UNLOCKING TRAINING AND SKILLS DEVELOPMENT FOR SUSTAINABILITY IN SMALL AND MEDIUM SIZE ENTERPRISES (SMEs): AN EXPLORATIVE SOUTH AFRICAN STUDY

by

SHAMANTHA DEVI RAJARAM

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SUPERVISOR: Prof. MELANIE BUSHNEY

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DECLARATION

I, Shamantha Devi Rajaram, student number 34575995, declare 'UNLOCKING TRAINING AND SKILLS DEVELOPMENT FOR SUSTAINABILITY IN SMALL AND MEDIUM SIZE ENTERPRISES (SMEs): AN EXPLORATIVE SOUTH AFRICAN STUDY' is my own work, and that all the sources that I have used or have quoted from have been indicated and acknowledged by means of complete references.

_____   <u>27 November 2017</u>

SD Rajaram   Date

ACKNOWLEDGEMENTS

A DEDICATION TO THE SMEs OF SOUTH AFRICA

A poem for all entrepreneurs

(Richard Branson, 2016)

The road to success is paved with tests,
So you've got to believe in yourself above the rest.

Dream big, and let your passion shine,
If you don't, you won't end up with a dime.

Challenge the status quo, disrupt the market and say YES!
And remember that innovation is an endless quest.

Don't forget to change business for good,
If you want to change the world, then you should.

If you think with your head and listen to your heart,
I promise you'll get off to a flying start.

Make bold moves, but always play fair,
Always say please and thank you, it's cool to care.

Do what you love and love what you do,
This advice is nothing new.

Now, stop worrying about whether your business will be a hit,
Rise to the challenge and say let's do it!

ABSTRACT

This qualitative study explored and described the role and contribution of training and skills development for sustainability in SMEs in the manufacturing sector in Durban and East London, South Africa. Individual face-to-face semi-structured interviews took place with 15 SME owners. Five themes and 11 sub-themes emerged in a content thematic analysis. The findings indicate that SMEs acknowledge that training and skills development positively influences their financial performance and sustainability. Whilst SMEs implement learning and skills development interventions, they lack suitably structured human resource development (HRD) policies and strategies; do not properly document training and skills development activities; and experience difficulty in evaluating learning. This study recommends that SMEs formulate and implement well-structured learning and development plans and schedules. It is also advised that SMEs liaise with academics and form Communities of Practice (CoPs), among other initiatives, to implement and monitor training and skills development for their sustainability.

KEY WORDS

Training, skills development, sustainability, small and medium enterprises (SMEs), manufacturing sector.

ACRONYMS

The following are used in this thesis:

ATR	-	Annual Training Report
BEE	-	Black Economic Empowerment
ASTD	-	American Society for Training and Development
ATD	-	Association for Training and Development
CEM	-	Critical Events Model
CIPD	-	Chartered Institute of Personnel and Development
CoP	-	Community of Practice
CoPs	-	Communities of Practice
DCCI	-	Durban Chamber of Commerce and Industry
DoL	-	Department of Labour
DHET	-	Department of Higher Education and Training
DTI	-	Department of Trade and Industry
ETD	-	Education, Training and Development
HDI	-	Human Development Index
HRD	-	Human Resource Development
HRDSSA	-	Human Resource Development Strategy of South Africa
HR	-	Human Resource (s)
HRM	-	Human Resource Management
IFRS	-	International Financial Reporting Standards
ILO	-	International Labour Organisation
IDC	-	Industrial Development Corporation
KSAs	-	Knowledge, Skills and Attitudes

LSTI   -   Learning Systems Transfer Inventory

Merseta   -   Manufacturing and Engineering Related Services Sector Education
                 and Training Authority

NAMB   -   National Apprenticeship Monitoring Body

NSA   -   National Skills Authority

NSF   -   National Skills Fund

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What is the role and contribution of training and skills development with regards to sustainability in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?	The role and contribution of training and skills development for SME sustainability has been insufficiently explored and needs to be revisited with a fresh study.	*TRAINING* ❖ Concept of training ❖ Importance ❖ Challenges ❖ Process ❖ SME owner's role ❖ Transfer and evaluation ❖ Documents	**Question 1** Which training and skills development interventions are implemented by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability?	**THEME 1** The training and skills development climate in SMEs.	❖ Qualitative ❖ Explorative, descriptive and contextual ❖ Multiple case studies ❖ Semi-structured questions ❖ Interviews ❖ Purposive sampling ❖ Document analysis	SMEs have a positive training climate. They have a strong learning culture and favourable attitudes towards learning.	SMEs should maintain their positive training climate. However, SMEs need to implement proper training policies and strategies.
			Question 2 To which extent do these interventions contribute to the sustainability of SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?	**THEME 2** Training and skills development drivers in SMEs.		Training interventions build skills (human resource, finance and marketing, among others) and improve job performance and SME sustainability.	SMEs must continue to invest in training interventions. However, intervention selection should be based on proper needs analysis.
KEY WORDS	**MODELS**	*SKILLS DEVELOPMENT* ❖ Concept of skills	**Question 3** What are the challenges faced by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?	**THEME 3** Training and skills development interventions implemented by SMEs.		SMEs face limited finance, inadequate knowledge of training and complex government laws.	SMEs should network, form relationships with training providers and others and attempt in-house training.
❖ Training ❖ Skills development ❖ Small and medium enterprises (SMEs) ❖ Manufacturing sector	❖ Nadler's Critical Events Model (CEM) ❖ Broad and Newstrom's Transfer Matrix ❖ Kirkpatrick Four Level Evaluation Model ❖ Skills development legislation	❖ Historical perspective ❖ Legislative overview ❖ Legislation ❖ Strategies ❖ Bodies ❖ Plans ❖ Programmes ❖ Documents ❖ Interventions ❖ Green skills	**Question 4** What recommendations can be made to address training and skills development interventions in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability?	**THEME 4** Training and skills development transfer and evaluation for SME sustainability.		SMEs experience positive outcomes from training transfer and they attempt to evaluate the effectiveness of training.	SMEs should continue to ensure training transfer. They can use the Kirkpatrick Four Level Evaluation Model or the Brinkerhoff Six Stage Model to assist them to evaluate training.
			Question 5 What guidelines can be offered for the implementation of interventions in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability?	**THEME 5** Training and skills development challenges faced by SMEs.		A host of recommendations are offered to SMEs in Table 6.2 in Chapter 6. Among these are the formation of CoPs and interaction with skills development bodies.	SMEs need to maintain proper documentation and ensure effective training and skills development policies, strategies and plans.

CHAPTER 1

INTRODUCTION AND SCIENTIFIC OVERVIEW OF THE STUDY

1.1   INTRODUCTION

The International Finance Corporation (2017) states, that a large portion of the economy of the developing world is comprised of SMEs, and that these entities are the only realistic growth and employment opportunity for millions of people around the globe. In North America, large-scale financial injections into the economy come from SMEs (El Kalak & Hudson, 2016). Across the border in Latin America, the government of Mexico perceives SMEs as important players in technological advancement (Moctezuma, 2017). In neighbouring Europe, SMEs are instrumental in contributing new business ideas (Oricchio, Lugaresi, Crovetto & Fontana, 2017). Across the Atlantic Ocean into Asia, SMEs are the nucleus of change (Abe & Proksch, 2017). Additionally, the Organisation for Economic Co-operation and Development (OECD) countries of Australia, Canada, Japan, Korea, Mexico, New-Zealand and the United States of America acknowledge SMEs as drivers of entrepreneurship (OECD Report, 2013).

In Africa, the invaluable presence of SMEs is also felt. However, the role that SMEs play in Africa is not just one of economic growth; it extends beyond that to transformation and poverty eradication (Muriithi, 2017). Additionally, the responsibility of African SMEs has grown to include industrialisation and sustainable growth. Consistent with this new agenda, the governments of Kenya, Nigeria, Tanzania and Zambia, have in recent years been actively involved in adopting polices to create competitive and sustainable SMEs (Ndesaulwa & Kikula, 2017). On home soil, SMEs comprise of 50% of GDP and provide employment for more than 60% of the workforce (Muwanga-Zake & Herselman, 2017). Furthermore, SMEs contribute to socio-political stability and crime reduction, and assist in easing the skills burden through the provision of learnerships and apprenticeships (Abor, 2017).

However, despite the importance of SMEs in the South African economy, the irony is that many SMEs are unable to survive the long term (Maduekwe & Kamala, 2016). Over the years, management scholars have attempted to rationalise SME failure. In this attempt, the role and contribution of training and skills development as pillars of SME sustainability were insufficiently explored. In view of this, training and skills development need to be reconsidered as a means to ensure SME sustainability and to help SMEs to stay relevant and achieve competitive advantage.

Hence, this chapter begins with the background to and motivation for the study. Next, SMEs are defined, after which the role of SMEs in South Africa is unpacked. Then, the research problem, questions and objectives are provided. This is followed by an explanation of the research design and methodology. Later, a discussion on the ethical considerations, key concepts, significance and limitations of the study is presented. Finally, a layout of the chapters of this thesis is provided. The chapter ends with a summary.

1.2   BACKGROUND TO AND MOTIVATION FOR THE STUDY

Research has established that despite SMEs being the economic pillar of many nations around the world, they remain unsustainable. In North and South America, SME unsustainability has been attributed to complicated legislation, whilst European SMEs tend to fail due to poor management and leadership (Rahman, Uddin & Lodorfos, 2017). Furthermore, tight government control and a lack of autonomy have been cited as the reasons for the collapse of Asian SMEs (Zhang, Gao & Cho, 2017). Moreover, the lack of emphasis on training and skills development was highlighted as the reason why SMEs in the OECD countries close their doors soon after opening it (OECD Report, 2013). On the other hand, the causes of SME unsustainability in Africa are not as straightforward as in the rest of the world. SME collapse in Africa can be attributed to ineffective marketing strategies, poor technological innovation, complicated legislation, skills shortage and fruitless training strategies (Buli, 2017).

Despite the efforts of the South African Government to stimulate entrepreneurial opportunities through policies, strategies and programmes, many SMEs remain unsustainable (Cant & Wiid, 2016). The picture looks grim, with 70% to 80% of SMEs closing shop after just two years (Rabie, Cant & Wiid, 2016; Fatoki, 2014). The number of manufacturing SMEs has also declined steadily in the past few years (Statistics South Africa, 2016b). This is worrying, considering that manufacturing is the third largest industry in the country. Moreover, SMEs situated in Durban and East London, which are the manufacturing hubs of South Africa because of their coastal urban region and proximity to a harbour, have reported a bleak outlook on their sustainability (Statistics South Africa, 2016b). These two cities jointly contribute 22% to the country's Gross Domestic Product (GDP) and provide jobs for more than 35% of the population. The South African Institute of Race Relations (2017) confirms that the manufacturing industry is currently experiencing a slow and steady decline, coupled with significant job losses. In 2016, the sector shrunk by 3.1%.

Over and above this, Lose (2016) mentions that the country is presently facing critical and scarce skills shortage, and that this needs to be addressed urgently, because a skilled workforce is essential for sustainability. Recently, a study conducted to offer solutions to SME sustainability, has proposed further government funding and an investment in skills programmes (Malemela & Yingi, 2016). However, training and skills development as a possible solution for SME competitive advantage and sustainability were not adequately addressed.

Training and skills development can be influential factors in SME sustainability, as learning can contribute to better skilled employees, who are proficient in their jobs. These employees are then more likely to perform with increased effectiveness, be more encouraged and feel more valued, thereby assuming greater accountability (Rabie et al., 2016). Eventually, this will lead to enhanced SME performance and sustainability (Bruwer & Van den Berg, 2017). Fundamentally, a focus on training can offer a long-lasting solution by providing SMEs with knowledge on planning for training, the role of the SME owner in training, how to engage in the training process, how to institute training transfer,

how to conduct training evaluation, as well as the proper training documentation that should be maintained. Moreover, an understanding of skills development strategies, legislation plans, documents, programmes and bodies can also help keep SMEs afloat.

Therefore, in the light of the above arguments, it appears that an urgent need exists for a study that creates awareness of the role played by training and skills development in SME sustainability. Should this role and contribution be unveiled, SMEs may occupy their pride of place as a pillar of economic growth in South Africa. To unpack this phenomenon, Section 1.3 defines the term SMEs.

