

**An evaluation of the extent to which the National Skills Development
Strategy has been implemented – the case of AngloGold Limited**

by
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DECLARATION STATEMENT

I Tobias Dube declare that this thesis is original and I have not submitted it in full or part to any institution or body for academic or any other purpose before.

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SUMMARY

The research project, conducted at AngloGold Limited, a Johannesburg based international mining company, was an evaluation of the extent to which the company had implemented the National Skills Development Strategy. It was prompted by the general perception that companies were lagging behind in the implementation of this strategy. The research problem therefore was: To what extent is AngloGold Limited progressing or lagging behind in the implementation of the National Skills Development Strategy?

As the project sought to evaluate implementation progress, an evaluation research design was used. Since persons with in-depth knowledge of the implementation of the National Skills Development Strategy were available at AngloGold Limited, a purposive sampling method was used. Two techniques were used to gather information: individual semistructured interviews were conducted with AngloGold Limited personnel and union members, and an unstructured in-depth interview with a representative of the Mining Qualifications Authority. Documents of AngloGold Limited and of the Mining Qualifications Authority were also analysed, and a general review of pertinent literature was conducted.

The literature traces the history of formal education and training in South Africa back to 1922, when the Apprenticeship Act (Act No. 26 of 1922) was enacted. Notable in the history of training in South Africa prior to the current dispensation of the National Skills Development Strategy was the Manpower Training Act (Act No. 56 of 1981). Notwithstanding its shortcomings, this Act provided a platform from which the current legislative framework for human resource education and training and subsequently the National Skills Development Strategy evolved. The National Skills Development Strategy, which is the government's education and training reform agenda, is one component of the all-encompassing Human Resources Development Strategy. This agenda is not modelled on the experience of any particular country; however, there is evidence that its conceptualisation was influenced to some extent by international practices.

The National Skills Development Strategy is underpinned by three pieces of legislation, the South African Qualification Act (Act No. 58 of 1995), the Skills Development Act (Act No. 97 of 1998) and the Skills Development Levies Act (Act No.9 of 1999). The Employment Equity Act and the Further Education and Development Act also have a bearing on the National Skills Development Strategy. The Skills Development Act prescribes what is expected of workplaces/companies in the implementation of the National Skills Development Strategy. Workplaces play their part in the implementation of this strategy within the parameters of the implementation process at the macro level. At this level, the implementation process is progressing fairly well.

The evaluation of the implementation of skills development at AngloGold Limited against what is expected of workplaces placed it among companies that are progressing well in the implementation of the National Skills Development Strategy. The company has so far complied with most of the implementation requirements, except for the strategy for company-wide communication of the National Skills Development Strategy process. The company needs to develop an effective and efficient information dissemination strategy to this end. Moreover, the company needs to move beyond reporting on training in terms of numbers to providing information on the actual skills acquired. Learnerships also need to be extended beyond the engineering discipline.

OPSOMMING

Die doel van die navorsingsprojek was om vas te stel in hoeverre die maatskappy AngloGold Bpk, 'n internasionale mynboumaatskappy gesetel in Johannesburg, die Nasionale Vaardigheidsontwikkelingstrategie tot op hede geïmplementeer het. Die navorsing is aangespoor deur die algemene persepsie dat maatskappye in hierdie opsig besig is om agter te raak. Die probleemstelling was dus: In watter mate is AngloGold Beperk by of agter met die implementering van die Nasionale Vaardigheidsontwikkelingstrategie?

Aangesien die oogmerk van die projek was om vordering met die implementering te evalueer, is 'n evalueringontwerp gebruik. Vanweë die beskikbaarheid van persone by AngloGold Beperk met 'n diepgaande kennis van die implementering van die Nasionale Vaardigheidsontwikkelingstrategie, is 'n doelbewuste steekproef geneem. Twee tegnieke is gebruik om inligting te verkry: individuele, semigestruktureerde onderhoude is met personeel van AngloGold Beperk gevoer en 'n ongestruktureerde, diepgaande onderhoud met 'n verteenwoordiger van die Mynboukwalifikasie-owerheid. Dokumente van AngloGold Beperk en van die Mynboukwalifikasie-owerheid is ook ontleed en 'n algemene oorsig oor die tersaaklike literatuur is onderneem.

Die literatuur spoor die geskiedenis van formele opleiding en onderwys in Suid-Afrika terug tot 1922, toe die Vakleerlingwet (Wet Nr 26 van 1922) uitgevaardig is. 'n Baken in die geskiedenis van opleiding in Suid-Afrika voor die huidige bedeling van die Nasionale Vaardigheidsontwikkelingstrategie was die Wet op Mannekragopleiding (Wet 56 van 1981). Ondanks sy tekortkomings het hierdie wet die grondslag gelê waarop die huidige wetgewing op die opleiding en onderwys van menslike hulpbronne voortgebou het en die huidige Nasionale Vaardigheidsontwikkelingstrategie ontwikkel is. Die Nasionale Vaardigheidsontwikkelingstrategie is een komponent van die oorhoofse Menslike Hulpbronontwikkelingstrategie, wat die regering se agenda vir die hervorming van onderwys en opleiding vorm. Hierdie agenda is nie geskoei op die ondervinding van enige besondere land nie, maar daar is aanduidings dat die konsepsualisering daarvan in 'n mate deur internasionale praktyke beïnvloed is.

Die Nasionale Vaardigheidsontwikkelingstrategie word gerugsteun deur drie wette, naamlik die Suid-Afrikaanse Kwalifikasiewet (Wet Nr 58 van 1995), die Wet op Vaardigheidsontwikkeling (Wet Nr 97 van 1998) en die Wet op Vaardigheidsontwikkelingsheffings (Wet Nr 9 van 1999). Die Wet op Diensbillikheid en die Wet op Voortgesette Onderwys en Ontwikkeling het ook betrekking op die Nasionale Vaardigheidsontwikkelingstrategie. Die Wet op Vaardigheidsontwikkeling skryf voor wat van werkplekke/maatskappye verwag word ten opsigte van die implementering van die Nasionale Vaardigheidsontwikkelingstrategie. Werkplekke speel hul rol in die implementering van hierdie strategie binne die parameters van die implementeringsproses op makrovlak. Op hierdie vlak verloop die implementeringsproses redelik vlot.

Die evaluering van die implementering van vaardigheidsontwikkeling by AngloGold Beperk vergeleke met wat van werkplekke verwag word, het die maatskappy onder dié geplaas wat goed vorder met die implementering van die Nasionale Vaardigheidsontwikkelingstrategie. Tot dusver het die maatskappy die meeste van die implementeringsvereistes nagekom, behalwe die strategie vir maatskappywe kommunikasie van die proses van die Nasionale Vaardigheidsontwikkelingstrategie. Die maatskappy moet dus 'n doeltreffende en effektiewe strategie ontwikkel om inligting oor die strategie te versprei. Daarbenewens moet die maatskappy verder gaan as die blote numeriese rapportering oor opleiding en ook inligting verskaf oor die vaardighede wat werklik verwerf is. Leerlingskappe moet ook verder strek as die ingenieursdissipline.

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And to God be the Glory!

TABLE OF CONTENTS

	Page
Title	i
Declaration statement	ii
Summary	iii
Opsomming	v
Acknowledgements	vii
Acronyms	xii
Chapter 1 Introduction	1
1.1 Introduction	1
1.2 Background/Rationale	1
1.3 Background of AngloGold Limited	2
1.4 AngloGold Limited's operating context	4
1.5 Problem statement and aim	4
1.6 Research design and methodology	5
1.7 Outline of chapters	5
1.8 Summary	7
Chapter 2 Education and training: The international experience	8
2.1 Introduction	8
2.2 Selected cases	8
2.2.1 Australia	8
2.2.2 Brazil	11
2.2.3 Chile	12
2.2.4 South Korea	13
2.2.5 Malaysia	15

2.2.6	Mauritius	16
2.2.7	New Zealand	17
2.2.8	United Kingdom	18
2.3	Comparison of South Africa's current education and training agenda with international experience	18
2.4	Summary	19
Chapter 3	The evolution of human resources training in South Africa	20
3.1	Introduction	20
3.2	The current state of the labour market in South Africa	20
3.3	South Africa's training before the advent of the NSDS	22
3.4	Definition and origins of the NSDS	26
3.5	Laws underpinning the NSDS	27
3.5.1	The South African Qualifications Authority Act (Act No 58 of 1995)	28
3.5.1.1	The SAQA	29
3.5.1.2	The NQF	29
3.5.2	The Skills Development Act (Act No 97 of 1998)	34
3.5.2.1	The NSA	35
3.5.2.2	SETAs	36
3.5.2.3	The SDU	38
3.5.2.4	LCs and PSDFs	38
3.5.3	The Skills Development Levies Act No 9 of 1999)	42
3.5.4	Linkages of the laws underpinning the NSDS	43
3.6	Summary	44

Chapter 4	The NSDS	46
4.1	Introduction	46
4.2	The NSDS: A South African approach to human resources education and training.	46
4.3	General progress with the implementation of the NSDS thus far.	51
4.4	NSDS implementation requirements at workplace level	59
4.5	Summary	61
Chapter 5	Research design and methodology	63
5.1	Introduction	63
5.2	Research design	63
5.3	Research methodology	63
5.3.1	Sampling of the unit of analysis and size	63
5.3.2	Data gathering method	64
5.3.3	Analysis of results	65
5.4	Summary	65
Chapter 6	NSDS implementation progress at workplace level: The case of AngloGold Limited.	66
6.1	Introduction	66
6.2	Review of the MQA skills development documents	66
6.3	Review of AngloGold Limited documents related to the implementation of the NSDS	67
6.4	AngloGold Limited's perspective: Staff and Unions	73
6.5	The MQA's perspective	78
6.6	Analysis of findings and discussion	78

	6.7	Summary	83
Chapter 7		Conclusion	84
	7.1	Introduction	84
	7.2	Summary of the main points	84
	7.3	Recommendations	86
	7.4	Possible further research work in this field	87
	7.5	Summary	88
		Bibliography	90
Annexure	1	List of interviews	95
Annexure	2	Interview questions	96

ACRONYMS

ANTA	Australian National Training Authority
DoL	Department of Labour
EESDF	Employment Equity and Skills Development Forum
ETQA	Education and Training Qualifications Authority
ITAB	Industry Training Advisory Body
LC	Labour Centre
PSDF	Provincial Skills Development Forum
MQA	Mining Qualifications Authority
MMS	Mining and Minerals Sector
NSA	National Skills Authority
NSB	National Standard Body
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NQF	National Qualifications Framework
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SDF	Skills Development Fund
SENAC	Servico Nacional de Aprendizagem Commercial
SENAI	Servico Nacional de Aprendizagem Industrial
SETA	Sector Education and Training Authority
SDU	Skills Development Unit
SGB	Standard Generating Body
TGS	Training Guarantee Scheme
VET	Vocational Education and Training

CHAPTER 1: INTRODUCTION

1.1 Introduction

This chapter sets out the background/rationale of the research project, the problem statement, aim and objectives of the research project, outline of the research design and the research methodology and briefly covers the National Skills Development Strategy (NSDS). An overview of the research project report is provided by a brief description of the content of each chapter. Also outlined is the background of AngloGold Limited and the environment within which it is operating, since the company's implementation of the NSDS is influenced by its background and the environment within which it is operating.

1.2 Background/Rationale

In their foreword, Van Dyk, Nel and Loedolff (1993) argue that there is no doubt that the future of companies and countries lies in the quality of their human resources and that only those that succeed in developing their people will eventually survive. They further argue that it is important for South Africa to be able to compete on world markets, and that a critical success factor for this would be to develop a highly skilled workforce that could contribute to the production of commodities of the right price and quality. Concurring with this argument, Alson, Booth, Denis and Snower (1996:1) argue that, "When people acquire skills they not only make themselves more productive ---- they commonly also make themselves more adaptable. ---- Beyond that, people who acquire skills make capital equipment more productive. They make more effective use of machines they work with and they enable managers to introduce more sophisticated and productive machines."

The above arguments concern the critical role played by a skilled workforce in the productivity and competitiveness of companies and consequently of their respective countries. It is evident that skilled workforce is one of the important variables that drive the productivity and competitiveness of economies. However, the question is: Who should be responsible for the provision of skills? Alson et al (1996:xv) argue that "For a long time mainstream economists used to believe that the invisible hand would invariably lead people to acquire skills as long as the resulting benefit to society exceeded the associated costs". It was simply assumed that the market forces would provide adequate incentives for the acquisition of skills. However, market forces

alone do not always meet the training needs of economies; governments need to get involved in one way or another. Recognising this, and anxious to promote equity and employment creation, the South African government through the Department of Labour (DoL) launched the NSDS in February 2001.

The NSDS is governed and driven mainly by the following three laws:

- South African Qualifications Authority Act (Act No 58 of 1995)
- Skills Development Act (Act No 97 1998)
- Skills Development Levies Act (Act No 9 of 1999)

The NSDS's point of departure is the acknowledgement of the following (Leadership Pack - Foreword 2001):

- South Africa is part of the global economy and needs to increase skills within the country so as to improve productivity and competitiveness in its industries.
- South Africa needs to address inequalities inherited from the past.

In the main, the implementation of the NSDS is workplace-based. However, there is a perception that South African companies are lagging behind in the implementation of the NSDS. In an interview, an official of the DoL argued that millions of rands received by Sector Education and Training Authorities (SETAs) for disbursement to companies remained unclaimed (Interview, SAFM 17 April 2002). This indicated that the implementation of the NSDS might not be proceeding as envisaged. It is against this background that a research project on the progress with the implementation of the NSDS at company level was pursued. AngloGold Limited as a workplace was used as a case study in this research project.

1.3 Background of AngloGold Limited

This discussion is confined to those features of AngloGold Limited that are relevant to human resources training and the profile of the workforce.

AngloGold Limited is a global company with a production base spanning four continents, an exploration programme encompassing ten countries in four continents and shareholders in the major share trading centres. The Company has a unitary board structure of 15 directors, comprising of four executive directors and 11 non-executive directors.

AngloGold Limited South Africa has a workforce of 32 763. The table below shows the composition of the workforce per occupational category.

Table 1: Workforce composition at AngloGold Limited

Occupational Category	<u>African</u>		<u>Coloured</u>		<u>Indian</u>		<u>White</u>		<u>Total</u>
	M	F	M	F	M	F	M	F	
Legislators, senior officials, managers and owner managers	3	1	1	0	2	0	138	6	151
Professionals	50	1	4	3	7	4	731	70	870
Technicians and associated professionals	264	9	16	3	4	2	1172	150	1620
Clerks	649	68	7	6	1	3	185	241	1160
Craft and related trade workers	1447	25	52	6	3	2	1750	169	3454
Plant and machine operators and assemblers	4921	105	16	5	0	0	32	52	5131
Labourers and related workers	25835	239	8	0	0	0	67	3	26152
Apprentices and Section 18 (1) learners	179	11	0	0	0	0	34	1	225
Total	33348	459	104	23	17	11	4109	692	38763

M = Male, F = Female

Human resources development is the responsibility of a Human Resources Development Unit headed by the Human Resources Development Manager, who reports to the Executive Director – Human Resources. The company's current training budget is R138m, which is 4.89% of the company's annual total payroll. It

operates a training institution, AngloGold Training and Development Services, which is responsible for the implementation of education and training across the company.

1.4 AngloGold Limited's operating context

The company's human resources training and development takes place within the broader context of its operational environment, which is explored in this section.

As a mining concern, AngloGold Limited operates within the Mining and Mineral Sector (MMS). This sector broadly includes all land and offshore mining operations and services related to the mining of minerals and resorts under the Mining Qualifications Authority (MQA), which is a Sector Education and Training Authority (SETA).

In 2000, the MMS had a workforce of approximately 400 000, of which the gold industry accounted for half (HSRC Labour Unit Market Analysis Unit, 2000). The employment and educational profiles of the sector reflect a skewed distribution of educational and employment opportunities rooted in the past. The majority of workers (68.5%), in the industry have qualifications of grade 9 or below and are black (MQA Skills Plan 2001:19). White workers dominate the managerial, professional and technical occupations, while as little as 3% of the entire work force in the mining sector are women. The few women who are employed in this sector work mainly in clerical positions and in other jobs that are traditionally seen as women's work (MQA Skills Plan 2001:19).

1.5 Problem statement and aim

Against the perception that South African companies are lagging behind in the implementation of the NSDS, the research problem/question is:

To what extent is AngloGold Limited progressing or lagging behind in the implementation of the NSDS?

The aim of the research project was to evaluate the extent to which AngloGold Limited has implemented the NSDS thus far, that is, between March 2000 and August 2002. The objectives were to:

- review literature to place the implementation of the NSDS into context;
- interview AngloGold Limited staff;

- interview a representative of the MQA;
- review AngloGold Limited documentary sources;
- review the MQA documentary sources; and
- draw a conclusion on the implementation progress made thus far.

1.6 Research design and methodology

In this research study, an implementation evaluation research design and a non-probability, purposive method of sampling the unit of analysis were used. The following data collection techniques were used:

- a literature review
- semistructured interviews
- an unstructured telephonic interview
- a review of documentary sources.

1.7 Outline of chapters

As from chapter 2, the flow of chapters is as follows:

- Chapter 2: Education and training – The international experience

This chapter reviews approaches to education and training reform pursued by selected first world and developing countries which were studied by South Africa in its preparation for the development and implementation of the NSDS. The review pays attention to those aspects of the international experience that influenced the shaping of South Africa's NSDS.

- Chapter 3: The evolution of human resources training in South Africa

The chapter traces the historical evolution of training in South Africa, thereby placing the NSDS into context. Since the country's different approaches to training over the years contributed to the current state of human resources, the chapter begins by looking at the current state of South Africa's human resources. This is followed by an extensive exploration of training prior the advent of the NSDS, which then leads to the definition of the NSDS and the exploration of its origins. The discussion of the NSDS-enabling statutes and resultant structures is also a part of this chapter.

- Chapter 4: The NSDS

This is a description of the NSDS as of part of the South African education and training reform agenda. In addition, the chapter reviews the progress made in the implementation of the NSDS at macro level to date (August 2002). The chapter also explores what is expected of workplaces in the implementation of the NSDS. This provides a background against which AngloGold Limited as a case study is evaluated.

- Chapter 5: Research design and methodology

In this chapter the research design and methodology used in the research project are elaborated. This includes justification of the choice of the research design and methodology used.

- Chapter 6: Progress with the implementation of the NSDS at workplace level – The case of AngloGold Limited

This chapter contains a review of both AngloGold Limited and MQA documentary sources, results of the research interviews and the analysis and discussion/interpretation of findings thereof.

