



**THE INFLUENCE OF WORKPLACE SKILLS PLAN ON HUMAN CAPITAL  
DEVELOPMENT AT THE ETHEKWINI MUNICIPALITY**

**Dissertation submitted in fulfilment of the requirements of the degree of  
Master of Management Science in Human Resources in  
the Faculty of Management Sciences at the Durban University of  
Technology**

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**MAY 2021**

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**Date: MAY 2021**

## **DECLARATION**

I, the undersigned, Sandile Ewart Madonda, do hereby declare that, unless otherwise indicated, this dissertation is solely the result of my own work. This work has not been submitted to any tertiary institution for a degree award or other purposes and all authors whose work contributed to this study, have been referenced accordingly.

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Sandile Ewart Madonda

Date: MAY 2021

## **ABSTRACT**

The proposed input of this empirical study was the formulation of an exploratory Workplace Skills Plan model aimed at discovering the link between the effect of Workplace Skills Plan and human resource development that the organisation achieves its objectives. It is therefore important to state that the problem identified is a chronic poor performance of the organisation because of the lack of critical skills at the local government level. This was achieved by determining the influence of Workplace Skills Plan towards Human Capital Development at the eThekweni Municipality.

The study used a quantitative research method to obtain the determined research objectives. Non-probability sampling technique was used to collect data from the targeted population. Convenience sampling technique was used to generate sample of the study.

The researcher selected respondents who completed, signed and returned 2018-2019 WSP forms during consultation and meeting with their managers. The researcher did not send the questionnaires to employees who were trained in the same period but did not complete the WSP forms. The data for these delegates is available on Document Record System, which is human resource system where eThekweni Municipality keep track of WSP. The structured self-administered questionnaire was used as a tool for data collection. In this study, 279 respondents completed and returned the questionnaire.

The study used a data analysis instrument called Statistical Package for the Social Science (SPSS version 20) and AMOS version 20. The results suggest that there is a critical role played by Workplace Skills Plan on Human Capital Development in the workplace. This agrees with what another research in the same field have observed.

Data analysis showed that Workplace Skills Plan is useful in boosting the overall human capital development in the workplace and therefore can be used as a tool of Human Capital Development. Workplace Skills Plans assist companies to adjust to labour market flexibility and train for what the market requires and to maximise the returns from the large investment in skills and tertiary qualifications. The findings of this study indicate that training and development have a direct and indirect positive effect on Human Capital Development.

The study recommends that organisations maximise effective development of human capital development initiatives to sustain effective organisational performance, improve employee performance, productivity, employee competencies, efficiency, effectiveness, and long-term

organisational success. Thus, municipalities must invest in their existing human capital through taking care of their development needs to ensure sustained organisational performance and attainment of organisational goals.

## **ACKNOWLEDGEMENTS**

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Acknowledgement further goes to DUT staff members for various roles they played in this research. My family, friends and colleagues played a crucial role in my life while doing this research; they offered massive support towards the completion of this research. Without them, it was not possible to achieve what I have achieved.

I pray and thank the Almighty God for the strength and the passion of undergoing this difficult journey, without his protection and guidance I would not have been at this stage.

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Lastly, I would like to express my gratitude to all individuals who played different roles in my life while I was busy with this research, it took much of my time, but it was worth it. To individuals who participated in the research, I take off my hat.

## **DEDICATION**

I dedicate this project to my late mum, Sibongile Madonda who was a pillar of strength in my life. I further dedicate it to my wife, Nomfundo Madonda and my three sons, Oluhle, Aphelele and Bongokuhle Madonda who have been supportive and patient with me and my busy schedule while doing this research. Other dedication goes to my Dad, Bhekukwenza Madonda who has always been a great father who loves education.

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## **ACRONYMS**

ABET	Adult Basic Education and Training
ACELG	Australian Centre of Excellence for Local Government
AIDS	Acquired Immune Deficiency Syndrome
AET	Adult Education and Training
ANC	African National Congress
ANTA	Australian National Training Authority
ASGISA	Accelerated and Shared Growth Initiative for South Africa
AQF	Australian Qualification Framework
AQFS	Australian Qualification Framework Council
AQTF	Australian National Training Authority
CT	Competitive Intelligence
DC	Developing Countries
DRL	Document Record Learning
EHRDP	Eritrean Human Resource Development Project
EIM	Eritrean Institute of Management
EMA	eThekweni Municipal Academy
ERP	Enterprise Resource Planning
FET	Further Education Training
GEAR	Growth, Employment and Redistribution
GETC	General Education and Training Certificate
HCD	Human Capital Development
HIV	Human Immunodeficiency Virus
HRD	Human Resource Development
HRDS-KZN	Human Resource Development Strategy – KwaZulu Natal
HRDS-SA	Human Resource Development Strategy – South Africa
HRD	Human Resource Management
IDP	Integrated Development Plan
ISC	Industry Skills Council
KZN	KwaZulu Natal
LG	Local Government
LGSETA	Local Government Sector Education Training Authority
LLF	Local Labour Forum

LWB	Laboratory Workforce Development
MPA	Master of Public Administration
MSOD	Medical School Outcomes Database
NCHHSTP	National Centre for HIV/AIDS, Viral Hepatitis, Sexual Transmitted Disease, and Tuberculosis Prevention
NDP	National Development Plan
N-FET	Non-Formal Education and Training
NHHR	National Health Human Resources
NOSS	National Occupational Skills Standard
NPC	National Planning Commission
NQF	National Qualification Authority
NSDS	National Skills Development Strategy
NZQF	New Zealand Qualification Framework
OJT	On-The-Job Training
PLATO	Programmed Logic for Automatic Teaching Operations
RPL	Recognition of Prior Learning
SAQA	South African Qualification Authority
SDA	Skills Development Act
SDF	Skills Development Facilitator
SDLA	Skills Development Levies Act
SEAM	Socio-Economic Approach to Management
SETA	Sector Education Training Authority
STD	Sexual Transmitted Disease
TAFE	Technical and Further Education
TB	Tuberculosis
TVET	Technical and Vocational Education and Training
VETA	Vocational Education Training Authority
VET	Vocational Education and Training
WBL	Work-Based Learning
WFP	Workforce Plans
WSP	Workplace Skills Plan

# **CHAPTER 1: INTRODUCTION OF THE STUDY**

## **1.1 INTRODUCTION**

This chapter outlines the background to the study, explain the theoretical framework, put into context the research problem, aims and objectives of the research, and define variables in the study, list research questions and research hypotheses. The rationale behind the study and research methodology to be used in the study is also detailed in this chapter. At the end of the chapter, an outline of the structure of the research is presented.

## **1.2 BACKGROUND OF THE STUDY**

Human Capital Development (HCD) in the eThekweni Municipality raises the knowledge, skills and behavioural competencies of employees to the level required to achieve and exceed the organisational requirements contained in the Integrated Development Program (12-13 to 16-17) of the eThekweni Municipality (IDP 2012). As stated in the IDP, the municipality aims to train its staff and improve their skills so that the services they provide are sustainable, efficient, and effective. For this reason, the municipality's annual Workplace Skills Plan (WSP) was developed by critically evaluating the skills required to achieve IDP goals.

A WSP is an annual document for learning and development needs developed through consultation between the manager or an official with a position of authority and the employee he or she supervises. After consultation it is compiled into a document where management consult with labour to have WSP signed and submitted to Sector for Education and training Authority (SETA). If this plan is not developed and implemented there is a danger that employees might be less competent in using sophisticated tool of traders. Through WSP training, employees are expected to gain confidence and increase competency level of employees. Meeting ratepayer's expectations in terms of service delivery is one of the challenges that eThekweni Municipality must deals with. Indicators that can be used to measure the influence of WSP in Human Capital Development is course reaction forms that is completed the employee after the course been completed. The second indicator that is used is on the workplace course evaluation forms are completed by the employer representative and the employee to check if level of competency increased after the course

has been attended. Both forms are analysed by eThekweni Municipality's learning and development academy. Adhikari (2010: 310) said that employees work smarter because they can take advantage of the knowledge and skills they have acquired through training, development and integrity in the workplace.

Currently, there is generally an expression of dissatisfaction from many organisations worldwide regarding a shortage of skilled professionals (Mateus, Allen-Ile and Iwu, 2014:63). A simple example is Australia, which is faced with a skills shortage in three broad occupational areas namely professional occupations, skilled trades, and service occupations. This is not unique to Australia alone; it is also happening in South Africa. To fill this gap, the government of South Africa introduced the Sector Education and Training Authority (SETAs) in 2000 (Turner, Halabi, Sartorius and Arendse, 2013: 2). This is aimed at addressing skills shortages, fight against poverty and assist in fulfilling equity employment targets.

The acquisition of skills is determined by the institutions in which these individuals graduated, also the qualifications that they acquired, and their abilities to transfer their knowledge to recipient countries (Singh, 2015: 229). Rasool and Botha (2011: 2) stated that skills shortages in South Africa are the consequences of the interplay of several socio-political and economic factors since the advent of democracy in 1994. One of them is that the new government inherited a divided education and training system that comprised fifteen education departments the apartheid government had established along racial and regional lines. In order to correctly define the skills required by the economy, the employer must consult all employees or representatives, regardless of their level or position in the company, and determine these skills (Services SETA 2016: 3). Consequently, the need to develop staff is convincing, since a solid training and development plan contributes to increased productivity (Niazi 2011: 44, Agape 2014: 67).

The implementation of the government's service delivery programmes is mostly practical and is clearly visible at the Local Government (LG) level. The Municipal Systems Act (Act 32 of 2000) defines the municipality as a state agency in the area of local government and exercises legislative and executive authority in the specific field in relation to local government: Municipal Demarcation Act, 1998. Bruns (2014: 3) argued that a LG could potentially derive valuable organisational outcomes in terms of efficiency gains or public service improvements when their human resource policies and practices strengthen a



sustainable human resource development (HRD). This research focused on the implementation of a WSP in the eThekweni Municipality in KwaZulu-Natal (KZN).

The performance of eThekweni Municipality and reaching of IDP objectives is critical in the eyes of ratepayers since their expectation is on service delivery. Sani (2012: 8) highlighted that strategic human resource management can be used by organisations to acquire and develop organisation's valuable capital, which will contribute to organisational performance. The IDP is a strategic document for the City to outline performance target in the next five years. Strategic human resource management means managerial orientation that ensures that human resources are employed in a manner suitable to the achievement of organisational goals (Sani 2012: 9). Gavrea, Ilies and Stegorean (2011: 286) mentioned that continuous performance is the focus of any organisation because only through performance that organisation can grow. Organisational performance is defined and measured by a set of financial and non-financial indicators that offer information on the degree of attaining an organisation's objectives (Lebas and Euske, 2006: 7). However, the preceding is not a static definition of performance since it is a dynamic variable in the sense that its actual meaning and interpretation is subjective to the person who is carrying out the performance assessment.

The purpose and the motive of doing this study are firstly, to investigate the relationship amongst WSP, human capital development (HCD) among the employees of the eThekweni Municipality and its performance. Secondly, to help improve the usefulness of the implementation of a WSP in the organisation. Third and lastly, a WSP that is well developed will be responsive to the training needs of employees. Brandl (2011: 600) asserted that employees appreciate a variety of training and development programmes provided both inside and outside of the company.

### **1.2.1 Conceptual Research Framework**

HRD has been suggested to contribute towards increased productivity and increased employees' ability to perform well in the organisation (Asamoah 2016: 32). Therefore, human resource planning is key towards achievement of HRD strategy and how it contributes towards organisation's performance management. Okoye and Ezejiofor (2013: 251) postulated that most organisations do not plan to train their members. After hiring an employee, the organisation does not manage or train the employee to acquire the latest

skills available to them. Recently, a lack of effective and efficient HRD has been observed to reduce the performance of many organisations. For an organisation to retain its manpower, and remain competitive, development plans should be established and implemented to grow human capital in areas of boosting organisation's productivity as well as its profitability. According to Emmanuel, Oluwayemisi and Abosede (2015: 9), achieving high level of performance is a result of a well-structured human capital management process, which is an integrated effort to manage and develop human capabilities. Organisational performance therefore relates to how successful an organised group of people perform their function and achieving their outcomes with a combination of HCD recruited by the organisation. In this study, the intention of the researcher is to connect the linkages between WSP, HCD and organisational performance.

To ensure that workers are equipped with the relevant skills, knowledge and abilities to execute their duties, training and development plays a crucial role towards the growth of the business (Niazi, 2011: 43). When employees are choosing relevant training, the organisation must ensure that employees acquire relevant skills for the organisation to perform well. Previous research by Niazi (2011: 44) has shown the importance of employee development in the context of improved productivity and quality of work. The same work showed that training and development plans, strategies and organisational performance, job satisfaction and measured performance are positively correlated (Niazi 2011: 46).

Adhikari (2010: 308) mentioned that in Nepal the term HRD is used synonymously with employee training and development. Concurrence with the above articulation by Niazi (2011), Adhikari (2010: 308) stated that HRD is an important development program to ensure that the organisation has an established way of developing, utilising and committing human resources to meet current and future challenges in achieving organisational performance. "HRD contributes to the strengthening of a firm's human capital base by raising the level of know-how, skills, and capabilities of individuals in an organisation and thus contributes to improved performance and competitive advantage" (Adhikari 2010:311). To gain a competitive advantage over other competitors it is important for an organisation to develop human capital base through an organisation's HRD tools.

Lack of skilled and competitive workforce, strong competition between organisations, and the latest technological inventions are challenges that lead to high underperformance rate and poor product implementation, while limiting product expansion, growth and productivity

(Okoye and Ezejiofor 2013: 252). Consequently, it is important that organisations develop a well-constructed training plan in the form of WSP that assist in improving HCD for the organisation to achieve high performance.

### **1.3 PROBLEM STATEMENT**

Miles (2017) stated that a well-written problem statement defines the problem and helps identify the variables investigated in the research. It provides the rationale of the research and uses data to confirm the need to address the problem in the research. The challenge encountered by the eThekweni Municipality is that it develops annual WSPs and submits them to the Local Government Sector for Education and Training Authority (LGSETA) for reporting and grant application purposes. The municipality has a well-established HRD academy within the Corporate and Human Resource Cluster to implement a WSP to increase a well-developed human capital in the city. Despite several learning and development interventions offered to employees in the past few years, HCD is still at the top of the agenda in the council. Upon analysis of the WSP currently in place, it was noted that the skills planning and training needs analysis was conducted in a slapdash manner. There was also no evidence that the plan will assist the municipality to achieve the objectives of the IDP. In addition to that, the plan did not address the LGSETA Sector Skills Plan and its priority needs, while a lot of money is pumped into training to implement learning and development interventions that are not on the WSP. There was also no long-term HRD plan to address skills shortages in the municipality; and a high rate of non-attendance of courses results in not achieving WSP targets. Another major reason necessitating HCD is the current lack of service delivery offered to the citizens of eThekweni. The provision of a well-structured learning and development plan will thus assist the municipality to equip employees with the appropriate skills to increase HCD.

### **1.4 AIM OF THE STUDY**

The overall aim of the study is to establish the influence of WSP on HCD amongst the employees of eThekweni Municipality. In 2015, eThekweni Municipality established the eThekweni Municipal Academy (EMA) as a driving force for the development and implementation of HCD. The development, implementation and evaluation of the WSP are the main duties of the Academy.

## **1.5 STUDY OBJECTIVES**

- To evaluate the relationship between workplace skills plan consultation and organisational goals.
- To find out whether the workplace skills plan implementation has a positive effect on organisational goals.
- To assess the relationship between training needs analysis and organisational goals.
- To determine whether organisational goals has a positive effect on human capital development.
- To test the effect of training needs analysis on human capital development.
- To examine the relationship between training and development and human capital development.
- To assess the impact of workplace skills plan implementation on human capital development.
- To determine the effect of workplace skills plan consultation on human capital development.

## **1.6 VARIABLES IN THE STUDY**

This research is made up of one dependent variable, that is; human capital development, and then four independent variables, namely: training need analysis, training and development, workplace skills plan implementation and workplace skills plan consultation, and then one mediator, that is; organisational goals. Measurement scales for the constructs or variables of this study were developed based on the extent of literature. The scales were measured on Likert Scales that ranges from 1: strongly disagree to 5: strongly agree.

Training need analysis (TNA) was made up of the following items:

- Training needs analysis is done by line managers at the workplace.
- Training needs are driving force for employee development.
- Training needs analysis identifies the gap between what the job expects an employee to do and what the employee is doing.
- Organisations determine which training needs are a priority.

- Sometimes I regret attending learning programmes that do not address my training needs.

Training and development (TD) were made up of the following items:

- Training and development increase skills, knowledge and competencies needed in the workplace.
- Training and development assist the organisation to improve productivity.
- Training is the process of building up confidence of employees.
- Investment in workforce development is seen as a primary mechanism for national economic development.
- Through training, workers feel they are part of the organisation.

Workplace skills plan implementation (WSPI) was made up of the following items:

- I was informed by my supervisor about Workplace Skills Plan (WSP)
- WSP is well marketed in the municipality.
- I have access to WSP information.
- WSP is linked to my career development.
- I was consulted by my supervisor on identifying my training needs on WSP.

Workplace skills plan consultation (WSPC) was made up of the following items:

- Using WSP would help me to plan for my development.
- Using WSP would help me to achieve qualifications needed at the workplace.
- Using WSP would increase the overall organisational performance.
- Completing WSP forms would assist me to understand organisational goals.
- Using WSP would assist the municipality to apply for levy grants from LGSETA.

Organisational goal (OG) was made up of the following items:

- Organisational goals are important in identifying training needs.
- Organisational goals are key drivers of human capital development.
- Organisational goals serve as guidance for direction and action.
- Organisational goals enhance employee performance.
- Organisational goals define standard of performance.

Human capital development (HCD) was made up of the following items:

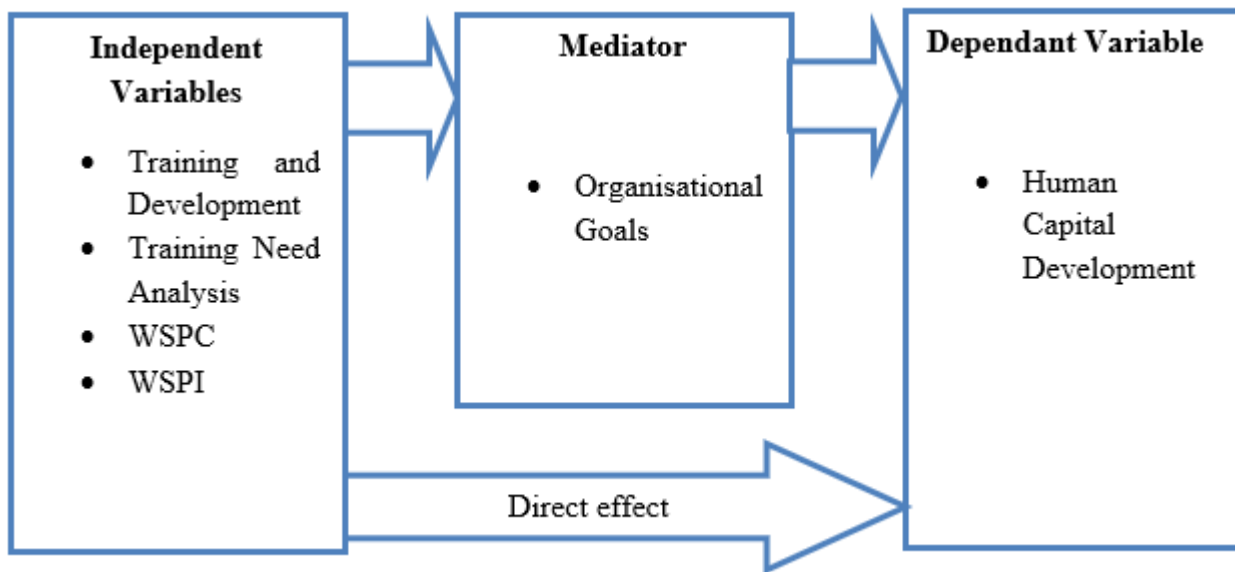
- Human Capital Development competencies of employees can be improved by training to need analysis.
- Human Capital Development competencies of employees can be improved by training and development.
- Human Capital Development competencies of employees can be improved by workplace skills plan implementation.
- Human Capital Development competencies of employees can be improved by workplace skills plan consultation.
- Human Capital Development competencies of employees can be improved by organisational goals.

## **1.7 RESEARCH QUESTIONS**

To answer the research objectives, the following research questions were posed:

- What is the effect of workplace skills plan consultation on organisational goals?
- What is the impact of workplace skills plan implementation on organisational goals?
- Is there any relationship between training needs analysis and organisational goals?
- What is the impact of organisational goals on human capital development?
- Does training needs analysis affect human capital development?
- Is there any relationship between training and development and human capital development?

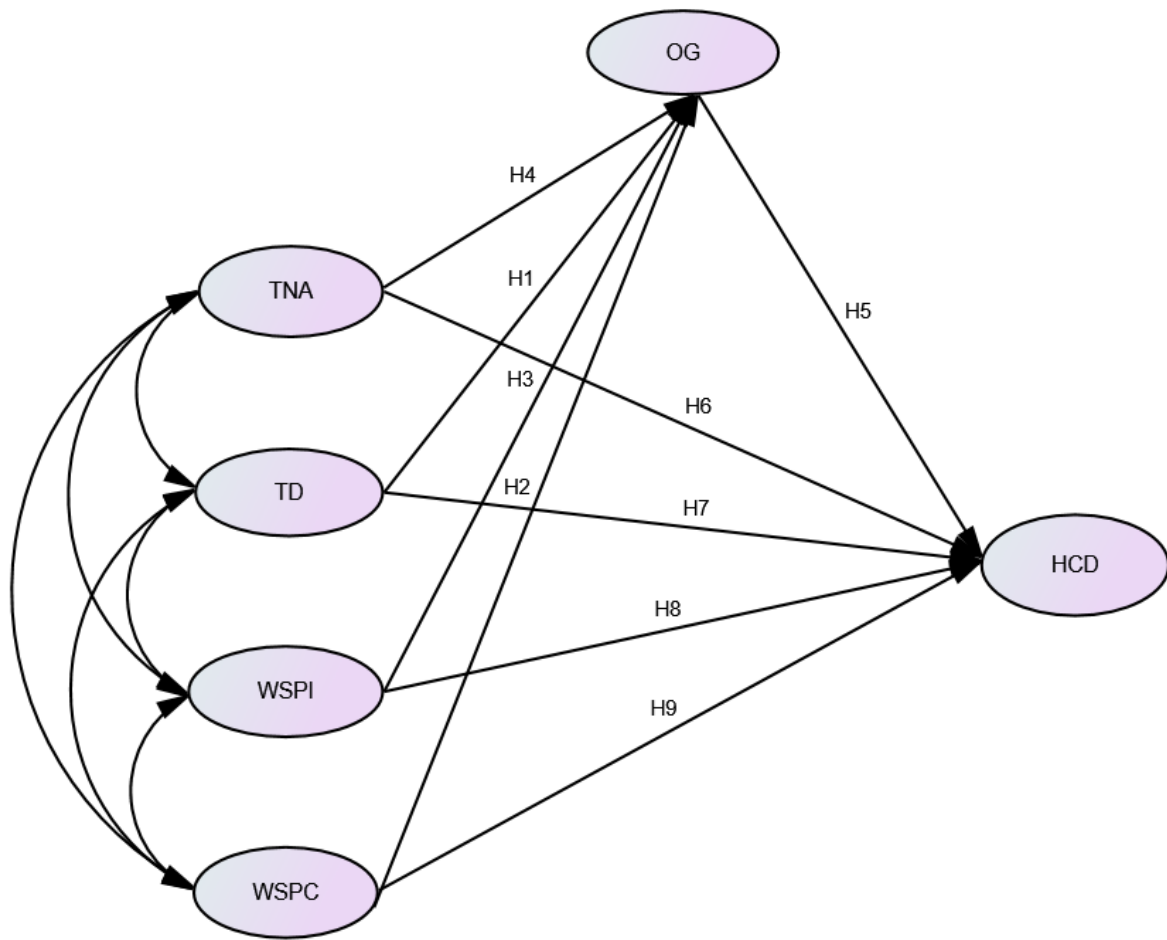
## 1.8 PROPOSED CONCEPTUAL FRAMEWORK



**Figure 1.1: Conceptual Framework**

In addressing the conceptual framework Camp 2001, cited in Adom, Hussein and Agyen 2018 affirming that a conceptual framework is a chronological structure which the investigator believes can best explain the natural progression of the phenomenon to be investigated. In this case the researcher intends to find out if independent variables of this study which is training need analysis (TNA), training and development (TD), workplace skills plan Implementation (WSPI) and workplace skills plan consultation (WSPC) has any contribution or a direct impact towards HCD. Through research, the researcher will also find out the relationship between the achievement of organisational goals (OG) and human capital development (HCD) as a dependent variable. According to the conceptual model, training need analysis (TNA), training and development (TD), workplace skills plan Implementations (WSPI) and workplace skills plan consultation (WSPC) have a direct effect on human capital development (HCD), and an indirect effect on human capital development (HCD) through the mediation of organisational goals.

Figure 1.1 shows that the proposed hypothesised model indicates that training needs analysis, training and development, workplace skills plan implementation and workplace skills plan consultation are drivers of human capital development, and organisational goals play the mediating role. WSPC is the base where TNA are collected. Without properly crafted WSPC plan it will be difficult to monitor and evaluate WSPI effectively.