1.3   DEFINITION OF SMEs

The definition of SMEs has always been a contentious issue, and consensus on this has not yet been reached. Nevertheless, Peprah, Mensah and Akosah (2016) mention, that an SME is an enterprise that employs fewer than 250 employees. Moreover, Lose (2016) notes that SMEs employ more people than micro- and very small businesses, and tend to be managed by a single individual. Conversely, Hong and Lu (2016) do not consider the criterion of employee numbers for an enterprise to be categorised as an SME, but the size of the financial investment. Additionally, Soomro and Aziz (2015) point out that, in America, Europe and the OECD countries, entities are placed in the category of an SME in accordance with the value of their assets. In Africa, annual income and the industry in which the enterprise operates, play a key part in the definition of an SME (Ngoma, 2016). Within the South African context, the Small Enterprise Development Agency (Seda) mentions that, for an enterprise to register as an SME, it should comprise 20 to 250 employees, and have developed entrepreneurial skills and partnership networks (Seda, 2017). The Small Business Act (26 of 2003) places SMEs into categories separate from survivalists, micro-, very small and medium to macro-enterprises.

Recent debate is that the size of the population, economic challenges, the strength of the industry to which the SME belongs and economic internalisation should form inputs to provide a proper international definition of SMEs (Soomro

& Aziz, 2015). Manufacturing SMEs are also defined in terms of the Act to employ 20 to 250 employees to carry out labour-intensive production processes (Small Business Act 26 of 2003). Appendix A, illustrates the labour-intensive production processes undertaken by the shoe-manufacturing SMEs in the current study.

Figure 1.1 illustrates the categories of SMEs in South Africa, with the inner core being the survivalist enterprises and the outer core the medium-size enterprises. This figure (Figure 1.1) also depicts the progression of SMEs from survivalist to medium enterprises.
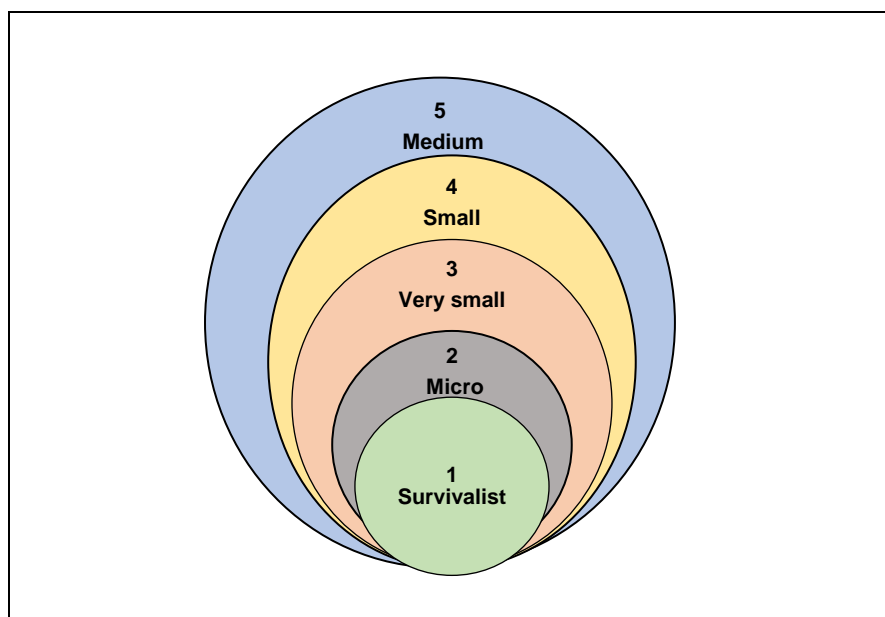
Figure 1.1: Categories of SMEs in South Africa
(Source: Own compilation)

Table 1.1 provides a definition for each type of SME shown in Figure 1.1.

Table 1.1: Definitions of SMEs based on the Small Business Act (26 of 2003)

Level	Category of SMEs	Description
1	Survivalist	Operates in the informal sector. Undertaken by unemployed persons. Little capital is invested and little training is needed.
2	Micro	Informal and comprise of one to five employees. Basic training and skills are required.
3	Very small	Forms part of the formal economy and employs less than 10 employees, including artisans. Training is needed.
4	Small	Registered entities with a more complex management structure. Employs less than 100 people. Training is needed.
5	Medium	Mainly owner managed. Employs up to 200 people. Training is needed.

The manufacturing SMEs in the present study belong to the Level 4 (small) and Level 5 (medium) enterprises in Table 1.1, because their employee numbers and need for training places them in these levels. The study adopted the definition of Lampadarios, Kryriakidou and Smith (2017) as a more recent understanding of the term SMEs. The authors describe SMEs as single and distinctive enterprises with more than 10 but fewer than 250 employees, operating in a section or sub-section of the economy, managed by one or more owners (Lampadarios et al., 2017). It is clear from the definition of Lampadarios et al. (2017) that SMEs are critical to the economy and therefore Section 1.4 considers the role of these enterprises in South Africa.

1.4   THE ROLE OF SMEs IN SOUTH AFRICA

It has already been established in Section 1.1, that SMEs play a significant role globally, from encouraging economic growth and social cohesion and fuelling creativity to assisting citizens develop entrepreneurial skills. In Africa, SMEs influence social changes, whilst in South Africa; they are responsible for industrial development and economic competitiveness (Ngoma, 2017). Moreover, a report by the Competition Commission in (2016) reveals that South Africa has 2 251 821 SMEs in total and that 90% of South African businesses are SMEs. Furthermore, SMEs in the manufacturing sector are the nucleus of economic growth and job creation in the country (Seda, 2017). However, SMEs experience many

challenges (Section 1.4.1), in their endeavours to make a positive contribution to society.

1.4.1 Challenges faced by SMEs

SMEs in America, Asia, Europe and the OECD countries have documented ineffective leadership, poor managerial skills and inadequate planning as the sustainability barriers they experience (CIPD Report, 2016; Gherhes, Williams, Vorley & Vasconcelos, 2016; OECD Report 2013). African SMEs battle with the burning issue of skills shortage borne from a lack of sound education and training systems and practices (Lose, 2016). In the South African context, researchers have noted a host of challenges that have plagued SMEs over the years. Table 1.2 lists these challenges.

Table 1.2: Challenges facing SMEs in South Africa

Challenge	Description
A lack of access to finance	Obtaining capital is a long and tedious process (Mavimbela & Dube, 2016).
Production and operational issues	Ineffective planning and management expertise for skills acquisition and development (Shilinge, 2016).
Inadequate human resource services	Inability to attract and retain a competent workforce (Mavimbela & Dube, 2016).
Poor entrepreneurial skills	Insufficient experience or any form of business management knowledge (Shilinge, 2016).
Few mentorship, monitoring and evaluation interventions	Inability to invest in mentorship, monitoring and evaluation programmes (Rabie et al., 2016).
Lack of time to undertake training	Small workforce with employees performing multiple tasks. Production cannot be sacrificed for training (Mavimbela & Dube, 2016).
Inability to source training providers	Sourcing suitability qualified training providers involves high costs and time (Rabie et al., 2016)
Complex government legislation	Multiple labour laws and red tape in employing, retaining and skilling employees (Shilinge, 2016).

In addition to the challenges mentioned in Table 1.2, Mavimbela and Dube (2016) and Lima (2017) agree that SMEs battle with inadequate knowledge on training and skills development as a means to move their enterprises forward and attain sustainability. Section 1.4.2 unpacks the meaning of sustainability.

1.4.2 SME sustainability

Sustainability is defined as the need for an organisation to ensure that it contributes to a better quality of life today without comprising the quality of life of future generations (Caputo, Veltri & Venturelli, 2017). Sharma and Kaur (2016) refer to sustainability in terms of the triple bottom line of people, planet and profit. Whilst, Cohen (2017), corroborates the thinking of Sharma and Kaur (2016), the former author also mentions that sustainability hinges on the need to achieve organisational objectives. The definition of Cohen (2017) was accepted as the definition of sustainability for this study because it emphasises the elements of people, planet and profit, which is what this study considers in terms of SME sustainability.

A study by Wiese (2014) on the sustainability of SMEs within the South African context, notes that SME owners often encounter difficulty in maintaining interest in sustainability practices. Wiese (2014) offers a solution, indicating that sustainability should be an extension of the vision and mission of SMEs and that employees' must understand how sustainability fits into the operations of the enterprise (Wiese, 2014). Additionally, the study of Wiese (2014) briefly alludes to the role training and skills development play in SME sustainability, stating that SMEs can benefit from well-structured training and skills development initiatives. This study provides a holistic view of people, planet and profit in respect of SME sustainability. Therefore, it was imperative to formulate a problem statement to consider the gaps that needed to be addressed. Section 1.5 provides the problem statement of this study.

1.5 PROBLEM STATEMENT

South African SMEs, particularly manufacturing SMEs, are not able to endure the long term and transform their businesses into sustainable offerings. Fatoki (2014) notes that 75% of SMEs close shop after just two years of starting up. Recent statistics show SMEs fail after just 42 months of existence (Bruwer & Van den Berg, 2017). Whilst, studies leveraging training and skills development for sustainability in SMEs have been conducted widely in overseas countries, studies

of this nature have been explored only to a limited extent in South Africa, and particularly so in the Durban and East London urban regions. Furthermore, SME owners, who are at the helm of their enterprises, were not sufficiently afforded the opportunity to express their perceptions on the role and contribution of training and skills development for their sustainability.

Kunene (2008) conducted a critical analysis of the entrepreneurial and business skills in SMEs in the textile and clothing industry, in Johannesburg focusing on marketing, legal, financial and operational abilities, as key abilities that SME management require for their enterprises to be prosperous. Whilst the study of Kunene (2008), was steered from a mixed methods research design, which encompasses a qualitative angle as well and involved SME owners, training and skills development was not the focus of the study, nor was the study conducted in the manufacturing sector. The study of Kunene (2008) also did not include the Durban and East London urban regions of South Africa.

Rajaram (2008) undertook a quantitative research study analysing the financial management and accounting skills in the SME sector in KwaZulu-Natal with emphasis on the Pietermaritzburg region of the province. The study of Rajaram (2008) highlights the accounting and financial management expertise SME owners and employees need to possess to endure the long term. However, the study of Rajaram (2008) did not consider the manufacturing sector or the Durban and East London urban regions.

Neneh and Vanzyl (2011) conducted a quantitative study to establish the impact of entrepreneurial characteristics on the survival of SMEs in the Free State. This enquiry states SMEs that possess entrepreneurial skills are more likely to be sustainable (Neneh & Vanzyl, 2011). Additionally, Bezuidenhout and Nenungwi (2012) carried out a quantitative exploration on the business skills of SME owners in Johannesburg. The study of Bezuidenhout and Nenungwi (2012) concludes that SME owners require knowledge on finance and project management. Although, the studies of Neneh and Vanzyl (2011) and Bezuidenhout and Nenungwi (2012) were conducted on SME owners, they did not focus on the

manufacturing industry and the Durban and East London urban regions. Moreover, these studies used a random sample of SMEs across various industries (Bezuidenhout & Nenugwi, 2012; Neneh & Vanzyl, 2011).

Egelser (2013) carried out a quantitative research study evaluating the effectiveness of training on entrepreneurship development in Windhoek. The study by Egelser (2013) describes training as a critical component in SME success. However, this study was conducted in Windhoek, Namibia, and hence has little bearing for South African SMEs. Additionally, the enquiry of Egelser (2013) focused on training and ignored the manufacturing sector and skills development.

Wiese (2014) conducted a quantitative study to investigate the impact of SME sustainability across various industries in Potchefstroom and resolves that poor training and ineffective customer service are among the reasons for SME unsustainability. Furthermore, Rabie et al. (2016) carried out a quantitative study to unearth the relationship between training and SME success and notes that training interventions are less likely to be available to the SME community. The research of Wiese (2014) and Rabie et al. (2016) was not conducted specifically on SME owners, the manufacturing industry or any particular urban region.

It is obvious from the above synopsis that whilst, studies have been undertaken with the aim to uncover similar objectives to this study, a research gap still exists in that these studies were taken from a quantitative standpoint and hence this necessitated a qualitative study that would provide SME owners with the opportunity to speak frankly and openly and to share their perceptions and experiences on the topic. To close this gap, specific research questions and objectives (Section 1.6) were formulated.

1.6   RESEARCH QUESTIONS AND OBJECTIVES

The research questions are outlined in Section 1.6.1, followed by the research objectives in Section 1.6.2.

1.6.1   Research questions

The research questions were divided into a primary research question (Section 1.6.1.1) and secondary research questions (Section 1.6.1.2).

1.6.1.1 Primary research question

What is the role and contribution of training and skills development with regards to the sustainability in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?

1.6.1.2 Secondary research questions

1. Which training and skills development interventions are implemented by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability?

2. To which extent do these training and skills development interventions contribute to the sustainability of SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?

