feedback, are identified: general alertness to performance problems; performance concerns; performance objectives (standards); training needs identification; analysis of training needs; training objectives; and optimum training design.

■ **Stage 1: General Alertness to Performance Problems**

Stage 1, a general alertness to performance problems, entails developing continuous awareness of current and anticipated performance problems. Ideally this should be automatic. Initially, however, it may require conscious reminders to look for symptoms of current performance problems (eg poor quality, lowered productivity) and anticipating potential problems (eg new technology, new line of business) (Peterson, 1998: 9).

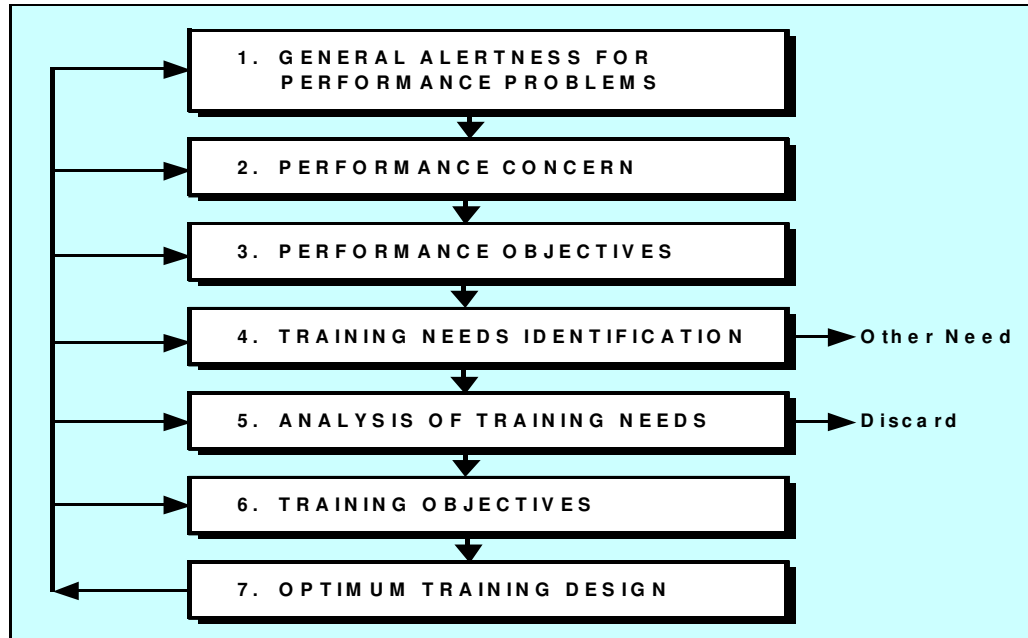


Figure 2.12: Training Needs Analysis Process

Source: Adapted from Peterson (1998: 11)

■ Stage 2: Performance Concern

The TN Analysis process only swings into full action in Stage 2 when performance problems or discrepancies are identified. Current performance concerns relate to current business operations, while anticipated performance concerns relate to planned or future business operations (Peterson, 1998: 9).

The job performance audit is the mechanism for identifying performance discrepancies – that is, the difference between what the organisation expects in performance and what it actually receives. Performance problems are, however, classified as perceived performance discrepancies until the requirements for a person performing a particular task are established in stage 3 (Peterson, 1998: 76-77).

■ **Stage 3: Performance Objectives**

Stage 3, establishing performance objectives, entails laying out the “what”, “how” and “when” of task performance, as well as the standards required, and includes determining the specific skills and knowledge requirements of a given job (Peterson, 1998: 37-38).

The performance objectives identified in the job performance audit as not being met by current job performance now become the statements of performance discrepancy – that is, perceived performance discrepancies become actual performance discrepancies (Peterson, 1998: 77).

■ **Stage 4: Training Needs Identification**

Stage 4, identifying training needs, entails separating training needs from non-training needs. A training need is defined as a need for human performance improvement that can best be met by training of some kind (Peterson, 1998: 8).

It is necessary to determine the causes of identified performance discrepancies to screen out those discrepancies that can best be met by other means (eg job aids, work experience, updated equipment) (Peterson, 1998: 42).

■ **Stage 5: Analysis of Training Needs**

Stage 5, analysing training needs, entails determining how best to meet identified training needs – that is, what kind of training is needed (Peterson, 1998: 93).

Consideration should be given *inter alia* to the following factors: the make up of the workforce, including age, education, experience, general morale, *et*

cetera; external influences, such as government funding for training, legally-mandated training requirements, and ready availability of relevant training courses; organisation structure, or how training will impact production/service delivery; availability of resources; costs versus benefits; and the nature of learning required (Peterson, 1998: 95-97).

In some cases this analysing process may indicate that it is not feasible or practical to meet some identified training needs through formal training. Such training needs are discarded. These are not necessarily forgotten, however; they may come back into consideration later (Peterson, 1998: 42).

■ **Stage 6: Training Objectives**

Stage 6, establishing training objectives, entails specifying what the trainee must be able to do, when, and to what standards, after receiving training (Peterson, 1998: 43).

■ **Stage 7: Optimum Training Design**

Stage 7, selecting an appropriate training design, entails specifying how the training needs that have been filtered through the complete training needs analysis process can best be met. This includes specifying what training courses are required, which employees need to receive this training, and who will deliver the training, how, where, and when (Peterson, 1998: 65).

■ **Monitor/Feedback**

Continuous monitoring and feedback is suggested to ensure the inclusion of new information and the refining of old information, to provide continuously improving training, and also to convince all employees that their opinions count and will be considered (Peterson, 1999: 13-14).

2.4 ANALYSIS OF THE DATA

A content analysis was selected as the research design to identify the basic or minimum requirements for developing a strategic WSP, because it was necessary to examine relevant literature to identify the requirements proposed by various different authors for managing training and development and/or identifying training needs, and thereafter to reach a decision about which of them could be considered as basic or minimum requirements to identify and meet the training needs of an organisation. As previously discussed, a content analysis is by definition a detailed and systematic examination of the contents of a specified body of material for the purpose of identifying patterns, themes, or biases, within that material (refer to section 1.8).

While such qualitative research is by nature more subjective than quantitative research, a content analysis is, as a general rule, quite systematic, and measures can be taken to make the process less subjective, thus enabling a more objective evaluation than relying solely on the opinion of the researcher (Leedy & Ormrod, 2001; List, 2005; Mayring, 2001; Stemler, 2001).

Leedy and Ormrod (2001: 156-157) suggest the following as typical steps: specifying the body of material to be studied; defining the characteristics or qualities to be examined in precise and concrete terms; scrutinising the material for instances of each characteristic or quality; tabulating or reporting the frequency of occurrence of each characteristic or quality found in the material by means of tables or graphs; and identifying and describing any patterns (themes or trends) the data reflect. Authors supporting this overview of the content analysis process include, *inter alia*, Baker (1988), List (2005), Mayring (2001) and Neuendorf (2001).

The same approach has been adopted in this research project. The body of material or literature studied has been described in this chapter. The focus

here will therefore be on defining the requirements looked for, conducting the analysis, tabulating the results of the analysis, and identifying the minimum requirements.

2.4.1 Developing the Coding Scheme

“Defining the characteristics or qualities to be examined in precise and concrete terms” entails developing the procedure or technique that will be used to systematically examine the body of material – commonly referred to as the coding scheme or schema, coding agenda or coding rules (Baker, 1988; Mayring, 2001; Neuendorf, 2001; Schmeck, 1997; Van der Veer Martens, no date).

Developing this coding scheme involves a number of different activities:

- Determining the level of analysis, or units of measurement;
- Formulating definitions for the selected units of measurement (developing the code book);
- Determining the manner in which the results of the analysis will be recorded (developing the coding form); and
- Testing and revising the code book and coding form on a sample of the material until reliability and validity are acceptable (test coding) (Krippendorff, 1980; Mayring, 2001; Neuendorf, 2001).

a) Determining the Units of Measurement

The data (the body of material) in a content analysis are rarely analysable in their original form. Typically the phenomena of interest must be distinguished and segmented into separate units of analysis or measurement – that is, the raw data must be broken down into smaller, more manageable, and more meaningful units termed categories (Krippendorff, 1980: 53; List, 2003: 5; Mayring, 2001; Neuendorf, 2001: 1).

There is no one right way to process the data; in fact, there are as many ways to break the data down and recombine it into categories of meaning as there are individual researchers to devise them (Baker, 1988: 265; List, 2003: 5; Neuendorf, 2001: 1).

In general, the larger the unit of measurement selected, the greater the subjectivity and the lower the reliability. It may, however, be necessary to compromise and forgo some reliability in order to increase or maintain meaning in the context of any particular research project (Krippendorff, 1980: 60; List, 2005: 6). The general recommendation, according to Krippendorff (1980: 64), is to aim for the most meaningful and productive units that are efficiently and reliably identifiable. Smaller units of measurement were deemed most appropriate for this research project.

Each of the general training and needs assessment models making up the body of material in this research is composed of a number of steps/stages/phases (ie requirements). Different authors do not all identify the same requirements, however. Moreover, different authors identify similarly named requirements encompassing different activities, and/or differently named requirements encompassing similar activities.

To increase the efficiency and reliability of assigning requirements to different categories, each has been further segmented into the main activities required to complete each step/stage/phase as described by the relevant author. The main activities making up each requirement, rather than the steps, stages and/or phases, were therefore used as the units of measurement.

b) Developing the Code Book

The code book provides definitions of each category of meaning (unit of measurement), and, if necessary, real and/or highly typical examples and translation rules; to identify why (or how) the characteristics or qualities in the

body of material being studied were (or should be) assigned to categories in the analysis or coding process (Leedy & Ormrod, 2001: 156; Mayring, 2001; Neuendorf, 2001: 2).

The categories used in this research are identified below, and defined in Appendix A. As previously mentioned they refer to the activities presented by the authors/models included in the analysis as necessary to identify and meet the training needs of an organisation:

- Developing a training and development strategy;
- Establishing a training and development committee;
- Conducting an organisational assessment;
- Conducting a constraints assessment;
- Conducting a job assessment;
- Conducting a performance assessment;
- Conducting an employee assessment;
- Identifying a performance gap;
- Describing or defining an identified performance gap;
- Conducting a cost-benefit assessment;
- Identifying potential training needs;
- Considering alternatives to training;
- Identifying real training needs;
- Prioritising training needs;
- Developing training objectives;
- Selecting training programmes;
- Developing a training plan; and
- Seeking continuous feedback.

These categories are exhaustive – that is, they represent all the activities identified by all of the authors/models included in the analysis – and mutually exclusive – that is, assignment of an activity to a category precludes its assignment to another category; as recommended by Gross (2002),

Krippendorff (1980), Neuendorf (2001), Stemler (2001); Van der Veer Martens (no date). Additional translation or coding rules are provided in the code book (Appendix A) where necessary.

c) Developing the Coding Form

The coding form is the instrument used to record the information collected on the characteristics or qualities of interest – that is, to record the data (Gross, 2002; Krippendorff, 1980; Neuendorf, 2001).

Simplicity is the key. The information must be easily entered by the person/s doing the rating, and easily read by the person/s doing the processing; but not too easily altered by wear and tear or by dishonest intentions (Gross, 2002; Krippendorff, 1980: 83).

A basic coding form that allows for the presence of each defined activity in the steps/stages/phases of each model to be noted was sufficient for the purposes of this research.

The general training and needs assessment models presented by Blanchard and Thacker and Camp et al were combined in the final analysis, to provide a complete and continuous set of the activities presented by these authors as necessary to identify and meet the training needs of an organisation. Ten models were therefore included in the coding form, together with the 18 categories (units of measurement) identified by the researcher as making up the main activities of each step/stage/phase of the models included in the analysis. See Appendix B for an illustration of the coding form.

d) Test Coding

Identifying and defining categories is an iterative process, with the purpose of ensuring that the units of analysis can be easily and unambiguously assigned

to the appropriate categories. This is necessary if the results of the analysis are to be replicated, and therefore for the reliability of the study (List, 2003; Mayring, 2001; Neuendorf, 2001; Van der Veer Martens, no date).

There are two approaches to establishing categories: emergent and *a priori* coding. With emergent coding, categories are established following some preliminary examination of the material to be coded. With *a priori* coding the categories are based on relevant theory and established prior to the analysis. While the two approaches incorporate slightly different processes, the need to check and revise the categories applies to both approaches (Stemler, 2001; Mayring, 2001).

The *a priori* coding approach was adopted in this research – that is, the categories were determined on the basis of training and development theory, in the form of existing general training models and training needs assessment models. Revisions were, however, necessary to tighten the categories to the point that mutual exclusivity and exhaustiveness were assured, as previously discussed.

The coding scheme was therefore repeatedly applied to a sample of the content (50%), and necessary adjustments were made to the code book and coding form, until the desired level of consistency was obtained. These adjustments included the addition and removal of categories, and reformulating or refining the definitions of existing categories.

A 95 per cent agreement or consistency level is suggested (Stemler, 2001: 3); a 98.08 per cent agreement level was obtained. As indicated in Table 2.1 on the following page, this formative reliability coefficient was calculated by adding up the number of activities that were coded the same way over the two coding sessions (the total number of agreements), divided by the total number of activities coded in the two coding sessions (the total number of agreements and disagreements) (Perry, 2005: 10; Stemler, 2001: 5).

	24-Aug-2005	26-Aug-2005	COMBINED
	Sub-Total	Sub-Total	TOTALS
TOTAL NO. OF ACTIVITIES CODED	52	52	104
NO. OF ACTIVITIES CODED THE SAME	51	51	102

$$\begin{aligned}\text{FORMATIVE RELIABILITY (r)} &= \frac{\text{NO. OF ACTIVITIES CODED THE SAME}}{\text{TOTAL NO. OF ACTIVITIES CODED}} \\ &= 102 / 104 \\ &= 0.980769 \\ &= 98.08\%\end{aligned}$$

Table 2.1: Summary of Formative Reliability Coding Results

Appendix C provides a full breakdown of the formative reliability coding results, in table and graph form.

Certain aspects of the validity of the research design also need attention at this stage. Consideration needs to be given to the accuracy, meaningfulness, and credibility of the study as a whole, or the extent to which it measures what it was designed to measure (Leedy & Ormrod, 2001: 103; Krippendorff, 1980: 155; Weber, 1990: 15).

Two different types of validity can be distinguished: the internal validity of a research study, which refers to the extent to which research findings are related to the data at hand – that is, whether the study and the data that it yields allow the researcher to draw accurate conclusions about relationships within the data; and the external validity of a study, which refers to the extent to which its results apply to situations beyond the study itself – that is, whether the conclusions drawn can be generalised to other contexts (Leedy & Ormrod, 2001: 103-105; Krippendorff, 1980: 155-156; Weber, 1990: 15-18).

While these concepts are generally more relevant in the context of quantitative research, some attention nevertheless needs to be paid to these issues if valid and meaningful conclusions are to be drawn from qualitative

research (Leedy & Ormrod, 2001; Krippendorff, 1980; Stemler, 2001; Weber, 1990).

External validation in qualitative research primarily takes the form of triangulation – that is, incorporating multiple sources of data, methods and/or theories, to increase the credibility of the findings (Leedy & Ormrod, 2001: 105; Stemler, 2001). According to Krippendorff (1980: 155) a content analysis is valid to the extent that its inferences are upheld in the face of such independently obtained evidence. As will be discussed in Chapters 3 and 4, feedback from others (*viz* CETA, SDFs, and SME building contractors) will provide this external validation of the findings of this research project.

Additionally, an effort has been made to describe each step/stage/phase of the models in sufficient detail that the reader can draw his/her own conclusions about the activities presented as necessary to identify and meet the training needs of an organisation. According to Leedy and Ormrod (2001: 107) such “thick description” is an additional means of externally validating the findings of qualitative research.

Of primary concern at this stage, however, is internal validity. In the context of a content analysis, internal validity (also known as face validity) refers to the correspondence between the definition of the concept and the definition of the category that measures it – that is, the extent to which a category *appears* to measure the concept it is intended to measure (Krippendorff, 1980: 156; Neuendorf, 2001; Weber, 1990: 19).

Categories were derived and defined directly from relevant theory (*viz* the general training and needs assessment models) in this research, and therefore correspond directly to the concepts they represent (*viz* the requirements presented as necessary for developing a strategic WSP – that is, to identify and meet the training requirements of an organisation). The

categories therefore do *appear* to measure what they were intended to measure, and are thus considered to have face (internal) validity.

According to Weber (1990: 19) content analyses tend to rely heavily on face validity alone. Internal validation is the weakest form of validity, however, and the use of stronger forms (ie external validation) are recommended whenever possible (Krippendorff, 1980: 156; Stemler, 2001), as will be used in this research.

2.4.2 Coding the Data

“Scrutinising the material for instances of each characteristic or quality” entails coding the data – that is, applying the previously developed coding scheme to the body of material – with the purpose of identifying patterns, themes, or biases within that material. In the case of this research project, the purpose was to identify the steps, stages and/or phases presented by all the models as necessary for identifying and meeting the training needs of an organisation (Leedy & Ormrod, 2001; List, 2005; Neuendorf, 2001).

Different experts/authors have different opinions regarding the number of coders that should be used in the coding process, largely because the number of coders used affects the type of reliability coefficient that can be calculated (Krippendorff, 1980; Neuendorf, 2001; Stemler, 2001; Weber, 1990).

Two types of reliability are pertinent in content analysis: intra-coder reliability, and inter-coder reliability:

- **Intra-coder reliability (or stability)** refers to the degree to which a process is invariant or unchanging over time. The same coder codes a set of data twice, at different times, to assess intra-observer inconsistencies in coding.

- **Inter-coder reliability (or reproducibility)** refers to the degree to which a process can be repeated under varying circumstances, at different locations, using different coders. Two or more coders apply the same coding scheme independently on the same set of data, to assess inter-observer disagreements in coding (Krippendorff, 1980: 130-131; Stemler, 2001; Weber, 1990: 17).

A single coder (the researcher) has been used in this research project. This allowed the calculation of intra-coder reliability only, which is the weakest form of reliability (Krippendorff, 1980: 131; Weber, 1990:17). Notwithstanding the goal of reproducibility (inter-coder reliability) in content analyses, the use of a single coder is regarded as sufficient for this research due to the nature of the coding decisions required. A single coder is sufficient when more precise coding instructions and objective judgement calls are required of the coder (Leedy & Ormrod, 2001: 156; List, 2003).

Detailed definitions of each activity (unit of measurement) are provided in the coding book, together with explicit translation rules where necessary. These translation rules compensate for the need to break down each step/stage/phase of each model into smaller units of measurement to satisfy the requirements of mutually exclusive and exhaustive categories, and because overviews of each step/stage/phase have been provided instead of in-depth discussions. They therefore provide the researcher's interpretation of the context out of which each activity was drawn, and not assumptions made by the researcher.

Attention must, however, be drawn to two assumptions that have been made in the coding process, both relating to Mager and Pipe's (1990) Performance Analysis Model:

- This model is presented by the authors as a tool for selecting appropriate solutions for human performance problems, and is recommended by many other authors for this purpose. The focus, however, is on matching

performance discrepancies to suitable solutions, on the basis of the nature or cause of the performance discrepancies, and not on identifying the performance discrepancies themselves (Mager & Pipe, 1990: 7-11). The assumption is therefore made that, at the very least, consideration would be given to performance problems that impede the organisation's ability to implement current business strategy and achieve its goals and objectives. This corresponds to the definition of the "organisational assessment" category provided in the coding book, and this activity (no 3) is therefore pre-coded on the coding form for this model (no 9).

- While formal training is presented as one of the alternatives that can be considered to address performance problems caused by skills deficiencies, no particulars beyond "arrange formal training" are provided (Mager & Pipe, 1990: 33). The assumption is therefore made that this would, at the very least, include matching the identified skills deficiency to an appropriate training programme. This corresponds to the definition of the "training programmes" category provided in the coding book, and this activity (no 16) is therefore pre-coded on the coding form for this model (no 9).

The data was coded on two separate occasions, one week apart, to allow for the calculation of a stability or intra-coder reliability coefficient. Table 2.2 on the following page provides a summary of the test-retest coding results. As indicated, the formula used to calculate the formative reliability coefficient was also used to calculate the test-retest reliability coefficient. This 'percent' agreement formula is regarded as an appropriate measure of reliability when one coder is used (Stemler, 2001; Neuendorf, 2001).