- Chapter 7: Conclusion

The chapter presents a summary of the main points of the research project, recommendations and a brief discussion of possible further research in this field.

Chapters 2, 3 and 4 constitute the literature review component of the research project.

- Bibliography

1.8 Summary

This chapter explained that the research project examines the general perception that firms are lagging behind in the implementation of the NSDS. The objectives of the research project therefore centre around an evaluation of the implementation progress in one workplace. An implementation evaluation research design was used in this research project. The methodology used encompassed a non-probability method of sampling of the unit of analysis, the use of semistructured and unstructured interviews as well as analysis of existing documentary sources.

The next chapter scans some international vocational education and training reform experiences. This is done with the aim of establishing elements of the international experiences that influenced the conceptualisation of the South African training and education reform agenda.

CHAPTER 2: EDUCATION AND TRAINING: THE INTERNATIONAL EXPERIENCE

2.1 Introduction

Skills reform is not a phenomenon unique to South Africa; across the world, a number of countries have undertaken a variety of skills reform schemes. This chapter examines selected schemes, particularly those undertaken by some of the countries studied by South Africa in preparation for the development of the NSDS. These countries are Australia, Brazil, South Korea, Chile, Malaysia, Mauritius, New Zealand and the United Kingdom. The discussion is confined to what various schemes entail and their funding mechanisms. The chapter closes with a summary of the features of these schemes that influenced the South African approach to skills development.

2.2 Selected cases

2.2.1 Australia

Until recently, public institutions dominated the Australian education and training arena and budgetary appropriation of the revenue for Vocational Education and Training (VET). A central feature of Australian socio-economic reform has been the wholesale restructuring of the VET system (NEDLAC, 1995:3).

In the main, the Australian reform agenda has been driven by the following (NEDLAC, 1995:3):

- Industry's need to respond to a highly fragmented and inefficient training system.
- The lack of a training culture in the Australian industries, attributed to, among other things, the rigidity of occupational classifications, which limited occupational mobility and reduced incentives for skills creation, encouraging poaching of skilled workers by non-training firms.
- A highly decentralised federal system with no national co-ordination, resulting in lack of interstate recognition of training courses, qualifications and training providers.
- Increasing skills imbalances in industries as funding was biased towards universities.

- Increasing pressure on the post-secondary sector following the increase in the secondary school completion rates.
- Awareness that technological progress was needed to increase the competitiveness of Australian export products and that this required attention to be paid to VET.

The Australian reform is underpinned by the philosophy to develop a nationally coherent VET system that is responsive to the needs of the industry primarily through competency-based training. Ryan (1991:8) states that the VET reform agenda in Australia kicked off in 1990 with the launch of Training Guarantee Schemes (TGS), which put in place incentives for industry to take responsibility for training. Under the scheme, firms with an annual wage bill greater than \$200, 000 were liable for a payroll levy of 1%. The incentive entailed 100% exemption from the levy for firms that spent 1% of their payroll on eligible training. There are contrasting views regarding the success of the scheme. Arguments from non-government quarters are the following (NEDLAC, 1995:5):

- The broad eligibility criteria rendered the scheme revenue neutral, with actual collections not even sufficient to cover its administration costs.
- The scheme lacked support from non-training firms.
- The scheme located training decisions with firms, thereby placing a heavy burden on those firms that lacked interest and infrastructure.
- The scheme did not expand or diversify the training market, because of the monopoly which the technical and further education and training colleges had over the provision of training.
- The national levy did not discriminate between the unique problems faced by different industries.
- The scheme placed an administrative burden on firms.

While the above pitfalls of the TGS are considered to be the reasons behind its abandonment in 1993, the counter-argument, particularly by the government, is that it was discontinued because it had achieved its objectives.

Currently, the essential element of the training reform agenda is the Australian National Training Authority (ANTA) agreement. The agreement establishes a national coordination mechanism for VET. This entails a federal compromise in which states agree to subject their VET efforts to nationally determined standards. However, the agreement leaves control over the formulation of VET strategies and policies and the

implementation of programmes in the hands of the states (NEDLAC, 1995:10). States have their own VET structures presided over by their respective ministers of VET.

Industry Training Advisory Bodies (ITABs) bring industry views to the VET development and planning process. They are central to the development of industry standards, certification, recognition of training and curriculum development. The Ministerial Committee, with ITABs input, is responsible for developing plans that form the basis for the establishment of states' training guidelines by the ANTA. It is on the basis of these guidelines that states profile their VET priorities. The profiles are submitted to the ANTA, which, if satisfied, recommends their adoption by the Ministerial Committee.

The Australian funding system for VET mainly entails budgetary allocations for the states and territories routed through ANTA from the Commonwealth Treasury. Special training programmes, for example traineeships and apprenticeship programmes, programmes for women, people with disabilities and long-term unemployment, are either fully funded by the states or funded through subsidies granted to employers who take on trainees. ITABs are funded mainly through project money from ANTA, contributions from companies and industrial federations.

This highly ambitious VET reform agenda, although in its infancy does appear to be achieving its primary objective, which is the unification of a highly fragmented training system (NEDLAC, 1995:16). Further arguments are that the funding process has already succeeded in producing more accountable state funding for VET by incorporating industry into VET planning and policy formulation. ANTA's accountability to the Ministerial Committee is viewed as a means of enabling the Commonwealth and states to exercise authority over national VET strategies. Although exhibiting noticeable successes, the Australian reform agenda has its shortcomings: a system that is overly complex, with a myriad of different structures, and an obsession with processes and decisions that get lost in the maze of system building at the expense of effective VET delivery (NEDLAC, 1995:16).

2.2.2 Brazil

The Brazilian reform agenda has largely been driven by private initiatives. The agenda is modelled on the structure and financing of two private vocational training institutions, Servico Nacional de Aprendizagen Industrial (SINAI) and Servico Nacional de Aprendizagen Commercial (SENAC). These commercial and service training institutions were initiated by industrialists faced with a rising shortage of skilled labour and a desire to control their long-term training needs (Parsons, 1990). Running parallel to these institutions are institutions providing training for the agriculture and small and micro business sectors. Elementary and regular secondary schooling as well as university education, private schools, universities and colleges and the non-formal education and training sector are the responsibility of the Ministry of Education.

In Brazil, VET is funded from two sources: normal budget appropriations and a payroll levy. The levy system is funded through the payroll of all registered enterprises with the exception of the agricultural and financial sectors. Enterprises in the financial sectors are excluded due to the level of own training done by this sector. In the case of the agricultural sector, the levy is based on the turnover of agricultural producers. The levies are collected by a central government administration and distributed to Vocational Training Institutions (VTIs), which carry out training for companies in their respective sectors. The national departments of SENAI and SENAC retain 15% and 20% of the levy revenue disbursed to them respectively. The balance is disbursed to their regional departments, which are responsible for training delivery. VTIs also generate revenue from rentals on properties, sale of training and non training services and income on investments. The Brazilian levy scheme is therefore based on the mobilisation of revenues for VET from the business sector.

There are two reasons for the high quality of VET system in Brazil (NEDLAC, 1995:39):

- The VTIs are structurally bound to the commercial and industrial interests that formally and effectively control those institutions. This means a close link between the training provided and the industrial requirements.
- The training philosophy and practice of the SENAI were moulded from its inception by a strong German training influence, which introduced all the strong elements of the German apprenticeship system into the SENAI's training. Other Brazilian VTIs have their training modelled on the SENAI system.

The Brazilian reform agenda's shortcomings include the following (NEDLAC, 1995:39):

- A very small proportion of companies in the industrial sector uses the SENAI's training facilities.
- The link between the costs of the training levy and the direct benefits received by firms is tenuous.
- The levy scheme offers no direct incentives to raise the level of enterprise training.
- It directly burdens the business sector.
- There is no firm size limit governing the levy payment.
- The payroll levy has never been revised.
- There are no government-sponsored labour market programmes to train unemployed and disadvantaged youths, leaving the SENAI and SENAC programmes as the only available structured training open to these groups, despite their limited coverage.

2.2.3 Chile

The VET reform agenda in Chile followed a severe macro-economic crisis resulting from the government's demand-driven growth strategy. The philosophy guiding the reform included (NEDLAC, 1995:47):

- A commitment to VET, recognising its importance to human skill formation and economic growth.
- Development of a VET system responsive to the needs of business, which required training decisions to be located with the direct users of training outcomes.
- Establishment of a competitive training market to increase efficiency and the quality of training outcomes.

Central to the reform was the establishment of a highly decentralised, demand-driven training system. The core of the system is firm-based vocational training, conducted in house or outsourced to registered training providers. Co-ordination and regulation of training is the responsibility of a National Training and Employment Service (NTES) under the Ministry of Labour and Social Security.

The financing mechanism for skills development hinges on a tax incentive system (Ryan 1991:28). The incentive provides a direct inducement for firms to invest in their own training. It provides for firms to deduct 1% of their payroll from their annual income tax bill for approved expenditure on training. The formula differs for small firms, as 1% of their payroll is an insignificant amount of money relative to their training costs. The treasury provides them with a direct cash rebate equivalent to the difference between their 1% tax deduction from payroll and their training expenditure. Public enterprise and line ministries are excluded from the tax incentive scheme, but are required to allocate an equivalent of 1% of their payroll for training. SENCE directly finances a range of special training programmes for unemployed youth entering the labour market, women, handicapped and displaced workers from declining industries.

The Chilean VET is praised for the following reasons (NEDLAC, 1995:50):

- Locating the training decision with the direct users of training outcomes.
- Raising the responsiveness of training provision to industry skills demands as well as facilitating the development of a highly skilled competitive provider market.

2.2.4 South Korea

The South Korean economy is a rapidly developing economy. In a dramatically short time, the country has transformed itself from a GDP per capita below South Africa's to a high-growth industrial economy (NEDLAC, 1995:72; Joeng, 1995:53). This has seen the South Korean VET undergoing a number of changes in an attempt to keep pace with the rapidly changing economy. The changes included the following:

- The government taking responsibility for vocational training offered in the first stage of the country's first phase of industrial development. This followed the realisation that firms could not afford to adequately implement in-plant training on their own. Training provided by the government was based on the predicted skills requirements for planned industrial development.
- The introduction of the Basic Law on Vocational Training in 1976 following the inadequacy of public provision of vocational training in meeting the demand for skills. The law introduced a levy exemption scheme for firms employing more than 300 people and later more than 150 people, based on the approved and closely directed in-house training they provide.

- Reorganisation of public training in 1982 into the Korean Vocational Training and Management Agency under the Ministry of Labour.

The 1995 VET reform aimed at relaxing regulations on in-plant training was in the main necessitated by the following (Joeng, 1995:61):

- The shift to high-technology industries, which made much of the public training and in-plant training regulated by the ministry of labour inappropriate to firms' actual needs;
- an increasingly competitive international environment;
- educational trends;
- the changing composition of the workforce and
- the need to take into account a wider concept of human resources development than simply the training necessary for economic growth.

All aspects of the training system are regulated by the Ministry of Labour through two organisations, the Vocational Training Bureau and Korea Manpower Agency. The latter is responsible for the provision of the bulk of public training, the evaluation process and the promotion of vocational training. The former is responsible for all aspects of regulatory development, qualification systems and monitoring. In addition to these organisations, there are advisory committees residing within the Ministry of Labour which consist of employer and union representatives. The role played by formal organisations of the social partners is also important in Korea's VET system.

The South Korean public VET system is funded partly by a levy ranging between 0.1 % and 1.4% of the total wage bill of firms which choose not to apply for exemption and/or have their applications disapproved, and partly direct by the government through the ministry of labour. In addition, there is the Employment Insurance Scheme and the Vocational Abilities Development Project funded by an employer contribution of 0.2% of the payroll and employees at the rate of 0.3% of the employee's pay. The insurance scheme provides unemployment benefits and allowances to promote job seeking by the unemployed. The Vocational Abilities Development Project funds public, in-plant and any other training authorised by the Ministry of Labour. The South Korean VET system, like most VET systems in other countries, has both positive and negative aspects.

The positives include (NEDLAC, 1995:52):

- Successful correlation between vocational training and the nature and pace of economic growth.
- Demonstration of the importance of control and monitoring.
- Fostering of strong positive attitudes towards education and work.

The negatives mostly concern the training policy and funding, which are argued to not have kept pace with economic development and the demands of technological change.

2.2.5 Malaysia

It is argued that the Malaysian VET reform agenda came about as a response to chronic labour shortage resulting from prolonged economic growth which was based on a labour-intensive form of industrialisation (NEDLAC, 1995:83). Further arguments are that VET reform in Malaysia has been influenced by the apparent success of training levies in other countries, notably the Asian Tigers and in particular Singapore.

Pre-employment training is carried out by the following 5 ministries:

- The Ministry of Education, running 69 vocational schools.
- The Ministry of Human Resources, running 10 industrial training institutes, including the training of trainers.
- The Ministry of Youth and Sport, running 7 youth training centres.
- The Ministry of Entrepreneurial Development running 9 Vocational Training Centres.
- The Ministry of International Trade and Industry.

Beyond pre-employment, firms provide in-plant training under the direction of the Human Resources Development Council. The council comprises representatives of employers, government and public agencies and 2 additional members appointed by the Minister of Human Resources. In addition bilateral institutes such as the German–Malaysian Institute and the French–Malaysian Institute promote training in advanced skills.

VET in Malaysia is financed mainly through general budgetary appropriation, state grants and a levy grants system. Budgetary appropriation is done through budgets held by the ministries involved in training. In the case of state grants, the government finances training through support for private training organisations and joint initiatives in the form of federal and state grants and subsidised rentals. Private organisations approved by the Minister of Human Resources are also exempt from import duties, sales tax and excise duties on material, machinery and equipment used for training (NEDLAC, 1995, 83).

In the case of the levy grant system, firms with 10 employees and more with a paid-up capital of US\$1.05 m pay a levy of 1% of monthly basic pay and fixed allowances. The levy is optional for firms with fewer than 10 employees and less than US\$1,05 m in paid-up capital. However, firms in the categories of the optional levy pay 0, 5% of the monthly total basic pay and fixed allowance. The government contributes US\$0, 5 for every US\$0, 42 paid as levy by these firms. Firms involved in training may receive up to 100% of the levy they contributed in a given financial year. The grant levy system is administered by the Human Resources Development Council (NEDLAC, 1995:83).

2.2.6 Mauritius

In Mauritius, legislation governing training was only introduced in 1988 in response to the need to compete in the globalised economy. USAID's Human Resources Development Programme implemented in the mid 1980s is also argued to have stimulated the implementation of structured training (NEDLAC, 1995:100). The Prime Minister's office is responsible for VET through the delegation of responsibility to the Ministry of Manpower.

The Mauritius VET system is funded from a levy of 1% of basic payroll of all employers, with the exception of charities and the employers of domestic workers. The levy is payable on a monthly basis and is administered by the National Pension Board for the Industrial Training Board. The government matches employer contributions and pays 85% of the industrial Training Board's annual capital expenditure. The Board comprises representatives from government and the private sector, with the chairperson appointed by the Prime Minister (NEDLAC, 1995:100).

2.2.7 New Zealand

The VET reform agenda in New Zealand is guided by the following objectives set out in the Education Act of 1989 (NEDLAC, 1995:116):

- Decentralisation of public management of the education and training system.
- Creation of a seamless education and training system underpinned by a New Zealand Qualification Framework.
- Introduction of competitive funding models in the public tertiary sector and for financing special training programmes.
- Development of competitive VET providers.

Key to the reform agenda was the introduction of the New Zealand Qualifications Framework. The framework provides for the integration of education and training, formal recognition of VET undertaken through a variety of institutional settings and introduction of a variety of learning pathways guiding the transition from school to work. The reform also aligns employees with an industry-based training strategy that ensures formal recognition of all industry-based training through the utilisation of competency-based training (training emphasising assessment of what one is able to do).

The Ministry of Education is responsible for policy development and national norms and standards. Industrial Training Organisations are responsible for setting industry-based standards for their respective industries, analysing training needs, structuring training plans for individual firms, constructing private establishments to deliver off-the-job training, monitor training outcomes, develop curricula and train assessors (NEDLAC, 1995:118). New Zealand's education and formal VET is largely financed through budgetary appropriations. These are solely based on the equivalent full-time bulk funding model, i.e. on the basis of the equivalent full-time students the institution attracts. Cost recovery in enterprise training and public sector VET is a strong theme in the financing of training (NEDLAC, 1995:119). Consequently private firm expenditure and student fees are an important source of revenue for training. Special training programmes, that is, those tailored to the needs of the unemployed, disadvantaged individuals and groups, are fully financed by the government. All public funding of industry training is managed by the Education and Training Support Agency. Industry training funds provide limited skills development to firms in support

of training and fund a wide range of activities led by Industry Training Organisations (NEDLAC, 1995:119).

2.2.8 United Kingdom

In the United Kingdom, government intervention in VET goes back to the mid 1960s, when a system of 26 Industry Training Boards was established (Hakson, 2002). The Boards imposed a statutory levy on companies in their respective sectors which was then redistributed as grants for approved training (less the Industrial Training Board administration expenditure). In 1998 a new system that funded public training primarily for school leavers without jobs and long-term unemployed was introduced. It was channelled through 82 Training Enterprise Councils. There was no statutory measure to encourage or regulate training, except for the training of the unemployed. Firms were simply encouraged through national targets linked to the reform of vocational qualifications and public recognition by Investors in People of firms that promoted training.

Training in competitor nations, primarily countries in the European Union and Japan, necessitated a reform agenda (NEDLAC, 1995:134). The reform brought about a new system of qualifications. The system was established by lead bodies – employer-led bodies which identify, define and update national standards for agreed groups of occupations. Funding mechanism follows a broad split; public funding of VET is from the general revenue through the Training Enterprise and Education Directorate, while training providers receive funding on the basis of their successful bids to run training.

2.3 Comparison of South Africa's current education and training agenda with international experience

Although South Africa is not modelling its education and training reform agenda on a specific country, there is evidence that the agenda is influenced by international trends. The following features are significant:

- The reform agenda emanated from the need to improve productivity and competitiveness and to respond to the dictates of technological advancement in addition to the need to redress the imbalances of the past.
- The reform agenda is aimed at bridging the divide between education and training. In this regard, the South African approach exhibits a host of

similarities with the New Zealand approach. Like New Zealand's Qualifications Framework, for example, South Africa's NQF provides for the following:

- integration of education and training;
 - recognition of VET undertaken through a variety of institutional settings;
 - introduction of different learning pathways to a qualification;
 - alignment of employees with an industry-based training strategy that ensures formal recognition of all industry-based training through the utilisation of competency-based training.
- The partnership between the government and the private sector.
 - The use of a statutory levy in funding education and training.
 - Provisions for incentives to encourage training.
 - Driving the reform by a government ministry, the Department of Labour in this case.
 - Training is dictated by the needs of the industry.
 - Governments are responsible for special training programmes for the unemployed, women and disabled.

