



SABPP

8th Annual ASTD State of the South African Learning and Development Industry Report



2010

ASTD GLOBAL NETWORK SOUTH AFRICA IN ASSOCIATION WITH SOUTH AFRICAN BOARD FOR PEOPLE PRACTICES

Executive Summary

Introduction

The Skills Development Act No 97 of 1998 (and subsequent amendments) provides for “an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-financing scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith”.

The Act legislates that an amount of at least 1% of a company’s payroll be spent on developing skills in the workplace. Given the critical importance of skills development for economic growth in South Africa, the 8th annual ASTD State of the Learning and Development (L&D) Industry Report provides an overview of progress made regarding skills development in South Africa.

Measuring instrument

An annual electronic survey questionnaire is sent to a sample of organisations both private and public to determine the state of skills development in the workplace. This survey is generally completed by the HRD departments and in many cases by the skills development facilitator or training coordinator. This survey attempts to quantify and qualify the training practices in South Africa. It also attempts to present a reference tool or front-end to establish a human resource development benchmarking forum for South Africa. A comparison of the results on an annual basis assists in determining the extent to which certain trends and practices have been implemented in the workplace.

The sample size of 472 of participating organisations is greater than previous years and the result are considered more representative of what is actually happening in the workplace. The essential questions asked of participants are:

- The size of the payroll, the number of employees and the percentage of payroll spent upon training
- Opportunities in the professional development of L&D practitioners
- Information Sources and knowledge management
- The implementation of computerised HRIS in organisations
- The prevalence of electronic learning (e-learning) in South Africa
- The needs analysis methods employed
- Training evaluation and measurement (ROI)
- Training and organisational developments trends
- The effectiveness of mentoring and coaching
- The effectiveness of talent management

Respondents could also comment on the Training and Organisational Development industry. These qualified views allowed the researchers to gain a deeper insight into the perceptions of L&D staff in the evaluation of the industry.

Aims

The aims of this research project were to:

- Determine national benchmarks for L&D in South-Africa
- To provide a comparison of national benchmarks with international norms
- To infuse the latest L&D best practices in curriculums at universities
- To provide students with a structured work-integrated learning opportunity
- To facilitate inter-institutional collaboration in the areas of articulation regarding HR and HRD qualifications, as well as research
- To position UNISA, UJ, NMMU, NWU and VUT as active national participants of the HRD Universities Forum (HRDUF) in pursuit of the National Skills Development Strategy III.

Key findings

The key findings of the report are as follows:

- South African organisations spend *3,11% of payroll on training* (3,13% in 2008 and 3,60% in 2009), significantly above the 1% required by the Skills Development Levies Act, and more than the amount as reported in the USA State of the Training Industry study (2,24%).
- 96% of organisations have *human resource information systems (HRIS)* in place which is five percent more than in 2009.
- *Performance management data (83%), questionnaires (78%), and interviews (62%)* are the major training needs analysis methods. Significantly, the use of performance management data increased by 17% from 2006 and moved up from being the third most popular to first place this year.
- Over the last couple of years, there has been an *increase in outsourcing*. External design increased slightly to 57% in 2009 compared to 53% in 2006. In 2010 the figure stands on 53%, a decrease from the figure in 2009. External delivery increased to 54% in 2008 (52% in 2005, 37% in 2006 and 53% in 2007). In 2010 *external delivery constitutes 52%*, another slight decline. Internal design increased to 47% in 2010 while internal delivery constitutes 48% in the same year.
- Despite the growth in *e-learning*, classroom training is still the most popular method of training. Its prevalence has increased from 58% in 2003 to 66% in 2010. The use of e-learning has increased from 17% in 2003 to 26% in 2006 and has grown further to 30% in 2007 (33% in the USA). In 2009 e-learning has dropped to 27% but again increased to 33% in 2010.

- While only 9% of organisations measured the financial ROI of training programmes in 2004, this figure has increased substantially to 40% in 2008. In 2010, 39% calculate the Rand value ROI of training programmes.
- Interestingly, 72% of South African organisations use mentoring and coaching, and 33% of them said that it is either “effective”, 18% “very effective and 30% “effective to a certain extent”.
- Responding to the prevalence of talent management, 49% of companies have *talent management* strategies in place in 2009 and 53% in 2010, and 30% of them view its implementation as “effective” and 11% as “very effective.”
- Regarding differences between the size of organisations and different training types the following can be reported:
 - *Small organisations* tend to focus more on business skills and sometimes general skills.
 - *Medium-sized organisations* tend to focus less on general skills and less on all skills than large organisations.
 - *Large organisations* on the other hand focus more on all skills except business skills and sometimes general skills.
- Regarding differences between the size of organisations and general dimensions in training following can be reported:
 - *Small organisations* focus less on Information resources, ROI, HRD, eHRM and HRIS than larger companies. But focus more on Mentoring and Talent management than other organisations.
 - *Medium organisations* focus less on Mentoring and Talent management than other organisations.
 - *Large organisations* focus more on Kirkpatrick framework, HRIS, HRD, ROI and Information resources than smaller and medium organisations.

Summary and Conclusion

The greater sample size of this survey provides a more comprehensive view of workplace learning in South Africa.

The respondents to the questionnaire are largely personnel who are closely involved with training and organisational development viz SDFs and training administrators/coordinators/managers. In many cases these are the same people who are involved in the compilation of the workplace skills plan (WSP) or annual training reports (ATR) reports. Their inputs are therefore invaluable in the evaluation of the state of L&D in the South African workplace.

The comments of respondents on the Training and Organisational Development industry varied from highly positive with constructive suggestions, to severe criticism. Of particular concern is a widely held view by respondents that top management only pays lip-service to workplace skills development and that often training figures and funds are misrepresented. However, there is also the opposing view that the focus

on training and staff development, including planning and funding is constantly improving.

There is a need to blend the needs and dictates of the organisational business strategy with that of the National Skills Development Strategy. The need for scarce skilled-staff and the shortage thereof is a challenge in both the public and private sectors and throughout this research prominent emphasis by HR and L&D practitioners are placed upon on this dilemma.

The lack of adequate funding still remains an issue although the percentage payroll employed for training compares favourably with that of the USA. There are views that alternate sources for funding be investigated.

This research has served its purpose. It has been directed by clear and well-formulated aims. Generally speaking, the respective questionnaires were well-constructed and counter-balanced any minor glitches that may have occurred.

ABOUT ASTD AND ASTD GLOBAL NETWORK SOUTH AFRICA

1. Who is ASTD?

The **ASTD** acronym stands for **The American Society For Training and Development** and is the largest training institute of its kind in the world with over 80,000 members from over 100 countries. The **ASTD** is the world's leading association of workplace learning and performance professionals, forming a world-class community of practice. For more detail visit www.astd.org

2. Who is ASTD Global Network South Africa?

This is the local chapter representing the ASTD international body and South Africa has been invited in 2002 to become the newest **Global Network Partner**. The South African chapter serves the Training and Development Industry by providing Networking and Benchmarking opportunities for organisations and training or human resource practitioners. The ASTD Global Network SA is a paid membership association and presently there are 300 members. Information about the activities of the ASTD Global Network South Africa is available on the website at www.astd.co.za

The board members of ASTD Global Network South Africa are as follows:

Robin Probart – President, ASTD Global Network South Africa
Marius Meyer – CEO, South African Board for People Practices (SABPP)
Richard Havenga – Editor, Management Today
Lydia Cillie-Schmidt - Consultant, The Talent Hub
Eva Cruz – HR Manager, Silica Financial Administration Solutions
Guy Blackbeard – HRD Director, Maccauvlei Training Centre
Mike Truelock – Group Training Manager, Sappi
Mel Stammelman – Director, Workwise Training
Lita Currie – Learning Manager, SAB
Tanya Hulse – HRD Manager, SAB
Karen Gray – Director, Gray Training
Howard Stafford – Head of Education, IBM
Vlam van Rooyen – Global Head of Talent, Sasol
Wikus van der Merwe – Senior Training Manager, Telkom

The main aim of ASTD Global Network SA is to further the exchange of information regarding global best practices in the Training, HR and OD fields in line with the overall vision and mission of the ASTD. Activities include:

- An annual, organised study tour to the ASTD Conference in the USA. Information gathered during the tour is made available to South African practitioners through a local “Feedback Conference” and through the website. The next tour will be arranged for 2011. We now have a track record of ten successful annual tours to the ASTD in the USA in which more than 300 South African training managers have participated.
- Regular articles, newsletters and book reviews on the website.
- An annual “State of the Industry” survey of training practices in South Africa which is similar to the Annual Survey done in the USA. This survey presents a reference tool or front-end to establish a human resource development benchmarking forum in South Africa. Over time the survey will also allow us to track trends and to supply corporate practitioners with much needed business intelligence related to people practices.
- Periodic training workshops addressing the needs of the industry. ASTD Global Network SA endeavours to organise at least 5 such events per annum. Speakers include both local and overseas experts.
- The South African international ASTD conference was held in Cape Town from 23 April 2011, following five very successful conferences in 2005, 2006, 2007, 2008 and 2009. An international ASTD conference took place in the Drakensberg on 24 - 26 March 2010 and the next conference will be from 14-16 March 2012. This will be a great opportunity to learn from more than 15 international and 20 local training and development experts. Full details about the conference is available on www.astd.co.za.

For more information about these activities phone 082 894 6932 or email probartr@worldonline.co.za or juanitapro@mweb.co.za or visit www.astd.co.za. For additional copies of this report, call Sandra on (011) 773 6238 or Sandra@sabpp.co.za

ABOUT THE SOUTH AFRICAN BOARD FOR PEOPLE PRACTICES (SABPP)

Mission: To establish, direct and sustain a high level of professionalism and ethical conduct in human resource and personnel practice.

Strategy: To promote, direct and influence the development of the human resources profession; to review competency standards for the education, training and conduct of those engaged in the profession; to advise involved parties on the development and attaining of those competencies, and to evaluate such attainment.

Value Statement: Our actions are guided by the following values:
The SABPP is committed to objectivity, fairness, consistency and integrity in all its functions. The quality assurance system of the SABPP ETQA strives to contribute to the economy of South Africa by accrediting HR learning providers.

The SABPP links the achievement of quality to equity and the fostering of innovation and diversity.

About the Human Resource Research Initiative (HRRi) of SABPP

The purpose of the HRRi

To influence HR practice by supporting ground-breaking and impactful research which will promote excellence in the field of HR management in SA.

HRRi objectives

- Identify and highlight SA HR Research needs
- Source skilled HR researchers & develop young research talent
- Forge successful partnerships between companies & researchers in order to facilitate data collection & obtain research sponsorship
- Facilitate knowledge sharing and networking opportunities between various industries, businesses and academic stakeholders
- Disseminate HR Research results in an accessible manner
- Award recognition for research excellence

HRRi Contact Details

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SABPP Registration

All HR and L&D professionals are encouraged to formally register with SABPP as professionals. For more details phone Helen on +27 11 773 6222 or helen@sabpp.co.za L&D practitioners can also participate in the SABPP L&D committee.

ABOUT THE RESEARCHERS

Marius Meyer is CEO of the South African Board for People Practices (SABPP), the professional body for HR practitioners and statutory Education and Training Quality Assurance Body for HR in South Africa. He facilitated training and consulting interventions for more than a 100 companies and is a section editor for the South African Journal of Human Resource Management. Previously Marius lectured in HRD at the University of South African and University of Johannesburg. He has been an HRD practitioner, consultant and academic for the last 17 years. Marius is registered as a Master HR Practitioner and Mentor with SABPP. He is an advisory board member and head of research for ASTD Global Network South Africa. Marius is a regular speaker at local and international conferences and author of several articles and books, as well as co-chair of the HR Directors' Forum of Executives Global Network South Africa. He has a passion for leadership, strategy, governance, change management and people development. Marius recently co-authored the first SABPP position paper on HR Risk Management.

Melanie Bushney is an associate professor specialising in Human Resource Development at the University of South Africa (UNISA). She has published articles in accredited national and international journals and has presented papers at international and national conferences. Melanie has been involved in seven previous American Society for Training and Development (ASTD) benchmarking studies in South Africa. Her experience in higher education (contact tuition and open and distance tuition) encompasses 27 years. Furthermore, Melanie served as Head of Research (2009-2011) of the HRD Universities Forum and Vice-Chairperson (2010) thereof. She is registered as a master practitioner with the South African Board of People Practice (SABPP). She participated in an external program review at North West University. She is a reviewer of articles for the SA Journal of Human Resource Management, SABPP and the international Journal of Social Sciences, an external examiner of master's dissertations and external moderator for several higher education institutions. Melanie is passionate about people development in South Africa.

Michelle Mey is a senior lecturer at Nelson Mandela Metropolitan University and an active member of the HRDUF to which 13 universities belong. She hosted one of the most successful HRDUF sessions in which this collective approach to national curriculum development has been established. She has a doctoral degree in human resource management. Her research interests are in the areas of HRD, mentoring and business ethics. She presented several papers at conferences, both locally and abroad.

Pierre Joubert is acting head of the Department of Human Resource Management at Vaal University of Technology. He was a founding member of HRDUF and is the current chairperson thereof. He specialises in industrial relations and human resource development. Pierre is a reviewer of articles for the SA Journal of Human Resource Management and International Conference on Entrepreneurship and Innovation. He acts as an external examiner of master's dissertations and external

moderator for several higher education institutions. He has published articles in several accredited journals. Pierre is registered as a master practitioner with the South African Board of People Practice (SABPP).

John van der Merwe is the programme leader in Training and Development in the Faculty Education Sciences at the Potchefstroom of the North West University. He has vast industry experience in Human Resource Development.

The researchers would like to extend their gratitude to *Hennie Gerber* and *Norman Hall* of Statistical Consulting Services who conducted the statistical data analyses:

HJ Gerber has more than 12 years consulting experience as a Statistician (2 years ARC, 6 years UNISA, 3 years Statistical Consulting Services) and 2 years Lecturing Statistic subjects (UNISA). Presently, he is also an external examiner at the University of Pretoria.

Norman Hall headed the Research Support Group at Unisa's ICT Department and was appointed Director in 1996. He is currently consultant at Statistical Consulting Services. He has more than 25 years in experience in data analysis and computer programming.

PREFACE

In 2003 the first ground-breaking research study about the state of the local training and development industry, filled an information and benchmarking gap in the South African training market. It provided training practitioners with an overview of the current trends, indicators and developments in this dynamic and growing field.

After the phenomenal success of the first South African ASTD report that was reported in the *Sunday Times*, *HR Future* and *All About Human Capital Management*, the second annual ASTD report was released in 2004 in which more than 250 training and HR managers responded. The third report was issued in 2005. We are also proud that our report is endorsed by the ASTD in the USA. In fact, the fifth report was even more focused on specific training benchmarks, since we had managed to obtain inputs from 368 of the leading organisations in South Africa. What makes this seventh study unique is that organisations registered with 22 of the original 23 Sector Education and Training Authorities (SETAs) have participated in this year's study, clearly showing the importance that is currently attached to training and skills development in South Africa. In the eighth study of 2010 the ASTD questionnaire was completed by 472 respondents making this the largest South African ASTD study so far. We have attempted to present the results in a practical and user-friendly manner so that every L&D practitioner will be able to interpret and utilise the information in their own companies. You will be able to compare training or learning and development in your organisation with other South African organisations, and with regard to certain aspects, also internationally. Comparative data is provided on international best practices such as e-learning, training evaluation and the different types of training programmes.

