

THE CONSTRUCTION SMES DEVELOPMENT DEBATE IN SOUTH AFRICA: CONTRIBUTIONS FROM FET COLLEGES

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The why, when, and how to engender contractor development in South Africa has been interrogated in recent years. Various authors have proposed one panacea or the other without considering the possible contributions of Further Education and Training (FET) colleges in the country. The research identifies key factors that influence how FET colleges are able to facilitate the development of successful construction small and medium size enterprises (SMEs) in South Africa. A survey of the literature was followed by an empirical study, which generated the primary data. A survey was initially conducted among registered construction SMEs, and then interviews were conducted with academics who are employed at FET colleges. The findings indicate that FET colleges serve a multidimensional purpose by producing qualified artisans, who produce quality workmanship in their specific trades and who are capable of establishing successful businesses. Based upon the findings, it can be concluded that FET college structures can provide the foundation for SME development programmes in South Africa. It is therefore recommended that the syllabi for contractor development programmes (CDP) and construction programmes in FET colleges should align with one another in order to develop a specific programme for construction SME development.

Keywords: contractor development, education and training, South Africa.

INTRODUCTION

According to Ranjit, Mwanaumo and Nkado (2011), the South African construction industry is still in a transitional state of change. This is evident due to the fact that the construction SME sector needs to be assisted in terms of capacity building, training and business advice monitoring and counselling. In light of this, Contractor Development Programmes (CDPs) have been adopted and introduced in the South African construction industry. The adoption has been promoted to identify and remove the constraints affecting the development and performance of construction SMEs (Construction Industry Development Board (cidb), 2011a). This paper recognises the challenges that are faced by the current model, which drives contractor development and introduces FET colleges as a possible contributor thereto. The data that has been

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analysed was obtained from the literature, questionnaires, and transcribed interviews. The results emanating from the analyses suggest that FET colleges should be considered as possible contributors in the training and education of contractors in South Africa.

Overview of CDPS IN SOUTH AFRICA

According to the cidb (2010; 2011b), the National Department of Public Works (NDPW) has provided leadership in contractor development since the inception of the democratic government in 1994. Initially, the NDPW established the Emerging Contractor Development Programme (ECDP) to advance entry for primarily black contractors into the construction industry through direct government contracting (cidb, 2010; cidb, 2011c). The ECDP was conceptualised by the government of South Africa to improve job creation in the public sector. The ECDP thus gave government the opportunity to enhance contractor development initiatives through the Vu'kuphile Programme.

However, the ECDP and Vu'kuphile Programmes are primarily skills development based and were implemented through a learnership programme (cidb, 2010; 2011c). The cidb (2010; 2011c) further postulates that the NDPW initiated the Contractor Incubator Programme (CIP) in order to shift the contractor development focus from small contracts to more substantial contracts and to higher levels of contracting. The conceptualisation of the CIP by the NDPW was based on principles of advanced enterprise development. The principal motive is to improve the overall performance of contractors in their regional bases; to improve the ability of local contractors to compete with international construction firms; and to promote and improve the use of efficient labour intensive methods (cidb, 2011a: iv).

Apart from the programmes which have been mentioned, several other government departments and construction industry role players / stakeholders have also developed CDPs, which include, inter-alia:

- Vukuzakhe Contractor Development Programme;
- Sakhasonke - Limpopo and Eastern Cape DPW;
- Stepping Stone - Western Cape DRTPW;
- The Mpumalanga Department of Public Works, Roads and Transport Programme (Sakha'bakhi Contractor Development Programme);
- Kubakhi- Gauteng DPTRW;
- Integrated Emerging Contractor Development Model: IECDM - Eastern Cape Development Corporation;
- Contractor Development - Royal Bafokeng Economic Board;
- Masakhe Contractor Development Programme (KwaZulu-Natal Department of Public Works);
- The Small Enterprise Development Agency (SEDA) Construction Incubator (SCI) Programme;
- The Polokwane Local Municipality Contractor Development Programme;
- The Free State Department of Public Works and Rural Development Programme;
- The Free State Department of Police, Roads and Transport Contractor Development Programme;
- Western Cape Department of Transport and Public Works Siyanyuka Contractor Enhancement Programme, and

- Northern Cape Department of Roads and Public Works Contractor Development Programme.