2.4 Summary

VET reform in the countries discussed followed a variety of approaches. However, there are some features that seem common to most of them, for example:

- For most of these countries the reforms were a response to the need for competitiveness and technological dictates.
- Statutory levies in one form or another are used to fund the VET.
- Reforms are largely a partnership between the public and the private sector.
- Reforms are driven from some government ministry.
- Training is dictated by the needs of industries.
- Reforms make provisions for incentives to encourage firms to train.
- Reforms are aimed at bridging the divide between education and training.

The next chapter reviews the evolution of human resources training in South Africa, which is provided as a background to the discussion of the NSDS.

CHAPTER 3: THE EVOLUTION OF HUMAN RESOURCES TRAINING IN SOUTH AFRICA

3.1 Introduction

This chapter reviews the evolution of human resources training in South Africa. It starts by reviewing the current state of the country's human resources, paying attention to factors that contributed to the prevailing state as well as those that necessitated its improvement. The country's training history before the advent of the NSDS era is also tracked, highlighting various features that characterised each episode in the history of training. Particular attention is devoted to the Manpower Employment Act (Act No 56 of 1981), as it marked a transition to the NSDS era. Also covered in this chapter are the definition of the NSDS and a brief discussion on its origins. In addition, the chapter explores the statutes constituting the legal framework of the NSDS, namely the South African Qualifications Authority Act (Act No 58 of 1995), the Skills Development Act (Act No 97 of 1998) and the Skills Levies Act (Act No 9 of 1999) together with the Employment Equity Act and the Further Education and Training Act.

3.2 The current state of the labour market in South Africa

Insight into the state of current human resources in South Africa is essential if one is to understand the effects of pre-democracy approaches to human resources development and the need for the NSDS. Referring to the comment in President Mbeki's 2001 State of the Nation Address that the country is gradually moving away from its painful past, the Minister of Labour (National Skills Conference, 2001) said: "Sadly, the manifestation of this painful past is still all too evident in every aspect of our lives, not least in the labour market." South Africa is faced with high levels of unemployment, low level of skills and poor performance with regard to job creation (Human Sciences Research Council Market Analysis Unit, 1999:1). This is ascribed to the backlog in education wrought by historical inequalities as well as an education that tended to be overly academic (Bendix, 2001:490). The inadequacies in the education system were exasperated by decades of Bantu education.

The 2001 labour force survey data indicate that the official unemployment rate in South Africa is estimated at 29.5% and the labour absorption rate at 39.6% (Statistics South Africa, 2002). The 29.5% figure depicts the unemployment rate if a limited

definition is used; the figure rises to 41.5% if the expanded definition is used, which includes discouraged work seekers (Human Resources Development Strategy Report, 2002). Projections are that between the period 1998 and 2003, South Africa's formal economy, excluding agriculture, is expected to create only 50 000 jobs (Human Research Council Market Analysis Unit, 1999:8). Most of these jobs are expected to be created for skilled professionals. In the same period, a substantial decline in the number of opportunities, from 34.6% to 33.1%, for lower-level skills (clerical, sales, service workers, semiskilled and unskilled) is projected. These are realistic figures, particularly when one considers the fact that just in the year 2000, only 20% of the 40 million people in South Africa had jobs in the formal sector (Towards a Skills Strategy, 2000). The situation is made worse by the country's high functional illiteracy rate. Bendix (2002:490) argues that this rate is almost half of the population; others put it at 59% (Acting Skills Planning Manager-DoL, 2002).

As recently as 1999, South Africa ranked at the bottom of a group of 47 countries listed according to skilled labour, economic literacy, education system, employment levels and IT skills (National Skills Development Conference, 2001). It is also known that there are only 3 million skilled workers in South Africa with qualifications, compared with 7 million semiskilled and unskilled workers. The dearth of skills and the level of unemployment in South Africa become even worse if analysed along racial and gender lines. Referring to the analysis of human resources in large firms undertaken by the DoL in 2000, the Minister of Labour argued that in highly skilled fields, whites outnumber blacks by a large proportion. The majority of professionals are white, while black people are dominant in the unemployed and retrenched (National Skills Conference, 2001). In the year 2000, of the 4.6 million unemployed, 4.2 million were black and 58% were women (Towards a Skills Strategy, 2000).

The current state of human resources in South Africa is not encouraging and requires nothing short of a skills revolution agenda to turn it around. The integrated Human Resources Development Strategy, of which the NSDS is a component, provides this agenda.

3.3 South Africa's training before the advent of the NSDS

The NSDS developed out of a necessity to address the country's inadequate human resources training. It was derived from a variety of the country's human resources training efforts spanning several decades. It is therefore essential that the historical evolution of human resources training in South Africa is reviewed to place the discussion of the NSDS into context.

The evolution of human resources training in South Africa can be traced back as far as 1922, when the training of apprentices was formalised (Van Dyk, Nel and Loedolf, 1993:132). This was a training method meant to produce skilled workers for the attainment of artisan status. The regulating statute was the Apprenticeship Act (Act No. 26 of 1922), which (Van Dyk et al, 1993:132) -

- regulated apprenticeships in certain trades and the carrying out of the contracts of apprenticeship of persons thereof;
- provided for the establishment, power and functions of committees to regulate such matters; and
- made provisions for matters connected with training of apprentices.

The Apprenticeship Act was applicable to the bootmaking, building, clothing, carriage, electrical, food, furniture, leather work, mechanical engineering and printing industries. It provided for the designation of trades and apprenticeship committees for each of these industries. However, the act did not provide for co-ordination between these committees, leading to lack of uniformity and restricted mobility (Van Dyk et al 1993:432). The problem dragged on until 1933, when the Minister of Labour called a national congress on post-war training of apprentices, which led to the passing of the Apprenticeship Act (Act No 37 of 1944). This became the major training Act for nearly 47 years, parallel with the Training of Artisans Act (Act No 38 of 1951). The latter empowered the Minister of Labour to provide training of adults in trades where shortages of artisans were severe enough to affect public interest adversely.

According to Van Dyk et al (1993:433), 1958 saw a growing dissatisfaction with the apprenticeship system, resulting in the Minister of Labour requesting the National Apprenticeship Board to conduct investigations into possible revision of the Apprenticeship Act. The investigations led to the promulgation of the Apprenticeship Amendment Act (Act No. 46 of 1963). Like its predecessors, as well as the Training

of Artisans Act, the Apprenticeship Amendment Act seems not to have come any closer to the alleviation of the dissatisfaction with human resources training.

Van Dyk et al (1993:340) argue that pressure on the government to create a full democracy and total equality for all changed political structures in South Africa. Among other things, this gave birth to trade union related activities. Further arguments are that widespread labour unrest in 1970 and 1976 in Durban and the Reef respectively were a result of the country's inadequate labour legislation and labour policy. Labour legislation before 1981 barred blacks from qualifying as artisans, for instance, and job reservation prevented non-white South Africans from filling many professional positions. Pressure for labour changes in South Africa did not only come from internal labour markets. It also came from the international labour community, particularly the International Labour Organisation, to which even the government of the day subscribed (Van Dyk et al, 1993:340). In addition, the country's rapid economic growth and the process of industrialisation resulted in a great increase in the demand for skilled labour which existing human resource policies were unable to satisfy (Nel and Van Rooyen, 1989:72).

Social, political and economical pressures on the South African government, particularly between the period 1960 and 1981, culminated in several efforts meant to improve its approach to human resources training. Notable are the Wiehahn Commission of Enquiry and the Riekert Commission of Enquiry, set up by the Minister of Labour in the 1970s. The former investigated labour legislation, with emphasis on the elimination of restrictions in the labour market. This was an effort to provide an improved foundation for labour legislation in South Africa. The latter investigated legislation regarding the utilisation of labour in South Africa, with the view of eliminating unjustifiable discrimination between different population groups. The work of the commissions marked a turning point in the history of labour legislation in South Africa (Van Dyk et al, 1993:403). Van Dyk et al (1993:403) also argue that “--- despite the fact that not all the recommendations of these commissions were accepted or implemented in full by the South African government, extensive changes were introduced in the country's manpower training policy.” The influence of the recommendations of the Wiehahn and Riekert commissions is evident in the Manpower Training Act (Act No. 56 of 1981), which repealed the Apprenticeship Amendment Act (Act No 46 of 1963).

The aim of the Manpower Training Act was to provide an institutional framework within which the country could cope with the problems brought about by the new labour dispensation. The Act was aimed at institutionalising the new labour policy that relates to employment opportunities, productivity and economic development (De Villiers 1994:10). The Manpower Training Act was, therefore, a marked improvement over its predecessors.

The Manpower Training Act became effective on 1 November 1981. The legislation, which aimed to ensure that adequate supply of labour was available at all times to satisfy changing needs of industry and commerce, provided for the following:

- Effective training of the country's labour force, irrespective of race or sex.
- Establishment of a system of training encouraging and supporting training efforts, which encompassed the provision of financial assistance for training actions and programmes in the private sector. This was done by way of training grants or tax concessions in respect of training costs.
- Establishment of institutions and facilities for the execution of the training functions required to meet the needs and problems of developing economies.
- Establishment of the National Training Board to co-ordinate training.
- Establishment of a Manpower Development Fund based on the system of levies to finance the other aims of the Act.
- Recognition of artisans in designated trades, the designation of these trades and the registration of apprenticeship contracts.
- Registration and management of public training centres.
- Registration and support of private training and schemes of training.

Van Dyk et al (1993:435) provide a comprehensive account of the Act's subsequent amendments. The first amendment, a minor one, was implemented as Act No 88 of 1982 and aimed to provide for the payment of training allowance to certain employers training employees in groups at private training centres as well as under a training scheme or scheme under section 48 of the then Labour Relations Act. Another minor amendment was gazetted as Act No 1 of 1983 with the purpose of simplifying the process of collecting money from parties involved in group training centres and subsequent disbursement of financial aid to group training centres. However, these amendments did not help much to reduce the skills shortage in South Africa. Van Dyk et al (1993:436) argue that, "Despite this, South Africa remained facing a serious shortage of skilled manpower and the situation drastically deteriorated."

The Act's inability to cope with the country's needs for skilled human resources prompted the Minister of Labour to mandate an investigation, which was jointly carried out by the Human Sciences Research Council and the National Training Board (Hakson, 2002). This investigation led to a White paper in 1987 which opened the way for the development of industry training boards for all types of in-service training (Van Dyk et al, 1993:438). Investigation is said to have laid the foundation for the new conscious approach to training; hence it is regarded as a milestone in the evolutionary process of training in South Africa. The investigation findings brought about a major amendment to the Act, implemented as the Manpower Training Amendment Act (Act No 39 of 1990). The amendment signalled the dawn of a new era for manpower training in South Africa.

The provisions of the Manpower Training Amendment Act are as follows (Van Dyk et al, 1993:440):

- Establishment and accreditation of training boards by means of which industry accepted responsibility for training apprentices and for other kinds of industrial training. This included the responsibility to carry out training needs analysis, course development and updating of course content.
- A change from time-based training system to a performance or competency-based modular system.
- The setting up of an advisory committee for regional training centres to advise the Registrar of Training with regard to the training of workers in general and other related matters.
- The establishment of a fund for training unemployed persons, thereby obtaining greater co-operation from the private sector with regard to mobilisation of funds.
- The phasing out of tax rebates for training and the introduction of training subsidies as well as cash allowances aimed at stimulating training in those areas where there was a critical shortage of skilled manpower.
- The extension of training boards to all forms of human resources training, that is, training other than that of artisans.
- The introduction of a system whereby there was minimum interference by the state in the training business of the private sector, with the Department of Labour's role limited to support as well as monitoring of training at macro level without dictating at industry level at all.
- The establishment of a scheme of training work seekers, the unemployed, to combat rising unemployment, for the provision of basic skills to enhance their

entry into highly competitive labour market or become self-employed in informal business.

Comprehensive as it seemed, the Manpower Training Act of 1981, even in its amended versions, fell short of alleviating, let alone eliminating the shortage backlog of skilled and professional people in South Africa. Something else needed to be done if a dent was to be made to this problem. Schellnus and Bendix (2000:61) argue that everyone shared the view that it was time to take a fresh look at the problem and that it was recognised that the existing legislative environment had to be changed. The hands-off approach taken by the Department of Labour under the Manpower Training Act that left training entirely in the hands of the private sector simply did not effect the required change. It did not even stem the decline in training that followed the introduction of the Act – a decline in excess of 80% in apprenticeship numbers between 1981, when the Act was introduced, and 2000 (Schellnus and Bendix, 2000:61). The state of the country's current human resources as discussed under section 3.2 testifies to this point.

The amended Manpower Training Act formed the basis of the country's current human resources training legislative framework and consequently the NSDS.

3.4 Definition and origins of the NSDS

The NSDS is a strategy that guides education and training of South Africa's human resources. It is one essential component of the broader Human Resources Development Strategy that was launched by the government in April 2001. The NSDS's point of departure is the acknowledgement of the following (National Skills Development Strategy Leadership Pack – Foreword, 2001):

- South Africa is part of the global economy and needs to increase skills within the country so as to improve productivity and competitiveness in South African industries.
- South Africa needs to address inherited inequalities.

The NSDS is underpinned by the following principles (Erasmus and Van Dyk, 2001:20):

- It is demand driven: It places emphasis on skills and competencies required by South African enterprises to help improve productivity and competitiveness.

- It focuses on pre-employment and targets group training linked to work experience to increase chances of employment.
- Flexibility and decentralisation: It is driven through national co-ordination and direction supporting localised decision making and a strategic approach to education and training.
- Partnership and co-operation: At national, sector, provincial, community and workplace levels, the definition and implementation of the skills development strategy is based on partnerships between and amongst the social constituencies.
- Efficiency and effectiveness: Delivery of skills development programmes and initiatives characterised by cost effectiveness and positive outcomes for all those who invest in training and skills development.
- Promotion of equity: Building an inclusive society and widening opportunities.

Dissatisfaction with the composition of the National Training Board in the early 1990s, particularly among trade unions, led to the formation of a more representative task team in 1993 (Understanding the Laws, 2001:3). The task team produced a strategic document, the National Strategy Initiative in 1994, which paved the way for the promulgation of the South African Qualifications Act, the Skills Development Act and the Skills Development Levies Act in 1995, 1998 and 1999 respectively. The Skills Development Act charged the Minister of Labour to prepare the NSDS under the advice of the National Skills Authority (National Skills Development Strategy: April 2000 – March 2005, 2001:3). The NSDS was then drawn up by the DoL and the National Skills Authority (NSA), following extensive consultation with labour, organised business and community stakeholder groups. The Minister of Labour subsequently launched it in February 2001.

3.5 Laws underpinning the NSDS

Van Dyk et al (1993:429) argue that South Africa's critical shortage of semiskilled, skilled and highly skilled human resources requires training and development of current and future human resources to take place by means of a structured framework that is governed by legislation. In this section, therefore, the focus is on legislation that governs training in South Africa.

As already pointed out, the inability of the Manpower Training Act to effect the required change in human resources training necessitated a fresh look at the problem. According to Schwellnus and Bendix (2000:61), debates around a new approach to manpower training began in 1992, when the National Training Board adopted a more democratic approach to its work. This followed dissatisfaction with its representativeness, specifically in the Congress of South African Trade Unions (Understanding the Laws, 2000:3). It has also already been pointed out that this dissatisfaction led to the formation of a more representative Task Team that produced a strategic document, the National Strategy Initiative. This document paved way for the South African Qualifications Authority Act, Skills Development Act and Skills Development Levies Act, the three pieces of legislation upon which the NSDS rests.

Although the above three pieces of legislation form the gist of the NSDS legislative framework and deserve special attention in this discussion, they do not complete this framework on their own. The Further Education and Training Act and the Employment Equity Act also form part of the framework. In this part of the discussion, the linkage of the five pieces of legislation in the framework is reviewed. The South African Qualifications Authority Act, Skills Development Act and the Skills Levies Act are reviewed in detail, as they directly govern and drive the NSDS.

3.5.1 The South African Qualifications Authority Act (Act No. 58 of 1995)

The South African Qualifications Authority Act forms a legal base for the development of an integrated approach to education and training in South Africa (Schellnus and Bendix, 2000:466). It ends the split between education and training in South Africa, which is central in the implementation of the NSDS. The Act embraces the following objectives:

- Creation of an integrated national framework for learning achievements.
- Facilitation of access to and mobility and progression within education and training and career paths.
- Enhancement of the quality of education and training.
- Acceleration of the reparation of past unfair discrimination in education, training and employment opportunities.
- Contribution to the full personal development of each learner and the social and economic development of the nation at large.

In order to pursue these objectives, the Act provides for the establishment of the South African Qualifications Authority (SAQA) and the development and implementation of the National Qualifications Framework (NQF).

3.5.1.1 SAQA

SAQA is a special institution established in terms of Section 3 of the South African Qualifications Authority Act. It is headed by a 29-member board representing various stakeholders that oversaw the development of the NQF. The tasks of SAQA are as follows (An introduction to the skills development strategy, 2001: 18; Bendix 2001: 466):

- Registration of bodies responsible for establishing education and training standards or qualifications.
- Accreditation of bodies responsible for monitoring and auditing achievements in terms of the standards and qualifications.
- Overseeing the implementation of the NQF, namely:
 - registration or accreditation of training standards or qualification bodies and the assignment of their functions;
 - ensuring that steps comply with the provisions of accreditation;
 - taking steps to ensure that standards and registered qualifications are internationally comparable;
 - accepting responsibility for the control of the Authority's finances;
 - advising the Minister on matters affecting registration of standards and qualifications.

3.5.1.2 The NQF

The concept of a NQF is an innovation aiming to bring all learning under a single framework of outcomes-based standards and qualifications. The idea is to widen opportunities for learning, however achieved, to be recognised so that workers and learners can advance either in education and training or in their career path. The NQF learning paths include all forms of education and training; the NQF is designed to enable people to follow sideways as well as upwards learning pathways. It has different levels which clearly indicate how far a person is from the bottom or top and what the next step is. All types of learning and career paths have the same levels,

allowing progress to be recognised wherever a person is (Introduction to the Skills Development Strategy, 2001:19).

The framework regulates the quality of education and training in South Africa and provides different entry, exit and re-entry points. It classifies education and training according to eight levels of learning that measure how difficult the learning for different qualifications is rather than how long one has studied. Table 2 is a summary of the NQF levels.