3. What are the training and skills development challenges faced by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?

4. What recommendations can be made to address training and skills development interventions for SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability?

5. What guidelines can be offered for the implementation of training and skills development interventions in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability?

1.6.2 Research objectives

The research objectives were divided into a primary research objective (Section 1.6.2.1) and secondary research objectives (Section 1.6.2.2).

1.6.2.1 Primary research objective

To explore and describe the role and contribution of training and skills development with regards to the sustainability in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa.

1.6.2.2 Secondary research objectives

1. To explore the training and skills development interventions implemented by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability.

2. To establish the extent to which these training and skills development interventions contribute to the sustainability of SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa.

3. To explore the training and skills development challenges faced by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa.

4. To make recommendations to address the training and skills development interventions of SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability.

5. To develop guidelines for the implementation of training and skills development interventions in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability.

To answer the research questions and achieve the objectives, this study followed a specific research design and methodology. Section 1.7 explains this design and method.

1.7 RESEARCH DESIGN AND METHODOLOGY

Research design is the blueprint to answer the questions posed by the researcher during the study and to control the challenges that may surface during the research process (Creswell & Poth, 2017). Research methodology is linked to research design and focuses on the technique that is used to gather the data for the study (Salkind, 2012). This research study was designed to include a literature (Section 1.7.1) and empirical study (Section 1.7.2).

1.7.1 Literature study

The main focus of the literature study was to gather theory on SMEs with respect to training and skills development. Chapter 2, provides a literature study on training and SMEs, in terms of the importance of training, training challenges faced by SMEs, the SME owner's role in training and training transfer and evaluation. Chapter 3, presents a literature study on skills development and SMEs, unearthing the skills development legislation, strategies, bodies, plans and programmes that influence SMEs in South Africa.

In completing the literature study, the keywords *training, skills development, small and medium businesses, manufacturing and entrepreneurship* were used to search for and access peer reviewed articles from the following search engines and data bases:

- NEXUS: Current and completed South African research;
- Sacat: Catalogue of books available in South Africa;
- SA e-publications: South African Journals;
- International Journals;
- Academic Search Premier;
- Business Source Premier; and
- Ebscohost.

1.7.2   Empirical study

Creswell (2015) advocates that seven steps are followed in carrying out an empirical study. Table 1.3 presents and applies these steps to this study.

Table 1.3: Steps in the empirical study

Steps	Description	Application to this study
Step 1	Determination and description of the sample	• 15 SMEs were selected as the sample for this study. Seven participants were from Durban and eight were from East London; and • The sample was selected by a data collector in accordance with set inclusion criteria.
Step 2	Selection and motivation of data measuring instrument	• An exploratory, descriptive and contextual design with a qualitative research framework, was used to gather the data and this enabled an exploration and description of the topic; and • An in-depth understanding and thick and rich information were obtained.
Step 3	Administration of the instrument	• Two pilot interviews were conducted before the main study, one in Durban and one in East London to establish the suitability of the interview guide; and • Individual face-to-face semi-structured interviews were conducted, using an interview guide.
Step 4	Analysis of the data received from the interviews	The data was transcribed, then coded by myself and verified by the independent coder. Open coding was used.
Step 5	Reporting and interpreting the findings	A content thematic analysis was conducted to extract themes and sub-themes from the data. These themes and sub-themes are reported on in Chapter 5.
Step 6	Integration of the findings	The themes and sub-themes were used to answer the research questions posed in Section 1.6.
Step 7	Formulation of conclusions and recommendations	The conclusions and recommendations that emerged from this study are presented in Chapter 6.

1.8   ETHICAL CONSIDERATIONS

Ethics is the appropriateness of the researcher's behaviour in relation to the rights of the participants in the study, as the behaviour of the researcher, influences the participants (Salkind, 2012). Lose (2016) adds, that ethical research requires that honesty and confidentiality be considered. This research study was undertaken ethically in that, firstly, the SME owners gave permission to be included in the

study and therefore their participation was voluntary. Secondly, the University of South Africa's (UNISA) Research Ethics Policy was adhered to and an Ethical Clearance Certificate (Appendix B) was obtained in this regard. Additionally, issues in respect of informed consent, anonymity and confidentially were also considered. A further discussion on the ethical issues relating to this study is presented in Section 4.4.6 in Chapter 4.

1.9 DEFINITION OF KEY CONCEPTS

The terms used in the current study are defined in Sections 1.9.1 to 1.9.5.

1.9.1 Training

Training or learning is a sub-function of HRD that facilitates learning and the acquisition of knowledge, skills and attitudes (KSAs) of employees to enhance individual and organisational performance (Kucherov & Monokhina, 2017). Additionally, Bradford, Rutherford and Friend (2017) and Hickey (2017) corroborate that training is a methodical approach to learning which builds individual, team and organisational efficacy. The definition of Kucherov and Monokhina (2017) was accepted as the definition of training for this study because it alludes to KSAs and sustainability which are key components in the present study.

1.9.2 Skills development

Sousa and Rocha (2017) mention that, skills development comprises the competencies necessary to perform a task and the KSAs that are acquired as a result. However, Molodchik and Jardon (2017) argue that skills are normally linked to a qualification. Further to this, Majama and Magang (2017) posit that whilst skills development is aligned to a qualification, it involves performing a task at a certain level of competence. The definition of Sousa and Rocha (2017) was adopted for this study, since it links skills to outcomes, which is what this study considers.

1.9.3   Sustainability

Sustainability is the need for organisations to preserve the current eco-system for future generations (Pandya, 2013). This understanding of Pandya (2013) is also reflected in the thinking of Louw and Venter (2013) wherein sustainability is defined as the need to preserve the present environment to ensure the survival of the forthcoming generation. Whilst Cohen (2017) agrees that the preservation of the environment is a key aspect of sustainability, they also mention that sustainability includes practices related to people and profit. The definition of Cohen (2017) was accepted for this study as it provided a holistic view of sustainability, which is what this study also emphasises.

1.9.4   Small and Medium Enterprises (SMEs)

Lampadarios et al. (2017) describe SMEs as single and unique enterprises, owned by one or more individuals, which function in a section of the economy, producing goods or services to satisfy customers. Moreover, SMEs are enterprises that comprise 20 to 250 employees, with developed entrepreneurial skills and partnership networks (Seda, 2017). This study adopted the definition of Lampadarios et al. (2017) since it is most applicable to the manner in which SMEs are viewed in the current study.

1.9.5   Manufacturing sector

Manufacturing involves the production of goods and services (Erasmus, Loedolff, Mda & Nel, 2013). The definition of Erasmus et al. (2013) is integrated in the definition of Fargani, Cheung and Hasan (2017) which states that manufacturing is the use of resources to transform inputs into outputs. The manufacturing sector in South Africa is the third main contributor to the nation's GDP (Statistics South Africa, 2016b). The core areas of manufacturing are agro-processing, the production of automotive parts, chemicals, information and communication technology, electronics, metal, textiles, clothing and footwear (Statistics South Africa, 2016b). The definition of the manufacturing sector, provided by Statistics South Africa (2016b) was accepted as the definition for this study as this provides

an understanding of the role played by the manufacturing sector in the nation's economic advancement, which is what this study also takes into account.

1.10   SIGNIFICANCE OF THE STUDY

Firstly, this study makes a contribution to the sub-field of HRD by adding to the limited body of knowledge that exists on the subject. Secondly, knowledge is provided for SME owners on how to plan for training, the approach to the training process, how to implement training and skills development interventions, training transfer and evaluation, and how to maintain training and skills development documentation. Thirdly, SME owners are informed of skills development legislation, strategies, bodies, plans and programmes that exist for their benefit. Fourthly, guidelines are offered for Government and bodies such as the Department of Labour (DoL), Sector Education and Training Authority (SETA), Manufacturing, Engineering and Related Services Seta (Merseta), Small Enterprise Development Agency (Seda), South African Chamber of Commerce and Industry (SACCI), Small Business Development Institute (SBDI) and South African Board for People Practice (SABPP), for policy development for implementation in SMEs. However, despite the significance of the study, certain limitations, accompanied this study (Section 1.11).

1.11   LIMITATIONS OF THE STUDY

One of the limitations of this study is that it focuses only on SMEs in the manufacturing sector and in the Durban and East London urban regions of South Africa. Owing to the fact that SMEs differ slightly from region to region and industry to industry, future studies should include other industries and regions as well. Moreover, whilst this study serves as a tool to guide and educate SMEs on the role played by training and skills development in their sustainability, it cannot be generalised to the broader population because of its qualitative nature.

Additionally, since this study sought to explore and describe the perceptions of the owners as managers of their enterprises with regards to the role and contribution of training and skills development for sustainability in their enterprises, only SME owners were included in the sample. Moreover, in view of

the fact that SME owners are often tasked with strategically planning for training and skills development, and setting training objectives, they were seen as individuals who would best be able to answer the research questions. Employees were not interviewed, as this study did not seek to include employee perceptions and experiences. Moreover, whilst employees are the recipients of training and skills development initiatives, they are often not involved in the entire training function per se, and so they would not be able to effectively provide answers to achieve the objectives of this study. Another limitation of the study is that, the sample size is small and the findings produced may not be typical of the population of SMEs in South Africa. Section 6.7 in Chapter 6 provides a detailed discussion on the confines of this study.

1.12 CHAPTER LAYOUT

This thesis comprises of six chapters. The composition of each chapter is briefly outlined.

Chapter 1

Introduction and scientific overview of the study

This chapter provided the orientation of the study. The chapter introduced the background to and motivation for the study and defined the term SMEs. Moreover, the research problem, questions and objectives were provided. Additionally, the research design and methodology were delineated. The ethical considerations, key concepts, significance of the study and limitations were also outlined in this chapter. The chapter ended with a brief overview of the remaining chapters of this thesis and a summary.

Chapter 2

Training and SMEs

Chapter 2 focuses on training and SMEs. The chapter provides the definition of training, its importance and the challenges that accompany it. The training process, the SME owner's role in managing training, training transfer and evaluation are also unpacked.

Chapter 3

Skills development and SMEs

This chapter discusses skills development and SMEs. A definition of skills development is provided, together with a historical perspective. A discussion on skills development legislation, strategies, bodies, plans and programmes in South Africa is also presented.

Chapter 4

Research design and methodology

Chapter 4 describes the research design and methodology used for this study. Additionally, the research process that was followed is explained. Finally, the trustworthiness and ethical considerations are discussed and applied to this study.

Chapter 5

Research findings in relation to themes

This chapter summarises the findings and a critical interpretative discussion on the themes are provided. A discussion on each theme and sub-theme is presented. Verbatim quotes of the participants in respect to each sub-theme are provided. This chapter also presents a literature control that was performed to compare the findings of the present study, with that of the existing literature on the topic.

Chapter 6

Conclusions and recommendations

In this concluding chapter, the findings are reported and conclusions are reached. The findings in Chapter 5 are correlated with the literature study in Chapter 2 and Chapter 3. The limitations of the study are also outlined in Chapter 6. Finally, recommendations are made and guidelines are offered for training and skills development in SMEs.

1.13 SUMMARY

In this chapter, the introduction and scientific overview of the study, served as an orientation to study. The role of SMEs in South Africa and the challenges that impact their sustainability were highlighted. Apparently, despite the role that SMEs play in the economy, they experience obstacles that threaten their sustainability. It emerged that the role and contribution of training and skills development for SME sustainability needs reconsideration. To unpack this and steer the discussion, the problem statement, research questions and objectives, and the research design and methodology were noted. It was mentioned that an exploratory, descriptive and contextual research design embedded within a qualitative framework was used to carry out the study. The target population included SME owners in the manufacturing sector in Durban and East London. In addition, the data collection process, involved semi-structured interviews through the use of an interview guide and the data analysis was carried out through content thematic analysis. This chapter also presented the ethical considerations, key concepts and significance and limitations of the study. The chapter concluded with a chapter layout of the thesis. The next chapter, Chapter 2, presents the literature on training and SMEs.

CHAPTER 2

TRAINING AND SMEs

2.1　INTRODUCTION

Chapter 1 provided the introduction to and scientific overview of the study. This chapter, Chapter 2, presents the literature on training and SMEs. A literature study puts the phenomena being studied in context. It takes into account the viewpoints of previous researchers on the subject and identifies the models and theories that are relevant to the study (Salkind, 2012).

The following quote illustrates that, if businesses fail to train and develop their employees, and if these employees stay in their employment, the organisation will suffer as a result.