**Figure 1.2: Model for the proposed hypothesis.**

TNA – Training Needs Analysis,

TD – Training and Development, WSPI – Workplace Skills Plan Implementation,

WSPC – Workplace Skills Plan Consultation, OG – Organisational Goals,

HCD – Human Capital Development

### 1.8.1 Proposed Hypotheses

To address the research questions presented in Section 1.7, the following hypotheses were formulated:

**H1:** Training and development (TD) have a positive effect on organisational goals (OG).

**H2:** Workplace skills plan consultation (WSPC) has a positive effect on organisational goals (OG).



**H3:** Workplace skills plan implementation (WSPI) has a positive effect on organisational goals (OG).

**H4:** Training needs analysis (TNA) has a positive effect on organisational goals (OG).

**H5:** Organisational goals (OG), has a positive effect on human capital development (HCD).

**H6:** Training needs analysis (TNA) has a positive effect on human capital development (HCD).

**H7:** Training and development (TD) have a positive effect on human capital development (HCD).

**H8:** Workplace skills plan implementation (WSPI) has a positive effect on human capital development (HCD).

**H9:** Workplace skills plan consultation (WSPC) has a positive effect on human capital development (HCD).

## **1.9 OPERATIONALISATION OF RESEARCH**

### **1.9.1 Operationalisation of variables**

Operationalisation of variables denotes how independent and dependent variables will be defined and measured in the study. According to Bollen (1991), there are two types of measurement models, namely: the formative model and reflective model. Specifying a measurement is very significant as it seeks to unearth the relationship of independent and dependent variables, observed and unobserved variables in the measurement model (Anderson, 1988). The reflective model is characterised by reflective scales which show that a causality relationship is flowing from the construct to the indicators (Lama, 2017). According to Lama (2017), any change in the variable or construct will result in some changes in the indicators. As such, to measure the reliability, it is of paramount importance to ensure that the indicators of a reflective model possess good internal consistency since the measurements are indicators of the measurement constructs or variables (Jarvis, 2003). For the reflective mode, it was established that, due to the absence of any covariance between indicators, manipulation of the model by adding or removing an indicator does not affect the content validity of the variable. However, according to Bayesialab (2016), the

opposite is true for the formative model. The formative model shows that the causality relationship flows from the indicators to the unobserved variable or construct. Thus, any change in the indicators will result in the change in the constructs (Jarvis, 2003). Hence, removing or adding an indicator can lead to a change in the content validity of the variable or construct and the covariance existing between the indicators could be negative or positive and or zero (Bayesialab, 2016). According to Lama (2017), it should be noted that the two types of the measurement models possess some similarities, but however, if the measurement scales of both models fail to signify the unobserved variable or construct, the reflective model will obtain structural estimates that are inconsistent, and biased when it comes to the assessment or evaluation of data in the formative model (Jarvis, 2003).

#### **Independent Variables:**

Training and development (TD)

Workplace skills plan consultation (WSPC)

Workplace skills plan implementation (WSPI)

Training needs analysis (TNA)

#### **Mediator:**

Organizational goals (OG)

#### **Dependent Variable:**

Human Capital Development (HCD)

### **1.10 RATIONALE OF THE STUDY**

Based on the outcomes of this research, the researcher believes:

- The research will highlight the importance of implementing job-related WSP.
- The employer will realise a necessity to provide enough budget for training and align it with training needs identified.
- The outcome of this study can be used by management, labour-intensive HRD committees and employees to improve the process of developing future WSPs in the organisation.

- Investing in HCD is one of the major strengths of successful organisations.

### **1.11 SCOPE OF THE STUDY**

The study focuses on the effects of WSP acceptance by municipal employees and its influence on HCD. The aspect of the effect of WSP discussed in this research includes the WSP compilation process, perceived usefulness, and perceived ease of use and product awareness. The researcher sought to investigate the influence of WSP on HCD amongst the employees of eThekweni Municipality. While the study recognises that HCD initiatives have an impact on another level of government and private sectors, this study will only limit itself to 26 655 permanent employees of eThekweni Municipality in South Africa.

### **1.12 DELIMITATIONS**

Msweli (2015) specified that delimitations define the boundaries that the researcher has set for the study. According to demarcations done by the Demarcation Board of South Africa, every piece of land in South Africa falls under the jurisdiction of the LG municipalities. There are 278 municipalities situated in nine provinces in South Africa. The study will not focus on all municipalities due to their spread across the country. The research will only be conducted on the eThekweni Municipality. The eThekweni Municipality is situated in KZN and its boundaries are from Cato Ridge (western part of eThekweni) to Tongaat in the northern part of eThekweni, extending down to Umkomass (southern part of eThekweni). There are about 26 655 employees of the eThekweni Municipality, located in different offices and workstations across the eThekweni municipal area. The researcher will not look at the entire population of employees within the municipality due to size and their physical location.

### **1.13 LIMITATIONS**

Limitations are influences that the researcher cannot control, thus they place restrictions on the methodology and conclusion (Kumar, 2011; Msweli, 2015). Some of the limitations in this study were the size of the population which was too big and was scattered all over the council premises and difficult to reach; some units of analysis were not allowed to participate in the study. There were also challenges in the interpretation of the questionnaire by some levels of employees while other employees argued that they do not have time to complete

the questionnaire. Non-responsiveness of respondents/participants and non-return of questionnaires was also a limitation, despite follow-ups that were made through emails and telephone calls.

#### **1.14 THEORETICAL BACKGROUND**

This research intended to find out the influence of WSP in promoting HCD in eThekweni Municipality. The eThekweni Municipality is one of the eight Metropolitan Councils in South Africa and a high level of service delivery is expected amongst skilled employees. Zimmerman (2014: 2) stated that education can bring benefits, including economic benefits, this view is undoubtedly an old idea. In Gary Becker's coherent research project in the 1950s, terms such as human capital and human wealth began to be used to describe the economic impact of education and training on the economy (Teixeira 2014: 2). After World War 2 a lot of organisations were interested in HCD for economic growth in their countries. Salas *et al.* (2012: 78) stated that successful training is not a single event, but rather an iterative process that takes into account the elements that make up the training, as well as the important factors after the training. Therefore, the courses studied how activities before, during and after the training influence the attention of the training. HCD (i.e. the development of technical knowledge, skills and experience) is really crucial for the successful implementation of Enterprise Resource Planning (ERP) system and its development during post-implementation (Diop, Pascot and Mbibi 2013: 3)

#### **1.15 RESEARCH METHODOLOGY**

According to Mouton (2005:56), research methodology focuses on the research process and the kind of tools and procedures to be used. It also focuses on the individual steps in the research process, and the most objective procedures to be employed. The researcher used a quantitative research method since it deals with statistical figures to be collected through surveys. Kumar (2011) stated that in quantitative research, enough detail about a study design is provided for it to be replicable for verification and reassurance. Findings through quantitative study designs can be replicated and retested. In this research, the researcher was interested in measuring the magnitude of the variation in the number of people that have a particular view. The instrument for data collection which was used is a

structured questionnaire survey. This method was used because it is best applicable in organisational and attitudinal surveys, and it covers a large population of the sample group.

Many authors have defined research design differently. Mouton (2005:55) considered as “a plan or blueprint of how you intend conducting the research,” while Msweli (2015) had a more specific definition which defined research design as a plan of how to go about addressing research questions. Put differently, it can also be considered as the systematic and purposeful arrangement of conditions for collecting data from a population sample. To that end, a study or investigation should be designed in accordance with the aims articulated in the problem statement. Part of the plan is to specify the sources from which data will be collected and analysed. According to Kumar (2011), some of the commonly used designs in quantitative studies can be classified by examining them from three different perspectives, namely: the number of contacts with the study population; the reference period of the study; and the nature of the investigation. According to Kumar (2011), some designs commonly used in quantitative studies can be classified considering them from three different perspectives. These are number of contacts with the study population; the reference period of the study; and the nature of the investigation.

Based on the number of contacts with the study population, the researcher used a Mailing, and a Drop-Off/Pick-Up method which is defined by Smith *et al.* (2016:36) as a mode of survey administration that “involves the use of personal or hand-delivery of self-administered surveys to sampled units, with either an in-person retrieval or use of postal mail to return completed surveys.” The Drop-Off/Pick-Up method is associated with a number of incredible benefits. For instance, it mainly results in higher completion rate. According to Cropanzano and Mitchell (2005) and Dillman *et al.* (2014), as cited in Smith *et al.* (2016:37), the Drop-Off/Pick-Up method “is based on social exchange theory in which personal interactions provide a basis to stimulate norms of reciprocity and exchange that increase the chances a respondent will accept and complete the survey”. Echoing this analysis, Groves, Singer, and Corning (2000) reiterated that the level of personal interactions that exists between the respondent and the field staff can also enable them to address questions and concerns of the respondent, and it also motivates them to adapt their ‘pitch’ in a way that increases the saliency and leverage and thereby boosting the cooperation rates.

When using the Drop-Off/Pick-Up method the field worker usually arranges with the respondent to return for pickup of a completed survey that had been dropped, at a specific

date and time, which stimulates both social obligations and minimise the effort or costs of transactions required to receive the survey instrument and return it (Steele et al. 2001). Focusing on this study, some of the completed surveys were picked up by the field workers after a proper arrangement with the respondents, while some were returned via posting mail services.

## 1.16 OPERATIONAL DEFINITION OF TERMS

**Apprenticeship:** is an educational program which must include structured learning and work experience. Apprenticeships are the historical forerunners learnerships.

**Competency-based training:** It is a training that is designed to allow a learner to demonstrate their ability to do something.

**Grant:** Grants: the amount of money that LGSETA gives to meet specific skill development requirements. Grants are divided into mandatory and voluntary donations.

**Human capital development:** Refers to the stock of knowledge, habits, social and personality attributes, embodied in the ability to perform labour to produce economic value.

**Human Resource Development Strategy:** It is the framework for helping employees develop their personal and organisational skills, knowledge and abilities.

**Integrated Development Plan (IDP):** It is the process through which municipalities prepare a strategic plan for a five-year period.

**Knowledge Management:** It is the systematic management of an organisation's knowledge assets for the purpose of creating value and meeting tactical and strategic requirements.

**Learnership:** It is a learning "pathway" or route which must include structured learning (e.g. in a "classroom") as well as practical work experience and must result in the acquisition of a full qualification registered on the NQF.

**Learning Outcomes:** These are the knowledge, skills and attitudes which a learner can demonstrate within a particular learning context.

**National Qualification Framework:** It is a system for recording academic grade levels to ensure recognized skills and knowledge are recognised across the country.

**On-the-job training:** Employee training at the place of work while the employee is doing the actual job.

**Organisational learning:** It is a process of creating, retaining and transferring knowledge within an organisation.

**Organisational performance:** It is the actual output of an organisation as measured against its intended outputs.

**Qualification:** This is a formal recognition of the achievement of the required number and range of credits at specific levels of the NQF as may be determined by relevant bodies.

**Recognition of Prior Learning:** It is the acknowledgement of learning that has taken place before, irrespective of whether the learning was acquired formally or informally.

**Succession Planning:** It is a process for identifying and developing new leaders who can replace old leaders when they leave or retire.

**Talent Management:** Refers to the expected human capital needed to organise and plan to meet these needs.

**TVET:** Are those aspects of the educational process involving the study of technologies and related sciences and the acquisition of practical skills.

**Workforce planning:** It is the process applied for workforce planning and development where there is a link between corporate and strategic objectives of the organisation.

**Workplace skills plan:** Workplace skills plan to describe what skills are needed, who needs the skills, how they will get the skills and how much does it cost.

## **1.17 OUTLINE OF THE DISSERTATION CHAPTERS**

**Chapter 1:** This chapter introduces the basic concepts of the research from background to objectives of the study and problem statement up to the research methodology of the study.

**Chapter 2:** This chapter will have three subsections and those sections are: the theoretical framework, the conceptual framework and methodological issues. It covers research from different scholars, academic journals, books and other reliable primary data informants.

**Chapter 3:** This chapter deals with epistemology. The research method to be used to collect the data is the quantitative method. Other issues to be discussed are the research design, population, sampling size and method, and the measurement tools.

**Chapter 4:** This chapter deals with data analysis and the interpretation of the data collected from the informants.

**Chapter 5:** The researcher discusses the delimitations, limitations, how the study contributes to the current knowledge gap and will conclude the research and provide recommendations based on the findings. References and appendices are also included in this chapter.

## **1.18 CONCLUSION**

This chapter focused on the background of the study, outlined aims and objectives of the research. It explained the research problems that needed investigation. The rationale behind the study and research methodology to be used in the study was also presented in this chapter. Limitations and delimitations were also discussed in this study. The next chapter discusses in detail the literature review where the researcher explains the definitions and origins of theoretical concepts and constructs used in the study.



## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 INTRODUCTION**

The issue of human capital development (HCD) occupies a central place in South Africa's post-apartheid public discourse. Ngcwangu (2014:151) indicated that the post-apartheid state ushered in a period of wide-scale reform of public policies, amongst which were reforms to the country's education and training. The country's high rate of unemployment, for instance, is generally attributed - among other things - to a very high shortage of skills in its populace. In terms of this view, it is believed that training and HCD hold the key to both addressing the challenge of skills shortage and to achieving a higher economic growth rate. In more recent times, training and HCD have been linked to service delivery in the public sector, where it is believed that the former will play a considerable role in ensuring that employees in government institutions and departments are better able to efficiently deliver services to the citizenry.

South Africa is characterized by rapid changes to fast track its service delivery in every area of society. Various public institutions have been established to address specific HCD programs to assist in service delivery. The personnel responsible for the administration of these institutions should have the necessary knowledge, skills, positive attitude and qualifications to address these challenges. The ongoing HCD of public officials is vital to create a favorable climate in which skilled officials will be able to address community needs. To address the skills shortage, workforce planning is a systematic, proactive process which aligns strategic planning, human capital and budgeting to meet organizational goals (Sultana *et al.* 2014:164). This chapter is a theoretical exposition on the importance of Workplace Skills Plan (WSP). It also elaborates on the concept of HCD, HRD and service delivery.

### **2.2 HISTORY AND THE PHILOSOPHY OF WORKFORCE PLANS**

According to Sharifi, Jeb, and Rabeiro (2012: 113), the Workforce Plans (WFP) is designed to maximise return on major investments in skills and higher education. It is not enough to focus solely on imparting skills and abilities. You must also focus on the employer's needs and focus on the best use of your skills. Only 20% of Australian workers aged 15-64 were formally trained leading to a recognised qualification in 2011.

The workforce development plan is designed to provide employees with the tools they need to respond to changes in the labour market, and not to forecast these changes in detail. Shreve, Gibb, and Ribeiro (2012: 116) Australia officially began training employees in Vocational Education and Training (VET), in the 1890s, with the creation of institutions such as Sydney Technical College. These vocational centres were meant to capacitate employees with skills and qualifications that will enable them to execute their duties competently.

In these colleges are found only young people who attended classes mainly doing trade subjects such as Boot Making, Wool Classing and Carpentry. Female students were underrepresented, only doing trades like Fashion Design, Dress Making or Handcrafts. A lot has improved since then. The most significant changes in the increase of production have been noted in the last 50 years. A major national review led by Myer Kangan was published in 1974. He expanded the scope of a VET and altered its role to Technical and Further Education (TAFE). Most Commonwealth countries spend money in TAFE Colleges.

In the 1970s, special attention was given to a single student as a client, in the 1990s, there was an intention to change the TAFE sector, so that it was more oriented to the sector. Major reforms aimed at achieving this goal included the establishment of the National Training Authority of Australia (ANTA), a legal entity in the sector and a skills-based learning and development system. ANTA was supported by a national qualification framework system called Australian Qualification Framework (AQF) and a national quality training framework called Australian Quality Training Framework (AQTF) which set the standards for training providers to become registered training providers. These bodies were established to deliver industry-based training to achieve occupational competencies defined by Industry Skills Council (ISC) (Shreeve, Gibb and Ribeiro 2012: 117).

## **2.3 WORKPLACE SKILLS PLAN**

To provide a framework for the implementation of the (WSP) that is in line with SDA (Act No. 97 of 1998), the objectives of the SDA seek to create an understanding of how the WSP should function. WSP is a tool that is developed annually by the Skills Development Facilitator (SDF) within the company to collect training needs analysis as well as developmental need of employees in the workplace. Workplace Skills Plan (WSP) is a document that contains data about skills that employees have, and it also identifies skills

that employees are lacking. It is the responsibility of the SDF to develop and implement this document in consultation with labour and management of the organisation. In this research the researcher intends to investigate if WSP has a major contribution in terms of skills acquisition by employees in eThekweni Municipality.

Paterson *et al.* (2014: 447) stated that the intention of developing WSP is not only to claim levy-grant from SETA, however it is to record training transactions and learning outcomes, to be submitted to SETA. Recording properly enables department to plan actual expenditure on skills development, without proper recording of type of training delivered, how, when, where and why training is offered it is difficult to monitor or evaluate skills development. Deagle (2009: 25) opined that it is very important to develop a policy that will guide workforce development in any organisation. The ultimate danger of not doing this work is that the enabling workforce decision, such as training and development, may not be made in time for suitable implementation of the policy. According to Al-Sawai and Al-Shishtawy (2015: 28) it is important that National Health Human Resources (NHHR) policies and strategies are formulated using evidence-based planning to rationalise decisions regarding a country's health workforce. Such plans assist the organisation to reduce workforce imbalances, strengthen the performance of staff, improve staff retention and address the HRD needs of priority health programmes.

### **2.3.1 Training and Development**

Karim, Hoda and Khan (2012) said that training is the process of developing performance to inculcate learning new techniques and procedures to perform the job with maximum efficiency and effectiveness. Successful learning and development programs help employees achieve the organization's strategic goals and meet the individual needs of the workers who work there. Training is a process of increasing employee confidence in the workplace in terms of better performance. Training contributes to the development of human resources to achieve the general objectives of the organisation. Salas *et al.* (2012: 74) stated that a well-designed training should be impactful. This has seen continuous learning becoming a new way of life in modern organisations. To maintain competitiveness, organisations must ensure that their workforce learn and develop continuously. Effective management of the acquisition and training of human capital is a positive contributing factor to organisational success. Investments in workforce development through training are often

seen as a primary mechanism for national economic development. Salas *et al.* (2012: 77) argued that one of the theoretical advancements around training concerns transfer of learning.

Dean *et al.* (2014: 290) mentioned that providing employees with learning and development opportunities is important in equipping them with skills and competencies to achieve an organisation's mission; it is the responsibility of the organisation to create a well-prepared employee to accumulate skills for career advancement. According to Dean *et al.* (2014: 292) Laboratory Workforce Development (LWD) initiative is tailored to the unique training and development needs of NCHHPSTP laboratory scientists. NCHHPSTP laboratory scientists stay abreast of new technological innovations and latest publication when attending lectures and conferences. Mpofu and Hlatywayo (2015: 135) mentioned that employees from different departments have a different level of exposure to the access of training and development interventions. Some employees have greater knowledge of training and development interventions than others. "The results in the investigation of employee perceptions in their access to employee training and development information in the municipality showed that employees from the construction department seem to have greater access to employee training and development information than employees from Water and Scientific department" (Mpofu and Hlatywayo 2015:135; Ajagbe *et al.* 2016: 12).

Woods, Artist and O'connor (2015: 116) stated that according to the survey conducted in the councils in Australia there were 900 respondents on the survey and all of them were LG employees and councillors. The survey was checking the respondents' involvement in education and professional development while working in LG, their current level of education, the modes of learning used, and the quality of the learning experience. Their reference to education and professional development was related to seminars, workshops, conferences, formal work-related mentoring or coaching, and distance and online learning that they had attended. According to Honore` (2014) health care reports continue to document deficits in the skills and competencies of the health workforce. This created a sense of urgency to strengthen education and training structures that deal with workforce development in this sector. The criteria that were used to develop public health workforce education were the impact that such improvements would have on the health system, the skills that would be acquired to close the gap where they exist; and health outcomes that could accumulate through improvements in workforce quality. Medical School Outcomes Database (MSOD) may assist in informing many aspects of medical education and

workforce planning, but one critical area is rural workforce shortages (Geber and Landay 2010: 37).

Ahmad, Ahmad and Asghar (2014: 37) and Khan, Khan and Khan (2011: 2) noted that thorough training and development programme enhance the professional skills of employees. Training and development create a sense of inclusion on employees where they feel they are part of the organisation. This improves their performance and organisational productivity increases. Hayat (2014: 13) stated that technology has transformed the world of recruiting, training and even work styles. It is therefore important to ensure that employees are also technologically trained to perform their tasks competently to meet organisational goals. According to Strauss and du Toit (2010: 307) development of skills is key in competitive intelligence (CT). Regular audits are conducted to determine the level of CT skills in the organisation. Training is provided according to the needs identified. Skills that could be offered would include verbal and non-verbal communication skills, networking skills and ethics. Joseph (2015: 3) mentioned that effective training of personnel means an improvement in their knowledge, skills, change of behaviour and techniques of problem-solving. Training of new employees sets a tone for the worker's impression of an organisation's culture. The need for HCD cannot be overemphasised, as it set a record for investment in human capital.

Joseph (2015: 2) stated that employees are motivated through training, which contributes positively towards productivity, commitment to work and growth. Training includes seminars, workshops, as well as short courses offered by the organisation. Rasool and Botha (2011: 3) asserted that training is essential, but it is an inadequate response to alleviating skills shortages. An increase in public provision of training may only be appropriate if there is evidence of a decline in the ratios of persons being trained to total employment. According to Yang *et al.* (2012:172), "China's civil servant training, like the civil service system in general, is a centralised system under tight party control. Policies about civil servants training are developed at the national level through law, regulations and plans." In China, the Ministry of Personnel formulates five-year state plans, to outline the goals and priorities of the country. The 2006-2010 Civil Servant Training Guideline clearly required that training serve the key task of the party and the focus was to improve civil servants' ability to use Marxist theories to solve practical problems.

### **2.3.2 Training needs analysis**

Denby (2010: 147) said that completing training needs analysis is a prerequisite for investing in enterprise training. Training needs analysis is a systematic result of gathering and analysing the current and desired levels of performance of the institution, focusing on employees' ability to achieve organisational goals. To design a specific district-level training program for public health professionals, researchers conducted training needs assessment exercises to meet these specific needs (Ariff *et al.* 2010: 2).

### **2.3.3 Training Budget**

Each organisation is responsible for budgeting for training to be offered in that current year. Mandatory and discretionary grants are funds available from SETAs for the employer to use for training (Service SETA 2016). However, Cranfield Network, Nepal (CRANET/ Nepal (2004) cited in Adhikari (2010: 308)) stated that the money spent on training and development is very little in proportion to the annual payroll. Denby (2010: 147) opined that a lot of organisations face the possibility of wasting valuable training budget because they do not know how to identify what are the internal training needs and cannot design training programmes that address the gap. Contrary to that, Joseph (2015:1) referred to a personnel management theorist Ubeku A stating that “Money spent on training and development of staff is money well invested. Staff who has not received adequate training before being assigned responsibility lack necessary confidence with which to carry out the job.”

### **2.3.4 Implementation of workplace skills plan**

Operational workforce planning is a matter of matching supply and demand, subject to financial constraint and skills audit results within an organisation. Operational workforce plan has three components: “(1) mapping the employee skills, knowledge, capabilities and competencies to job profiles; (2) allocation of headcount across an entire organisation; and (3) analysis of the gap between desired and actual headcount. Operational workforce planning should be conducted in a fashion similar to corporate budgeting and can be broken down into four chronological steps. Those steps are preparation, planning, consolidation, and execution” (Rivera and Smolders 2013:4).

#### *2.3.4.1 Preparations*

According to Rivera and Smolders (2013:4), the first task involves budget preparations, where current personnel costs are obtained, and headcount is confirmed and assembled. Next, a preliminary budget proposal for WSP is created based on training needs and cost drivers. After training budget and needs identification it is easy for the organisation to move to plan.

#### *2.3.4.2 Planning*

Planning can be characterised by three words: “assess; simulate and plan. Planning begins by analysing the current workforce, based on prefilled templates and in some cases, reviewing promotions and retirements. A key objective of the planning step is for line managers to obtain budget insight that illustrates the consequences their actions might be about” (Rivera and Smolders 2013:5). Consultation and individual meetings between the employee and the supervisor/inform WSP input of the organisation.

#### *2.3.4.3 Consolidation*

Rivera and Smulders (2013: 5) noted that at the integration stage, the results of operational financial planning for all business units are processed as a data set that can be directly entered into the company's financial planning system. When managing complex transactions such as computing, integration requires software support. Human resource data management software is useful to capture and keep training history for employees.

#### *2.3.4.4 Execution of the WSP*

Execution is a step where plans are implemented. This step is often used to understand meaningful ways to improve hiring decisions. Management can limit employee programs and channel resources toward their proper implementation. Employee work programs include areas such as HR programs, training and development programs, job and career development, and solutions such as contract management, employee restrictions, and partner management. Helyer (2015: 17) stated that work-based learning (WBL) is designed to recognise and acknowledge workplace learning, professional studies and negotiated learning. Workplace skills plan can also be implemented in the form of coaching and mentoring, internal or external training, on-the-job training etc.

### **2.3.5 Learning and development**

The workplace learning environment comprises both formal and informal learning. Formal learning comprises planned events that are designed to prepare workers to gain knowledge, skills and competencies. Through formal learning, employees are separated from their day-to-day work to attend lectures. Informal learning occurs as the result of employees making sense of the experiences they encounter during their daily tasks. Learning new skills and knowledge makes it possible for employees to manage change, perform well, and be motivated and satisfied about their work.

According to Le Clus (2011: 363) another type of learning is non-formal learning. Non-formal learning includes learning that is not highly structured, or classroom-based and does not have formally recognised qualifications, for example operating a new photocopying machine. This learning is very critical for operational reasons and being effective at the workplace. While workplace learning experience is legitimised, in-demand and seen as being able to address a range of learning and development needs, they also suffer some limitations. These limitations include, among others, difficulty of accessing enough information to quantify learning; and the inability to cope with current technology because of the lack of skills (Billett and Choy 2013: 265).