The reliability coefficient is high (98.69%), due in part, to the coder/researcher's familiarity with the material and coding scheme. Such inflated reliability coefficients are not, however, limited to the case of single coders. Any two or more people who jointly develop and apply a coding scheme run the risk of establishing shared and hidden meanings of the

coding process. Developing explicit translation instructions or rules is a means of overcoming or reducing this (Stemler, 2001; Krippendorff, 1980).

	28-Aug-2005	4-Sep-2005	COMBINED
	Sub-Total	Sub-Total	TOTALS
TOTAL NO. OF ACTIVITIES CODED	115	114	229
NO. OF ACTIVITIES CODED THE SAME	113	113	226

$$\text{TEST- RETEST RELIABILITY (R)} = \frac{\text{NO. OF ACTIVITIES CODED THE SAME}}{\text{TOTAL NO. OF ACTIVITIES CODED}}$$

$$= 226 / 229$$

$$= 0.9869$$

$$= 98.69\%$$

Table 2.2: Summary of Test-Retest Reliability Coding Results

The test-retest reliability coding results are graphically illustrated in Figure 2.13 below. A full breakdown of these coding results, in table form, is provided in Appendices D (28 August) and E (4 September).

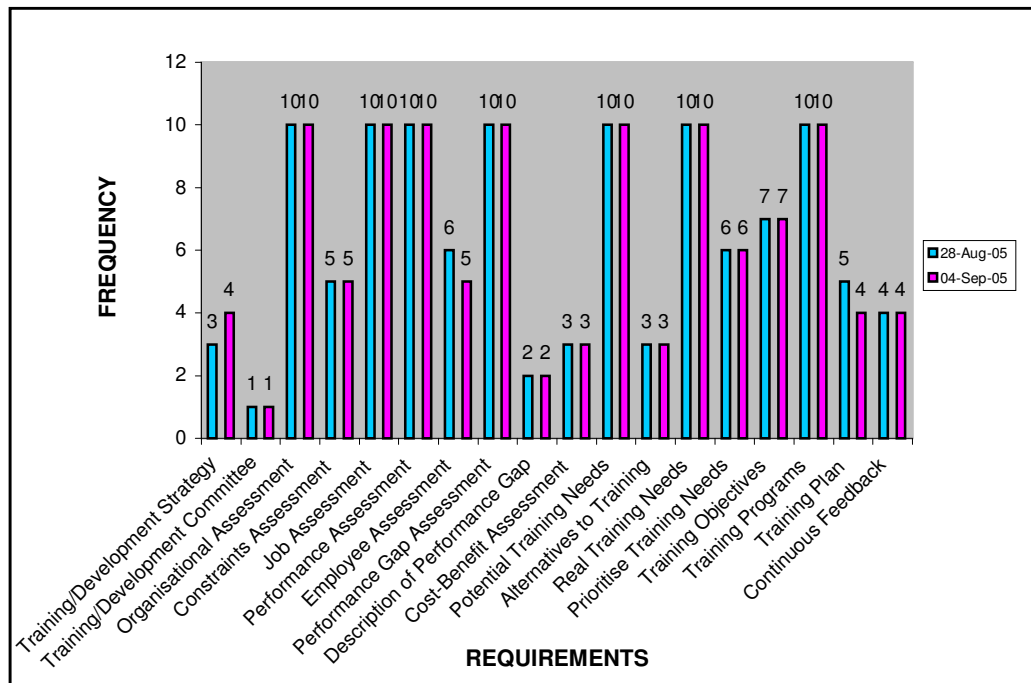


Figure 2.13: Reliability (Test-Retest) Coding Results

2.4.3 Reporting the Results

The results of a content analysis – the frequency of occurrence of each characteristic found in the material being studied – are typically reported by means of graphs and/or tables. Such tabulation of the results of the coding process facilitates the analysis and interpretation of the data, by adding a quantitative element to the process, and provides a way of reporting the information in a concise and organised fashion (Baker, 1988: 266; Leedy & Ormrod, 2001: 156; Neuendorf, 2001: 3; Van der Veer Martens, no date: 1).

A) NUMBER OF STRATEGIC REQUIREMENTS INCLUDED IN EACH MODEL		
MODELS	FREQUENCY	PERCENTAGE
Bellis and Hattingh	11	61.1%
Goldstein	10	55.6%
Nadler	11	61.1%
Chang	10	55.6%
Osborne	10	55.6%
Blanchard and Thacker	13	72.2%
Camp, Blanchard, and Huszczo	14	77.8%
Van der Schyff	9	50.0%
Mager and Pipe	11	61.1%
Peterson	15	83.3%

B) INCLUSION RATE OF EACH STRATEGIC REQUIREMENT IN ALL MODELS		
REQUIREMENTS	FREQUENCY	PERCENTAGE
Training/Development Strategy	4	40%
Training/Development Committee	1	10%
Organisational Assessment	10	100%
Constraints Assessment	5	50%
Job Assessment	10	100%
Performance Assessment	10	100%
Employee Assessment	5	50%
Performance Gap Assessment	10	100%
Description of Performance Gap	2	20%
Cost-Benefit Assessment	3	30%
Potential Training Needs	10	100%
Alternatives to Training	3	30%
Real Training Needs	10	100%
Prioritise Training Needs	6	60%
Training Objectives	7	70%
Training Programs	10	100%
Training Plan	4	40%
Continuous Feedback	4	40%

Table 2.3: Summary of Final Results

Table 2.3 on the previous page provides a summary of the results of the final (second) coding process, which will be used to analyse and interpret the data in the following section. A full breakdown of the coding results from 4 September 2005, from which this table was compiled, is provided in Appendix E.

2.4.4 Analysing and Interpreting the Results

“Identifying and describing any patterns, themes, or trends the data reflect” entails analysing and interpreting the results of the coding process to make inferences (ie draw conclusions) about the data (Leedy & Ormrod, 2001: 157; Mayring, 2001; Schmeck, 1997: 1; Stemler, 2001: 1; Van der Veer Martens, no date: 4).

One of the objectives of this research project was to offer SME building contractors a practical model, based on existing literature, for developing a WSP that provides strategic value to the organisation.

The target audience of this model, however, is building contractors that do not have any knowledge or training in the field of human resources, or ready access to such knowledge. To develop a simple and easy-to-use model that will not only assist, but ultimately encourage, these building contractors to develop and submit a strategic WSP, there was therefore a need to simplify the process of identifying and meeting the training needs of an organisation as much as possible, while still retaining the essential structure of the process.

The purpose of the content analysis was thus to establish the minimum or basic requirements for developing a strategic WSP or annual training plan, on the basis of identifying and including, as minimum requirements, only those phases/stages/steps proposed by all of the models included in the literature review as necessary for developing a strategic WSP.

a) Identifying Requirements Proposed By Each Model

As previously discussed, each of the phases/stages/steps presented by each of the models included in the analysis was broken down into smaller units of measurement, or categories of meaning, to meet the requirement for mutually exclusive and exhaustive categories, and thus enhance the efficiency and reliability of assigning requirements to different categories.

Eighteen different categories were identified in total, and the main activities of each model were assigned to one of these categories where applicable, and to one model at a time, in the coding process. The results of this coding process, illustrated in tabular form in the top part of Table 2.3, are illustrated graphically in Figure 2.14 below

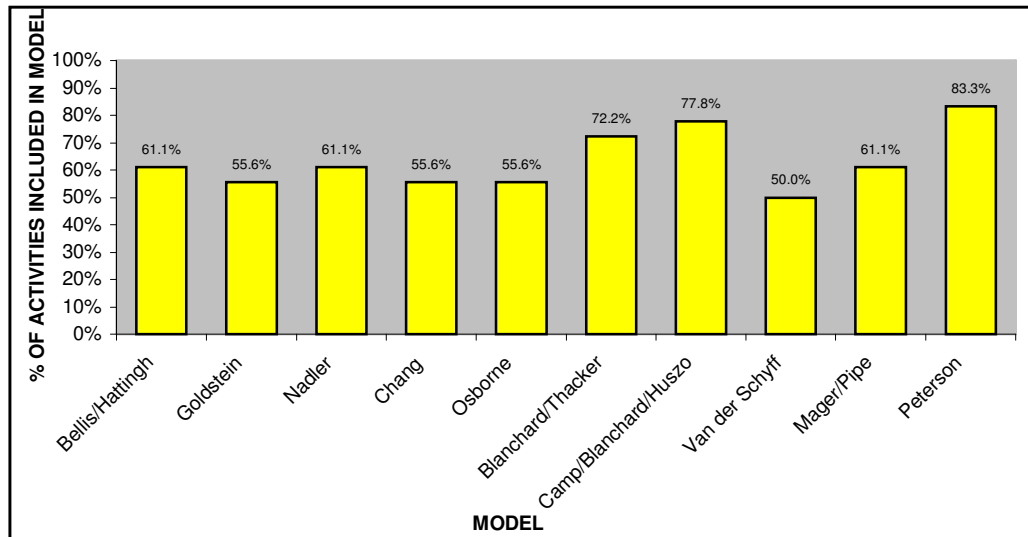


Figure 2.14: Comparison of Model Complexity

If the complexity of a model is defined in terms of the number of the identified activities included in the model, the graph indicates the complexity of the models included in the analysis as ranging from 50 to 83.3 per cent (9 and 15 of the 18 activities respectively included in the models). Therefore none of the models included all 18 of the identified activities.

This differing range of model complexity was an expected result, and was in fact interpreted at the beginning of the research process as an indication of the need to establish the essential or minimum activities to identify and meet the training needs of an organisation for those who have no training or knowledge in the field of human resources, or ready access to such knowledge. It was one of the reasons for undertaking the analysis.

There was also an expectation that there would be some level of agreement about which of the identified activities were included in equally complex models – that is, in models including the same number of the 18 identified activities. As illustrated in Table 2.4 below, there were, however, some significant differences about which of the 18 identified activities were included in equally complex models.

MODEL			REQUIREMENT	MODEL		
1	3	9		2	4	5
✓			Training/Development Strategy			✓
✓			Training/Development Committee			
✓	✓	✓	Organisational Assessment	✓	✓	✓
	✓		Constraints Assessment	✓		
✓	✓	✓	Job Assessment	✓	✓	✓
✓	✓	✓	Performance Assessment	✓	✓	✓
		✓	Employee Assessment	✓	✓	
✓	✓	✓	Performance Gap Assessment	✓	✓	✓
		✓	Description of Performance Gap			
		✓	Cost-Benefit Assessment			
✓	✓	✓	Potential Training Needs	✓	✓	✓
		✓	Alternatives to Training			
✓	✓	✓	Real Training Needs	✓	✓	✓
✓	✓		Prioritise Training Needs		✓	
	✓		Training Objectives	✓	✓	✓
✓	✓	✓	Training Programs	✓	✓	✓
✓			Training Plan			✓
	✓		Continuous Feedback			
11	11	11	FREQUENCY	10	10	10
61.1%	61.1%	61.1%	PERCENTAGE	55.6%	55.6%	55.6%

Table 2.4: Differences Between Equally Complex Models

As indicated in the table, Bellis and Hattingh, Nadler, and Mager and Pipe's models (models 1, 3 and 9 respectively) included 11 of the 18 identified activities. Apart from the seven activities identified by all the models (*viz* organisational assessment, job assessment, performance assessment, performance gap assessment, potential training needs, real training needs, and training programmes) there were significant differences between the activities included in each of these equally complex models. Model 1 included training and development strategy, training and development committee, prioritising training needs, and training plan; while Model 3 included constraints assessment, prioritising training needs, training objectives, and continuous feedback; and Model 9 included employee assessment, description of the performance gap, cost-benefit assessment, and alternatives to training.

A similar result occurred with Goldstein, Chang, and Osborne's models (models 2, 4 and 5 respectively), which all included 10 of the 18 identified activities. Apart from the seven activities included by all of the models, there were also significant differences between the activities included in each of these equally complex models. Model 2 included constraints assessment, employee assessment, and training objectives; while Model 4 included employee assessment, prioritising training needs, and training objectives; and Model 5 included training and development strategy, training objectives, and training plan.

None of the models included in the analysis, even the equally complex models, therefore included exactly the same activities as necessary to identify and meet the training needs of an organisation.

This unexpected finding was interpreted by the researcher as a further indication of the need to establish the essential or minimum activities required to develop a strategic WSP for those who have no training or

knowledge of training and development or human resources theory, or ready access to such knowledge.

b) Identifying Requirements Included In All Models

As previously discussed, there was an expectation of at least some differences in the activities presented by each of the models included in the analysis (ie in the complexity of the models), and therefore of a need to establish which of the 18 identified activities could be regarded as the essential or minimum activities necessary to identify and meet the training needs of an organisation.

Given that the more complex models included, by definition, the greater number of activities presented as necessary to identify and meet the training needs of an organisation, and that the aim of this content analysis was to simplify this process as much as possible, the decision was made to include only those activities presented by *all* of the surveyed models as necessary to develop a WSP or annual training plan, as basic or minimum requirements.

This decision was based on the premise that the simpler models (ie those including fewer of the 18 identified activities) would at the very least include those activities that the relevant authors considered the bare essentials, or basic activities, for identifying and meeting the training needs of an organisation. Including those requirements identified by both the more complex and relatively simpler models would therefore ensure that only the basic or minimum requirements for developing a strategic WSP could be identified.

A summary of the inclusion rate of each of the 18 identified activities provided in the second part of Table 2.3 are illustrated graphically in Figure 2.15 on the following page.

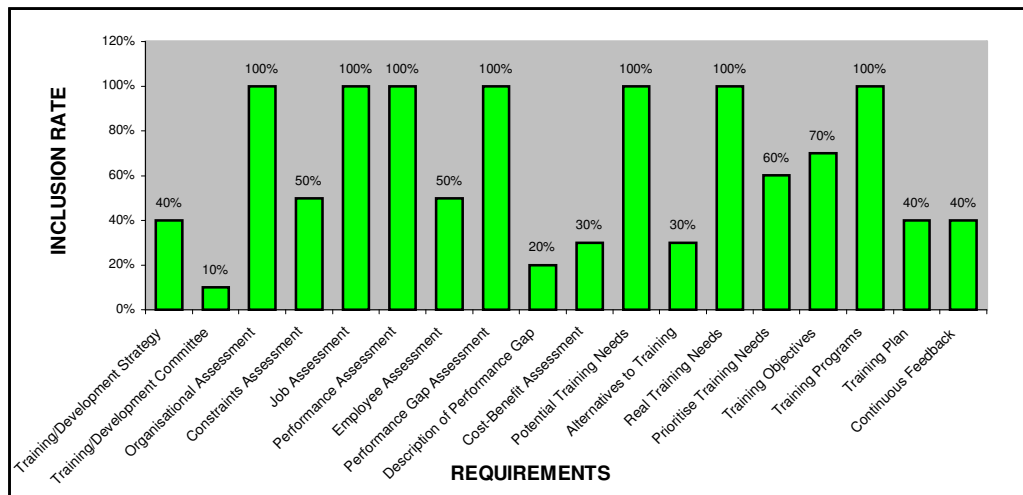


Figure 2.15: Identification of Basic Requirements

The basic requirements for identifying and meeting the training needs of an organisation – that is, those activities proposed by all of the models included in the analysis – are identified in Table 2.5 below.

REQUIREMENTS	FREQUENCY	PERCENTAGE
Organisational Assessment	10	100%
Job Assessment	10	100%
Performance Assessment	10	100%
Performance Gap Assessment	10	100%
Potential Training Needs	10	100%
Real Training Needs	10	100%
Training Programs	10	100%

Table 2.5: Basic Requirements for Developing a Strategic WSP

These are the strategic requirements that will be used in Chapter 4, together with the legislative requirements to be identified in Chapter 3, to formulate a model to assist and encourage SME building contractors to develop and submit a WSP that both meets grant recovery requirements and provides strategic value to the organisation.

2.5 CONCLUSION

The aim of this Chapter was to address sub-problem one - namely, “What does the literature review reveal as the basic requirements for developing a strategic workplace skills plan?”.

Establishing the basic or minimum requirements for developing a strategic WSP required an examination of relevant literature (1) to identify the requirements proposed by various different authors for managing training and development and/or identifying training needs, and thereafter (2) to reach a decision regarding which could be considered as basic or minimum requirements.

A content analysis, a research technique that uses a set of coding procedures for making valid and replicable, or reliable, inferences from data to their context, was chosen as the research methodology to enable a more objective evaluation than relying solely on the opinion of the researcher.

This set of procedures includes a number of typical steps or measures taken to reduce the subjectivity of the process, as adopted in this research project.

First, it is necessary to specify the body of material that will be studied. General training models and training needs assessment models were established as the material of interest in this research.

Second, it is necessary to develop the coding scheme, or the technique, that will be used to systematically examine the specified body of material. The units of measurement or categories of interest were identified and defined in the code book, a coding form was developed to record the data, and the coding scheme was tested and refined to address validity and formative reliability issues.

Third, it is necessary to apply the coding scheme, or code the data, and assess reliability. The data was coded on two separate occasions and a test-retest reliability coefficient was established.

Finally the results can be analysed and interpreted. The basic or minimum requirements for developing a strategic WSP or annual training plan were established.

These basic requirements will be used in Chapter 4, together with the legislative requirements to be established in Chapter 3, to develop a simple and easy-to-use model to assist, and ultimately encourage, SME building contractors to develop a WSP that both meets legislative requirements and provides strategic value to the organisation.

CHAPTER 3

IDENTIFYING LEGISLATIVE REQUIREMENTS FOR WORKPLACE SKILLS PLANS

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CHAPTER 3

IDENTIFYING LEGISLATIVE REQUIREMENTS FOR WORKPLACE SKILLS PLANS

3.1 INTRODUCTION

Legislative requirements were defined in Chapter 1 as the criteria or requirements that SME building contractors must meet to be eligible for SDL recovery through the levy grant system.

This grant system was introduced, as previously discussed, to encourage employers to invest in the training and development of their employees, by allowing recovery of varying amounts of the levies paid in terms of skills development legislation, depending on the type of grant.

Two categories of grants are available: mandatory grants, and discretionary grants. The mandatory grant, which relates to the submission of a WSP and training implementation report, must be paid to all employers meeting grant recovery criteria. The discretionary grants, however, which cover a variety of issues (eg learnership and skills programmes, health and safety programmes, Adult Based Education and Training programmes, top-up allowances), are only payable if grant recovery criteria are met and any residual levy income is available (CETA, no date b; RSA, 2005b).

The mandatory grant allows the recovery of 50 per cent of the total levies paid by an employer during each financial year (1 April to 31 March). Discretionary grants are, however, not limited to the amount of levies paid by an employer during any financial year, but by the availability of SETA funds. Discretionary grants therefore allow the recovery of more than is actually paid in terms of skills development legislation. This is particularly beneficial for SMEs whose total annual levy payment may be less than the costs of training

required or planned over the course of the financial year (CETA, no date b; DOL, 2003; RSA, 2005b).

As previously discussed, one of the primary legislative requirements for access to any of these grants is the submission of a WSP that in turn meets certain requirements to the relevant SETA. There are, however, certain other legislative requirements that must also be met.

While the SDA and the SDLA outline the broad structure of skills development initiatives in South Africa, the actual operation of these initiatives at organisational level is governed by a set of official regulations.

The Department of Labour (DOL) introduced a new set of regulations, repealing all previous regulations, in July 2005 (Hammond, 2005b; RSA, 2005b). These regulations and their impact on SME building contractors were therefore identified to establish the current legislative requirements for a SME contractor's WSP to qualify for available grants.

3.2 CURRENT GRANT RECOVERY REGULATIONS

In terms of the new grant recovery regulations, "a SETA may not pay any grant to an employer who is liable to pay the skills development levy in terms of section 3(1) of the Skills Development Levies Act unless the employer:

- (a) has registered with the Commissioner in terms of section 5 of the Skills Development Levies Act;
- (b) has paid the levies directly to the Commissioner in the manner and within the period determined in section 6 of the Skills Development Levies Act;
- (c) is up to date with the levy payments to the Commissioner at the time of approval and in respect of the period for which an application is made;

- (d) has submitted a Workplace Skills Plan within the timeframes prescribed in regulation 6(2) of these regulations; and
- (e) with effect from 2006/2007 financial year and in subsequent financial years, has submitted a Training Report of performance in respect of the implementation of the previous financial year's Workplace Skills Plan" (RSA, 2005b: 16).