"What happens if we invest in developing our people and they leave?" - CEO
"What happens if we don't and they stay?"- Manager

- (Henk, 2016)

The quote of Henk (2016) is also applicable to SMEs, in that, just like big business, SMEs are faced with the task of continuously growing the skills of their employees so as to stay relevant and sustainable. Whilst some SMEs are proactively taking up the challenge, and are investing in their skills base, others remain uninterested (Coetzer, Kock & Wallo, 2017). In view of this argument, this chapter begins with a definition of training, followed by a discussion of its importance and challenges. Thereafter, the training process, and the SME owner's role in training, training transfer and evaluation are unpacked. Later, a brief discussion of the training documents maintained by SMEs is provided. The chapter concludes with a summary.

2.2　CONCEPT OF TRAINING

Training is an organisational intervention intended to equip employees with the necessary KSAs to perform their jobs (Hickey, 2017; Kucherov & Monokhina,

2017). Moreover, Bradford, Rutherford and Friend (2017) argue that training is a systematic method used to build individual, team and organisational effectiveness. Additionally, Ogunyomi and Bruning (2016) note that training focuses on skills development, achieved through on-the-job and off-the-job methods. Kang, Shen and Xu (2015) define on-the-job training as job instructions given by the supervisor in which employees learn by observing their peers, in conjunction with working with the resources and facilities that form part of the job. On the other hand, off-the-job training has been described as a physical urban region away from the workplace where training takes place (Haruna & Marthandan, 2017). Furthermore, Novak (2012) maintains that training involves a training policy, which is a comprehensive written policy that communicates the main criteria for training and development.

Additionally, training forms part of the architecture of HRD. According to Swanson and Holton (2001), HRD is a process that enables human capability to be unleashed through training and development, for the purposes of improving performance. Ncube (2016) adds that HRD involves activities that improve the quality of work delivered by employees. According to Nolan and Garavan (2016), HRD also includes the formulation of an HRD strategy, which is a strategy that considers the entire learning process and involves an overall approach to training within the organisation. Additionally, the authors recommend that an HRD strategy be comprehensive and linked to the goals of the organisation (Nolan & Garavan, 2016). Moreover, Ncube (2016) agrees with Nolan and Garavan (2016) on the mechanics of an HRD policy and further contributes that an effective HRD strategy gives rise to a positive learning culture and cultivates favourable attitudes among employees towards learning.

Whilst some SMEs are proactively involved in training and developing their employees, others do not see the value of improving the skills and competencies of their workforce (Rabie et al., 2016). Moreover, studies done in America and Europe on learning and development in SMEs have revealed that SMEs formulate, implement and monitor their training policy and HRD strategy to guide their training activities (Langwell & Heaton, 2016; Tam & Gray, 2016). However,

the OECD Report (2013) contradicts these findings, indicating that SMEs do not strategically consider training, nor do they have formal policies and strategies in place. In South Africa, SMEs are realising that inculcating relevant KSAs in their employees is crucial for the effective completion of tasks and for sustainability (Rabie et al., 2016). Moreover, Lose (2016) notes that an increasing number of South African SMEs are proactively formulating and implementing a training policy and HRD strategy. Hence, training has become important in SMEs, and Section 2.3 discusses this importance.

2.3   IMPORTANCE OF TRAINING IN SMEs

A study on human resource (HR) best practices conducted in Chinese SMEs reveal that these enterprises view training as a means to build employee skills and capacity (Newman & Sheikh, 2014). Similar research done on SMEs in Italy, state that training is linked to sustainability (Antonioli & Della Torre, 2016). Whilst a study on SMEs' understanding of human resource management (HRM) practices undertaken in European SMEs corroborate the findings of Antonioli and Della Torre (2016), the study argues that not all SMEs view training as important, in view of the fact that some SMEs are production and profit focused (Psychogios, Szamosi, Prouska & Brewster, 2016). In Africa, SMEs engage in training to improve their competitive edge and chances of survival (Ogunyomi & Bruning, 2016), whereas South African SMEs acknowledge training as a means of staying relevant and profitable (Ramukumba, 2014). However, regardless of the importance of training in SMEs, these entities are faced with challenges. Section 2.4 highlights these challenges.

2.4   TRAINING CHALLENGES EXPERIENCED BY SMEs

A study on the training challenges experienced in Malaysian SMEs, unearths that small businesses have insufficient financial resources to invest in training (Rahman, Yaacob & Razdi, 2016). Furthermore, related research in Canadian automotive manufacturing SMEs, cite complex government legislation as the hurdle they need to overcome (Holmes, Rutherford & Carey, 2016). Moreover, research conducted on the training barriers experienced by European SMEs

reveal that these enterprises face challenges such as (1) the absence of a training department, (2) difficulty in planning for training interventions, (3) limited resources and abilities, (4) scarcity of skilled labour, (5) difficulty in finding qualified practitioners, (6) inadequate time to spend on training interventions and (7) lack of knowledge to identify and make decisions on suitable training interventions and methods (Psychogios et al., 2016). Furthermore, South African SMEs experience training obstacles in the form poor motivation, unsuitable learning content and methods, and the inability to transfer learning to the work environment and to conduct training evaluation (Ramukumba, 2014; Mkubukeli & Tengeh, 2016). To overcome these challenges, the training process should be considered. Section 2.5 explains the training process.

2.5   TRAINING PROCESS

Korff, Biemann and Voelpel (2017) and ul-Hassan (2017) state that a training process is a series of steps that must be followed systematically for learning to be effective. This study discusses Nadler's Critical Events Model (CEM) and the Noe, Hollenbeck, Gerhart and Wright Model to indicate the training process that SMEs should follow. These models are relevant to this study because both models are responsive to the needs of learning and can be applied to SMEs. Furthermore, the models place emphasis on evaluation and feedback without waiting for the implementation phase, which is what SMEs are concerned with, considering that they have limited financial resources to invest in training. However, the shortcoming of both models is that they do not seem to prioritise the objectives of the organisation before employee needs (Nolan & Garavan, 2016). First, Section 2.5.1 unpacks the CEM, and then Section 2.5.2 discusses the Noe, Hollenbeck, Gerhart and Wright Model.

2.5.1   Nadler's Critical Events Model (CEM)

This model mentions that identifying the steps in the training process is pointless if external issues in the form of social, technological, economical, ecological, political, legal and ethical factors (STEEPLE) are not considered, as these factors influence the organisation's functioning. The view of Nadler (1994) is that it would

make sense to identify critical events so that training can be structured meaningfully. Figure 2.1 illustrates the CEM, followed by a discussion of each step in the model.
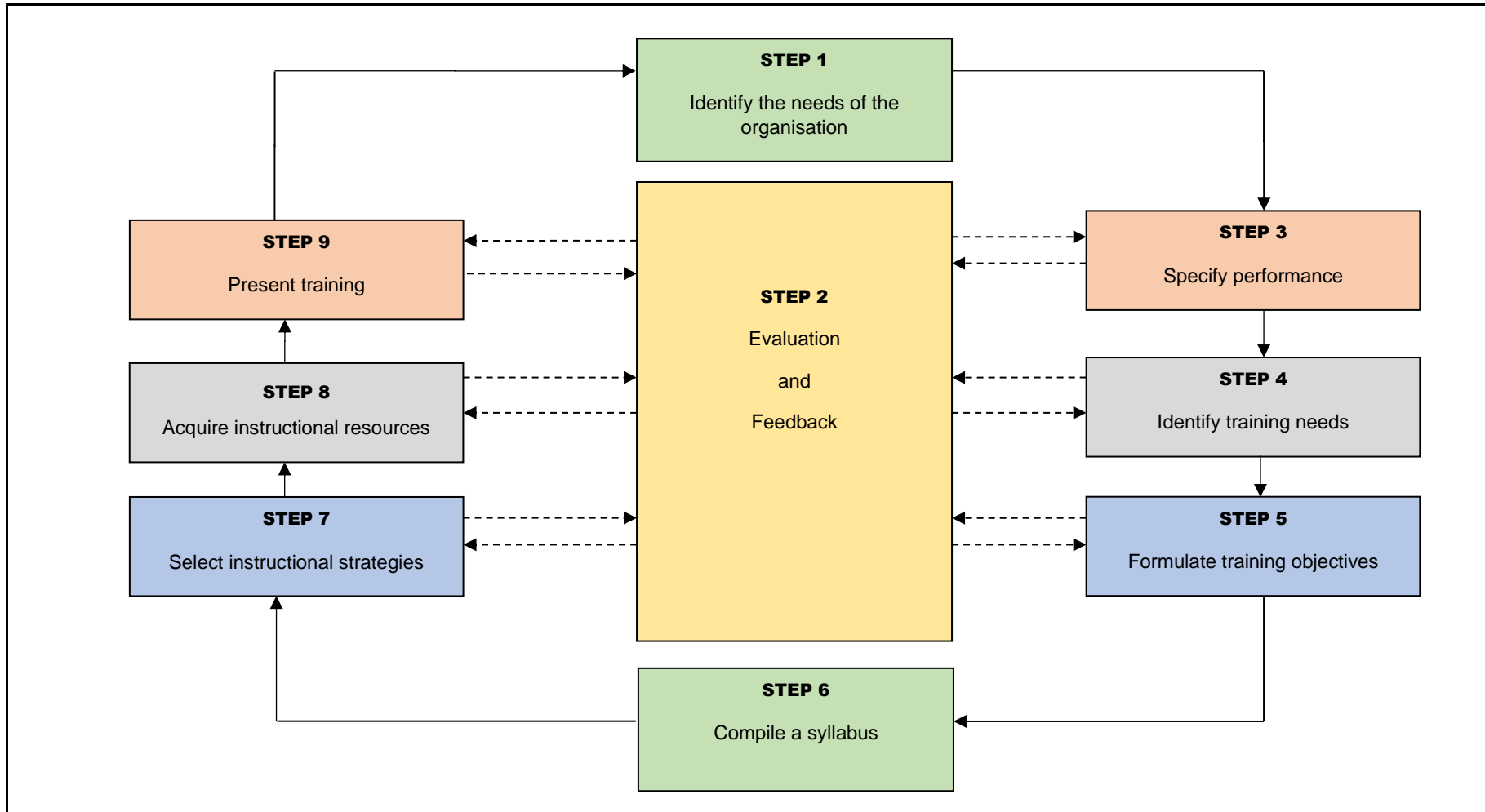
Figure 2.1: Critical Events Model

(Source: Adapted from Erasmus et al., 2013, p. 30)

Step 1: Identify the needs of the organisation

In this step, the organisational needs are established and the internal factors (the organisation itself and the vision and mission) and external factors (STEEPLE) are considered (Erasmus et al., 2013; Nadler, 1994). Since there is a relationship between the organisation and its environments, the need for training arises from both environments (Erasmus et al., 2013; Nadler, 1994). A study of tacit knowledge management in Columbian SMEs unearths that these enterprises proactively consider both environments when engaging in training (Arias, Betancur & Rodriguez, 2016). However, research on the critical success factors in Indian SMEs notes that SMEs experience difficulty in identifying their needs due to a lack of knowledge on how to conduct a needs analysis (Tyagi, Soni & Khare, 2016).

Step 2: Evaluation and feedback

This step places emphasis on the feedback and evaluation of the training process (Erasmus et al., 2013; Nadler, 1994). Research on personal initiative training in the manufacturing and service-based industries in Germany observes that training evaluation and feedback are constantly provided by SMEs to their employees (Frese, Hass & Friedrich, 2016). Conversely, related studies in Africa have revealed that SMEs often lack the necessary knowledge and tools to provide evaluation and feedback on learning (Omolo, 2015).

Step 3: Specify performance

During this step, performance is specified in accordance with an employee's tasks that need to be appraised, so that the manager can determine the performance criteria for each employee (Erasmus et al., 2013; Nadler, 1994). A study specifying performance in Spanish SMEs, mentions that small businesses inform their employees of the performance required for each task, and this enables employees to learn and apply new knowledge to the workplace (Ruiz, Gutierrez, Martinnez-Caro & Cegarra-Navarro, 2017). However, similar research on SMEs in Italy, reveal that SMEs struggle with setting criteria for good performance as they do not have established HRD functions or adequate knowledge of how to set performance criteria (Pucci, Nosi & Zanni, 2017).

Step 4: Identifying training needs

In this step, individual training needs are identified, and since training depends on identified needs, the success of training depends on the accuracy of this step (Erasmus et al., 2013; Nadler, 1994). In SMEs, this would involve training policies and KSAs that employees can appreciate and internalise. Research on SME competitiveness in Kenya notes that SMEs have a well-structured HRD framework that enables training needs to be determined (Irungu & Arasa, 2017). On the other hand, a study on foundational competencies required for job engagement in Malaysian SMEs, reports that, despite SMEs proactively engaging in training, they experience difficulty in identifying training needs owing to the impromptu manner in which they approach training (Haruna & Marthandan, 2017).