For years, ASTD in the USA has recognised the value and importance of greater worldwide standardisation and measuring investments in workplace learning across organisations, countries and regional borders. Rapid advances in information technology, globalisation and the knowledge economy continue to hasten the pace of life and work. However, the absence of proper research and measurement data in South Africa makes it difficult to compare our circumstances with international best practices in the workplace. The 2010 study sets the baseline for benchmarking so that training and human resource practitioners can emerge as professionals who make decisions and implement training interventions which are based on a scientific and professional approach to learning and development. In comparison with global standards, several gaps and challenges have emerged. For example, the need for training managers to become business partners by aligning their training interventions more directly to overall business strategy, to name just one potential area for improvement.

This eighth state of the training industry research study (2010) is not only significant from a global training perspective, but also in the light of our own skills revolution kick-started by the Skills Development Act. As a result, training grows in importance for helping organisations, managers and employees to cope in order to create business success, and to build sustainable learning communities.

Some measures have been included as a result of feedback received from training managers. Should you require us to add any additional items, please let us know, so that we can consider expanding the different measures according to industry needs. We are proud of all South African companies that take ownership of these best practices, especially those who strive for global excellence.

A special word of thanks to all the training and human resource practitioners for their contribution to this study. Your time, effort and inputs amidst your very busy schedules are much appreciated. We would like to express our gratitude to all the postgraduate students in HRD at UNISA, NMMU, UJ, NWU and VUT for their hard work and effort to distribute and collect the questionnaires from their organisations. A great thank you also to Robin Probart, president of ASTD Global Network South Africa, for his leadership role in the ASTD in South Africa, annual tours to the ASTD in America, and his willingness to share the latest information at a local level and for championing this research study. We also want to thank UNISA for their institutional support for this study.

In addition, we would also like to acknowledge the role played by several learning and development managers who embraced the study: Annette Bredenkamp and from First Rand Group, Eugene Lebele, Wikus van der Merwe and Charlotte Mokoena from Telkom; Chris Gengan from Sappi, Michael Nel from Spar, Jackie Salk from Vodacom, Guy Blackbeard from Maccauvlei Learning Centre; Alan Hosking from HR Future; Richard Havenga from Management Today and Michele van Eeden from Knowledge Resources.

We are once again encouraged to report that the South African academic community has embraced the project. Many academics have disseminated this information to their learners and some have actively participated in ASTD events to promote the application of L&D best practices in South Africa. Our acknowledgement goes to the HRD University Forum academics for their commitment to share the information with their institutions and learners and in doing so supported the research project in one way or another.

Admittedly, while the research report provides a summary of the state of the South African training industry, many issues have emerged that require further investigation. The purpose of this study is to provide a general summary of the “state of the industry” and not to investigate any particular L&D aspect in detail. It is therefore necessary to conduct follow-up research on specific areas that have been identified as challenges, to network and to share information so that an active learning community can be created, one in which solutions can be generated. Should any of you have a need for further research in any of the areas identified, please do not hesitate to contact us. Any case studies, inputs or ideas that may be used to improve the approach and relevance of the study, will be useful. The more inputs we get, the more relevant the study will be to address the needs of all stakeholders in the skills development community.

From this year the HR professional body and HR Education Training Quality Assurance body mandated by SAQA, the South African Board for People Practices (SABPP) have joined the project as a partner. This will enrich the scope and impact

of the project to ensure wider participation and dissemination among its 5000 HR practitioners, of which more than 1200 are registered in the specialist category of L&D. SABPP will use its research team to optimise further L&D research opportunities flowing from this project. This also means that ASTD members will get access to SABPP research reports such as the following papers that have already been published:

- The nature of professionalism
- Appropriate skills utilisation: The Netcare case study
- King III Report on Governance: HR – the way forward
- HR Risk Management

This year the ASTD is 66 years old and our challenge as South African training professionals is two-fold. The first challenge is to tap into this well-established international resource. The second challenge is to allow us to take ownership of the international ASTD information and our local research results. This will enable us to self-reflect and implement improvements in line with local and international best practices. Given our skills crisis, we have to make skills development work. This report provides us with that opportunity, since this study was done by South Africans for South Africans in the interest of national skills development as part of the overall imperative of nation-building and global skills and performance improvement.

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ACRONYMS AND ABBREVIATIONS

ABET	Adult Basic Education and Training
ARSU	Academic Research Support Unit
ASTD	American Society for Training and Development
ASTDSA	American Society for Training and Development Global Network SA
ATR	Annual Training Report
EC	Eastern Cape
ETD	Educators, Training and Development
EDP	Executive Development Programme
FS	Free State
GP	Gauteng
HRDUF	Human Resource Development Forum
HRD	Human Resource Development
HR	Human Resource(s)
KZN	Kwa-Zulu Natal
L&D	Learning and Development
MP	Mpumalanga
NC	Northern Cape
NSA	National Skills Authority
QCTO	Qualifications and Quality Council for Trade and Occupations
RPL	Recognition of Prior Learning
SABPP	South African Board for People Practices
SAQA	South African Qualifications Authority
SACE	South African Council of Educators
SDF	Skill Development Facilitator
SETA	Sector Education and Training Authority
T&OD	Training and Organisational Development
WSP	Workplace Skills Plan

ASTD STATE OF THE TRAINING INDUSTRY REPORT FOR 2010

INTRODUCTION

Skills development in South Africa is a major priority for the government, and both the private and public sectors in South Africa. Not only is skills development critical to achieve our organisation and national transformation goals, it constitutes a key element in the pursuit of the achievement of business objectives. ASTDSA has championed training in South Africa for a decade and SABPP has been involved in L&D for thirty years, and recently formed an L&D Committee to drive skills development in South Africa, in addition to the existing ETQA chamber and Higher Education committee.

The Skills Development Act No 97 of 1998 (and subsequent amendments) provides for “an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-financing scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith”. The Skills Development levies Act legislates that an amount of at least 1% of an organisation’s payroll be spent on developing skills in the workplace.

Thus, this study, now in its eighth year, attempts to put HRD on the national agenda, and to remind the different stakeholders of their responsibility to optimise workplace learning and people development. In addition, the new QCTO system offers great opportunities and some challenges to ensure that learning and skills development is accelerated.

The purpose of the study is to obtain information about the state of the training and human resource development industry in South Africa. This will enable training and HR managers to identify trends and to benchmark internal practices with that of other companies in South Africa. It also provides a basis to benchmark current training practices with international companies. Most importantly, however, is that the research suggests focus areas and broad guidelines on how to improve human resource development practices in South Africa. A comparison of the results on an annual basis will also assist to determine the extent to which particular trends or practices have been implemented in the workplace.

METHODOLOGY

Reliable research can be conducted by means of various scientific research methods like *quantitative research* where questionnaires are distributed to relevant respondents in order to collect the necessary information. Another research method is the *qualitative method* where the researcher conducts interviews or requests respondents to comment in their own words on open-ended questions. Information gathered from such a source is evaluated and analysed by the researcher himself and the data recorded on an information schedule.

The questionnaire used for the 2003-2008 ASTD State of the Training Industry Studies contained some open-ended questions and the questionnaire has been updated for the 2009 and 2010 studies. The survey instrument consisted of items used in the American study, but was adapted and integrated to also reflect the South African skills development priorities. The questionnaire was distributed electronically to human resource and training managers of organisations both private and public in South Africa by postgraduate students in HRD at the University of Johannesburg, University of South Africa, North-West University, Vaal University of Technology and Nelson Mandela Metropolitan University. This survey is completed in many cases by the skills development facilitator or training coordinator. The sample size of 472 of participating organisations is greater than previous years and the results are considered more representative of what is actually happening in the workplace. The survey also compares the implementation of these practices with those in developed countries such as the US and the UK.

The essential questions asked of respondents are:

- The size of the payroll, the number of employees and the percentage of payroll spent upon training
- Opportunities in the professional development of HR and training practitioners
- Information Sources and knowledge management
- The implementation of computerised HRIS in organisations
- The prevalence of electronic learning (e-learning) in South Africa
- The needs analysis methods employed
- Training evaluation and measurement (ROI)
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- The effectiveness of mentoring and coaching
- The effectiveness of talent management

Respondents could also comment on the Training and Organisational Development industry. These qualified views allowed the researchers to gain a deeper insight into the perceptions of HRD staff in the evaluation of the industry.

The aims of this research project were to:

- Determine national benchmarks for training and development in South-Africa
- To provide a comparison of national benchmarks with international norms
- To infuse the latest training best practices in the new HRD curriculum
- To provide students with a structured work-integrated learning opportunity
- To facilitate inter-institutional collaboration in the areas of articulation regarding HR and HRD qualifications, as well as research
- To position UNISA, UJ, NMMU, NWU and VUT as active national participants in pursuit of the National Skills Development Strategy III

The data were analysed and interpreted by means of a statistical computer program SASJMP. Usually the utilisation of the two-pronged methodological research approach, viz adopting both the quantitative and qualitative procedures, creates the potential of non-integrativeness. In this research this has not been the case – the quantitative procedure fitted seamlessly into the qualitative ambit. The following will be discussed: Gathering of data, data cleaning and verification, reliability testing of the questionnaire, calculation of scores, differences between organisation sizes and the analyses.

The completed questionnaires were coded into electronic format twice by independent data-capturers. A standard compare utility was employed to compare the records of each of the matching electronic files. Discrepancies were corrected by referring back to the original questionnaire and correcting the data electronically. This was done to ensure that the coding of the questionnaires onto electronic format was done accurately.

The corrected raw data were then read into the statistical package for further processing and an internal database was created. The data cleaning, validation and recoding where necessary for statistical purposes were done by using standard techniques. Frequencies and where necessary means were calculated to detect outlying and illegal data values for each of the questions of the questionnaires.

Anomalous data were corrected by referring back to the original data or recoding the data. Duplicate records were identified and taken out of the database to ensure that only unique responses remained. Illogical values were re-coded to missing. To ensure uniformity and consistency of the data, re-coding was done where necessary.

To ensure accuracy thresholds were devised for some variables. The following thresholds were adhered to:

- Average amount paid per employee (per year) between R200 and R16 500
- Percentage of payroll spent between 0.02% and 16%
- Average hours training per employee (per year) 2 and 300 hours
- Ratio of trainer per employee between (per year) 2 and 700 employees

When the thresholds were adhered to the figures for 2009 changed as follows:

- Average amount paid per employee(per year) - R4 896-00
- Percentage of payroll spent – 4.17%

- Average hours training per employee (per year) - 52 hours
 - Ratio of trainer per employee between (per year) - 135 employees
- (The effect of inflation was not taken into account.)

Item analysis was done to assess the reliability of the different dimensions (constructs or concepts) via Cronbach Alpha values.

The individual Cronbach Coefficient Alpha value of each dimension was used as a measure of the reliability of the tested dimension. A reliable Cronbach Coefficient Alpha value validates that the individual items of a dimension measured the same dimension (concept) in the same manner (or consistently). The overall Cronbach alpha value for reliability can be interpreted as follows:

- Cronbach alpha above 0.8 - good reliability
- Cronbach alpha between 0.6 and 0.8 - acceptable reliability
- Cronbach alpha below 0.6 - unacceptable reliability

Items with only yes and no were recoded to 0 and 1 and the item analyses were then conducted.

The following dimensions were identified in the questionnaire and it was tested for reliability:

- HRD opportunities (Q16.1-Q16.8)
- Information Resources(Q17-Q23)
- Kirk Patrick Score(Q33.1-Q33.5)
- ROI(Q34.1-Q34.8)
- HRIS(Q26.1 to Q26.14)

The following table shows the results from all the Item analyses:

TABLE 1: RESULTS FROM ALL THE ITEM ANALYSES

Dimension	Questions	Cronbach alpha
HRD opportunities	Q16.1-Q16.8	0.74
Information Resources	Q17-Q23	0.60
Kirkpatrick score	Q33.1-Q33.5	0.85
ROI	Q34.1-Q34.8	0.93
HRIS	Q26.1-Q26.14	Could not be tested since all the functions were not used in the organisations

The individual dimensions tested reliably.

An attempt was also made to reduce the 36 items of question 32 of the questionnaire “...which types of training are generally available to employees in your organisation...?”. Factor analysis is a statistical method used to describe variability among observed variables in terms of fewer unobserved variables called factors.

Five factors were identified namely:

- Social/Team - Teamwork building
- General - Life skills
- Business skills - Reporting, planning and decision-making
- Technical Skills - Product/process knowledge and improvement
- Management skills - Learner ships, professional development and mentoring/coaching.

The reliability of the items that measure these factors was tested and was generally considered good or reliable.

The following table shows the distribution of questionnaires to the Provinces:

Table 2: Distribution of questionnaires to the provinces

	EC	FS	GP	KZN	MP	NC	Limpo-Po	NW	WC	Other and missing	TOTAL
Distributed	59	10	209	33	32	5	38	19	39	22	472

In the analysis of the data major categories have emerged according to the questions posed to respondents. The results were compared with the 2007, 2008 and 2009 studies and international benchmarks where possible. This comprehensive basis of analysis and comparative progress helped us to see whether certain trends have been established in the South African training market.

KEY FINDINGS 2010

The key findings of the report are as follows:

- South African organisations spend *3,11% of payroll on training* (3,13% in 2008 and 3,60% in 2009), significantly above the 1% required by the Skills Development Levies Act, and more than the amount as reported in the USA State of the Training Industry study (2,24%).
- *96% of organisations have human resource information systems (HRIS) in place* which is five percent more than in 2009.
- *Performance management data (83%), questionnaires (78%), and interviews (62%) are the major training needs analysis methods.* Significantly, the use of

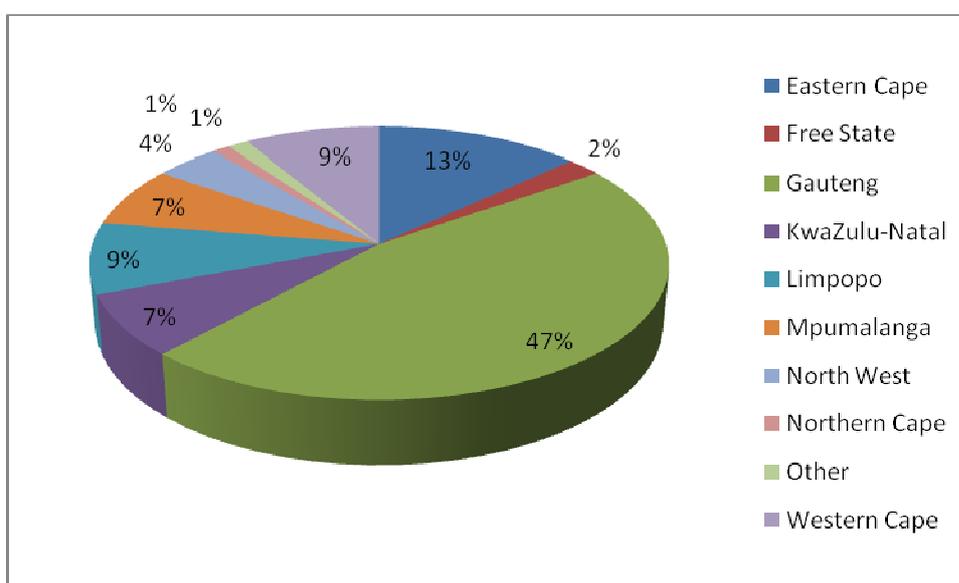
performance management data increased by 17% from 2006 and moved up from being the third most popular to first place this year.