3.3 IMPLICATIONS OF THE GRANT RECOVERY REGULATIONS FOR SMALL AND MICRO BUILDING CONTRACTORS

As indicated above, there are a number of eligibility criteria an employer must meet before seeking recovery of levy payments. The implications of each of these criteria for SME building contractors are discussed in the following sections.

3.3.1 Registration as Skills Development Levy Payer

In terms of section 3(1) of the SDLA, every employer, with the exception of those employers exempted in terms of section 4, must pay a SDL at a rate of one per cent of the leviable amount (RSA, 2004: 3-4).

SME building contractors are not, in general, exempt from paying the levy in terms of section 4 of the SDLA. These employers are therefore required, in terms of section 5 of the SDLA, to register with the Commissioner of the South African Revenue Service (SARS) as SDL payers, *if* total annual remuneration to employees exceeds, or can reasonably be expected to exceed, the legislated threshold, currently at R500 000 (Hammond, 2005b; RSA, 2004; South African Revenue Service [SARS], 2000).

The onus is on the employer to notify SARS if, during the course of any financial year (1 April to 31 March), changed circumstances warrant payment/non-payment of the levy – that is, if total remuneration will/will not

now exceed the legislated threshold – and the effective date of such changed circumstances. SARS and the DOL do, however, have mechanisms in place, coupled with the use of inspectors, to ensure that employers who are liable to pay the levy are registered with the Commissioner and are paying the correct amount (SARS, 2000: 11-12).

It is an offence in terms of the SDLA, *inter alia*, to fail to apply for registration if liable to pay the levy, to fail to pay the levy on the due date, to furnish false information, and to hinder or obstruct any person from carrying out his/her functions in terms of the Act. Any person committing such an offence is liable, on conviction, to a fine or imprisonment for a period not exceeding one year (SARS, 2000: 10; RSA, 2004: 11).

Form SDL101, Application for Registration, must be completed to register as a levy payer. This form is available from all local SARS offices or can be downloaded from the SARS website (www.sars.gov.za) (SARS, 2000).

It must be noted that there is some uncertainty regarding “voluntary participation” – that is, employers with annual payrolls of less than R500 000 choosing to pay the levy and participate in the levy grant system – under the new grant recovery regulations. It has been reported that such voluntary participation, which was allowed and even encouraged under all previous regulations, will not be allowed under the new regulations, and that SARS will no longer accept levy payments from employers falling below the annual threshold. However, Themba Dlamini, Chief Executive Officer of CETA, advises that no final decision has been made yet by the National Treasury Department – the government entity responsible for matters pertaining to levies – on this issue (CETA, no date b; Dlamini, 2005; Freeman, 2005: 2).

Employers are additionally required to register with the correct SETA, and must therefore indicate, when registering as a levy payer:

- their SETA Classification Code – that is, which SETA they belong to; and
- their Standard Industrial Classification Code (SIC Code) – that is, what type of activities the organisation carries out (CETA, no date a: 2; SARS, 2004).

All organisations involved in construction and/or construction-related activities must register with CETA. The SETA classification code for the construction industry is 05 (CETA, no date b; SARS, 2005b).

Organisations carrying out activities in two or more different sectors or industries – and therefore falling within the jurisdiction of more than one SETA – must select one SETA with which to be classified for the purposes of the levy. The correct industry or SETA classification can be determined by taking into consideration the composition of the workforce, the amount of remuneration paid or payable to the different categories of employees, and the training needs of the different categories of employees (SARS, 2000: 8), and/or by determining the SIC Code for the organisation's core or main business activities (CETA, no date c; van der Schyff, 2001: 74). A list of current SIC Codes for the construction industry is provided in Appendix F.

An incorrect SETA classification will result in the levy payments submitted to SARS being inaccessible to employers via the levy grant scheme. SME building contractors must therefore ensure that they are registered with CETA. Current classification is indicated on the monthly EMP201 returns issued to employers by SARS for the payment of the levy (together with Pay As You Earn [PAYE] and Unemployment Insurance Fund [UIF] contributions) (SARS, 2005a).

Employers who are incorrectly classified can apply to CETA Head Office for reclassification via completion of an Annexure B form, available from any CETA office or on the CETA website (www.ceta.org.za) (CETA, no date c).

3.3.2 Payment of Skills Development Levy

In terms of section 6 of the SDLA, every eligible employer must pay the SDL to the Commissioner with whom the employer is registered, not later than seven days after the end of the month in respect of which the levy is payable under cover of a completed SDL201 form (RSA, 2004: 5; SARS, 2000: 9).

Where the seventh day after the end of the month falls on a Saturday, Sunday, and/or Public Holiday, payment must be made not later than the last business day falling prior to such Saturday, Sunday, and/or Public Holiday (SARS, 2000: 9).

As mentioned, payment must be made under cover of the prescribed SDL201 form (SDL portion of the EMP201 form), which is posted to all registered employers each month for this purpose. Late receipt of the SDL201 return is not, however, accepted as an excuse for late payment of the levy. Should the return not be received in time to make the levy payment within the prescribed period, a note containing the following details must be attached to the payment: name and address of organisation; SDL reference number; month to which payment relates; total remuneration paid or payable to employees for the month; the number of employees whose remuneration was included in the leviable amount; and the calculation and amount of enclosed payment (SARS, 2000: 9).

Interest and penalties will be due on any payments not made within the prescribed period (SARS, 2000: 10). Late payment may furthermore result in ineligibility for grant recovery. Being up to date with levy payments at the time of the approval of a grant and in respect of the period for which a grant application is made is, as previously mentioned, one of the eligibility criteria for grant recovery.

In terms of Section 3(1) of the SDLA the levy is currently set at one per cent of the so-called “leviable amount” (CETA, no date b; RSA, 2004: 3).

This is defined by SARS (2000: 2-3) as the total amount of remuneration which is paid or payable, or deemed to be paid or payable, by an employer to its employees during any month, as calculated for the purposes of determining employees tax, whether or not such employer is liable to deduct or withhold such employees tax. The leviable amount therefore includes any income which is paid or payable to any person, whether in cash or otherwise, in respect of services rendered or to be rendered.

There are, however, certain payments that can be excluded when determining the leviable amount. Appendix G provides a breakdown of allowed exclusions.

CETA (no date b: 2, no date c: 1) requests employers to seek advice from financial advisors in determining the leviable amount and not to contact local CETA offices. However, given that the “leviable amount” is defined as the total remuneration as determined for the purposes of determining an employer’s liability for employees’ tax, a local SARS office could be approached for assistance in determining liability for employees’ tax, and therefore in determining the leviable amount for SDL purposes, if SME building contractors need help with this.

In the event of an overpayment of the levy, an employer will be refunded the amount of the overpayment, and any interest and/or penalties paid on such amount if applicable, on application to the SARS for such refund (SARS, 2000: 11).

3.3.3 Submission Deadlines and Required Format

As previously discussed, one of the primary legislative requirements for grant recovery is that the employer submit to the relevant SETA a WSP which itself meets certain requirements (refer to section 1.1).

These requirements for SMEs relate to submission within the prescribed period and in the required format, both of which have changed under the new regulations. In terms of current legislation, unlike medium and large organisations, SMEs that are not designated employers in terms of the EEA (an assumption made in this research, refer to section 1.5) are *not* required to:

- Consult and attempt to reach agreement on skills development issues with representative trade union(s) or with its employees or representatives nominated by them if no representative union represents employees at the workplace; or
- Align skills development initiatives and/or the organisation's WSP to NSDS equity targets (CETA, 2005a: 5-6; DOL, 2005: 7; Hammond, 2005a: 2).

In terms of the new regulations, an employer must submit a WSP and, if applicable, a Training Report indicating performance in respect of the implementation of the previous year's WSP, on or before 30 June of each financial year (CETA, 2005a: 1; RSA, 2005b: 13).

The only exception to this deadline applies to employers registering for the first time as SDL payers. Such employers have six months from the date of registration to submit their WSP (CETA, 2005a: 1; RSA, 2005b: 13).

In terms of the new regulations, an employer must also submit the WSP in the prescribed form. The regulations provide the basic format of the WSP

form, which has been adapted by the different SETAs to suit their needs best (CETA, 2005a: 1; Hammond, 2005b: 2; RSA, 2005b: 13).

CETA has introduced a new WSP format, in line with the new regulations, and all employers entering the system after 30 September 2005 will be required to submit their WSP on the new version. Employers should also note that CETA now requires submission of both an electronic version and a hard copy of the WSP on or before submission deadlines. The new WSP is available for download on the CETA website or from local CETA offices (CETA, 2005a: 1, 2005b: 12; Townsend, 2005: 6).

In terms of the new regulations, SETAs must make “simplified” WSP forms available to employers with fewer than 50 employees (ie to SMEs) (Hammond, 2005b: 2; RSA, 2005b: 13). CETA does not currently have such a simplified version of the WSP form available, and is not willing to commit to a date when this will be available (Dlamini, 2005).

In the meantime, SME contractors are required to use the WSP form applicable to larger organisations, clearly marking any section or page not applicable to their organisation (*viz* consultation and equity issues) (CETA, 2005a: 2; Dlamini, 2005).

An illustration of the 2005/2006 CETA WSP form is provided in Appendix H. CETA provides comprehensive guidelines for the correct completion of the WSP form, available from local CETA offices or the CETA website. WSP Agents and SDFs are additionally made available, free of charge, to help smaller organisations with this (CETA, no date b, no date c).

SME building contractors are advised, in line with the objectives of this research – namely, to formulate an easy-to-implement model to develop a WSP that both qualifies for grant payments and provides strategic value to

the organisation (refer to section 1.7) – to make use of SDFs. The reasons for this recommendation are illustrated in more detail in the following section.

3.3.4 Registration of Skills Development Facilitator

A SDF can be defined as the individual who is responsible for developing and planning an organisation's, or group of organisations', skills development strategy for a specific period (DOL, no date a: 1; van der Schyff, 2001: 71).

An employer's registration of a SDF with the relevant SETA was one of the primary grant recovery criteria in all previous regulations. There is no such requirement in terms of the new grant recovery regulations (Hammond, 2005a; RSA, 2005b).

Employers are, however, advised not to read too much into this omission. The skills facilitation role is more than merely a title. The role consists of all the functions required to develop and plan the organisation's skills development strategy; and these functions, and therefore the role of the facilitator, will need to continue whether or not the official title exists (Hammond, 2005a).

Moreover, CETA still requires registration of a SDF as a grant recovery criterion. Every employer is required to appoint an employee, or an external person who is formally contracted to the employer, as a SDF, and to notify CETA of the name and contact details of the person who is to serve as SDF on or before 1 April of each financial year. If the SDF leaves the employer's service the employer must immediately appoint a new SDF, and submit the name and contact details of the new facilitator to CETA (CETA, 2005a: 5). Employers can obtain a copy of the required SDF Registration Form from any local CETA office.

SME building contractors that are also not designated employers in terms of the EEA (as assumed in this research, refer to section 1.5) may appoint an individual who is jointly but separately employed by a number of employers as a SDF. Such an individual is known as a Group SDF (CETA, 2005a: 5). They perform the same functions as an employee or formally contracted external person nominated and registered as a SDF – namely, they will:

- Assist the employer to develop a WSP that complies with the requirements of the SETA;
- Submit the WSP to the relevant SETA;
- Advise the employer on the implementation of the WSP;
- Assist the employer to draft an annual training report on the implementation of the WSP that complies with the requirements of the SETA;
- Advise the employer on the quality assurance requirements set by the SETA;
- Act as a contact person between the employer and the SETA; and
- Serve as a resource for all aspects of skills development (CETA, 2005a: 5; Coetzee, 2002: 26; DOL, no date a: 2).

Appointing a Group SDF will, however, provide SME building contractors with the following additional benefits:

- Relief from the burden of having to stay up to date with changes to relevant legislation and/or grant recovery requirements;
- Relief from the burden of having to provide the resources, facilities, and training necessary to enable an employee to perform the above functions;
- Relief from associated administrative burdens; and
- The opportunity to use the know-how of the Group SDF to maximise grant recovery.

CETA (2003) likewise recommends that small organisations, especially those applying for grant recovery for the first time, take advantage of this free service. Details of available Group SDFs can be obtained from the CETA website or from any local CETA office. Appendix I provides a listing of local CETA offices and contact details.

The Master Builders' Association (MBA) has recently, with support from CETA, expanded its skills development facilitation services, and can now be approached by SME contractors to act as their Group SDF (Townsend, 2005). According to D. Rowe, Skills Development Facilitator, Eastern Cape MBA, Port Elizabeth (personal communication, 6 October 2005) contractors do not need to be members of the MBA to make use of this service. Appendix J provides a listing of local MBA offices and contact details.

3.4 LEGISLATIVE REQUIREMENTS IDENTIFIED

Examining the implications of the current grant recovery regulations for SME building contractors identified the following legislative requirements for the WSP of such contractors to qualify for grant payments:

- Registration with SARS as a CETA levy payer if annual payroll exceeds, or is expected to exceed, R500 000;
- Registration of a SDF with CETA;
- Monthly payment of the levy;
- Submission of the WSP in the required format; and
- Submission of the WSP on or before the due date.

3.5 CONCLUSION

The aim of this Chapter was to address sub-problem two – namely, “What are the legislative requirements for a workplace skills plan to qualify for grant payments?”.

While the SDA and the SDLA outline the broad structure of skills development initiatives in South Africa, including *inter alia* the grant recovery system, the actual operation of these initiatives at organisational level is governed by a set of official regulations.

The DOL issued new regulations, repealing all previous regulations, in July 2005. These new regulations were therefore identified and their impact on SME building contractors demonstrated, with input obtained from CETA, to establish the current legislative requirements for SME building contractors' WSPs to qualify for available grants.

These regulations will be used in Chapter 4, together with the basic requirements for developing a strategic WSP established in Chapter 2, to develop a simple and easy-to-use model to assist and ultimately encourage SME building contractors to develop a WSP that both meets legislative requirements and provides strategic value to the organisation.

CHAPTER 4

DEVELOPING AN EASY-TO-IMPLEMENT YET VALUE-ADDING WORKPLACE SKILLS PLAN MODEL

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CHAPTER 4

DEVELOPING AN EASY-TO-IMPLEMENT YET VALUE-ADDING WORKPLACE SKILLS PLAN MODEL

4.1 INTRODUCTION

The objective of this study was to offer SME building contractors that do not have any knowledge or training in the field of human resources, or ready access to such knowledge, an easy-to-implement model for developing a strategic WSP that meets grant recovery regulations – that is, a value-adding WSP. The purpose was to assist and ultimately encourage such contractors – through the simplicity of the model – to undertake the process of developing and submitting such a WSP.

A model was defined in Chapter 1 as an abstract representation that illustrates the components and/or relationships – that is, the essential structure – of a phenomenon. An easy-to-implement model was defined as an abstract representation that illustrates the minimum components and/or relationships that are required to retain the essential structure of the phenomenon. In terms of the objective of this research, therefore, an easy-to-implement model can be defined as one that illustrates the minimum requirements for developing a strategic WSP and for meeting grant recovery regulations.

The basic or minimum requirements for developing a strategic WSP, established in Chapter 2, and for meeting current grant recovery criteria, established in Chapter 3, were thus integrated to formulate the easy-to-implement WSP model presented in this Chapter. This model is proposed as a means of assisting and ultimately encouraging SME building contractors to develop a WSP that identifies the training required to implement business strategy and to achieve business objectives and qualifies for skills

development levy recovery through the levy grant system – that is, to develop a strategic WSP that meets legislative requirements.

4.2 FORMULATING THE MODEL

According to Nadler (1982: 4) developing a model is not a unique experience reserved for the privileged few. Anyone can develop a model; in fact, we are all constantly “designing models” as we try to make sense of the world around us.

A good model, however, is one that can help users to understand a complicated process by simplifying and representing reality in conceptual or abstract form. And such a model, according to Nadler (1982: 5), always has a sound theoretical base – that is, the utility of a model can be determined by ascertaining the theoretical basis from which the model has been developed.

Bellis (2001: 181) agrees, and adds that simply drawing a diagram with blocks, lines, arrows, feedback loops, *et cetera*, does not necessarily make up a model in any truly meaningful sense. A model, in the true sense of the word, systematically identifies all the main aspects or parts of an approach or paradigm, and describes the nature and function of each part, and any relationship between each part, as they influence or change each other.

The model presented in this chapter is based primarily on existing literature, with an emphasis on using a planned and systematic process for developing a WSP. As discussed in Chapter 2, a number of different models have been developed by various authors to facilitate this process. The use of such models is in fact seen by many as a means of enhancing the success of training and development initiatives in organisations (Carrell et al, 1995: 404; Nel, 2004: 434; Swanepoel et al, 2003: 454; van Dyk et al, 1997: 239).

Twelve of these previously developed models were included in this research. The main criterion for selecting models for inclusion was, as previously discussed, formulation or recommendation by South African authors. However, additional models – presented as suitable or adaptable for use in smaller organisations – were also selected to include as many different models as possible.

As illustrated in Chapter 2, each of these models identified a number of distinct although often interrelated phases/stages/steps for identifying and meeting the training needs of an organisation. However, none of the models proposed exactly the same set of phases/stages/steps (requirements) (refer to section 2.4.4(a)). On the premise that the phases/stages/steps proposed by all the included models could be regarded as the minimum requirements for developing an annual training plan or WSP, the data analysis phase of the content analysis focused on eliminating those phases/stages/steps not recommended by all the authors as a requirement for developing a strategic WSP. Seven basic requirements for identifying and meeting the training needs of an organisation were thus established (refer to section 2.4.4(b)).

To enable levy recovery through the grant system, it was also necessary to include current legislative requirements in the model, in addition to relevant theory. As discussed in Chapter 3, grant recovery regulations have recently been amended, and the implications of these regulations for SME building contractors were therefore examined to identify the legislative requirements facing them (refer to section 3.3). Five legislative requirements for the WSPs of SME building contractors to qualify for grant recovery were thus established (refer to section 3.4).

Twelve requirements in total were therefore identified in this study as necessary to develop a strategic WSP that meets grant recovery criteria. With the addition of one extra “bridging” requirement, these requirements were translated into a series of simple action steps to guide SME building

contractors through the process of developing a WSP that meets both the training needs of the organisation and grant recovery criteria.

The additional requirement – namely, developing an annual training plan – forms a necessary “bridge” or link between the analysis and planning processes carried out by the SME contractor (internal activities), and the formatting and submission processes carried out by the Group SDF (external activities). It additionally enables the organisation to:

- Keep a record of details not required in the WSP, such as which employees (by name) are to receive training, and when training is scheduled to occur;
- Plan for and include informal or on-the-job training, which should not be included in the WSP;
- Keep a record of the results of any analyses or assessments conducted, and thus create a paper trail that can be used to justify decision-making if necessary;
- Develop an annual training plan in the format that best suits its needs, as opposed to the format required by CETA; and
- Provide the Group SDF with most of the information required to complete and submit the WSP on behalf of the organisation in one concise document.

The resultant 13 action steps were finally classified – on the basis of similarity, and required timing or sequence, of activities – into four different phases to formulate the WSP model presented in the following section.

4.3 PRESENTATION OF THE PROPOSED MODEL

The WSP model presented as a practical guide to assist and encourage SME building contractors to develop and submit a strategic WSP that meets legislative requirements is illustrated in Figure 4.1 on the following page.