Step 5: Formulating training objectives

During this stage, the training objectives against which performance will be assessed are outlined (Erasmus et al., 2013; Nadler, 1994). A South African study on improving SME performance through supply chain integration reveals that SMEs set clear learning objectives and tailor these objectives to meet the developmental needs of their employees (Pooe & Mahlangu, 2017). In contrast, research on strategic planning in SMEs in Botswana, notes that SMEs do not formulate training objectives because of their informal and flexible business nature (Majama & Magang, 2017).

Step 6: Compile a syllabus

This step considers the compilation of a syllabus for training so that relevant material can be included to address the skills gap (Erasmus et al., 2013; Nadler, 1994). Contextual research on HRD in SMEs states that small businesses in many countries use in-house training practitioners to develop their training syllabus based on the training needs and the skills deficiencies of their employees (Nolan & Garavan, 2016). Conversely, studies carried out in Korea on skills training in SMEs show that some SMEs do not have the knowledge to draw up a training syllabus and tend to outsource this to external training providers (Lee, 2016).

Step 7: Select instructional strategies

During this stage, the training methodology that the training practitioner will use is considered. This is done based on the content of the training intervention and the uniqueness of the training situation (Erasmus et al., 2013; Nadler, 1994). A study on training and development practices in small information technology firms in India mentions that both on-the-job training and off-the-job training are used to up-skill and re-skill employees (Sharma & Kaur, 2016). The findings of Sharma and Kaur (2016) were refuted in a later study on the reluctance of emerging economies to engage in training, where it was found that Chinese SMEs do not purposely engage in either on-the-job or off-the-job training, as there is a general perception that training is a waste of resources (Bai, Yuan & Pan, 2016).

Step 8: Acquire instructional resources

In this step, the effectiveness of the training intervention depends on the resources that are provided by the organisation (Erasmus et al., 2013; Nadler, 1994). A study on training and development practices in small information technology organisations reveals that on-the-job training and off-the-job training are used to up-skill and re-skill employees (Sharma & Kaur, 2016). The study of Nolan and Garavan (2016), which focuses on HRD in South African SMEs, documents that both formal and informal methods are used by SMEs.

Step 9: Present training

In this final stage, Step 1 to Step 8 are collated to enable training to be presented effectively (Erasmus et al., 2013; Nadler, 1994). In SMEs, this step means that they implement the course of action selected and train their employees for the KSAs required. Research on leveraging entrepreneurship training and its impact on SME performance in Italy and Berlin notes that training is presented in accordance with the type of business operations the SME is engaged in (Salimi, 2016). The findings of Salimi (2016) are also found to be true in a study on investing in training in Korean SMEs (Sung & Choi, 2016).

2.5.2 The Noe, Hollenbeck, Gerhart and Wright Model

This model consists of four phases namely needs assessment, design, implementation and evaluation. Figure 2.2 illustrates each phase, after which each phase is unpacked.
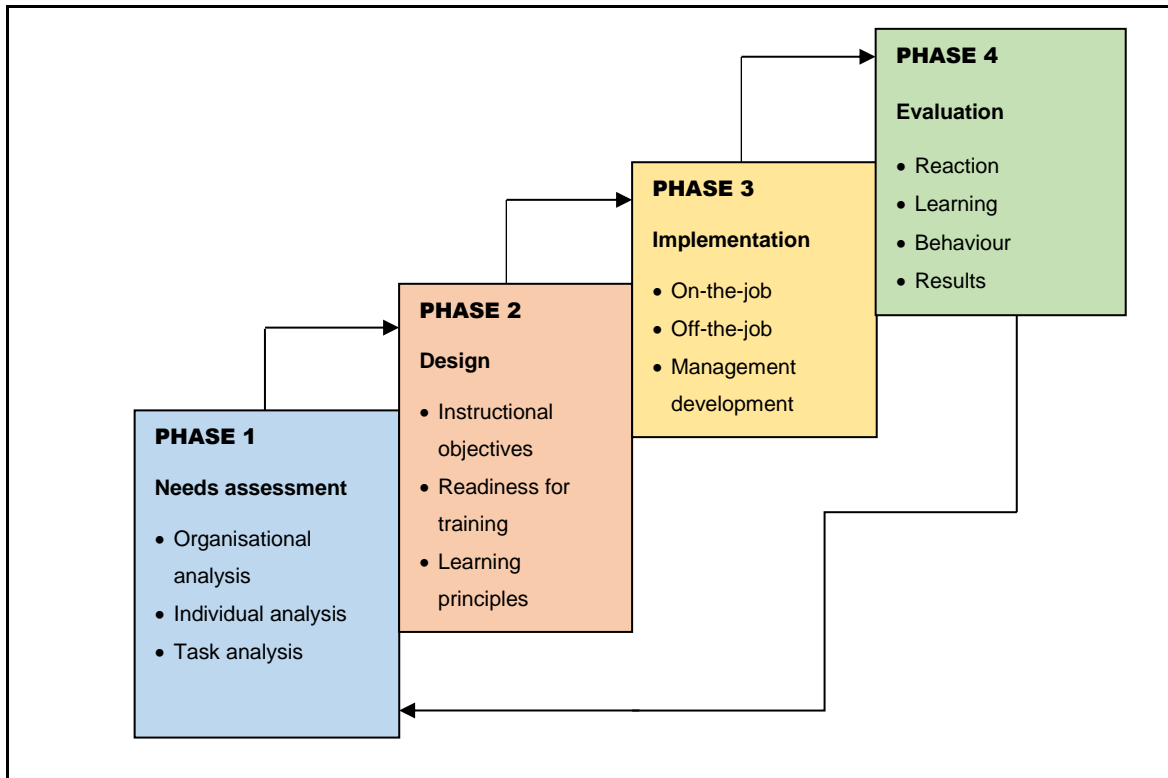
Figure 2.2: The Noe, Hollenbeck, Gerhart and Wright Model
(Source: Adapted from Noe et al., 2013, p.14)

Phase 1: Needs assessment

This phase corresponds to Step 1, Step 2 and Step 4 of the CEM. Training needs assessment or training needs analysis (TNA) is important to (1) identify organisational problems that require solutions, (2) build data to evaluate training results and (3) ascertain the financial resources and the advantages of training (Noe et al., 2013). The study of Irungu and Arasa (2017) on factors impacting competitiveness in SMEs in Botswana, unearths that these entities perform TNA to establish deficient competencies in their employees so that these skills can be built. Conversely, the study of Bai et al. (2016) reveals that most Chinese SMEs do not have the knowledge to effectively perform TNA.

This phase also includes an organisational, individual and task analysis (Noe et al., 2013). The organisational analysis establishes if training supports the organisation's strategic goals and objectives (Tesavrita & Suryadi, 2016). An individual analysis aims to (1) determine if employees' performance is influenced by lack of KSAs, (2) identify those employees who require training and (3) establish an employee's readiness for training (Sharma & Kaur, 2016). The task analysis determines the training needs content and the requirements of the job (Valaei & Rezaei, 2017). In addition, each job requires specific tasks to be performed, and to carry out their tasks well, employees' need the relevant KSAs, which are established through a meaningful task analysis (Valaei & Rezaei, 2017). Whilst a study done in Pakistani SMEs on human capital development, observes that SMEs perform an organisational, individual and task analysis to identify and close the gap between their employee's current and future capabilities (Mubarik, Govindaraju & Devadason, 2016), the OECD Report (2013) finds the opposite to be true.

Phase 2: Design

This phase corresponds to Step 5, Step 6 and Step 7 of the CEM. During this phase, the need for training is first assessed. If a need or a set of needs exists, then the readiness for training is established. Following this assessment, the intervention is planned and the objectives, training practitioner who will deliver the training, resources and methods to carry out the intervention are established. Noe et al. (2013) mention that outlining the instructional objectives and learning principles is important to ensure the successes of the intervention, as employees learn well when they understand the objectives and the learning principles. Moreover, in view on the fact that some British SMEs do not have a structured HRD function or a training practitioner owing to their small structure and lack of financial resources, they outsource training design, or it becomes the task of the owner or supervisor (CIPD Report, 2016). Whilst, Haruna and Marthandan (2017) note that Malaysian SMEs are proactively involved in designing training, Bai et al. (2016) mention that Chinese SMEs do not do so, as they are sceptical of the return from investment (ROI) from training.

Phase 3: Implementation

This phase corresponds to Step 7, Step 8 and Step 9 of the CEM. The method of training, namely on-the-job or off-the-job training that can be used for employee training and management development is considered in this phase (Noe et al., 2013). The method that is applied is based on the situation, the organisational goals and the training design. Studies in Europe and South Africa have shown that SMEs use both formal and informal training methods, depending on the nature of the business activities and the skills to be acquired (Nolan & Garavan, 2016; Rabie et al., 2016).

Phase 4: Evaluation

This last stage is important for establishing the effectiveness of training (Noe et al., 2013). According to Robson and Mavin (2014), the rationale of evaluating training is to (1) determine the training needs in accordance with objectives of the organisation, (2) identify the interventions strengths and weaknesses, (3) establish the employees' response to the intervention, (4) define the financial costs and benefits attached to the intervention and (5) assist in making decisions about the most suitable training interventions. Furthermore, effective training leads to employee satisfaction, enhanced business performance and better-skilled employees (Valaei & Rezaei, 2017). However, the CIPD Report (2016) argues that SMEs globally find it difficult to evaluate training, which could be attributed to poor knowledge on the subject. The report further notes that most SMEs use questionnaires and observation as tools to evaluate employees across all levels in the enterprise (CIPD, 2016).

Moreover, the CEM and the Noe, Hollenbeck, Gerhart and Wright Model, allude to the involvement of managers in the training process. In view of this, SME owners should be mindful of the role they play in the broader scope of training in their entities. Section 2.6, unpacks these roles.

2.6   THE SME OWNER'S ROLE IN TRAINING

Kapunda (2016) mentions that, managers are instrumental in supporting employees in learning and development activities, and that these managers contribute significantly to the motivation of employees to transfer learned skills to their jobs. An earlier study by Brinkerhoff and Montesino (1995), to investigate the relationship between management support and learning transfer, found that employees who receive management support before, during and after the training interventions were better equipped and motivated to transfer learning to the workplace in comparison with those employees who did not enjoy such support.

Moreover, SME owners need to consider the four managerial tasks of planning, organising, leading and control when engaging in training. *Planning* relates to the mission and goals of the organisation (Majama & Magang, 2017). Whilst, Tam and Gray (2016) note that planning leads to better decisions on training. Planning tends to be absent in the management approach of SMEs, with formal planning taking place on an irregular basis (Madrid-Guijarro, García, & Van Auken, 2009). *Organising* involves a detailed analysis of the tasks and resources to be used to achieve the mission and goals of the organisation (Moyo & Moyo, 2017). The SMEs owner's role in organising training is crucial, in that proper administration is required to arrange the financial resources needed for interventions and to systematise production schedules. This is to avoid bottlenecks that could result from employees who are not at work as a result of attending a training intervention (Boniface & Groenewald, 2016).

Leading is the process of inspiring employees to work enthusiastically to achieve the objectives of the organisation (Erasmus et al., 2013). In SMEs, owners need to be a human-resource-centred manager and motivate employees to build their skills (Antonioni & Torre, 2016). Antonioni and Torre (2016) further note that SME owners are often too busy or lack the necessary leadership skills to propel training. Finally, *control* is where managers continuously establish if the organisation is on course towards realising its mission and goals (Iturralde, Maseda, Arosa & Garcia-Ramos, 2016). Effective control in SMEs makes it possible for owners to establish if the training interventions have resulted in a transfer of learning to the work

environment, and if this transfer has resulted in sustainability. Moreover, the involvement of SME owners in training activities also extends to training transfer. Section 2.7 examines training transfer.

2.7   TRAINING TRANSFER

In the contemporary business environment, an organisation's performance and sustainability depends on the extent to which employees are able to apply learnt skills and knowledge to their jobs (Desse, 1958). Moreover, modern-day scholars believe that training transfer is a key factor in employee motivation. However, despite training transfer resulting in impetus to learn and contribute, only 10% of learning is in fact transferred to the job (Hou & Fidopiastis, 2016). To overcome this management scholars, have over the years offered a variety of models to make the transfer of training possible (Hughes, 2016). Section 2.7.1 defines training transfer.