- Over the last couple of years, there has been an *increase in outsourcing*. External design increased slightly to 57% in 2009 compared to 53% in 2006. In 2010 the figure stands on 53%, a decrease from the figure in 2009. External delivery increased to 54% in 2008 (52% in 2005, 37% in 2006 and 53% in 2007). In 2010 *external delivery constitutes 52%*, another slight decline. Internal design increased to 47% in 2010 while internal delivery constitutes 48% in the same year.
- Despite the growth in *e-learning*, class-room training is still the most popular method of training. Its prevalence has increased from 58% in 2003 to 66% in 2010. The use of e-learning has increased from 17% in 2003 to 26% in 2006 and has grown further to 30% in 2007 (33% in the USA). In 2009 e-learning has dropped to 27% but again increased to 33% in 2010.
- While only 9% of organisations measured the financial ROI of training programmes in 2004, this figure has increased substantially to 40% in 2008. In 2010, *39% calculate the Rand value ROI* of training programmes.
- Interestingly, *72% of South African organisations use mentoring and coaching*, and 33% of them said that it is either “effective”, 18% “very effective” and 30% “effective to a certain extent”.
- Responding to the prevalence of talent management, 49% of companies have *talent management* strategies in place in 2009 and 53% in 2010, and 30% of them view its implementation as “effective” and 11% as “very effective.”
- Regarding differences between the size of organisations and different training types the following can be reported:
 - *Small organisations* tend to focus more on business skills and sometimes general skills.
 - *Medium-sized organisations* tend to focus less on general skills and less on all skills than large organisations.
 - *Large organisations* on the other hand focus more on all skills except business skills and sometimes general skills.
- Regarding differences between the size of organisations and general dimensions in training following can be reported:
 - *Small organisations* focus less on Information resources, ROI, HRD, eHRM and HRIS than larger companies. But focus more on Mentoring and Talent management than other organisations.
 - *Medium organisations* focus less on Mentoring and Talent management than other organisations.
 - *Large organisations* focus more on Kirkpatrick levels, HRIS, HRD, ROI and Information resources than smaller and medium organisations.

BACKGROUND OF RESPONDENTS

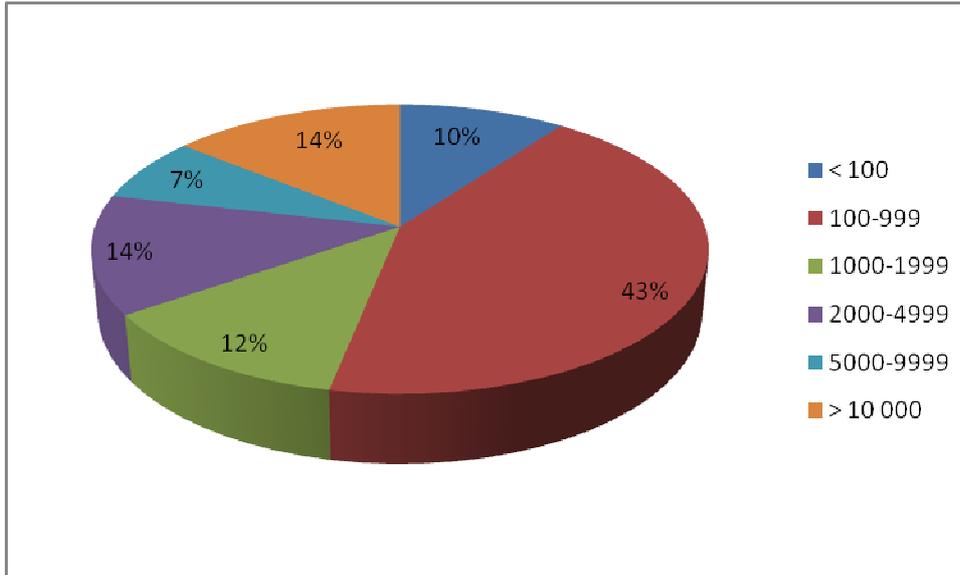
Respondents were mostly HR and L&D managers or senior practitioners from several South African organisations, both in the private and public sectors representing 22 of the 23 skills development economic sectors in South Africa (prior to the recent merging and subsequent reduction of SETAs to 21). The profile of the respondents is summarised in figures 1 to 6.

FIGURE 1: PROVINCIAL BREAKDOWN OF RESPONDENTS



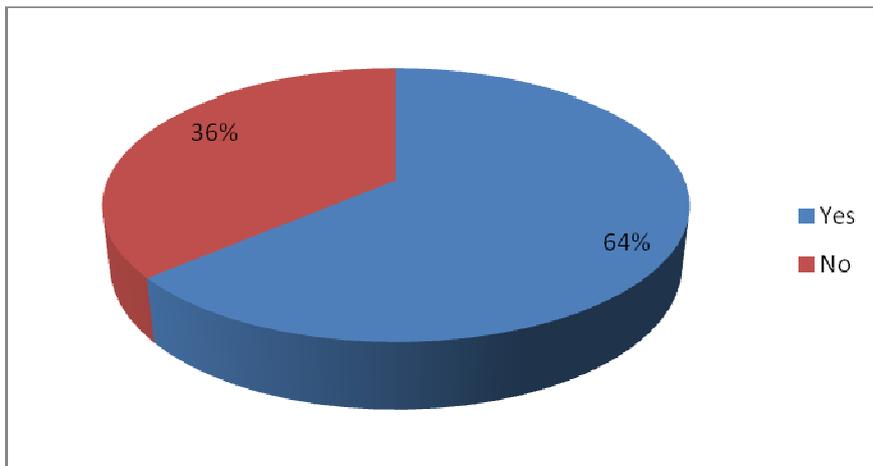
The number of respondents surveyed varied from 47% in Gauteng to 1% in the Northern Cape with a total of 472 responses for all provinces (22 was missing). In 2009 the distribution was the same with 43% in Gauteng.

FIGURE 2: SIZE OF RESPONDING ORGANISATIONS



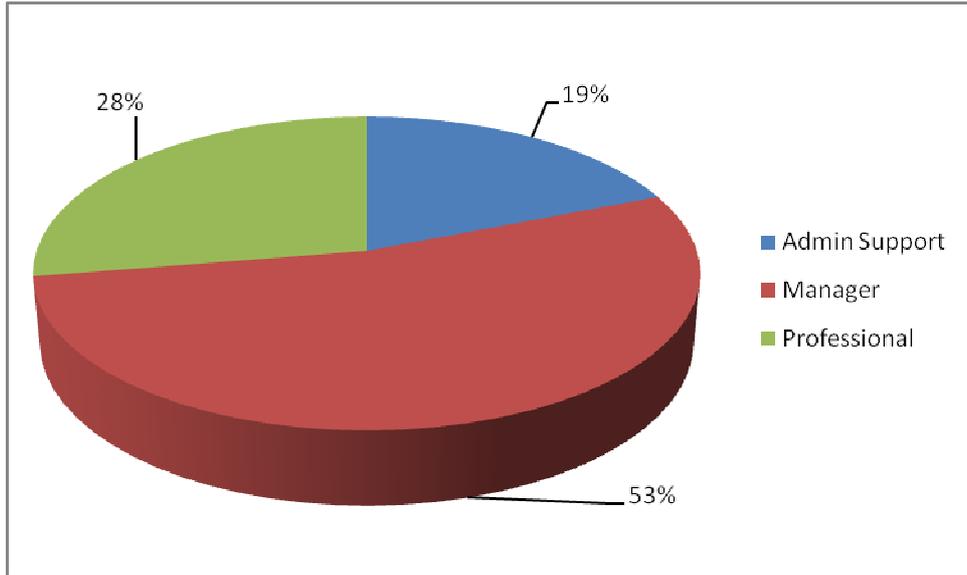
Most of the organisations (43%) surveyed are medium sized with 100 to 999 employees with 14% of the organisations very large (more than 10000 employees). In 2009 the distribution was the same with 35% medium sized and 11% very large.

FIGURE 3: RESPONDENTS WHO ARE SKILLS DEVELOPMENT FACILITATORS



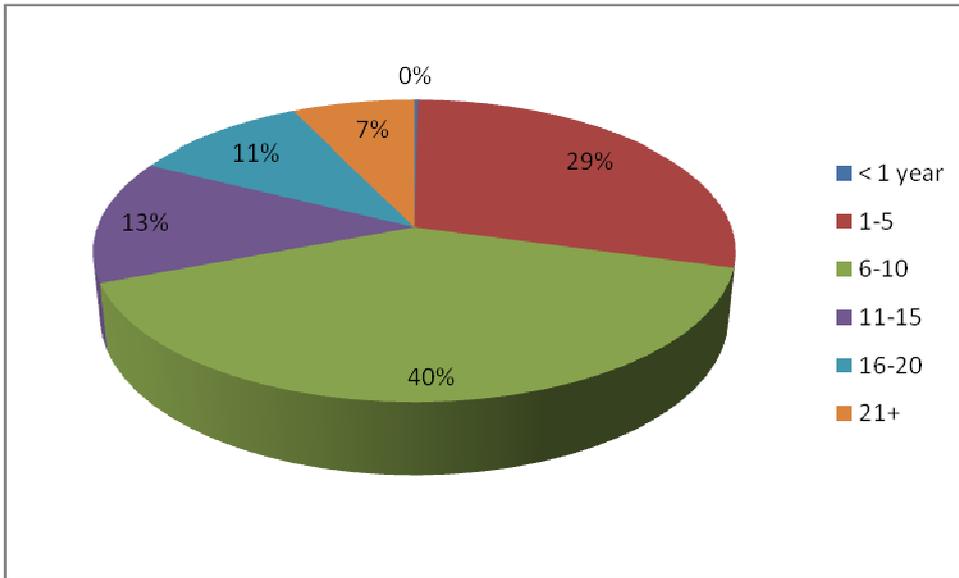
A fairly high percentage of 64% of the respondents act as skills development facilitators going up from 59% in 2009.

FIGURE 4: ORGANISATIONAL LEVEL OF RESPONDENTS



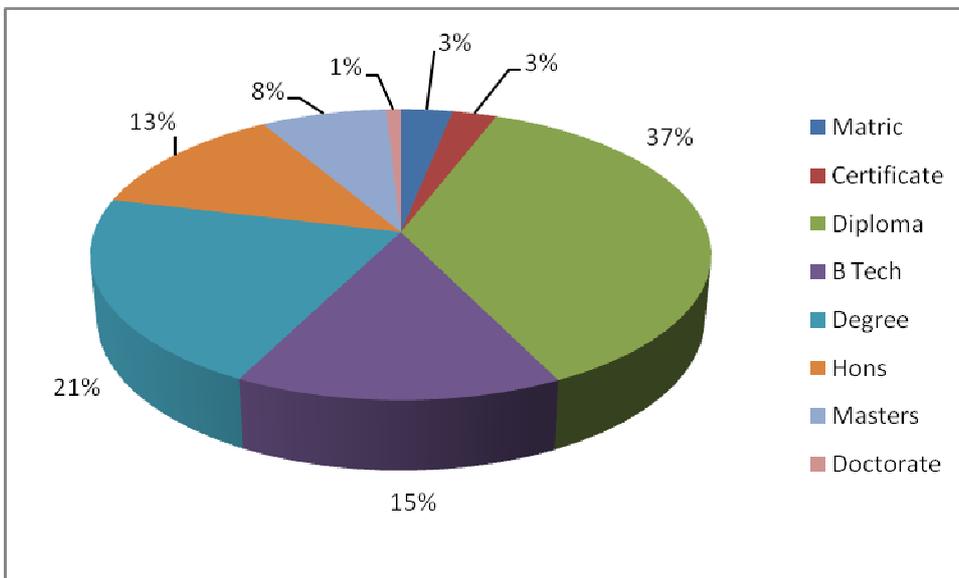
Most of the respondents are managers (53%) going down from 2009 (58%).

FIGURE 5: EXPERIENCE OF RESPONDENTS



The years of experience of respondents are generally between 6 and 10 years (40%) or between 1 and 5 years (29%). In 2009 the distribution was the same with 37% between 6 and 10 and 29% between 1 and 5.

FIGURE 6: QUALIFICATIONS OF RESPONDENTS



The formal education of respondents is mostly either Diploma (37%) or a degree (21%). This compares well with 2009 with 32% (diplomas) and 20% (degrees).

L&D INVESTMENT

The average percentage of payroll spent on training among respondents is 3.11% (3.60% in 2009, 3.13% in 2008, 3.43% and in 2007), once again significantly higher than the 1% required by the Skills Development Act. This shows that there is indeed a major focus on training investment as a result of the Skills Development Act and Skills Development Levies Act and the higher targets set by the BEE charters certainly have a positive impact on the national average attained.

Please note that the following thresholds were adhered to:

- Average amount paid per employee(per year) between R200 and R16 500
- Percentage of payroll spent between 0.02% and 16%
- Average hours training per employee(per year) 2 and 300 hours
- Ratio of trainer per employee between(per year) 2 and 700 employees

When the thresholds were adhered to the figures for 2009 changes as follows:

- Average amount paid per employee(per year) - R4896-00
- Percentage of payroll spent – 4.17%
- Average hours training per employee(per year) - 52 hours
- Ratio of trainer per employee between(per year) - 135 employees

Key benchmarks are reflected in the following table:

TABLE 3: KEY BENCHMARKS ON TRAINING INVESTMENT

Com- parative measures used	UK			USA			SA			
	2007	2008	2009	2007	2008	2009	2007	2008	2009	2010
Number of participating companies	663	729	859	221	316	301	328	335	368	472
Average % payroll spent on training	-	-	-	2.33%	2.15%	2,24%	3.43%	3.13%	3.60%	3.11%
Hours of training per employee	40	40	48	35	37	36	35	47	49	52
Annual training expenditure	£272	£300	£220	\$1040	\$1103	\$1068	R2814	R3613	R4023	R5007
Employees per trainer/HRD staff member	-	-	-	216	227	253	135	278	148	133
% companies using e-learning	48%	-	-	30%	33%	31	30%	29%	27%	33%

Com- parative measures used	UK			USA			SA			
	2007	2008	2009	2007	2008	2009	2007	2008	2009	2010
Percentage of training outsourced	-	-	-	25%	28%	22%	53%	54%	53%	52%

Qualitative comments about training reflect a positive or a negative stance about training:

RESPONDENTS' VIEWS



“...The legislated 1% of funds is not provided for training in the workplace. Most of these funds are consumed by bursars...”