Other researchers have suggested that workplace learning is key in the development of individual employee and the organisation (Fuller and Unwin, 2005:24). However, it could not be regarded as the primary aim of the organisation. Learning and development needs are determined by the production of goods in the workplace. According to Diamantidis and Chatzoghrou (2012: 888), firms provide learning and development opportunities to their employees by conducting learning programmes that update and up-skill their job knowledge, skills and attitude to perform their duties accordingly. Adhikari (2010: 316) stated that HRD is becoming a major tool for learning and development initiatives such as knowledge management.

### **2.3.6 Workplace skills plan's contribution towards human capital development and organisational performance**

Human resource planning is important because it helps LG to acquire and maintain the quality of its workforce needed for effective use and secure future needs of the workforce of



the organization in terms of LG skills and permits. In many organisations strategic action programs are systematic processes for identifying the human capital needed to achieve the organization's objectives and develop strategies to meet these requirements.

According to Sultana *et al.* (2014:164), “workforce planning is grounded in its contribution to organisation performance. Done well, it provides management with a way to align the workforce with the business plan, and anticipate change, and address current and future workforce issues.” Workforce planning is a systemic process which aligns strategic planning, human capital and budgeting to meet organisation goals. Al-Sawai and Al-Shishtawy (2015:29) stated that workforce planning is “the timely anticipation of potential future imbalances between the supply and the demand of skills, enabling action or as the systematic assessment of future human resource needs and the determinations of the actions required to meet those needs.”

Yasinet *al.* (2014: 179) mentioned that the Malaysian government support development of skilled and competent workforce which is achieved through the formation of two plans; i.e. Industry Master Plan 3, 2006-2020 and the training and development Master Plan 2008-2020. National Occupational Skills Standard (NOSS) is a system for skills training competency standards developed by the Malaysian Ministry of Human Resources to coordinate skills levels for national skills certificate system. NOSS is a document that outlines the skills needed by employees working for Malaysian Government who are employed in a particular field of employment and it explains the path to achieve these skills.

Atakpa, Ocheni and Mwankwo (2013: 27) stated that manpower planning is concerned with budgeting for the most effective use of an organisation's labour resources. In Nigerian LG, effective manpower planning is important because it assists the LG to acquire enough quantity and quality of manpower needed for effective use; to plan training and career development; and provide for the future manpower needs of the organisation in terms of skills needed. Al-Salamah (2011: 5) added that learning and development are required for temporary workers, after training they become as skilful and competent as regular workers and that their performance is comparable to those of the regular workers when considering important industrial variables such as quality. Without a sufficient budget, some critical skills might not be obtained by employees and that will affect their performance and service delivery.

Strategic workforce planning is the process applied for workforce planning and development, where there is a link between corporate and strategic objectives of the organisation (Hada and Sharma, 2015: 5). Workforce planning helps to find out knowledge, skills and competencies needed by the organisation and those possessed or not possessed by employees to accomplish business objectives. It is the process of ensuring that an organisation has suitable access to talent to ensure future business potential. The cycle of workforce planning includes fulfilling resources requests, monitoring resource utilisation, forecasting capacity, identifying and managing the human resources needed to fill that capacity, and then starting the cycle. Worker development strategies can include training programs, tuition reimbursement, job rotation, and mentorships. Hada and Sharma (2015: 5) mentioned that workforce planning is not only important for expanding business or those that need to replace workers, but also critical during mergers, acquisitions and restructuring. Hada and Sharma (2015: 6) highlighted that the following steps are key in workforce planning: defining the organisation's strategic direction; scan the internal and external environment; model the current workforce; assess future workforce needs and projects; identify gaps and develop gap-closing strategies; implement gap-closing strategies and evaluate the effectiveness of gap-closing.

According to Dean *et al.* (2014: 288), National Centre for HIV/AIDS, Viral Hepatitis, Sexually Transmitted Disease (STD), and Tuberculosis (TB) Prevention (NCHHSTP) formally institutionalised workforce development and capacity building as one of six overarching goals in its 2010-2015 strategic plans. NCHHSTP developed a workforce strategy and action plan, which is approved annually, to address and improve an employee's career development opportunities. The action plan focused on the development and executing workforce planning at the Maryland State Highway Administration. The job development initiatives concerned include three priority areas that attract, hire and retain trained and diverse staff; Opportunities for the continuous development of the team to ensure effective and innovative implementation of the NCHHSTP programs, the continuous recognition of the team and the improvement of the balance between professional life and health.

Workforce planning improves the capacity building of the existing public health workforce with primary focus on state and local public health workers. Declaration by Drehoobl, Stover and Koo (2014: 280) emphasised that factors underlying the public health workforce challenges include, among others, the gap between workforce skills and capacity caused by changes to public health system, for example, introduction of new technology, insufficient

formal training amongst employees at the health sector; and limited training opportunities for employees.

Williams *et al.* (2016:5) indicated that “workforce development interventions can examine support workers’ personal resources (aspects about the self, linked to resilience and control) and harness and build upon existing resources in a development activity.” Paying attention to employee development can promote skills development. Workforce development programmes that are comprehensive have the potential to prompt attention being paid to the way in which interventions reinforce on another.

Research has shown that little attention has been paid to the workforce development of those in the health services (Segal, Dalziel and Bolton, 2008: 2; Humphries, Brugha and McGee, 2012: 4). The health workforce is a key system factor that must be in place to support the delivery of best-practice care. For this to be achieved, a workforce strategy must be in place. The strategy that was developed focused on increasing the capacity and efficiency of the health workforce. The need-based community-based health workforce model focussed on the development of health professionals in their role in delivering community-based services in chronic disease management and prevention. According to Humphries, Brugha and McGee (2012: 7), the first integrated workforce planning strategy the Irish health system published was in 2009 as the first attempt to develop a quantitative workforce planning tool. Woods, Artist and O’Connor (2015:111) and Goodman, French and Battagio Jr (2015: 137) stated that workforce planning assist LG to perform strategically and therefore should be part of the bigger strategic public human resource planning process of the municipality. As LG manages layoffs during financially difficult times, organisations need to prioritise their strategic goals and manage human resources to be able to achieve new and revised goals.

Carruth and Carruth (2013: 514) stated that “while successful economies have always depended on a skilled and knowledgeable workforce, today’s rate of change in production processes and workplace technology is requiring more training and retraining than in previous years.” There is a growing need to promote and capture individual, team and organisation’s training needs and strengthen the concept of the learning organisation. Schrock (2014:3) suggested that workforce development programmes and institutions focus on developing worker’s skills which will help them access better jobs in the market. Many countries focus on public investments of the workforce which include both employed and

unemployed citizenry. According to the findings by Goodman, French and Battaglio Jr (2015:141), very few municipalities have workforce plans in place.



**Figure 2.3: Linking Workplace skills plan with organisational performance**

Source: Bas Swaen (2015)

## **2.4 CHALLENGES IN IMPLEMENTING WORKPLACE SKILLS PLAN**

The Mandatory Grant Evaluation Report (2013: 51) showed that the main problem appears to be that line managers would either not release employees to attend training or release different employees for the training after training department had contracted training service providers and scheduled training. This suggests a lack of strategic direction for training in the organisation and poor planning from line managers who do not see the importance of training in delivering on their departmental objectives. Another challenge is when line managers do not control training budgets directly. That is, line managers plan and schedule training events without input from the HRD department and this training is not included in their inputs to the WSP.

Support from senior management is very important in the skills development of employees. In the eThekweni Municipality, the City Manager places skills development at the forefront of the city's development plan, which signals the importance of skills development. The City of Cape Town developed a strategic approach which focuses more on skills development that has started to bear fruits. Svara (2010: 363) mentioned that workforce shortage was a result of Baby Boomers that are ageing and a young generation immigrating. Pynes (2009), cited in Goodman, French and Battaglio Jr (2013: 136) stated that one of the most critical issues facing LG over the next decade is ageing workforce retiring from key management positions. Obtaining competent workforce requires a strategically planned human capital investment.

Workforce gap looms for an organisation that traditionally filled its managerial positions from within its workforce.

## **2.5 ORGANISATIONAL LEARNING**

According to Fiol and Lyles (1985: 803), an initial definition of organizational learning involves the process of improving actions through better knowledge and understanding. Senge (1990) stated that the concept of organization of learning was published in his fundamental book: *The fifth discipline: the art and practice of learning organisation*. In its original definition, Senge (1990: 3) defined the organisation of learning as an organization in which people continually expand their ability to create results they really want, where broad thought patterns are cultivated, where collective aspirations are released and where people continually learn to learn together.

According to Coldwell and Fried (2011: 104), “building a learning organisation requires that employees be encouraged to be open and personally assess and scrutinise deeply held opinions and views.” Gagnon *et al.* (2015: 637) mentioned that the development of a learning culture in an organisation involves the continuous education of its members. An assertion by Gagnon *et al.* (2015) on learning organisation was later confirmed by Urban and Gaffurini (2017: 3) when stating that dimensions of organisational learning capability include: continuous learning; other key dimensions include inquiry and dialogue, empowerment, and strategic leadership. Niazi (2011: 45) mentioned that learning organisations are those organisations that encourage training and development process as part of the organisation’s strategic focus area. Learning organisations require an environment that supports growth for employee’s learning and development, and at the same time, increase organisational performance.

In order to better understand the education and professional development of “Australian LG, and to identify both supply and demand sides, the Australian Centre of Excellence for Local Government (ACELG) provided funding for a study entitled ‘Learning in Local Government’ which discloses information on exploring education and professional development in Australian LG. In addition, it was aimed at putting forward an integrated national approach that would reflect the changing operational environment and the role of councils (Woods, Artist and O’Connor, 2015: 113). The ‘Learning in Local Government’ study was undertaken in the context of a perceived lack of data on LG investment in education and training. The

study was regarded as a research that could assist to comprehend the processes and influences which shaped sector-specific features of the company and inter-organisational learning within the local government environment. Stantos-Vijande, Lo'pez-Sa'nchez and Traspalacios (2012: 1080) stated that organisational learning can be achieved when individual knowledge transfer occurs through social interactions of different groups of people after shared interpretation. On the other hand, the accumulated knowledge enables people to learn from the organisation, creating a continuous two-way process of transferring knowledge between people, groups and organisation. Organisational training is emerging as a strong leader in the company's great ability compared to its major competitors to solve the challenges of 21st century features that require rapid and adaptive response (Stantos-Vijande, Lo'pez-Sa'nchez and Traspalacios 2012: 1086).

According to Hastings *et al.* (2015: 32) employees of LG have higher levels of educational qualifications than other organisations' workforce in Australia. About 65% of men and 70% of women in LG have acquired post-school qualifications. Tshilongamulenzhe, Coetzee and Masenge (2013: 1) stated that occupational learning programmes are touted as a fundamental mechanism to address skills shortages in South African context. Hence, vocational and occupational certification via learnerships and apprenticeship programmes are at the core of the new skills creation system. Ong and Jambulingam (2016: 18) mentioned that another way that an organisation can offer a greater level of development opportunities at a lower cost is using online learning platforms. There is interest in the use of massive open online courses, which are web-based courses that can be targeted to an unlimited number of participants.

## **2.6 HUMAN CAPITAL DEVELOPMENT**

The concept of human capital is not a new one, it was proposed by Schultz (1961: 2) and later expanded extensively by Becker (1993) based on his research of return-on-investment. Schultz (1961) considered the knowledge and skills that people acquire through education and training as a form of capital and this capital is a product of deliberate investment that yield returns. Others have defined human capital as the investment made in one's education and training, or simply the skills, knowledge and competences that a person brings to an organisation (Becker, 1993; Sharabati and Nour, 2013: 104). This makes human capital the core of intellectual capital that drive business performance. Du Plessis (2016: 32)

opined that maximisation of human capital can be regarded as a critical requirement for sustained organisational performance that is necessary for its long-term success. Municipalities have to invest in their existing human capital through taking care of their development needs to ensure sustained organisational performance.

Several studies, both in South Africa and abroad, have been carried out to examine the relevance or importance of WSP in the achievement of HCD. There seems to be a consensus from most of these studies that the development of WSP engenders HCD Anyadike (2014). Empirical results indicate that there is, indeed, a long run relationship among labour force, development of WSP, enrolment in educational institutions and HRD. Thus, the policy implication of the findings is that government should place a high priority on WSP. Findings show that there is a feedback mechanism between implementation of WSP and HRD. Efforts should be intensified to increase investment in WSP to achieve human capital growth which would engender service delivery.

### **2.6.1 Human capital development international trends**

According to Poell (2015:183), when the industrial revolution reached the Netherlands around 1875 and the demand for skilled labour increased, there were various kinds of initiatives aimed at re-establishing on-the-job training opportunities for a well skilled labour force. Omotayo (2015: 152) mentioned that the belief in human capital as a necessity for growth started in Nigeria during the implementation of the 1955 to 1960 development plan. With the importance of knowledge in the economy, human capital has increasingly attracted both academic and public interest. Human capital is widely acknowledged as an agent of national development across various fields. Providing education to employees is one of the major ways of improving quality and professionals as no nation will survive without a seasoned workforce. HCD is very important as it is the ultimate contributor that propels productivity (Monday 2015: 75)

Tessema and Ng'oma (2009: 44) stated that developing countries (DCs) have a severe shortage of highly skilled public servants due to brain drain. Eritrea became an independent state in 1993, after a long war with Ethiopia from 1961 until 1991 and about a quarter of Eritreans lived overseas in exile. Many of these were highly skilled individuals. To cope with challenges of sovereignty, Eritrean Government was left with a very low human capital base. To address this challenge a lot of training and development interventions were introduced.

Amongst them were the establishment of the Eritrean Institute of Management (EIM) in 1995, encouragement of overseas scholarship, the launching of the Eritrean human resource development project (EHRDP) (1998-2005). According to Tessema *et al.* (2009:413) “Although Eritrea was effective in HRD during the first 10 years of independence (1993-2002), the success of its HRD progress has been undermined by brain drain. The critical challenge that has faced contemporary Eritrea is, thus, how to retain and motivate trained public servants, as witnessed in the country’s HRD project (1998-2005)”.

According to Amde, Sanders and Lehmann (2014:2) the importance of HCD played an important role in human resource for health sector. In many low-income countries health systems remain fragile. Human capital theory emphasises how training and development increases the worker’s productivity by increasing the cognitive stock level of productive human capabilities (Khan 2015:40). Eigbiremolen and Anaduaka (2014: 26) opined that HCD is a key prerequisite for a country’s socio-economic and political transformation. According to Tome and Goyal (2015: 589), the most interesting thing about India’s situation is that the key for India’s development lies in the human capital, HRD and VET systems. Human capital includes not only learning-related contracts like education and training, work experience, competence, skills but also other more physical and social ideas likeability, attitude and motivation.

## **2.6.2 Human capital development and economic development**

Diop, Pascat and Mbibi (2013: 4) stated that one particularity of human capital is that, nowadays it is one of the most important organisational resources. The organisation must develop its own human capital to support the development of its sustainable competitive advantage. Atoyebiet *al.* (2013: 58) and Mohamad, Daud and Yahya (2014: 321) specified that no country has achieved sustained economic development without substantial investment in human capital. It is therefore important to develop knowledgeable human capital composed of people who can conduct the job in line with attainment of organisational goals. Human capital development is also a means since it enhances skills, knowledge, productivity and inventiveness of people through a process of human capital formation. The wealth of a nation as well as its economic growth and development is the result of the return on the investment made on the human capital.



Aggrey, Eliab and Joseph (2010: 48) indicated that the existing theoretical literature seems to suggest that when human capital is successfully utilised there is a positive effect on firm's performance although this is not always confirmed with empirical evidence. In Kenyan industrial firms, firms that undertake training were shown to display substantial higher levels of labour productivity than firms that do not train their workers. According to Tome and Goyal (2015: 589), a country in which populaces are more educated, skilled and competent can produce more valuable goods and services than one country with a less educated, skilled and competent labour force. Competency is not only acquired in schools and universities but also in VET and HRD institutions, on-the-job training and life-long learning investments. Emmanuel, Oluwayemisi and Abosede (2015: 8) pointed out that aspects of human capital that are relevant to the organisation's workforce productivity are formal learning; non-certified learning; foundation skills; management and leadership skills.

Stevens (2010:77) asserted that "human capital recognised by organisations as the strategic value of the human assets, is the collective value of the workforce. Human capital is not the worker in a company; it is what the person brings and contributes to the success of the organisation." Therefore, investing in human capital does not only help employees with skills but it assists the organisation to reach its greater heights. Marimuthu, Arokiasamy and Ismail (2009: 266) stated that human capital refers to training, education and other professional programmes offered to escalate the levels of knowledge, skills, abilities, values and social assets of the employee's satisfaction performance and eventually on a firm performance.

Omotayo (2015: 155) opined that HCD has been described as an end or objective development. It is a way to fulfil the potentials of people by enlarging their capabilities, and this necessarily implies empowerment of people, enabling them to participate actively in their own development. Human capital development enhances the skills, knowledge, productivity, creativity, and inventiveness of people through education and training. Marimutu, Arokiasamy and Ismail (2009: 266) clarified that to sustain competitiveness in the organisation; human capital becomes an instrument used to increase productivity. Ailemen, Oyero and Taiwo (2015: 65) asserted that human capital is the knowledge and know-how that can be converted into value. Human capital consists of know-how education, vocational qualifications, training programmes, union activity compensation plan and shares option scheme.

According to Ailemen, Oyero and Taiwo (2015:66), human capital is the productive effort of an organization's workforce, while performance is the performance of employees who help implement a company strategy. Formal human capital can be determined through access to education, years of study, and / or other indicators, such as employment. Real human capital can be measured directly at the personal level through interviews, tests and / or tests. Wright and McHaman (2011: 94) stated that while the economic view defines human capital in terms of knowledge, skills etc. the major focus within this literature is on how individuals make choices regarding investments in their human capital, such as the choice to receive training, gain a college education, or begin a physical workout regimen. In support of Wright and McHaman (2011) on human capital, Ployhart and Moliterno (2011: 128) presented an emergence model explaining how a number of individuals with specific human capital endowments can be combined in such a way that human capital resources emerge at unit level.

#### *2.6.2.1 Economic growth*

According to Aggrey, Eliab and Joseph (2010: 48) and Memon (2014: 28) human capital has always been considered an important study of growth by economic theory. The human capital theory assumes that education increases the marginal material productivity of workers. The current theoretical literature seems to indicate that, when successful, the use of human capital has a positive impact on the company's performance. Marimuthu, Arokiasamy and Ismail (2009: 265) stated that companies seek to improve their workforce through comprehensive HCD programs, not only to achieve business goals, but mainly for long-term survival and sustainability. To achieve this, companies will need to invest resources to ensure that employees have the knowledge, skills and abilities needed to work effectively in a rapidly changing and complex environment.

For meaningful growth to take place, human capital must be developed and efficiently utilised. Strategies and priorities towards sustained human development, efficient investment in human capital and effective manpower planning and utilisation policies need to be put in place by the government (Atoyebiet *et al.* 2013: 58; Long *et al.* 2014: 6). The growth strategy will allow the nation and people to progress and achieve the required economic turnaround. Capacity in this context refers to the ability to produce output and income. There are various factors that determine the extent of an economy's capacity to produce and improve income. The major factor is capacity which refers to one of the inputs that make

productivity possible. The more human capital is accumulated, the more income is generated, the more wealth is formed, and the more growth is obtained. According to IDP of the eThekweni Municipality (2012: 159), a skilled and capable citizenry, within the eThekweni Municipal Area, shares in and contributes to the economic expansion and growth of the region.

Shaffer and Zalewski (2011: 76) stated that the expression 'Investment in human capital' refers to any actions taken to increase the productivity of a worker. In addition to formal education, a worker's productivity is affected by health, geographic mobility, adult education, and on-the-job training (OJT). Human capital has been used by observers in a variety of fields to know the economic value of different forms of learning, especially the learning outcomes of formal course work. Modern organisations offer their employees advantages of skills advancement that they cannot obtain in a formal education setting, training and development and real-world experience (Shaffer and Zalewski 2011:76, Dabor *et al.* 2015: 9). Human capital plays a critical role in economic growth and poverty decline. From a macroeconomic perspective, the accumulation of human capital improves labour productivity; increase returns to capital and makes growth more sustainable. From a microeconomic perspective, education increases the probability of being employed in the labour market and improves earning capacity.

Economic growth takes place mainly due to two factors; that is labour productivity growth and employment growth. World Bank (1998) cited on Monday (2015: 77), indicated that "the significance of developing human capital in any industry cannot be over-emphasised. In the assessment of 192 countries, human capital on the average accounted for 64% of the total wealth while physical and natural capital accounted for 16% and 29%, respectively." Adhikari (2010: 310) stated that employees work harder because of greater job involvement, and the economy gains from this high performance. Thus, it is important to spend time and money on HCD initiatives as a way of fulfilling the potential of employees and enhancing their capabilities.

### **2.6.3 Developing and improving human capital and productivity in public companies**

Cox, Gabris and Levin (2010: 326) stated that never has there been a time when the need for professional, effective and efficient government has been more apparent in providing basic needs to the citizens. As the role and the scope of the public service have become

even more diverse and complex in the twenty-first century, there has been a parallel need for city managers to upgrade their capacity to better analyse the issues, to have a vision, mission and a strategy of what a community can be, then manage innovatively, and support the policy-making process of elected officials within a democratic context. To achieve the goals of the organisation, HCD programs and policies should be aligned with the organisational goals.

According to Sithole and Ngibe (2016: 34), eThekweni Municipality (Skills Development Unit) developed and monitored Assisted Education Programme that was aimed at promoting the principles of lifelong learning and HCD by encouraging employees to take responsibility for their own education and skills development. This was done with the aim of achieving the IDP goals of the municipality. According to the IDP of eThekweni Municipality (2012: 159) one of the goals of the municipality is “to establish eThekweni as a learning city which uses knowledge management techniques and processes to enhance the skills base of the citizenry as well as share good practice with other municipalities.” The development of the Assisted Education Programme was based on the implementation of approved Assisted Education Policy in 2007. The policy aimed at assisting permanent employees who have completed probationary period to register at institutions of higher learning and acquire qualifications.

The study conducted in Oregon seeks to discover whether Master of Public Administration (MPA) program was introduced played any role in preparing the next generation of LG managers to take over leadership role. The critical competencies needed by city managers are identified using Delphi’s study (Lazenby 2010: 337). From that study, the analysis identifies 118 individual competencies important to effective LG management. However, MPA programs will not be the only factor in preparing the next generation of city and country managers, but these HCD interventions will play a major role in employee skills development.

Some of the competencies identified for managers to be trained on include, among others, business management, public management and local governance. “The detailed list of competencies that emerged from the process can be useful in creating professional development programs for current and prospective LG managers. It could also be helpful to MPA programs that choose a mission of preparing future LG managers” (Lazenby 2010: 344). Lachapelle and Shanahan (2010: 401) stated that to equip citizens appointed or

elected to LG boards there is a need to develop context-specific training material to prepare citizens for public service and board governance in Montana. In Montana, there are 1,127 distinct LG which includes municipalities, school districts, and special districts. The programme of training board governance covered four critical areas, which include the foundation of governance, effective meeting techniques, conflict management, and leadership and team-building skills.

#### **2.6.4 Capacity development for disaster risk management in South Africa**

Wentink and Van Niekerk (2017: 3) stated that capacity development implies that projects to strengthen capacities, be it individually, organisationally or community capacities are based on existing capacities that need to be identified and acknowledged. Hagelsteen and Burke (2016), cited in Wentink and Van Niekerk (2017: 4) and Ogbariet *al.* (2015: 5) identified eight elements for capacity development for disaster risk reduction. These were terminology, local context, partnership, ownership, capacity development, roles and responsibilities, a mix of activities and methods, and monitoring, evaluating and learning. For capacity development to be effective within the employee, organisation and in both, these eight elements must always be considered. Capacity development must be needs-driven, and a capacity assessment needs to be conducted to understand risks from hazards involved.

#### **2.6.5 Succession planning**

For the LG to be managed properly and ensuring continuous service delivery, Svara (2010: 363) mentioned that LG should conduct succession planning to prepare for the changes that are coming due to certain dynamics in LG environment. Caution must be raised that when developing a succession plan, it should be done at the pace of change and to avoid creating unrealistic expectations among those waiting for a promotion.

Gabris, Davis and Nelson (2010: 390) stated that if replacing city managers and their professional direct reports with quality personnel is a high priority, then it is reasonable to assume that succession planning should be a common high priority strategic issue across LG. Green 2000 (cited in Gabris, Davis and Nelson 2010: 391) succession planning involves the on-going, purposeful, and systematic identification of qualified and appropriate successors in leadership, and it is a process linked to formal development mechanisms to

ensure that the company has a continual stream of high-quality employees in key positions. One type of succession planning involves cultivating and nurturing internal human resources to provide staffing for future key managerial positions.

#### **2.6.6 Approaches to human capital development**

Stoberg-Walker (2015:5) stated that in HRD the research and practice of enhancing learning and working together is relevant to many sectors including among other health care, education sector and non-profit organisation. Lufunyo (2015: 357) mentioned that HRD enhances the skills and capacities of human capital of LG authorities to i) carry out targets of development plans, ii) further human resource management towards productive contributions to vision achievement and efficient service delivery, and iii) do recruitment, promotion, personnel relations, rewards and incentives as well as succession planning. Cascio (2014: 112) opined that while some organisations may provide HRD opportunities to full-time employees, very few organisations provide such opportunities to temporary employees. Employees who are offered an opportunity for HRD are those with a long-term relationship with the employer, where skills are regarded as valuable to achieve an organisation's strategic objectives. According to Cascio (2014: 113) Anglo American believes that training young people will result in a dedicated workforce.

According to Riboud (2016:169), "The vision in HRD for Central Asian countries is that by 2050, a strong human capital base will be in place, with knowledge and skills close to those of developed countries and the flexibility to adjust to the needs of rapidly changing economies." Therefore, investment in human capital will pave the way towards realisation of that vision. Chakunda and Chakaipa (2015: 1) stated that capacity building is about HRD, institutional development and the overall policy environment within which the local government operates. Capacity building also refers to a situation where supplied labour is efficient in achieving set demands. Capacity building deals with activities which strengthen the knowledge, skills, and behaviour of employees to improve employee performance and achievement of organisational goals. Development can be looked at as a process that aims at improving people's standard and the way of living (Nafukho 2016: 605). On the other hand, Kim (2012: 241) looked at HRD as a traditional approach that focuses on the organisation as the primary context, highlighting the organisation's roles in and impact on

society. To achieve holistic HCD, the organisation may opt to use any or a combination of the following approaches to that goal.