2.7.1   Concept of training transfer

Holm, Frantzén, Aslam, Moore and Wang (2017) and Hou and Fidopiastis (2016) concur that training transfer is the extent to which employees apply the KSAs learnt through training to their jobs. Whilst Tangoukian, Hamad and Menassa (2016) agree with Holm et al. (2016) and Hou and Fidopiastis (2016), the former authors further argue that training transfer also entails carrying out certain activities before, during and after a training intervention to facilitate the effective application of skills learnt to the work environment. It is clear from the findings of the authors cited above that the transfer of training is important (Section 2.7.2).

2.7.2   Importance of the transfer of training

On the one hand, from an organisational perspective, training transfer is crucial for improving performance and achieving sustainability (Grazzini, Albanet & Boissin, 2017) On the other hand, from an employee perspective, training transfer leads to the successful application of KSAs and an improvement in job performance, motivation and career advancement, which ultimately result in improved job ranking, closure of the skills gap and talent retention (Alnowaiser, 2017). However,

in the case of SMEs, the OECD Report (2013) indicates that these entities are not as proactive in encouraging training transfer because of time constraints on owners and supervisors. Despite the importance of training transfer, there are certain challenges associated with it (Section 2.7.3).

2.7.3 Barriers to training transfer

The barriers to training transfer in SMEs are inadequate management and supervisory support, lack of motivation, few or no incentives, ill-equipped environments and insufficient authority to apply training knowledge within the work context (McDermott & Pietrobellim, 2017). Whilst, Padachi and Bhiwnajee (2016) agree with McDermott and Pietrobellim (2017), the former authors add that, in some instances, managers and supervisors have no understanding of the training needs of employees. Moreover, Ferreira and Velincas (2016) argue that employees may also fail to transfer knowledge learnt because of delayed application and fear, as these enterprises do not have substantial financial resources to invest in training interventions that do not yield learning transfer and improved business performance. Training practitioners have, over the years, recommended addressing the barriers to training transfer by considering certain factors (Rabie et al., 2016). Section 2.7.4 outlines these factors.

2.7.4 Factors affecting the transfer of training

Baldwin and Ford (2003) note that there three factors in particular that influence training transfer. These factors are trainee inputs (trainee characteristics, training design and work environment), training outputs (learning and retention), and the conditions of transfer (generalisation and maintenance). Table 2.1 presents the training inputs that apply to this study.

Table 2.1: Factors influencing training transfer

Training inputs	
Training characteristics	***Motivation:*** The transfer of learning occurs when employees are more likely to learn and transfer this learning throughout the training process. SMEs ought to support employees by providing motivation and resources needed for training transfer; and ***Perceived utility training:*** Employees who view training as beneficial and meaningful are more likely to transfer learnt skills to their jobs. SMEs must inform their employees of the benefits of training so that they are motivated to participate in training interventions.
Training design	***Behavioural modelling:*** This facilitates transfer when opportunities to practise learnt skills and knowledge are provided. SMEs should create opportunities for training transfer by providing tasks and activities that enable this; and ***Realistic training environment:*** It is essential to conduct training and practice in environments that are similar to the actual work environment as this enables skills and knowledge to be transferred. In SMEs, training interventions should be selected that simulate the workplace so that effective training transfer can take place.
Work environment	***Support:*** Supervisor and peer support are crucial for training transfer. SME owners, supervisors and peers of employees should collaborate to encourage the employee in training transfer; and ***Opportunity to perform:*** Employees need resources and opportunities to apply the newly learnt skills and abilities. SMEs can ensure that financial resources, time and other tools required for training transfer are available.

(Source: Adapted from Baldwin & Ford, 2003, p.63)

2.7.5   Training transfer models

This study discusses Broad and Newstrom's Transfer Matrix and the Learning Systems Transfer Inventory (LSTI). The Broad and Newstrom Transfer Matrix, emphasises the time and role dimensions considering learning transfer before, during and after the intervention by the manager, training practitioner and employee (Kodwani, 2017). The LSTI assesses employees' perceptions of how performance, feedback and support influence learning transfer. Both models are relevant to this study because both models consider the individual and time dimension related to training transfer, which this study considers. However, the shortcoming of the Broad and Newstrom Transfer Matrix and the LSTI is that they do not sufficiently consider the personality traits or learning style of employees (Alhathli, Masthoff & Siddharthan, 2017). Section 2.7.5.1 unpacks Broad and Newstrom's Transfer Matrix, whilst Section 2.7.5.2 explains the LSTI.

2.7.5.1 Broad and Newstrom's Transfer Matrix

The Broad and Newstrom Transfer Matrix emphasises support for the employee undergoing training. The matrix focuses on three time periods - before, during and after the training, and the roles of three individuals - the manager, the trainer and the employee (Broad & Newstrom, 1992).

The first source of support for the employee during the learning process is the *supervisor and the manager* (Agbo, 2017). In SMEs, the owner often acts as the manager and therefore needs to be actively involved in all periods of training transfer. The second source of support is the *training practitioner*. It was established that training practitioners play a significant role in training transfer, because they determine what learning will be transferred, the rate at which it will be transferred and the climate in which this will take place (Banerjee, Gupta & Bates, 2016). In SMEs, supervisors may also serve as the training practitioner. Moreover, some SMEs appoint external training practitioners to assist with training activities. The third source of support is the *employees* themselves, owing to their ability to exercise direct control over their willingness to acquire and apply relevant skills (Schindler & Burkholder, 2016). In the case of SMEs, employees are not always in a position to transfer learnt skills due to limited resources and inadequate involvement by the owner and supervisor (OECD Report, 2013). The Broad and Newstrom Transfer Matrix appears in Table C2 in Appendix C.

2.7.5.2 Learning Transfer Systems Inventory (LSTI)

The LSTI of Bates and Holton (2004) serves as an effective training transfer tool and includes three components - the trainee, the training intervention and the organisation. Table D2 in Appendix D refers to the concepts of the LSTI that apply to SMEs. Hughes and Gosney (2016) and Banerjee et al. (2016) corroborate that the LSTI can help organisations recognise those elements that hinder training transfer, and this can result in the development of a learning transfer system that is organisation specific.

In an earlier study, De Vos, Dumay, Bonami, Bates and Holton (2007) argue that the LSTI is divided into special and general factors, and that these components can be managed and evaluated during the learning process. In the case of SMEs, it is often difficult to establish the personal reasons that hinder training transfer, hence a model such as the LSTI can help SMEs determine the obstacles to learning and put mechanisms in place to deal with them as advised by the model. Moreover, this inventory can be used as a yardstick to enable SMEs to improve the ROI from training and to make sense of the facets that influence training transfer. In addition, the LSTI is a supportive, practically structured and simple diagnostic tool that can guide SMEs in establishing training needs, as well as in appraising the effectiveness of the intervention. Once training transfer has taken place, training evaluation needs to be performed to establish the effectiveness and success of training. Therefore, Section 2.8 explains training evaluation.

2.8   TRAINING EVALUATION

Organisations are particularly interested in establishing the effectiveness of training as a means to determine ROI (Awolaja, Akinruwa & Olalekan, 2017). Management scholars have presented many models that can be used to evaluate training. Section 2.8.1 defines training evaluation.

2.8.1   Concept of training evaluation

Training evaluation is a systematic process of gathering information with the purpose of establishing the effectiveness of a training intervention and taking decisions on training (Pedram, Perez, Palmisano & Farrelly, 2016). Pedram et al. (2016) point out that training evaluation emphasises the extent to which training has responded to the needs of the organisation. In an earlier study by Homklin, Takahashi and Techakanont (2014), training evaluation is viewed as the outcomes of training that benefits employers and employees. Section 2.8.2 discusses the importance of training evaluation.

2.8.2 Importance of training evaluation

Robson and Marvin (2014) note that from an organisational perspective, training evaluation is important for the following reasons. It:

- provides evidence of an investment in employees and information on which employees should participate in training activities;
- assists in making decisions about prospective interventions; and
- establishes the value interventions brings to the organisation and justifies money spent on training.

In addition, from an individual perspective, training evaluation enables employees to provide feedback to their organisations about the interventions they have attended and which they found worthwhile (Rabie et al., 2016; Robson & Mavin, 2014). It is proposed that SMEs be equipped to evaluate training from both perspectives, as this will not only provide them with knowledge on whether the particular intervention has added value, but will also put them in a position to plan better for future training activities. However, despite the benefits attached to training evaluation, it has certain challenges (Section 2.8.3).

2.8.3 Challenges of training evaluation

Nolan and Garavan (2016) and Sharma and Kaur (2016) mention that SMEs experience the following challenges in evaluating training:

- Cost, laziness, fear of criticism, lack of evaluation methods and expertise, and the time evaluation consumes;
- Training practitioners find that management does not always show an interest in evaluation;
- Only a few organisations endeavour to capture the influence of training on their triple bottom line; and
- A lack of resources and knowledge on how to evaluate training.

2.8.4 Models of training evaluation

This study discusses the Kirkpatrick Four Level Evaluation Model and the Brinkerhoff Six Stage Model to determine training effectiveness. The Kirkpatrick Four Level Evaluation Model evaluates training effectiveness in terms of four levels, namely reaction, learning, behaviour and results. The Brinkerhoff Six Stage Model prescribes six stages be followed to ascertain if training has been successful and if it has attained its set objectives. Both models are applicable to this study, as these models collate all the steps of the training process into a holistic evaluation model. Nevertheless, the weaknesses of the Kirkpatrick Model Four Level Evaluation Model are that it is incomplete, it lacks inter-relatedness and it assumes that each level builds on the previous one, which has consequences for the ability of training practitioners to evaluate training organisation (Ebie & England, 2016). The drawback of the Brinkerhoff Six Stage Model, on the other hand, involves formative and summative evaluation, which is only possible in ideal cases, where the employer and the training practitioner are intimately related (Tong & Jacobs, 2016). First, Section 2.8.4.1, presents the Kirkpatrick Four Level Evaluation Model, and then Section 2.8.4.2 discusses the Brinkerhoff Six Stage Model.

2.8.4.1 The Kirkpatrick Four Level Evaluation Model

According to the Kirkpatrick Four Level Evaluation Model, reaction, learning, behaviour and results are the four levels of outcomes against which training is evaluated (Ferreira & Velincas, 2016). A case study on training evaluation levels and ROI in a small logistics company in Portugal, shows that SMEs can benefit from applying the Kirkpatrick Four Level Evaluation Model, as a review of the four levels makes it possible for SMEs to determine those areas in which development is required and then to budget accordingly (Curado & Martins Teixeira, 2014). Moreover, in view of the natural flow from level to level, SME employees can chart their progress and then transfer learning to the enterprise. Figure 2.3 depicts the Kirkpatrick Four Level Evaluation Model, after which the four levels of outcomes are explained.
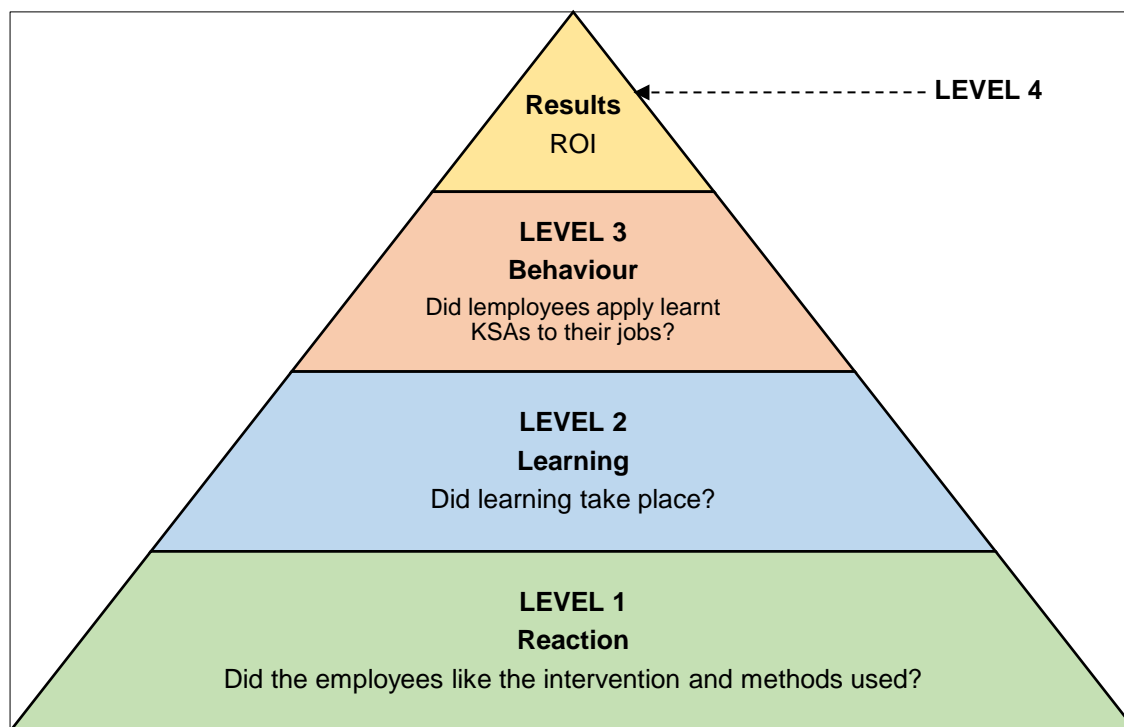
Figure 2.3: Kirkpatrick Four Level Evaluation Model

(Source: Adapted from Kirkpatrick, 1979, p.78)

Level 1: Reaction

This level establishes whether the employees liked the specific learning intervention (Kirkpatrick, 1979). Positive reaction to the intervention may inspire employees to attend prospective interventions. Research done on the effects of financial knowledge and capabilities on small business performance in Australia reveal that, should employees experience training positively, they are likely to engage in future training activities and transfer newly learnt skills to the workplace (Sulaiman, 2016). Conversely, a study on entrepreneurial learning in Danish SMEs indicates that SMEs lack the motivation to grow and, in view of this, do not invest in training, which makes it impossible to ascertain employee reactions to training (Eli, Jensen & Nielsen, 2015).