In addition, the cidb (2011c) mentions that these CDPs were implemented with the model indicated in Figure 1, which is explained in terms of:

- Programme Strategy and Targeting: this section of the model deals with the establishment of targets for contractor development, criteria for inclusion, exit strategy and the criteria for graduating from the programme;
- Contractor Assessment: this section of the model deals with the screening of incoming contractors against a criterion in order to evaluate the prospective contractors current skills and development level;
- Work Opportunities: this section of the model deals with providing the contractor with sustainable work, through appropriate procurement strategies;
- Training and Mentorship: this section of the model is responsible for providing the contractor with theoretical and practical training, mentoring, and an enabling environment;
- Evaluating and Exiting of Contractors: this section of the model is responsible for continuously evaluating the contractors' achievements against the predefined performance standards, and
- Monitoring and Evaluating of Programme: this section of the model is responsible for evaluating and exiting the contractor from the programme based on the graduation criteria achieved, which relates to skills / qualifications and certifications.

Generic Model for Contractor Development

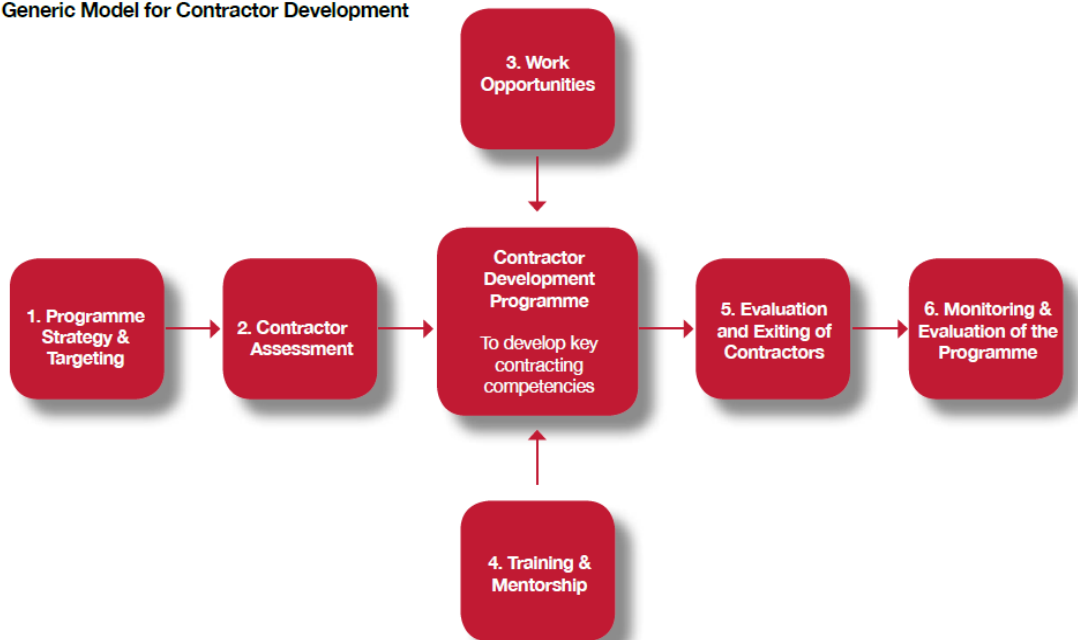


Figure 1 Generic Model for Contractor Development (Source: cidb, 2011c: 15)

Implementation challenges of CDPs in South Africa

With the development and implementation of CDPs, the cidb (2011a) has highlighted a number of challenges which have impeded their success rate. These challenges include:

- The rationale for the programme: most CDPs do not have a clear rationale for initiating the programme, which inevitably leads to poor implementation and outcomes. The lack of clearly defined objectives translates to poor implementation, monitoring and evaluation;
- Absorptive capacity of the programme: CDPs do not effectively match the number of contractors on the programmes with the available resources;
- Contractor selection: for most CDPs, the selection process of participating contractors are open and transparent, however many CDPs do not have selection criteria that enables the identification and selection of the contractors that demonstrate the most potential to be developed. According to the cidb (2011a), this is the most cited reason for the apparent lack of success of many contractors that exit the programme;
- Funding for the programme: funding for many CDPs is not prioritised during the conceptualisation and planning phase, but only addressed at the implementation phase of the programme which is often too late;
- Human resources: the majority of CDPs do not have sufficient staff with the required skills for contractor development units. Programmes are often overstaffed with inappropriate staff or understaffed;
- Monitoring and evaluation of contractors: the majority of CDPs do not implement progress monitoring and evaluation of the contractors or use contractor assessment tools to gauge their development. This makes it difficult to evaluate contractors' progression or to prepare for their exit from the programme;
- Training and skills development: most CDPs struggle to put in place properly structured training and skills development initiatives. This is due to the lack of funding or unskilled personnel for training, and
- Mentorship: most CDPs acknowledge the need and importance of mentors; however they struggle to implement it due to a lack of sufficient funding, few mentors, qualified mentors, and the high mentor to learner contractor ratios.