“...Please investigate/research the ideal percentage investment of training budget for scarce and critical skills...”

“...There is a need to investigate the relevance of training provided to companies...”

“...There is a need to investigate the relevance of training provided to companies...”

“...Other avenues for funds should be investigated if HRD budget is exhausted...”

“...The Dept of Labour should set targets for companies for training the unemployed and persons requiring in-service training...”

“...Financial constraints should not hinder T&OD – compliance by govt should be tightened...”

RECOMMENDATION



The training budget must be under the control of HRD and not top management. This will ensure that the allocated funds are effectively invested in the training of staff. Compare yourself with the national and international averages and identify opportunities for improvement. Despite the current economic crisis, organisations should maintain high level of investment in people development.

PROFESSIONAL DEVELOPMENT OF L&D PRACTITIONERS

The role of a L&D practitioner is multi-faceted and therefore it requires exposure to various development opportunities. This section relates to developmental opportunities for L&D practitioners. The respondents had to indicate which of the stated training and development opportunities will make a noticeable difference to their abilities as a professional L&D practitioner.

TABLE 4: PROFESSIONAL DEVELOPMENTAL OPPORTUNITIES OF L&D PRACTITIONERS

Developmental opportunities	2007	2008	2009	2010
Business financial skills	86	82	85	85
Knowledge management and learning organisation	90	85	94	89
Information technology	88	89	88	90
Measurement and reporting	89	86	88	88
Strategic business management	88	85	90	84
Performance improvement techniques	92	92	94	93
Project management skills	84	82	87	82
Internal consultancy	73	69	74	71
Internal customer service skills	82	78	85	79

From Table 4 it is clear that L&D practitioners feel that professional developmental opportunities in all the stated areas will assist them to improve their abilities as practitioners. The most important developmental opportunities are in the areas of performance improvement techniques (93% compared to 94% in 2009 and 92% in 2008), and Information technology (90% compared to 88% in 2009 and 89% in 2008), as well as knowledge management and the learning organisation (89% compared to 94% in 2009 and 85% in 2008). Strategic business management is still high (84% although there is a decrease of 6% from 2009).

When comparing the results obtained from the survey, it appears that respondents require developmental opportunities in all mentioned areas. The results appear to be fairly consistent with the previous three years.

RECOMMENDATION



L&D practitioners have to participate proactively in their organisations competitive efforts to create the future. Failing which they risk becoming obsolete and their deliverables being outsourced. According to the results the strategic role of L&D is becoming increasingly important. Research indicates that the L&D practitioner should be driving the strategic focus of the organisation and as a result, the education and developmental needs of the L&D practitioner have evolved. It is thus important that the organisation continues to invest in increasing the level of their L&D professionals (Barlett, 2003 & Mankin, 2009). The challenge for L&D is to align learning interventions with the overall business objectives of the organisation. The implication is to acquire the necessary skills which may assist them in this important role. The professional development of L&D practitioners is therefore of paramount importance to ensure that they have the necessary knowledge and skills to play a strategic role in L&D. In addition, a learning organisation culture should be created.

E-HR MANAGEMENT

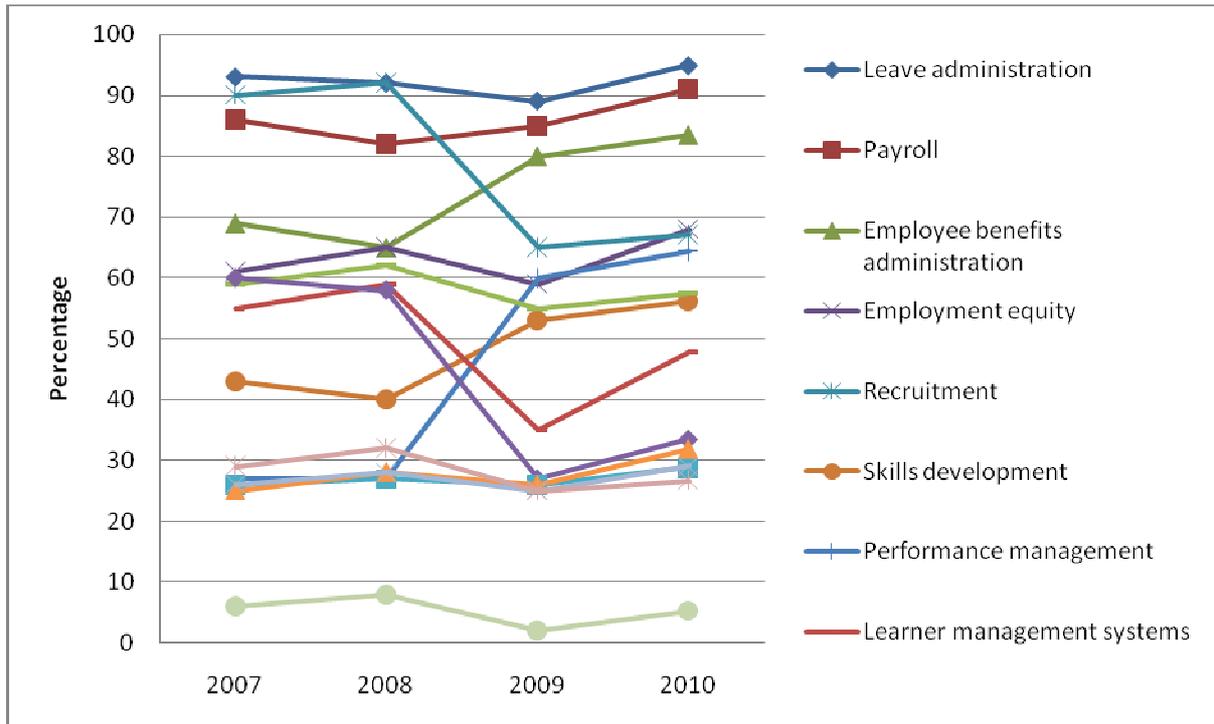
This section of the survey focused on the influence of technology on the functions and administration of human resource management and training. Table 5 gives an indication of the use of different Human Resource Information Systems (HRIS). The assumption is that a HRIS can fulfil a single function like leave administration or it can be multi-functional. Most respondents indicated that they use an HRIS (96%). Most users of HRIS systems view it as a means to gain efficiency in human resource functions.

TABLE 5: DIFFERENT HRIS FUNCTIONS

HRIS	2007	2008	2009	2010	Direction
Leave administration	93	92	89	95	-
Payroll	86	82	85	91	-
Employee benefits administration	69	65	80	83	↑
Employment equity	61	65	59	68	-
Recruitment	90	92	65	67	↓
Skills development	43	40	53	56	↑
Performance management	27	27	60	64	↑
Learner management systems	55	59	35	48	-
Training management	59	62	55	57	-
Management evaluation	60	58	27	33	↓
Succession planning	26	27	26	29	-
E-learning delivery	25	28	26	32	-
Knowledge management	26	28	25	29	-
Strategic analysis	29	32	25	27	-
Other	6	8	2	5	-

Figure 7 indicates the use of HRIS functions over time:

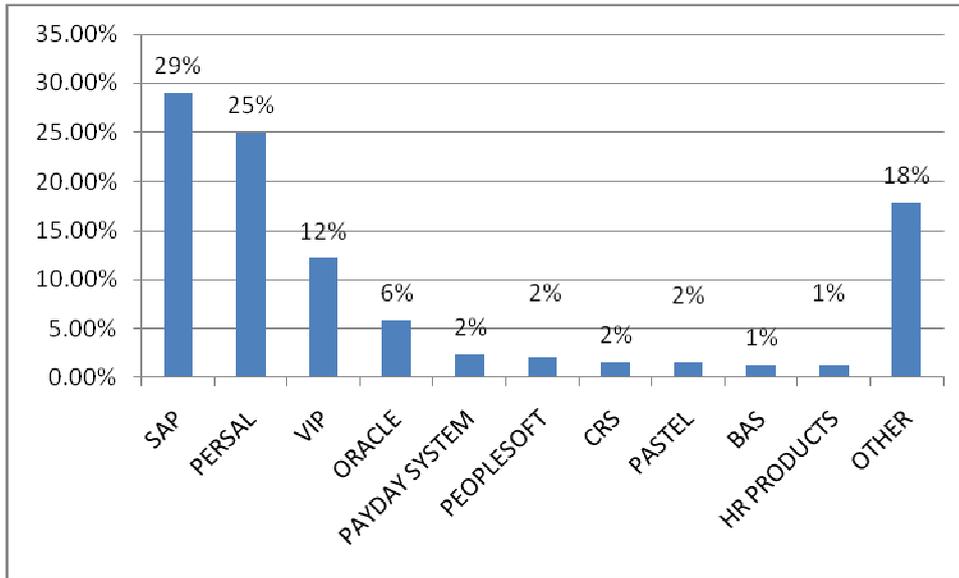
FIGURE 7: DIFFERENT HRIS FUNCTIONS OVER TIME



The 2010 results correspond with the previous years, as in leave administration, payroll and employee benefits administration are the main uses of the HRIS package. A decline has been noted in using the HRIS for recruitment and management evaluation. An increase in the use of the HRIS for employee benefits administration, skills development and performance management occurred. Respondents report that HRIS is not used for Succession Planning (29%), E-learning delivery (32%), Knowledge Management (29%) and Strategic Analysis (27%). This indicates that even though organisations have implemented HRIS, it appears as if companies use HRIS mainly for administrative functions and therefore do not optimise HRIS from a strategic perspective to support decision-making.

Figure 8 indicates the most popular types of software packages used by respondents.

FIGURE 8: DIFFERENT SOFTWARE PACKAGES



SAP (29%) appears to be gaining momentum in the South African market as was the case in 2008. PERSAL was used by 25% of organisations participating in the study. Perhaps this is an indication that more public sector as opposed to private service respondents participated in the 2010 study.

RECOMMENDATION



Investigate how the HRIS can be aligned to the WSP/ATR needs/process. The empowerment of managers, supervisors and employees to perform certain tasks on HRIS relieves the HR department of these tasks therefore they are able to focus on more strategic elements of HR. The results of the survey indicate that more emphasis should be placed on the use of HRIS to add value at a more strategic level in areas such as strategic analysis, management evaluation, E-learning delivery and knowledge management.

KNOWLEDGE MANAGEMENT

Several questions were posed to respondents with regard to knowledge management and the results are available in table 6.

TABLE 6: KNOWLEDGE MANAGEMENT PRACTICES

Knowledge Management aspects	2007	2008	2009	2010	Position
Availability of knowledge resource centre/library	56	50	49	53	6
Policy of buying management related books	43	41	39	42	7
Interested in reading about new HR products/services	97	98	97	97	1
HR seen as a strategic partner in organisation	87	83	82	84	3
HR department plays an active role in knowledge management	78	79	75	77	4
Participation in database of case studies/ best practices	91	92	91	90	2
Formal knowledge management initiatives	55	48	55	56	5

The increased emphasis on knowledge management since 2003 was maintained until 2007 and seems to be increasing slightly in 2010. In 2005 it appears that 81% of respondents indicated that their HR departments were seen as a strategic partner in their organisations. This figure now stands on 84%, having increased by 2% since 2009.

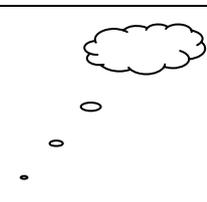
The most important aspects of knowledge management stabilised as:

- Interested in reading about new HR products/services
- Participation in database of case studies/ best practices
- HR seen as a strategic partner in organisation

Slight increases from 2009 occurred.

Few qualitative comments refer to knowledge management. Some participants requested more research on the topic. One respondent reported in the following way:

RESPONDENT'S VIEWS



"...Executive management must buy-in on HRD practices..."
 "...Management is NOT 100% committed to T&OD..."

RECOMMENDATION

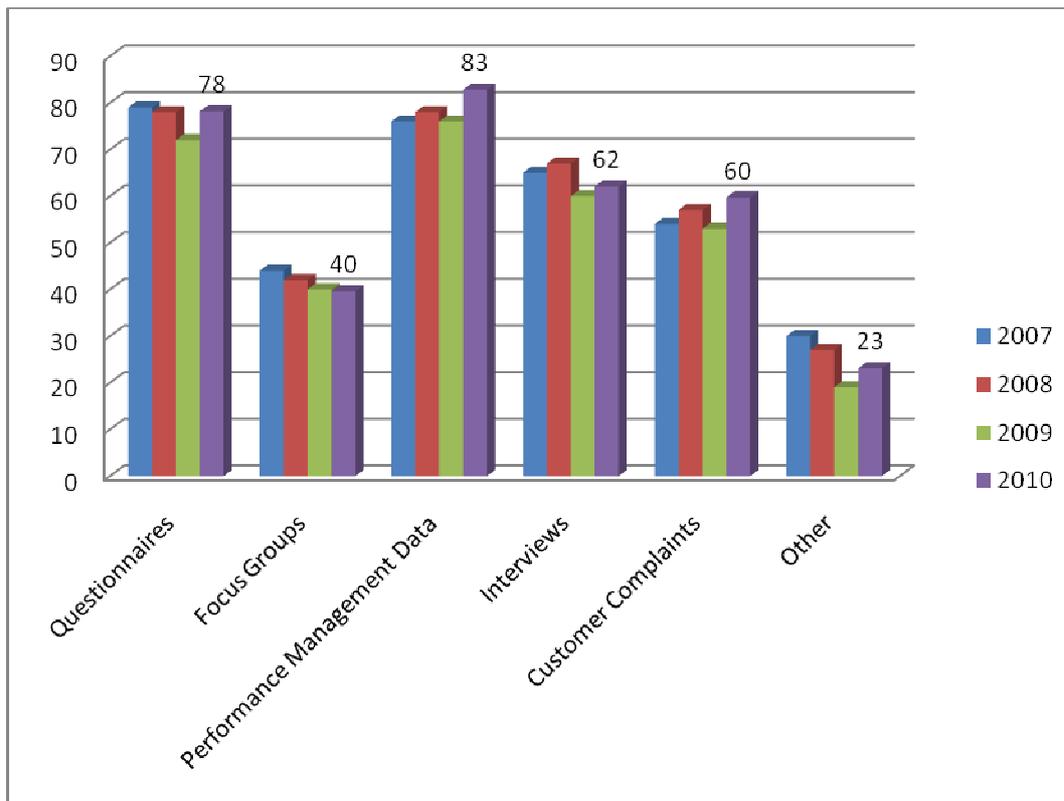


Integrated knowledge management systems are needed to optimise learning and human capital in South African organisations. A learning culture must be created in which management and employees can learn more effectively in the work environment. HR and L&D practitioners need to continuously update their knowledge base by reading local and international publications. This will enable them to keep abreast of trends and developments in the field of training and HR management and devise systems to capture and share this knowledge in the company.

TRAINING NEEDS ANALYSIS METHODS

Over the last six years we have included information on training needs analysis methods. Respondents were required to select the different training needs analysis methods that they use in their organisations (see figure 9).