Table 2: NQF levels

NQF Level	Band				
8 7 6 5	Higher education and training	Post-doctoral research degree Doctorates Master's degrees Professional qualifications Honours degrees National first degrees Higher diplomas National diplomas National certificates	Universities Technikons Colleges		
Further Education and Training Certificate					
4 3 2	Further education and training	School/college/trades/certificates	Private schools Government schools	Technical, community, some police, nursing, private colleges	RDP and labour market schemes, unions, workplaces, etc.
General Education and Training Certificate					
1	Std 7/grade 9 (10 years)	ABET Level 4	Formal schools, urban, rural, farm, special schools	Occupation, work-based training, RDP, labour market schemes, upliftment programmes, community programmes	NGOs, churches, night schools, private ABET programmes, unions, workplaces, etc.
	Std 5/grade 7 (8 years)	ABET Level 3			
	Std 3/grade 5 (6 years)	ABET Level 2			
	Std 1/grade 3 (4 years)	ABET Level 1			
	1 year reception				

Level 1 of the NQF is attained at the end of either the ordinary, compulsory schooling up to grade 9 (standard 7) or through Adult Basic Education and Training (ABET level 4). Level 1 forms the first level of the framework. The certificate awarded for this level is the General Education and Training Certificate, hence the band is referred to as the General Education and Training Band. Levels 2 to 4 of the framework form the second band. It covers further education and training; that is, schooling and technical certificates up to the equivalent of matric. Levels 5 – 8 form band three, which covers higher education and training, that is, from National Certificates to post-doctoral research degrees. The level of a qualification, therefore, is based on the exit level, that is on what one will know or be able to do when he/she finishes the qualification. This is applicable to all qualifications, thereby giving education and training equal status. What is measured is what one knows and can do rather than where and how one learnt.

The NQF recognises that there are skills that are necessary for all types of work, and that such skills must be built into all qualifications (An introduction to the Skills Development Strategy, 2001:21). These are referred to as critical cross-field outcomes, and there are seven of them:

- Identifying and solving problems
- Working together with other people
- Organising and managing yourself
- Collecting and analysing information
- Communicating well
- Using science and technology and being aware of their effects on people and the environment
- Realising that we, and all the problems we tackle in learning and doing, are part of a bigger society

In order for qualifications and standards to be registered on the NQF, they have to be generated somewhere. The SAQA Act provides for the establishment of the standard-generating bodies (SGBs) for this purpose. A standard-generating body consists of parties with a direct interest in specific learning outcomes. Its main functions are to generate standards and qualifications in accordance with the SAQA requirements in identified subfields and levels, recommend standards and qualifications to their National Standards Body (NSBs) and update and review standards (An introduction to the Skills Development Strategy, 2001:21).

The SGBs' responsibilities technically end with the recommendation of standards and qualifications to their respective national standards bodies (NSBs). These are bodies whose establishment is provided for by regulation 20 of the NSB regulations. They are comprised of the government, organised business, organised labour, education and training providers, community stakeholder groups, learner organisations and critical interest groups. One is established per field or area of learning and registered with SAQA. There are twelve such bodies, thereby dividing the NQF for implementation purposes into twelve organising fields.

Table 3: NSBs and organising fields

National Standards Body	Organising field
NSB 01	Agriculture and nature conservation
NSB 02	Culture and arts
NSB 03	Business, commerce and management studies
NSB 04	Communication studies and language
NSB 05	Education, training and development
NSB 06	Manufacturing, engineering and technology
NSB 07	Human and social studies
NSB 08	Law, military science and security
NSB 09	Health science and social services
NSB 10	Physical, mathematical, computer and life science
NSB 11	Services
NSB 12	Physical planning and construction

The tasks of NSB as stipulated under Section 19 of SAQA regulations are the following (Bendix, 2000: 469):

- To define and recommend to SAQA the boundaries for which it is responsible.
- To define and recommend to SAQA a framework of subfields to be used as a guide for the recognition and establishment of SGBs.
- To recognise and/or establish SGBs within the framework of sub-fields or withdraw or rescind such recognition or establishment.

- To ensure that the work of the SGBs meets the requirements for the registration of standards and qualifications as determined by SAQA. This includes ensuring that the SGBs are:
 - appropriately and adequately constituted;
 - have adequate and appropriate representation;
 - have access to resources necessary for generating standards and qualifications, including expertise and financial stability.
- To recommend the registration of standards and qualifications on the NQF to SAQA. In order for the NSB to make such recommendations, it needs to be satisfied that the rules of all qualifications recognise prior learning and are clear on what one must know and be able to do to get the qualification, how they must learn (An introduction to the National Skills Development Strategy, 2000:22).
- To update and renew qualifications.
- To liaise with Education and Training Quality Assurance bodies (ETQAs) regarding the procedures for recommending new standards and qualifications or amending registered standards.
- To define requirements and mechanisms of moderation to be applied across ETQAs.
- To appoint office bearers, such committees and members of committees as are required to carry out the functions designed in consultation with SAQA.
- To perform such functions as may from time to time be delegated by SAQA.

Standards or qualifications registered on the NQF have to be achieved. The SAQA Act provides for the establishment and accreditation of ETQAs, which are bodies that ensure the achievement of these standards and qualifications. ETQAs are accredited by SAQA in each sector for the purpose of monitoring and auditing achievements in terms of national standards or qualifications (Bendix, 2001:479).

Section 9 of the regulations of SAQA stipulates that ETQAs must -

- accredit constituent providers to specific standards or qualifications registered on the NQF;
- promote quality among constituent providers;
- monitor provision by constituent providers;
- evaluate assessment and the facilitation of moderation among constituent providers;

- register constituent assessors for specified registered standards as qualifications in terms of the criteria established for that purpose;
- take responsibility for the certification of constituent learners;
- co-operate with the relevant body or bodies appointed to moderate across ETQAs, including, but not limited to, moderating the quality assurance on specified standards or qualifications for which one or more ETQAs are accredited;
- recommend new standards or qualifications to NSBs for consideration, or modifications to existing standards or qualifications;
- submit reports to SAQA in accordance with the requirements.

3.5.2 The Skills Development Act (Act No 97 of 1998)

The Skills Development Act (SDA) enacted in 1998 deals with the relevance of learning to existing and new jobs and to the country's economic and employment growth and social development (An introduction to the Skills Development Strategy, 2001:25). It creates the structures and framework for the skills development strategy.

Erasmus and Van Dyk (2001:22) and Schellnus and Bendix (2000:60) concur on the fact that the SDA replaced the Manpower Training Act (Act No. 56 of 1981) and the Guidance and Replacement Act (Act No. 62 of 1981). Bendix (2001:480) argues that it also repealed the Local Government Training Act 41 of 1985 and Sections 78 and 7 of the Telecommunications Act of 1996. Schellnus and Bendix (2000:60) also further argue that the Skills Development Act, "...can be seen as one of the most important measures by which a more skilled and diversified workforce, as being envisaged by the Employment Equity Act, can be achieved."

Schwellnus and Bendix (2000:62) summarise the purposes of the SDA as:

- To develop the skills of the South African workforce in order to -
 - improve productivity in the workforce and the competitiveness of the employer;
 - improve the quality of life of workers, their prospects of work and labour mobility;
 - promote self-employment;
 - improve delivery of social services.

- To increase the levels of investment in education and in the labour market and, more importantly, to improve return on that investment.
- To encourage employer to -
 - use the workplace as an active learning environment;
 - provide employees with the opportunities to acquire new skills;
 - provide opportunities for new entrants to the labour market to gain work experience;
 - employ persons who find it difficult to be employed;
- To encourage workers to participate in learnerships and other training programmes.
- To improve the prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education.
- To ensure the quality of education and training in and for the workplace.
- To assist -
 - work seekers to find work;
 - retrenched workers to re-enter the labour market.
- To provide and regulate employment services.

To make the above happen, the Act set up an infrastructure of institutions, planning mechanisms, innovative programmes and a new funding system.

One of the things that the Skills Development Act did first was to set up a series of institutions, namely the National Skills Authority (NSA), Sector Education and Training Authorities (SETAs) and the Skills Development Planning Unit (DPU) (Understanding the laws, 2001:6).

3.5.2.1 The NSA

The NSA is a statutory body whose establishment is provided for by section 4 of the Act and which was subsequently established in April 1999, taking over the work of the Industrial Training Board. It consists of 24 members drawn from organised labour, organised business, the community, government, education and training providers, experts on employment services and SAQA.

Essentially, the NSA plays an advisory role to the Minister of Labour, advising on all aspects of skills development including the preparation and implementation of the NSDS. In addition, it also has some legislative powers, the most important being the power to investigate any aspect of the implementation of the NSDS. The NSA works closely with the Chief Directorate: Employment and Skills Development Services of the DoL.

3.5.2.2 SETAs

The second set of institutions put in place according to Section 9 of the Act are the SETAs. These are bodies consisting of representatives from government departments, organised labour and employers. They replace the former industry training bodies as key promoters of training, together with the DoL, principally through its provincial office and Labour Centres (LCs), which are described later.

In March 2000, the Minister of Labour named the following SETAs that assumed their full legislative responsibilities in April 2000:

Banking Sector Education and Training Authority (BANKSETA)

Chemical Industries Education and Training Authority (CHIETA)

Construction Education and Training Authority (CETA)

Diplomacy, Intelligence, Defence and Trade Sector Education and Training Authority (DIDTETA)

Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA)

Energy Sector Education and Training Authority (ESETA)

Financial and Accounting Services (FASSET)

Food and Beverages Manufacturing Industry Sector Education and Training Authority (FOODBEV)

Forest Industries Sector Education and Training Authority (FIETA)

Health and Welfare Sector Education and Training Authority (HWSETA)

Information Systems, Electronics and Telecommunication Technologies (ISETT)

Insurance Sector Education and Training Authority (INSETA)

Local Government, Water and Related Services (LGWSETA)

Media, Advertising, Publishing, Printing and Packaging (MAPPP)

Mining Qualifications Authority (MQA)

Manufacturing, Engineering and Related Services Education and Training Authority (MERSETA)

Police, Private Security, Legal and Correctional Services Sector Education and Training Authority (POSLECSETA)

Primary Agriculture Education and Training Authority (PAETA)

Public Services Education and Training Authority (PSETA)

Secondary Agriculture Sector Education and Training Authority (SETASA)

Services Sector Education and Training Authority (SERVICES)

Clothing, Textiles, Footwear and Leather (Textiles SETA)

Tourism, Hospitality and Sport Education and Training Authority (THETA)

Transport Education and Training Authority (TETA)

Wholesale and Retail Sector Education and Training Authority (W&RSETA)

The functions of SETAs are set out in section 10 of the Skills Development Act (Act No 97 of 1998). In the main, these are (SETAs – Managing the task of equipping South Africa with skills, 2001:3):

- To prepare sector skills plans for their entire respective sectors;
- To implement their respective sector skills plans;
- To identify where learnerships are needed, design the learnerships, market and register them;
- To act as an ETQA for standards and qualification in the sector, that is, undertake quality assurance as per their certification by SAQA. It does this by :
 - accrediting education and training providers;
 - registering assessors;
 - collaborating with other education and training institutions;
 - encourage and help employers to prepare workplace skills plans.
- To disburse levies collected from employers in the respective sectors;
- To monitor the implementation of the workplace skills plans;
- To support the implementation of the NQF;
- To provide information about the sector to employment services, both in the DoL and elsewhere.

The third set of institutions that the Skills Development Act sets up are the SDU (Skills Development Unit) and the LCs (Labour Centres), both of which reside within the DoL. Linked to LCs are Provincial Skills Development Forums (PSDFs), hence they are discussed together, although they do not strictly fall within this set of institutions as they do not reside within the Department.

3.5.2.3 The SDU

The SDU is established in terms of Section 22 of the Skills Development Act. Its tasks are:

- To research and analyse the labour market in order to determine the skills development needs for South Africa as a whole, each sector of the economy and organs of the state;
- To set up systems for monitoring and evaluating the implementation of the skills development strategy; and
- To look at signals in the labour market and in the economy that are likely to affect employment and translate them into meaningful messages for employers and, more importantly, training providers.

3.5.2.4 LCs and PSDFs

Both the LCs and PSDFs are still in their rudimentary forms, that is, they are still in their early stages of development. Section 23 of the Skills Development Act mandates the Director General of the DoL to establish LCs in each province of South Africa. PSDFs, also created in terms of the Skills Development Act, consist of representatives from government departments, employers, trade unions and organised community groups. They play an advisory role to LCs.

With the advice of the PSDFs, LCs assume the following responsibilities (An introduction to the Skills Development Strategy, 2001, 33):

- Develop project skills plans, which are then approved by the Provincial Director of the DoL and funded from the National Skills Fund (NSF).
- Identify opportunities and develop skills for self-employment and social development.
- Refer learners to and place them in learnership opportunities.
- Ensure that service providers are able to offer appropriate skills to work seekers.
- Monitor the quality of private employment agencies.

LCs are a way of assisting all people to get skills and jobs. One of the challenges facing South Africa's young people is the transition from education to the world of work, hence the existence of LCs to smooth this transition.

The second major element of the Skills Development Act deals with planning for skills development. The Skills Development Act, therefore, has devised the NSDS (which will be discussed in detail later), sector skills plans, workplace skills plans and project skills plans as planning instruments. Sector skills plans are compiled by SETAs for their respective sectors and contain the following (Sector Education Training Authorities, 2001:4):

- The number of employers in the sector, age and gender profile of the people working in the sector, extent of skills shortage and hard-to-fill vacancies;
- The way in which it is likely to develop;
- Opportunities for small businesses;
- The demand for current and future skills and the kinds and levels of skills employers and communities require;
- The supply of skills (the training being provided by training providers including tertiary institutions); and
- the strategic objectives aligned with the NSDS.

In summary, the sector skills plans provide a framework and background for skills development within sectors. They provide employers and workers with information they need in order to understand the sectors in which they are operating. They also provide education and training providers with valuable information on current and future skills needs within individual sectors.

The Skills Development Act further requires that employers complete and return a workplace skills plan in accordance with set timetables and supplementary guidelines issued by the respective SETAs. The plan requires the completion of 4 tables of data expressed in terms of occupational groups, gender, race and disability. An annual training report based on the plan must be submitted to the company's SETA.

The Skills Development Act further requires the development sector, which includes very small private businesses, government projects, NGOs and community groups to compile project skills plans instead of work skills plans. Like the work skills plans, project skills plans must reflect where the demand and opportunities are and must indicate which skills are needed. Project skills plans are submitted to the Provincial Director of the DoL, which on approval funds their implementation from the NSF.

The Skills Development Act also changes old approaches to vocational training by introducing new forms of learning programmes, learnerships and skills programmes. The new programmes are meant for people who are already employed as well as people who want to enter the workplace (An introduction to the National Skills Development Strategy, 2001:25). They are a way of assisting all people to get skills for existing and future jobs. Chapter 4 of the Skills Development Act provides for learnerships. These build and improve on old apprenticeships. Learnerships, like the former apprenticeships, are competence assessed, with a mixture of practical and theoretical training. However, unlike the former apprenticeships, learnerships have the following characteristics (An introduction to National Skills Development Strategy, 2001:26):

- They fit into the NQF, thereby giving learners qualifications registered by SAQA. Learnerships cover more levels than the former apprenticeships, which enables learners who qualify to later move on to professional and other qualifications.
- They are based on the needs of the economy, on the recognition that skills do not create jobs, but that available jobs or potential jobs dictate what skills are required. The point is that the link between demand and training is crucial; therefore employers are directly involved in learnership agreements and training needs as established by SETAs and the SDU are taken into consideration.
- They are based on agreements between learner, employer or group of employers and service provider. The employer has a responsibility to employ the learner for a period specified in the agreement, to provide specified practical work experience and to release the learner to attend the education and training specified in the agreement (Bendix 2001:483). The training provider's responsibility is to deliver specified training that meet the needs of the economy.

Skills programmes are short and less complex job-related training programmes that lead to a credit on the NQF. They consist of learning towards one or more of a few unit standards. Mercorio and Mercorio (1999:142) argue that skills programmes are suitable for lower levels of education, literacy and numeracy. A number of skills programmes relating to a particular occupation together provide the learner with a qualification at a level equal to that provided by a learnership.

In order to facilitate the implementation of the NSDS at workplace level, the Skills Development Act provides for the establishment of a Workplace Training and Education Committee (WTEC) and the appointment of a Skills Development

Facilitator (SDF). The establishment of a WTEC is mandatory for companies employing 50 or more people. In unionised workplaces, unions form part of the committee. The committee provides a valuable forum for structured interaction between employees and management (Mercorio and Mercorio, 1999:143). In the main, the roles of the committee are the approval of workplace skill plans and reports and appointment of the SDF.

According to Mercorio and Mercorio (1999:129), SDFs act as resource persons to stakeholders and are responsible for the skills development process in the company. Specifically, the SDFs' responsibilities are –

- to liaise with the SETA,
- to facilitate the development of a workplace skills plan,
- to advise the employer on the implementation of the plan,
- to advise the employer on the preparation of annual training progress report, and
- to collect and disseminate information and facilitate a process of planning and compliance.

In larger workplaces, that is, those with employees or turnover above the prescribed threshold as determined by the Employment Equity Act, the appointment of an SDF is the responsibility of the WTEC. In the case of smaller companies (employing 49 or fewer persons or with a turnover below the threshold), the SDF is appointed jointly with employees. The SDF could be either an employee or independent consultant contracted formally, either by an employer or a group of employers acting jointly.

Another major development brought about by the Skills Development Act is the entirely new funding system consisting of the levy grant and the NSF. Although the levy grant system has been introduced and abandoned in a number of countries, it has been opted for in South Africa. This is because skills development in South Africa is considered as a responsibility of everyone, including every employer. The underlying principle is that all employers contribute, with the exception of employers exempted in terms of the Skills Development Levies Act. The levy system ensures that every employer pays something towards the skills development of the country's workforce. Details of the skills development levy will be discussed later.

The other component of the funding system, the NSF, was established for the purpose of funding new skills areas and development projects. The NSF is funded with 20% of the levy paid by each employer and with government and donor grants.

3.5.3 The Skills Development Levies Act (Act No. 9 of 1999)

The purpose of the Skills Development Levies Act is to introduce a levy payment system. The levy is payable to the South African Revenue Services, which is the national collecting agency. The levy was introduced in April 2000 at a rate of 0.5% of the company's payroll and increased to 1% of the company's monthly payroll from 2001. The Act exempts the following categories of employers from paying the levy:

- Any public service employer in the national or provincial government;
- All employers whose remuneration to all employees during the following 12 month period will not exceed R250 000 and who are not required to apply for registration in terms of the 4th schedule of the Income Tax Act;
- Any religious or charitable institution which is exempted from paying tax;
- Any national or provincial public entity that receives 80% or less from the South African Parliament.