Level 2: Learning

This level focuses on the extent to which employees have acquired the intended KSAs as a result of training (Kirkpatrick, 1979). A study on manager influence on training effectiveness in Saudi Arabian SMEs indicates that SMEs measure

learning and learning transfer by observing employees as they perform their tasks (Shiryan, Shee & Stewart, 2012). However, the OECD Report (2013) disagrees, stating that SMEs lack the know-how and tools to determine if learning has taken place.

Level 3: Behaviour

This level evaluates the extent to which the employees apply newly learnt skills to their tasks, when they get back to the workplace (Kirkpatrick, 1979). However, employees must be given the opportunity to use these KSAs. Whilst research on different training methods in SMEs in various countries note that small businesses actively assess behaviour after a learning intervention (Jones, Beynon, Pickernell & Packham, 2013), a study on e-learning in Irish SMEs notes that small entities do not have the expertise or resources to gauge behaviour resulting from training (Sambrook, 2003).

Level 4: Results

This level determines the extent to which planned objectives and ROI have been achieved from the training intervention (Kirkpatrick, 1979). The ROI model is alluded to briefly in Section 2.8.4.2. A study on employee learning in Hong Kong states that SMEs embed mechanisms to establish the ROI from training (Law & Chan, 2017), whilst research on the reluctance of Chinese SMEs to engage in training, points out that small businesses do not consider training to be effective or linked to profitability (Bai et al., 2016).

2.8.4.2 The Brinkerhoff Six Stage Model

The Brinkerhoff Six Stage Model combines the results-orientated characteristics of business models and the formative-improvement orientated features of an educational model into a holistic model (Brinkerhoff & Brinkerhoff, 2004), with a focus on ROI. This model is illustrated in Figure 2.4, after which the six stages are discussed.
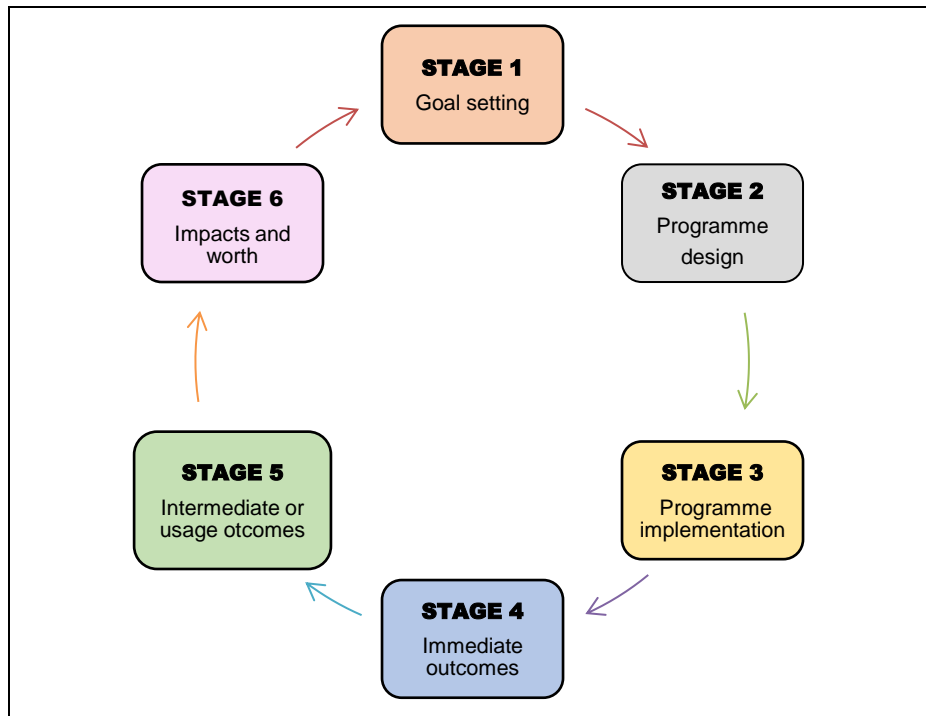
Figure 2.4: Brinkerhoff Six Stage Model

(Source: Adapted from Brinkerhoff & Brinkerhoff, 2004, p.253)

Stage 1: Goal setting

During this stage, problems are scrutinised, needs are evaluated and goals are formulated to establish if training is the most suitable and worthwhile answer to organisational problems and challenges (Brinkerhoff & Brinkerhoff, 2004). This stage corresponds to Step 1 of the CEM in Section 2.5.1, where it was noted that, whilst some SMEs formulate clear training goals (Arias et al., 2016), others do not have set training objectives in place (Tyagi et al., 2016).

Stage 2: Programme design

In this stage, the design of a training plan is assessed for relevance to the training goals set and KSAs to be acquired (Brinkerhoff & Brinkerhoff, 2004). As mentioned in Step 6 in the CEM, some SMEs use in-house training practitioners to design their learning programmes (Nolan & Garavan, 2016), whilst others do not have the expertise to do so and outsource this to external practitioners (Lee, 2016).

Stage 3: Programme implementation

This stage steers the evaluation in the direction decided upon in the prior steps (Brinkerhoff & Brinkerhoff, 2004). This stage corresponds to Step 9 of the CEM, where it was mentioned that SMEs present training in accordance with their business operations and processes (Sung & Choi, 2016).

Stage 4: Immediate outcomes

In this stage, immediate responses to training are determined and KSAs are acquired (Brinkerhoff & Brinkerhoff, 2004). As noted in Level 1 of Kirkpatrick's Four Level Evaluation Model in Section 2.8.4.1, employees who have a positive training experience are likely to engage in future training activities and transfer learnt KSAs to the work environment (Sulaiman, 2016). The opposite is also true, in that some SMEs lack the motivation to train their employees (Eli et al., 2015).

Stage 5: Intermediate or usage outcomes

During this stage it is established if the learning content is applied by employees to their tasks (Brinkerhoff & Brinkerhoff, 2004). This stage corresponds to Level 2 and Level 3 of the Kirkpatrick's Four Level Evaluation Model, where it was mentioned that, whilst some SMEs observe training transfer and provide the opportunity for training to take place (Shiryan et al., 2012), others lack knowledge on how to establish training transfer (OECD Report, 2013).

Stage 6: Impacts and worth

In this stage, an evaluation is conducted to ascertain if the investment in training has achieved the objectives of the organisation (Brinkerhoff & Brinkerhoff, 2004). As noted in Level 4 of Kirkpatrick Four Level Evaluation Model, some SMEs are able to establish training effectiveness (Law & Chan, 2017), whilst others do not engage in training evaluation in view of their disregard for training (Bai et al., 2016).

2.8.4.3 Return on Investment Model (ROI)

Whilst, ROI in monetary terms is not the focus of this study because of its highly numerical foundation, which does not comply with the qualitative nature of this

study, it is still necessary to point out the existence of this model as a tool against which SMEs can assess training.

It was noted that, while some SMEs spend large sums of money on training and a large number of employees receive training yearly; only a few SMEs evaluate the ROI from training (Kuriyama, 2017). ROI, as popularised by Philips, Breining and Phillips (2008), takes into account that, in view of budget constraints, the results of training need to be visible and documented so that the training activities continue to receive financial resources to add value to the SME. Additionally, Sharma and Kaur (2016) argue that, whilst SMEs endeavour to evaluate training, they do not possess sufficient skills and knowledge on how to conduct proper training evaluation.

However, despite the advantages of measuring ROI, the criticism is that ROI offers no directive on how to enhance business results (Oricchio et al., 2017). This could pose a challenge for SMEs as they inherently want to improve their financial performance and sustainability. Moreover, according to Cadoret (2016) and the Harvard Business Review (2017) the major limitation of ROI is that it tends to simplify a complex decision-making process, using a single formula. The Harvard Business Review (2017) goes on to explain that ROI is exclusively a financial measure and does not include qualitative information on the investment being measured. In the case of SMEs, the ROI will not be useful, as decision-making in terms of an outlay of time and financial resources in training activities is a complex process and cannot be simplified. SMEs have scarce resources and need to prioritise their business operations. Besides, apart from financial information in terms of profit and loss, SMEs need qualitative data on which learning interventions have worked well and which were not well received by their employees. In view of this, ROI is limited because of its focus on the financial data.

Above and beyond ROI, the cost-benefit analysis as a measure to appraise the desirability of an investment may also be used. The cost-benefit analysis predicts if the benefits of an investment outweigh its costs and by the amount in comparison to the other alternatives. This then enables organisations to rank alternatives in

terms of a cost-benefit ratio and to make informed decisions as a result (European Commission, 2014).

In addition, Raman (2015) and Okwera (2016) cite the following advantages of using the cost-benefit analysis as a measurement tool:

- Simplicity and objectivity: the cost-benefit analysis is simple and this enables organisations to evaluate investments; and
- Goal setting: a cost-benefit analysis gives organisations an idea of the least amount of revenue needed to ensure that investments are profitable.

However, the argument against the cost-benefit analysis is that it is subject to human error; hence the omission of certain costs can result (Raman, 2015). Okwera (2016) agrees with Raman (2015) and the former author further states that some ambiguity and uncertainty occurs when attempting to assign monetary values to certain items and this can lead to inaccuracy and negatively affect decision making. In the case of SMEs, these weaknesses of the cost-benefit analysis can risk effective decision making with regards to training and skills development activities and interventions.

Nevertheless, since SME owners and supervisors are often tasked with choosing the learning and development interventions, deciding which to pursue and which to defer is often a difficult decision. In view of this, the cost-benefit analysis can be an effective planning tool to compare costs and benefits of learning interventions and this can put SME owners and supervisors in a position to choose those interventions that are likely to contribute the most to value, in terms of skills development, to their labour force and the financial success and sustainability of the enterprise.

2.9 TRAINING DOCUMENTS

Over the years, management scholars have debated the purpose of keeping records of training and skills development activities. Evidence suggests that doing so enables information to be obtained on the current skills level and performance of employees (Alonso-Gonzalez, Peris-Ortiz, & Mauri-Castello, 2017). Whilst

Prashar (2017) agrees with Alonso-Gonzalez et al. (2017), the former author also notes that maintaining training documents in SMEs enables:

- Strategic decisions to be taken and the skills status to be periodically reviewed;
- Employees to reach their potential in the workplace through drawing up developmental plans based on individual needs; and
- Legislative requirements to be complied with.

Erasmus et al. (2013) and Taipale-Erävala, Lampela and Heilmann (2015) advocate the following training documents (Table 2.2) be maintained by an organisation, which can also be applied to SMEs.

Table 2.2: Types of training documents in SMEs

Type of document	Purpose of the document
HRD strategy	Aligned to the vision and mission of the organisation. Sets out the various types of learning and development activities the organisation will undertake to develop the KSAs of employees.
Training policy	Outlines how training will be undertaken in the organisation and the resources to be allocated for training.
Training plan	Provides a framework for and includes information on who will deliver training and when, where and how it will be delivered.
Training register	Completed by the owner, supervisor or training practitioner stating which employees have attended and received training.
Performance appraisals	Outlines the performance of each employee. Establishes areas of poor performance and considers possible solutions.
Annual Training Report (ATR)	Based on the training plan and considers what training was planned and what training was completed.
Course evaluation records	Provides feedback on employees' perceptions and general experience of the training intervention.
Training budget	Establishes the financial resources needed for training activities.