FIGURE 9: TRAINING NEEDS ANALYSIS METHODS



The popularity of questionnaires as a training needs analysis method has picked up again in 2010 and is still overtaken by performance management in 2010 as the most popular method. Questionnaires are still more popular than the other methods

and are used by 78% of organisations, with performance management at 83%. Overall, the use of focus groups and interviewing declined while the use of customer complaints increased.

The increased preference for performance management as a training needs analysis method can be ascribed to the importance of managing performance in an environment characterised by a skills and talent shortage. Questionnaires are still used as a tool to conduct skills audits for the purpose of compiling workplace skills plans.

The following suggestions were made by respondents:

RESPONDENTS' VIEWS



“...Initiate a performance appraisal to identify talent and carry out a skills audit...”
“...Identify competency skills and shortages...”
“...forecast skills shortages for 2020...”
“...Investigate training needs against training provided by Public and Private sectors...”
“...How effective has implementation of learnership been compared to traditional apprenticeship..?”

RECOMMENDATION



Organisations and L&D practitioners/managers should take note of the trend to make use of performance management as the preferred method to conduct training needs analysis. It is recommended that the results of performance management audits be shared with those responsible for the planning of training interventions in an organisation. It is also suggested that a blended approach to training needs analysis be adopted by employing a variety of training needs analysis techniques such as interviews, questionnaires, focus groups, job data analysis and especially performance management. This will provide a holistic view of training needs in an organisation.

TYPES OF TRAINING PROGRAMMES

Table 7 shows the level of importance attached to different types of training programmes that are presented in South African organisations. The top ten programmes for 2010 (2009 position in brackets) are: first, induction rated as 4.5 (position 1 in 2009), second, customer service with a rating of 4.3 (position 2 in 2009), third, leadership/management rated 4.2 (position 3 in 2009), fourth, safety

rated 4.2 as well (4th position in 2009), fifth, product knowledge rated 4.2 too (6th position last year), sixth, performance management with a rating of 4.1 (position 5 in 2009), seventh, new equipment operation with a rating of 4 (position 7 last year), eighth, learner ships rated as 4 (8th position in 2009), ninth, strategic planning rated as 4 (10th position last year) and tenth, process/quality improvement and Aids awareness both rated as 3.9 (position 9 in 2009).

The importance of training in Induction, customer's service, safety, new equipment operation, wellness, sexual harassment, creativity and self-directed skills increased slightly over time. While the importance of training in AIDS awareness, computer and IT skills, project management and professional development decreased slightly over time.

While induction is still regarded as the most important type of training programme, cognisance need to be taken of the increased importance of customers service, safety, new equipment operation, wellness, sexual harassment, creativity and self-directed skills which showed a marked increase in importance from 2008.

The substantial decline in the importance of Aids awareness training (2009: position 10; 2010: position 11) is noteworthy. However ethics increased to 3.8 from 3.3 in 2009 which may indicate a greater awareness probably caused by the release of the King III Code and increased media reporting about fraud and corruption.

Table 7 indicates the results.

TABLE 7: IMPORTANCE OF DIFFERENT TYPES OF TRAINING PROGRAMMES

Training Programmes	2007	2008	2009	2010	Direction
Employee Induction	4.4	4.4	4.4	4.5	↑
Customer Service	4.2	4.2	4.3	4.3	↑
Leadership/Management	4.3	4.2	4.2	4.2	-
Safety	4	4.1	4.2	4.2	↑
Product Knowledge	4.2	4.1	4	4.2	-
Performance Management	4.2	4.1	4.2	4.1	-
New Equipment Operation	3.9	3.9	4	4	↑
Learnerships	4.1	4	4	4	-
Strategic Planning	4.1	4	3.9	4	-
Process/ Quality Improvement	3.9	4	4	3.9	-
Aids Awareness	4	4	3.9	3.9	↓
Recruitment & Selection	3.9	3.9	3.9	3.9	-
Wellness	3.7	3.7	3.8	3.9	↑
Mentoring/Coaching	3.8	3.9	3.9	3.8	-
Teamwork	3.8	3.8	3.8	3.8	-
Computer/IT Skills	3.9	3.9	3.8	3.8	↓
Project Management	3.9	3.9	3.8	3.8	↓
Change Management	3.7	3.7	3.7	3.8	-
Problem Solving & Decision	3.8	3.6	3.7	3.8	-

Training Programmes	2007	2008	2009	2010	Direction
Ethics	3.8	3.8	3.3	3.8	-
Financial Skills	3.7	3.6	3.8	3.7	-
Professional Development	3.8	3.8	3.7	3.7	↓
Diversity	3.7	3.6	3.7	3.7	-
ABET	3.9	3.7	3.6	3.7	-
Time Management	3.5	3.5	3.7	3.6	-
Train - the - trainer	3.7	3.6	3.7	3.6	-
Team Building	3.6	3.5	3.6	3.6	-
Sexual Harassment	3.3	3.4	3.5	3.5	↑
Presentation Skills	3.5	3.5	3.6	3.4	-
Creativity	3.3	3.1	3.4	3.4	↑
Self-Directed Learning Skills	3.3	3.3	3.4	3.4	↑
Business/Technical Writing	3.4	3.4	3.3	3.4	-
Basic Life/Work skills	3.4	3.3	3.3	3.2	-
Outplacement/Retirement	2.7	3	2.9	3.1	-
Foreign/Other Languages	2.4	2.3	2.2	2.4	-
Other	4.6	4	4.3	4	-

Some interesting comments of the respondents about different types of training programmes are as follows:

RESPONDENTS' VIEWS



"...Multi-skilling provides more flexibility in an organization..."

"...Introduce succession planning strategies especially in scarce skills..."

"...There is a need for life-skills training and a need for dedicated training staff..."

"...Of critical importance is integrated skills and knowledge transfer..."

"...Employees should be trained in Batho-Pele principles, business plan and the departmental strategy plan..."

"...Please include change management..."

"...Focus on entrepreneurial skills..."

RECOMMENDATION

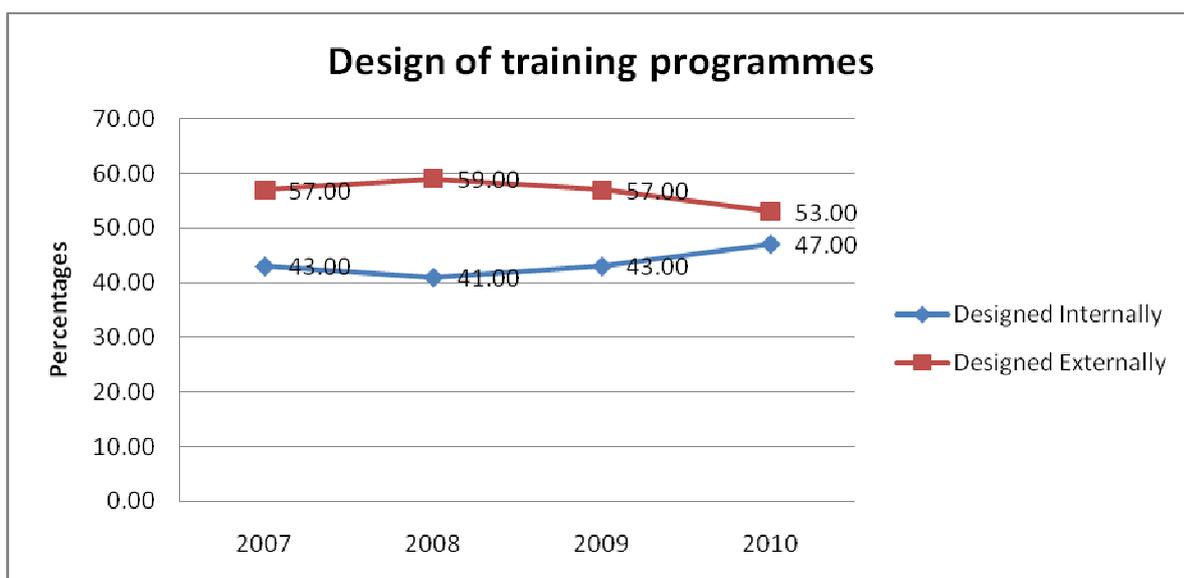


Although the training types required vary with Induction, Customer Satisfaction and Safety topping the needs, the critical shortage of scarce skilled staff (especially technical) requires urgent attention. There is also a need for life-skills training and training in fields that challenge personal productivity in the workplace such as Wellness, Sexual Harassment, Creativity and Self-directed learning skills. Organisations cannot afford to commit resources to training programmes which are not based on business drivers, proper needs analysis and a skills audit. It is further suggested that the importance of Aids awareness and ethics training be reconsidered and prioritised as types of training programmes that can add value to the business. Not only will this ensure compliance with King III, but also promote the sustainability of organisations.

DESIGN AND DELIVERY OF LEARNING

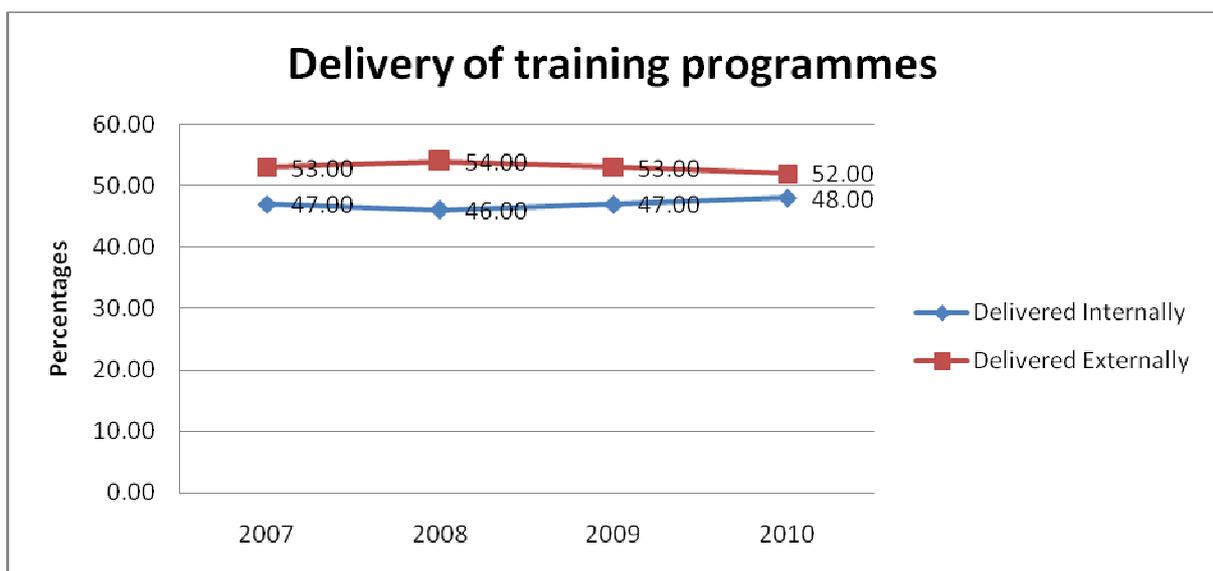
This year, the market for outsourcing of training remained varied, a result of provider consolidation, SETA accreditation, changes in the demand for services, and changing business models toward centralisation and cost savings. Many organisations have therefore taken a more conservative stance about outsourcing areas of the learning function that may contain knowledge that leads to a competitive advantage. Figure 10 depicts the outsourcing of design of training for the years 2007 to 2010 and figure 11 illustrates the outsourcing of training delivery.

FIGURE 10: INTERNAL VS EXTERNAL DESIGN OF TRAINING PROGRAMMES



In 2007 the figures indicated that 43% of training programmes were designed internally, while 57% of training programmes in the same year were designed externally. The trend continues in 2008: external design has increased to 59%. However, internal design had decreased from 43% in 2007 to 41% in 2008. This trend is reversed in 2009 with the indication that more programmes were designed internally namely 43% in 2009 than in 2008 while less programmes were developed externally than in 2008. While internal design increased to 47% in 2010 external design decreased to 53%. This might be due to the economic recession which forced organisations to cut costs in order to survive. Overall, slightly more programmes are still developed externally than internally.

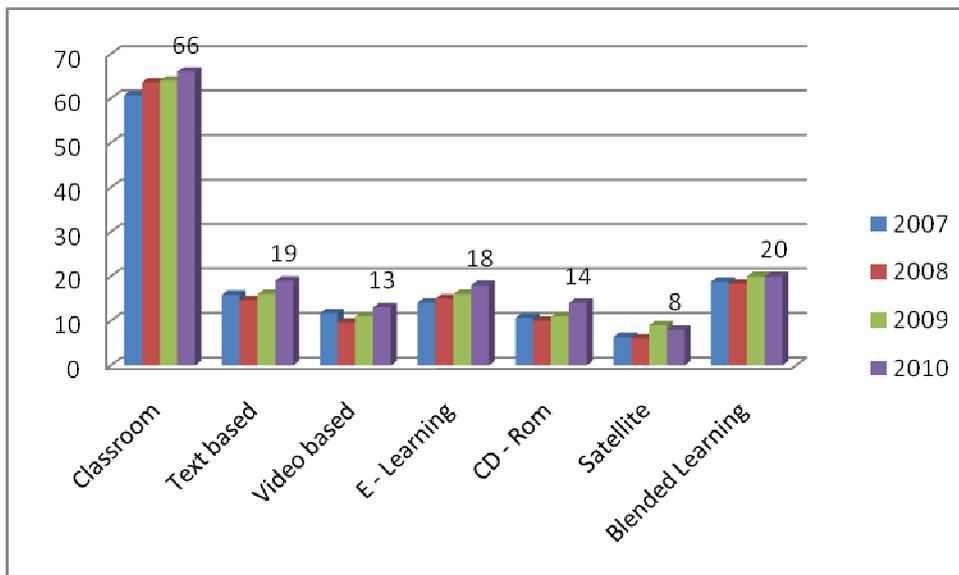
FIGURE 11: INTERNAL VS EXTERNAL DELIVERY OF TRAINING PROGRAMMES



With regard to the delivery or presentation of training, the results indicate a slight shift towards internal delivery (48% in 2010) from previous years. It has remained constant from 2008 to 2009 with a 1% decrease. Internal staff delivered 47% of training in 2009 and 46% in 2008 (a slightly increasing trend). In contrast, the external delivery decreased slightly. The figures portray the delivery of a little over 50% of training programmes were outsourced to external providers in 2007 (53%) and 2008 (54%). In 2009 external delivery constituted 53%.

Another important component of training delivery is the different types of methods used for this purpose as illustrated in figure 12.

FIGURE 12: DIFFERENT TYPES OF TRAINING DELIVERY METHODS



The results of the study show that traditional instructor-led classroom training is still the most popular method of training. In fact, its prevalence has increased from 58% in 2003 to 64% in 2009 and increased even further in 2010 to 66%. The large number of learnerships probably contributed to the significant increase in classroom training and text-based learning (19%). The other types of training delivery methods have continued their increases since 2007. In the next section we will include more information on e-learning (18% in 2010).

The following comments were made about training delivery:

RESPONDENTS' VIEWS



“...The approach to training should be benchmarked against global practices...”

“...There is a need to build in-house training capacity, especially in the technical fields...”