The SARS receives the levy on a monthly basis. It then hands over the money to the DoL, which allocates 20% of the total to the NSF and divides 80% among the SETAs. In proportion to the amounts paid by the firms that make up each SETA. SETAs retain up to 10% of the money they receive to cover administration and running costs, with the balance going to levy and discretionary grants.

Levy grants are paid by SETAs to employers as follows:

- Grant A, 15%, on appointment of a SDF.
- Grant B, 10%, on submission and approval of the workplace skills plan by the SETA.
- Grant C, 20%, on submission and acceptance by the SETA of an annual training report.
- Grant D, 5%, granted to companies for providing education and training in specific skills identified by the SETA.

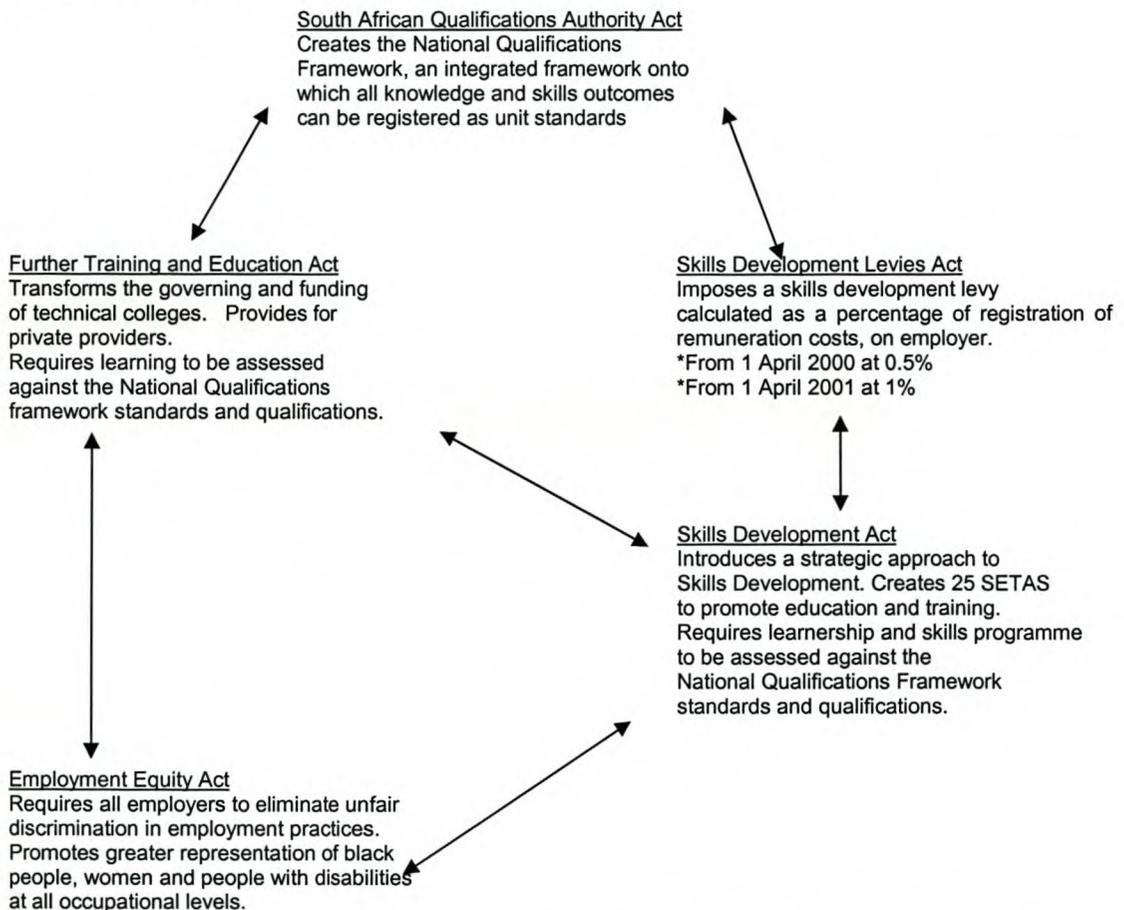
In the 2001/2002 period, therefore, an employer could get back up to 50% of the levy paid. In the 2002/2003 period, the maximum levy grant that can be claimed by an employer is 45%.

SETAs also give grants that are not linked to the amount of the levy paid, referred to as discretionary grants. There are three such grants: for learnerships, for skills programmes and to meet priorities that the SETA might set for its sector.

3.5.4 Linkages of the laws underpinning the NSDS

The legislative framework for the implementation of the skills development strategy in South Africa is not limited to the links between the Skills Development Act, Skills Development Levies Act and South African Qualifications Act. There are also links to the Employment Equity Act (Act No 55 of 1998) and the Further Training and Education Act (Act No 98 of 1998). Figure 4 illustrates the links between the laws that underpin the NSDS.

Figure 4 (Mercorio and Mercorio, 1999:47):



The Skills Development Act impacts on the implementation of the Employment Equity Act at workplace level. Regulations under the Skills Development Act use the same

criteria of employee numbers or sales turnover to classify employers into different groups (Mercurio and Mercurio, 1999:7). In order to accelerate the career progression of people from groups designated by the Employment Equity Act, there must be financial resources. The Skills Development Levies Act makes provisions for the collection of levies to finance the education and training required.

The Skills Development Act is also linked to the Further Education and Training Act. Mercurio and Mercurio (1999:7) argue that workplace education provided for by the Skills Development Act is affected by the Further Education and Training Act, which leads to the formation of public and private education and training institutions, working in the second band of the NQF (levels 2 to 4). A Further Education and Training institution is required to be a third signatory to learnership contracts, along with the employer and learner in terms of the Skills Development Act.

A complete legislative framework for skills development in South Africa, therefore, comprises the Skills Development Act; the Skills Development Levies Act; the South African Qualifications Act, the Employment Equity Act and the Further Education and Training Act. According to Mercurio and Mercurio (1999:5) these Acts are "...part of a legislative framework which has a number of interlocking organising themes, which include access, equity, redress, quality assurance and stakeholder management."

3.6 Summary

South Africa is faced with high levels of unemployment, low levels of skills and poor performance with regard to job creation, resulting in low productivity and competitiveness. The NSDS was initiated precisely to address these deficiencies in the country's economy.

The NSDS did not develop out of a vacuum. It was derived from a variety of the country's human resources training efforts spanning several decades. Important in the country's history of human resources training before the advent of the NSDS is the Manpower Training Act (Act No. 56 of 1981) which formed a transitional platform to the NSDS era. Underpinning the NSDS is a comprehensive legislative framework comprised of the South African Qualifications Authority Act, the Skills Development Act, the Skills Development Levies Act, the Further Education and Training Act and the Employment Equity Act.

The South African Qualifications Authority Act provides for the establishment of the South African Qualifications Authority and the National Qualifications Framework, the former being a specialised institution responsible for quality assuring education and training through the latter, which is a framework on which all knowledge and skills are registered as unit standards. The Skills Development Act provides for the establishment of the National Skills Authority, whose responsibility is to provide advice to the Minister of Labour, of Education and Training Authorities, who are implementers of the NSDS, and of the Skills Development Planning Unit which is responsible for researching and analysing skills development needs and guiding the planning thereof. In addition, the Skills Development Act provides for the establishment of Labour Centres and Provincial Skills Development Forums at provincial level. The former is responsible for providing labour-related services at local levels under the guidance of the latter.

The Skills Development Levies Act provides for the collection of levies from employers for the purpose of funding the NSDS. The Further Education and Training Act makes provision for private providers and requires learning to be assessed against the NQF standards and qualifications. The Employment Equity Act promotes greater representation of previously disadvantaged individuals in all occupational levels, thereby influencing beneficiaries of the NSDS.

In the next chapter the NSDS is reviewed, with attention being paid to its legislative framework, objectives and associated indicators as well as progress made in its implementation.

CHAPTER 4: THE NSDS

4.1 Introduction

This chapter provides a detailed account of the NSDS, its objectives and associated indicators, and explores the progress made with its implementation at macro level to date. This is done against the targets set for each success indicator. In preparation for the evaluation of the NSDS implementation progress at workplace level, an overview of what is expected of workplaces in the implementation process is also covered in this chapter, as the progress made by AngloGold Limited in the implementation of the NSDS is measured against the success indicators of the NSDS.

4.2 The NSDS: A South African approach to human resources education and training

The NSDS is the country's new approach to education and training, operating within the comprehensive legislative framework discussed above. It is one essential component of the country's all-embracing Human Resources Development Strategy. According to Mercurio and Mercurio (1999:3) it is "a new approach which aims to link learning to the demands of the world of work, develop the skills and knowledge of existing workers and enable employers to become more productive and competitive." The focus of the NSDS, therefore, is to direct resources to the development of priority skills and knowledge needed to grow companies and their employees.

Legitimising the NSDS at its launch in February 2001, the Minister of Labour argued that it is a product of extensive consultations and research (Towards a National Skills Development Strategy, 2001). Describing the process through which the NSDS evolved, Mercurio and Mercurio (1999:3) say it was "...developed by collecting and analysing current labour market information which reveal the economy and illustrate which sectors are growing and require new skills, which sectors are changing or shrinking and where new opportunities for work are emerging".

The mission statement of the NSDS is to equip South Africans with the skills to succeed in the global market and to offer opportunities for self-advancement to enable South African workers to play a productive role in society. This is guided by a

three-element vision, "skills for productive citizenship for all." The three elements are (National Skills Development Strategy: April 2001-March 2005, 2001:5):

- Skills: suggesting investment in activities that enable and empower individuals through the acquisition of competencies that are in demand;
- Productive citizenship: which is about the right to actively contribute to and participate in making decisions that affect investment and work. The idea, therefore, is to give people the capacity to engage in these decisions.
- For all: denoting the inclusion of everyone, i.e. the creation of opportunities for those with work as well as for the unemployed.

Flowing from the mission and vision are five objectives and twelve success indicators or targets around which the NSDS is designed. Hakson (2002) argues that by designing the NSDS this way, the government has been prepared to say, "This is our framework, these are our targets and we are going to be measured by them." This is a significant development, as the government (the DoL in this case) is prepared to put its reputation on the line.

Below are the NSDS's five objectives and twelve success indicators or targets.

Objectives

Success indicators

- | | |
|---|--|
| 1. Developing a culture of high-quality, life-long learning | 1.1 By March 2005, 70% of workers have at least a Level One qualification on the National Qualifications Framework |
| | 1.2 By March 2005, a minimum of 15% of workers have embarked on a structured learning programme, of whom at least 50% have completed their programme satisfactorily. |
| | 1.3 By March 2005, an average of 20 enterprises per sector, (to include large, medium and small enterprise), and at least five national government departments, to be committed to, or |

have achieved an agreed national standard for enterprise-based people development.

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|--|-----|---|
| 2. Foster skills development in the formal economy for productivity and employment growth. | 2.1 | By March 2005, at least 75% of enterprises with more than 150 workers are receiving skills development grants and the contributions towards productivity and employer and employee benefits are measured. |
| | 2.2 | By March 2005, at least 40% of enterprises employing between 50 and 150 workers are receiving skills development grants and the contributions towards productivity and employer and employee benefits are measured. |
| | 2.3 | By March 2005, learnerships are available to workers in every sector. (Precise targets have been agreed with each SETA.) |
| | 2.4 | By March 2005, all government departments assess and report on budgeted expenditure on skills development relevant to public service, sector and department priorities. |

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- | | | |
|--|-----|--|
| 3. Stimulating and supporting skills development in small businesses | 3.1 | By March 2005, at least 20% of new and existing registered small business are supported in skills development initiatives, and the impact of such support is measured. |
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|---|-----|--|
| 4. Promoting skills development for employability and sustainable livelihoods through social development initiatives. | 4.1 | By March 2003, 100% of the National Skills Fund apportionment to social development is spent on viable development projects. |
| | 4.2 | By March 2005, the impact of the National Skills Fund is measured by project type and duration, including details of placement rates, which shall be at least 70%. |
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|---|-----|---|
| 5. Assisting new entrants into employment | 5.1 | By March 2005, a minimum of 80 000 people under the age of 30 have entered learnerships |
| | 5.2 | By March 2005, a minimum of 50% of those who have completed learnerships are employed (e.g. have a job or are self-employed), studying or undergoing further training full time or are in a social development programme within six months of completion. |
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The NSDS discussion will not be complete without the discussion of its benefits. A 1998 analysis of training in 15 countries found that the majority of enterprises believe or acknowledge that staff training results in (Benefits of National Skills Development Strategy for Employers, 2001) -

- productivity improvement,
- greater workforce flexibility,
- savings on materials and capital costs,
- a more motivated workforce,
- improved quality of the final product or service.

Judging from the above results, skills development seems to offer many benefits. The NSDS, however, envisages benefits that are broader than those quoted in the above study. NSDS benefits are both economical and social and accrue to employers, workers, government and society at large, as described below (Benefits of the National Skills Development Strategy for Employers, 2001).

Skills development equips workers with skills required for them to keep up with ever-advancing technology. All things being equal, appropriate exploitation of technology contributes to an increase in turnover. It also enables positive interaction with clients as well as the exploitation of new ways of doing things and market opportunities. Workers' ability to exploit technology, therefore, translates into improved profit and growth.

Appropriately skilled workers are able to undertake routine maintenance, detect faults, solve problems, reduce ignorant errors and breakdowns and address client complaints in a way that builds relationships. This translates into decreased or avoided expenses. Employers who train and report in accordance with the requirements of the NSDS get back part of their levy payments in the form of grants. Another benefit that accrues to employers as a result of skills development is the availability of relevant skills on the labour market (Investing in people, 2000:8).

Workers who know that their employer is committed to their skills development are more likely to identify with their company, develop loyalty and are prepared to go an extra mile when duty calls. They are also likely to tell other skilled workers about their positive work environment, making further recruitment possible. Small businesses further benefit from special support programmes, particularly new technology-related programmes put in place by their respective SETAs.

Skilled workers tend to have confidence in themselves and their work, which has a positive bearing on job satisfaction. The more the workers become skilled, the more they contribute to the company's productivity and profitability. This enables the employer to reward them accordingly. More money in the pockets of workers is likely to lead to increased expenditure, which is good for the country's economic growth. The NSDS also provides for the training and education of unemployed people, thus improving their chances of employment, and an increase in the number of employed people in the country broadens the tax base.

The government, like any other employer, is expected to enjoy the benefit of being staffed by skilled people. In addition, increased revenue for employers, a broader tax base and improved remuneration add up to an increase in the state revenue in the form of tax. The result is an increase in money that the government can spend on social services and on building the infrastructure of the country, benefiting the society at large.

However, the benefits discussed above depend on other social, political and economical factors; in other words, the NSDS requires a conducive environment before it can yield these benefits.

4.3 General progress with the implementation of the NSDS thus far

Before evaluating the implementation progress of the NSDS at workplace level, it is essential to review progress at macro level. This is because the latter takes place within the broader context of the former. The NSDS implementation process is only in its second year; consequently, it is still too early for any measurable impact to be expected (Hakson, 2002). It is for this reason that the discussion is confined to what has been done, as will also be the case with the implementation progress at workplace level.

Commenting on the progress made in the implementation of the NSDS at macro level, the Minister of Labour (Implementation report, 2002:1) said, "Much of the first year has been spent building up our fitness in the field and understanding our focus better. We are beginning to get into our stride and our stamina is building." At macro level, the DoL has put in place structures intended to provide the government, its social partners and business with a platform on which a shared skills agenda can be built. These structures are the 25 SETAs. Other structures put in place by the DoL to support the implementation of the NSDS are the SPU, NSF and LCs. The progress made with the implementation of the NSDS at macro level is measured on the basis of the work of SETAs, reflected against the five objectives, the associated indicators and three equity targets, which are 85% blacks, 54% females and 4% people with disabilities (Cabinet Memorandum No 3 of 2002).

The 25 SETAs launched on 20 March 2000 assumed their full legislative responsibilities on 1 April, 10 days after the launch. In the same year, they completed their respective sector skills plans that were assessed and approved by

an expert team led by the DoL (Sector Education and Training Authorities, 2001:4). To date, 22 SETAs have registered a total of 276 learnership programmes with the DoL, with a total of approximately 15000 learners (Cabinet Memorandum No. 3 of 2002). This constitutes 18.7% of the target of 80 000 people under the age of 30 years targeted for the learnership programme by the year 2005. 18 SETAs received grants from the NSF in May 2001, and most of them have set up structures and systems to implement their respective sectoral strategic projects. All SETAs are involved in facilitating the compilation of workplace skills plans and progress reports by workplaces as a going concern. In the same manner, they are also involved in the disbursement of levy grants to workplaces in accordance with implementation requirements. Already, some 66% of firms employing over 150 workers are claiming grants, 38% of firms employing between 50 and 150 workers and 7% of small firms (Cabinet Memorandum No.3 of 2002). Studies to assess the impact of this work are under way. SETAs are encouraged to design special sector projects that meet special needs in their sector. To this effect, most SETAs have embarked on innovative programmes to support priority areas identified through their sector skills plan, for example, already some 57 729 workers are in SETA-funded ABET programmes (Cabinet Memorandum No 3 of 2002).

Although the progress of the 25 SETAs is discussed as a whole, their individual progress differs: 13 are making good progress, they substantially meet their targets and command support in their sectors; 8 are making progress but face problems, including governance issues and the capacity of senior staff, and 3 are consistently underperforming (Cabinet Memorandum No 3 of 2002). Generally, the SETAs are progressing well, considering that they assumed full responsibility only 10 days after they were launched, meaning that their setting up ran concurrently with the implementation of their responsibilities. Compared with similar organisations in the United Kingdom – the Training Enterprise Councils, which had at least 18 months to appoint staff, plan and put systems in place prior to assuming their responsibilities – the SETAs are on track (Hakson, 2002).

The SPU has so far set up systems to monitor and evaluate the implementation of the NSDS and has compiled a consolidated progress report. The NSF has launched a series of strategic projects, 18 of which are administered by SETAs, which over the next three years are expected to consume over a billion rand, impacting on between 350 000 and 400 000 people (Hakson, 2002). The DoL has established LCs across the country. However, these are still in their rudimentary stages.

The grant levy system, whereby the South African Revenue Services collect the levies from employers and part of the levy is returned to the employers as training grants, is progressing fairly well. The rate of employer compliance, i.e. levy payment, improved from 51% in 2000 to 67% to date (Acting Skills Development Manager – DoL Skills Planning Unit, 2002). The NQF is another system set up by the DoL in conjunction with the Department of Education, which is important in the implementation of the NSDS. Although besieged with problems, the NQF is making progress in the registration of standards and qualifications (Report of the study team, 2002:11).