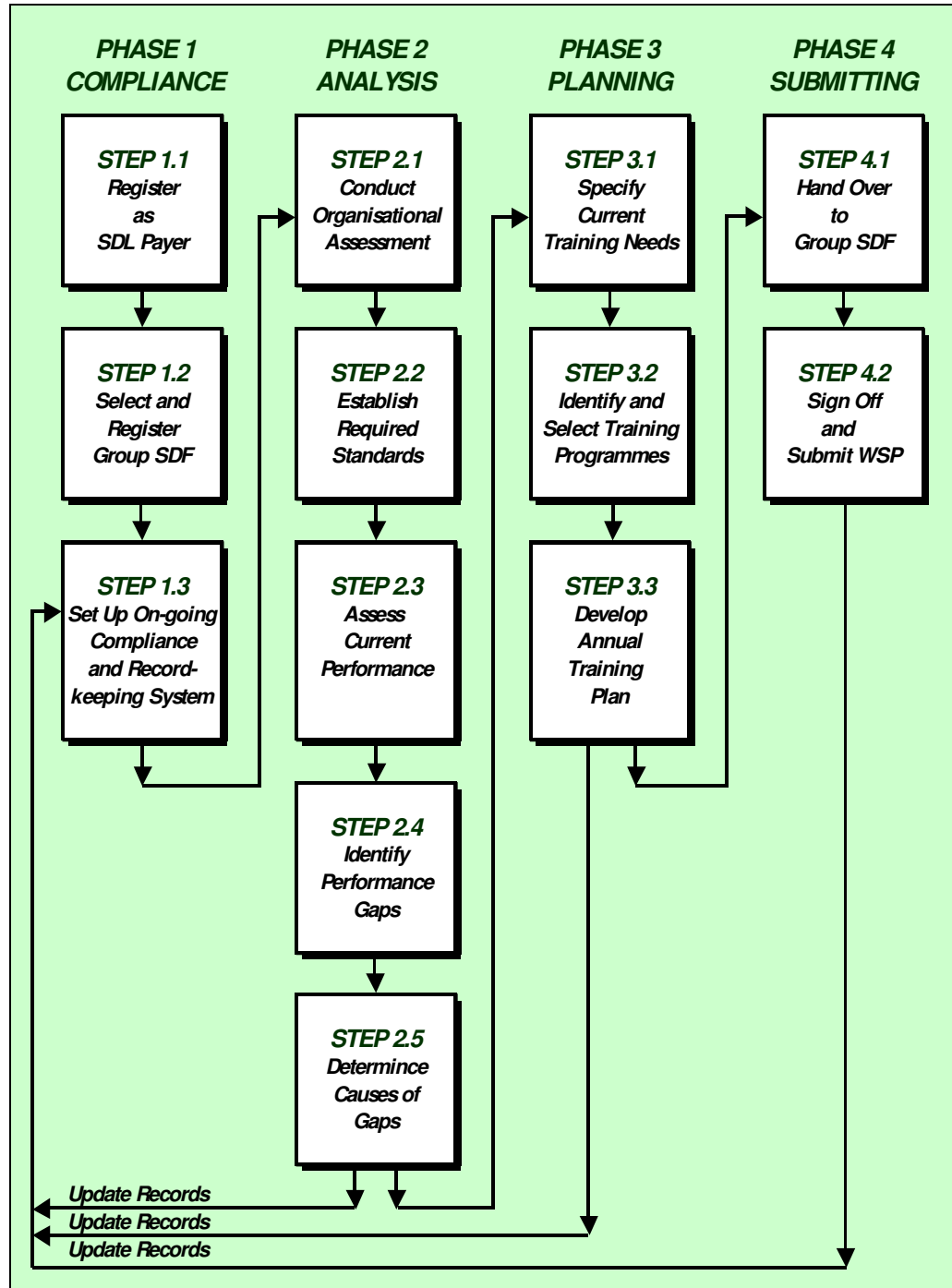


Figure 4.1: Proposed WSP Model

As indicated and previously mentioned, the model comprises 13 simple action steps differentiated into four phases. Phase 1, Compliance, and Phase 4, Submitting, together address the legislative requirements identified for

WSPs to qualify for grant recovery. Phases 2 and 3, Analysis and Planning respectively, together address the requirements identified as necessary to develop a strategic WSP – that is, the strategic requirements.

The WSP model should be interpreted as a sequential process model, with a recommended sequence of phases. Some of the action steps may not be necessary if the organisation is already participating in the NSDS via the levy grant system; however, all the phases should be considered. Proper planning cannot occur until the analysis phase is completed, and a strategic WSP that meets all legislative requirements cannot be developed and submitted unless the compliance, analysis, and planning phases have been completed.

In the second and subsequent years of application of the model, however, the process may in most cases be continued from action step 1.3 – namely, maintaining on-going compliance and record-keeping.

An outline of the four phases and their associated action steps is provided in the following sections.

4.3.1 Phase 1: Compliance

Phase 1 covers those legislative requirements or compliance issues that SME contractors themselves have to attend to – that is, internal activities – as opposed to those which can be attended to by the SDF in Phase 4 – that is, external activities. It must be noted that these two phases *together* ensure that the WSP submitted to CETA at the end of Phase 4 will meet legislative requirements. Compliance with grant recovery criteria will not be complete unless the requirements outlined in both of these phases are addressed.

The legislative requirements addressed in Phase 1 relate to (1) registration as a SDL payer, (2) selection and registration of a Group SDF, and (3)

payment of the SDL. Phase 1 therefore includes three action steps, discussed in the following sections.

■ **Step 1.1 – Register as SDL Payer**

Action Step 1.1 addresses the legislative requirement that all employers who are liable to pay the skills development levy are both registered with SARS as SDL payers and contributing towards the appropriate SETA. This entails registration as a SDL payer for first-time levy payers, and confirmation of correct registration for existing levies payers (refer to section 3.4).

All SME building contractors whose annual remuneration to employees exceeds the exemption threshold – established at R500 000 in July 2005 – are liable to pay the SDL, and are therefore required to register with the Commissioner of SARS as SDL payers (refer to section 3.3.1).

The levy is currently established at a rate of one per cent of the so-called “leviable amount”. This amount is defined by SARS as total remuneration as determined for the purposes of calculating an employer’s liability for employees’ tax. Appendix G provides a list of allowed exclusions when determining this amount. Contractors should consult their financial advisors or local SARS office if assistance is required in determining the leviable amount and/or levy liability (refer to section 3.3.2).

The onus is on the employer to notify SARS if, during the course of any financial year (1 April to 31 March), remuneration to employees is expected to exceed the R500 000 threshold. Contractors should note that it is an offence in terms of the SDLA – punishable by fine or imprisonment on conviction – to fail to apply for registration if liable to pay the levy (refer to section 3.3.1).

a) First-time Levy Payers

Newly established SME contractors who expect annual payrolls to exceed R500 000, and those previously established contractors who expect annual payrolls to exceed the R500 000 threshold for the first time, must therefore register with SARS as new levy payers.

Registration occurs through completion of form SDL201, Application for Registration, which is available for download on the SARS website (www.sars.gov.za) or from local SARS offices. Contractors will be required on registration to indicate their SETA Classification Code – that is, which SETA they wish to be registered with – and their SIC Code – that is, what type of activities the organisation carries out. SME contractors must register with CETA, whose SETA Classification Code is 05, and should refer to Appendix F to determine the SIC code applicable to the main activities conducted by the organisation. For example, the SIC code for an SME building contractor conducting mainly “painting and decorating” activities is 50410 (refer to section 3.3.1).

b) Existing Levy Payers

SME building contractors already registered as levy payers are advised to confirm that they are registered with CETA, as an incorrect SETA classification will result in levy payments made by the organisation being inaccessible through the levy grant scheme (refer to section 3.3.1).

Current SETA classification is indicated on the EMP201 return issued monthly to employers by SARS for the payment of the levy (together with PAYE and UIF contributions). SME contractors not currently registered with CETA (ie the SETA classification code is not 05) can apply to CETA for reclassification via completion of an Annexure B form, which is available from

any local CETA office (see Appendix J) or for download from the CETA website (www.ceta.org.za).

All contractors should also note that, if changed circumstances during the course of any financial year warrant non-payment of the levy – that is, if annual remuneration to employees can reasonably be expected to be below the R500 000 threshold – the obligation to pay the levy falls away. The contractor may then either notify SARS that the levy will no longer be paid by the employer and the date from which such non-payment will apply, or choose to continue to participate voluntarily in the NSDS and pay the levy (refer to section 3.3.1).

As previously discussed, there is some uncertainty about continued voluntary participation under the new grant recovery regulations. Contractors should therefore watch the press for a final decision by the National Treasury Department on this issue. For now, however, all employers may choose to participate in the NSDS and thus in the levy grant system (refer to section 3.3.1).

■ **Step 1.2 – Select and Register Group SDF**

Action Step 1.2 addresses the legislative requirement that all employers appoint and register a SDF, and entails the selection and registration of a Group SDF (refer to section 3.3.4).

A SDF is the individual who will be responsible for developing and planning an organisation's skills development strategy for a specific period, which includes, *inter alia*, carrying out the following functions:

- Assisting the employer to develop a WSP that complies with the requirements of the relevant SETA;
- Submitting the WSP to the relevant SETA;

- Advising the employer on the implementation of the WSP;
- Assisting the employer to draft an annual training report on the implementation of the WSP that complies with the requirements of the relevant SETA;
- Advising the employer on the quality assurance requirements set by the relevant SETA;
- Acting as a contact person between the employer and the relevant SETA; and
- Serving as a resource with regard to all aspects of skills development.

While current legislated grant recovery regulations do not require registration of a SDF, CETA does specify this as a grant recovery criterion, and every SME building contractor is therefore required:

- To appoint an employee, or an external person who is formally contracted to the organisation, as a SDF; and
- To notify CETA of the name and contact details of the person who is to serve as SDF on or before 1 April of each financial year.

If the SDF leaves the contractor's service, the organisation must immediately appoint a new SDF and submit the name and contact details of the new facilitator to CETA.

SME building contractors who are not "designated employers" in terms of the EEA (as assumed in this research, refer to section 1.5) – that is, contractors who, in addition to employing less than 50 employees, have an annual turnover of less than R5 million – may, however, appoint a Group SDF. A Group SDF is an individual who is appointed jointly but separately by a number of different employers to act as each employer's SDF.

CETA makes the services of a number of Group SDFs available to smaller organisations during each annual training period (1 April to 31 March), and all

SME building contractors are strongly advised to make use of this *free* service. In addition to carrying out the previously discussed functions on behalf of the organisation, appointing and registering a Group SDF will provide the following benefits to contractors:

- Relief from the burden of having to stay up-to-date with changes to relevant legislation and/or grant recovery requirements;
- Relief from the burden of having to provide the resources, facilities, and training necessary to enable an employee to perform the previously mentioned functions;
- Relief from associated administrative burdens; and
- The opportunity to use the expertise or know-how of the Group SDF to maximise grant recovery.

The contact details of currently available Group SDFs can be obtained from the CETA website or from any local CETA office (see Appendix I). Contractors should also note, however, that the MBA has recently expanded its skills development facilitation services, and can now be approached to act as a Group SDF. This service is available free of charge to both MBA-member and non-MBA-member organisations, and has the added advantage of industry-specific assistance that is tailored to meet the needs of organisations operating in the Construction Industry. Appendix J provides a listing of the various MBA branches and their contact details.

Contractors are advised not to leave the requirement of selecting and registering a Group SDF until just before the submission deadline (30 June) unless circumstances force such a late registration. Those doing so may find themselves in the position of being unable to engage the services of available Group SDFs at this late stage (Hatton, 2005). There is no obligation attached to early registration – that is, the organisation does not have to make use of the services, and may choose to register a different Group SDF

at a later stage. It does, however, ensure that the services are available to the organisation if and when they are required.

Any contacted and available Group SDF will request a meeting with the SME building contractor, to give the contractor an opportunity to meet the individual who will represent the organisation. It also allows the Group SDF to provide an overview of how the grant system works, what information is required from the contractor – and by when – for the SDF to complete and submit the WSP correctly, and to answer any other questions the contractor may have. Once the contractor has made a final decision as to which Group SDF will represent the organisation, that Group SDF will need to be appointed and registered as the organisation's SDF, via the contractor signing a SDF Registration Form. The contractor is advised to ask the Group SDF for a copy of this registration form, and proof of submission to CETA, for its records (as discussed in the following action step).

■ **Step 1.3 – Set Up (or Maintain) On-going Compliance and Record-keeping System**

Action Step 1.3 addresses the legislative requirement that levy payments are made in the prescribed format and time, and additionally enables the organisation to establish, support, and/or justify all training-related actions and decisions. This entails establishing (in the first year of application of the model) and maintaining (in subsequent years of application) the administrative system or backup required to ensure on-going compliance with legislative requirements and to keep accurate and up-to-date training-related records (refer to section 3.4).

a) On-going Compliance

The SDL must be paid to SARS on a monthly basis, under cover of a completed SDL201 form (refer to section 3.3.2).

The SDL201 form is the SDL portion of the EMP201 form posted by SARS to all registered employers each month for the payment of PAYE and UIF contributions. After registration as a SDL payer, the EMP201 form will include a section for levy purposes.

Payment must be made not later than seven days after the end of the month in respect of which the levy is payable. Where the seventh day falls on a Saturday, Sunday, and/or Public Holiday, payment must be made not later than the last business day falling prior to such Saturday, Sunday, and/or Public Holiday.

Late receipt of the EMP201 return is not accepted as an excuse for late payment. Should the return not be received in time to make the levy payment within the prescribed period, a note containing the following details should be attached to the payment when it is forwarded to SARS:

- Name and address of the organisation;
- SDL Reference Number (obtained from previous month's return or letter confirming registration as a levy payer);
- Month to which payment relates;
- Total remuneration paid or payable to employees for the relevant month;
- The number of employees whose remuneration was included in the leviable amount; and
- The amount of the enclosed payment.

It must be noted that not only is it an offence in terms of the SDLA – punishable by fine or imprisonment on conviction – not to pay the levy on the due date, that interest and penalties will also be due on any payments not made within the prescribed period. Furthermore, CETA may not – and will not under any circumstances – pay any grant to an employer who is not up to

date with levy payments at the time at which the grant is approved and in respect of the period for which an application for a grant is made.

Not making the SDL payments in the prescribed format and time period therefore has cost implications. In addition to penalties and interest charges levied by SARS, the contractor will no longer be eligible for the mandatory grant that must be paid to all employers meeting legislated grant recovery requirements. That is, the organisation will, in effect, forfeit recovery of 50 per cent of the total levies paid over the course of the year.

It is therefore important to establish an administration system that will meet the requirements for levy payments. A simple system will suffice. The requirements described above are fairly straightforward, and there is no need for contractors to implement computerised and/or complicated administrative system/s. However, if they do not do the relevant administrative work themselves, contractors must ensure that the person doing it clearly understands what needs to be done and when it needs to be done.

b) Record-keeping

CETA (2005a) requires employers to keep a copy of all WSPs submitted to the SETA. It is recommended, however, that the administrative system incorporate processes to keep accurate and up-to-date records on all matters pertaining to training and development, including, *inter alia*:

- A copy of the SDF Registration Form – and proof of submission to CETA – appointing and registering the selected Group SDF as the organisation's SDF (as discussed in action step 1.2).
- Copies of all EMP201 returns submitted by the organisation to SARS, and acknowledgements of payments – that is, the SDL213 receipts – received from SARS. This will provide proof of payment of the levy if the need arises.

- Standards of performance required from employees (established in action step 2.2) and the results of all employee performance assessments (assessed in action step 2.3). This will assist contractors in justifying any decisions based on the outcome of such assessments if the need arises.
- A copy of the annual training plan developed in action step 3.3. Differences between planned training and actual training at the end of the training year may provide valuable input into the planning process for the next training period.

This recommendation to keep accurate and up-to-date records is indicated by the feedback loops from the end of Phases 2, 3 and 4 back to action step 1.3 in Phase 1 (Figure 4.1).

In the second and subsequent years of applying the model, the process can, as previously mentioned, be continued from this action step, as the Group SDF will meet the requirement of notifying CETA by 1 April of each year that he/she is the registered SDF for the organisation (refer to section 3.3.4). If, however, there have been any significant changes in the scope of business of the organisation – which in turn resulted in changes to the main or primary activities carried out by the organisation – the contractor may need to change its registered SIC code. This would require a return to action step 1.1 (refer to section 3.3.1).

4.3.2 Phase 2: Analysis

Phase 2 addresses those strategic WSP requirements concerned with *identifying* the training needs of an organisation – that is, those related to (1) considering the workforce needed to implement the organisation's business strategy and to achieve its goals; (2) specifying required performance standards; (3) assessing current performance standards; (4) identifying performance gaps or differences between current and required performance

standards; and (5) identifying the causes of any such performance gaps. Phase 2 therefore includes five action steps, discussed in the following sections.

Before proceeding to the action steps themselves, it must be pointed out that training needs can be identified on three different levels: the macro-, meso-, and micro-levels. These refer to training needs found at national, at organisational, and at individual levels respectively (Coetzee, 2002: 94; Erasmus & van Dyk, 2003: 144). Skills development legislation in South Africa, for example, is part of the government's efforts to address the country's low skills base – that is, a national or macro-level training need – by encouraging employers to address meso- and micro-level training needs.

The first action step in this phase addresses needs assessment at the organisational or meso-level. The remaining steps address needs assessment at the individual or micro-level. The identification of individual employee training needs involves a number of different activities, and each of these is addressed in a separate but sequential action step.

■ **Step 2.1 – Conduct Organisational Assessment**

Action Step 2.1 addresses the strategic requirement of conducting an organisational assessment, which entails giving consideration to the human resources necessary to implement current and future business strategies and to achieve objectives when assessing the training needs of the organisation (refer to section 2.4.4 and Appendix A).

Training needs assessment at the organisational level focuses on the enterprise as a whole. Every organisation has needs – and these can be defined as what the organisation must have to implement its strategy and attain its goals. The ability to meet these needs depends on the physical, financial, and human resources which the organisation either has already or

can obtain. The focus here, of course, is on human resources, in terms of the core skills and/or competencies required to implement current and future business plans (refer to sections 2.2.3, 2.2.4, 2.2.5, 2.3.1 and 2.3.5).

Organisational training needs are considered more difficult to assess than operational and individual training needs – which will be addressed in the remaining action steps – as they have to be derived from organisation development activities where aspects such as strategies, goals, objectives, and priorities are determined. As a result they are often ignored. It is important, however, to determine these organisation needs, as they help to relate training needs to the goals and objectives of the organisation, to link organisation needs to the training and development of individual employees, and to identify the external forces that affect the organisation (Beardwell, Holden & Claydon, 2004: 318; Blanchard & Thacker, 1999: 172; van Dyk et al, 1997: 253-254).

Bellis and Hattingh (2003) propose that analysing changes that are occurring in an organisation will generally give a good indication of the training needs that relate to the organisation as a whole (refer to section 2.2.1). Swanepoel et al (2003) and Goad (1997) agree, and suggest that the existence of certain factors, or the occurrence of certain situations and/or events, often indicates the need for future training. Contractors can therefore use the following list of organisational factors – which generally lead to the need for future training – as a guideline about what kind of factors need to be taken into consideration when conducting this assessment:

- New services or products, new markets, and/or new lines of business;
- New capital equipment;
- New technology;
- New systems or procedures;
- Changing customer demands and/or requirements;

- Actions of close competitors;
- Planned promotions and advancements;
- New employees; and
- New legislation (Bellis & Hattingh, 2003: 9-10; Goad, 1997: 25-27; Swanepoel et al, 2003: 458).

The last-mentioned organisational factor – new or changing legislation – is particularly relevant in the Construction Industry. *Every* contractor in the industry, regardless of size, needs to consider the full impact (that is, training-related and otherwise) of changing health and safety, environmental, and labour legislation on its ability to continue to operate and ultimately succeed in the industry. In addition to the consequences of not meeting legislated requirements in this regard (such as penalties and fines), clients are increasingly demanding that contractors show compliance with such legislation. Non-compliance can result in the loss of potentially lucrative contracts and/or last minute efforts to meet requirements, thus placing unplanned and often unnecessary financial and scheduling burdens on the organisation.

It should be noted that conducting a full-scale strategic analysis is *not* being presented as a requirement for conducting an organisational assessment. While very valuable – and those contractors making use of available strategic analysis tools are encouraged to continue to do so – it should not be considered a prerequisite and so be used as a reason to omit this action step (P. King, member of T & P Contractors, Port Elizabeth, personal communication, 14 November 2005; T. Impey, member of Crossland Painters, Port Elizabeth, personal communication, 11 November 2005).

Contractors giving consideration to the training and development implications of factors such as those indicated above are conducting at least a basic organisational assessment, which will provide valuable input into developing

a strategic WSP for the organisation (Blanchard & Thacker, 1999; van der Schyff, 2001).

■ Step 2.2 – Establish Required Standards

Action Step 2.2 addresses the strategic requirement of conducting a job assessment, which entails specifying standards of performance and the knowledge and/or skills necessary to perform at the required level (refer to section 2.4.4 and Appendix A).

Training needs cannot be identified unless actual employee performance and knowledge/skills levels can be compared and found lacking with respect to required performance and knowledge/skills levels. The first step in the sequential process of identifying employee training needs therefore involves establishing the standards or levels of performance required or expected from employees, and the knowledge/skills necessary to perform at the required level (refer to sections 2.2.3, 2.3.3, 2.3.4 and 2.3.5).