These challenges pose a pertinent question to stakeholders in South African construction. The question is 'Can FET colleges produce employable contractors through CDP programmes for clients in South Africa?' The response to this question would underline the role of FET colleges with regard to CDP programmes in South Africa.

FET college contribution to contractor development in South Africa

According to Maharaswa (2013), technical colleges were established in the industrialisation era (1920s) to deliver apprenticeship programmes in order to produce artisans. However, in the 1980s the world oil crisis as well as globalisation affected the college sector. The resultant effect of the crisis is a decrease of apprenticeship and training opportunities. These events brought about increased interest in South Africa for trading purposes and exerted pressure on the government as shown in the following changes:

- The Manpower Training Act 1981 was established and facilitated racially inclusive access to skill opportunities related to artisanship, and
- More technical colleges were subsequently established in the rural and peri-urban areas of the country.

According to Maharaswa (2013) and Makole (2010), transformation of the college sector came about post 1994. This was endorsed by the White Paper 4, which was

titled: A programme for the transformation of FET. Thereafter, the FET Act 98 of 1998 was enacted to be replaced by the FET College Act 16 of 2006, which has subsequently been amended to transfer the FET College functions from Provincial competence to the Department of Higher Education and Training (DHET) in 2009 (Maharasa, 2013). Between 2001 and 2003, 152 technical colleges in South Africa merged to form 50 mega FET Colleges in pursuance of efficiency and improved access to intermediate skill and learning opportunities. Makole (2010) says that FET Colleges all over South Africa offer three distinct training programmes, which include:

- The National Technical Education Diploma (NATED) programme;
- The National Certificate Vocational programme; but more importantly, and
- The occupationally directed Learnership programme that lends itself to the development of artisans.

The learnership programme

According to the Skills Development Act No. 97 (Republic of South Africa, 1998), a learnership is an alternative form of training, which consists of a structured learning component and practical work experience of a specific nature (bricklaying, plastering, and plumbing) and duration and culminates in a full qualification registered with the South African Qualifications Authority (SAQA). It targets learners who are already employed as well as learners who would like to enter the workplace. In light of this, the programme has been designed in a unique way to form a contractual agreement between three parties (Republic of South Africa, 1998). The agreement is illustrated in Figure 2.

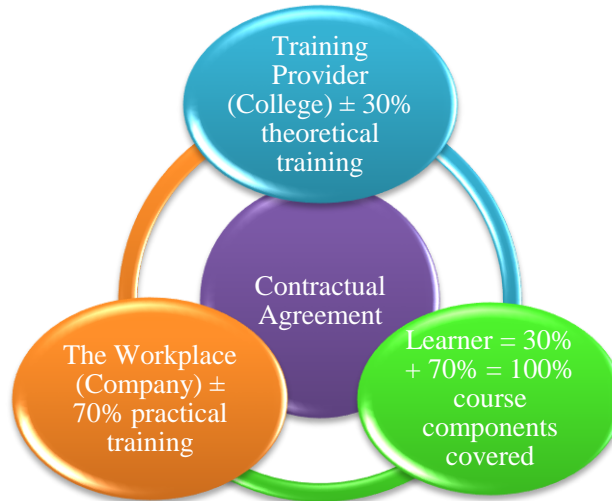


Figure 2 Contractual Agreement between the Parties involved in a Learnership Programme (Source: Republic of South Africa, 1998: 11)

In order for the learner to successfully exit the programme, it is imperative that he / she attends the programme, and adheres to all contractual arrangements agreed on in Figure 2, which also demonstrates the programme structure. On completion of the learnership, with an additional eighteen months of practical training in a specific trade, the learner will automatically qualify for an artisan trade test or could progress to professional and other qualifications (Republic of South Africa, 1998).

With the contractual agreement and the programme structure illustrated and explained above, Lensing (2014) is of the opinion that learnership programmes offered at FET colleges and the model that guides its implementation, seen in Figure 3, bears great resemblance to the generic model for contractor development. Lensing (2014) further suggests that learnership programmes are not focused directly on contractor development, although FET colleges have the necessary infrastructure, facilities, and budget that could cater for the development of construction SMEs. In other words, the challenges of CDPs can be addressed when they are offered by FET colleges.