Progress made per objective thus far is summarised in the tables below (National Skills Development Strategy implementation report: April 2001-March 2002:27).

Objective 1: Developing a culture of high-quality life-long learning

Success indicator 1.1: By March 2005, 70% of all workers have at least a level 1 qualification on the NQF.

Table 4: Indicator 1.1 targets and performance (Implementation report, 2002:6)

Baseline information	Estimate of workers with NQF level 1 qualification	Target to achieve NQF level 1	Progress
SETA employment: 9.3 million workers 70% of 9.3m = 6 524 154	SETAs: 5 619 161	SETAs: 904 993	SETAs: 57 729 workers participating in NQF level programmes – March 2002

The table above reflects the following (Implementation report, 2002:6):

- SETAs have agreed to baseline figures amounting to 9.3 million workers in levy-paying organisations in their memoranda of understanding with the DoL (70% of which is 6 524 154).
- According to the Labour Force Survey of February 2001, approximately 9.7% of the workforce have qualifications below NQF level 1. Application of this percentage to the agreed baseline figure suggests that 904 993 workers located in levy-paying organisations should achieve an NQF level 1 qualification by 2005.
- By March 2002, SETAs had progressed 6% (57 729 learners) towards their target.

Success indicator 1.2: By March 2005, a minimum of 15% of workers have embarked on a structured learning programme, of whom at least 50% have completed their programme satisfactorily.

Table 5: Indicator 1.2 targets and performance (Implementation report, 2002:7)

Baseline information	Target	Progress	Racial breakdown
SETAs: 1 398 033 (15% of 9.3m)	SETAs: 699 017	SETAs: 315 836 workers in all structured learning programmes; 50 683 had completed learning programmes to March 2002	SETAs: <ul style="list-style-type: none"> • 44% were black • 37% were women • 0.16% were disabled

The table above indicates the following (Implementation report, 2002:7):

- SETAs' information indicates that 315 836 workers had embarked on structured learning programmes by March 2002.
- 315 836 represents 45% of the target for participation in structured learning by workers, which suggests that SETAs and the employers in their sectors are well on the way to achieving the success indicator by March 2005.
- The profile of workers benefiting from this training does not satisfy equity targets, particularly as regards the inclusion of blacks and women in training.

- 50 683 workers had completed structured learning programmes by March 2002. This represents 16% of total learners. To achieve a 50% completion rate by 2005, the number of workers completing structured learning programme satisfactorily will have to grow dramatically over the remaining time.

Success indicator 1.3: By March 2005, an average of 20 enterprises per sector and at least 5 national government departments are committed to or have achieved an agreed national standard for enterprise-based people development.

In order to achieve this success indicator, the DoL partnered with Investors in People and the European Union and established a project to pilot the Investors in People Standard in South Africa. The main objectives of the project are (Implementation report, 2002:8):

- To test the relevance of the standard in South Africa;
- To modify the standard to reflect South African priorities, such as employment equity;
- To establish the necessary delivery mechanisms for national implementation, for example, a national agency and the development and registration of South African Investors in People practitioners.

The NSA selected 40 organisations that cover over 100 000 workers to participate in the pilot programme. All 40 organisations underwent formative assessments to benchmark themselves against the standard; 8 of them received recognition as investors in people.

In conclusion, it seems considerable progress has been made towards achieving targets contained in success indicators 1.2 and 1.3. The NSDS equity targets are not currently being met, though. The rate of completion of structured learning is currently under 50% (16% for the period to March 2002). More needs to be done if the target of 50% is to be attained.

Objective 2: Fostering skills development in the formal economy for productivity and employment growth

Success indicator 2.1: By March 2005, at least 75% of enterprises with more than 150 workers are receiving skills development grants, and the contribution towards productivity and employer and employee benefits is measured.

SETAs were set a target of ensuring that at least 75% of large enterprises, employing more than 150 workers, were paying the levy and receiving skills development grants by 2005. Current penetration of employers employing more than 150 workers is 67% (Implementation report, 2002:12). The penetration rate measures the percentage of enterprises paying the levy and receiving skills development grants. 67% in the first year of implementation is therefore a significant achievement.

Success indicator 2.2: By March 2005, at least 40% of enterprises employing between 50 and 150 workers are receiving skills development grants, and the contribution towards productivity and employer and employee benefits is measured.

Currently 38% of levy-paying employers that employ between 50 and 150 workers are receiving a Workplace Skills Planning grant (Implementation report, 2002:12). Achieved in only the first year of implementation, this is also a significant accomplishment.

Success indicator 2.3: By March 2005, learnerships are available to workers in every sector (precise targets are agreed with each SETA).

Table 6: Indicator 2.3 targets and performance (Implementation report, 2002:13)

Target	Progress
Learnerships available in every sector – requires registration of learnership in the 25 SETA demarcated sectors.	Learnership registered for 23 SETAs. 262 learnership programmes registered in total by March 2002.

The table above indicates that by March 2002, 262 learnerships had acquired full registration with the DoL, which has been a rapid growth in learnerships over a two-year period.

Success indicator 2.4: By March 2005, all government departments assess and report on budgeted expenditure for skills development relevant to public service, sector and departmental priorities.

No targets have been set for this success indicator yet. However, by March 2002, approximately R7.1million had been transferred from government departments to the Public Service Sector Education and Training Authority (Implementation report: March 2001 – April 2002:14).

Overall, progress towards achieving objective 2 has been considerable. Participation in the use of skills development grants by paying enterprises is progressing fairly well.

Objective 3: Stimulating and supporting skills development in small businesses

Success indicator 3.1: By March 2005, at least 20% of new and existing small registered businesses are supported in skills development initiatives, and the impact of such support is measured.

Table 7: Indicator 3.1 targets and performance (Implementation report, 2002:16)

Baseline information	Progress
19 SETAs have identified approximately 105 710 small enterprises as being registered with them.	11 SETAs reported on specific small enterprise support initiatives for skills development during 2002/02.

By March 2002, 11 SETAs were assisting a total of 4727 small enterprises (Implementation report, 2002:16). Assistance takes a number of forms, which include supporting small businesses with the development of workplace skills plans and the use of discretionary grants to include them in learnerships and skills development.

Objective 4: Promoting skills development for employability and sustainable livelihoods through social development initiatives

Success indicator 4.1: By March 2003, 100% of the NSF apportionment to social development is spent on viable development projects.

By March 2002, the following progress had been made in the allotment and expenditure of NSF social development funds (Implementation report, 2002:19):

- 76% of the allocation of funds to social development projects had been spent;
- during 2001/2002, 40 432 people participated in training country wide, of whom 98% (39 492) completed their training courses;
- of the 40 432 people trained under the NSF projects in 2001/2002, 70% were under the age of 36, 93% were black, 56% were female and 1.5% were persons with disabilities. This exceeded all NSDS equity targets except for the target for people with disabilities.

Success indicator 4.2: By March 2005, the impact of the NSF is measured by project type and duration, including details of placement rates, which must be at least 70%.

The average estimated placement rate for existing social development projects is 36%.

Objective 5: Assisting new entrants into employment

Success indicator 5.1: By March 2005, a minimum of 80 000 people under the age of 30 have entered learnerships.

By July 2002, 7703 learners were enrolled in learnerships – a significant increase from 3 203 learners in March 2002. A key development in relation to this success indicator was the introduction of a new tax incentive for firms who enter learnerships, particularly for unemployed persons. The registration of 276 learnerships is also a milestone towards the realisation of this success indicator.

Success indicator 5.2: By March 2005, a minimum of 50% of those who have completed learnerships are employed in full-time study, further training or in a social development programme within six months of completion.

Progress towards the realisation of this success indicator has not been measured as yet. Learner tracer studies are being commissioned by the DoL to establish whether indeed learners who graduate from learnerships are in fact employed, study further or enter skills development programmes.

In summary:

- Considerable progress has been made towards achieving the targets contained in the success indicators of objective 1.
- Positive progress has also been made towards the achievement of objective 2, with participation in the use of skills development grants by levy-paying workplaces progressing fairly well towards the targets.
- Although progress towards the achievement of objective 3 is besieged with challenges, exciting innovations and developments are taking place.
- Good progress has been made towards the achievement of objective 4.
- There has been a fairly good take-off towards the achievement of objective 5.

Review of the progress made with the implementation of the NSDS at macro level has been confined to the period April 2001 and March 2002, as the work done in the preceding period involved mainly the setting up of structures and systems.

4.4 NSDS implementation requirements at workplace level

In the preceding section, progress with the implementation of the NSDS was reviewed at a macro level. Before reviewing the progress made by the company selected for the case study, it will be helpful to identify what is expected of individual workplaces, as well as how these expectations should be met.

As already discussed, the NSDS was launched in February 2001, and the first year of implementation ran from April 2000 to March 2001. In this period, in addition to paying the skills development levy, workplaces were expected to appoint a WTEC, appoint a an SDF, develop a workplace skills plan for the 2000/2001 period, identify and train for specific skills initiatives, compile and submit an annual training report (to be submitted together with 2001/2002 Work Skills Plans) and prepare for the recognition of prior learning (RPL).

In year 2 (April 2001 to March 2002), workplaces were expected to prepare for accreditation (that is, those that want to be training providers), train assessors, select unit standards, select education and training providers and evaluate progress.

In year 3 (April 2002 to 2003), workplaces are expected to follow the routine, submit workplace skills plans and implement and submit the annual training report. This is more or less what is going to be expected from workplaces in the future. Workplaces require the involvement of all stakeholders, the commitment of senior management and a clear communication strategy and critical analysis of the company's strategy for the skills development strategy to be a success (Mercorio and Mercorio, 2000:119).

Stakeholders' involvement in the skills development process is a legal requirement. The Skills Development Act emphasises the need for the process to be jointly managed by all stakeholders. This is important because the process needs to be responsive to the needs of both the employer and the employees; it has to achieve positive results for both.

The success of NSDS is also depended on the "buy in" by senior management. It requires their total commitment. This is because the implementation requires allocation of resources if it is to improve productivity, quality and competitiveness. Mercorio and Mercorio (2000:122) advise workplaces to budget for the costs of compliance. This requires senior management's understanding and acceptance of the fact that it is an expense worth budgeting for. Unlike the human resources development approach of the past, where training was delegated to the Human Resources Department for implementation by personnel and training officers only, the NSDS implementation affects multiple functions within the workplace. The commitment of senior management is therefore required in order to elicit co-operation across the board.

Mercorio and Mercorio (2000:126) suggest that companies/workplaces develop a clear communication strategy for the communication of the NSDS. Such a strategy is a cornerstone to the success of the NSDS. Stakeholders need to understand why and how training will take place, how learners will be selected for participation, what it means for their future, when training will take place and how it will be assessed. Workplace skills plans need to be communicated and understood by all stakeholders,

particularly managers at all levels. This is essential, as they feed into the overall strategy of the workplace.

Another important suggestion for workplaces is that they embark on a critical analysis of the functioning of the company prior to the preparation of the workplace skills plan (Mercurio and Mercurio, 2000:126). The suggestion is that this should involve identification and analysis of areas in which the workplace is functioning less than optimally. The workplace skills plan, therefore, must focus on continuous improvement of the areas performing well and on achieving improvements in those functioning less than optimally.

Before thinking of complying with the requirements of the Skills Development Act, workplaces need to do the groundwork that is required for the skills development strategy to succeed at workplace level. This is to say, they need to do a critical analysis of their functioning, bring all stakeholders on board, ensure senior management's commitment and develop strategies for clearly communicating the skills development process.

4.5 Summary

The NSDS, launched in February 2001, is the new South African approach to human resource skilling. It operates within a comprehensive legislative framework and has 5 objectives and 12 associated success indicators.

Generally, marked progress has been made in the implementation of the NSDS at macro level. Considerable progress has been made towards the attainment of objectives 1, 2, 4 and 5 targets. Progress towards achieving the target of objective 3 has also not been bad, and it brought to the fore a host of new lessons and challenges.

In implementing the NSDS, workplaces are expected to do more or less the following: appoint a workplace WTEC, appoint an SDF and develop a workplace skills plan on a periodical basis; identify and train for specific skills initiatives, compile and submit an annual training report, prepare for RPL assessments, prepare for accreditation (if the workplace wants to be a training provider), train assessors, select units standards, select education and training providers and evaluate progress.

The next chapter discusses the research design and methodology used in this research project. The rationale behind the choice of the research design and methodology used is also presented.

CHAPTER 5: RESEARCH DESIGN AND METHODOLOGY

5.1 Introduction

This chapter discusses the research design and methodology used in the research project. It also provides the logic behind the choice of the research design and methodology used. Under the research methodology, sampling and the size of the unit of analysis, the data gathering methods used and the method of analysing the results are discussed.

5.2 Research design

Bless and Higson-Smith (1995:47) argue that implementation (process) evaluation research is a social science method is used to assess the implementation of a social intervention. Mouton (2001:158) adds that typical applications of an implementation evaluation research are programme monitoring and performance measurement. The object of this research project was to evaluate the implementation progress, i.e. to measure performance in respect of the implementation of the NSDS. This made the use of an implementation evaluation research design appropriate. The implementation evaluation research design is empirical and qualitative (Mouton 2001:161). Bless and Higson-Smith (1995:7) argue that the aim of a qualitative research is to find out the reality. This research project was aimed at investigating the reality of progress made in the implementation of the NSDS in AngloGold Limited; hence qualitative research methods were employed.

5.3 Research methodology

According to Mouton (2001:56) research methodology, "Focuses on the research process and the kind of tools and procedures to be used." This includes methods used in sampling of the unit of analysis, data gathering and data analysis.

5.3.1 Sampling of the unit of analysis and size

Bless and Higson-Smith (1995:64) describe a unit of analysis as the person(s) or object(s) from which the social researcher collects information. In the case of this research project, the unit of analysis sampled was (see Annexure 1):

- AngloGold Limited human resources development management

- AngloGold Limited senior training personnel
- AngloGold Limited human resources management
- AngloGold Limited employees who are officials of the National Union of Mineworkers
- A representative of the Mining Qualifications Authority (MQA).

A non-probability purposive sampling method was used in sampling the unit of analysis after the stratification of the population into the above categories. This method of sampling was chosen as the researcher was looking for people who had an in-depth knowledge of the implementation of the NSDS in AngloGold Limited. The researcher is aware of the shortcomings of this method of sampling, particularly the fact that it relies heavily on the subjective consideration of the researcher rather than on a scientific criterion. However, this was compensated by the knowledge the researcher has of the roles played by these people in the implementation of NSDS in AngloGold Limited.

Mouton (2001:158) argues that in an implementation research evaluation, research questions used in data gathering are typically descriptive. Descriptive questions generally generate large amounts of data. To minimise data overload, the size of the unit of analysis in this study was limited to 11 subjects – 10 from AngloGold Limited (two of whom were employees who are also officials of the National Union of Mineworkers) and one from the Mining Qualifications Authority.

5.3.2 Data gathering method

According to Mouton (2001:158), "It is common in implementation evaluation studies to utilise all available modes of observation: both structured (questionnaires; tests; scales) and less structured (focus group interviews; individual interviews; participation observation), as well as analysing existing documentary sources (annual reports; field records; participation records; etc)." In the case of this project, less structured (semistructured) and unstructured individual interviews were conducted with 10 AngloGold Limited employees and the MQA representative respectively. In the case of the former, a framework of questions was used to control and standardise the interviews, and for the latter an in-depth and extensive interview was allowed. Interviews were tape recorded to ensure maximum and accurate capture of

responses. Besides obtaining information from interviews, existing documentary sources from both AngloGold Limited and the MQA were analysed.

5.3.3 Analysis of results

An implementation evaluation research uses a combination of qualitative and statistical methods of analysis (Mouton, 2001:159). Analysis of results in this study was confined to the qualitative method. It involved grouping of responses and presenting them in the form of percentages.

5.4 Summary

An implementation evaluation research design was used in this research project. The unity of analysis was sampled using a non-probability purposive method after stratification of the population. Data was gathered by means of semistructured and unstructured interviews and a review of documentary sources. A qualitative method of analysing results was used.

The next chapter, the extent to which AngloGold Limited has implemented the NSDS is discussed by presenting and analysing the research findings.

CHAPTER 6: NSDS IMPLEMENTATION PROGRESS AT WORKPLACE LEVEL: THE CASE OF ANGLOGOLD LIMITED

6.1 Introduction

This chapter explores AngloGold Limited's progress with the implementation of the NSDS. This entails presentation of the findings from the review of documentary sources at AngloGold Limited and the MQA, presentation of findings from interviews with the staff of AngloGold Limited and of the MQA and the analysis of findings and deductions from the analysis.

6.2 Review of the MQA skills development documents

As the MQA does not generate reports on individual workplaces, no documents on skills development specific to AngloGold Limited are available from the MQA. This section reviews documents and reports which refer to the mining sector generally. While these documents do not shed much light on the progress made by AngloGold Limited specifically, this information provides a useful background to the discussion of the progress made by AngloGold Limited, which is to follow later.

By May 2002, workplaces under the MQA had progressed as follows (Mining Qualifications Authority Overview, 2002):

- A total of 226 SDFs had been registered with the MQA, and 162 and 146 workplace skills plans for years 1 and 2 respectively had been presented to the MQA. These are workplace skills plans that were approved by the MQA.
- The MQA had received and approved 135 annual training reports for year 1.
- A total of 170 workplaces, with at least 50 employees, had submitted proof of establishment of the WTECs.
- A total of 401 assessors had been enrolled with the MQA for training and subsequent registration and 53 were registered, 3 of them through the RPL exercise.
- Training grants amounting to R52 million had been claimed in year 1 and R15.9m in year 2 up to end of November 2001.
- A total of 950 training providers had been used.

- Training had been provided to 299 602 workers in year 1 and 249 412 in year 2. This constituted 75% and 86% of the total workforce in the Mining and Minerals Sector in the respective years.
- A total of R910 million had been spent on training in the twelve months to March 2001, a figure representing 4,9% of that year's total payroll of the sector.

According to Mining Qualifications Authority News, April 2002:5, "the return rate of workplace skills plans lodged was very high among established employers; a significant number of small medium and micro enterprises did not participate". Of the workplaces that submitted plans and reports, approximately half were from the mining subsector (Analysis of the workplace skills plans and training reports of the mining and minerals sector, 2002:13).

6.3 Review of AgloGold Limited documents related to the implementation of the NSDS

Documents that were accessed for the review were the skills plans for years 1, 2 and 3, training reports for years 1 and 2, annual report and the employment equity and skills development quarterly bulletin for 2002. The skills plans and training reports reviewed were approved by the MQA in the respective years. Other documents that were earmarked for review but could not be accessed were the skills analysis strategic document and minutes of the WTEC. The former was still being compiled, and the latter could not be accessed because some of the information it contained was of sensitive nature.