“...Training needs to be investigated in consultation with subordinates...”

“...Training must be more practical for the particular learner in his/her working environment...”

“...Attention must be paid to the severe shortage of technical staff – engineering...”

RECOMMENDATION



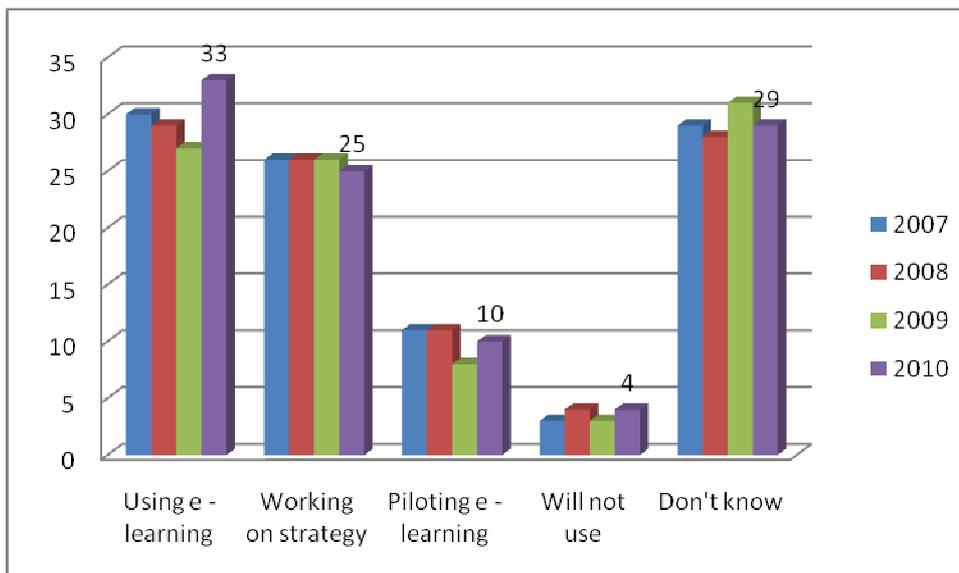
The results clearly show the high level of outsourcing of training design as well as delivery thereof. Considering the high cost involved with external service providers, it becomes essential that organisations ensure that outsourcing and in particular the quality of learning provision is managed in an effective and efficient manner. There is a definite need for job-specific training, especially customised training in specialised and technical fields. Investigate the extent of irrelevant and lack of value-for-money training.

E-LEARNING

E-Learning is the use of technology to enable people to learn anytime anywhere. E-Learning may be employed asynchronously through self-paced courses or synchronously via a virtual class-room, audio and video conferencing with on-line chat and shared white-board facilities. A learning management system may be employed to manage the process of e-learning.

In order to explore the prevalence of E-learning further, respondents have also indicated their current status with regard to the use of e-learning. Figure 13 provides the results.

FIGURE 13: PREVALENCE OF E-LEARNING



In the area of e-learning it appears as if good progress has been made over the last couple of years. The use of e-learning has increased from 17% in 2003 to 33% in

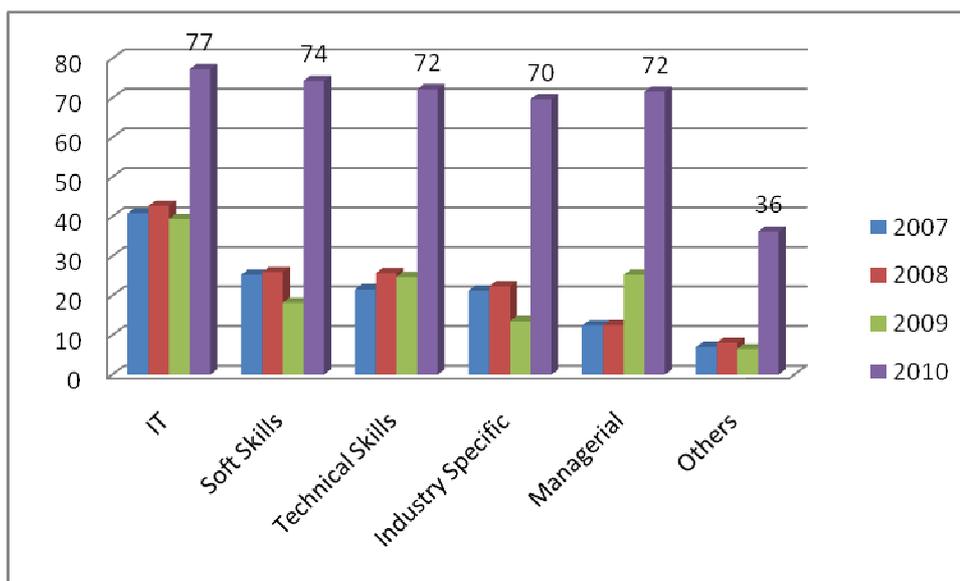
2010. This is considerably higher than the 15% reported in the USA in 2009 but lower than the UK where e-learning makes up 57% of training in the workplace.

Furthermore, while 19% of companies were working on an e-learning strategy in 2003, this figure has increased to 26% in 2007, 2008 and 2009 but it dropped slightly to 25% in 2010. Of significant interest is that only 4% in 2008 (the same percentage as in 2003 and 3% in 2007) of companies have indicated that they will not use e-learning. That figure has dropped slightly to 3% in 2009 and increased again to 4% in 2010.

However, there still appears to be some uncertainty with regard to e-learning, because 31% of respondents do not know whether their organisations are using e-learning. This figure, however, is much lower than the 38% reported in 2006 and the 40% of the 2003 study.

Figure 14 shows the major subject fields for e-learning.

FIGURE 14: SUBJECT FIELDS FOR E-LEARNING



From figure 14 it is clear that IT, technical, skill, management skills, soft skills and industry specific skills are the major subject fields for e-learning. More than 80% of respondents use e-learning for the purpose of IT training. This has more than doubled since 2009.

Organisations which implement e-learning need to keep up with technology as reflected in these comments.

RESPONDENT'S VIEWS



"...Employing electronic training using appropriate technology e.g. E-Learning, DVDs or CDs can provide an alternate means of training..."

"...Investigate/research implementation of e-learning..."

"...Develop more computer-based training, exercises and simulation..."

RECOMMENDATION



Despite the growth in the prevalence of e-learning, there is still some uncertainty about the implementation of e-learning. The large uncertainty of the use of e-learning in companies may indicate that the HR/L&D departments have no knowledge of how and where e-learning may be employed. It is recommended that this uncertainty by the respondents be investigated. Proper planning is required to ensure the professional implementation of e-learning in the workplace. A good starting point would be to ensure that all training staff members are trained in the principles and application of e-learning in the workplace. A good e-learning support system is needed, as well as proper change management to ensure buy-in and follow-through.

TRAINING EVALUATION

In America considerable emphasis is placed on the evaluation of training. Although the more holistic evaluation approach proposed by Robert Brinkerhoff has gained ground in South Africa, the four level evaluation framework developed by Donald Kirkpatrick has been used for decades as the ASTD benchmark for training evaluation and celebrated its 50 anniversary this year, supplemented by the ROI process of Jack Phillips. The five levels are the following:

- **Reaction:** The percentage of companies which evaluate learner perceptions of training.
- **Learning:** The percentage of companies which assess the competence of learners.

- *Behaviour*: The percentage of companies which measure a change in behaviour back in the workplace.
- *Results*: The percentage of companies which measure an improvement in outputs as a result of training (e.g. improvement in customer satisfaction, or higher sales figures).
- *ROI*: The percentage of companies which calculate the financial impact of training expressed as a ROI percentage.

The South African results in comparison with the American results are as follow:

FIGURE 15: TRAINING EVALUATION METHODS

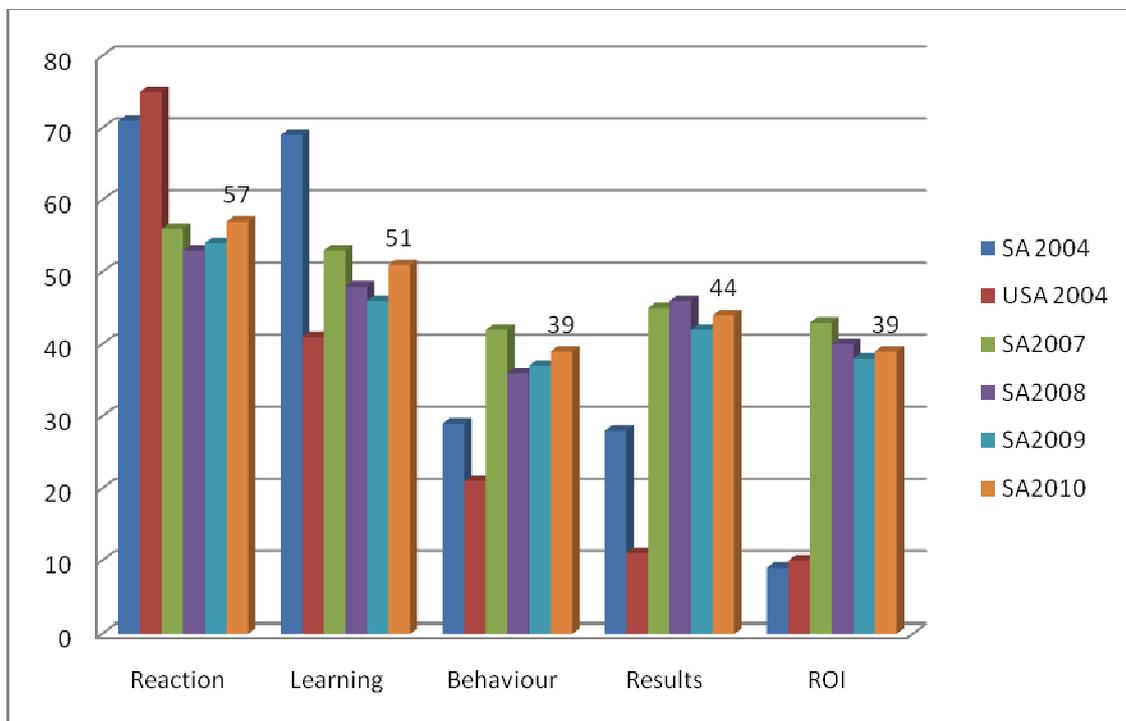


Figure 15 reveals that the majority of South African organisations apply the Kirkpatrick levels to a great extent, while ROI measurement has increased significantly over the last few years. There appears to be a higher focus on behaviour, results and ROI measurement than in the USA.

Table 8 reflects the responses with respect to ROI practices in South African organisations:

TABLE 8: ROI PRACTICES

ROI practices	2007	2008	2009	2010	Direction
We calculate ALL the input costs of training programmes	53	50	49	57	↑
We do pre- and post-assessments of training programmes to enable us to calculate the ROI	43	39	38	47	↑
Our Training Reports to Management include ROI figures	36	38	33	38	↑
We calculate the financial value ROI for training programmes	39	35	34	41	↑
We ask Training Providers to supply us with ROI data or information on their Training programmes	34	34	34	39	↑
We use specific Software to assist in the ROI process	16	16	15	19	↑
We use ROI data when compiling Training Budgets for the following year.	32	34	27	36	↑
Our Training Staff have formal training in ROI processes	22	22	22	27	↑

From Table 8 it seems as if good progress has been made with regard to the L&D best practice of ROI measurement. There have been significant increases in all aspects of ROI practices from 2009.

Furthermore, there has been considerable debate about ROI in South Africa, several ROI workshops and regular visits by international ROI experts such as Jack Phillips and Diederick Stoel. The growth in the number of ROI workshops contributed to the increase in the number of L&D staff that has been trained in ROI practices (22% in 2007, 2008, 2009 and 39% in 2010, a significant 17% increase). Significantly, five major universities have incorporated ROI as part of their HRD curricula. All these efforts have contributed to the greater awareness of ROI in the South African training market.

Although ROI measurement has been emphasised in South Africa, the postulation is that more focused work needs to be done to create fully integrated ROI evaluation in our organisations. In comparison with the USA, there are few good case studies available about ROI in South Africa.

Several respondents reveal their views about ROI in the following comments:

RESPONDENTS' VIEWS



"...The effectiveness of the training feedback and ROI systems should be researched/investigated..."

"...Investigate/research an easier way to calculate ROI..."

"...Financial value of training (ROI) must be researched/investigated..."

"...Investigate/research training, monitoring and evaluation with reference to the Kirkpatrick theories..."

"...ROI should be monitored to gauge the impact of T&D upon employee performance..."

RECOMMENDATION

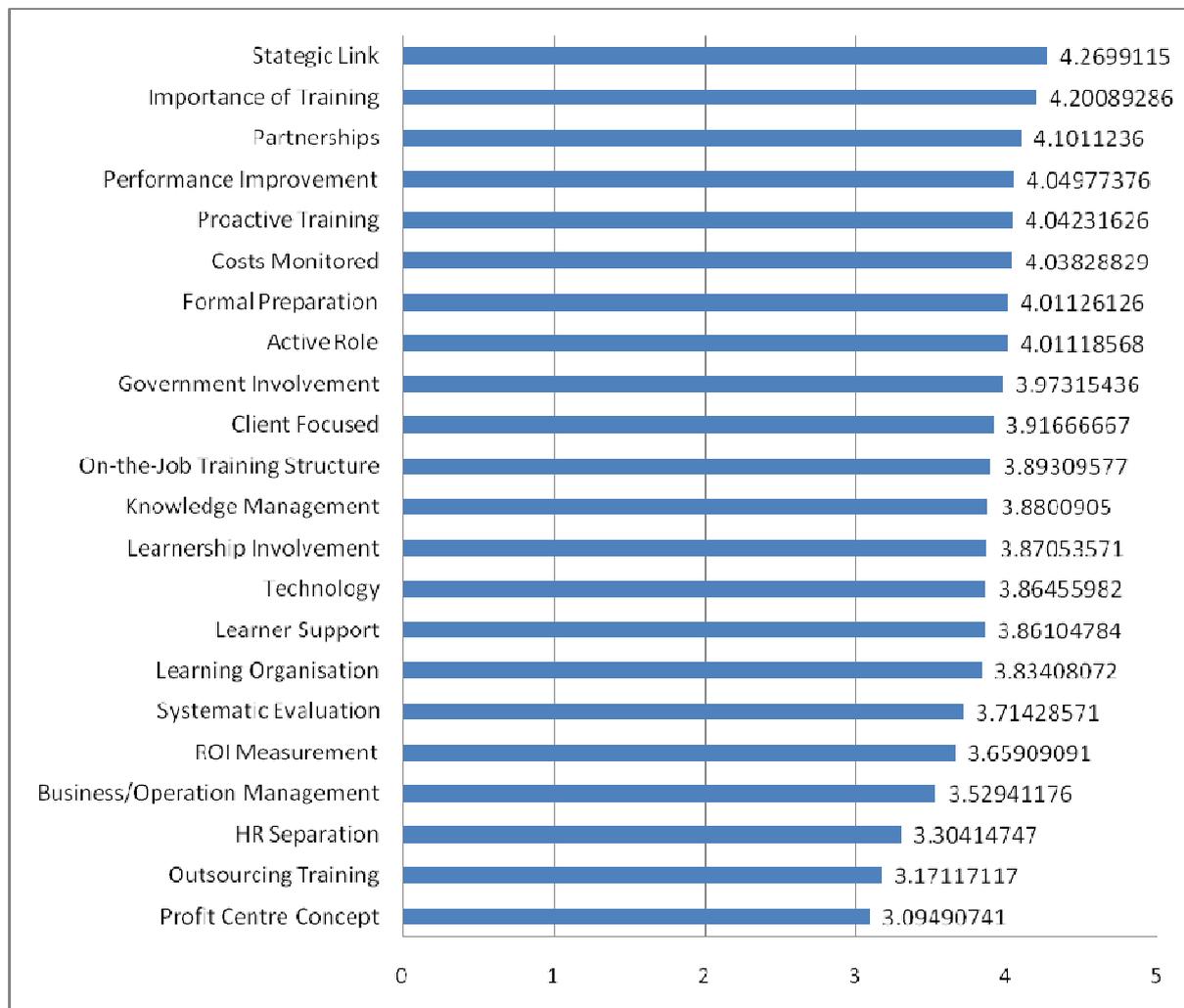


All levels of Kirkpatrick's evaluation system can be used as the basis for a training measurement strategy. Particular emphasis need to be placed on measuring the ROI of training interventions in order to show the financial value of training. This will also help to build more productive relationships with line management. The suggestion is to train staff in the application of ROI methodology in the training environment. While the increase in the use of ROI methodology is a positive sign, the question is whether training staff who have not been trained in these methodologies will be able to implement it effectively in the workplace. The measurement of ROI is not standardised and is difficult to calculate. Research/investigate global practices in determining ROI. L&D staff must be equipped with a standardised tool to measure the impact of training on performance/productivity.