Conducting a job assessment – also commonly known as a job analysis, task analysis, or operational analysis – simply involves examining specific jobs to determine the requirements necessary to get the job done properly. It includes identifying what tasks are to be performed, at what level they must be performed, and what knowledge and/or skills are necessary to perform them (refer to sections 2.2.2, 2.3.3 and 2.3.4).

The information collected about each job is then processed into a job description – that is, a written statement of what the jobholder should do, how it should be done, under what conditions it will be done, and why it is done – and a job specification – that is, a written statement which specifies the knowledge, skills, level of education, experience, and abilities needed to do the job effectively (Blanchard & Thacker, 1999; Camp et al, 1986; Schultz, 2004; Swanepoel et al, 2003).

a) Job Assessment Methods – Collecting the Information

There are a number of different techniques or methods for conducting a job assessment, varying in complexity or difficulty of application and/or suitability to certain types of jobs (Camp et al, 1986: 39; Nadler, 1982: 65; Swanepoel et al, 2003: 227 - 229). The focus here is on some of the more common – and simpler – methods that are frequently used in South Africa.

▪ **Questionnaires**

According to Schultz (2004: 195), most South African organisations use the questionnaire method, since it is the least time-consuming – after the initial questionnaire has been compiled – and the cheapest method.

Questionnaires can be structured or unstructured. Structured questionnaires provide standardised, specific information about the jobs in the organisation, while unstructured questionnaires require the job incumbent to describe the job in his/her own words (Goad, 1997: 36-37; Schultz, 2004: 195-196; Swanepoel, 2003: 227-228).

Unstructured questionnaires should, however, be used with caution. The quality of the information received may be of no use unless extensive guidance is given. The success of this method also depends on the report-writing skills of the jobholder (Swanepoel et al, 2003: 227-228).

Structured questionnaires use brief, unambiguous questions that can be answered in a minimum amount of time with the least disruption to the jobholder. Standardised questionnaires (such as the Position Analysis Questionnaire) can be used, or the questionnaire can be developed by the organisation (Nadler, 1982: 66; Schultz, 2004: 195-196; Swanepoel, 2003: 227-228). Contractors developing their own questionnaires should note that the questions should focus on the duties performed by jobholders in the course of their work. Examples of the types of questions that should be

included are illustrated in the sample Job Analysis Questionnaire provided in Appendix K. Contractors can even use this questionnaire as it stands.

- **Interviews**

According to Schultz (2004) the interview is the second most frequently used method of job data collection in South Africa. While often time-consuming, it is an effective job assessment method. It is a flexible method that allows the interviewer the opportunity to probe for clarity when answers are vague, and allows the jobholder the opportunity to offer information which he/she believes is relevant but has been overlooked by the interviewer (Schultz, 2004: 196; Swanepoel et al, 2003: 227). Rossett (1987: 134) agrees, and adds that using the interview method helps to obtain the support and assistance of employees.

Interviews can be either individual or group, and formal or informal. Group interviews are generally used when a number of people carry out similar tasks, functions, duties, and responsibilities. Formal interviews refer to the use of a structured set of questions during the interview process, while informal interviews are more open-ended, providing the interviewer with wider discretion in deciding what information to obtain from the interviewee. It is advisable, however, for informal interviews to be at least partially structured, to achieve consistency in data (Goad, 1997, 35-36; Nadler, 1982: 69; Schultz, 2004: 196; Swanepoel et al, 2003: 227). Contractors can once again use Appendix K as a guideline for structuring job assessment interviews.

- **Observation**

Observation involves watching employees while they perform their duties, either by means of direct observation or through videos (Goad, 1997: 34; Nadler, 1982: 75; Schultz, 2004: 196; Swanepoel et al, 2003: 227).

Actually observing the job being performed would appear to be one of the best methods that could be used. It does, however, have its limitations. Generally, employees do not perform as they normally would do when they know that they are being observed. Additionally, certain aspects of jobs cannot always be observed at all times; external factors of which the observer is unaware might also be affecting job performance; and the observer's biases or preconceptions may affect the process (Nadler, 1982: 75; Rossett, 1987: 158-161; Schultz, 2004: 196; Swanepoel et al, 2003: 227).

The choice of which available method to use depends primarily on the nature of the job being analysed, and, in many cases, a combination of methods is most appropriate. For example, in analysing clerical and administrative jobs, the assessor may use questionnaires, interviews, and limited observation, while in studying production/construction jobs, interviews might be supported by extensive observation. Factors such as time, cost, number of jobholders, *et cetera*, can, however, also play a role. For example, it may be necessary to have a trade-off between the desirable and the possible when selecting the appropriate method – that is, a method may be entirely appropriate, but too costly for the benefits that can be derived from collecting that information (Blanchard & Thacker, 1999: 141; Muchinsky et al, 1998: 54; Nadler, 1982: 76; Schultz, 2004: 196).

b) Job Description and Specification – Processing the Information

As mentioned above, after the information about the different jobs has been collected by means of the selected job assessment method/s it must be processed into a useful format – namely, into a job description and a job specification for each analysed job.

A job description was defined above as a written statement of the content and standards of the job, and a job specification as a written statement stipulating the minimum acceptable characteristics a jobholder must possess

to be able to perform the job. In practice, however, these statements are often combined into one document that includes information such as:

- Job title;
- Name of person/s compiling the document;
- Date of compilation;
- Name of current jobholder/s;
- Reporting structure or lines (the organisational structure or hierarchy);
- Job identification details, or summary of the job;
- Main purpose of the job;
- Duties or tasks and responsibilities (the key performance areas);
- Relation to other positions;
- Subordinate positions;
- Working conditions;
- Knowledge, skills and/or experience required;
- Competencies; and
- Any other relevant information (Schultz, 2004: 201-204; Swanepoel et al, 2003: 230-233).

The job description/specification document prepared for each analysed job must be added to the organisation's formal record system. As previously discussed, it is advisable to keep accurate and up-to-date records on all matters pertaining to training and development (refer to action step 1.3).

In general, records of standards of performance required of employees will assist contractors to justify any decisions based on the outcome of such assessments if the need arises. They will also facilitate the analysis process in future years – that is, it will only be necessary to conduct job assessments for new and/or significantly changed jobs if accurate records are kept.

More specifically, however, the information contained in this document will be used again in action step 2.3 – to facilitate assessing current employee

performance – and action step 2.4 – to facilitate identifying and specifying performance problems or gaps. It is therefore particularly important that it is properly prepared, especially with regard to the key performance areas (ie the duties, tasks, and responsibilities of each job) and associated knowledge, skills, experience, and competencies, and added to the formal records of the organisation.

Contractors should also ensure that employees clearly understand what standards of performance are required of them, and why. In all fairness, employee performance cannot be found to be below par when it is measured – as will be done in action step 2.3 – against standards of which employees are not aware and/or whose implications they do not fully understand. While this is frequently regarded as more relevant when basing promotion, dismissal and/or reward decisions on performance assessments, the recommendation here is to apply these same standards of fairness to training and development decisions (Nel et al, 1997: 270-273; Swanepoel et al, 2003: 377).

■ **Step 2.3 – Assess Current Performance**

Action Step 2.3 addresses the strategic requirement of conducting a performance assessment, which entails assessing current employee performance and knowledge and/or skills levels (refer to section 2.4.4 and Appendix A).

As previously mentioned, training needs cannot be identified unless actual employee performance and knowledge/skills levels can be compared and found lacking with respect to the standards established in action step 2.2. The second step in the sequential process of identifying employee training needs therefore involves establishing current employee performance and knowledge/skills levels (refer to sections 2.2.1, 2.2.2, 2.3.1, and 2.3.4).

Conducting a performance assessment simply involves determining how well employees are performing the knowledge/skills – and therefore also the duties, tasks, and responsibilities – required by the job (Camp et al, 1986: Goldstein, 1986: 46; Swanepoel et al, 2003: 459).

It must be noted, however, that while the assumption can be made that employee performance at or above the required standards indicates that employees have the required knowledge/skills, the reverse assumption cannot be made. As will be discussed in action step 2.5, sub-standard performance is not necessarily the result of a lack of required knowledge/skills. The focus here is therefore primarily on assessing current employee performance in relation to the key performance areas – that is, duties, tasks, and responsibilities – identified in the previous action step (2.2), so that this may be analysed in more detail in the action steps that follow (2.4 and 2.5).

a) Performance Assessment Methods – Collecting the Information

As was the case for conducting the job assessment, different methods – ranging in complexity – are available for conducting a performance assessment (Bellis & Hattingh, 2003: 11; Blanchard & Thacker, 1999: 154-156; Carrell, Elbert, Hatfield, Grobler, Marx & Van der Schyf, 1998: 312-315; Swanepoel et al, 2003: 385-393). The focus is once again on the simpler – or what is referred to here as more informal – methods.

Formal performance assessment – also commonly known as performance appraisal, performance measurement, or performance review – is defined in the literature as establishing and maintaining a systematic process by means of which job-relevant strengths and weaknesses of employees can be identified, observed, measured, recorded, and developed on a formal and regular basis (Carrell et al, 1998: 314; Swanepoel et al, 2003: 371-372).

However, as previously discussed, the target audience of the model is SME building contractors who do not have a Human Resources department and/or manager or even ready access to such know-how or expert knowledge (refer to sections 1.4.2 and 1.5). It is therefore presumed here that such contractors will not have the know-how to develop and implement a formal performance appraisal system. There is even an indication that such a system is regarded by some in the industry as an unnecessary and/or unrealistic expectation from SME building contractors (D. Rowe, Skills Development Facilitator, Eastern Cape MBA, personal communication, 6 October 2005; P. King, member of T & P Contractors, Port Elizabeth, personal communication, 14 November 2005; T. Impey, member of Crossland Painters, Port Elizabeth, personal communication, 11 November 2005).

Formal performance assessment systems are, fortunately, not the only source of performance information: as will be discussed below, there are other more informal methods to obtain the necessary information. Nor are they necessarily the best source of performance information. Some experts believe that formal performance appraisals are, for a number of reasons, a questionable source of data for determining training needs; and they suggest not relying solely on the results of these assessments (Blanchard & Thacker, 1999: 153; Nadler, 1982: 90-91; van Dyk et al, 1997: 280).

While informal assessments usually result in a more general or overall impression of worker efficiency and effectiveness, they can operate satisfactorily in small organisations because management knows and interacts with all employees – that is, it has a closer working knowledge of each employee (Blanchard & Thacker, 1999: 18; Swanepoel et al, 2003: 371). Bellis and Hattingh (2003: 11) agree that current performance can be formally or informally determined.

Contractors may therefore select one or more of the following commonly used methods for collecting performance data to assess current employee

performance. The selected method(s) should, as previously mentioned, be used in conjunction with the job description/specification document prepared for each job in action step 2.2 – or, more specifically, with the sections of these documents that cover key performance areas and required knowledge, skills, experience, *et cetera*.

The relevant sections may even be expanded into a basic performance assessment form, to which performance data can be added as it is collected using the selected method/s. This will facilitate the assessment process, increase consistency, and ensure that key areas are addressed (Gupta, 1999; Peterson, 1998).

- **Observation**

Observing employees actually doing the job is an often-used method of collecting job performance data. The primary advantage of using observation is that the actual situation in which the job is performed, and how it is performed, is observed. However, as previously discussed under job assessment methods, there are a number of problems associated with observation (refer to action step 2.2). The use of the above mentioned performance assessment form – to provide a checklist of items to be observed and space for additional notes and comments – and unobtrusive observation techniques, can address most of these issues (Bee & Bee, 1994: 82-83; Camp et al, 1986: 48; Carrell et al, 1998: 313-314; Erasmus & van Dyk, 2003: 162; Nadler, 1982: 95; Peterson, 1998: 51; van Dyk et al, 1997: 281).

- **Meetings and/or Interviews**

The interview, in one form or another, is another frequently used method. Examples of different forms include the contractor/owner (1) meeting with foremen to discuss employee performance in general and/or to identify problem areas; (2) meeting with individual employees and their foreman to

discuss that employee's performance; and/or (3) interviewing individual employees to discuss their performance.

The primary advantages of interviews are that there is greater flexibility, rapport can be built, and employees feel heard and/or part of the process. The key performance areas established in action step 2.2 – or the performance assessment form, if applicable – should once again be the point of departure. This provides the structure recommended when discussing interviews as a method for collecting job assessment information (refer to action step 2.2) (Bee & Bee, 1994: 84-86; Camp et al, 1986: 48; Erasmus & van Dyk, 2003: 161; Nadler, 1982: 94; Swanepoel et al, 2003: 393; Peterson, 1998: 51; van Dyk et al, 1997: 281).

- **Document/Records Analysis**

Document analysis requires that relevant documents or records be studied to determine the contents and context of performance. Examples of relevant documents include records of absenteeism or tardiness, short-term sick leave, accidents, grievances, wastage, down time, equipment utilisation, repairs, late completion of contracts, customer complaints, *et cetera*. These aspects are all related to actual employee performance, and recurring problems could be indicators of performance problems. The primary advantage of this method is that use is made of information that already exists and/or has been collected for other purposes. It should, however, be used in conjunction with other methods, to provide clues to be used during interviews or observation (Bee & Bee, 1994: 94; Bellis & Hattingh, 2003: 11; Erasmus & van Dyk, 2003: 162; Camp et al, 1986: 48; Carrell et al, 1998: 314; Nadler, 1982: 89).

- b) Performance Reports – Organising the Information**

As previously discussed, accurate and up-to-date records should be kept on all matters pertaining to training and development, including the results of

any performance assessments. This will assist contractors in justifying any decisions based on the outcome of such assessments if the need arises in the future (refer to action step 1.3 and section 4.2). An accurate record of current performance will furthermore facilitate the identification of performance problems in action step 2.4.

The information collected about each employee's current performance and knowledge/skills levels should therefore be processed into a performance report. This report need be no more than a brief written statement indicating employee performance in the key performance areas, but it can be extended to include, for example, the previously mentioned performance assessment form (if applicable), notes taken during interviews and/or meetings, and any other relevant information. It should, however, also be dated and signed by the person performing the assessment.

■ **Step 2.4 – Identify Performance Gaps**

Action Step 2.4 addresses the strategic requirement of identifying performance gaps, which entails determining if there is a difference between required performance standards and current or actual performance levels (refer to section 2.4.4 and Appendix A).

As previously indicated, performance problems exist when there is a gap or difference between the required standards of performance and the actual levels of employee performance. The third step in the sequential process of identifying employee training needs therefore involves comparing actual employee performance with required employee performance to determine if performance gaps exist (refer to sections 2.2.3, 2.3.2 and 2.3.4).

Comparing required performance to actual performance simply involves comparing employee performance reports – as developed in action step 2.3 – with the relevant job description/specification document – as developed in action step 2.2. The comparison focuses once again on the duties, tasks, and

responsibilities (or key performance areas) identified for each job. If these two documents have been properly prepared, identifying performance gaps is now simply a matter of listing any differences between required and actual performance in the key performance areas.

The differences must, however, be indicated or described as clearly as possible, preferably using the same performance-orientated terms used in the source documents – namely, the relevant job descriptions and job specifications. This will ensure that the selected solution (which may or may not be training) can be targeted to the specific performance problem. It will also facilitate common meaning and understanding between all the parties – namely, the owner or management, the foremen, and the employees themselves. The final list of all the identified performance gaps – the output of this action step – should also be categorised, grouping together all related or similar performance problems (Nadler, 1982: 96-97; Peterson, 1998: 77; van Dyk et al, 1997: 281).

This list will be carried through to the following action step, the final step in the process of identifying individual employee training needs. However, it should also be added to the organisation's formal record system, as should all records or reports pertaining to the assessment of employee performance (refer again to action step 1.3).

■ **Step 2.5 – Determine Causes of Gaps**

Action Step 2.5 addresses the strategic requirement of identifying all of the potential training needs of an organisation, which entails identifying the causes of performance problems in order to distinguish between training and non-training needs (refer to section 2.4.4 and Appendix A). The term “potential” is used here to indicate that all of the training needs identified at this stage of the analysis process may not necessarily be addressed in the

current training period. This will be discussed in more detail in the next action step.

As previously indicated, performance problems exist when there is a gap between the required standards of performance and the actual levels of employee performance. However, not all performance problems can or should be addressed by training. Training is only an appropriate solution for performance gaps caused by a lack of necessary knowledge and/or skills (refer to sections 2.2.1, 2.3.2, 2.3.3, 2.3.4 and 2.3.5).

The final step in the sequential process of identifying employee training needs therefore focuses on distinguishing between performance gaps caused by knowledge/skills deficiencies (“training needs”) and those caused by other factors (“non-training needs”). And distinguishing between training and non-training needs simply involves establishing the causes of identified performance gaps (refer to sections 2.2.1, 2.3.2, 2.3.3, 2.3.4 and 2.3.5).

Commonly identified causes of performance deficiencies or gaps – in addition to a lack of the necessary knowledge and/or skills – include:

- Lack of motivation;
- Lack of feedback on good or substandard performance;
- Reward/punishment incongruence;
- Poor supervision or management;
- Hostile working environment;
- Deficiencies in tools, equipment, systems or support necessary to perform effectively; and
- Lack of opportunity to practice or use the skills possessed (Bellis & Hattingh, 2003: 13; Blanchard & Thacker, 1999: 162-164; Camp et al, 1986: 42-45; Mager & Pipe, 1990; Osborne, 1996: 15-19; Peterson, 1998:16-19).

While these factors can all cause performance problems, they cannot be solved through training – or even re-training – as they are not related to skills/knowledge deficiencies. As such, they will not form part of the annual training plan – to be developed in action step 3.3 – nor will they be included in the WSP to be developed in action step 4.1. While they therefore fall outside the scope of the model, they *must* still be attended to, as any substandard performance – regardless of the cause of the problem – will directly impact on the organisation’s ability to achieve its goals and objectives.

The important question that must be answered here, is “When is training the appropriate solution?” or “How do you know when a lack of necessary knowledge and/or skills is the cause of an identified performance gap?”.

Mager and Pipe (1990: 31) provide this rather simple (and humorous) answer: It is a skills/knowledge deficiency if “they couldn’t do it if their lives depended on it” (refer to section 2.3.2). It is therefore necessary to determine whether employees would still not be able to achieve the required standard of performance, even if they wanted to perform to required standards, were fully motivated, and were functioning in a supportive, well-managed environment (Bellis & Hattingh, 2003: 15; Camp et al, 1986: 42).

Mager and Pipe (1990: 33-43) add that even performance gaps caused by a lack of necessary skills/knowledge do not necessarily point to training as a solution. Formal training is only an automatic solution if employees never possessed the required skills/knowledge. Employees who were once able to perform at the required standard – that is, who once demonstrated the required skills/knowledge – may, for example, simply have forgotten how to apply the skill/knowledge because they are not required to perform the task often and/or are not getting enough practice, may not be receiving the necessary feedback, may be de-motivated, *et cetera*. The performance problems of these employees will therefore need to be addressed by non-

training solutions. That is, these performance gaps are caused by factors other than skills/knowledge deficiencies (refer to section 2.3.2 and Figure 2.9).

Correctly determining the causes of performance problems is therefore essential to finding the most appropriate and effective solution to performance problems (Bellis & Hattingh, 2003: 13; Osborne, 1996: 15; Peterson, 1998: 82), and the output or end-result of this activity step should be a list of – or at least a clear distinction between – the training needs (performance problems caused by knowledge and/or skills deficiencies) and non-training needs (performance problems caused by other factors) of the organisation.

All information collected regarding the causes of performance gaps should be added – along with the output of each activity step in this phase – to the organisation's formal record system. This recommendation of keeping accurate and up-to-date records on all matters pertaining to training and development is indicated by the feedback loop from the end of Phase 2 back to action step 1.3 (establishing/maintaining on-going compliance and record-keeping). The identified training needs – as discussed above, still regarded as “potential” training needs at this stage – are also carried forward to the next phase of the model.

4.3.3 Phase 3: Planning

Phase 3 addresses those strategic requirements concerned with *meeting* the training needs of an organisation – that is, those related to (1) specifying the current training needs of the organisation, (2) identifying the training programmes that can meet these training needs, and (3) developing the organisation's annual training plan. The last requirement is the “bridging” requirement added to those identified in the content analysis as necessary

for developing a strategic WSP (refer to section 4.2). Phase 3 therefore includes three action steps, discussed in the following sections.