In Year 1 (01/04/2000 to 31/03/2001), a total of 33 315 employees were earmarked for training, while 43 659 actually received training. The amount employed in education and training was R164 million, 4.5% of the company's total payroll for that period. Table 8 provides a breakdown of beneficiaries of education and training per population group and Table 9 a comparison of planned training against actual training that took place in year 1.

Table 8: Year 1: Education and education beneficiaries per population group

Occupational Category	African		Coloured		Indian		White		Total	
	M	F	M	F	M	F	M	F	M	F
Senior officials and managers	1	0	0	0	0	0	48	0	49	0
Professionals	36	0	7	4	3	2	606	45	652	51
Technicians and associated professionals	670	7	96	2	8	6	2216	146	2990	161
Clerks	639	62	163	0	1	0	132	123	935	185
Craft and related trade workers	1597	33	71	1	4	0	3045	101	4717	135
Plant and machine operators and assemblers	6329	105	295	0	0	0	80	50	6704	155
Labourers and related workers	26759	156	4	3	0	0	3	0	26766	159
Total	36031	363	636	10	16	8	6130	465	43659	846

TABLE 9: Year 1: Planned training and education against actual

Occupational Categories	Total number of employees who received training	Training interventions		
		Number planned	Actual	Variance %
Senior officials and managers	49	12	49	24
Professionals	703	505	703	71
Technicians and associated professionals	3151	1450	3151	46
Clerks	1120	560	1120	50
Craft and related workers	4852	4026	4852	82
Plant and machine operators and assemblers	6859	5915	6859	86
Labourers and related workers	26925	20847	26925	77
Total	43659	33315	43659	76

In year 2 (01/04/2001 to 31/03/2002), a total of 31 992 employees were earmarked for training, while 31 792 received training. R178m, 4.2% of the company's total payroll in that period, was used for training. In this period the company had a workforce of 55 799. Table 10 provides a breakdown of the training provided in year 2 per population group and Table 11 is a comparison of the planned training and the actual training.

Table 10: Year 2: Training and education beneficiaries per population group

Occupational Categories	No. of Training interventions	Beneficiaries								
		African		Coloured		Indian		White		Total
		M	F	M	F	M	F	M	F	
Senior Officials and Managers	Planned	1136	93	0	0	0	0	197	7	1433
	Completed	4510	63	48	1	3	7	1921	107	6660
Professionals	Planned	9561	8	5	0	0	0	0	0	9574
	Completed	7305	21	66	0	0	0	0	0	7392
Technicians and associated professionals	Planned	11638	62	48	0	1	0	1587	2	13338
	Completed	8230	66	45	1	8	3	1354	68	9775
Clerks	Planned	4000	50	10	8	3	4	320	100	4495
	Completed	6207	12	6	0	2	2	233	19	6481
Craft & related workers	Planned	1691	41	13	0	1	1	1362	43	3152
	Completed	1890	22	8	1	4	2	506	51	2484

Table 11: Year 2: Planned education and training versus actual

Skills Priority No. (as per WSP 2001-2002)	No. of planned training beneficiaries (as per WSP 2001-2002)	No. of completed training beneficiaries	% VARIANCE	Reason for variance (only needed if the (negative) variance is greater than 20%)
(ABET)	9574	7392	-23%	Sold Free State Operations
Technical training	13338	9775	-27%	Sold Free State Operations
Managerial and supervisory training	3152	2484	-21%	Sold Free State Operations

In year 3, the period between 01/04/2002 and 31/03/2003, the company's planned skills development interventions will affect 23 842 employees. The company's current total workforce is 38 762. The training and education budget for the year is R138m, which is 4.9% of the company's total payroll. The current profile of the workforce

reflects a huge discrepancy between the levels of employees with regard to qualifications. The low-level workers have no formal qualification, while top-level workers have doctorates. Table 12 provides estimates of qualification levels across the company per population group and gender and Table 13 gives a breakdown of the envisaged training per population group.

Table 12: Estimates of qualifications per population and gender

Band	NQF Level	Old System	African		Coloured		Indian		White		Total
			M	F	M	F	M	F	M	F	
General education and training (GET)	1	No Schooling	6681	167	24	7	4	0	103	311	8237
		Grade 0	36	1	0	0	0	0	0	0	37
		Grade 1	1620	0	0	0	0	0	0	0	1620
		Grade 2	89	0	0	0	0	0	0	0	89
		Grade 3 / ABET 1	2297	3	7	0	0	0	1	0	2308
		Grade 4	2436	5	1	0	0	0	0	0	2442
		Grade 5 / ABET 2	2753	11	0	0	0	0	0	0	2764
		Grade 6	3397	13	1	0	0	0	0	0	3411
		Grade 7 / ABET 3	3405	32	0	0	0	0	1	0	3438
		Grade 8	2564	37	0	0	0	0	0	3	2604
		Grade 9 / ABET 4	2707	18	2	0	0	0	34	0	2761
Further education and training (FET)	2	Grade 10/ N1	1604	46	10	0	0	0	486	19	2165
	3	Grade 11/ N2	1544	20	6	0	0	0	10	0	1580
	4	Grade 12/ N3	1937	81	38	13	6	6	1647	310	4038
Higher education and training (HET)	5	Diploma / Certificate	253	16	14	2	2	1	774	21	1083
	6	First Degree / Higher Diplomas	16	7	2	1	2	2	53	19	102
	7	Honours/ Master's degree	2	2	0	0	3	2	56	12	77
	8	Doctorates	0	0	0	0	0	0	6	0	6
Total			33342	459	105	23	17	11	4114	692	38763

Table 13: Envisaged training per population group

	Skills Priority Number	No. of interventions/ learning opportunities	Beneficiaries								Total	
			African		Coloured		Indian		White			
			M	F	M	F	M		M	F		
Legislators, senior officials, managers and owner managers	5	18	1	0	0	0	0	0	0	14	1	16
Professionals	1-5	518	43	0	1	1	1	3	342	19	410	
Technicians and associated professionals	1-5	1590	276	2	8	2	3	5	783	52	1131	
Clerks	1-5	670	343	20	1	0	1	0	62	64	491	
Craft and related trade workers	1-5	3386	118 0	11	12	2	1	1	890	64	2161	
Plant and machine operators and assemblers	1-5	5081	398 5	52	2	2	0	0	54	14	4109	
Labourers and related workers	1-5	15539	153 47	23	1	0	1	0	15	0	15387	
Apprentices and Section 18(1) learners	1-5	326	107	9	0	0	0	0	17	1	134	
Total		27128	212 85	117	25	7	7	9	2177	215	23842	

Key

- 1 Occupational Health and Safety
- 2 Adult Basic Education and Training
- 3 Technical Training (mining, metallurgy and engineering)
- 4 HIV/AIDS awareness training
- 5 Managerial and Supervisory Training

6.4 AngloGold Limited's perspective: Staff and Unions

All 10 interviewees indicated an understanding of their roles or the roles of their respective offices in the implementation of the NSDS in AngloGold Limited. The majority (75%) of interviewees viewed their respective offices as part of the internal stakeholder groups, with their responsibilities concerning actual planning and implementation of the skills strategy and reporting thereon in compliance with legislative requirements. Although union representatives (who constituted 25% of the interviewees) viewed themselves as stakeholders, they perceived their role as a monitoring role to ensure that employees are empowered with skills. Although they perceived themselves this way, it was clear that the role and relationship with other stakeholders was not adversarial. This appeared in the unions' description of their role, which they indicated as encompassing setting training targets and checking and approving training budgets.

The interviewees all agreed that the skills development strategy was useful as a platform on which AngloGold Limited is building its human resources for its productivity and competitiveness in order to achieve business success. It was also viewed as a platform from which the company addresses issues of employment equity. Opinions on the benefits of the NSDS to the company were:

- A skilled workforce enables actualisation of business goals.
- Skills development benefits the costs of the bottom line, thereby improving bottom-line profit. On this point, one respondent quoted a study done by Maccauvlei Training Institute, which indicated that for every US\$619 added to the training budget of top American companies, there was 6 – 8% improvement in the bottom-line profit.
- Skilled people generally enjoy their work.
- Skills development equips people to take up fulfilling positions in the company.
- The skills development strategy supports employment equity, that is, for the previously disadvantaged individuals to take up positions of responsibility in the company they need skills relevant to those positions.

Both the staff and unions alluded to the point that stakeholders were committed to the skills development process. The release of a senior manager by AngloGold Limited to serve on the MQA board was cited by 62.5% of interviews as an indication of the company's commitment to the skills development process. Both parties also

cited participation of management and unions in both the WTEC at company level and Employment Equity and Skills Development Forums (EESDFs) at Business Unit level as a measure of commitment by all stakeholders to the skills development process.

There was a mixed response to the perception where the force driving the skills development strategy resides in the company's hierarchy. While 75% of the interviewees perceived it as residing at senior management level (Office of the Human Resources Development Manager), 12.5% perceived it as residing at the executive level (Office of the Human Resources Executive Director) and another 12.5% at Business Unit level. In all instances, interviewees felt that the level at which they thought the force driving the skills development process resided was the appropriate level. Those who said it resided at senior management level found that level appropriate because it carried adequate authority to make decisions, meaning that the skills development process could not be sidelined. The executive level was found appropriate as it carried enough authority, in addition to being in a position to integrate the skills development strategy into the company's business strategy. In addition, this level was found suitable because it was responsible for the ultimate approval of the training budget. Those who believed it resided at Business Unit level found this level appropriate because that level ensured that training was appropriate.

Interviewees unanimously agreed that the level of understanding of the skills development strategy was low across the company. They generally agreed that understanding was very low at the lower levels of the company and improved as one went up the company's hierarchy. 25% believed that the level of understanding differed even among people above the lower levels of the company. The point was that, in the main, only those who were directly involved had a good understanding of the skills development process. There were different opinions on what strategies were used by the company to communicate the skills development strategy across the company. These encompassed the use of notice boards, Quarterly Bulletins, managers' feedback to their units, road shows, EESDFs. However, there was unanimous agreement on the fact that there was no adequate communication of the skills development strategy across the company. In fact, 50% of the interviewees described communication as being poor. They even suggested that employees at the lowest level of the hierarchy did not have a clue of what the skills development was all about.

All interviewees were aware of the existence of skills development committees at company and at business unit level; they all knew that these committees consisted of management and union representatives. The unions represented were indicated to be the National Union of Mine Workers, South African Equity Workers Association, United Association of South Africa and the National Employees Trade Union. However, perceptions on the functions of these committees differed, particularly on the role of the WTEC at company level. 75% of the interviewees gave more or less similar responses concerning the functions of both (WTEC and EESDFs) committees. 25% agreed with the majority on the functions of the EESDFs and viewed the WTEC as a structure controlling the skills development process in the company.

All interviewees were aware of the existence of two SDFs and the level they occupied in the company's hierarchy (middle management). The majority (75% of the interviewees) understood the roles of the SDFs in the skills development implementation process; 25% indicated that they were not clear about the roles of SDFs and knew only that they were part of the WTEC at company level. There were differences of opinions on the appropriateness of the level the SDFs occupied: 50% of the interviewees felt it was the right place, as their functions required that they be senior enough to interact with the external world and junior enough do the deal with the administration side of the implementation process, while 12.5% felt that they needed to reside at a higher level in the hierarchy (senior management level) if they were to play a facilitative role. The argument was that at the level at which the SDFs were positioned, they could only play liaison and administrative roles, not a facilitating role. To play a facilitation role, they needed to be at a higher level, otherwise they would have difficulties facilitating the process at higher levels. The other 12.5% felt that the SDFs would function better if they resided at the lower levels of the hierarchy. The reason given was that at these levels they would be able to interact with employees who needed skills development most.

75% of the interviewees indicated that the company did skills analysis on an annual basis and that it was from this process that the workplace skills plans were drawn. 25% indicated no knowledge of any skills analysis process taking place in the company. Interviewees were all aware of the workplace skills plans and training reports submitted by the company to the MQA on an annual basis. They all confirmed their input into the content of these reports, which ranged from providing data to verifying and approving them.

75% of the interviewees agreed that the company conducted RPL assessments. This was indicated to have been done mainly for the company's Adult Basic Education and Training and skills programmes, as well as in the evaluation of internal assessors for certification. However, 50% of interviewees questioned the validity and reliability of the RPL. 75% of the interviewees were also aware of the company's learnership programme as well as the preparations that were being made towards the accreditation of the company as a training provider. The indication was that there were 200 workers in the learnership programme, although not yet registered. The learnerships were reported to be in the engineering disciplines.

Regarding accreditation as a training provider, the indication was that the company had put systems in place for accreditation as an ISO9001 training provider, which was an international quality assurance system preferred by the MQA. The majority of interviewees (75%) also concurred that the company was running skills programmes, most of which were in line with the specific skills identified by the MQA. Among these there were some who felt that it was not important for the company to extend learnerships to unemployed people, as it would not offer them employment thereafter. 25% of the interviewees indicated no knowledge of the company's processes for the recognition of prior learning, accreditation of the company as a training provider, the existence of learnerships or a skills programme in the company.

All interviewees concurred on the input made by the company to the MQA. The general argument was that it was represented in almost all the MQA's subcommittees as well as at board level. Rating the company's involvement in the MQA processes, one interviewee argued that the company's participation was between 70% and 80%. One interviewee even argued that the company's participation and influence shaped the MQA processes.

All interviewees concurred that there was a link between the implementation of the skills development strategy and the employment equity programme in the company. The argument was that training was influenced by the equity plan, that is, the training needs of individuals identified for advancement in terms of the company's equity plan formed part of the skills development plans. The employment equity requirement was viewed as a measure that ensured that people who were previously economically disregarded were provided with opportunities to progress economically, while the skills development strategy was viewed as a means of capacitating this group of

people to enable them to progress economically as envisaged by the Employment Equity Act.

When asked to give general comments on the company's progress with the implementation of the skills strategy thus far, interviewees indicated that the progress was satisfactory. Some of the comments around the company's progress included that the company –

- had been submitting all the statutory required training documents since the NSDS was launched;
- had aligned its training model with the MQA processes;
- did extensive development of unit standards and training and assessment materials for most of the company's core training;
- participated in the development of the qualifications framework for the MMS;
- received all four training grants on an annual basis;
- had put training systems and structures in place;
- had 25 people placed by the DoL to be trained in mining-related programmes;
- was ready for ISO9001 certification;
- was actively involved in the MQA structures;
- had 10 committees at business unit level similar to the WTEC.

Interviewees were requested to rate the company's implementation progress on the scale 1 to 5 (1 being poor, 2 average, 3 good, 4 very good and 5 excellent). 50% of the interviewees rated it at 3, 37.5% at 4 and 12.5% at 5. Those who rated the company's progress at 3 and 4 felt that the company was on track, but there was room for improvement, while those who rated it at 5 felt that the company was running ahead of the schedule.

Asked about the performance of the MQA in enabling workplaces to implement the NSDS, 50% of interviewees felt that it was doing fairly well, but could do better. In general, they cited communication and speed in setting up systems as the areas in which improvement was required. 12.5% felt the MQA was underperforming and quoted inadequate knowledge of the mining sector by some of its key staff members as the main problem. Another 12.5% felt the MQA was doing very well and could be ahead of most SETAs. On the rating scale 1 to 5 described above, 50% of interviewees rated the MQA's performance at 3, 12.5% at 2 and another 12.5% at 4. The remaining 25% of the interviewees had no views on this question.

6.5 The MQA's perspective

The MQA deals with the performance of workplaces collectively at Chamber level and ultimately at sector level. As a result, the MQA could not comment specifically on AngloGold's progress in the implementation of the skills strategy. Instead, it was only able to comment on the progress made by the Mining Chamber, of which AngloGold Limited is a member. The view of the MQA was that the Mining Chamber was progressing well. This was exemplified by the fact that the return rate of workplace skills plans and annual training reports was very high among established workplaces, of which many belong to the Mining Chamber.

Although the MQA could not be drawn into commenting specifically on AngloGold Limited, there was an acceptance that it featured in a number of the MQA's substructures as well as at Board level. The MQA could also not comment on the quality of training provided by workplaces. The argument was that there were no systems in place to measure quality. Acceptance of workplace skills plans and subsequent payment of training grants was not dependent on the quality of these documents, but on the fact that they were compiled and submitted.

6.6 Analysis of findings and discussion

The NSDS process requires workplaces to establish a WTEC and appoint an SDF. AngloGold has fully complied with the statutory requirements regarding the establishment of a WTEC and the appointment of the SDF. It even went beyond these requirements by establishing forums similar to the WTEC at business unit (mines) levels, EESDFs and appointing an additional SDF – a union appointee, an indication of the company's high level of engagement with employees in the NSDS implementation process. This also signifies the extent to which the company has bought into the skills development process.

AngloGold Limited's WTEC is structured in accordance with the provisions of the Skills Development Act. It consists of members of interested parties, namely –

- management;
- representatives of recognised trade unions;

- members representing designated groups, for an example women and the disabled, and
- business unit representatives.

Drawing from the dictates of the Skills Development Act, the WTEC's responsibilities encompass –

- appointment of the SDF,
- approval of workplace skills plans and training reports,
- review and endorsement of priority areas of training and development at company level,
- review of the training and development progress.

The work of EESDFs is confined to the mines, and their specific roles and responsibilities include:

- supporting and promoting the process pertaining to education, learning, training and development and employment equity;
- agreeing on the priority areas of training and development;
- endorsing the annual workplace skills plans and training reports;
- meeting regularly to review progress on training and development and employment equity against the plan;
- skills analysis and retention of key skills;
- promotion of the organisation culture that recognises diversity;
- effecting an environment free of discrimination.

The establishment of EESDFs decentralises the NSDS implementation process within the company. This has the potential to enhance visibility of the process to employees at all levels. It is a further indicator of the company's effort to engage all stakeholders in the NSDS implementation process, a practice which is a statutory requirement. It is also a measure of the seriousness with which the company approaches the implementation of the NSDS.

The position at which the force driving the NSDS resides in a workplace is important in determining the extent to which the process is taken seriously. The NSDS plan advocates that the force driving the NSDS should reside at a level senior enough to exert the required influence across the entire workplace. The same applies to the level of seniority of the position of the SDF. In AngloGold Limited, the force driving the NSDS resides in the office of the company's Human Resources Development Manager. According to the company's employee grading system, this is a senior

management position, and the incumbent reports directly to the Executive Director, Human Resources. The same applies to the position of the SDFs, namely middle management, signifying the level of importance the company attaches to the NSDS process. The location of the force driving the NSDS process as well as the SDFs does not measure the progress made by the company in the implementation of the NSDS, but it provides a measure of the company's potential to create a conducive environment for the implementation of the NSDS and it is worth some attention in a study of this nature.