#### 2.6.6.1 Education

Rasool and Botha (2011: 6) mentioned that many people looked at the South African education system as the main contributor to the national skills crisis. The system is characterised by low education standards, inadequate provision for early childhood development, declining Grade 12 pass rates, declining enrolment at Further Education Training (FET) colleges, lack of resources, under-qualified teachers, weak management and poor teacher morale. The LGSETA Report published in 2007 stated that only 31% of municipal managers have qualifications other than those related to finance, public administration, planning and development (Koma, 2010: 115; Solomon *et al.*, 2012: 7). According to Omotayo (2015: 151) in HCD, education is essential. Education is concerned with the cultivation of the whole person including intellectual, character and psychomotor development. The belief in human capital as a necessity for growth started in Nigeria during the implementation of the 1955-1960 development plans and today with the importance of knowledge in the economy, human capital has increasingly attracted both academic and public interest.

According to Khan (2015: 37), human capital refers to processes relating to education, training and other professional initiatives for increasing skills, knowledge, value abilities levels and social assets of employees, leading to satisfaction and performance of the workers and enhancing organisational performance. Koo and Miner (2010) stated that education of the public health workforce should occur not only in an academic setting, leading to a formal degree, but also in diverse on-the-job settings. Koo and Miner (2010: 264) defined workforce development as a critical area for collaboration between academia and practice. However, both sides often feel that they do not have enough time, and academics often deem public health practice not rigorous enough and practitioners often view academic education as not relevant enough. On the other hand, Sonabe *et al.* (2011: 328) declared that it is also found that relatively highly educated entrepreneurs are also active to explore new marketing channels to sell their improved-quality products. McHugh (2005), cited in Mensah and Benedict (2010: 155), stated that the case of entrepreneurship training as a poverty alleviation strategy is a special case of the general observation that

lack of education is the greatest cause of poverty, because lack of education limits one's choices and abilities to improve one's life or one's business.

Nguyen and Hansen (2016: 11) argued that organisations can save time and improve productivity if the proper leader-manager mind set is taught, either through internal or external education and training rather than relying on self-acquired experience. To complement quality education offered to employees, Kosloski, Jr and Reed (2009: 7) stated that the primary methods of instruction in educational programmes are lectures, demonstrations, case studies and group problem solving. Each session offered integrated lectures and demonstrations where new materials are presented.

#### *2.6.6.2 Non-formal education*

Aitchson (2007), cited in Manyombe and Lombard (2016: 188), stated that “a lack of education and training among poor adults is a significant contributor to unemployment and poverty. To increase level of education in South Africa, non-formal education and training (NFET) was introduced with the aim of responding to the learning needs of adults who lacked access to formal education, thus increasing their employment opportunities, reducing poverty and enhancing social inclusion.” This initiative contributed positively in human capital development and skills acquisition of the workforce. The South African government had a commitment to redress historical lack of education and training through legislating non-formal education through the Adult Education and Training (AET) Act 25 of 2010.

The KZN Department of Education offers two types of NFET programmes for adults who have no or little educational qualifications. The first type is a formal education system linked to NQF structure, and in part to AET which facilitates the adult's progression through AET levels 1-4. Level 4 culminates in a General Education and Training Certificate (GETC) at the end of the programme. The second type of NFET programme encompasses training unemployed adults from rural and urban backgrounds in technical and entrepreneurial skills to enable them to take up paid or self-employed opportunities in various fields (Lombard 2015: 614). For the organisation to apply for SETA funding for these learning programmes to be offered to employees, that organisation must submit a WSP before the closing date of that particular SETA.



#### *2.6.6.3 Technical Vocational Education and Training*

Alagaraja, Kotamraju and Kim (2013: 267) stated that the role of TVET is to provide skills development emanating from broad-based education which raises knowledge acquisition across skills and education sector. Skills acquired at TVET are those required by the economy. Skills, education, knowledge and innovation address the development of human capital at the organisation, regional and national level (Alagaraja, Kotamraju and Kim 2013: 267). In developed countries, TVET focuses on workforce development and utilisation of HRD to achieve that end. Contrary to that, in developing countries, TVET provide training that is needed by individuals for their development, particularly from the poor vulnerable and marginalised population.

#### *2.6.6.4 On-the-job training*

According to Riboud (2016:173) “learning does not stop upon graduation from a formal education and training system but continues through later stages of life, particularly in a working environment. Learning and skills acquisition occur while working (learning by doing) or through more formal mechanisms (apprenticeships, on-the-job training, or through training programs organised or proposed by the employer). It is an important means of enhancing productivity and increasing one’s life earnings.” Khan, Khan and Khan (2011: 66) stated that on-the-job training has significant and positive effects on organisational performance.

#### *2.6.6.5 Online training*

Another employee development strategy stated by McKay and Vilela (2011: 303) is online training. The first concept of online training was developed in the 1960s at the University of Illinois through the creation of a computer-based education environment called Programmed Logic for Automatic Teaching Operations (PLATO), designed for delivery to university students. Online learning was later introduced at the workplace with the aim of developing human capital.

#### *2.6.6.6 Skills Development*

Shaffer and Zalewski (2011: 79) stated that to learn new skills, job seekers must subsequently obtain the demanded skills and competencies at the time they are employed on that job. Elnaga and Imran (2013: 137) said that most firms invest in the building of new skills of their workforce through participation in training and development programmes,

therefore enabling them to cope with certain challenges that they may face in future. When employees recognise that the organisation is interested in offering various training programs through workforce plans, they in turn apply their effort to achieve organisational goals. Employees who are skilled enough tend to keep their jobs longer.

According to Ngcwangu (2014: 158), the role of the state in the skills development policy can be characterised as straddling two main discourses. The first discourse of restoration of competitiveness through radical skills development programmes and the restructuring of the supply side which is measured through the basic and higher education systems to meet the immediate requirements of the market economy. The second discourse is that of social renewal in which the emphasis on skilling is placed as a definite part of the solutions to the challenges of unemployment, inequality and poverty in South Africa. For the South African Government to curb skills shortage, President Mbeki, in July 2005, announced the launch of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), a new development strategy designed to help the South African state meet the African National Congress (ANC)'s election pledges, namely, to halve unemployment, halve poverty, accelerate employment equity; and improve broad-based black economic employment (McGrath and Akoojee 2007: 425).

#### *2.6.6.7 AsgiSA*

According to McGrath and Akoojee (2007: 425) and Rasool and Botha (2011: 2), AsgiSA was birthed on the premise that the single greatest impediment is shortage of skills amongst the workforce which includes professional skills such as engineers and scientists; financial, personnel and project managers; deficiencies in strategic organisation; capacity building and leadership; and skills for technical employees such as artisans and Information Technology Technicians.

This problem is supposed to be met through a range of initiatives such as achieving higher levels of literacy and numeracy in the early grades of schools; upgrading public further education and training (FET) colleges; and expanding Adult Basic Education and Training (ABET) delivery. Mensah and Benedict (2010: 146) mentioned that AsgiSA was planned to run from 2005 to 2014, and it had the twin objectives of increasing economic growth by five percent over the period up to 6 percent from 2010 to 2014 and halving poverty from a third to a sixth household. The South African labour force was going to play a major role towards

realisation of such goals through a multi-pronged strategy and implementation of Growth, Employment and Redistribution (GEAR) strategic objectives.

#### *2.6.6.8 Talent Management*

Vinod (2014: 474) said that the talent management concept was formally born in 1997, when McKinsey conducted a global talent war study to review the procedures that US companies employ to hire the best employees. performance. The survey showed that organizations actively compete for talented people in the context of a favourable economic climate and the most significant difference was the leaders' deep belief that competitive advantage and high profitability can be achieved through use. of the best talents.

Despite the progress made so far, finding highly qualified personnel is still a challenge (Saurombe, Barkhuizen and Schutter, 2017: 2). Collins and Scullion (2008), as cited in Farndale, Scullion and Sparrow (2010: 162), defining Global Talent Management as “the strategic integration of resourcing and development at the international level which involves the proactive identification and development and strategic deployment of high-performing and high-potential strategic employees on a global scale.” The level of talent management alignment to organisational strategy has a clear impact on the success of projects meeting their original goals and business intent (Vinod 2014: 474).

According to Dhanabhakym and Kokilambal (2014: 24), talent management practices in industry sectors are of different dimensions such as workforce planning, training and development and coaching. Talent management practices are aimed for business results of an organisation and work force results like skills development and professional development.

Khatri *et al.* (2010: 39) defined talent management as human capital management intervention, which is involved with the process of recruiting, managing, assessing, developing and maintaining an organisation's most valuable resource. There are key components of a highly effective talent management process which include amongst others a clear understanding of the organisation's current and future business strategies; identification of the key gaps between the talent in place and the talent required to drive business success; and a sound talent management plan designed to close the talent gaps between performance standards and actual performance. A talent management process should also be integrated with strategic and business plans of the organisation. It should

also allow connection of individual and team goals to corporate goals, and it should provide clear expectations and feedback to manage performance (Vinod 2014: 475).

Mangusho, Murei and Nelima (2015) stated that talent management has been found to influence worker's performance in the workplace. When an organisation gets to know its expectation, it becomes easier to invest in their professional development. Professional development is dependent on the learning, training and development strategy of the organisation to ensure both organisation and individual growth. Professional development will result in individuals accumulating knowledge to perform their task accordingly. However, if critical knowledge is not retained, organisations will have to continuously reinvent the wheel. This will result in wastage of resources; which organisation cannot afford in this era of economic turmoil and global competition (Dube and Ngulube 2013: 1).

#### *2.6.6.9 Knowledge Management*

McInerney (2002), cited in Stevens (2010: 78), broadly describing knowledge management as a common business practice and as a theoretical field of study. Knowledge management is a conscious effort to gain from knowledge that lies within an organisation by using it to achieve the organisation's mission. In some countries, many employees are retiring, many leaving with huge amounts of knowledge. This can place the organisation at risk of brain-drain. Therefore, human capital development assists organisations to develop a plan that will assist with acquisition of such knowledge.

The South African banking environment is characterised by intense competition, thus compelling the players to use strategies and create knowledge assets that are difficult to imitate. For an institution to remain competitive and relevant in a knowledge environment, there are opportunities to create, own, protect and use commercial and industrial knowledge assets which are difficult to copy (Chigada and Ngulube 2015: 1). Therefore, high level HCD interventions are required to keep businesses ahead of their competitors. These interventions need to be planned according to skills needed by the organisation and the competitive environment.

Bessick and Naicker (2013: 1) stated that in the environment where knowledge sharing is not the norm, staff can become the sole owners of domain knowledge, meaning that this knowledge is typically lost when the employee leaves the organisation. There will always be the risk that valuable knowledge is lost from an organisation that does not protect its

information through documented business process. Naicker (2013: 3) further mentioned that where there is a lack of understanding and lack of knowledge sharing the organisational culture is brought under spotlight. Mannie, van Niekerk and Adendorff (2013: 4) stated that knowledge management establish ways in which organisations create, retain and share knowledge amongst its workforce. According to Stevens (2010: 80), various methods of transferring knowledge from one generation to another include, but not limited to, formal education, training, apprenticeship and conferences. Other forms of knowledge transfer include classroom training and sharing of learning experience between young and older employees. Mentoring relationships between mentors and the mentees bridge the knowledge gap.

#### *2.6.6.10 Barriers in implementing knowledge management*

One of the barriers to the successful implementation of knowledge management identified by Bessick and Naicker (2013: 4) is the lack of the talent management process in the organisation. Talent management requires the organisation to have a human resource strategy that will address mentoring, training and development of employees. Mentoring plays a vital role in promoting knowledge transfer and career development. According to Kruger and Johnson (2013: 3), another barrier to knowledge management in the South African context is the issue of language. People are reluctant to share knowledge if they cannot understand concepts or find it difficult to convey their message. Therefore, investing in HCD will assist in the effective implementation of knowledge management in the organisation. Chigada and Ngulube (2013: 2) opined that for the organisation to grow and become competitive, knowledge acquisition is the key. Knowledge acquisition can be achieved through the sharing of information, learning amongst colleagues, collaboration and interaction of individuals within the organisation. Training and development are key paving ways for knowledge acquisition.

## **2.7 LEGISLATION PERTAINING TO HUMAN CAPITAL DEVELOPMENT**

Singh (2015:23) stated that the South African state's approach towards skills development is based on a rigid set of statutory requirements. According to Rassol and Botha (2001: 1), the announcement of SDA (No. 98 of 1999) created an enabling institutional and regulatory framework for expanding strategic investment in education and training across all economic sectors. This act led to the establishment of SETAs, which represent organised labour and

business management to promote skills development. Linked to the objectives of SDA (No.98 of 1999), Asamoah (2016: 32) suggested that human resource policies have to take into consideration employee goals and training needs as well as the importance of increased employability, within and without the organisation.

Paterson et al. (2014:447) mentioned that “Skills Development Levies Act (SDLA) (No. 9 of 1999) is intended to realise two high-level goals: to boost expenditure on skills development through the levy-grant mechanism, and to oblige enterprises to engage in planning for skills development. These are the policy goals to which we have measured the success of this policy’s implementation.” National Qualification Act (NQF) (No. 67 of 2008) was promulgated with the objectives of creating a single integrated national framework for learning achievements; to facilitate access to learners; provide mobility and progression within education, training and career paths; to enhance the quality of education and training.

Other national policies that are key towards driving learning and development initiatives in South Africa are National Skills Development Strategy 3 (2011-2016). The objectives of NSDS 3 (2011: 5) are to i) improve the effectiveness and efficiency of the skills development system, ii) encourage the linking of skills development to career paths, career development and promoting sustainable employment and in-work progression, and iii) promote skills development system and architecture that effectively respond to the needs of the labour market and social equity.

The National Development Plan (NDP) is another government strategy to reach out to people. According to a report by National Planning Commission (2011: 261) (NPC), education empowers people to define their identity, take control of their lives, raise healthy families and take part in developing society. National Development Plan (NDP) seeks to expand the production of highly skilled professionals and enhance the innovative capacity of the nation and HRD Strategy.

International legislation that regulated learning and development included (1) Industry Training Act of 1982. On 29<sup>th</sup> March 1982, the Industry Training Act mandated establishment of Industry Training Boards that regulated implementation of training required by the Industry. (2) Industry Training and Apprenticeships Act number 55 of 1992. The purpose of the Act is to provide for the recognition and funding of organisations to develop and maintain skills standards, and administer the delivery of industry training; encourage and improve industry training; and encourage employees to complete their apprenticeship training. (3)

Workforce Investment Act of 1998. The Governor of a State shall establish a State workforce investment boards to assist in the development of the State plan described in section 112 of Workforce Investment Act of 1998.

## **2.8 COMPETENCY-BASED TRAINING**

Ott *et al.* (2014: 2) mentioned that competencies are identified as core values and standards of a particular field of study. They include skills, abilities and knowledge that are required to acquire a qualification. Implementing a competency-based approach to professional academic programs begin by conceptually defining the competencies intended. Competencies should be linked to national standards identified by national bodies in that field. When recommending students for jobs in conversations with employers, faculty and program administrators describe the competency model and the types of skills and knowledge that graduates possess. Being able to define, explain, and demonstrate competencies is valuable for students as they seek employment.

Stodel *et al.* (2015: 2) stated that the objectives of the competency-based approach to program and curriculum design are to use a learner-centred approach that emphasise active learning processes and recognises that trainees learn differently and at different paces; to build in opportunities to encourage resident self-reflection as a means of learning and self-assessment; and to develop a robust formative and summative assessment approach. Meethongian and Tachpetpaiboom (2015: 2521) mentioned that in Thailand employees were trained on computer skills and competencies for them to increase efficiency because computer competent employees can accurately process data. Stodel *et al.* (2015: 1) added that competency-based medical education is an outcomes-based approach that involves identifying abilities required of the physician and designing the curriculum to support the achievement of these competencies. Competency-based education in the medical field needs assessment system which can be done in a combination of classroom, clinical and simulated environment.

## **2.9 HUMAN CAPITAL DEVELOPMENT FRAMEWORK**

### **2.9.1 The National Qualifications Framework**

The National Qualifications Framework (NQF) was established in accordance with the South African Qualifications Authority (SAQA) Act No. 58 of 1995, which is essentially a competence management framework for all standards and qualifications obtained in South Africa. NQF is a means of addressing inequalities in learning across different racial groups in the society. The NQF in South Africa formed part of a larger effort to address unemployment through regulating the labour market and process of skills acquisition (Chisholm 2007: 297) and Othman 2014: 4).

UKZN (2009), cited in Othman (2014:4), stated that NQF is an educational framework that employs a set of principles and guidance for learner achievement which are registered to enable national recognition of acquired skills and knowledge, thus promoting lifelong learning. Allais (2007: 67) pointed out that qualifications frameworks are seen as a way of raising the status of vocational qualifications by showing that they are at the same level on a framework as other qualifications and thus establishing that they should be seen as equal by the society.

According to reports by SAQA (2012) and Griva *et al* (2011: 20) the NQF is an integrated framework of all qualifications and components of qualifications at all levels. The NQF covers many possible learning and career paths, which include all forms of education and training and each step in the ladder represents progress. Each step of the ladder in the NQF is governed by principles and guidelines that standardise the learning that takes place at that step. The NQF has won a huge acceptance as the principal instrument through which national education and training qualifications are recognised and quality assured.

### **2.9.2 The Australian Qualifications Framework**

According to the Australian National Training Authority (ANTA) (1999), cited in Wheelahan and Carter (2001: 305), and a report from Australian Qualification Framework Council (AQFC) (2013), the Australian Qualifications Framework (AQF) is defined as the national policy for regulated qualifications in Australian education and training. It incorporates the qualifications from each education and training sector, Vocational, Education and Training



(VET) and higher education into a single comprehensive national qualifications framework. It is a nationally consistent framework that allows for credit transfer and articulation between qualifications. The AQF was introduced in 1995 to strengthen the national system of qualifications in Australia encompassing higher education, vocational education and training and schools.

Wheelahan and Carter (2001:35) stated that AQF does not prevent one sector from providing a learning programme that is generally offered by the other provider, provided they can adhere to the accreditation and other requirements that go with accreditation requirements. AQFAB (2007:1), as cited in Wheelahan (2010:1), stated that the purpose of AQF was to create a comprehensive, nationally dependable and flexible framework for all qualifications in post-compulsory education and training phase. The strengthened AQF will contribute to clearer linkages and progression amongst qualifications in various ways yet reaching the desired outcome. While in countries such as United Kingdom, Ireland, Australia and New Zealand NQF were developed to cover mainly vocational qualifications, NQF now covers the entire education system by embracing all types of educational qualifications. To streamline education across the globe, NQF was aimed at addressing the need for cross-border recognition of qualifications (Chakroun 2010: 200).

### **2.9.3 New Zealand Qualifications Framework**

The New Zealand Qualifications Authority (2016: 1) stated that New Zealand Qualification Framework (NZQF) was established under section 248 of the Education Act 1989. The purpose of the NZQF is to ensure that the framework produces qualifications that are outcomes-based, which are described in terms of knowledge, skills and attributes. The NZQF is designed to equip people with educational achievements that will contribute to economic growth. It further conveys the skills, knowledge, and attributes a graduate has gained through completing a qualification. It also requires the development of integrated and coherent qualifications that meet the needs of individuals, groups and industry and it enables and supports provision of high quality education pathways as well as enhancing confidence in the quality and international comparability of New Zealand qualifications.

However, it is far from clear that this theory holds for all areas of the labour market. For example, as argued by (Strathdee 2003), many areas of the labour market do not require workers to have high levels of skill and expertise, and in a few areas skill is only a small part

of a firm's competitive strategy. Initially at least, the NZQA tended to argue that although post-Fordism has yet to make an impact on some areas, competing in global economic ways that created high wage/high skill employment means that New Zealand will eventually need to modernize its labour force or it will face ever-declining incomes. More recently, the NZQA has had less to say about the possibilities for the NQF in these terms and has set about servicing the scheme that currently exists. The point is important because it goes to the heart of employers' motivations to invest in upskilling. If their competitive strategies do not encompass a need to increase skill levels, it is unlikely that they will embrace the opportunities created by the NQF. Indeed, as described more fully below, in many areas of the labour market employers do not see a need to embrace the opportunities and, despite making just such a promise at one point, the Government did not force them to.

#### **2.9.4 Sector Education Training Authority**

Department of Labour (2005), cited in Turner *et al.* (2013: 2), stated that SETAs were established by section 9 (1) of the SDA NO. 97 (1998) and came into operation from 1 April 2000. The objectives of the formation of SETAs were: to stimulate quality training for all in the workplace; to promote employability and sustainable development through skills development; to assist new entrants into the labour market and self-employment; and to improve the quality and relevance of training and learning provisions. The purpose of SETA establishment is to fully utilise its resources to promote training and education outcomes. According to the Fasset Handbook (2011: 14), SDA NO. 97 of 1998 as amended in 2010 allows for the Minister to establish SETA structures which may be amended from time to time. Twenty-five (25) SETAs were established in March 2000 in terms of the SDA, to cover all sectors in South Africa, including government and other industries in the country. In 2005 the number of SETAs was reduced to twenty-three (23) and in 2010 the number was further reduced to twenty-one (21) SETAs.

According to Nkirina (2010: 155), the Vocational Education Training Authority (VETA) was created through the 1994 Vocational education Act. The overall objective of the 1994 Act was to create an efficient, demand-driven national training system capable of responding to the needs of the labour market. The expected outcome would be trainees who are capable of using their technical skills to create their own employment in case wage employment is not secured within reasonable waiting time; self-motivated people who can work with

minimum supervision; and workers who are conscious of the need to produce quality goods and service for a wider market range.

#### *2.9.4.1 Local Government Sector Training Authority*

Local Government Sector Education Training Authority (LGSETA) is one of 21 SETAs established in terms of SDA No. 97 of 1998. This SETA has been mandated to make possible the implementation of skills development initiatives and interventions that covers the training and development of LG workforce, the unemployed, traditional leaders, and ward councillors with the objective of uplifting communities through service delivery, particularly water and sanitation, provision of housing, a clean environment and all the basic human rights the state is compelled to accomplish. The role of LGSETA is not only to provide training but to anticipate future problems and areas of improvement, to ensure the right skills are occupied in the right place.

## **2.10 CAPACITY BUILDING PROGRAMMES OF ETHEKWINI MUNICIPALITY**

Plan five (5) of the eThekweni Municipality 2016 – 2017 IDP (2016: 330) deals with the creation of a platform for individual and organisation growth, empowerment and skills development. The goal of eThekweni Municipality is to establish a learning city which promotes skills development and uses knowledge management techniques and processes to enhance the skills base of citizenry as well as sharing of best practices with other municipalities.

### **2.10.1 Strategic Focus Area: Human Capital Development**

The eThekweni Municipality's 2016-2017 IDP (2016: 332) stated its commitment to improve skills development and overcome the lack of existing skills in accordance with NSDS3 objectives. The following programs were identified for further training: to expand the possibilities for job training in the workplace; Direct access to employment-oriented programs through collaborative learning policies; Solve the problem of low language proficiency and math for young and old; Encourage more effective use of skills in the workplace; And increase the capacity of the public sector to improve services and support the development of a state of development.

A report on challenges presented at Hackathon Innovation Week: 25-29 May (2015) stated that eThekweni Municipality has a workforce of about 25 000 employees and a population of about 3.5 million. Despite literacy and education having been on the improving side over the past five years, skills development still limits the eThekweni Municipality due to major challenges with the implementation of WSP. Some of the challenges include limited resources within HRD department, absence of appropriate and suitable Management Information System and Database, delegates appearing under incorrect managers/supervisors, and communication/nominations to attend training does not reach intended employees on time. These challenges have huge impact on non-attendance, leading to the cancellation of planned/scheduled classes.

Cox, Gabris and Levin (2010: 326) stated that LG is the most dynamic, innovative, and organisationally diverse level of government. It provides more direct services and is the most likely point of contact between government and its people. Citizens depend on the effectiveness and quality of LG to make their lives safer, healthier, and more liveable to achieve that level of effectiveness. Professionalism is required to push beyond old horizons to discover new worlds of service. The city management continually re-examines the skills, knowledge and abilities needed to implement new programmes and services. A programme whose concentration is in LG promotes good coverage of skills and competencies associated with good administration, and technical and analytical skills required by LG service delivery implementation plan.

Nisha (2009), cited in Mporu and Hlatywayo (2015:134), explains that competent municipalities are those that employ skilled, competent and qualified staff offering efficient and reliable essential services to the masses according to promulgated government regulations. The acquisition of skills and competencies is achieved through training and development and therefore improves municipal performance. According to Lufunyo (2015: 355), in the context of Public Sector, capacity is the ability of a government to plan, manage and sustain the development process of their economies and societies. Nafukho (2016: 608) stated that it is true that the quality of inputs that the country has, by means of quality labour, have big impact on economic growth through the production process. According to Nafukho (2016: 608), African people should strive to become knowledge producers instead of being knowledge consumers based on their indigenous, political and socio-economic perspectives.

## **2.11 HUMAN RESOURCE DEVELOPMENT STRATEGY FOR SOUTH AFRICA 2010-2030**

### **2.11.1 What is Human Resource Development?**

Pareek (2002), cited in Purohit and Vernon (2013: 432), opined that HRD is the process of helping people to acquire competencies for their own development. According to a report by the Human Resource Development Strategy for South Africa (HRDS-SA) (2009: 7), HRD refers to formal and clear activities that will enhance the ability of all individuals to reach their full potential. Human resource development enhances skills, knowledge and ability of workers and serves to improve the productivity employees.