■ **Step 3.1 – Specify Current Training Needs**

Action Step 3.1 addresses the strategic requirement of identifying the real or current training needs of the organisation, which entails specifying which of the potential training needs identified in the previous phase (action step 2.5) will be addressed in the current financial or training year (refer to section 2.4.4 and Appendix A).

As previously discussed, not all performance problems can or should be addressed by training. Training is only an appropriate solution for performance problems caused by the lack of necessary knowledge or skills. Analysing the causes of performance gaps or problems – in action step 2.5 – therefore identified the actual training needs of the organisation.

It is, however, generally impossible to meet *all* of the training needs of an organisation simultaneously. No organisation has unlimited resources (time, money, people, and/or materials) and training needs therefore have to be satisfied as best as possible with available resources (refer to sections 2.2.7, 2.3.3, 2.3.4, and 2.3.5). SMEs in particular are likely to have relatively small resource bases. SME contractors are additionally faced with those practical problems plaguing the Construction Industry as a whole, including, for example, contract overruns caused by changing scope and/or inclement weather, uncertain contract starting and completion dates, unscheduled contracts, *et cetera*. These problems can make the planning and/or scheduling of training difficult.

Contractors entering, and continuing to participate in, the levy grant system from 30 September 2005 onwards, are furthermore advised to note that they will be required to submit a Training Report – indicating performance in

respect of the implementation of the previous financial year's WSP – from the 2007/2008 financial year onwards (refer to section 3.2). In terms of previous grant recovery regulations, mandatory grant payments were linked to the amount of planned training – as reflected in the previous year's WSP – actually implemented or carried out during the relevant period – as reflected in the Training Report – in the following manner:

- No mandatory grant was paid to employers carrying out less than 15 per cent of planned training;
- 50 per cent of the mandatory grant was paid to employers carrying out 15 to 49 per cent of planned training; and
- 100 per cent of the mandatory grant was paid to employers carrying out 50 to 100 per cent of planned training (Ledingham, 2005a).

The current grant recovery regulations do not give any indication of what implementation rules will apply from 2006/2007 onwards (refer to section 3.2). The various SETAs are, however, waiting for guidelines from the DOL in this regard, and there is every possibility that the same or similar sliding-scale recovery system will be applicable to mandatory grant recovery (Dlamini, 2005; RSA, 2005a; The Skills Portal [TSP], 2005).

Contractors are therefore strongly urged to include only that training which they actually foresee implementing in the relevant training period in their annual training plans. It is better to be in the position of conducting more training than planned, than falling short of targets and failing to qualify for the mandatory grant.

To identify and specify the current training needs of the organisation, all of the “potential” training needs of the organisation – identified in action step 2.5 – should be listed in order of priority to the organisation – that is, in order of urgency or importance. This will facilitate making a realistic decision regarding what training should *and* can be undertaken during the following

training period – that is, one that takes the goals and objectives of the organisation, as well as availability of resources, and any practical issues, into account (refer to sections 2.2.3, 2.2.7, 2.3.1, 2.3.2, 2.3.3 and 2.3.5).

The training needs so identified will represent the current training needs of the organisation – that is, those training needs that will be carried forward through the remaining steps of the model to develop the WSP that will be submitted to CETA.

The remaining training needs – that is, those not specified as current training needs – should not, however, simply be discarded. As discussed in action step 1.3, accurate and up-to-date records should be kept on all matters pertaining to training and development, including the identified training needs of the organisation. This may not only facilitate future analysis and planning, but can also be used to justify current training decisions if the need arises.

■ **Step 3.2 – Identify and Select Training Programmes**

Action Step 3.2 addresses the strategic requirement of choosing appropriate training programmes, which entails identifying and selecting the training programmes that can address or meet the current training needs of the organisation specified in the previous action step (refer to section 2.4.4 and Appendix A).

As previously mentioned, training is an appropriate solution for performance problems caused by the lack of necessary knowledge or skills. Too often, however, organisations conduct the wrong – or even unnecessary – training, and therefore fail to receive any real value from training initiatives. To provide true value to the organisation, training must address the specific knowledge and/or skills identified in the needs analysis process as both necessary and lacking in the organisation (refer to sections 2.2.3, 2.2.4, 2.3.4 and 2.3.5).

The current training needs of the organisation specified in action step 3.1 – and the associated knowledge and/or skills identified in action step 2.2 – should therefore serve as the checklist when selecting appropriate training programmes. The required knowledge or skills must be clearly identifiable in the content and/or curriculum of the selected training programmes (refer to sections 2.2.2 and 2.2.3).

Bellis and Hattingh (2003) provide a set of six criteria – and associated key questions – that can be used to gain some insight into the issues that should be considered when selecting training programmes (refer to section 2.2.1). These are illustrated in Table 4.1 on the following page.

It must be noted, with respect to criterion 6, that employers are not restricted to using only accredited training providers – that is, those accredited by an Education and Training Quality Assurance Body – for WSP purposes. This may, however, be required for other purposes – for example, certain provisions and regulations of the Occupational Health and Safety Act No. 85 of 1993, as amended, require related qualifications and/or training to be registered in terms of the provisions of the South African Qualifications Authority Act No. 58 of 1995 (an example of linking individual training needs to organisational training needs; refer to action step 2.1). Such training must therefore be rendered by accredited training providers (Hattingh, 2005; RSA, 2003).

Contractors experiencing difficulties in sourcing training programmes are advised to contact their local CETA and/or MBA office (see Appendix I and J respectively). The MBA offers a range of industry-specific training courses to both MBA-member and non-MBA-member organisations. However, membership entitles contractors to subsidised training and therefore lower prices/costs (D. Rowe, Skills Development Facilitator, Eastern Cape MBA, personal communication, 6 October 2005). While CETA does not itself present training programmes to employers, local offices can be contacted to

obtain information on training programmes available in the various regions (Ledingham, 2005b).

<p>CRITERION 1 - THE CONTENT AND PRODUCT</p> <p>Is the content of the programme appropriate, complete, and relevant?</p> <p>Is the programme likely to develop the skills that were identified during the needs analysis process?</p> <p>Is the programme designed so that the trainee will actually be able to do what the programme promises?</p>
<p>CRITERION 2 - THE OUTCOMES-BASED APPROACH</p> <p>Is the structure and design of the programme based on the skills and competencies that need to be acquired and applied by the trainee?</p> <p>Is the outcome of the programme appropriate for addressing the identified skills needs?</p> <p>Are the outcomes the programme is designed to achieve clearly described?</p>
<p>CRITERION 3 - THE LEVEL OF THE OUTCOMES</p> <p>Are the outcomes pitched at the correct or desired level?</p> <p>Is the programme appropriate to the level of work and intellectual complexity?</p>
<p>CRITERION 4 - THE PROCESS AND METHODS</p> <p>Do the learning processes integrate appropriate activities and experiences?</p> <p>Are the processes anchored in appropriate and relevant content?</p> <p>Do the processes involve methods that are guided by the outcomes and standards described?</p>
<p>CRITERION 5 - THE WAY ASSESSMENT IS HANDLED</p> <p>Were the outcomes that will be assessed used as the starting point for designing the whole training programme?</p> <p>Are trainees always assessed against the predetermined and clearly stated outcomes and assessment criteria, which describe the standards that have been met?</p> <p>Is the assessment process fair, reliable, and valid?</p> <p>Is the assessment judgment made on the basis of evidence that is valid, sufficient, authentic and current?</p> <p>Are trainees assessed within the real context, or in simulated situations that are very similar to the environment within which they will have to demonstrate the competency back at the workplace?</p>
<p>CRITERION 6 - THE QUALITY OF DELIVERY</p> <p>Do the training providers have systems and processes in place that promote quality learning?</p> <p>Are the training providers accredited?</p>

Table 4.1: Criteria for Selecting Training Programmes

Source: Adapted from Bellis and Hattingh (2003: 15-18)

■ Step 3.3 – Develop Annual Training Plan

Action Step 3.3 addresses the “bridging” requirement of developing a training plan, which entails specifying which employees will receive what training, when, where, and how (refer to section 4.2 and Appendix A).

As previously discussed, the WSP is itself an annual training plan that specifies the skills that need to be acquired to implement the organisation's business strategy and to achieve its objectives, and the training required to obtain these skills (refer to section 1.4). It is, however, also a training plan designed or formatted to meet CETA's requirements, and therefore not necessarily the needs of the organisation. It does not include, for example, important details such as which employees (by name) are to receive the planned training, and when this training is scheduled to occur. Nor does it include any informal or on-the-job training an organisation might deem necessary (refer to section 4.2).

It is therefore necessary also to develop an annual training plan that is capable of meeting the needs or requirements of the organisation. This training plan should reflect information such as (1) which employees (by name) are to receive what training – both formal and informal, (2) who the training providers are, (3) where the training is to occur (venue), (4) when the training is scheduled to start and finish, and (5) associated costs – both direct and indirect. The exact structure of the plan should, however, reflect the needs of each organisation. There is also no fixed format for presenting a training plan, although a tabulated approach is often preferred for convenience (refer to sections 2.2.5 and 2.3.5).

Such a training plan will not only facilitate implementation and control of training initiatives, but – as will be discussed in step 4.1 – will also allow the contractor to hand over all training related information required by the Group SDF to complete the formal WSP in one concise document.

It must be noted here that, while the focus has been on the training and development of those employees doing the actual construction work – namely, the so-called skilled workers and labourers (refer to section 1.3.3) – the annual training plan developed in this action step – and the WSP developed from this in phase 4 – should include *all* planned training and

development initiatives. The training planned for any office workers, if applicable, and any courses or programmes that the contractor or owner of the organisation plans to attend personally, should therefore also be included.

The recommendation of keeping accurate and up-to-date records on all matters pertaining to training and development is once again indicated by the feedback loop from the end of Phase 3 back to action step 1.3 (establishing/maintaining on-going compliance and record-keeping). The output or end-result of each action step in this phase should be added to the organisation's formal record system at this stage, if this has not already been done. The annual training plan will also be carried forward to the next phase of the model.

4.3.4 Phase 4: Submitting

As previously mentioned, Phase 4 addresses those legislative requirements or compliance issues that can best be attended to by the registered Group SDF, as opposed to those that contractors themselves have to attend to in Phase 1. Once again it must be stressed that compliance with grant recovery criteria will not be complete unless the requirements outlined in both of these phases are addressed – that is, these two phases together ensure that the WSP submitted to CETA at the end of this Phase meets all legislative requirements.

The legislative requirements addressed in Phase 4 relate to (1) completing the WSP in the prescribed format and (2) submitting the WSP in the prescribed time period. Phase 4 therefore includes two action steps, discussed in the following sections.

■ **Step 4.1 – Hand Over to Group SDF**

Action Step 4.1 addresses the legislated grant recovery requirement that a WSP be submitted in the prescribed format. This entails providing the Group SDF with all the information he/she needs to compile the organisation's WSP in the format required by CETA (refer to section 3.4).

As previously discussed, the Group SDF will advise the contractor at the initial meeting between the two parties what information is needed to compile and submit the WSP correctly, and when this information is required (refer to action step 1.2).

These information requirements will relate to the training and development planned by the organisation for the relevant training period and general information or particulars about the organisation. The WSP illustrated in Appendix I shows how this information is used, and the form in which it is submitted to CETA. CETA assures employers that all information they supply is treated with the “highest regard for confidentiality” (CETA, 2005b: 1).

The annual training plan developed in action step 3.3 in the previous phase contains the required information regarding training and development initiatives planned by the organisation, and can be forwarded to the Group SDF as it stands. As mentioned earlier, additional information requirements relate to general information or particulars about the organisation, and will include, among other things:

- Registered name of the organisation, contact details, SDL number, and SIC code;
- Authorised signatory or representative of the organisation;
- Total workforce (ie the number of persons in respect of whom the SDL has been paid to SARS);

- Geographical scope of business operations, including corresponding spread of the workforce;
- Workforce profile in terms of race, sex, persons with disabilities, and occupational groups;
- Financial information, including financial year end, total remuneration paid to workforce in the previous financial year, and total turnover in the previous financial year; and
- Banking details.

Compiling the WSP in effect simply involves transcribing the information contained in the organisation's annual training plan into the correct WSP format, and adding the required general information about the organisation. This information must, however, be provided to the Group SDF with sufficient time for him/her to do all the necessary paperwork, to meet with the contractor for the necessary checking and signing off of the WSP – as will be discussed in the next action step – and still meet the legislated submission deadline. It is therefore important for the contractor to meet the Group SDF's deadline for submitting all the necessary information.

■ **Step 4.2 – Sign Off and Submit WSP**

Action Step 4.2 addresses the legislated grant recovery requirement that a WSP be submitted within the prescribed time period, which entails signing off and submitting the organisation's WSP on or before 30 June (refer to section 3.4).

WSPs must be submitted on or before 30 June of each financial year. An organisation's WSP for the period 1 April 2006 to 31 March 2007, for example, must be submitted by 30 June 2006. CETA additionally requires the submission of both an electronic and hardcopy version of the WSP (refer to section 3.3.3).

It is the responsibility of the registered Group SDF to submit both versions on or before the submission deadline. Before this can be done, however, it is necessary for the representative of the employer – that is, the Authorised Signatory of the organisation – to sign each page of the hardcopy version of the WSP (see the WSP illustrated in Appendix H). Contractors are advised to confirm the correctness of all information before doing so, including financial and banking details.

CETA provides written confirmation of receipt – for both the hardcopy and the electronic submission – to the submitting party (CETA, 2005b). The organisation should – in addition to obtaining a copy of the organisation's WSP – request copies of this proof of submission from the Group SDF. And all of these documents should be added to the organisation's records for the relevant training or financial year, as previously discussed, and indicated by the feedback loop back to action step 1.3 (establishing/maintaining on-going compliance and record-keeping).

4.4 CONCLUSION

The aim of this Chapter was to address sub-problem three – namely, “How can the results of sub-problems 1 and 2 be integrated to formulate an easy-to-implement model for developing a strategic workplace skills plan that meets legislative requirements?”.

An easy-to-implement model was defined, in the context of this research, as one that illustrates the minimum requirements for developing a strategic WSP and for meeting grant recovery regulations. The minimum requirements for developing a strategic WSP – sub-problem 1 – were examined in Chapter 2, where seven so-called strategic requirements were identified. The minimum grant recovery criteria – sub-problem 2 – were examined in Chapter 3, where five so-called legislative requirements were identified.

Twelve minimum requirements in total were therefore identified as necessary to develop a strategic WSP that meets legislative requirements – that is, a value-adding WSP.

These 12 requirements were translated – with the addition of one “bridging” requirement – into a set of simple sequential action steps to guide SME building contractors through the process of developing and submitting a value-adding WSP. This additional bridging requirement was deemed necessary by the researcher to form a link between internal action steps – that is, those conducted by SME building contractors themselves – and external action steps – that is, those conducted by the Group SDF.

The resultant 13 action steps were finally classified, on the basis of similarity of the activities involved in each step and the required sequence of activities, into four distinct but related phases – namely, Compliance, Analysis, Planning, and Submitting – to formulate the WSP model presented as a practical guide to assist and ultimately – through the simplicity and ease-of-application of the model – to encourage SME building contractors to develop and submit a strategic WSP.

A summary of the research project, and conclusions and recommendations pertaining to the research, are presented in the final Chapter.

CHAPTER 5

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

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CHAPTER 5

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 INTRODUCTION

The final chapter provides an opportunity to bring together what has been accomplished in each phase of the research project, and to place the findings in proper perspective.

The problems and limitations encountered in conducting the research project are described, the outcomes are summarised in relation to the research problem and the three sub-problems identified to investigate and resolve the main problem, and recommendations for future research are proposed.

5.2 PROBLEMS AND LIMITATIONS

No major problems were encountered in conducting this research project. Sufficient literature, in the form of previously developed general training and development models and training needs assessment models, was available for inclusion in the content analysis, albeit that the main focus was on models recommended or developed by South African authors. A minor problem was the uncertainty of CETA about how the newly released grant recovery regulations should be interpreted. However, this problem is not limited to the Construction Industry; other SETAs are experiencing similar difficulties in interpreting the regulations and obtaining the necessary guidelines from the DOL. Areas of uncertainty have been clearly indicated in the proposed WSP model.

A limitation of the study is that feedback was obtained from a limited number of SDFs and SME building contractors based in the Eastern Cape only. Such “feedback from others” is seen as a means of supporting the validity, or

increasing the credibility, of the findings of qualitative research. However, the researcher does not see this as a significant limitation. The specific target audience of the model is SME building contractors who do not have any knowledge or training in the field of human resources, or ready access to such knowledge – that is, contractors who do not have the know-how necessary to develop a value-adding WSP. This lack of know-how is viewed as a factor internal to the organisation, independent of the location of operations.

5.3 SUMMARY OF THE STUDY

The following research problem was addressed in this study:

How can small and micro building contractors be assisted and encouraged to develop a strategic workplace skills plan that satisfies legislative requirements?

This study was prompted by the fact that there are a number of challenges facing SME building contractors when it comes to the training and development of employees. In addition to the problems faced by all contractors, regardless of size – such as, for example, frequent contract over runs, out-of-town work, and lack of certainty about workflow – SME contractors also often have relatively smaller resource bases (eg money, people, tools/equipment) than larger concerns. The target audience of the model developed in this project is faced, furthermore, with a lack of the know-how or knowledge needed to develop a value-adding WSP – that is, one that provides both strategic value to the organisation and allows the recovery of levy payments through the grant system.

There are, however, not many guidelines currently available to assist the targeted SME contractors with this process. While CETA does provide WSP Agents and SDFs to assist smaller contractors with submitting WSPs, this is

limited to administrative assistance – that is, how to complete and submit the WSP in the correct/required format. It does not assist with determining actual training and development needs and/or developing a training plan linked to the strategic plans and goals of the organisation. And while there are a number of existing general training and/or training needs assessment models that address the identification and meeting of the training needs of an organisation, these are generally relatively complex and beyond the capabilities of the target audience. Different models also specify different procedures and/or adopt different approaches, further confusing an already complicated process for the target audience.

In addition to these challenges, there is a general perception in the industry that training and developing employees and making profits are mutually exclusive goals. SME contractors therefore need not only to be assisted in the process of developing a value-adding WSP, but also encouraged to do so. The researcher viewed simplifying the process as much as possible as a means of achieving both of these goals.

Three sub-problems were identified in Chapter 1 as necessary to investigate and solve the main research problem. These sub-problems are discussed in relation to the outcomes of the study below.

■ SUB-PROBLEM ONE

What does the literature review reveal as the basic requirements for developing a strategic workplace skills plan?

Investigating and solving this sub-problem was the focus of Chapter 2. Establishing the basic or minimum requirements for developing a strategic WSP required a detailed and systematic examination of relevant literature, first to identify the requirements proposed by various authors for identifying

and meeting the training needs of an organisation, and thereafter to decide which of them could be considered as basic requirements.

The literature review focused on authors who have developed models for managing training and development in organisations and/or for identifying the training needs of organisations – the so-called general training models and training needs assessment models respectively. Particular attention was given to models developed or recommended by South African authors.

The basic or minimum requirements for developing a strategic WSP were determined from these models by (1) identifying all of the requirements (ie the steps, stages, and/or phases) proposed by each of the models included in the literature review as necessary for identifying and meeting the training needs of an organisation, and then (2) distinguishing and including only those requirements proposed by all of the surveyed models as basic requirements.

Such qualitative research is, by nature, more subjective than quantitative research. Content analysis, a research technique that uses a set of coding procedures for systematically examining a specified body of material, was therefore selected to enable a more objective evaluation of the models than relying solely on the opinion of the researcher. This set of procedures includes a number of typical steps or measures that reduce the subjectivity of the process.

■ SUB-PROBLEM TWO

What are the legislative requirements for a workplace skills plan to qualify for grant payments?

Investigating and solving this sub-problem was the focus of Chapter 3. Establishing the legislative requirements for WSPs to qualify for grant payments required an examination of the implications of current grant recovery regulations for SME building contractors. Group SDFs were also

identified as, *inter alia*, a means to simplify the process of meeting legislative requirements as much as possible, and maximise grant recovery potential.

■ SUB-PROBLEM THREE

How can the results of sub-problems 1 and 2 be integrated to formulate an easy-to-implement model for developing a strategic workplace skills plan that meets legislative requirements?