LEARNING AND HR TRENDS

Figure 16 indicates the consolidated responses on the importance of training and human resource trends in South Africa.

FIGURE 16: LEARNING AND HR TRENDS



The top five trends are the strategic link of L&D, the role and importance of training for a business, forming partnerships, performance improvement and managing training in a more proactive way. All of these top ten trends, scored between 4 or above 4 out of 5 in terms of the importance of the trend.

Other important trends include monitoring training costs, formal preparation of training staff, playing an active role, government involvement in training and being client-focused. Interestingly a profit centre concept and outsourcing of training and HR separation were of least importance with scores close to 3.

Figure 17 shows the percentage deviation from the mean with deviations below the mean of 19 % (profit centre concept) 17 % (outsourcing of training) and 14 % (HR separation).

FIGURE 17: LEARNING AND HR TRENDS - PERCENTAGE DEVIATION FROM THE MEAN

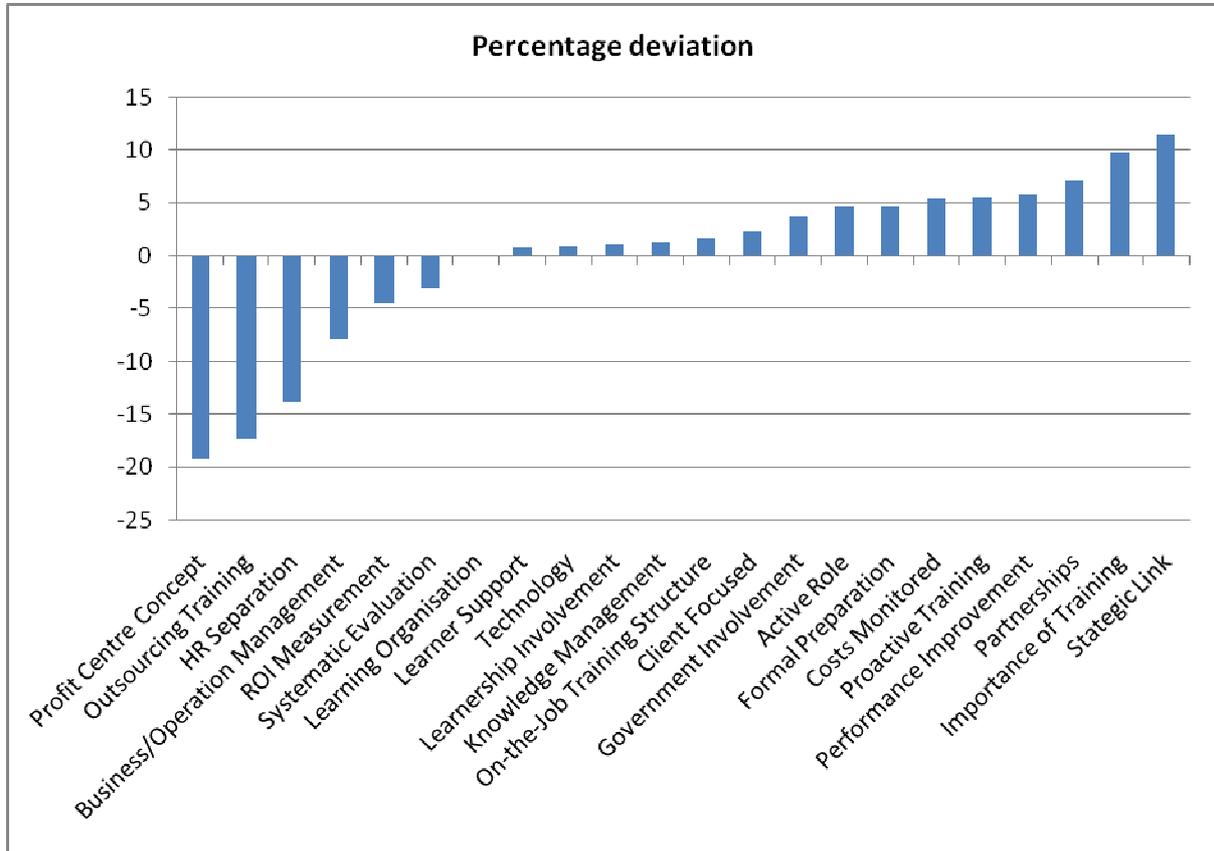
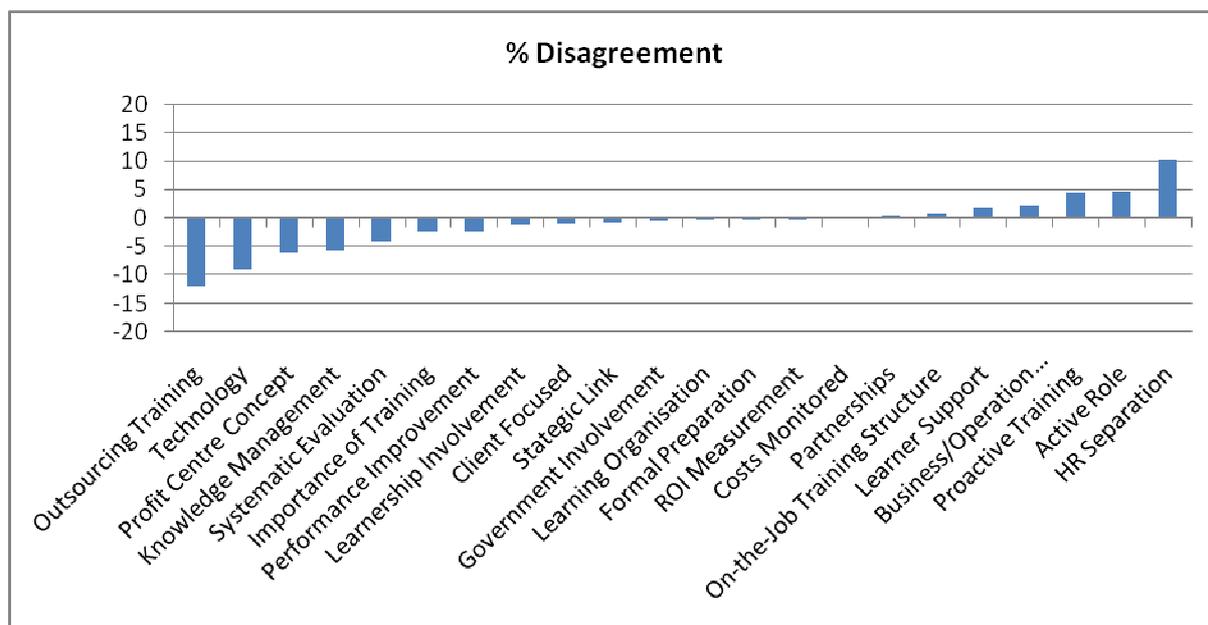


Figure 18 shows the percentage deviation from the mean of differences or disagreement. Generally the level of agreement and importance for the organisation compared well. Only the important differences will be discussed.

FIGURE 18: DIFFERENCES BETWEEN LEVEL OF AGREEMENT AND IMPORTANCE FOR LEARNING AND HR TRENDS



Level of agreement > Importance level in company:

The following training and organisational concepts were agreed on at a HIGHER level that is currently happening in the organisation:

- Outsourcing training (3.60 agreed vs. 3.17 occurring)
- Technology (4.25 agreed vs. 3.86 occurring)
- A profit center concept (3.30 agreed vs. 3.09 occurring)
- Knowledge management (4.12 agreed vs. 3.88 occurring)

Level of agreement < Importance level in company:

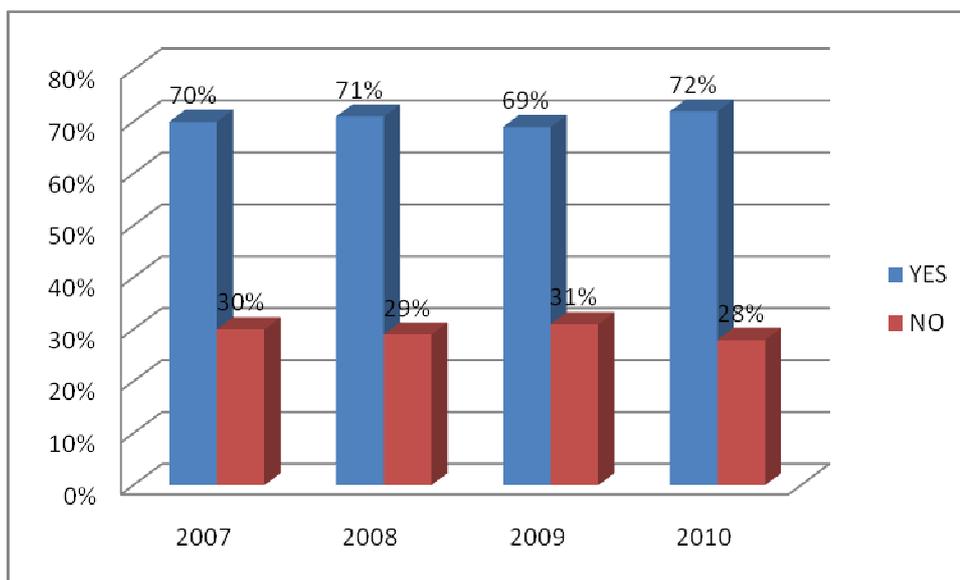
The following training and organisational concepts were agreed on at a LOWER level that is currently happening in the organisation:

- HR separation (3.00 agreed vs. 3.30 occurring)
- Active role (3.70 agreed vs. 3.87 occurring)
- Pro-active training (3.88 agreed vs. 4.04 occurring)

MENTORING AND COACHING

Given the huge interest in mentoring and coaching in South Africa and abroad, we have included a special section on mentoring and coaching over the last two years. In Figure 19, the current prevalence of mentoring and coaching programmes is depicted. It shows that 72% of organisation's in South Africa have implemented mentoring and/or coaching interventions (slightly up from the 69% in 2009 and 71% reported in 2008).

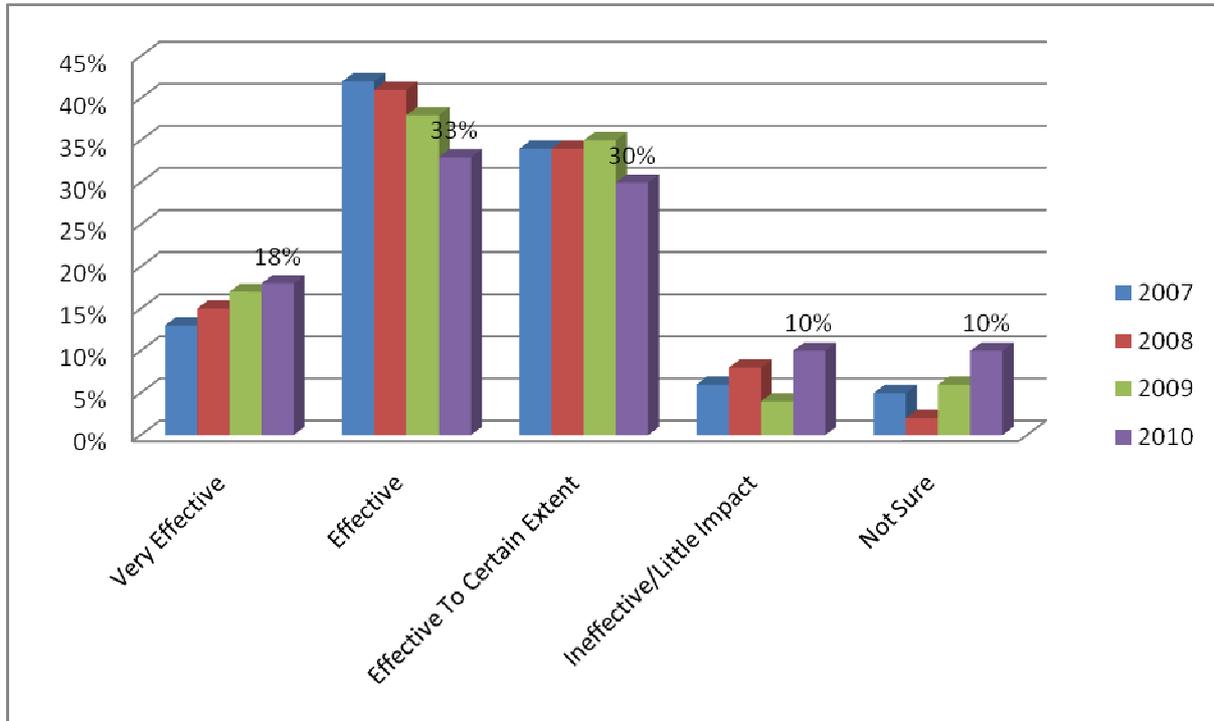
FIGURE 19: PREVALENCE OF MENTORING AND COACHING



It is therefore clear that mentoring and coaching programmes are very popular in South African organisations, both in the private and public sectors. However, the mere existence of mentoring and coaching programmes, does not necessarily mean that these interventions are effective. We therefore added another question to determine the perceived effectiveness of mentoring and coaching programmes in South Africa.

Figure 20 illustrates the current effectiveness of these programmes.