The Human resource development strategy for the Province of KwaZulu Natal (n d: 19) (HRDS-KZN) document stated that SDA, SDLA, NSDS 3 and the HRDS-SA constitute the essential and enough policy foundation for learning and development in South Africa. They set out a platform of priorities for the development of human resources in the country and seek to improve skills that will grow the economy of the province. Where there is mounting policy concern about the lack of skills required to drive economic performance, the policy thrust has shown that there is equal concern about who has access to available opportunities to training and development. The purpose of Provincial HRD Strategy is to develop a comprehensive set of initiatives, which could be undertaken by the province to build, sustain and properly utilise the capacity of citizens in creating a better life for all.

Like the South African HRD strategy, Tessema *et al.* (2009: 411) mentioned that to improve the quality of Eritrean public servants, Eritrea paid attention to HRD activities. The EHRDP awarded 674 Eritreans external scholarships to attend undergraduate and post-graduate degree programs; it also awarded 1037 public servants internal scholarships to attend certificate, diploma and degree programs; and lastly 889 distance education scholarships were awarded to public servants to study with other universities like UNISA.

Ndevu, Ile, and Ile (2007: 158) mentioned that HRD has been differentiated from education in its definition. Education is aimed at developing the mental faculties of the learner, while HRD is aimed at learning and acquiring technical skills that are relevant and useful at the workplace. Educational qualifications are obtained through formal learning from primary school to university, whereas HRD is vocationally oriented, and uses the workplace for

learning and doing practical. Some HRD learning and development initiatives offered within the work environment are broad enough in scope to cover broader educational outcomes and cater for specific job-related requirements. Human resource development assists the organisation to identify and address learning and development needs at the workplace. Yusuf (2013: 148) stated that it has become imperative for organisations to develop strategies of valuing their human capital and its impact on its performance, if it would continue to be relevant in the competitive and knowledge-based economy.

## **2.12 RECOGNITION OF PRIOR LEARNING**

Garnett and Cavaye (2015: 28) defined Recognition of Prior Learning (RPL) as a process by which formal (academic learning), informal (gaining of experience) and non-formal learning (at workplaces that are uncertified) are all given an academic recognition. The description of such learning as “prior” means that it has happened in the past and it is considered prior to enter the course of study towards a qualification. Fejes and Andersson (2009:1) and Osman (2004:139) opined that RPL is about considering prior learning, experiences and providing evidence of having achieved knowledge as determined by assessing RPL institution. Helyer (2015: 17) stated that employees can accumulate credits while studying and working at the same time. Workers can take few modules and complete them rather than be a traditional full-time student.

Makeketa and Maphalala (2014: 250) and Andersson and Fejes (2012: 1) stated that a workplace is central in the production of informal and non-formal learning. Employers point out that the most important informal and non-formal learning is accumulated while employees are working. Through RPL process, workers will be required to fulfil requirements for certificate qualifications. Most of the South African workforce does not have formal qualifications. However, they have necessary skills and competencies to perform their duties.

### **2.12.1 International developments in recognition of prior learning**

According to Garnett and Cavaye (2015: 29), in Australia, RPL was introduced in 1992 as part of the national framework for training and development recognition. Since then RPL has slowly become accepted for the purpose of any accredited education and training programme. Andersson (2008: 4) stated that RPL comprises of varying processes of

assessing, documenting, and giving recognition to prior learning that happened across the world. This process assisted people or immigrants with informal type of learning to acquire a formal value in terms of qualifications that are recognised in their new home country. In Sweden, this process is referred to as 'validation' which is a central part of the Swedish policy on adult education.

## **2.13 ORGANISATIONAL PERFORMANCE**

For organisational performance to be achieved, Chansarn (2010: 250) stated that labour productivity plays a very significant role towards that achievement. There are three factors which are regarded as the major determinants of labour productivity growth. The first factor is education, which is measured by mean years of schooling of employees. The second factor is health as mostly measured by life expectancy at birth; and the last factor is technological progress which is usually measured by the growth rate of total factor productivity and competencies possessed by employees. Kosloski, Jr and Reed (2009: 4) opined that workshops on various learning and development initiatives may be better attended to increase level of education if they are scheduled during late afternoons when teachers are able to attend during school hours. Another option is to deliver them immediately when the workday ends by offering the courses via video streaming, utilising online collaboration tools such as Adobe Connect. This allows teachers to eliminate travel time and still receive training within the confines of their contract schedule, thereby not infringing upon their personal time and organisational performance.

Kipene, Lazaro and Isinika (2013: 125) mentioned that labour productivity is influenced by education level, experience, skills training, age, gender and technology. The results of the research done in 107 agro-processing firms from both Morogoro and Mbeya regions in Tanzania showed that labour productivity is positively affected by various human capital factors, especially manager's education above form four, experience of workers and managers and trained managers. It is one of the goals of human resource management in the health sector to strengthen the motivation of health workers to perform according to the organisation's expectations and set standards. Highly motivated staff will not only perform better but also provide a higher quality of health service. Motivated employees are likely to stay longer in their jobs; they will hardly leave their country in search for alternatives (Onyango and Wanyoike 2014: 12).

Walker, Damanpour and Devece (2010: 370) stated that management innovations are adopted by public organisations to improve the services brought to users and citizens, with the broad aim of refining quality of life and building better and stronger societies. Management innovations can play a central role in the process of changing organisations, facilitating organisational adaptation to the external environment and increasing the efficiency and effectiveness of internal process. Generation of innovative ideas result in an outcome and a service that is offered to the public by organisations that perform well. Sharma *et al.* (2005), cited in Tatichi, Tonelli and Cagnazzo (2010: 4), mentioned that organisations have understood that for competing in changing environment, it is necessary to monitor and understand an organisation's performance. Therefore, measurement of performance has been recognised as an important element to improve business performance.

Mafini and Pooe (2013: 3) stated that there is a correlation between employee motivation, job involvement and job performance. Employees who are satisfied with their work display good behaviour and contribute towards the organisation's profitability. Satisfied employees will create satisfied and loyal customers, which result in an improved organisation's performance. Ahmed, Ahmed and Asgher (2014: 36) stated that training and development plays a very important role in increasing employee performance, which in turn enhances an organisation's performance. Trained employees are the ones who can only produce quality work.

Tariq, Ramzan and Riaz (2013: 700) mentioned that high employee turnover in an organisation is one of the main issues that negatively affect the overall performance of an organisation. If proper steps are taken towards worker's workload, work stress and wages, the turnover ratio decreases, and the organisation improves. According to Du Plessis (2016: 32), sustained organisational performance is a result of employing employees that are knowledgeable, experienced and skilled, and in possession of the necessary expertise in their vocational areas.

### **2.13.1 Employee training and labour productivity**

Nda and Fard (2013: 91) said that employee development refers to activities that lead to the acquisition of new knowledge or skills for growth purposes. Organizations provide employees with development initiatives to improve their skills. Training is invaluable to



increasing productivity in organizations. This not only improves the employee's resourcefulness, but also allows them to do their job properly. Nida and Farid (2013: 92) note that "the various resources indicate the positive impact of training on employee productivity." The workforce is effective only if appropriate training and development is provided, which will lead to productivity and increase organizational performance.

Ng'ang'a (2013: 58) asserted that offering formal and informal training programmes, for example, on-the-job training, management development etc., may enhance employee performance. Training that is done well will reflect on increased productivity and reduction of accidents on the job. Nadeem (2010: 207) mentioned that training is not only important to equip employees resourcefully, but also gives them a chance to gain more knowledge about their job, therefore acquire skills that would increase an organisation's productivity. Training needs identified by management of the organisation should assist employees to improve the probability of achieving its goals.

## **2.14 MEASUREMENT OF ORGANISATIONAL PERFORMANCE**

Mafini and Poee (2013:14) mentioned that organisational performance and performance measurement are structurally interconnected. Performance measurement is a tool for the enhancement of organisational performance because it helps the organisation to identify areas where it performs poorly or acceptably. Al-Mataris, Al-Swidi and Fadzil (2014:26) stated that performance of an organisation is significantly impacted by corporate governance and if the functions are properly established for the corporate governance system. Organisational performance draws the attention of investors and assist in maximising the organisation's funds, reinforcing the business's pillars and this in turn results in the expected increase in organisation's performance.

According to Neely, Gregory and Platts (1995), cited in Al-Mataris, Al-Swidi and Fadzil (2014:25), performance measurement refers to the process of measuring the action's efficiency and effectiveness. Al-Mataris, Al-Swidi and Fadzil (2014:25) asserted that people who are interested in achieving outcomes in their jobs are encouraged to look for any organisation around the world that shows high performance for investment. People who are responsible for running firms must improve a firm's performance through new plans and procedures to update its operations and transactions during its life cycle.

Garg, Jourbert, and Pellissies (2004), cited in Sethibe and Steyn (2016: 2), highlighted that profit maximisation remains one of the key measures of an organisation's performance. Various researchers use growth as a sole measure of measure for performance, while others choose to combine growth and profitability. Sharabati and Nour (2013: 105) stated that organisations must measure human capital because nothing can be measured effectively without accurate measurement. Acquiring, managing and retaining human capital is the huge challenge for every organisation. This can be done by defining, identifying, evaluating, measuring and developing human capital and compare it with organisation's performance indicators.

#### **2.14.1 Innovation and organisational performance**

Organisational performance is linked to the skills possessed by its employees and the organisation's development plans. Sethibe and Steyn (2016:2) stated that although the study of organisational performance has been at the core of management research, very little has been done regarding appropriate measures to assess the effectiveness of innovation initiatives. Most researchers' focus bases organisational performance on financial and non-financial aspects. The study by Sethibe and Steyn (2016: 2) revealed that the size of the organisation, the sector in which the organisation operates, and the nature of innovation adopted can influence the relationship between innovation and organisational performance. Different types of innovation will have different life spans in the organisation. Some innovations will last for a very long time while others have shorter life spans. Some innovations will be specific to the sector while others cut across in various fields.

Richard *et al.* (2003: 113) stated that an innovation-focused business strategy is one in which a firm emphasises creativity and encourages employees to take other approaches to problem solving. Innovation is defined as the process of engaging in and supporting new ideas and creativity. Companies that are flexible and adopting innovation strategy in developing new products have the potential to outperform their competitors. Organisations that are pursuing innovation strategy, workers are encouraged to take part in decision making Richard *et al.* (2003:113).

### **2.14.2 Non-Financial performance measurement**

Adregjoni and Elmazi (2012) stated that non-financial measures must also be assessed to evaluate overall organisational performance for two major reasons. Firstly, different groups involved in the business have goals and expectations about the organisation. Secondly, the strategic business areas are not necessarily financial in nature. There are various approaches towards measurement of non-financial indicators. These include, but not limited to, customer satisfaction, productivity, operational effectiveness and efficiency and reputation. According to Alam (2003), there are three performance dimensions for determining the success of the product in the market; namely financial criteria, customer criteria and opportunity criteria. Financial criteria include financial indicators of new products, such as profitability, sales, cost and market share. The dimensions of customer criteria refer to customer satisfaction and how new products attract new customers. The dimension on opportunity criteria is much broader in scope as it relates to overall opportunity that can be created by new products.

### **2.14.3 Financial Measurement**

Rasula, Vuksic and Stemberger (2012: 152) mentioned that some of the most used financial measures are economic value added, revenue growth, cost, profit and cash flow. Performance measures should cover both the value that is delivered to the client, which include time, quality of work, performance and service, and the outcomes that arise as a result of this value proposition, for example, customer satisfaction.

There are a countless number of ways, including accounting-based measures, that have been brought forward to measure financial performance (Sethibe and Steyn, 2016:2; Al-Mataris, Al-Swidi and Fadzil, 2014:26). Among them are measurements of performance as the level of Return on Assets (ROA), Return on Equity (ROE), Earning per Share (EPS), Return on Sales (ROS), and Return on Equity (ROE) etc. Most of these measures have been utilised by studies regarding governance.

Al-Mataris, Al-Swidi and Fadzil (2014:26) stated that the success of the company lies in its effectiveness over time. Searching for organizational performance indicators can allow you to compare performance over time and help organizations measure their growth. According to Campbell and Minges (2008), accounting-based indicators are very useful because they

provide objective indicators that are useful for organizational work. However, other scholars, such as Fernandez (2001), are also firmly convinced that accounting methods reflect the history of last year only with respect to the profit and loss statement.

#### **2.14.4 Relationship between job satisfaction and organisational performance**

Sirca, Babnik and Breznik (2012: 978) stated that organisational performance improves if employees are satisfied in the workplace. Job satisfaction may be a result of the HCD plan of the organisation. Bakotic (2016: 119) mentioned that workers who have a high level of job satisfaction generally love their job. Organisational performance is only determined by level of job satisfaction. There are other various influential factors which are beyond organisation's influence, for example, high profit margins. Nadeem (2010: 206) asserted that job satisfaction is a very important attribute which is measured by organisations. Organisations that measure their success will measure job satisfaction of employees. Most organisations either perform badly or lose competent workforce to other organisations with strong human resource policies.

With the argument presented above it is worth noting that the use of financial and non-financial measures is appropriate and sound to organisational performance.

#### **2.15 HUMAN CAPITAL DEVELOPMENT AND ORGANISATIONAL PERFORMANCE**

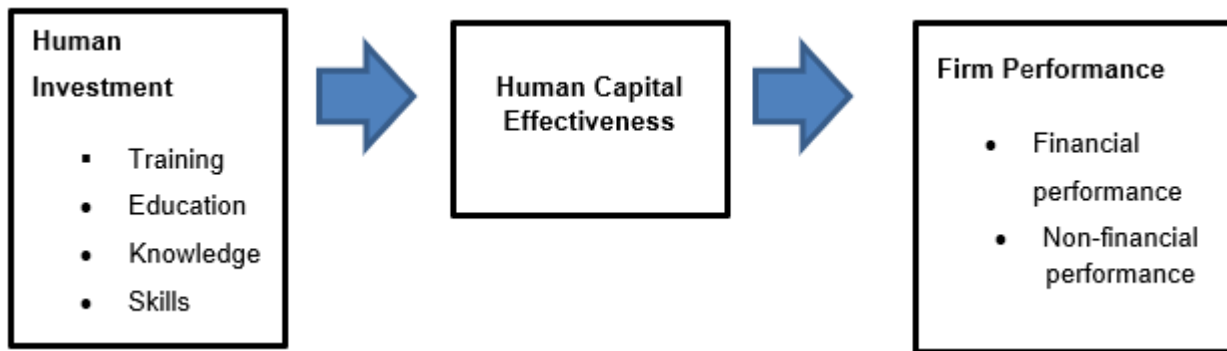
Marimuthu *et al.* (2009: 268) stated that human capital focuses on the two main components, which are individuals and the organisation. To achieve human capital outcomes, four keys of HCD have been identified. These keys are flexibility and adaptability; enhancement of individual competencies; the development of organisation competencies; and individual employability. The more human capital interventions offered to employees based on the four keys the greater are the chances of high profit margins. Mottaleb and Sonabe (2013: 232) and Cappelletti and Baker (2010: 213) asserted that there is a positive relationship between an entrepreneur's formal education, improvement in production, production upgrading efforts, enterprise performance, profitability, competitiveness and growth in terms of the number of workers. A substantial improvement was recognised after the development of human capital through Socio-Economic Approach to Management (SEAM) which corresponds with a period during which the organisation made significant human resource changes.

Niazi (2011:46) point out a relationship between training and development plans, strategies and organisational performance, and job satisfaction and measured performance. Imran (2013:138) stated that “in spite of the large number of research on the relationship between training and employee performance, there appears to be a gap concerning the study of the effect of training on employee performance.” According to Joseph (2010:1) there is a need for training and development of workers in any organisation including Local Government Councils to ensure better performance and achievement of organisational goals.

Ajila, Akanni and Ekundayo (2012: 116) stated that a resource-based approach is one of the latest approaches to strategic human resource management, which perceived the value of human capital. The resource-based view of the organisation is concerned with the relationships between internal resources, strategy and organisational performance. It focuses on HCD rather than aligning human resources to current strategic goals. Identification of the LG council’s internal strengths and weaknesses is key in the success of the organisation. Skills base and human capital has been identified as critical factors in LG councils.

Aggrey, Eliab and Joseph (2010: 49) asserted that there are two approaches which are commonly used in analysing the relationship between human capital and labour productivity. The first approach is the conventional approach which states that earnings are used as a proxy for profitability and then earnings functions are used to estimate the effect of education on productivity. Covers (1997), as cited in Aggrey, Eliab and Joseph (2010: 49), developed and applied the second approach that addressed the relationship between human capital variables and labour productivity using production analysis. The use of production analysis has advantages compared to the earnings function framework. The productivity is higher in firms that have a higher average employee education level.

Marimutu, Arokiasamy and Ismail (2009: 269) also asserted that the development of human capital is positively influenced by the educational level of personnel and their general gratification. Therefore, development of human capital has a direct impact on return on investment of organisations. Noe *et al.* (2003) and Youndt *et al.* (2004), as cited in Marimutu, Arokiasamy and Ismail (2009: 269) admitted that HCD and improvement in an organisation tends to create a significant contribution on organisational competencies and its performance. Crook *et al.* (2011: 443) stated that human capital relates strongly to organisational performance.



**Figure 2.1: Conceptual Model linking human capital investment, human capital effectiveness and firm performance.**

Redrawn from Marimuthu, Arokiasamy and Ismail (2009).

Nda and Fard (2013: 91) stated that organisations that survive in the market, put strong emphasis on human capital to be competitive and financially solvent. The success of an organisation is however dependent on its knowledgeable, skilled as well as experienced workforce. To maintain stability, organisations must continue to train and develop employees.

## **2.16 MEASUREMENT OF HUMAN CAPITAL IN STRATEGIC HUMAN RESOURCE MANAGEMENT**

Wright and McHaman (2011: 95) asserted that three major types of measurement of human capital emerge when focusing on the strategic HRM literature across the individual and firm level of analyses. Human capital was measured as (1) a perception of level education and training, (2) work experience and (3) skills of the entire organisation. According to Wright and McHaman (2011: 95) the four items that were measured are: (a) do workers embrace appropriate education for executing their jobs successfully? (b) are workforces well trained to execute their jobs successfully? (c) do employees embrace appropriate work experience for executing their jobs successfully? and (d) are employees well skilled to execute their jobs successfully?

Schultz (1961: 8) mentioned that despite the difficulty of the exact measurement at this stage of our understanding of human investment, many insights can be gained by examining some of the more important activities that improve human capabilities. Schultz (1961) focused on five major categories: (1) medical facilities and services, in a broad sense, including all

expenditures affecting life expectancy, strength and endurance, as well as the energy and vitality of the people; (2) workplace training, including training conducted by outdated companies; (3) Formal education at the elementary, secondary and formal levels. (4) adult training programs that are not organized by companies, including continuing education programs, especially in agriculture; (5) Migration of individuals and families to adapt to new employment opportunities.

## **2.17 GAPS IN THE LITERATURE**

A reveal of the available has shown an unavailability of HRD policy interventions that may increase the efficacy of South Africa's skills institutions and their labour market outcomes. The two most important principles surrounding the skills development fraternity are the availability of skills training to economically active people, including employed and unemployed; secondly, transferability of skills training once a qualification has been achieved. If the HRD policy is not developed and implemented there will be a challenge in implementing WSP that addresses relevant skills and competencies required by the workplace. In the case of eThekweni Municipality, plan five of the IDP 2016-2017 (2016:339) states that WSP is developed for learning and development opportunities of employees and unemployed citizens. However, the lack of HRD policy has been identified as a gap in the seamless process of skills development in eThekweni Municipality.

## **2.18 CONCLUSION**

It is evident that for effective HCD to occur properly planned WSP needs to be implemented in the workplace to impact positively in organisational performance. If the municipality, being the closest level of government to the people, is to address the needs of the public and to achieve the goals of making South Africa compete with the international market, then employees within the local municipality should have the necessary knowledge, skills and attitude to meet the demands of the current and future needs.

Human resource development of the workers enables the workforce to meet the goals and objectives of the organisation. Human resource development is an effective management tool that ensures effectiveness and competency of its employees. With current legislation in place that seeks to ensure the improved productivity in the workplace and the

competitiveness of employees, HCD occupies a centre stage in the development agenda in developing countries. A clear understanding of the effect of HCD elements on LG's strategic goals will draw conclusions that can be beneficial not only in eThekweni Municipality but also to other organisations, institutions, sectors and policy developers. Now that more theoretical information, background, constructs and sub-construct has been described in the present chapter, the next chapter presents the research design and methodology chosen by the researcher to achieve the objectives of the research.



## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 INTRODUCTION**

This chapter focuses on the research design and research methodology that is used in the study. The researcher discusses the motive behind the research methodology used, which is directed by the objectives of the study. The research objectives are outlined below followed by the research design. This chapter also covers the questionnaire as a research tool to be used to collect data in this research. A discussion further covers factors to be considered by the researcher about the importance of reliability and validity of data.

### **3.2 RESEARCH OBJECTIVES**

This study was aimed at investigating the relationship between WSP, HCD and organisational performance. The research, therefore, sought to investigate and examine the following:

- To evaluate the relationship between WSP Consultation and organisational goals.
- To find out whether the WSP implementation has a positive effect on organisational goals.
- To assess the relationship between training needs analysis and organisational goals.
- To determine whether organisational goals has appositive effect on HCD.
- To test the effect of training needs analysis on HCD.
- To examine the relationship between training and development and HCD.
- To assess the impact of WSP implementation on HCD.
- To determine the effect of WSP consultation on HCD.

### **3.3 RESEARCH DESIGN**

Research design refers to the overall strategy utilized to carry out research that defines a succinct plan to tackle research questions. In this research, the researcher developed a questionnaire to collect data. Data collection methods can be grouped into two categories: positivist and interpretive. Out of these two methods, the positivist method was chosen because it fits the description of what this research aimed to achieve. In brief, positivist

methods such as survey research are aimed at theory testing. The positivist method employs a deductive approach to research, starting with a theory and testing the theoretical guesses using empirical data.

WSP was determined to be the independent variable, since, according to Kumar (2011), it is the variable that is assumed to bring about change on the extent of HCD. It therefore follows that the extent of HCD is the dependant variable. All other factors that affect the relationship between HCD and WSP are called extraneous variables. Kumar (2011) stated that the extraneous variables operate in every study and cannot be eliminated.

### **3.4 RESEARCH APPROACH**

#### **3.4.1 Quantitative study design**

Quantitative research design was used in this study to reach out to the target population sample identified by the researcher in the organisation. Msweli (2016:8) specified that quantitative approach is a concept that needs to be measured in a way that will enable quantitative measurement in a sample of sufficient numerical size to allow for generalisation. The sample size of the study was 379 participants from the population of about 26 655 eThekweni Municipality employees. eThekweni Municipality uses Document Record Learning (DRL) to identify employees that will attend training annually and generate annual training reports to indicate employees that attended learning and development interventions in the previous year. These reports assisted the researcher to identify the sample which was approached for this research and probability sampling was used in this research. The questionnaire was sent to participants who attended training and were in the 2018-2019 workplace skills plan.

Sufficient units were randomly identified from DRL report, and from these units a sample was drawn from the population to gather data. The data from the sample was gathered by means of a questionnaire. This type of quantitative research falls under true experiments, as they invoke the post positivist worldview (Croswell, 2014). Under this type of research, an additional experimental treatment is administered over time to a single individual or a small number of individuals. This is what was done to the individuals selected to participate in this study.

### **3.5 SAMPLING METHOD**

#### **3.5.1 Probability Sampling**

Probability sampling is defined as a sampling technique in which the researcher chooses samples from the larger population using a method based on the theory of probability. In this study the researcher chose people on WSP for the training period of 2018-2019.

The researcher distributed the questionnaire to people who attended training in the training centre within eThekweni Municipality. This is a probability sampling because the researcher systematically targeted people/employees who attended training.

### **3.6 SAMPLING SELECTION AND SIZE**

The researcher targeted 379 people who attended training in the training centre within eThekweni Municipality, and 279 participants completed questionnaires, from those who signed and returned 2018-2019 WSP forms during consultation meeting. The researcher did not send the questionnaires to employees who were trained in the same period but did not complete the WSP forms. The data for these delegates is available on Document Record System which is human resource system where eThekweni Municipality keep track of WSP.

### **3.7 RESEARCH INSTRUMENT**

Given the multifaceted nature of the issues investigated in this study, there was no previously used instrument that could be used for this study. The researcher developed the questionnaire specifically for this research for exploring research objectives.

#### **3.7.1 Questionnaire development**

The measuring scale used in coding the questionnaire was the Likert scale. In a Likert scale, written statements express an opinion or attitude about the event, an object or a person. Respondents indicate the degree of agreement or disagreement using a five-point scale, such as: Strongly agree, Agree, Undecided, Disagree and Strongly disagree. Lastly, some of the factors that the researcher considered when recruiting participants were be human, keep it simple, solicit support, and exercise patience and persistence.

Questions used by the researcher are 30 questions where the participant will choose by ticking or crossing one of the most appropriate response according to his or her point of view. These questions were tested to 20 trainers where the questionnaire was circulated to them to complete to find out if questions asked are specific enough and will assist the researcher to obtain the relevant information.

Table: 3      Main sections of the questionnaire

Section	Title
A	Personal Information
B	Training and development
C	Training needs analysis
D	Workplace skills plan implementation
E	Workplace skills plan consultation
F	Organisational goals
G	Human capital development

### 3.8 DATA COLLECTION METHOD

Questionnaires were delivered by email as well as hand delivery to the members of the chosen sample. One of the major problems with this method, however, was the low response rate. In the case of an extremely low response rate, the findings have very limited applicability to the population studied.

Invitation to participate was sent through formal emails to participants, inviting them to participate in the research. Respondents were requested to sign a consent form. A telephone number to request help with completing the questionnaire and for clarification on some questions was included in the questionnaire. The collection of completed survey

instrument was done through pickup method and emails, postings and face-to-face meetings.