Investigating and solving the final sub-problem was the focus of Chapter 4. Integrating the results of sub-problems 1 and 2 required translating or converting the strategic requirements identified in Chapter 2 and the legislative requirements identified in Chapter 3, together with an additional bridging requirement – necessary to link, *inter alia*, the activities carried out by the organisation and those carried out by the Group SDF – into a set of simple action steps.

The action steps were then classified – on the basis of similarity and required timing (or sequence) of activities – into four different phases, thus creating a basic model to guide SME contractors through the process of developing and submitting a value-adding WSP – that is, one that provides both strategic value to the organisation and allows the recovery of levy payments through the grant system.

In summary, it is clear that (1) conducting a comprehensive literature review and content analysis, (2) conducting a legislation review, and (3) developing a basic WSP model, solved the identified sub-problems and therefore also the main research problem. Feedback was additionally obtained from CETA, SDFs, and SME building contractors to support the validity of the findings of the research.

5.4 RECOMMENDATIONS

Recommendations for the application of this research project's findings are proposed, and suggestions for further study in areas related to the research problem are offered.

The objective of this research was to formulate a model that, through its simplicity and ease of application, could assist and ultimately encourage SME building contractors that do not have any knowledge or training in the field of human resources, or ready access to such knowledge, to develop and submit a value-adding WSP. Developing an easy-to-implement model – defined in this research as one that illustrates the minimum components and/or relationships that are required to retain the essential structure of the phenomenon – was therefore the aim.

The WSP model formulated in this research illustrates the minimum requirements for developing a strategic WSP and for meeting grant recovery criteria, thereby simplifying the process of developing a WSP as much as possible, without, however, losing the core or substance of the process. This model can therefore be used by all targeted contractors as a step-by-step guide through the process of developing and submitting a WSP that both provides strategic value to the organisation and allows recovery of levy payments through the grant system.

The proposed model endorses the use of, and can easily be incorporated into, existing CETA services for smaller organisations – namely, WSP Agents and SDFs. By providing contractors with this practical guideline – via the above-mentioned agents – CETA can ensure that contractors are not merely offered administrative assistance when it comes to completing their WSP, but also provided with a tool that can be used to develop a WSP as intended by skills development legislation – namely, one that benefits both the employer and the employees, and ultimately the industry and the economy as a whole.

Qualitative research, as conducted in this study, frequently forms the basis of future studies, often quantitative in nature, designed to test the proposed answers (theory, model) (Leedy & Ormrod, 2001: 101). In this instance, for example, SME building contractors using the proposed model to develop and submit WSPs should be surveyed to determine whether the simplicity of the model did in fact assist and encourage them to do so, and to obtain suggestions for further simplifications and/or refinements to improve the usefulness of the model. Research in general, however, also tends to give rise to or identify further unanswered questions (Leedy & Ormrod, 2001). The following areas, where further investigation is recommended, were identified in this study:

- An analysis of the increasing trend in SME WSP submission rates (refer to Table 1.2), to determine whether these increases merely reflect employers' attempts to obtain access to available grants, or whether they reflect a changing perception towards the training and development of employees in the industry.
- The impact of increasing the exemption threshold for levy-payment to R500 000. A number of issues deserve further attention here, including, for example, the marginalising of smaller organisations, the impact of the significant reduction in levy funds on CETA's ability to fulfil its functions, and the potential for undoing or reversing whatever advances have been made in encouraging employers in the industry, especially the smaller ones, to invest in the training and development of their employees.

5.5 CONCLUSION

Skills development legislation (*viz* the SDA and the SDLA) was introduced in an effort to equip South Africa with the skills it needs for economic and employment growth and social development, via the introduction of a number

of institutions, programmes, and funding policies designed to increase investment in skills development (DOL, 2001b).

The Construction Industry - a labour intensive sector, and the supplier of the basic infrastructure that is essential for raising the standard of living of the people of South Africa - has a particularly important role to play. Skills enhancement in the industry as a whole faces a number of challenges, however, including, *inter alia*, that the industry employs the fourth highest number of persons having no formal education; the prevailing perception that training erodes rather than builds profits; the increasing casualisation of labour; and a poor legacy of respect for employees (Construction Industry Development Board, 2004; Dlamini, 2004b).

Overcoming such challenges will require significant changes and commitment from all the stakeholders in the industry, including SMEs, which make up about 95 per cent of the employers in the industry (CETA, no date d: 2). However, these critical players are too often left to their own devices, even marginalized, and increased efforts have to be made to assist and encourage them to participate in the skills development process, including developing and submitting a WSP to CETA, which is a prerequisite for making use of any of the current skills development structures.

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CODE BOOK

APPENDIX A

- 1) **TRAINING AND DEVELOPMENT STRATEGY:** defined as determining (or confirming) the organisation's overall approach to training and development – that is, if training and development is viewed as an investment which will benefit both employees and the organisation, or merely as a means to recover skills development levies and/or something that has to be done on occasion, preferably with as little disruption to normal operations as possible. The former approach may include developing strategies, processes and/or structures to identify the need for training and development initiatives timeously, and to provide ongoing support to further the success of training and development initiatives.
- 2) **TRAINING AND DEVELOPMENT COMMITTEE:** defined as establishing the group or team that is representative of all employees and that will be consulted on all training and development issues.
- 3) **ORGANISATIONAL ASSESSMENT:** defined as giving consideration to the human capital or manpower required to implement current and future business strategies and achieve the organisation's goals and/or objectives when assessing the need for training and development initiatives and/or identifying training needs.
- 4) **CONSTRAINTS ASSESSMENT:** defined as giving consideration to any internal and/or external factors that could impact on training and development initiatives. Examples of internal factors include resources (time, money, materials, people), structures, policies and procedures, and job design. Examples of external factors include legislation, availability of appropriate training programs, and trade unions.
- 5) **JOB ASSESSMENT (also referred to as job analysis, task analysis, operational analysis, or establishing performance objectives):** defined as specifying job performance standards and identifying the

skills necessary to perform at the required standards. **Translation Rule:** The presumption can be made that specifying required performance standards implies that the skills needed to perform at the required standard are simultaneously identified and/or specified, even if not explicitly stated in the text; and vice versa.

- 6) **PERFORMANCE ASSESSMENT (also referred to as performance analysis or person analysis):** defined as assessing current or actual performance and skills levels. **Translation Rule:** The presumption can be made that assessing current/actual performance levels implies that current/actual skills levels are simultaneously assessed, even if not explicitly stated in the text; and vice versa.
- 7) **EMPLOYEE ASSESSMENT:** defined as giving consideration to characteristics of employees that could impact on the success of training and development initiatives. Examples include motivation, education, language, and age.
- 8) **PERFORMANCE GAP ASSESSMENT (also referred to as identifying a performance problem, performance concern, or performance discrepancy):** defined as determining if there is a difference between required performance standards and current or actual performance levels. **Translation Rule:** The presumption can be made that identifying a performance gap (discrepancy, problem, or concern) implies that performance standards have been established and that current or actual performance levels have been assessed; job assessment (activity no 5) and performance assessment (activity no 6) should therefore also be marked off on the coding form even if not explicitly stated in the text.
- 9) **DESCRIPTION OF PERFORMANCE GAP (also referred to as a performance problem, performance concern, or performance discrepancy):** defined as describing or defining an identified performance gap in behavioural terms – that is, in terms of what a person should be able to do, and not in terms of potential solutions.

Translation Rule: The presumption can be made that describing or defining a performance gap implies that a performance gap has been identified, which in turn implies that performance standards have been established and that current or actual performance levels have been assessed; job assessment (activity no 5), performance assessment (activity no 6), and performance gap assessment (activity no 8) should therefore also be marked off on the coding form, even if not explicitly stated in the text.

- 10) **COST-BENEFIT ASSESSMENT:** defined as determining if it is worth attempting to close identified performance gaps – that is, will the benefits of doing so exceed the costs of doing so?
- 11) **POTENTIAL TRAINING NEEDS (also referred to as determining the causes of performance gaps, or distinguishing between training needs and non-training needs):** defined as determining that a performance gap is caused by a skills deficiency, and may include identifying other causes of performance gaps and/or distinguishing between training and non-training needs. **Translation Rule:** The presumption can be made that identifying a skills deficiency or gap implies that identifying a performance gap initiated the search for the cause of the gap; performance gap assessment (activity no 8) should therefore also be marked off on the coding form, even if not explicitly stated in the text.
- 12) **ALTERNATIVES TO TRAINING:** defined as considering alternatives other than training as means of addressing performance gaps caused by skills deficiencies. Examples of such alternatives include job aids, practice, providing feedback, and informal or on-the-job training.
- 13) **REAL TRAINING NEEDS:** defined as determining that a performance gap (deficiency, problem, concern) can best be, and/or should be, addressed by training. **Translation Rule:** The presumption can be made that determining that a performance gap can best be addressed by

training implies that it has been determined that a skills deficiency is the cause of the performance gap; potential training needs (activity no 11) should therefore also be marked off on the coding form, even if it is not explicitly stated in the text that the performance gap is caused by a skills deficiency.

- 14) PRIORITISE TRAINING NEEDS:** defined as listing identified performance gaps, potential training needs, and/or real training needs in order of importance and/or urgency to the organisation.
- 15) TRAINING OBJECTIVES:** defined as specifying what employees should be capable of doing after receiving training.
- 16) TRAINING PROGRAMMES:** defined as designing or selecting a training programme that can address real training needs, or training objectives if specified.
- 17) TRAINING PLAN:** defined as specifying which employees will receive what training, when, where, and how.
- 18) CONTINUOUS FEEDBACK:** defined as evaluating and/or monitoring each step of the training process as opposed to evaluating the success of training and development initiatives after employees have received the relevant training.

CODING FORM

APPENDIX B

DATE:		MODEL									
REQUIREMENTS (ACTIVITIES)		1	2	3	4	5	6	7	8	9	10
1	TRAINING AND DEVELOPMENT STRATEGY										
2	TRAINING AND DEVELOPMENT COMMITTEE										
3	ORGANISATIONAL ASSESSMENT									✓	
4	CONSTRAINTS ASSESSMENT										
5	JOB ASSESSMENT										
6	PERFORMANCE ASSESSMENT										
7	EMPLOYEE ASSESSMENT										
8	PERFORMANCE GAP ASSESSMENT										
9	DESCRIPTION OF PERFORMANCE GAP										
10	COST-BENEFIT ASSESSMENT										
11	POTENTIAL TRAINING NEEDS										
12	ALTERNATIVES TO TRAINING										
13	REAL TRAINING NEEDS										
14	PRIORITISE TRAINING NEEDS										
15	TRAINING OBJECTIVES										
16	TRAINING PROGRAM									✓	
17	TRAINING PLAN										
18	CONTINUOUS FEEDBACK										

MODEL KEY

1. Bellis and Hattingh
2. Goldstein
3. Nadler
4. Chang
5. Osborne
6. Blanchard and Thacker (incorporating both general training and needs assessment models)
7. Camp, Blanchard and Huszco (incorporating both general training and needs assessment models)
8. Van der Schyff
9. Mager and Pipe
10. Peterson

SYMBOL KEY

- ☒ Activity pre-coded by assumption

FORMATIVE RELIABILITY CODING RESULTS

APPENDIX C

i) TABLE

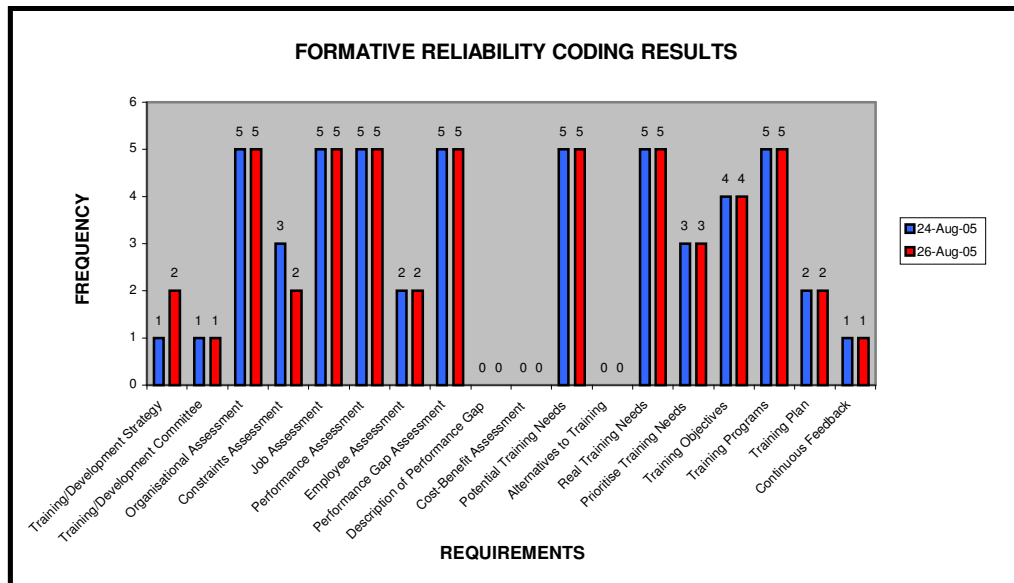
		MODEL					24-Aug-05	MODEL					26-Aug-05
REQUIREMENTS		1	2	3	4	5	COUNT	1	2	3	4	5	COUNT
1	Training/Development Strategy	1					1	1				1	2
2	Training/Development Committee	1					1	1					1
3	Organisational Assessment	1	1	1	1	1	5	1	1	1	1	1	5
4	Constraints Assessment		1	1	1		3		1	1			2
5	Job Assessment	1	1	1	1	1	5	1	1	1	1	1	5
6	Performance Assessment	1	1	1	1	1	5	1	1	1	1	1	5
7	Employee Assessment		1		1		2		1		1		2
8	Performance Gap Assessment	1	1	1	1	1	5	1	1	1	1	1	5
9	Description of Performance Gap						0						0
10	Cost-Benefit Assessment						0						0
11	Potential Training Needs	1	1	1	1	1	5	1	1	1	1	1	5
12	Alternatives to Training						0						0
13	Real Training Needs	1	1	1	1	1	5	1	1	1	1	1	5
14	Prioritise Training Needs	1		1	1		3	1		1	1		3
15	Training Objectives		1	1	1	1	4		1	1	1	1	4
16	Training Programs	1	1	1	1	1	5	1	1	1	1	1	5
17	Training Plan	1				1	2	1				1	2
18	Continuous Feedback			1			1			1			1
TOTAL NO. OF ACTIVITIES CODED		11	10	11	11	9	52	11	10	11	10	10	52
NO. OF ACTIVITIES CODED THE SAME		11	10	11	10	9	51	11	10	11	10	9	51

MODEL KEY

1. Bellis and Hattingh
2. Goldstein
3. Nadler
4. Chang
5. Osborne

$$\begin{aligned}
 \text{FORMATIVE RELIABILITY} &= \frac{\text{TOTAL NO. OF ACTIVITIES CODED THE SAME}}{\text{TOTAL NO. OF ACTIVITIES CODED}} \\
 &= \frac{102}{104} \\
 &= 0.980769 \\
 &= 98.08\%
 \end{aligned}$$

ii) GRAPH



TABULATION OF RESULTS – 28 AUGUST 2005

APPENDIX D

DATE: 28 August 2005		MODEL										RESULTS	
REQUIREMENTS		1	2	3	4	5	6	7	8	9	10	F	%
1	Training/Development Strategy	1				1		1				3	30%
2	Training/Development Committee	1										1	10%
3	Organisational Assessment	1	1	1	1	1	1	1	1	1	1	10	100%
4	Constraints Assessment		1	1			1	1			1	5	50%
5	Job Assessment	1	1	1	1	1	1	1	1	1	1	10	100%
6	Performance Assessment	1	1	1	1	1	1	1	1	1	1	10	100%
7	Employee Assessment		1		1		1	1		1	1	6	60%
8	Performance Gap Assessment	1	1	1	1	1	1	1	1	1	1	10	100%
9	Description of Performance Gap							1		1		2	20%
10	Cost-Benefit Assessment						1			1	1	3	30%
11	Potential Training Needs	1	1	1	1	1	1	1	1	1	1	10	100%
12	Alternatives to Training						1			1	1	3	30%
13	Real Training Needs	1	1	1	1	1	1	1	1	1	1	10	100%
14	Prioritise Training Needs	1		1	1		1	1	1			6	60%
15	Training Objectives		1	1	1	1	1	1			1	7	70%
16	Training Programs	1	1	1	1	1	1	1	1	1	1	10	100%
17	Training Plan	1				1	1		1		1	5	50%
18	Continuous Feedback			1			1	1			1	4	40%
RESULTS													
Frequency (F)		11	10	11	10	10	15	14	9	11	14		
Percentage (%)		61.1%	55.6%	61.1%	55.6%	55.6%	83.3%	77.8%	50.0%	61.1%	77.8%		

MODEL KEY

1. Bellis and Hattingh
2. Goldstein
3. Nadler
4. Chang
5. Osborne
6. Blanchard and Thacker (incorporating both general training and needs assessment models)
7. Camp, Blanchard and Huszco (incorporating both general training and needs assessment models)
8. Van der Schyff
9. Mager and Pipe
10. Peterson

TABULATION OF RESULTS – 4 SEPTEMBER 2005

APPENDIX E

DATE: 4 September 2005		MODEL										RESULTS	
REQUIREMENTS		1	2	3	4	5	6	7	8	9	10	F	%
1	Training/Development Strategy	1				1		1			1	4	40%
2	Training/Development Committee	1										1	10%
3	Organisational Assessment	1	1	1	1	1	1	1	1	1	1	10	100%
4	Constraints Assessment		1	1			1	1			1	5	50%
5	Job Assessment	1	1	1	1	1	1	1	1	1	1	10	100%
6	Performance Assessment	1	1	1	1	1	1	1	1	1	1	10	100%
7	Employee Assessment		1		1			1		1	1	5	50%
8	Performance Gap Assessment	1	1	1	1	1	1	1	1	1	1	10	100%
9	Description of Performance Gap							1		1		2	20%
10	Cost-Benefit Assessment						1			1	1	3	30%
11	Potential Training Needs	1	1	1	1	1	1	1	1	1	1	10	100%
12	Alternatives to Training						1			1	1	3	30%
13	Real Training Needs	1	1	1	1	1	1	1	1	1	1	10	100%
14	Prioritise Training Needs	1		1	1		1	1	1			6	60%
15	Training Objectives		1	1	1	1	1	1			1	7	70%
16	Training Programs	1	1	1	1	1	1	1	1	1	1	10	100%
17	Training Plan	1				1			1		1	4	40%
18	Continuous Feedback			1			1	1			1	4	40%
RESULTS													
Frequency (F)		11	10	11	10	10	13	14	9	11	15		
Percentage (%)		61.1%	55.6%	61.1%	55.6%	55.6%	72.2%	77.8%	50.0%	61.1%	83.3%		

MODEL KEY

1. Bellis and Hattingh
2. Goldstein
3. Nadler
4. Chang
5. Osborne
6. Blanchard and Thacker (incorporating both general training and needs assessment models)
7. Camp, Blanchard and Huszco (incorporating both general training and needs assessment models)
8. Van der Schyff
9. Mager and Pipe
10. Peterson

SIC CODES FOR THE CONSTRUCTION INDUSTRY

APPENDIX F

05	32222	Joinery and wood machining including manufacture and installation of timber and other building fixtures
05	32223	Kitchen cabinet making for customized requirements on-site
05	34211	Manufacture of tiles and sanitary ware
05	34220	Manufacture of refractory ceramic products
05	34221	Installation of refractory ceramic products
05	34231	Brickmaking
05	34250	Manufacture of articles of concrete, cement and plaster
05	34251	Manufacture of articles of concrete, cement and plaster including precast building and civil engineering products on-site and off-site
05	34261	Dimensional stone trades
05	50001	Contractor development
05	50100	Site preparation
05	50101	Excavation, earth moving and tunneling
05	50102	Demolition of buildings and structures
05	50103	Shoring and piling
05	50201	Construction management and supervision
05	50202	Cutting, bending and fixing of reinforcing steel
05	50203	Manufacture and assembly of building related aluminium components and fixtures, including aluminium fenestration and skylight installation
05	50210	Construction of buildings
05	50211	Construction of homes
05	50212	Building construction and project management
05	50213	Timber construction
05	50219	Construction of other buildings
05	50220	Construction of civil engineering structures
05	50221	Construction and maintenance of water supply, sewage and storm water infrastructure
05	50230	Construction of other structures
05	50231	Plant operation
05	50232	Building installation, services and completion
05	50240	Construction by specialist trade contractors
05	50241	Carpentry
05	50242	Ceiling and partition erection
05	50243	Conservation, restoration and refurbishment of buildings, structures etc.
05	50244	Shuttering
05	50250	Structural steel and cladding contracting
05	50260	Construction, maintenance and repair of roads, runways, bridges, tunnels and related structures including draining and road services
05	50261	Road surfacing and repair; hot mix and cold mix asphalt manufacture; and bituminous slurry, bituminous emulsion and modified bituminous binder manufacture
05	50310	Plumbing
05	50330	Shopfitting
05	50340	Bricklaying
05	50350	Plastering, tiling and paving
05	50360	Fencing
05	50370	Glazing
05	50380	Scaffolding
05	50390	Other building installation n.e.c.
05	50410	Painting and decorating
05	50420	Roofing
05	50430	Floor covering
05	50490	Other building completion n.e.c.
05	50491	Waterproof contracting
05	88210	Architectural and engineering activities and related technical consultancy
05	88211	Consulting engineering activities
05	88212	Architectural activities
05	88213	Activities of quantity surveyors
05	88214	Activities of land surveyors
05	88216	Activities of non-registered architects, e.g. tracers and draughtsmen of plans for dwellings
05	8821C	Earth crust drilling
05	8821D	Landscape architecture
05	88222	Testing the strength of concrete
05	88913	Labour only contracting for building and construction
05	88914	Sub-contracting for building and construction
05	9130E	Town and regional planning

SOURCE: SARS (2005b: 2-3)

LEVIABLE INCOME – ALLOWED EXCLUSIONS

APPENDIX G

1. Any amount paid or payable to a director of a private company in respect of services rendered by the director to the company in question, unless the Commissioner of SARS so directs in a specific case.
2. Any amount paid or payable to independent contractors who are not subject to control or supervision of any person as to the manner in which their duties are performed or as the hours of work or if the amounts paid or payable to them are not payable at regular daily, weekly, monthly, or other intervals.
3. Any pension or allowance paid in terms of the following Acts:
 - a. Aged Persons Act;
 - b. Blind Persons Act;
 - c. Disability Grants Act; and
 - d. Children's Act.
4. Amounts paid to an employee to reimburse the employee for actual business expenses incurred in the course of his/her employment.
5. Any annuity under an order of divorce or decree of judicial separation or under any agreement of separation.
6. An amount paid or payable to any labour broker to whom a certificate of exemption has been issued by the Commissioner of SARS.
7. An amount paid or payable to any person by way of any pension, superannuation allowance, or retiring allowance.
8. An amount paid as an annuity payment, lump sum payment from employers upon retrenchment, and lump sum payment from pension, provident, and retirement funds.
9. An amount payable to a learner in terms of a contract of employment under Section 18(3) of the SDA.