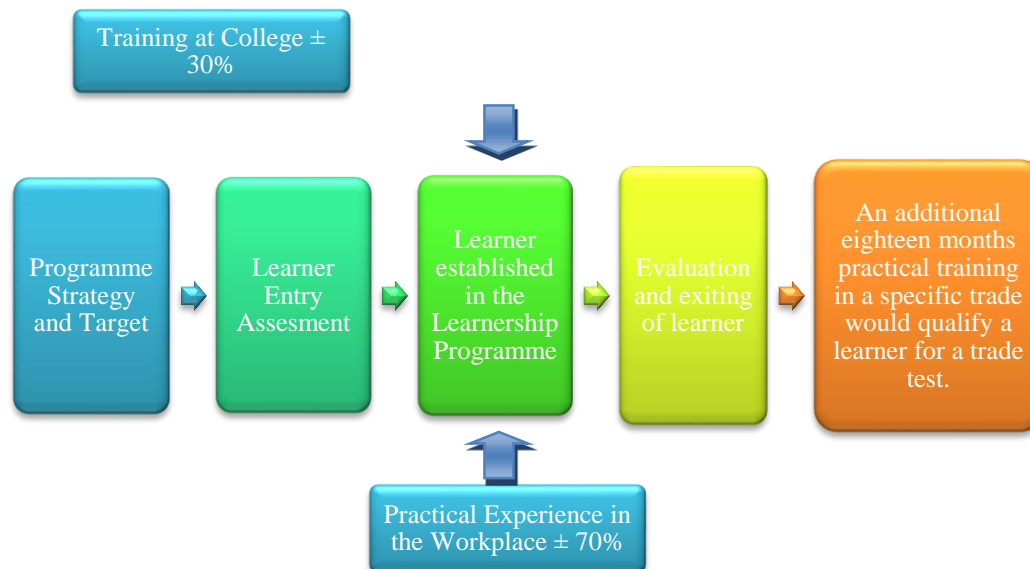


Figure 3 Learnership Programme Implementation Model (Source: Lensing, 2014)

Khan and Lootz (2014) further support this argument by suggesting that CDPs will be well housed in the FET sector as the sector forms a collaborative partnership with higher education institutions, Adult Education and Training and the Skills Development Sector. These sectors currently form one band under the DHET and provide a powerful basis for addressing education and training in an integrated way.

RESEARCH METHOD

The mixed method used open-ended questionnaire surveys and interviews as research tools. By utilising open-ended questionnaire surveys and interviews as research tools for this study, the researcher was able to identify subtle nuances and avoid inducing responses, which may occur when using predominantly close-ended questionnaires (Greenfield, 2002).

Questionnaire administration

An initial questionnaire survey was administered among construction SMEs to investigate if they had ever attended CDPs and if 'Yes', to further investigate if there were any shortcomings with regards to the CDPs that they had attended. The data for the survey were collected from 50 registered construction SMEs, based in Cape Town. The semi-structured questionnaire had six questions, which pertain to specific CDP elements. A mix of closed and open-ended questions was utilised. The administration of the questionnaire was based on a purposive sample. A total of 50 questionnaires were administered of which all 50 were useable, which equates to a 100% response rate.

Interviews

Thirty academics that are employed at FET Colleges were interviewed in the study. The main objective of the interviews was to sample the opinions concerning if FET Colleges should host and implement CDPs in South Africa. A combination of semi-structured and unstructured interview methods were employed to enable maximum input from the interviewees while allowing data to be collected uniformly (Bloor and Wood, 2006). The interviews gave the researcher the opportunity to develop and analyse the parts of the project that needed to be considered in a more detailed way. In the first part of the semi-structured interview, the interviewer went through a set of questions (pro-forma) through which the necessary data were collected. During this process, the interviewee gained a better understanding of the research undertaken and developed a rapport / trust which was essential for the second part of the interview (Hesse-Biber and Leavy, 2006). During the second phase, the interviews were unstructured, thus catering for an in-depth discussion over an area, which during the first phase was identified as of additional value to the research. It should however be noted that the interview participants were also purposively selected.

Data collection challenges

It should be noted that there were some challenges with regards to the questionnaire survey. This was due to minor interpretation issues, which were made evident by certain respondents. This dilemma did not pose a real threat to the research study as questions were clarified and eventually answered. However, a small delay in terms of the data collection was observed. The interviews had no challenges as questions were asked and answered uniformly.