FIGURE 20: EFFECTIVENESS OF MENTORING/COACHING PROGRAMMES



Interestingly, 33% of respondents viewed mentoring/coaching as being effective (5% down from 2009). However, 30% of respondents regarded these programmes as “effective to a certain extent.” Also, there has been a 1% increase in respondents viewing mentoring and coaching as being “very effective”. Overall, if we combine the “effective,” “effective to a certain extent” and “very effective” categories, a high percentage of respondents regards mentoring and coaching as successful in 2010 (81% down from 89% in 2009). Significantly, 10% of respondents indicated that mentoring or coaching is ineffective or has little impact (up from 4% in 2009 and 8% in 2008). The percentage of respondents who indicated “not sure” remains quite low (10%), although this figure increased from the 6% recorded in 2009. This seemingly indicates that the perceived effectiveness of the mentoring and coaching programmes went down in 2010.

RECOMMENDATION

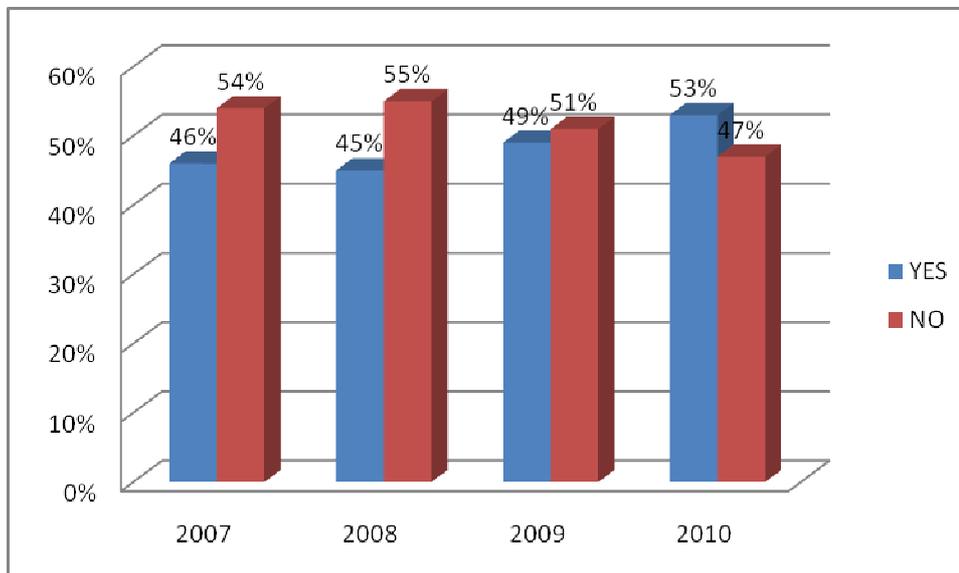


The business case for mentoring and coaching should be clearly spelt out and an effective implementation strategy developed or refined. It is also critical to measure the business impact of mentoring and coaching in the workplace.

TALENT MANAGEMENT

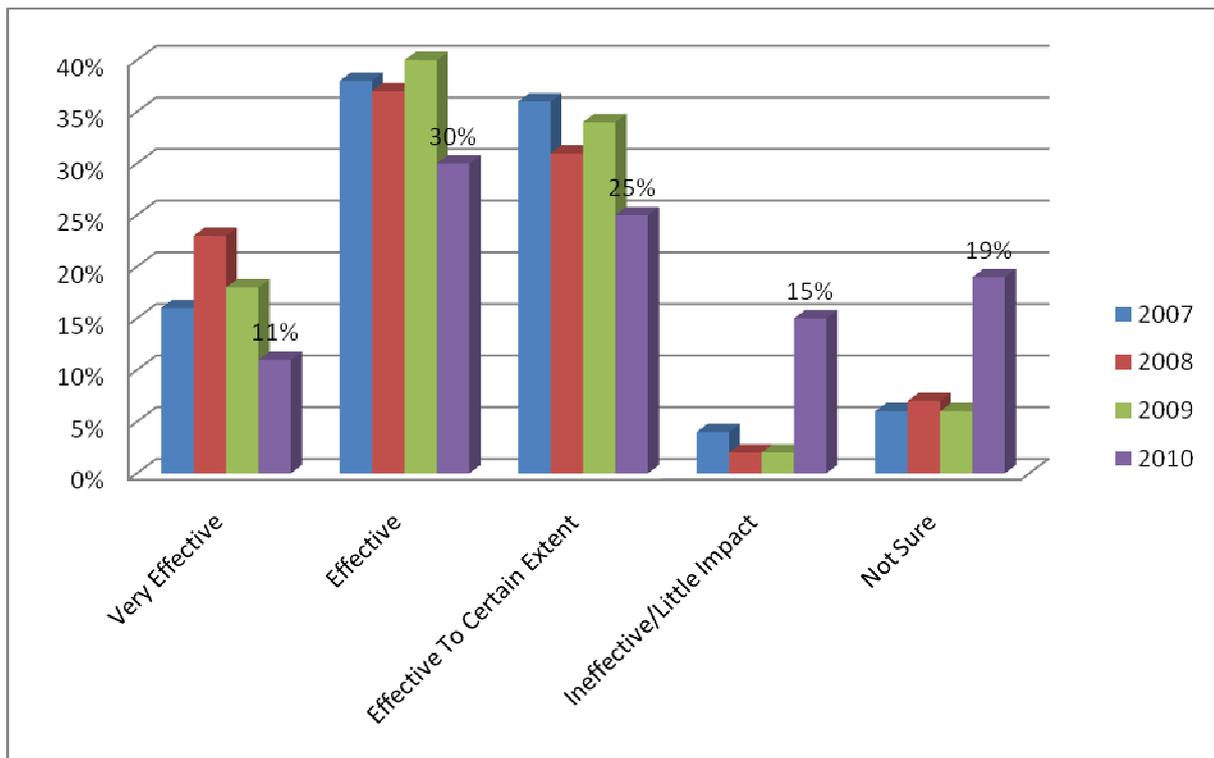
In 2008 we started to measure the prevalence and impact of talent management for the first time. While 46% of respondents indicated in 2007 that they have embarked upon talent management, in 2008 this figure decreased slightly to 45% and in 2009 the figure increased again to 49% (see Figure 21). Overall, it appears as if the trend of talent management is still very strong, with almost half of South African companies moving in the direction of applying this international trend. This is in contrast to the situation in 2009 in the UK, where the prevalence of talent management has decreased from 51 to 36% (CIPD, 2009).

FIGURE 21: PREVALENCE OF TALENT MANAGEMENT



Similar to the measurement approach used in the section on mentoring and coaching, we also attempted to determine the effectiveness of talent management strategies (see figure 22).

FIGURE 22: EFFECTIVENESS OF TALENT MANAGEMENT STRATEGIES



From Figure 22 it is evident that there is a significant decrease in the percentage of respondents who viewed talent management as being effective (from 40% in 2009 to 30% in 2010). Interestingly, 15% (2% in 2009) of organisation’s regard talent management as ineffective and 19% (6% in 2009) are unsure. The conclusion can be made that there was a problem with talent management in 2010.

RESPONDENTS’ VIEWS

- “...There is a need for performance appraisal to identify talent and audit of scarce skills...”
- “...HR and HRD must develop and encourage a learning culture in their organizations...”
- “...There should be legal enforcement of organization talent management...”
- “...Please investigate career-pathing and talent management in the public service...”
- “...T&OD should investigate ways of retaining scarce-skilled staff...”
- “...There should be a formal development and assessment plan for each member of staff...”

“...Training must be properly recorded so that an audit of skills and training can be performed...”

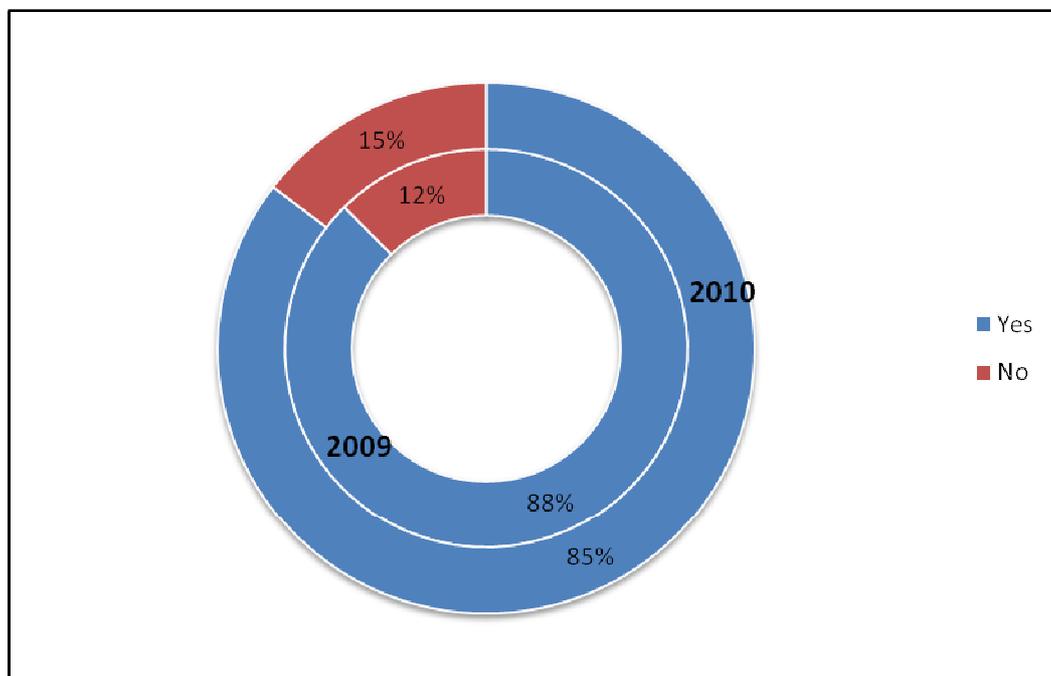
RECOMMENDATION

An integrated talent management strategy aligned to the achievement of overall business objectives is needed to ensure that the right talent is attracted, developed and retained in organisations.

THE ASTD STATE OF THE LEARNING INDUSTRY STUDY FOR 2011

Having produced this report for the past eight years, ASTD Global Network South Africa is indeed interested in determining the sustainability of the project. The potential interest in next year’s study was also solicited, and Figure 23 indicates the results.

FIGURE 23: INTEREST IN THE ASTD STUDY



While the vast majority of respondents (85%) confirmed their interest in 2010 in participating in next year’s study, it represents a slight decrease from the 88% in 2009 who confirmed their interest in participating in the study of 2010 and 90% who were interested in 2008 to participate in the 2009 study. The level of interest is still adequate to ensure the sustainability of the study.

RECOMMENDATIONS

In the light of the results obtained and the interpretation thereof in this report, in addition to the section-specific recommendations already provided, we recommend the following general actions for learning and development practitioners in South Africa:

- Do thorough benchmarking to improve your understanding of learning and development best practices (see the websites at the end of this report).
- Analyse your own organisation and compare your learning statistics to the national and international benchmarks highlighted in this report.
- Strengthen the strategic role of learning and development at your organisation, and apply performance improvement methodology to optimise learning and growth.
- Conduct a proper learning needs analysis in your organisation by using professional training needs assessment techniques.
- Do more rigorous monitoring, evaluation and measurement of training impact by designing learning solutions based on the planned return on investment.
- Develop the capacity of L&D practitioners to apply the best practices contained in this report.
- Focus on a more systematic and planned approach to learning and development interventions.
- Use a systematic and well-planned approach when implementing learning and development trends such as e-learning, mentoring and coaching and talent management, and measure the effectiveness thereof.
- Continue with the good investment in learning and development, and compare yourself to the benchmarks in this report (e.g. hours per employee, percentage of payroll etc.).
- Network with other L&D practitioners to see how they already successfully applied these best practices in the workplace.
- Encourage your L&D practitioners to join ASTD and SABPP to improve their professionalism in the application of L&D best practices.
- Join online forums such as Skills Universe where thousands of L&D practitioners are connected (www.skills-universe.com)
- If you get some or all of the above right, submit your success story as a case study to be included in the next ASTD report.

CONCLUSION

This year we invested more time and resources in the scientific analysis of results. Given the richness of data, and the availability of comparative results over six years at some of the items, key trends and benchmarks could be established in several areas. Thus, the 8th Annual ASTD State of the South African Learning and Development Industry Report demonstrates the importance of learning and development in South African organisations, both in the private and public sectors. Over the last few years, in particular since 2004, we have seen good investment in skills development (exceeding international standards), as well as the application of training best practices such as e-learning, training evaluation and mentoring and coaching. However, the mere existence of a so-called “best practice” does not necessarily mean that the practice is implemented effectively. Perhaps, more in-depth research is needed to determine and measure the effectiveness of these practices in the workplace. In addition, we need to improve our understanding of the enablers and barriers to the application of these learning and development practices.

The quantitative and qualitative results obtained and the analysis and interpretation thereof clearly showed the level of excellence that can be attained when local companies actively pursue ASTD best practices in South Africa. Given the fact that 88% of respondents displayed an interest to participate in the 2011 study, it is evident that South African L&D managers benefit from the ASTD State of the L&D Industry Report. In 2012 we foresee a more comprehensive study. We recommend that you participate in the 2012 study by contacting us on hrrri@sabpp.co.za

Let us create millions of winners – people with the right knowledge, skills and attitudes to build this great country of ours, a nation at peace with itself twenty years after the demise of apartheid.

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INTERNET RESOURCES

The following websites provide more information about the areas covered in the report so that you will be able to develop strategies to apply these best practices at your organisation:

Academy for Human Resource Development: www.ahrd.org
American Society for Training and Development (ASTD): www.astd.org
Association of Skills Development Facilitators of South Africa: www.asdfsfa.org.za
ASTD Global Network South Africa: www.astd.co.za
Chartered Institute of Personnel and Development: www.cipd.co.uk
Coaches and Mentors of South Africa: www.comensa.org.za
Corporate Research Foundation: www.crf.com
Department of Labour: www.labour.gov.za
Donald Kirkpatrick: www.donaldkirkpatrick.com
E-learning Institute: www.elearninginstitute.co.za
ETD Online: www.etdonline.org
ETDP SETA: www.etdpseta.org.za
Exclusive Books: www.exclusivebooks.com
Executives' Global Network South Africa: www.za.egnet.com
HR Future: www.hrfuture.net
Human Capital Institute: www.humancapitalinstitute.org
Institute for Management Development: www.imd.ch
Institute of People Development: www.peopledev.co.za
International Society for Performance Improvement: www.ispi.org
Linkeage Inc: www.linkeageinc.com
Management Today: www.management-today.co.za
Mentor-Coach Resources: www.hsnrc.org
Mentoring and Coaching Center: www.mentorcoachingcenter.com
Mentoring and Coaching: www.mentorcoach.com
Profitwise: www.profitwise.info
Skills Portal: www.skillsportal.co.za
Skills Universe: www.skills-universe.com
Society for Human Resource Management: www.shrm.org
South African Board for People Practices: www.sabpp.co.za
South African Journal of Human Resource Management: www.sajhrm.co.za
South African Qualifications Authority: www.saqa.org.za
Talent Management Best Practices: www.ddiworld.com
Talent Management Magazine: www.talentmgt.com
Talent Management Metrics: www.cognos.com
Talent Management Solutions: www.talentmanagement101.com