Fellegi (2010:38) stated that self-enumeration methods require a very well-structured, easy to follow questionnaire with clear instructions for the respondent. Compared with the task of managing interviews, self-enumerated is relatively easy to administer. It is cheaper than interviewer-assisted methods. This method is useful for surveys that require detailed information since the respondent can consult personal records. Fellegi (2010:38) indicated that disadvantages of self-enumeration are that it requires either knowledgeable, or well-educated respondents or a very straight-forward survey topic. Another disadvantage is that response rates are usually lower than for interviewer-assisted methods since there is no pressure for the respondent to complete the questionnaire.

### **3.9 DATA ANALYSIS**

Data analysis instrument used in this study was the Statistical Package for the Social Sciences (SPSS version 20) and AMOS version 20. **SPSS** is a software package used for logical batched and non-batched statistical analysis. Statistics included in the base software:

**Descriptive Statistics:** Cross tabulation, Frequencies, Descriptive, Explore, Descriptive Ratio Statistics

**Bivariate Statistics:** Nonparametric tests

**Prediction for numerical outcomes:** Linear regression

**Prediction for identifying groups:** Factor analysis, cluster analysis (two-step, K-means, hierarchical), Discriminant.

Data was analysed by using SPSS descriptive statistics. Frequency tables were drawn and from these the data was presented in pie diagrams and bar graphs. The data that was collected was categorical in nature, and that is why bar graphs and pie diagrams were used for the graphical representation of data variables.

AMOS version 20 was used for a Confirmatory Factor Analysis (CFA) and Structural Equation Modelling, to determine the nature and degree of relationship between variables.

The correlation statistic was reported together with its p-value, which was then compared with its significance value of 0.05.

### **3.9.1 Validity**

The researcher constructed questions in the questionnaire in line with research objectives, literature in the study and conceptually sound results obtained by other scholars in human capital development in the field. Validity was addressed through conducting a factor analysis on SPSS version 20, AMOS version 20 and a pilot study.

### **3.9.2 Reliability**

Reliability analysis was conducted on SPSS version 20 through Cronbach's Alpha. Nunnally (1978) indicates that a recommendable Alpha should be above 0.70 for an acceptable internal consistence. Therefore, the researcher was guided by this benchmark of internal consistence to determine the acceptability of the results of the reliability analysis.

## **3.10 SCALE OF MEASUREMENT**

The Likert scale was used to achieve this research's objectives. This is a common ranking scale for measuring data in social science research. This standard includes Likert items that are just written statements that respondents can indicate their level of agreement or disagreement on a five-point scale, ranging from "strongly agree" to "strongly disagree".

## **3.11 ETHICAL CONSIDERATIONS**

Before the researcher began collecting information, there was a lot of deliberation regarding the relevance and usefulness of this study and was able to convince the stakeholders involved. Kumar (2011) notes that if the researcher cannot justify the relevance of the research he is conducting, the researcher is wasting respondents' time, which is unethical. Therefore, this had to be put into considerations.

The participants in this research were first presented with a letter of consent before they could start with the questionnaire. They were informed about the objectives of the study, their right to participate or to withdraw from the study at any stage, and how their responses were going to help the organisation.

### **3.11.1 Anonymity and Confidentiality**

To ensure that confidentiality was maintained, some respondents completed an online questionnaire and submitted the responses electronically to the researcher. Those who completed hard copies of the questionnaire dropped them in the tray at the training centre. To protect confidentiality of the respondents, names and contact details on the questionnaire was made optional.

### **3.12 LIMITATIONS OF THE STUDY**

The type of study conducted by the researcher is the quantitative study and the population where the research is being carried out has about 26 655 employees. The sample where the study was conducted was drawn from employees who attended training based on WSP. One of the greatest challenges is associated with failure of other respondents to submit their completed survey questionnaires. Financial constraints also limited the number of the targeted respondents. The research instrument used was a questionnaire and some units in the sample did not return the questionnaire. There was also an issue with incomplete questionnaires that were returned. These limitations may affect the credibility of the findings, and even the capacity for generalisation. To overcome these challenges the researcher would make a follow up with employees who did not return their questionnaires and ask them to return questionnaires or pick them up.

### **3.13 CONCLUSION**

In conclusion, this chapter presented an argument on how the research will be conducted. The study design, research methodology, population, sampling frame, non-probability sampling and the usage of a questionnaire as an instrument to collect data was adequately discussed. The research described data analysis, validity and reliability as important factors to be looked at for the survey to be conducted and achieve positive outcomes. The next chapter focuses on data analyses and research findings. This includes data presentation and interpretation.

## **CHAPTER 4: STATEMENT OF FINDINGS, INTERPRETATION AND DISCUSSION OF THE PRIMARY DATA**

### **4.1 INTRODUCTION**

Before data analysis was carried, the collected data was first subjected to data screening and cleaning. This was done to inspect data for unnecessary errors and correct them to minimise their impact on the actual analysis of data. In this regard, Roger (2005) indicated that it is very crucial to check if the data has been entered correctly before engaging in any form of data analysis. The process of screening data passes through diagnosing, actual screening, and data editing. To conduct data screening and cleaning processes, the researcher should possess adequate knowledge of the sources of data and all the types of errors in the overall survey phase and during the measurement stages. According to Eeckels (2005), it is very important to note that there may be errors which may be encountered at any time in the flow of data and during the actual data storage. As such, the researcher should be very careful when screening and cleaning data. In this research, data screening and cleaning processes were perfectly executed, in a satisfactory manner such that all the potential and unnecessary errors were eliminated.

### **4.2 FEATURES OF DEMOGRAPHIC DATA**

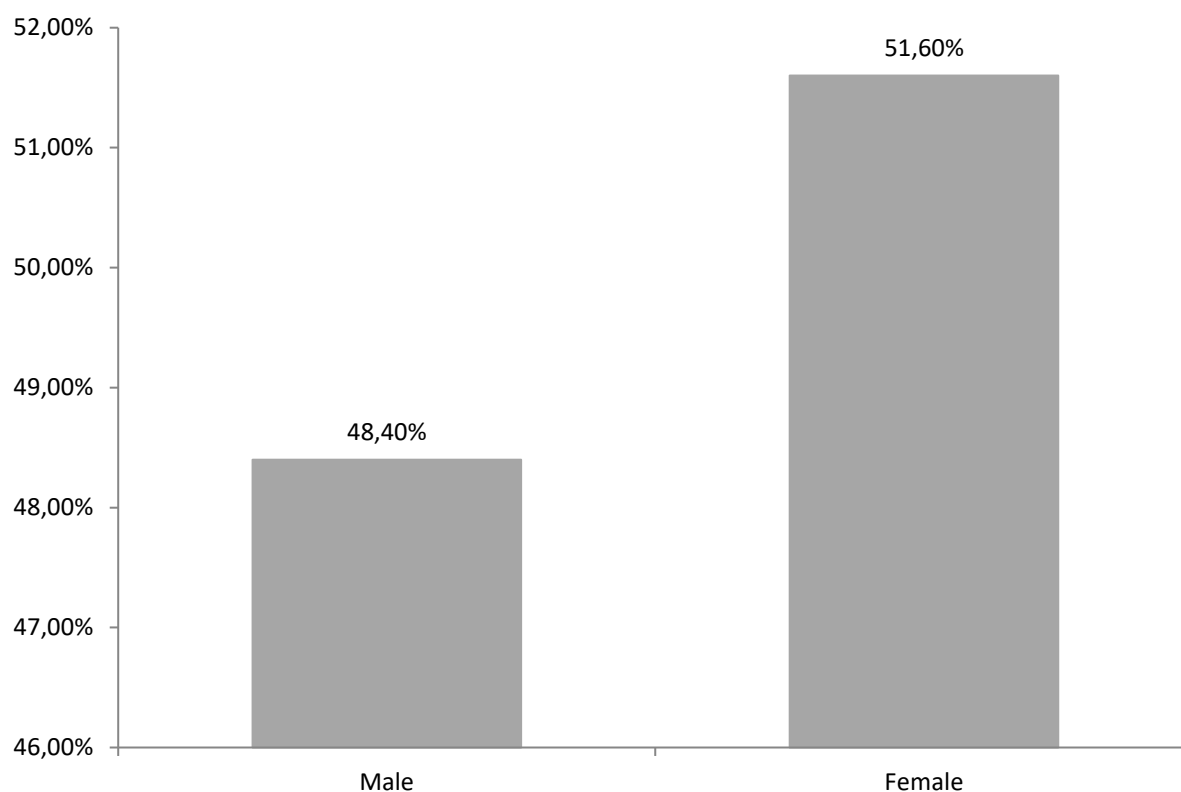
#### **4.2.1 Gender of participants**

The total number of respondents was 279 (Table 4.1). This was made up of 48.4% males and 51.6% females (Figure 4.1).

**Table 4.1: Gender of participants**

	<b>Frequency</b>	<b>Percent</b>
Male	135	48.4
Female	144	51.6
Total	279	100.0





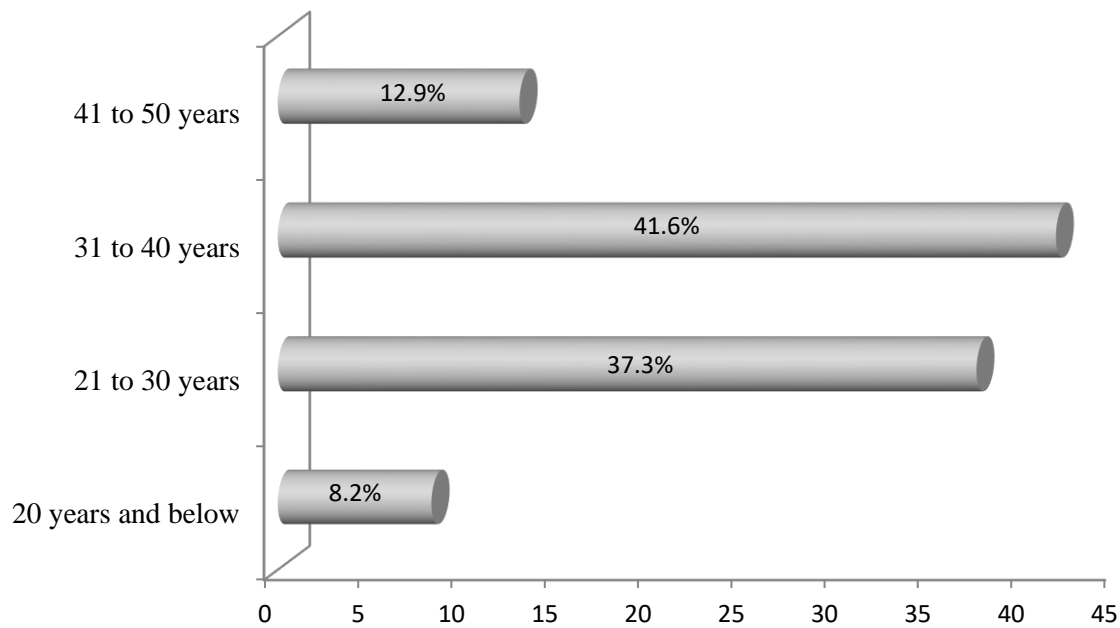
**Figure 4.1: Gender of Participants in percentage**

#### **4.2.2 Age of participants**

Of the 279 respondents, (8.2%) of them were aged 20 years and below, 104 (37.3%) were aged 21 to 30 years, 116 (41.6%) were aged 31 to 40 and 36 (12.9%) respondents were within the age range of 41 to 50 years (Table 4.2 and Figure 4.2).

**Table 4.2: Age of participants**

	Frequency	Percent
20 years and below	23	8.2
21 to 30 years	104	37.3
31 to 40 years	116	41.6
41 to 50 years	36	12.9
<b>Total</b>	<b>279</b>	<b>100.0</b>



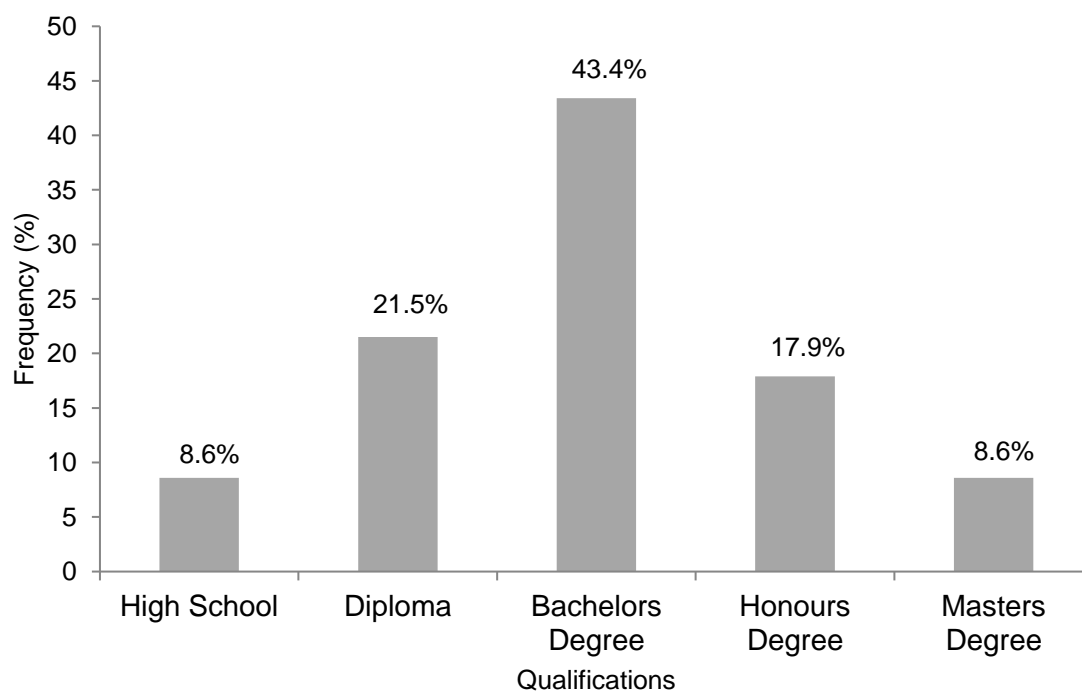
**Figure 4.2: Age of participants in percentage**

#### 4.2.3 Highest level of education

As illustrated in Table 4.3 and Figure 4.3, 24 (8.6%) respondents had attained a high school level of education, 60 (21.5%) had a diploma, 121 (43.4%) held a Bachelor's Degree, 50 (17.9%) respondents with an Honours Degree, and 24 (8.6%) respondents with a Master's degree.

**Table 4.3: Highest level of education**

	Frequency	Percent
High School	24	8.6
Diploma	60	21.5
Bachelor's Degree	121	43.4
Master's Degree	24	8.6
Honours Degree	50	17.9
<b>Total</b>	<b>279</b>	<b>100.0</b>



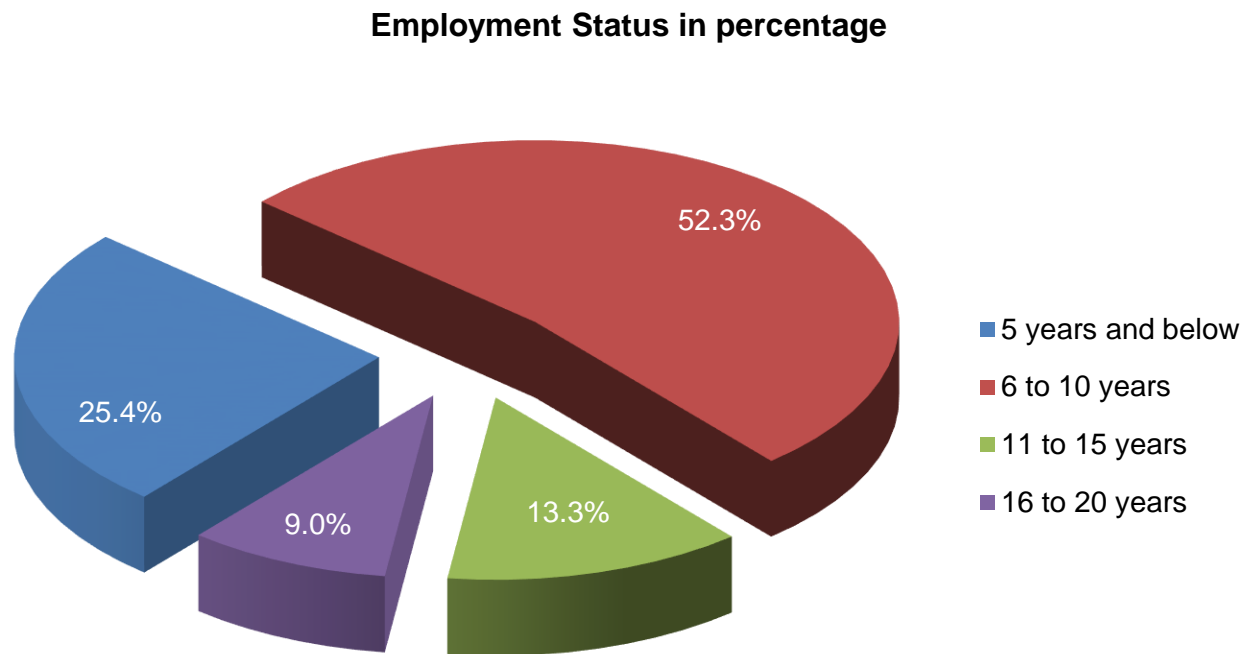
**Figure 4.3: Highest level of education in percentage**

#### 4.2.4 Employment Status

Table 4.4 and Figure 4.4 presents the data on the employment status of the respondents that participated in this study. Of the 279 participants, 71 (25.4%) hardly less than 5 years of work experience, 146 (52.3%) had 6 to 10 years of service, 37 (13.3%) respondents had 11 to 15 years of experience and 25 (9.0%) respondents had 16 to 20 years of service.

**Table 4.4: Employment Status**

Years	Frequency	Percent
5 years and below	71	25.4
6 to 10 years	146	52.3
11 to 15 years	37	13.3
16 to 20 years	25	9.0
<b>Total</b>	<b>279</b>	<b>100.0</b>



**Figure 4.4: Employment Status in percentage**

### **4.3 DESCRIPTIVE STATISTICAL ANALYSIS AND DATA EXAMINATION**

#### **4.3.1 Descriptive analysis of the data**

Descriptive statistics was done as way of simplifying data interpretation. This was achieved by using the descriptive statistics minimum, maximum, mean, and the standard deviations of the variables, and these are shown in Table4.5. This exercise was also performed to check the appropriate variables to respond to the research questions and objectives. This was supported by literature, where Gaur and Gaur (2006) highlighted that descriptive statistics is conducted to ensure that the data is summarised and analysed data in a meaningful way. The most common methods of descriptive statistics are measures of central tendency, which include the mean, median and the mode, and measures of variability, which covers the range and variance (Gaur and Gaur, 2006).

**Table4.5: Descriptive Statistics**

Features	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Gender	279	1.00	1.00	2.00	1.5161	0.50064	0.251
Age	279	3.00	1.00	4.00	2.5914	0.81669	0.667
Highest level of education	279	4.00	1.00	5.00	3.0573	1.16774	1.364
Employment Status	279	3.00	1.00	4.00	2.0573	0.86308	0.745
Valid N (list-wise)	279						

Table 4.5 shows the results of descriptive statistics for the demographic data. As shown in the table, valid N list wise is 279, reflecting a total number of the responses that were obtained. For all the listed components of demographic data, that is; gender of participants, employment status, age of participants and highest level of education, the minimum is 1.00. Gender of participants obtained the range value of 1.00, the maximum of 2.00, the mean of 1.5161, the standard deviation of 0.50064 and the variance of 0.251. Age of participants is characterised by the range of 3.00, maximum of 4.00, the mean of 2.5914, standard deviation of 0.81669 and the variance of 0.667. The highest level of education obtained the range of 4.00, maximum of 5.00, the mean of 3.0573, standard deviation of 1.16774 and the variance of 1.364. For employment status, the range is 3.00, maximum is 4.00, the mean is 2.0573, standard deviation is 0.86308 and the variance is 0.745. According to Sykes, Gani and Vally (2016), mean can be defined as the average value of a group of numbers, whereas variance is a measure that is based on the deviations of the individual scores from the mean, while standard deviation provides a clear cut into how much variation exists in a group of values. The findings of this study suggest that there is a limited gap between the average value of the group of numbers that constitute gender, age, highest level of education and employment status. The highest level of education has the highest mean, standard deviation and variance, hence implying that the highest level of education plays a pivotal role in the evaluation of HCD and its drivers.

Table 4.6 shows the results of descriptive statistics for the developed variables of this study. The variables are training needs analysis, training and development, WSP implementation, organisational goals, WSP consultation, and human capital development. With regards to descriptive statistics for the variables of this study, the standard deviation ranged between 0.46693 to 0.53509. These values indicate that data is well distributed over a wide range of variable values. Sykes et al (2016) propounded the view that a low standard deviation

indicates that the points of data are close to the mean, while a high standard deviation depicts that data is spread over a wide range of values. A standard deviation is also utilised to describe the margin of error in a statistical analysis, and it is mainly described by 95% confidence level, which is also reflected in the 0.05 significance level of hypothesis testing (Sykes et al, 2016). In this study, a large proportion of the results of hypotheses testing were recorded below 0.05, hence indicating a high significance level. This shows that data was well distributed. The mean values were ranging between 4.5699 and 4.7061, while the variance ranged between 0.218 and 0.289. The range recorded values which were spread between 1 and 2, whereas the minimum had values ranging between 3 and 4, and then the maximum is 5 for all items. The confidence interval size of this study was mainly affected by the adequate size of the sample, population variability and the level of confidence.

**Table 4.6: Descriptive Statistics for developed variables**

<b>Variables</b>	<b>N</b>	<b>Range</b>	<b>Min.</b>	<b>Max.</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Variance</b>
Training Need Analysis 1	279	1.00	4.00	5.00	4.6738	0.46965	0.221
Training Need Analysis 2	279	2.00	3.00	5.00	4.6523	0.49919	0.249
Training Need Analysis 3	279	2.00	3.00	5.00	4.6201	0.52877	0.280
Training Need Analysis 4	279	2.00	3.00	5.00	4.6308	0.51235	0.262
Training Need Analysis 5	279	2.00	3.00	5.00	4.6523	0.48457	0.235
Training and Development 1	279	2.00	3.00	5.00	4.6667	0.50180	0.252
Training and Development 2	279	2.00	3.00	5.00	4.6846	0.48815	0.238
Training and Development 3	279	2.00	3.00	5.00	4.6810	0.49679	0.247
Training and Development 4	279	2.00	3.00	5.00	4.6738	0.52051	0.271
Training and Development 5	279	2.00	3.00	5.00	4.6989	0.47495	0.226
WSP Implementation 1	279	2.00	3.00	5.00	4.5986	0.51257	0.263
WSP Implementation 2	279	2.00	3.00	5.00	4.5986	0.49834	0.248
WSP Implementation 3	279	2.00	3.00	5.00	4.5699	0.53774	0.289
WSP Implementation 4	279	2.00	3.00	5.00	4.5950	0.53386	0.285
WSP Implementation 5	279	2.00	3.00	5.00	4.5878	0.53509	0.286
Organisational Goals 1	279	2.00	3.00	5.00	4.6918	0.47790	0.228
Organisational Goals 2	279	2.00	3.00	5.00	4.6523	0.49919	0.249
Organisational Goals 3	279	2.00	3.00	5.00	4.7061	0.47187	0.223
Organisational Goals 4	279	2.00	3.00	5.00	4.6631	0.51008	0.260
Organisational Goals 5	279	2.00	3.00	5.00	4.6810	0.50397	0.254
WSP Consultation 1	279	1.00	4.00	5.00	4.6810	0.46693	0.218
WSP Consultation 2	279	2.00	3.00	5.00	4.6487	0.49303	0.243
WSP Consultation 3	279	2.00	3.00	5.00	4.6416	0.50236	0.252
WSP Consultation 4	279	2.00	3.00	5.00	4.6416	0.51648	0.267
WSP Consultation 5	279	2.00	3.00	5.00	4.6703	0.47854	0.229
Human Capital Development 1	279	2.00	3.00	5.00	4.6416	0.49515	0.245
Human Capital Development 2	279	2.00	3.00	5.00	4.6559	0.48342	0.234
Human Capital Development 3	279	2.00	3.00	5.00	4.6380	0.51746	0.268
Human Capital Development 4	279	2.00	3.00	5.00	4.6595	0.48965	0.240
Human Capital Development 5	279	2.00	3.00	5.00	4.6237	0.52794	0.279
<b>Valid N (list wise)</b>	<b>279</b>						

### 4.3.2 Reliability analysis on Cronbach's Alpha

A reliability analysis was performed on Cronbach's alpha. Based on the results of reliability analysis, all values of the internal consistency were acceptable as they ranged from 0.830 to 0.903 (Table 4.7). According to Cronk (2018), values which are close to 1 are an indication of a good internal consistency as opposed to values which are close to 0.00, representing a

poor internal consistency. A recommendable alpha should exceed 0.70 for an internal consistency that is acceptable (Nunnally, 1978).

**Table 4.7: Reliability analysis of Cronbach's Alpha**

Constructs	Number of Items	Cronbach's Alpha
Training Need Analysis	5	0.903
Training and Development	5	0.871
WSP Implementation	5	0.830
WSP Consultation	5	0.853
Organisational Goals	5	0.901
Human Capital Development	5	0.897

Table 4.7 shows that training need analysis accounted for 0.903, while training and development obtained 0.871. WSP implementation recorded 0.830, while WSP consultation accounted for 0.853. Organisational goals obtained 0.901 and lastly, human capital development recorded 0.897. The sample (n) size of each variable was 5.