DATA ANALYSIS AND FINDINGS

Questionnaires

The data obtained from the questionnaire is presented using simple interpretive and descriptive methods. Table 1 provides the summary of responses to the questionnaire survey questions. Table 1 indicates that all the respondents have attended some sort of CDP. This is evident due to 100% of the respondents answering “yes” to the question. In response to second question, 65% of the respondents said that there was no entrance criteria for the CDPs that they have attended, although 35% were unsure with regards to this question. In terms of CDP staff competency levels, 50% of the respondents were of the opinion that staff employed to facilitate CDPs are incompetent, 30% said they were competent and 20% not unsure if the facilitators were either competent or not. With regards to the monitoring and evaluating processes that should take place during CDPs, 80% of the respondents were of the opinion that this key aspect was never implemented. Only 20% agreed that these processes were in place. When asked the question, if CDPs were adequately structured, 60% said no, 25% said yes and 15% were unsure. The last question asked respondents if there was any mentor assigned to them during and after the programme, 80% said no and 20% said yes.

Table 1: Summary of responses to the questionnaire survey questions

Question	Response (%)		
	Yes	No	Unsure
1.1 Have you attended any CDPs?	100	0	0
1.2 Were there any entrance criteria for the CDP which you attended?	0	65	35
1.3 In your opinion, was the staff that facilitated the CDP competent?	30	50	20
1.4 Were you ever monitored or evaluated during the CDP?	20	80	0
1.5 In your opinion, was the CDP adequately structured?	25	60	15
1.6 Were there any mentors assigned to you during and after the CDP?	20	80	0

Interview responses and findings

In response to the questions, which examine if the interviewee knew what the term ‘CDP’ stood for in the South African construction context, all the academics that were interviewed knew what CDPs were and gave significant feedback with regards to the challenges, which are currently faced by CDPs in South Africa. The majority of the academics were of the opinion that CDPs tend to suffer in certain areas, which are unlimited to:

- The rationale for the programme;
- Curriculum development;
- Skilled personnel;
- Monitoring and evaluation of contractors after the programme has ended;
- Mentorship during the programme;
- Proper infrastructure, and
- Funding which could be caused due to one of two things: lack of prioritising funding during the conceptual stage, and corruption.

In addition, most of the interviewees concurred that the main reason for the challenges is due to the lack of recognition by government that CDPs form part of an educational compliment, which in essence should be conducted at educational institutions, such as FET colleges. Most of the interviewees further mentioned that it would be ideal to train and develop construction SMEs through CDPs hosted at, and integrated in FET Colleges. The interviewees justify their opinion by stipulating that currently FET Colleges across South Africa offer a number of programmes, some of which are practical, and others which are more theoretical in nature. One of the programmes is the building and civil engineering learnership programme, which is mandated by national government and the DHET to produce more skilled workers to practice as plumbers, bricklayers, and plasterers. It is from this proposition that the interviewees are convinced of the potential of FET Colleges to contribute to contractor development in South Africa. This is underscored by the FETs having the necessary infrastructure, budgets, and systems, as well as the ability to create opportunity with regards to industry stakeholders and statutory bodies which will support the

development of construction SMEs. Furthermore, the interviewees are of the opinion that by utilising FET Colleges to house CDPs, more structured learning, training and development will take place.

DISCUSSION

The findings with regards to the questionnaire survey as well as the interviews clearly manifest the implementation challenges experienced by CDPs in South Africa, which in essence are highlighted by the cidb (2011a) in the literature review. Based on the findings, these challenges clearly amplify that CDPs, which are currently being implemented by industry stakeholders and statutory bodies are clearly not well structured and organised.

As the findings postulate, this is due to government's inability to recognise that CDPs form part of an educational compliment, which in essence support the argument of Lensing (2014) and Khan and Lootz (2014) that CDPs should be promoted within the FET sector as it has the necessary infrastructure, budgets and systems as well as the ability to create opportunity with regards to industry stakeholders and statutory bodies which will support the development of construction SMEs.

As an overview to the research findings Makolo (2010) is of the opinion that FET colleges should be considered as a key driver to the development of the South African construction industry, through the graduation of competent construction SMEs.

CONCLUSIONS

The study has shown that it is evident that current CDPs are experiencing a number of critical challenges in South Africa. These challenges directly affect construction SME development as they are the ones attending the programmes. This raises the debate in terms of the dismal failure rate experienced by many construction SMEs and their business development. It is with this concern that FET Colleges are considered as a potential significant contributor to contractor development. From the research findings, it is evident that FET Colleges have the necessary infrastructure to house and present CDPs. However, it should be noted that the research study reported on is in its initial phase and the findings are best described as 'exploratory', as future studies should realise more conclusive results.

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