SOURCE: SARS (2000: 3-4)

2005/2006 CETA WORKPLACE SKILLS PLAN FORM

APPENDIX H

A1	PARTICULARS ABOUT THE ORGANISATION	
A1.1	Complete the information in the table below. Please ensure that all SDL numbers and corresponding organisation names are specified	
A1.2	Name of organisation	
A1.3	SDL number	
A1.4	SDL number-linked SDL if applicable	
A1.5	SDL number-linked SDL if applicable	
A1.6	Date of submission (mm.dd.yyyy)	
A1.7	SIC Code	
A1.8	SDL number (include the SDL number and name of main and linked SDLs)	
A1.9	Telephone number	
A1.10	Fax number	
A1.11	E-mail address	
A1.12	Total employment (defined as total workforce in respect of which SDL have been paid to SARS)	
A1.13	Name(s) of Skills Development Facilitator(s) (SDF)	
A1.14	SDF address (if different from address of organisation indicated above)	
A1.15	Contact details of SDF	
A1.16	Telephone number	
A1.17	Mobile telephone number	
A1.18	Fax number	
A1.19	E-mail address	
A1.20	Date of submission	
A1.21	SDL No:	
A1.22	date:	
A1.23	SDF Signature:	
A1.24	Authorized Signatory Signature:	

A2		PROVINCIAL PROFILE (1 APRIL 2005 – 31 MARCH 2006)
Please report the distribution of your staff provincially.		
	Province	Number of employees
A2.1	Eastern Cape	
A2.2	Free State	
A2.3	Gauteng	
A2.4	KwaZulu-Natal	
A2.5	Mpumalanga	
A2.6	Northern Cape	
A2.7	Limpopo	
A2.8	North West	
A2.9	Western Cape	
A2.10	Total	
A2.11	SDL No:	
A2.12	date:	
A2.13	SDF Signature:	
A2.14	Authorized Signatory Signature:	

A3		CURRENT EMPLOYMENT PROFILE at 1 April 2005													
Please include all permanent staff including, partners, directors and learners (irrespective of whether or not they are exempt for the SDL). Do not include other employees for whom you do not pay SDL e.g. temporary workers. Ensure that the number of staff reported in form A3 matches the total reported in A2.															
<u>Please note:</u> All persons professionally registered under the different Acts within the Built Environment fall under the category 'Professionals' All persons registered as "Candidates" under the different Acts within the Built Environment fall under the category 'Technicians & Associated Professionals'															
	African			Coloured			Indian/Asian			White			Total		
Occupational Group	Male	Fe-male	Dis-abled	Male	Fe-male	Dis-abled	Male	Fe-male	Dis-abled	Male	Fe-male	Dis-abled	Male	Fe-male	Dis-abled
A3.1 Legislators, Senior Officials, Managers & Owner Managers															
A3.2 Professionals															
A3.3 Technicians & Associated Professionals															
A3.4 Clerks & Administrative Workers															
A3.5 Service & Sales Workers															
A3.6 Skilled Agricultural & Fishery Workers															
A3.7 Skilled Workers, Craft & Related Trades															
A3.8 Plant & Machine Operators & Assemblers															
A3.9 Labourers & Elementary Occupations															
A3.10															
A3.11	SDL No:														
A3.12	date:														
A3.13	SDF Signature:														
A3.14	Authorized Signatory Signature:														

A4 ANNUAL SKILLS PRIORITIES (1 APRIL 2005 – 31 MARCH 2006)

Please list the beneficiaries of education and training priorities planned I. Employees may undertake more than one training intervention, they may also complete the same intervention more than once. This table indicates how much training will be conducted in the organisation during the course of the year. Additional rows may be added if necessary. If the intervention is registered with the South African Qualifications Authority (SAQA) include the SAQA ID number. **Please note: This form has changed from the previous year, and counts people and not the number of different intervention types.** Because more than one person may attend a course, double-counting of beneficiaries of training may occur.

Annual Skills Priorities														
			Level of planned education and training (beneficiaries of training)										SAQA Registered?	
	No.	Skills priority number	List education and training priorities	General (Up to and incl. Level 1)	Further			Higher					If yes, provide SAQA ID number	
					2	3	4	5	6	7	8	Yes	No	SAQA ID No
A4.1	1													
A4.2	2													
A4.3	3													
A4.4	4													
A4.5	5													
A4.6	6													
A4.7	7													
A4.8	8													
A4.9	9													
A4.10	10													
A4.11	11													
A4.12	12													
A4.13	13													
A4.14	14													
A4.15	15													
A4.16	16													
A4.17	17													
A4.18	18													
A4.19	19													
A4.20	20													

Annual Skills Priorities														
			Level of planned education and training (beneficiaries of training)										SAQA Registered?	
				General	Further			Higher				If yes, provide SAQA ID number		
	No.	Skills priority number	List education and training priorities	General (Up to and incl. Level 1)	2	3	4	5	6	7	8	Yes	No	SAQA ID No
A4.21	21													
A4.22	22													
A4.23	23													
A4.24	24													
A4.25	25													
A4.26	26													
A4.27	27													
A4.28	28													
A4.29	29													
A4.30	30													
A4.31	31													
A4.32	32													
A4.33	33													
A4.34	Total													

A4.35	SDL No:	
A4.36	date:	
A4.37	SDF Signature:	
A4.38	Authorized Signatory Signature:	

A5 TRAINING PLAN (1 APRIL 2005 – 31 MARCH 2006)

This table identifies those beneficiaries that will participate in learning interventions. Please indicate the number of beneficiaries who will receive training and NOT the number of programmes to be run during the course of the year. Count each planned recipient of training once only. No double-counting.

Please note:

All persons professionally registered under the different Acts within the Built Environment fall under the category "Professionals"

All persons registered as "Candidates" under the different Acts within the Built Environment fall under the category "Technicians & Associated Professionals"

			Number of beneficiaries per population group												Total		
	Occupation	People to be trained during current financial year	African			Coloured			Indian/Asian			White			Male	Fe-male	Dis-abled
			Male	Fe-male	Dis-abled	Male	Fe-male	Dis-abled	Male	Fe-male	Dis-abled	Male	Fe-male	Dis-abled			
A5.1	Legislators, Senior Officials, Managers & Owner Managers	Current employees (at this level)															
A5.2		Current employees (earmarked for development at this level)															
A5.3		External new recruits (including 18(2) learners at this level and above)															
A5.4	Professionals	Current employees (at this level)															
A5.5		Current employees (earmarked for development at this level)															
A5.6		External new recruits (including 18(2) learners at this level and above)															
A5.7	Technicians & Associated Professionals	Current employees (at this level)															
A5.8		Current employees (earmarked for development at this level)															
A5.9		External new recruits (including 18(2) learners at this level and above)															
A5.10	Clerks & Administrative Workers	Current employees (at this level)															
A5.11		Current employees (earmarked for development at this level)															
A5.12		External new recruits (including 18(2) learners at this level and above)															
A5.13	Service & Sales Workers	Current employees (at this level)															
A5.14		Current employees (earmarked for development at this level)															
A5.15		External new recruits (including 18(2) learners at this level and above)															
A5.16	Skilled Agricultural & Fishery Workers	Current employees (at this level)															
A5.17		Current employees (earmarked for development at this level)															
A5.18		External new recruits (including 18(2) learners at this level and above)															

			Number of beneficiaries per population group												Total		
	Occupation	People to be trained during current financial year	African			Coloured			Indian/Asian			White			Male	Fe-male	Dis-abled
			Male	Fe-male	Dis-abled	Male	Fe-male	Dis-abled	Male	Fe-male	Dis-abled	Male	Fe-male	Dis-abled			
A5.1		External new recruits (including 18(2) learners at this level and above)															
A5.19	Skilled Workers, Craft & Related Trades	Current employees (at this level)															
A5.20		Current employees (earmarked for development at this level)															
A5.21		External new recruits (including 18(2) learners at this level and above)															
A5.22	Plant & Machine Operators & Assemblers	Current employees (at this level)															
A5.23		Current employees (earmarked for development at this level)															
A5.24		External new recruits (including 18(2) learners at this level and above)															
A5.25	Labourers & Elementary Occupations	Current employees (at this level)															
A5.26		Current employees (earmarked for development at this level)															
A5.27		External new recruits (including 18(2) learners at this level and above)															
A5.28		TOTAL Current employees (at this level, not on accelerated development plans for lower level potential promotees)															
A5.29		TOTAL Current employees (accelerated development plans for lower level potential promotees)															
A5.30		TOTAL Potential external new recruit (this level and above)															
A5.31																	

A5.32	SDL No:	
A5.33	date:	
A5.34	SDF Signature:	
A5.35	Authorized Signatory Signature:	

A7 FINANCIAL INFORMATION	
Please complete the table below. This information is to be used for statistical purposes only and will be kept confidential.	
A7.1	Please indicate your organisation's financial year (e.g. March-Feb)
A7.2	Turnover for the last financial year of your organisation
A7.3	Total salary bill for the last financial year of your organisation
<div><div><div>A7.4</div><div>A7.5</div><div>A7.6</div><div>A7.7</div></div><div><div>SDL No:</div><div>date:</div><div>SDF Signature:</div><div>Authorized Signatory Signature:</div></div><div></div></div>	

A8 DEVELOPMENT AND CONSULTATIVE PROCESS (1 APRIL 2005 – 31 MARCH 2006)	
It is recommended that organisations with more than 50 employees establish a Training /Skills Development Committee. It is incumbent upon the SDF to ensure that all levels of the organisation are represented in the Committee. It is important that employees are consulted about the person designated as SDF. Employees should also be informed of the WSP and the implementation of the WSP. This committee should reflect the interests of employees from all occupational categories in the organisation's workforce.	
Add more lines if required. Please retain supportive documents if required to do so by CETA, e.g. minutes	
A8.1	1. What process was used to develop the WSP?
A8.2	Training/Skills Development Committee
A8.3	Employees were consulted
A8.4	Employees were not consulted
A8.5	Other e.g. performance appraisal system, please specify
A8.6	Should you wish to expand on your choice above, please do so
A8.7	2. Did the WSP assist the organisation in achieving its Employment Equity Plan goals? Yes/No/The organisation is not required to submit Employment Equity Reports
A8.8	Should you wish to expand on your choice above, please do so :
A8.9	3. Did the Training/Skills Development Committee review the WSP (if applicable)? If not, what arrangements were made to ensure that employees were consulted with respect to the WSP?
A8.10	4. Do you have difficulty planning employment equity and affirmative action in your organisation? Please describe your aims and challenges, if applicable, in this regard.
A8.11	5. Please identify the areas in which you have experienced skills gaps. Skills gaps occur when the deficiencies in the skills of your current staff inhibits optimal functioning. For example, IT may have changed the way in which work was traditionally done. Some of the workforce for example, may lack the requisite IT skills.
A8.12	6. If you have identified more than one skills gap, clearly indicate possible reasons for each skills gap as the reasons for skills gaps may differ.
A8.13	SDL No:
A8.14	date:
A8.15	SDF Signature:
A8.16	Authorized Signatory Signature:

A9	AUTHORISATION	
A9.1	SDF CONTACT DETAILS If you are not registered as a SDF with CETA, please ensure that the SDF registration documentation is completed and submitted to CETA. CETA will not approve the WSP grant until this has been done.	
A9.2	Title	
A9.3	Initials	
A9.4	First Name	
A9.5	Surname	
A9.6	Identity No.	
A9.7	Tel work	
A9.8	REPRESENTATIVE OF EMPLOYER/MANAGEMENT	
A9.9	Name of Authorised Signatory (e.g. CEO, Managing Partner)	
A9.10	Position in organisation	
A9.11	We, the Authorised Signatory, and the Skills Development Facilitator, declare that this application for a Workplace Skills Plan Grant 2005/6 in respect of (insert SDL number/s) is to the best of our knowledge true and correct. We understand that CETA may independently verify the information. We also understand that it is an offence in terms of section 33(b) of the Act to knowingly furnish any false information in this application and that we may be fined or imprisoned for one year if we are found guilty of knowingly furnishing such false information. This organisation is up-to-date with levy payments to SARS. This is proof that consultation has occurred between employer and employees (through the Training/Skills Development Committee if applicable).	
A9.12	Date	
A9.13	Signed (SDF)	
A9.14	Date	
A9.15	Signed (Authorised Signatory) e.g. CEO, Managing Partner, FD	
A9.16		
A9.17	On behalf of Training Committee (Employer Representative)	
A9.18	Name of Authorised Signatory	
A9.19	Date	
A9.20	Signed	
A9.21	On behalf of Training Committee (Employee Representative)	
A9.22	Name of Authorised Signatory	
A9.23	Date	
A9.24	Signed	
A9.25	Please complete this section in full even if you have submitted banking details before. Organisations completing a consolidated grant submission must complete a separate banking details form for each SDL number where banking details differ. Please note that banking details are only required for the purpose of a refund.	
A9.26	Registered Name	
A9.27	Trading Name	
A9.28	Postal address	
A9.29	Postal code	
A9.30	Skills Development Levy number	
A9.31	Details of Company/Entity bank account are as follows:	
A9.32	Current	
A9.33	Name of Bank	

A9.34	Branch code	
A9.35	Branch	
A9.36	Account number	
A9.37	Type of account (cheque/savings)	
A9.38	Attach at least one of the following items to confirm banking details	copy of cheque/original cancelled cheque/original letter from the bank confirming the details
A9.39	Signed by the employer representative-whose details appear above and who warrants he/ she is duly authorised to bind the company	
A9.40	Name	
A9.41	Job title	
A9.42	Identity No	
A9.43	Date	
A9.44	SDL No:	
A9.48	date:	
A9.49	SDF Signature:	
A9.50	Authorized Signatory Signature:	

SOURCE: CETA (2005b)

CETA BRANCHES

APPENDIX I

■ **Eastern Cape**

P O Box 7334, Newton Park, 6055
278 Cape Road, Newton Park
Port Elizabeth, 6045
(041) 363-1711 (T) (041) 363-1716 (F)
Email: escape@ceta.org.za

■ **Free State and Northern Cape**

P O Box 29516, Danhof, 9310
Boudustria Building, 101a Zastron Street,
Bloemfontein, 9301
(051) 447-1245 (T) (051) 447-3532 (F)
Email: freestate@ceta.org.za

■ **Gauteng, Limpopo, Mpumalanga and North Western Province**

P O Box 2908, Halfway House, 1685
Suite A9, 1st Floor, Greenoaks Office Park,
Cnr Bekker & Gregory Street
Vorna Valley, Midrand, 1685
(011) 805-3091 (T) (011) 805-3093 (F)
Email: gauteng@ceta.org.za

■ **KwaZulu-Natal**

P O Box 264, Pinetown, 3600
Suite 4, 1st Floor, 45 Sunnyside Lane,
Pinetown, 3610
(031) 701-0712 (T) (031) 701-0632 (F)
Email: kzn@ceta.org.za

■ **Western Cape**

P O Box 2553, Bellville, 7535
3rd Floor, Louwville Place,
Vrede Street, Bellville, 7530
(021) 949-5325 (T) (021) 949-1640 (F)
Email: wcape@ceta.org.za

SOURCE: CETA (no date a)

MBA BRANCHES

APPENDIX J

■ **East Cape Master Builders Association**

P O Box 7086, Newton Park, 6055
(T) 041 365-1835 (F) 041 364-1676

■ **Free State Master Builders Association**

P O Box 542, Welkom, 9460
(T) 057 352-6269 (F) 057 353-2402

■ **Gauteng Master Builders Association**

P O Box 4841, Halfway House, 1685
(T) 011 805-6611 (F) 011 805-6718

■ **KwaZulu Natal Master Builders Association**

P O Box 582, Westville, 3630
(T) 031 266-7070 (F) 031 266-6348

■ **North Boland Master Builders Association**

P O Box 13, Worcester, 6849
(T) 023 342-6964 (F) 023 347-1907

■ **Northern Cape Master Builders Association**

P O Box 819, Kimberley, 8300
(T) 053 831-1845 (F) 053 832-1368

■ **West Boland Master Builders Association**

P O Box 336, Langebaan, 7357
(T) 022 772-2251 (F) 022 772-2457

■ **Western Cape Master Builders Association**

P O Box 382, Rondebosch, 7700
(T) 021 685-2625 (F) 021 685-2622

SOURCE: Master Builders South Africa (no date: 1)

JOB ANALYSIS QUESTIONNAIRE

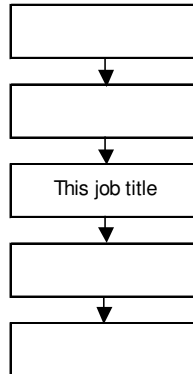
APPENDIX K

Job Title: _____

Date completed: _____

Name and Job Title of person completing this form: _____

1. Complete the following reporting structure:



2. What are the main duties and responsibilities carried out in this job?

Duties/Responsibilities	Percentage of time spent	Daily/Weekly/Monthly

3. What tools, machines or equipment are operated during the course of the above duties?

Tools/Machines/Equipment operated	Percentage of time spent	Daily/Weekly/Monthly

4. Are there any extreme or abnormal working conditions associated with this job?

(eg extreme heat or cold, noise levels, dust, etc)

5. What decisions are involved in carrying out the duties and responsibilities of this job?

Decisions	Percentage of time spent	Daily/Weekly/Monthly

6. What level of education is required to perform this job adequately?

7. What type of job training is required to perform this job adequately?

8. What special skills and/or experiences are required to perform this job adequately?

9. What unusual aspects about the job have not been covered in the previous questions?

10. Are there any legislative requirements (eg OHSA) associated with this job? If so, state requirements.

SOURCE: Gupta (1999: 158-160) and Schultz (2004: 209-211)