#### **4.3.3 Factor Analysis (CFA)**

A confirmatory factor analysis was performed on AMOS version 20 based on its ease of use. A measurement Confirmatory model that contained all items of measurement variables was constructed. As shown in Table 4.8, all factor loadings ranged above 0.707, except three of them which were reported between 0.53 and 0.69. Valid and acceptable factor loadings should be equal to or greater than 0.707 for good convergent validity (Gefen, Straub and Boudreau, 2000: in Kim, Ku, Kim, Park and Park, 2016). Hence, the obtained factor loadings are reliable and valid.



**Table 4.8: Constructs, Measurement Items, Factor Loadings and Cronbach's Alpha**

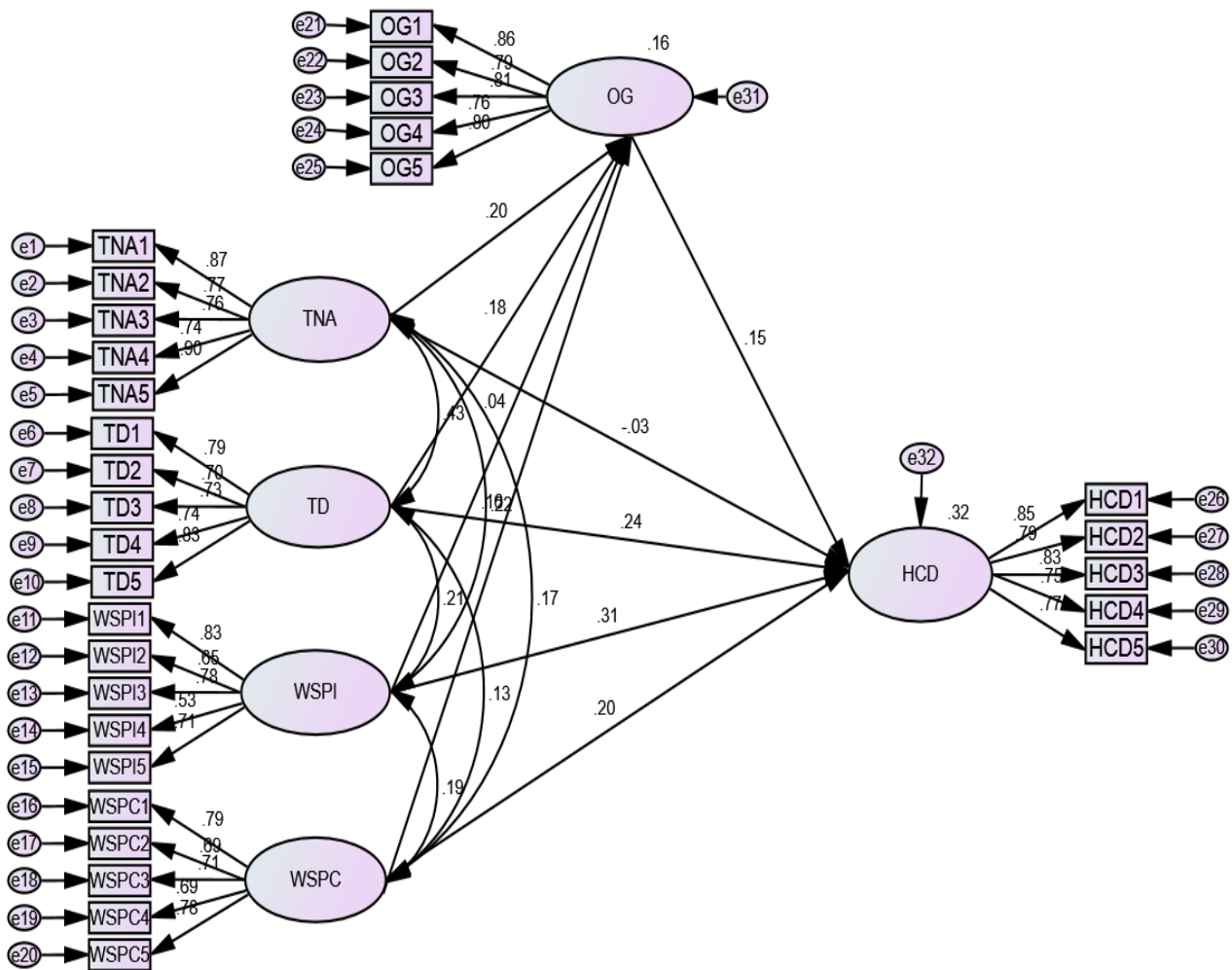
Constructs	Items	Factor Loadings	Cronbach's Alpha
Training Need Analysis	TNA1	0.87	0.903
	TNA2	0.77	
	TNA3	0.76	
	TNA4	0.74	
	TNA5	0.90	
Training and Development	TD1	0.79	0.871
	TD2	0.70	
	TD3	0.73	
	TD4	0.74	
	TD5	0.83	
WSP Implementation	WSPI1	0.83	0.830
	WSPI2	0.65	
	WSPI3	0.78	
	WSPI4	0.53	
	WSPI5	0.71	
WSP Consultation	WSPC1	0.79	0.853
	WSPC2	0.70	
	WSPC3	0.71	
	WSPC4	0.69	
	WSPC5	0.78	
Organisational Goals	OG1	0.86	0.901
	OG2	0.79	
	OG3	0.81	
	OG4	0.76	
	OG5	0.80	
Human Capital Development	HCD1	0.77	0.897
	HCD2	0.75	
	HCD3	0.83	
	HCD4	0.79	
	HCD5	0.86	

#### 4.3.4 Structural Equation Model (SEM)

A structural equation model was constructed based on the responses from the questionnaire. It was utilised on the bases of its ability to explicitly assess the measurement error; estimate the latent (unobserved) variables via observed variables; and model testing. The researcher implies that the latent variables and the measurement error will be well estimated using SEM. These responses were based on the Likert that was used, which ranged from 1 (strongly disagree) and 5 (strongly agree). A Likert scale is an ordered scale

from which the respondents choose one option that best aligns with their views. Hence is it was used as way of allowing the respondents to express their views about the workplace skills plan and human capital development. The organisation of the eThekweni Municipality is the researcher's unit of analysis. They were coded into observed variables, which were abbreviated as; TNA 1 up to TNA5, TD1 up to TD5, WSPI1 up to WSPI5, WSPC1 up to WSPC5, OG1 up to OG5 and HCD1 up to HCD5. (See Table 4.8 for the full meaning of each abbreviated variable). On the structural equation model, the observed variables were depicted as smaller rectangles (Figure 4.5) while the unobserved variables (termed latent factors, factors, or constructs) were shown graphically with circles or ovals. The unobserved variables include were coded as TNA, TD, WSPI, WSPC, OG, and HCD.

On the text output, the structural equation model produced values of the fit indices which were then assessed to determine the model fitness, and the maximum likelihoods estimates, regression weights, covariance and correlations, to determine the results of hypothesis testing. Based on the output of the model, a good fit for all values was ensured. As Figure 4.5 shows, the structural equation model achieved a good fit, producing the value of Chi-square that is equal to 1802.524. Other recorded fit values include degree of freedom = 390, GFI = 0.726, AGFI = 0.673, TLI = 0.723, CFI = 0.752, RMSEA = 0.114.



**Figure 4.5: Structural Equation Model**

Notes for Model (Default model)

**Computation of degrees of freedom (Default model)**

Number of distinct sample moments:	465
Number of distinct parameters to be estimated:	75
Degrees of freedom (465 - 75):	390

**Results:**

Minimum was achieved:

Chi-square = 1802.524  
 Degrees of freedom = 390  
 Probability level = .000  
 GFI = 0.726  
 AGFI = 0.673  
 TLI = 0.723  
 CFI = 0.752  
 RMSEA = 0.114

Scalar Estimates

Maximum Likelihood Estimates

#### 4.3.5 Results of Hypotheses Testing

Table 4.9 the results of hypotheses testing that were attained after running the test on the measurement model. As indicated; training and development (TD) had a positive effect on organisational goals (OG), reading: (standardised estimates = 0.182,  $t$  – value = 2.439,  $p < 0.05$ ). Therefore, hypothesis 1 was accepted, showing that there is sufficient statistical evidence to suggest that training and development results in the attainment of organisational goals.

**Table 4.9: Results of Hypotheses Testing. SE: Standard Error, C.R: Critical Ratio**

Hypothesised Effect			Estimate	S.E.	C.R.	P	Result
Hypothesis 1:TD	---->	OG	0.182	0.075	2.439	0.015	<i>Positive</i>
Hypothesis 2:WSPC	---->	OG	0.178	0.072	2.456	0.014	<i>Positive</i>
Hypothesis 3:WSPI	---->	OG	0.041	0.071	0.570	0.569	<i>Negative</i>
Hypothesis 4:TNA	---->	OG	0.187	0.067	2.807	0.005	<i>Positive</i>
Hypothesis 5:OG	---->	HCD	0.155	0.064	2.422	0.015	<i>Positive</i>
Hypothesis 6:TNA	---->	HCD	-0.028	0.063	-.454	0.650	<i>Negative</i>
Hypothesis 7:TD	---->	HCD	0.252	0.072	3.520	***	<i>Positive</i>
Hypothesis 8:WSPI	---->	HCD	0.331	0.071	4.665	***	<i>Positive</i>
Hypothesis 9:WSPC	---->	HCD	0.219	0.069	3.173	0.002	<i>Positive</i>

The results also revealed that workplace skills plan consultation (WSPC) had a positive effect on organisational goals (OG), reading: (standardised estimates = 0.178,  $t$  – value = 2.456,  $p < 0.05$ ). Hence hypothesis 2 was also accepted, suggesting that the realisation of organisational goals is linked to workplace skills plan consultation.

Table 4.9 shows that workplace skills plan implementation (WSPI) had a negative effect on organisational goals (OG), reading: (standardised estimates = 0.041,  $t$  – value = 0,570,  $p > 0.05$ ). Hence hypothesis 3 was rejected, meaning that there is no sufficient evidence to support the notion that the implementation of a workplace skills plan has a bearing on the realisation of an organisation's goals.

Training need analysis (TNA) had a positive effect on organisational goals (OG), reading: (standardised estimates = 0.187,  $t$  – value = 2.807,  $p < 0.05$ ). As such, hypothesis 4 was accepted. However, training need analysis (TNA) has a negative effect on human capital development (HCD), reading: (standardised estimates = - 0.028,  $t$  – value = - 0.454,  $p > 0.05$ ). Hypothesis 6 was thus rejected. This mean that although training needs analysis brings positive outcomes on the organisational goals, there is no sufficient evidence that it influences human capital development. On the other hand, the test results revealed that organisational goals (OG) had a positive effect on human capital development (HCD), reading: (standardised estimates = 0.155,  $t$  – value = 2.422,  $p < 0.05$ ). Hence hypothesis 5 was also accepted.

Training and development (TD) had a positive effect on human capital development (HCD), reading: (standardised estimates = 0.252,  $t$  – value = 3.520,  $p < 0.05$ ). In this case, hypothesis 7 was accepted. The outcome of the test also indicated that workplace skills plan implementation (WSPI) had a positive effect on human capital development (HCD), reading: (standardised estimates = 0.331,  $t$  – value = 4.665,  $p < 0.05$ ). Therefore, hypothesis 8 was accepted. Lastly, the results of hypothesis testing also revealed that workplace skills plan consultation had a positive effect on human capital development (HCD), reading: (standardised estimates = 0.219,  $t$  – value = 3.173,  $p < 0.05$ ). As such, hypothesis 9 was also accepted. This can be interpreted as, for human capital development to be achieved, there must be training and development in the workplace, which is supported by proper workplace skills planning, consultation and implementation.

#### **4.3.6 Standardised regression weights**

Table 4.10 shows the recorded standardised regression weights for all the measurement constructs. After running a test on Amos version 20, different regression weights were recorded in each of the measurement construct. Regression weights were used to compare the direct impact on a given endogenous variable. The results indicate that the minimum was achieved, and the model fitness was ensured. According to Bian (2011), the indicator variables should have standardised regression weights that are close to, higher or equal to 0.7 on the latent variable they represent. In this study, the attained standardised regression weights are ranging close to 0.7, and some of them attained a value that is higher than 0.7, hence indicating that an acceptable model fit was achieved.

**Table 4.10: Standardised Regression Weights**

Constructs			Estimate
OG	<---	TD	0.177
OG	<---	WSPC	0.163
OG	<---	WSPI	0.038
OG	<---	TNA	0.201
HCD	<---	OG	0.155
HCD	<---	TNA	-0.030
HCD	<---	TD	0.244
HCD	<---	WSPI	0.311
HCD	<---	WSPC	0.201
OG1	<---	OG	0.861
OG2	<---	OG	0.793
OG3	<---	OG	0.809
OG4	<---	OG	0.756
OG5	<---	OG	0.804
TNA1	<---	TNA	0.866
TNA2	<---	TNA	0.769
TNA3	<---	TNA	0.759
TNA4	<---	TNA	0.740
TNA5	<---	TNA	0.896
TD1	<---	TD	0.790
TD2	<---	TD	0.704
TD3	<---	TD	0.727
TD4	<---	TD	0.743
TD5	<---	TD	0.830
WSPI1	<---	WSPI	0.830
WSPI2	<---	WSPI	0.649
WSPI3	<---	WSPI	0.776
WSPI4	<---	WSPI	0.533
WSPI5	<---	WSPI	0.714
WSPC1	<---	WSPC	0.794
WSPC2	<---	WSPC	0.695
WSPC3	<---	WSPC	0.710
WSPC4	<---	WSPC	0.693
WSPC5	<---	WSPC	0.778
HCD5	<---	HCD	0.771
HCD4	<---	HCD	0.749
HCD3	<---	HCD	0.828
HCD2	<---	HCD	0.787
HCD1	<---	HCD	0.855

#### 4.3.6 Covariance

Table 4.11 reflects the covariance between the independent variables, namely, training need analysis (TNA), training and development (TD), workplace skills implementation (WSPI) and workplace skills consultation (WSPC). The recorded covariances are acceptable as they indicate a significant covariation, with  $p < 0.05$ .

**Table 4.11: Covariances**

	Variables		Estimate	S.E.	C.R.	P	Label
TNA	<-->	TD	0.074	0.013	5.806	***	Positive
TNA	<-->	WSPI	0.036	0.012	3.085	0.002	Positive
TD	<-->	WSPI	0.032	0.011	2.939	0.003	Positive
TD	<-->	WSPC	0.019	0.010	1.868	0.062	Positive
TNA	<-->	WSPC	0.027	0.011	2.449	0.014	Positive
WSPI	<-->	WSPC	0.027	0.010	2.609	0.009	Positive

#### 4.3.7 Correlation

Table 4.12 contains the correlations between the independent variables, namely, training need analysis (TNA), training and development (TD), workplace skills implementation (WSPI) and workplace skills consultation (WSPC).

**Table 4.12: Correlations**

	Variables		Estimate
TNA	<-->	TD	0.432
TNA	<-->	WSPI	0.217
TD	<-->	WSPI	0.212
TD	<-->	WSPC	0.131
TNA	<-->	WSPC	0.169
WSPI	<-->	WSPC	0.189

#### 4.3.8 Variance

Based on Table 4.13, which shows the variances in each of the independent variables, namely, training need analysis (TNA), training and development (TD), workplace skills implementation (WSPI) and workplace skills consultation (WSPC), the results were

acceptable, with  $p < 0.05$ . For all the measurement errors, the outcome was also acceptable as the minimum was attained, with  $p < 0.05$ .

**Table 4.13:Variances**

	Estimate	S.E.	C.R.	P	Label
TNA	.188	.020	9.366	***	
TD	.155	.019	8.094	***	
WSPI	.145	.023	6.425	***	
WSPC	.138	.019	7.254	***	
e31	.138	.018	7.721	***	
e32	.112	.016	7.061	***	
e21	.059	.007	8.226	***	
e22	.092	.009	9.702	***	
e23	.077	.008	9.450	***	
e24	.111	.011	10.157	***	
e25	.090	.009	9.538	***	
e1	.055	.006	8.491	***	
e2	.101	.010	10.244	***	
e3	.118	.011	10.348	***	
e4	.118	.011	10.505	***	
e5	.046	.006	7.364	***	
e6	.094	.010	9.107	***	
e7	.120	.012	10.224	***	
e8	.116	.012	9.999	***	
e9	.121	.012	9.818	***	
e10	.070	.009	8.236	***	
e11	.082	.011	7.320	***	
e12	.143	.014	10.344	***	
e13	.115	.013	8.701	***	
e14	.203	.018	11.012	***	
e15	.140	.014	9.704	***	
e16	.080	.009	8.456	***	
e17	.125	.013	9.992	***	
e18	.125	.013	9.828	***	
e19	.138	.014	10.005	***	
e20	.090	.010	8.798	***	
e30	.113	.011	9.962	***	
e29	.105	.010	10.204	***	
e28	.084	.009	9.050	***	
e27	.089	.009	9.760	***	
e26	.066	.008	8.382	***	



#### **4.3.9 Squared Multiple Correlation**

Table 4.14 shows the squared multiple correlations for each of the observed variables of this study, that is; TNA 1 up to TNA5, TD1 up to TD5, WSPI1 up to WSPI5, WSPC1 up to WSPC5, OG1 up to OG5 and HCD1 up to HCD5. Squared multiple correlations are regarded as the communality estimate for indicator variables, and their value should indicate the squared standardised regression weights (Bian, 2011). In other words, squared multiple correlations are expected to range close to, higher or equal to 0.49, since an acceptable range of standardised regression weights (0.7), when squared is equal to 0.49. Based on the results of this study, the squared multiple correlations are ranging close to 0.49, and as such, they are acceptable.

**Table 4.14: Squared Multiple Correlations**

<b>Variables</b>	<b>Estimate</b>
OG	0.158
HCD	0.324
HCD1	0.730
HCD2	0.619
HCD3	0.685
HCD4	0.561
HCD5	0.595
WSPC5	0.605
WSPC4	0.481
WSPC3	0.504
WSPC2	0.483
WSPC1	0.631
WSPI5	0.509
WSPI4	0.284
WSPI3	0.602
WSPI2	0.422
WSPI1	0.689
TD5	0.688
TD4	0.552
TD3	0.529
TD2	0.496
TD1	0.625
TNA5	0.803
TNA4	0.548
TNA3	0.576
TNA2	0.592
TNA1	0.750
OG5	0.646
OG4	0.572
OG3	0.655
OG2	0.629
OG1	0.742

#### 4.3.10 Discussion of Results

The main aim of this study was to examine the influence of Workplace Skills Plan on Human Capital Development. As such, the identified key components of Workplace Skills Plan and its implementation include Training Needs Analysis, Training and Development, Workplace

Skills Plan Consultation and Workplace Skills Plan Implementation. These components were regarded as independent variables and tested against Human Capital Development as a dependent variable. Based on the extensive literature available, Organisational Goals proved to be very important in guiding the overall process of workplace skills plan and its implementation towards achieving Human Capital Development. As a result, Organisational Goals played the mediation role between the independent and dependent variables of this study.

The results of this study indicate that training and development have a direct and indirect positive effect on Human Capital Development. In this regard, the findings are concurring with the proposed hypothesis which highlighted that; directly, training and development exerts a positive influence on human capital development, and indirectly; that is: through organisational goals as a mediator, training and development has a positive effect on human capital development. The findings confirm the significance of qualification frameworks mentioned in this study which are designed to equip people with educational achievements that will contribute to economic growth. It further conveys the skills, knowledge, and attributes a graduate has gained through completing a qualification. Previous researchers have also suggested that training and development are key drivers of Human Capital Development. This is also in line with the assumptions of the Australian National Training Authority (ANTA) (1999) which view training and development as crucial pillars that strengthens the national system of qualifications encompassing higher education, vocational education and training and schools."Aguinis and Kraiger (2009) propounded the view that training and development are executed to boost the overall Human Capital Development as a way of enhancing organisational performance. Hence, training and development are regarded as the key antecedents of human capital and organisational knowledge (Subramaniam and Youndt, 2005; Aragon *et al*, 2003; Lopez-Cabrales *et al*, 2006).

Human Capital refers to "the collective set of performance-relevant knowledge, skills, and attitudes within a workforce," whereas training and development are concerned with the acquisition of new knowledge and skills for the overall development of the Human Capital (Aguinis and Kraiger, 2009: 453). In other words, training and development are the primary activities that are implemented for the purposes of achieving the overall Human Capital Development. Hence, there is a positive relationship between training and development, and Human Capital Development. However, it is far from clear that this theory holds for all areas of the labour market. For example, as argued by (Strathdee 2003), many areas of the

labour market do not require workers to have high levels of skill and expertise, and in a few areas skill is only a small part of a firm's competitive strategy.

According to Stone (2002) in Khan *et al.* (2011), "training has the distinct role in the achievement of an organisational goal by incorporating the interests of the organisation and the workforce." Given this analysis, it can be deduced that there is a strong positive relationship between training and organisational goals. Consequently, this analysis is echoing the proposed hypothesis and the findings of this study which highlighted that organisational goals are also taken into consideration when it comes to the execution of training and development activities to achieve the overall Human Capital Development. Khan *et al.* (2011) state that the benefits of the activities of training have influenced many countries around the world to incorporate national policies that are aimed at designing and delivering training programs and activities at the national level, with the goal of enhancing a nations' human capital for economic prosperity. This can also true with the National Qualifications Framework (NQF) in South Africa which was established in accordance with the South African Qualifications Authority (SAQA) Act No. 58 of 1995, which is essentially a competence management framework for all standards and qualifications obtained in South Africa. NQF is a means of addressing inequalities in learning across different racial groups in the society. Hence, Human Capital Development is enhanced through training and development activities.

The findings of this study also indicate that organisational goals have a positive effect on human capital development, and as such, they approve one of the proposed hypotheses of this study. Garavan (1991) articulated the view that for the Human Resource Development as a function to be useful, it must align itself to the overall goals and strategies of the organisation. In other words, there is a positive relationship between the strategy of an organisation, goals and human capital development within the context of human resource development strategies (Sthapit, 2012). This simply means that organisational goals are prioritised and taken into consideration when implementing strategies that are aimed at achieving the overall Human Capital Development, such as training and development, training needs analysis, and Workplace Skills Planning.

In conjunction with the above analysis, Hayton (1990) expressed the view that it is very important to link Human Capital Development to organisational goals and strategies as this will help in managing changes in the business environment (Sthapit, 2012). On a similar

note, Leicester (1988) in Sthapit (2012) suggested the view that organisational goals should lead to job-centred training and the overall Human Capital Development. In support of the above analysis, Hussey (1985) in Sthapit (2012) entails that the activities of Human Capital Development should be informed by the organisational goals and strategies. Hence there is a positive link between organisational goals and Human Capital Development.

According to Denby (2010), the completion of training needs analysis is a prerequisite to any training investment in an organisation. In other words, training needs analysis is one of the primary activities that are executed in a bid to achieve effective Human Capital Development. Hence training needs analysis exerts positive influence on Human Capital Development. However, as described more fully in the NZQA, in many areas of the labour market employers do not see a need to embrace the opportunities and, despite the importance of Human Capital Development, the New Zealand Government did not force them to go through training and development. Nevertheless, in this regard, the results of this study suggest that Human Capital Development is positively affected by Training Needs Analysis only if the goals of the organisation are evaluated and taken into consideration. In other words, organisational goals provide a framework in which training needs analysis is to be grounded to produce effective results in as far as Human Capital Development is concerned.

The results of this study also indicate that the overall Workplace Skills Planning process is a key driver of Human Capital Development, and as such, the proposed hypotheses were supported. Anyadike (2014: 1266) elaborated the view that human resource planning is crucial in assisting organisations to obtain and retain the desired quality of workforce that is required for the attainment of organisational goals and objectives, and thereby providing for the future workforce needs of the organisation in terms of needed knowledge, skills and experiences. As such, strategic Workplace Skills Planning serves the purpose of identifying the human capital that is required to achieve organisational goals and developing strategies to meet these requirements. Echoing this analysis, Sultana *et al.* (2014:164) depicted that “workforce planning is grounded in its contribution to organisation performance. Done well, it provides management with a way to align the workforce with the business plan, and anticipate change, and address current and future workforce issues.”

Workforce planning is of paramount importance in the alignment of strategic planning, human capital and budgeting to meet organisational goals. Al-Sawai and Al-Shishtawy

(2015:29) stated that workforce planning is “the timely anticipation of potential future imbalances between the supply and the demand of skills, enabling action or as the systematic assessment of future human resource needs and the determinations of the actions required to meet those needs.” As such, it can be acknowledged that there is a positive relationship between Workplace Skills Planning and Human Capital Development, since Workplace Skills Planning is aimed at developing a set of skills, expertise and knowledge for the attainment of strategic goals of an organisation. Directly and indirectly, that is, through the mediating role of organisational goals, Workplace Skills Plan Consultation proved to have a positive effect on the overall Human Capital Development, hence implying that the Consultation procedures in the facilitation of a Workplace Skills Planning process are very crucial, as they ensure a success in the Human Capital Development, and this was backed by the positive outcome of this study. However, the results proved that Workplace Skills Plan Implementation only exerts a positive effect on Human Capital Development when it is not mediated by organisational goals. It is possible that a consideration of organisational goals is not vital at the implementation stage of Workplace Skills plan.

As highlighted by the Mandatory Grant Evaluation Report (2013), support from the organisational participants such as senior management is very significant in the development of the skills of employees, however some line managers are not releasing their staff to attend training activities after the training department has contracted the training service providers and scheduled training. This is an indication that those line managers are not considering the importance of training and development processes in the attainment of organisational goals. As a result, Workplace Skills Plan Implementation would end up not having a positive effect on organisational goals. Overall, it can be highlighted that Workplace Skills Plan is very crucial when it comes to Human Capital Development.