Information gathered from the MQA, both through the review of documents and the interview, did not shed much light on the progress made by AngloGold Limited in the implementation of the NSDS. As already discussed, this is mainly because the MQA does not track the progress made by workplaces on an individual basis. However, the MQA did indicate point that AngloGold Limited was represented in a number of its substructures and on the Board. On this point, the MQA concurs with AngloGold interviewees, who indicated that they were represented in almost all MQA subcommittees and rated their involvement in the MQA processes high. This is a measure of AngloGold Limited's commitment to the skills development process. It should be noted that participation of both employers and employees in the processes of SETAs is a legislative requirement. The MQA indicated that the mining chamber was progressing well. Since AngloGold Limited is a significant player in this chamber, by inference the company doing well.

The NSDS process places emphasis on the communication of the strategy across the workplace. AngloGold Limited has not done enough about this aspect. Indications were that the knowledge and understanding of the NSDS was limited among employees at the lower levels of the company; interviewees were unanimous on this point. Even among the interviewees, not everyone indicated full understanding of the NSDS process. Individual interviewees understood those aspects of the NSDS process that directly related to them or their respective offices, but possessed a limited understanding of the process in its totality. For example, some interviewees – although indicating knowledge of the existence of SDFs – could not describe their functions; they differed as to where the force driving the NSDS process resided in the company, and some interviewees indicated they had no knowledge of any skills analysis process taking place in the company or of the company's preparations for accreditation as a training provider.

The aim of the NSDS is to increase skills within the country in order to improve productivity and competitiveness as well as to redress the country's socio-economic inequalities through workplace education and training. This requires that before engaging in the NSDS process, workplaces acknowledge that the NSDS is all about their own productivity and competitiveness as well as addressing issues of employment equity. AngloGold Limited understands and acknowledges this point, as evidenced by its integration of the skills development and employment equity programmes. Committees dealing with NSDS issues are the same committees that deal with employment equity issues.

As deduced from the interviews and internal documents, AngloGold Limited has complied with the requirements of the NSDS in terms of submitting workplace skills plans and annual training reports. In the period 04/2000 to 03/2002, the company spent R342m on training that reached a total of 75 451 employees. It should be noted that some employees attended more than one training intervention, hence the number of employees who received training exceeds the number of employees of the company.

The number of employees dropped drastically (by 30%) in the period 2000 to 2002, mainly due to the selling of the Free State operations. This makes it difficult to compare the annual figures of employees who received training and to establish whether any progress has actually been made. Another difficulty arises from the fact that the formats of tables used to provide data on training were not constant throughout the training. Comparison of this data would have enabled one to also locate the extent to which the company is progressing on the basis of figures. However, for the purpose of this study, compliance in terms of submission of the required documents provided a measure of the progress that AngloGold Limited has made.

The requirements of the NSDS process in the second year of implementation are that workplaces make preparations for the RPL, establish and register learnerships, get their assessors accredited and registered as a training provider, if they intend to be one. AngloGold conducts assessment for the RPL and has accredited some of its employees on the basis of this process. However, questions raised about the validity and reliability of RPL suggest that there is some lack of faith in this process. Learnerships and skills programmes have also been established. Union representatives' concerns about the inclusion of the unemployed in learnerships run

by the company suggest that there might be fears that learners will end up being used to replace workers. The company has also had some of its assessors accredited and made preparations for accreditation of the Training Unit as an ISO9001 training facility. Another requirement of the NSDS process related to learnerships and skills programmes is that workplaces provide education and training in response to specific skills identified by their SETAs. The fact that the bulk of skills critically required by the mining and minerals sector (MMS) are those required by AngloGold, the company is automatically fulfilling this requirement in an effort to meet its requirements. However, apart from the accidental fulfilment of this requirement, the company has accepted 25 people placed by the DoL for training in skills critically required by the MMS.

AngloGold staff and unions, as represented in the unit of analysis, consider the progress made by the company in the implementation of the NSDS as adequate thus far. Opinions are that within the confines of the environment created by the MQA, the company has done all that could be done. This suggests that the company could have done even better had the MQA structures, processes and systems permitted.

This study revealed that AngloGold Limited has met most of what is expected of workplaces in the implementation of the NSDS to date. It is participating in a number of the MQA's substructures as well as the board, has established a WTEC, appointed SDFs, submitted 2002/2001 and 2001/2002 workplace skills plans and their respective reports as well as a 2002/2003 workplace skills plan, is running RPL assessments, learnerships, skills programmes (including programmes identified by the MQA), is registering assessors and has made advanced preparations for the accreditation as a training provider. One area in which the company has not met expectations is communication. The results of the analysis of documents confirm the perception held by the staff and unions regarding the progress made by the company in the implementation of the strategy to date.

There are no specifics on what workplaces should do per given time that could provide a yardstick to measure progress. Progress made by workplaces, therefore, can only be estimated along the lines of broader compliance. In this research project progress has been measured according to what has been done in the light of what is expected of workplaces in the implementation of the NSDS in general. A real measure of progress needs to look at issues around both what has been done and the quality of what has been done. Unfortunately, the latter is beyond the scope of

this study. One can not even loosely refer to it, as the MQA provides no measure of the minimum quality standards that must be achieved for the performance of the workplace to be acceptable.

6.7 Summary

AngloGold Limited has complied with most of the requirements of the NSDS. It not only established a WTEC and appointed an SDF as required; it went further and established 10 other similar committees at business unit level and appointed a second SDF. It also submitted to the MQA all the reports required by statute; consequently, it claimed back from the MQA the maximum levy grant possible over the past two years. Results from the analysis of documents confirm the positive perception held by interviewees regarding the progress made by the company. At present, AngloGold Limited is on track, if not ahead of what is expected of workplaces.

The next chapter gives an overview of the research project, makes recommendations and indicates further relevant fields of study.

CHAPTER 7 CONCLUSION

7.1 Introduction

This chapter wraps up the discussion of the research project by way of a summary of the main points and recommendations. In addition, possible further research work in this field prompted by research findings is indicated.

7.2 Summary of the main points

South Africa faces a dearth of skills and a high rate of unemployment, a situation that worsens when analysed along gender and racial lines. This situation led to the development of the National Skills Development Strategy, which builds on a variety of the country's human resources training efforts spanning several decades. The first traceable formalised training effort dates back to as early as 1922, when apprenticeships were formalised.

The evolution of human resources training in South has over the years been influenced by a number of factors, such as:

- the need for skilled human resources as dictated by industrial and economical requirements;
- political activities against apartheid policies;
- trade union pressure;
- pressure from the international labour organisation.

Notable in the South African training evolution prior to the NSDS is the Manpower Training Act (Act No. 56 of 1981), a piece of legislation that is arguably a marked improvement over its predecessors and is regarded as a milestone in the evolutionary process of human resources training in South Africa. Its aim was to ensure an adequate supply of labour at all times to satisfy changing needs of industry and commerce. It also provided for the training of the country's labour force irrespective of gender and race.

The Act saw a number of amendments, all of which together formed the basis of South Africa's current human resources education and training legislative framework and consequently the NSDS. The NSDS, a product of extensive consultation

between the DoL, organised labour, business and community stakeholder groups, was launched in February 2001.

The NSDS rests on three pieces of legislation: the South African Qualifications Authority Act, the Skills Development Act and the Skills Levies Act. The South African Qualifications Authority Act forms the legal basis for the development of an integrated education and training approach to South Africa, thereby seeking to bring to an end the split between education and training. The Act set up a key institution and framework in education, the SAQA and the NQF.

The Skills Development Act, arguably the most important measure by which a better skilled and diversified workforce can be achieved South Africa, set up the following bodies:

- National Skills Authority
- Sector Education and Training Authorities
- Skills Development Unit
- Labour Centres
- Provincial Skills Development Forums

The Skills Development Levies Act imposes a skills development levy on companies. Other laws with a bearing on the NSDS are the Employment Equity Act and the Further Education and Training Act.

Five objectives and twelve success indicators guide the NSDS. Targets contained in these indicators form the basis of the measurement of NSDS implementation progress. Considerable progress has been made in the implementation of the NSDS at macro level thus far. The NSDS's envisaged benefits are both economical and social and they accrue to workers, employers, government and society at large.

The implementation of the NSDS occurs at workplace level; hence workplaces, in addition to paying the skills development levy, are expected to:

- set up a WTEC,
- appoint an SDF,
- develop annual workplace skills plans,
- identify and provide training for specific skills initiatives,
- compile and submit annual training reports,

- train assessors (where they intend using internal assessors),
- conduct RPL assessments,
- select education and training providers,
- get accreditation as training provider, that is, in cases where they tend to be providers, and
- evaluate progress.

AngloGold Limited, the case study in this project, is a large global mining company, currently with a workforce of 32 763 in its South African operations. The company has complied with most of the requirements of the NSDS. It submitted periodical plans and reports in accordance with statutory requirements. Consequently it has been claiming back from the MQA the maximum levy grant possible over the past two years and put in place most of the structures required by law. The company is therefore on track with the implementation of the NSDS.

7.3 Recommendations

While the company is doing fairly well in the implementation of the NSDS, it needs to develop an aggressive and comprehensive communication strategy to communicate the NSDS process across the company. The communication strategy should be simple enough to enable the company to disseminate information that will be comprehended even by workers at the lowest strata of the company's hierarchy. The company also needs to ensure that line managers not directly involved in the implementation of the NSDS receive adequate information that will encourage them to buy in. Through communication, the company also needs to educate the unions about their role as a stakeholder group. This is required for the purpose of reorienting them towards the understanding that their role goes beyond monitoring to engaging in the implementation process and being equally responsible for its success.

Although the company has compiled and submitted all training reports as required, these reports merely reflect figures about workers who received some kind of training; it provides no information on what participants are now able to do as a result of the education and training received. The company therefore needs to extend its reports to cover the outcome of training in terms of what new tasks participants are able to perform as a result of the education and training received. Related to this is the need for the company to indicate towards which qualifications the training

provided is contributing. This will provide clarity on whether the education and training provided are mere short courses or skills programmes.

At the time of the research, which was already beyond mid year, the company was still compiling its skills analysis report for the current year. The company ought to do this exercise on an annual basis prior to the commencement of any presentation of education and training programmes. This is important, as education and training programmes must address skills gaps identified through the skills analysis process.

The formats used by the company in reporting on education and training activities differ from year to year. This is not helpful if one is comparing training data of different periods. While one understands that the formats are designed by the MQA, the company can still use its presence in the MQA structures to influence the development of proper forms. This is to say it should get the MQA to design a standard format that could be used on an annual basis with minimal adjustments. The same applies to the MQA's support systems, identified by AngloGold Limited interviewees as being inadequate to some extent. The company can use its presence on the MQA structures to influence the improvement of these systems.

Learnerships run by AngloGold are confined to the engineering discipline. It is recommended that they be taken beyond this discipline. The company should consider getting its employees into non-engineering learnerships, should there be any that are registered. If not, it should consider advocating the development and registration of such learnerships. This will ensure that skills development in the company is not pursued with employees in the engineering disciplines at the expense of employees in other disciplines.

7.4 Possible further research work in this field

As implementation of the NSDS progresses, some of the approaches in the implementation process are beginning to be contested or questioned. One approach contested by some people at AngloGold Limited is the RPL. While it is acknowledged that RPL is implicit in all of the key procedures of the NQF and that commitment to it is a cornerstone of the national skills initiative, the views of some interviewees suggested that there are major challenges of principle and practice. Typical RPL assessment practices – observation, work reports, portfolios etc – work relatively well for highly definable and observable skills. However, problems of validity, reliability

and unwieldiness arise where more abstract mental processes and judgements are involved in the complexity of knowledge, skills and values. Additional issues that lead to RPL being contested include practical problems that arise in conflating experience, knowledge and learning.

Against the above background it is evident that the RPL is still besieged with problems. Given its importance, there is an urgent need for research to inform the development of a valid and reliable RPL assessment model. This is vital if the vision of empowerment and equity through RPL is to be workable.

Another area that could be considered for research is the learnerships area. In their responses, union representatives indicated that they were sceptical about a company learnership that includes unemployed learners. As already discussed, this was construed as suggesting that employees have some fears that learners will end up taking their jobs. Learnerships that include the unemployed should be investigated with this perception in mind. Companies need to understand how employees feel about having unemployed learners accommodated in their workplaces. This will enable employers to clarify issues and attend to the fears of employees, thereby avoiding antagonism that might arise between employees and learners. The research also needs to assess whether learnerships help the unemployed to access gainful employment. This is essential, as there are already fears that learnerships are likely to become the youth's short time "parking bays" – keeping them out of the ranks of the unemployed only for the duration of the learnership. As this is a legitimate concern, it could be of value to research the fate of learners after the learnerships, looking specifically at the rate at which they are absorbed into permanent employment. This should also involve measuring employers' confidence in qualifications attained through learnerships and the quality of education and training offered through learnerships. The other dimension of the learnerships that require research is the reception by employers of unemployed learners requiring placements to fulfil the workplace-based training component of learnerships.

7.5 Summary

The South African skills evolution history spans several decades, with the enactment of the Manpower Training Act (Act No. 56 of 1981) marking the turning point. The Act laid a foundation for the current NSDS human resources education and training dispensation. The NSDS is underpinned by three pieces of legislation: the Skills

Development Act, the South Africa Qualifications Authority Act and the Skills Development Levies Act. In addition, two other pieces of legislation, the Further Education and Training Act and the Employment Equity Act, have a bearing on the NSDS.

The implementation of the NSDS at macro level is progressing fairly well so far. AngloGold Limited, which was used as a case study, is also progressing fairly well in the implementation of the NSDS at workplace level. However, it needs to improve its strategy for communicating the NSDS process to all employees across the company. It also needs to use its position to improve the MQA's systems and processes.

Possible further research work in the field of the topic could concern either the development of a valid and reliable RPL assessment model or learnerships to determine the employees' perceptions on learnerships that include unemployed people and the extent to which learnerships help new entrants into employment.

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Annexure 1

INTERVIEWEES

AngloGold Limited Personnel

Norval, G. Senior Human Resources Manager – Tautona Mine

Southward, G. Manager – AngloGold Training and Development Services

Jacobs, W. Engineering Skills Training Manager – AngloGold Training and Development Services

Brokenshire, G. Senior Training Manager – Corporate Office

Loliwe, B. Skills Development Facilitator

Van Veijeren, G. Human Resources Development Manager – Corporate Office

Conforth, K. Training Manger – AngloGold Training and Development Services

Labour Representatives

Mokgasi, L. Chairperson – National Union of Mineworkers (Tautona Mine branch)

Mngwembe, R. National Union of Mineworkers member (Tautona Mine)

Mining Qualifications Authority

Mopaki, O. Skills Development Manager

Annexure 2

INTERVIEW QUESTIONS - SEMISTRUCTURED INTERVIEWS

Section A (contextualization discussion)

- 1) What is your position in relation to the implementation of the skills development strategy in the Company?
- 2) What is your understanding of the skills development strategy in relation to your company?
 - Could the skills development strategy be a tool to achieving business success?
 - Could it be used to build the human resources platform required for your Company's productivity and competitiveness?
- 3) In your opinion where does the force driving the skills development strategy reside in your Company?
 - Is it residing at the right position?
 - If not, where should it reside and why?
- 4) In your view what is the level of understanding of the skills development strategy in your Company, i.e. across the board?
 - What forms of communication does your Company use to disseminate information on the on the skills development strategy?
- 5) In your view who are the stakeholders in the implementation of the skills development strategy in your Company?
 - What are the roles of the respective stakeholders?
 - How committed to the implementation process are the respective stake holders?

Section B (compliance questions – questions relating to implementation)

- 1) Has your Company appointed a skills development facilitator?
 - Is she/he registered with the SETA (when)?
 - What are his /her roles in your opinion?
 - Where is she/he positioned in the Company's hierarchy?
 - In your opinion, is she/he appropriately positioned?

- 2) Does your Company conduct a skills audit on an annual basis?
 - Has the audits been revealing any skills deficiencies, i.e. skills and knowledge insufficient to promote the Company's performance?
- 3) Does your Company have a workplace training and education committee?
 - When was it established?
 - What is its size and who is it comprised of?
 - How were its members appointed?
 - In your understanding what are its roles (parameters, roles and responsibility of members)?
- 4) Did your Company compile a workplace skills plan for the period 01/04/2000 to 31/03/2001?
 - Was the plan submitted and approved by your SETA (Grant B, 10% received)?
 - Was the plan implemented (what exactly was done)?
- 5) Did your Company submit a training report for the period 01/04/2000 to 31/03/2001 to the SETA?
 - Was the report accepted by the SETA (Grant C, 20% received)?
- 6) Did your Company run any education and training in response to specific skills initiative identified by your SETA during the period 01/04/2000 to 31/03/2001 (Grant D, 5% received)?
- 7) Does your Company conduct assessments for the recognition of prior learning.
 - Are there any current competencies of existing workers that have been registered against NQF standards?
- 8) Did your Company prepare a workplace skills plan for the period 01/04/2001 to 31/03/2002?
 - Was the plan accepted by the SETA (Grant B received)?
 - Was it implemented?
- 9) Did your Company compile and submit a training report for the period 01/04/2001 to 31/03/2002 (Grant C received)?
- 10) Did your Company run any education and training in response to specific skills initiatives identified by your SETA in the period 01/04/2001 to 31/03/2002 (Grant D received)?
- 11) Is your Company a training provider or intending to be one?
 - If yes, has it made preparations for accreditation as a training provider?

12) Does your Company use its employees as assessors?

- Are the assessors accredited by your SETA's Education and Training Quality Assurance?

13) Is your Company running any learnerships?

- How many?
- In which areas of the business?
- Have they been registered with your SETA?
- How many learners are involved?

14) Are there any skills programmes run by your Company?

- In which area of the business?
- How many?
- How many participants?

15) What input is made by your Company to your SETA?

16) What is your overview assessment/impression of the progress made by your Company in the implementation of the skills development strategy?

- Do you think your Company is on track in the implementation process?
- Where would you place its performance on the scale 1 to 5?

1 = Poor

2 = Average

3 = Good

4 = Very Good

5 = Excellent

- Where did your Company excel?
- Where did your Company fail?
- Is there something that your Company should have done differently?

17) In your view, are there any links between the implementation of the skills development strategy and the employment equity programme in your company?

18) Does your SETA have all the required supportive structures and systems in place?

19) Do you get regular support from your SETA?

20) Does your SETA disseminate relevant information to the Company timeously and on a regular basis?

21) What is your overall impression of your SETA's performance?

22) Where would you rate it on the prior discussed scale?