### **Summary of Findings**

The identified key components of Workplace Skills Plan and its implementation include Training Needs Analysis, Training and Development, Workplace Skills Plan Consultation and Workplace Skills Plan Implementation. These components were regarded as independent variables and tested against Human Capital Development as a dependent variable. The results of this study indicate that training and development have a direct and indirect positive effect on Human Capital Development. Organisational goals are also taken

into consideration when it comes to the execution of training and development activities to achieve the overall Human Capital Development. The findings of this study also indicate that organisational goals have a positive effect on human capital development, and as such, they approve one of the proposed hypotheses of this study. The results of this study also indicate that the overall Workplace Skills Planning process is a key driver of Human Capital Development, and as such, the proposed hypotheses were supported.

## **CHAPTER 5: CONCLUSION AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

This chapter focuses on the conclusion and recommendations of this study. On the conclusion part, a summary of the main findings of this study are presented considering the research gap that was identified. On the recommendations part, the researcher is proffering a range of detailed and useful recommendations that will be utilised by different organisations and for use by future researchers.

### **5.2 CONCLUSION**

The primary objective of this study was to examine the effects of workplace skills plan on human capital development. Through an in-depth research, it was unearthed that workplace skills plan is very crucial in boosting the overall human capital development. Workplace skills plan helps organisations to adjust to labour market flexibility or to respond to changes in the labour market, and to maximise the returns from the large investment in skills and tertiary qualifications. It was uncovered that workplace skills planning helps in identifying, assessing and developing significant knowledge, skills and competencies of employees. As an attribute of human capital development, workplace skills plan is characterised by components such as training needs analysis, training and development, workplace skills plan implementation and workplace skills plan consultation. As such, these components were regarded and treated as independent variables of this study, and their effect on human capital development was tested.

Previous research indicates that organisational goals should be taken into consideration when planning and executing a workforce skills plan. Hence, the significance of organisational goals cannot be underestimated. As a novelty approach, this study introduced organisational goals as a mediator between the independent (training needs analysis, training and development, workplace skills plan implementation and workplace skills plan consultation) and dependent (human capital development) variables of this study.

In line with the proposed hypothesis, the findings of this study indicate that training and development has a direct and indirect positive effect on human capital development. Thus, directly, training and development has a positive influence on human capital development,



and indirectly; that is: through organisational goals as a mediator, training and development has a positive effect on human capital development. Training and development has been acknowledged as a process that focuses on imparting employees with new knowledge, skills, techniques and experiences such that employees are able to perform their jobs with fullest efficiency and effectiveness, and it plays a crucial role in advancing the overall human capital development. In other words, the research has established that successful training and development initiatives ensures that employees are fully equipped with the necessary knowledge, skills, techniques and procedures such that they are able to perform the jobs in a satisfactory manner towards achieving strategic goals of the organisation whilst satisfying their own individual needs. As an antecedent of the overall human capital development, training and development helps in building up employee confidence and improving employee performance.

Prior to conducting hypotheses testing, this study proposed a hypothesis that training needs analysis has a direct positive effect on human capital development. However, the results indicate that training needs analysis has a direct negative effect on human capital development. Instead, training needs analysis only has a positive effect on human capital development when its relationship with human capital development is mediated by organisational goals. In other words, training needs analysis has an indirect positive effect on human capital development. The study also uncovered that training need analysis is a prerequisite to any training investment in an organisation. Therefore, as a methodical investigation that is concerned with the analysis of an organisation's current and desired future performance levels, training needs analysis plays a pivotal role in stimulating the ability of employees to perform tasks as efficiently and as effectively as possible, towards achieving organisational goals.

This study also unearthed the notion that workplace skills plan implementation has a direct positive effect on human capital development. This is in accordance with one of the proposed hypotheses of this study. Measurement items of workplace skills plan implementation were designed such that they address the key components of workplace skills plan such as strategizing on how to improve employee skills, knowledge, capabilities and competencies to match the job profiles. However, the results indicate that workplace skills plan implementation has a negative effect on organisational goals. This could mean that taking organisational goals into consideration when implementing workplace skills plan to stimulate the overall human capital development is not that much important. It could also

mean other things: 1. The question was not clearly presented to the respondents so that the researcher can get the correct result. This is called a sampling error. 2. The question was clear but the respondents did not fully comprehend what was required, or did not take enough time to think about the question to give it a correct response. Moreover, estimating a population's statistic based on a sample is not always 100% accurate. There is always some level of uncertainty in your result. This is usually set at 5% significance level (the probability that the procedure is not accurate). Hence, with hypothesis testing, the researcher is never 100% accurate or right.

The study also found out that workplace skills plan consultation has a direct and indirect positive effect on human capital development. Given the mediating role of organisational goals between workplace skills plan consultation and human capital development, the findings of this research prove that workplace skills plan consultation has a positive effect on the overall human capital development. It was also discovered that a workplace skills plan consultation is very crucial in the sense that it reveals information related to skills that employees have and it also identifies skills that employees are lacking.

The findings of this research also prove that human capital development is one of the key drivers of organisational performance. Based on the study, human capital can be contextualised as a range of knowledge, skills and competences that people obtain through formal education or training and it is a key attribute of organisational performance. Employees are the most valuable and unique assets of an organisation; hence, investing in their knowledge and skills is very crucial as it is highly associated with favourable outcomes such as improved employee performance, productivity, innovativeness, improved competencies, efficiency and effectiveness. The results of this study can be applicable in a larger population based on the nature of the targeted population and the subject matter being investigated.

### **5.3 RECOMMENDATIONS**

- When conducting training and development, organisations should seek to accommodate and develop critical skills that are compatible with the era of industry 4.0 (the fourth industrial revolution – FIR). FIR is characterised by smart cities, smart machines, industrial internet-of-things and factories that are characterised by

automated machines. This will allow organisations to adapt to the changing nature of globalisation through competent employees.

- When conducting training needs analysis, organisations should come up with strategies that seek to ensure effective transfer of training. Transfer of training is concerned with the execution or application of the knowledge, skills, experiences and competencies that are acquired during the training and development programs. Ensuring the transferability of knowledge, skills, experiences and competencies acquired during training and development will enable organisations to have a unique set of skills, knowledge, competences and experience that will ensure employee creativity and productivity.
- Organisations should maximise effective development of human capital development initiatives to sustain effective organisational performance, improve employee performance, productivity, employee competencies, efficiency, effectiveness and long-term organisational success. Thus, municipalities have to invest in their existing human capital through taking care of their development needs to ensure sustained organisational performance. Leveraging human capital development will enable organisations to have innovative, effective and efficient labour force that will drive organisations towards the achievement of strategic goals and objectives.
- Organisations should ensure that workplace skills plan implementation is characterised by executable strategies that are aimed at ensuring effective human capital development. For instance, it may contain training and development initiatives, training needs analysis, training budget, performance appraisals and reward management system.
- Organisations should also ensure that workplace skills plan consultation addresses the key components of human capital development, since workplace skills plan consultation is also a key driver of human capital development. This part may address components such as critical skills development, transferability of training and development initiatives.
- Future studies should focus on the antecedents and consequences of human capital development and identify other key drivers of organisational performance, productivity, innovativeness and sustainability. This will help organisations to develop a competitive edge.

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## **APPENDICES**

### **APPENDIX A: PERMISSION TO CONDUCT RESEARCH**



POD 7, GROUND FLOOR, INTUTHUKO JUNCTION, 750 MARY THIPHE STREET, UMKHUMBANE, CATO MANOR, DURBAN 4001  
TEL: 031 322 4513, FAX: 031 261 3405, FAX TO EMAIL: 086 265 7160, EMAIL: MILE@DURBAN.GOV.ZA, WEBSITE: WWW.MILE.ORG.ZA

For attention:  
Chair of Ethics Committee  
Faculty of Management Sciences  
Durban University of Technology  
4001

28 October 2019

RE: LETTER OF SUPPORT TO STUDENT SANDILE MADONDA, STUDENT NUMBER 21649470 - GRANTING  
PERMISSION TO USE ETHEKWINI MUNICIPALITY AS A CASE STUDY

The Head: eThekweni Municipal Academy (EMA) has considered a request from student SANDILE MADONDA to use eThekweni Municipality as a research study site leading to the awarding of the M. Tech degree entitled "The Influence of Workplace Skills Plan in Human Capital Development at the eThekweni Municipality."

We wish to inform you of the acceptance of his request and hereby assure him of our utmost co-operation towards achieving his academic goals; the outcome which we believe will help our municipality in the long run. The student is always reminded of the ethical considerations when undertaking his research. In return, we stipulate as conditional that Mr Madonda contacts the Municipal Institute of Learning (MILE) on 031 3224513 so that he could present the results and recommendations of his study on completion to EMA.

Dr M. Ngubane  
Head: eThekweni Municipal Academy  
eThekweni Municipality

I, SANDILE MADONDA hereby accept as conditional that I will comply fully as per the conditions stipulated above.

Signed: .....

Date: .....

30 January 2020



## APPENDIX B: QUESTIONNAIRE SURVEY FOR THE RESEARCH

### TOPIC: THE INFLUENCE OF WORKPLACE SKILLS PLAN ON HUMAN CAPITAL DEVELOPMENT IN ETHEKWINI MUNICIPALITY

COMPILED BY SANDILE MADONDA IN 2020

The eThekweni Municipality has committed itself to address human resource development in the Local Government sector by developing a research on the influence of Workplace Skills Plan (WSP) in the organisation. The purpose of this survey is to determine the influence caused by WSP in learning and development in the workplace.

As a strategic partner in our research you are invited to participate in the above research project and complete the questionnaire. The information you give in response to this survey will provide the eThekweni Municipality with valuable information and insight to effectively plan for skills development. The ultimate beneficiary of this information is the eThekweni Municipality itself, as the findings from this questionnaire will be consolidated into a comprehensive report that will inform the interventions and initiatives needed to improve skills development in the sector.

#### IMPORTANT NOTES:

- ❖ This questionnaire should take you approximately **20 minutes** to complete.
- ❖ All responses to this questionnaire will be treated with the strictest **confidentiality** and **anonymity**.
- ❖ Please complete this questionnaire as honestly and comprehensively as possible and submit it by **Friday, 30 September 2020** to: **Mr Sandile Madonda - Research Leader**

You are welcome to contact him on Telephone number (031) 3118089 or use email address [Sandile.madondo@durban.gov.za](mailto:Sandile.madondo@durban.gov.za) if you have any questions in completing this questionnaire.

Email the completed questionnaire to [Sandile.madondo@durban.gov.za](mailto:Sandile.madondo@durban.gov.za)



## **SECTION ONE: DEMOGRAPHIC PROFILE**

Please answer the following questions as honestly and accurately as possible. Please note that this information is important for statistical purposes. Place a cross (X) next to your answer in the following required information.

### **PERSONAL INFORMATION REQUIRED**

#### **1. Name of your company:**

1.	
----	--

#### **2. Your age group:**

1. 20 years and below		
2. 21 to 30 years		
3. 31 to 40 years		
4. 41 to 50 years		
5. 51 years and above		

#### **3. Your gender:**

1. Male		
2. Female		

#### **4. Your highest formal qualification:**

1. High School		
2. Diploma		
3. Bachelor's Degree		
4. Master's Degree		
5. Doctoral degree		
6. Other (Please specify)		




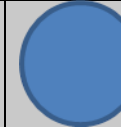
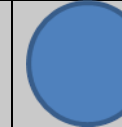



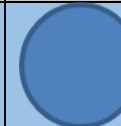
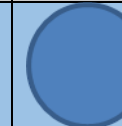



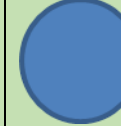
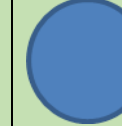
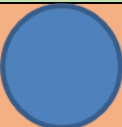
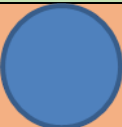
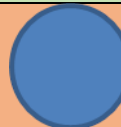
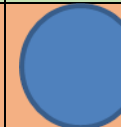
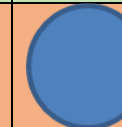
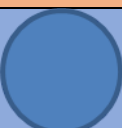
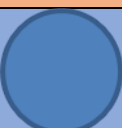
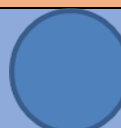

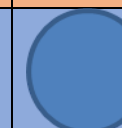
## **GUIDELINES ON HOW TO COMPLETE THE QUESTIONNAIRE**

1. Read the following statement before filling in the details on the questionnaire.
2. Questions should be answered by putting a cross (X) in the required space to rate your level of satisfaction in the following questions:

## SECTION TWO: CONSTRUCTS











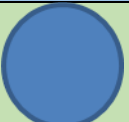
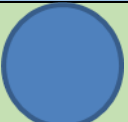
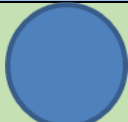
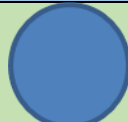
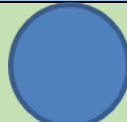
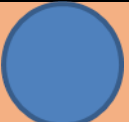
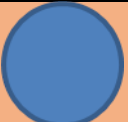
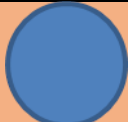

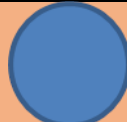
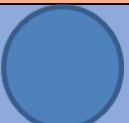
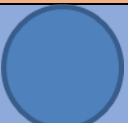
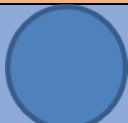
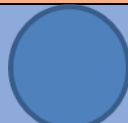
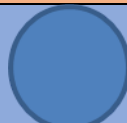
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### Training and Development (TD)









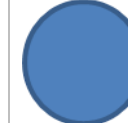
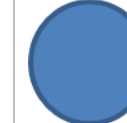

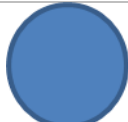



QUESTION CONSTRUCTION	1. Strongly disagree	2.Disagree	3.Neutral	4.Agree	5.Strongly agree	CODE
1. Training and development increases skills, knowledge and competencies needed in the workplace						TD1
2. Training and development assist the organisation to improve productivity						TD2
3. Training is the process of building up confidence of employees						TD3
4. Investment in workforce development is seen as a primary mechanism for national economic development						TD4
5. Through training, workers feel they are part of the organisation						TD5











### Training needs Analysis (TNA)

QUESTION CONSTRUCTION	1. Strongly disagree	2.Disagree	3.Neutral	4.Agree	5.Strongly agree	CODE
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1. Training needs analysis are done by line managers at the workplace						TNA1
2. Training needs are driving force for employee development						TNA2
3. Training needs analysis identifies the gap between what the job expects an employee to do and what the employee is actually doing						TNA3
4. Organisations determine which training needs are a priority						TNA4
5. Sometimes I regret attending learning programmes that do not address my training needs						TNA5

### Workplace skills plan implementation (WSPI)

QUESTION CONSTRUCTION	1. Strongly disagree	2. Disagree	3. Neutral	4. Agree	5. Strongly agree	CODE
1. I was informed by my supervisor about Workplace skills Plan (WSP)						WSPI1
2. WSP is well marketed in the municipality						WSPI2
3. I have access to WSP information						WSPI3




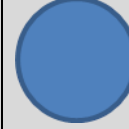
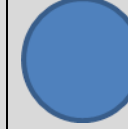
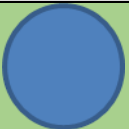
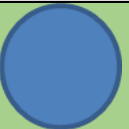
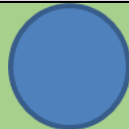
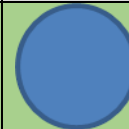
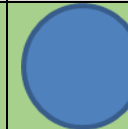
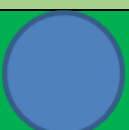
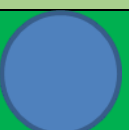
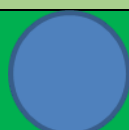
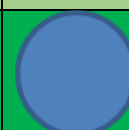




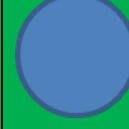
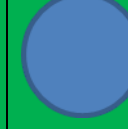
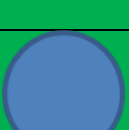




4. WSP is linked to my career development						WSPI4
5. I was consulted by my supervisor on identifying my training needs on WSP						WSPI5

## WSP Consultation




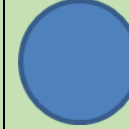
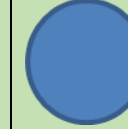
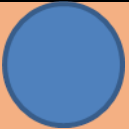
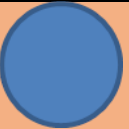
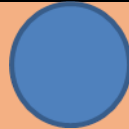
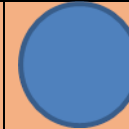
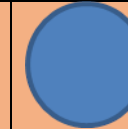
QUESTION CONSTRUCTION	1. Strongly disagree	2.Disagree	3.Neutral	4.Agree	5.Strongly agree	CODE
1. Using WSP would help me to plan for my development						WSPC1
2. Using WSP would help me to achieve qualifications needed at the workplace						WSPC2
3. Completing WSP forms would assist me to understand organisational goals						WSPC3
4. Using WSP would assist the municipality to apply for levy grants from LGSETA						WSPC4
5. Using WSP would increase the overall organisational performance						WSPC5




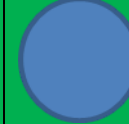
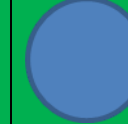



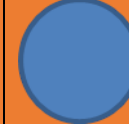
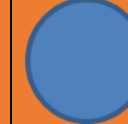



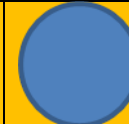
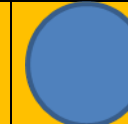
## Organisational goals (OG)

QUESTION CONSTRUCTION	1. Strongly disagree	2.Disagree	3.Neutral	4.Agree	5.Strongly agree	CODE
-----------------------	----------------------	------------	-----------	---------	------------------	------

1. Organisational goals are important in identifying training needs						OG1
2. Organisational goals serves as a guidance for direction and action						OG2
3. Organisational goals define standard of performance						OG3
4. Organisational goals are key drivers of human capital development						OG4
5. Organisational goals enhances employee performance						OG5

### Human Capital Development (HCD)

QUESTION CONSTRUCTION	1. Strongly disagree	2. Disagree	3. Neutral	4. Agree	5. Strongly agree	CODE
1. Human Capital Development competencies of employees can be improved by training need analysis						HCD1
2. Human Capital Development competencies of employees can be improved by training and development						HCD2

3. Human Capital Development competencies of employees can be improved by workplace skills plan implementation						HCD3
4. Human Capital Development competencies of employees can be improved by workplace skills plan consultation						HCD4
5. Human Capital Development competencies of employees can be improved by taking organisational goals into consideration						HCD5

**PROVIDING INFORMATION BELOW IS OPTIONAL**

Contact Name and

Surname:.....  
.....

Contact details: (Work).....

(Cell).....

(Fax).....

(Email).....

**THANK YOU FOR YOUR PARTICIPATION**

PLEASE RETURN THE QUESTIONNAIRE BY 30 SEPTEMBER 2020

## APPENDIX C: SAMPLE OF DATA INPUT ON SPSS VERSION 20

South Africa client.sav [DataSet1] - IBM SPSS Statistics Data Editor															
File Edit View Data Transform Analyze Direct Marketing Graphs Utilities Add-ons Window Help															
263 : GENDER		1.00												Visible: 34 of 34 Variables	
	GENDER	AGE	EDUCATION	EMPLOYMENT	TNA1	TNA2	TNA3	TNA4	TNA5	TD1	TD2	TD3	TD4	TD5	
1	Male	20 years and below	High School	Unemployed	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Strongly A...	Agree	Strongly A...	Strongly A...	St
2	Male	21 to 30 years	Diploma	5 years and below	Agree	Agree	Strongly A...	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
3	Male	20 years and below	High School	Unemployed	Agree	Strongly A...	Agree	Strongly A...	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
4	Male	20 years and below	High School	Unemployed	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
5	Female	20 years and below	High School	Unemployed	Strongly A...	Agree	Strongly A...	Neutral	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
6	Female	31 to 40 years	Bachelors ...	6 to 10 years	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
7	Male	31 to 40 years	Bachelors ...	6 to 10 years	Agree	Agree	Strongly A...	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
8	Female	31 to 40 years	Masters D...	5 years and below	Agree	Strongly A...	Agree	Strongly A...	Agree	Agree	Agree	Strongly A...	Agree	Agree	St
9	Male	21 to 30 years	High School	5 years and below	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Agree	Strongly A...	Agree	Strongly A...	Agree	St
10	Female	20 years and below	High School	Unemployed	Strongly A...	Agree	Strongly A...	Neutral	Strongly A...	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	St
11	Female	20 years and below	High School	Unemployed	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Strongly A...	Agree	Strongly A...	Neutral	Strongly A...	St
12	Female	31 to 40 years	Masters D...	5 years and below	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	St
13	Female	20 years and below	High School	6 to 10 years	Agree	Agree	Strongly A...	Strongly A...	Agree	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	St
14	Male	21 to 30 years	Diploma	5 years and below	Agree	Strongly A...	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
15	Male	20 years and below	High School	Unemployed	Strongly A...	Agree	Agree	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
16	Female	20 years and below	High School	Unemployed	Agree	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
17	Female	20 years and below	High School	Unemployed	Agree	Agree	Agree	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
18	Female	21 to 30 years	Bachelors ...	5 years and below	Agree	Agree	Agree	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
19	Male	21 to 30 years	Bachelors ...	5 years and below	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
20	Female	31 to 40 years	Bachelors ...	6 to 10 years	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
21	Female	31 to 40 years	Bachelors ...	5 years and below	Agree	Agree	Strongly A...	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
22	Female	20 years and below	High School	Unemployed	Agree	Strongly A...	Agree	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
23	Female	20 years and below	High School	Unemployed	Strongly A...	Strongly A...	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
24	Female	31 to 40 years	Diploma	6 to 10 years	Strongly A...	Agree	Strongly A...	Agree	Agree	Agree	Agree	Agree	Agree	Agree	St
25	Male	20 years and below	High School	Unemployed	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
26	Female	31 to 40 years	Diploma	5 years and below	Strongly A...	Strongly A...	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	St
27	Female	41 to 50 years	Bachelors	11 to 15 years	Agree	Agree	Strongly A...	Agree	Agree	Agree	Agree	Agree	Agree	Agree	St

Data View Variable View

IBM SPSS Statistics Processor is ready





South Africa client.sav [DataSet1] - IBM SPSS Statistics Data Editor																	
File Edit View Data Transform Analyze DirectMarketing Graphs Utilities Add-ons Window Help																	
263 : GENDER											1.00						Visible: 34 of 34 Variables
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1	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
2	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Agree	Agree	Strongly A...	Agree	Strongly A...	Agree	Strongly A...		
3	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Strongly A...	Agree	Strongly A...	Agree	Agree	Agree	Agree	Strongly A...	Agree		
4	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
5	Strongly A...	Agree	Strongly A...	Neutral	Strongly A...	Strongly A...	Agree	Strongly A...	Neutral	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
6	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Agree	Agree	Agree	Strongly A...		
7	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Agree	Agree	Strongly A...	Agree	Strongly A...	Strongly A...	Strongly A...		
8	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Strongly A...	Agree	Strongly A...	Agree	Strongly A...	Strongly A...	Agree	Strongly A...	Agree		
9	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Agree	Strongly A...	Neutral	Strongly A...	Strongly A...		
10	Strongly A...	Agree	Agree	Agree	Strongly A...	Strongly A...	Agree	Strongly A...	Neutral	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
11	Agree	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Strongly A...	Agree	Strongly A...	Agree	Strongly A...		
12	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Strongly A...	Strongly A...	Strongly A...	Agree		
13	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Agree	Strongly A...	Strongly A...		
14	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
15	Agree	Agree	Agree	Agree	Agree	Strongly A...	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree		
16	Agree	Agree	Agree	Agree	Agree	Agree	Strongly A...	Strongly A...	Agree	Agree	Agree	Agree	Agree	Agree	Agree		
17	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
18	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
19	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
20	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
21	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Strongly A...	Agree	Agree	Agree	Agree	Agree	Agree	Agree		
22	Agree	Agree	Agree	Agree	Agree	Agree	Strongly A...	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree		
23	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
24	Agree	Agree	Agree	Agree	Agree	Strongly A...	Agree	Strongly A...	Agree	Agree	Agree	Agree	Agree	Agree	Agree		
25	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
26	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Agree	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...	Strongly A...		
27	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Strongly A...	Agree	Agree	Agree	Agree	Agree	Agree	Agree		
***																	
Data View Variable View																	
IBM SPSS Statistics Processor is ready																	

## APPENDIX D: EDITOR'S RECEIPT



**CHIEF**Editors  
We are here to serve!



Dear Sir/madam

### Re: Confirmation of editing and proofreading

This letter serves to inform the responsible authorities that the work authored by **SANDILE EWART MADONDA (21649470)**, has been proofread and edited by our team to the best of its ability. Our editing involves spelling check, punctuation, grammar, sentence construction, word reduction, cross reference citations, reference check, basic formatting, presentation style and other mechanics of the English language. No technical alterations have been made.

Corrections were made using track changes which have been clearly outlined for the author's reference.

For more information, please do not hesitate to contact me on the details provided below.

Yours,

B. Mutsvene (Coordinator)

([bmutsvene@gmail.com](mailto:bmutsvene@gmail.com) or [sowcor@chiefeditors.co.za](mailto:sowcor@chiefeditors.co.za) or 074 610 7416 or 063 022 3162)



**THE INFLUENCE OF WORKPLACE SKILLS PLAN ON HUMAN CAPITAL  
DEVELOPMENT AT THE ETHEKWINI MUNICIPALITY**

**By**

**SANDILE EWART MADONDA**

**STUDENT NUMBER 21649470**

**Submitted in fulfillment of the requirements for the degree:**

**Master of Management Science: Human Resources Management**

**Durban University of Technology**

**Faculty of Management Sciences**

**Department of Human Resource Management**

**31 July 2020**

---

**Supervisor: Dr. M. A. Ajagbe**

---

**Date:**

# turnitin report3

*by* Sandile Madonda

**31 July 2020**

**Submission date:** 25-Jun-2020 11:19AM (UTC+0200)

**Submission ID:** 1282359284

**File name:** 24\_June\_SANDILE\_NEW\_THESIS\_COMPLETED\_edited.docx (623.62K)

**Word count:** 30211

**Character count:** 172822

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