(Source: Adapted from Erasmus et al., 2013, p.83)

2.10 SUMMARY

This chapter provided the definition of training and discussed its importance and challenges. Additionally, the training process, the SME owner's role in training, training transfer and evaluation were unpacked. The training documents such as a TNA and training schedule that SMEs must maintain were also mentioned. The literature notes that those SMEs that proactively and strategically implement relevant training interventions (marketing, finance, HR and business skills among others) and in ensure the transfer of newly learnt skills to the workplace, are generally, more productive and sustainable. The next chapter, Chapter 3, provides a literature study on skills development and SMEs.

CHAPTER 3

SKILLS DEVELOPMENT AND SMEs

3.1   INTRODUCTION

Chapter 1 provided the background to and motivation for the study, while Chapter 2 presented the literature on training and SMEs. This chapter, Chapter 3, provides the literature on skills development and SMEs. Skills development is essential for the economic growth and sustainability of a nation (Kotane, 2016; Tshilongamulenzhe, 2012a) In view of this, the South African Government has implemented skills development strategies and legislation to support big and small businesses to build their skills base so that they may continue to contribute to the economy and remain sustainable. Against this background, the chapter begins with a definition of skills development, followed by a historical perspective on skills development in South Africa. Then, a discussion of skills development legislation, strategies, bodies, plans, programmes and documentation is presented. Thereafter, the type of training and skills development interventions implemented by SMEs and green skills in small businesses are briefly unpacked. The chapter ends with a summary.

3.2   CONCEPT OF SKILLS AND SKILLS DEVELOPMENT

The word skill, when applied to individuals, represents knowledge or ability or both which are acquired through education, training and experience (Rozhkov, Cheung & Tsui, 2017). Whilst Hickey (2017) agrees with the definition provided by Rozhkov et al. (2017), the former author further notes that skills development is a requirement of a job, which is best seen as a component of the task. Additionally, when applied to professions, skills symbolise prestige or social status, which may be linked to some extent to the practitioner's capacity or the tasks that he or she performs. Moreover, Kotey (2017) contends that skills are the abilities that individuals possess in order to perform a task with which they are entrusted. Majama and Magang (2017) add that skills are the abilities individuals possess to perform a job at a certain level of competence, and that an individual who does not

have such skills is unlikely to perform the task and will therefore be less effective than an individual who has the necessary skills (Majama & Magang, 2017).

According to Molodchik and Jardon (2017), skills are normally linked to a qualification. Skills development, which stems from skills as the root, is defined in respect of the competencies necessary to perform a task and also in relation to the KSAs that are acquired as a result (Sousa & Rocha, 2017). The definition of Sousa and Rocha (2017) was accepted for this study as this definition links skills development to outcomes, which is what this study emphasises. According to Mopeli (2015), skills development is important in an organisation as it serves as a tool for management to improve sustainability. Yet, for skills development to be effective, the results must be evaluated in accordance with the organisation's training and skills development requirements (Arthur-Aidoo, Aigbavboa & Thwala, 2016).

Furthermore, in South Africa, scarce and critical skills are a major concern of big and small businesses alike. Scarce skills are an absolute or relative demand for skilled, qualified and experienced individuals to fill specific roles and/or professions (DoL, 2016). Critical skills on the other hand, are the particular capabilities needed for a job (DoL, 2016). Science, technology and mathematics remain scarce skills in South Africa. In the manufacturing sector, manufacturing managers, carpenters and joiners, textile and leather goods production operators and machinists have been cited as trades with scarce skills (Merseta, 2016). On the other hand, a critical demand exists for production and operations mangers in this industry (Merseta, 2016). Powell, Reddy and Juan (2016) point out that it is important to understand the South African skills development journey from late apartheid until the current time in order to appreciate the change in this domain. In view of this, Section 3.3 provides a brief historical overview of the skills development landscape in the country.

3.3   HISTORICAL PERSPECTIVE

Since 1922, legislative provisions have been in place to ensure that occupation-specific groups of employees received only just enough practical training to

prepare them to perform at a set level of skills (Allais, Marock & Ngcwangu, 2017). The rise against apartheid, coupled with the first democratic elections in 1994, placed emphasis on HRD as a key component to meet the priorities of the state. These priorities range from skills development to curbing unemployment and poverty (Vollenhoven, 2016). The Reconstruction and Development Programme (RDP), which was initiated by the majority government to address the inaccuracies of the past, identified HRD as one of the five core initiatives to ensure the reconstruction and development of the nation (Vollenhoven, 2016). Since then, attempts have been made to ensure the creation of an effective HRD strategy and related legislation.

Moreover, the government and stakeholder bodies have continued to invest large amounts of time, energy and resources into helping large business and SMEs, by ensuring that these organisations are able to integrate HRD best policy and tackle the HRD issues that they may encounter (DoL, 2016). Above and beyond this, a financial outlay by government and other bodies has been provided to equip big business and SMEs to tackle HRD issues and challenges in the workplace. Whilst, Ngcwangu (2014) and Vollenhoven (2016) acknowledge that policies have been put in place to redress the country's education training and development (ETD) systems, both authors remark that these policies will remain a paper chase until they are effectively implemented and monitored. Besides, skills shortage remains a challenge in South Africa. Section 3.4 provides a synopsis of the skills shortage in the manufacturing sector.

3.4 SYNOPSIS OF SKILLS SHORTAGE IN SOUTH AFRICA

Skills shortage is the inadequate supply of appropriately qualified workers willing to work in the current market conditions (Tshilongamulenzhe, 2012b; Windapo, 2016). According to Ademeso, Izunnwanne and Windapo (2011) skills shortage is often the consequence of an inadequate basic education system. The persistent skills shortage in South Africa, has placed constraints on manufacturing sector. According to Merseta (2016) the following factors have been noted to influence skills shortage in the manufacturing industry in the country:

- The ageing workforce, with many older and skilled workers reaching retirement and fewer younger skilled workers entering the labour market (Windapo, 2016);

- Approximately 30% of skilled labour leaving the job market yearly and the cyclical nature of manufacturing work results in fluctuations in production and employment (Mukora, 2008); and

- Technological advancements that have led to transformation in production processes which has resulted in the need for various types of skilled workers (Wedekind; 2015).

In 2003, the Merseta commissioned a study to establish and review scarce skills facing the manufacturing industry with the objective to generate ideas for suitable interventions to address the current skills gap (Umhlaba, 2006). This study notes that several shortages exist in the repair and maintenance, and manufacturing trades (Umhlaba, 2006). In 2009, the Merseta published its *Sector Skills Plan Review* which mentions that skills deficiencies are still prevalent in the trades of manufacturing managers, carpenters and joiners, textile, leather goods production operators, information communication technology (ICT) and customer management (Umhlaba, 2006). To address the growing concern of skills shortage in the manufacturing sector, the Merseta and the government have worked tirelessly in implementing appropriate legislation (Section 3.5). However, despite these efforts, the sustainability of manufacturing organisations, including SMEs, continue to be threatened.

3.5   LEGISLATIVE OVERVIEW

The South African Government acknowledges that the country is faced with the critical challenge of skills shortages, which have serious ramifications for economic growth and job creation (SAIRR, 2008). To move forward or simply to keep up, the government put into place certain skills development governing structures. These structures are geared to developing skills, enhancing the quality of life of the labour force, improving the competitiveness of organisations and promoting self-employment in the form of SMEs. These structures are illustrated in Figure 3.1 and their bearing on SMEs in particular, is discussed thereafter.

LEGISLATION

National Small Business Act (26 of 2003)
The Skills Development Act (97 of 1998)
The Skills Development Levies Act (9 of 1999)

STRATEGIES

White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa (1995)

The Human Resource Development Strategy for South Africa (HRDSSA) (2001)

The National Skills Development Strategy (NSDS) (2001)

Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (2005)

The New Growth Plan (NGP) (2009)

National Skills Accord for Economic Development (2011)

PLANS

The Sector Skills Plan (SSP)
The Workplace Skills Plan (WSP)
The Skills Audit

PROGRAMMES

Learnerships
Apprenticeships

BODIES

National Skills Authority (NSA)
Sector Education and Training Authority (SETA)
Manufacturing Engineering and related Services SETA (Merseta)
Department of Trade and Industry (DTI)
Industrial Development Corporation (IDC)
Small Enterprise Development Agency (SEDA)
South African Chamber of Commerce and Industry (SACCI)
Durban Chamber of Commerce and Industry (DCC)
Border Kei Chamber of Commerce
The National Small Business Chamber (NSBC)

Figure 3.1: South African skills development legislation, strategies, bodies, plans and programmes

(Source: Own compilation)

3.5.1 Skills development legislation

The South African Government has worked tirelessly to ensure that a sound legislative framework exists for skills development. Skills development legislation is embedded in the spirit of growing the workforce, with clear benefits for both employers and employees. The proper implementation of skills development legislation ensures sound ROI and sustainability for the employer, and a better skilled, satisfied and confident employee (Gwija, 2014). The National Small Business Act (26 of 2003) (Section 3.5.1.1), the Skills Development Act (97 of

1998) (Section 3.5.1.2) and the Skills Development Levies Act (9 of 1999) (Section 3.5.1.3) are the skills development legislation relevant for this study.

3.5.1.1 National Small Business Act (26 of 2003)

The Small Business Act 26 was passed in 1996 and was amended in 2003 to provide a clearer and more unambiguous definition of the different categories of small business, which the first Act failed to do. The purpose of the Act is to provide support to SMEs and to carry out the economic and development agenda of the nation (Moos, 2015). The National Small Businesses Act (26 of 2003) assists in the formation of supportive structures and bodies in the form of financial institutions, technological associations and training providers to ensure SME relevance and sustainability. However, 15 years later, SMEs continue to face skills challenges, making the ambitiousness of the Act questionable. Nonetheless, two years after the initial Small Business Act was legislated, the Skills Development Act (97 of 1998) was passed.

3.5.1.2 Skills Development Act (97 of 1998)

The Skills Development Act 97 was legislated in 1998 and amended in 2008 to broaden the objectives of the Act and to provide new responsibilities for the National Skills Authority (NSA) and SETAs which were found to be lacking in the first Act (SAQA, 2016). The amendment also initiated the offering of apprenticeships to increase the quality and number of artisans and to offer support to the Quality Council for Trade and Occupations (QCTO). According to Machika (2014) the purposes of the Skills Development Act (97 of 1998), which include SMEs are to:

- Develop the skills of the South African work force;
- Improve investment in education and training in the labour force and to increase this ROI;
- Use the work environment as a self-motivated learning environment and to give employees opportunities to acquire new skills;
- Motivate employees to take part in learning interventions; and
- Ensure the quality of learning in the workplace.

Moreover, SMEs form part of skills development legislation and have a critical role in fulfilling the mandate of the Act, as they are involved in job creation (Mokhethi, 2014). Through fulfilling the directives of the Act, SMEs also benefit by becoming sustainable. However, the practicality of the Skills Development Act (97 of 1998) is under question. Firstly, the skills system hosts both private training providers and private training centres, which are not easy to quality assure because of fragmentation (Mokhethi, 2014). Secondly, there are issues relating to the suitability and flexibility of training interventions, as many employers are not able to release their employees for training owing to a loss of production time (Moos, 2015). Thirdly, it is difficult to evaluate if training interventions have contributed to improving the skills base of the SME. Closely linked to the Skills Development Act (97 of 1998) is the Skills Development Levies Act (9 of 1998).

3.5.1.3 Skills Development Levies Act (9 of 1999)

The Skills Development Levies Act 9 was passed in 1999 and revised in 2010 to provide recognisable definitions for the terms 'Director General' and 'Minister' (DHET, 2016). The purpose of the Act is to fund education and training, and compels every employer to pay a levy at a rate of 1% of an employee's total remuneration (Malambe, 2016). In respect of the Merseta (the education and training authority that oversees the manufacturing, engineering and the related services sectors in the country), 40 000 businesses are registered within this SETA and only 12 000 contribute towards the levies (DoL, 2016). Moreover, 20 000 SMEs are exempt from paying the levy (Malambe, 2016). Whilst every SETA is different, the payment of the levy has a few general benefits, as noted by the DoL (2016):

- Training and development courses;
- Skills development facilitator workshops;
- Discretionary grants, including learnerships that endorse employees if they have KSAs acquired through experience;
- Special projects funding in the form of a training interventions, that SETAs believe are worthy of being funded;
- Free SETA assistance and call centres; and

- Assessment and moderation processes for course accreditation and learnership moderation.

The Skills Development Levies Act (9 of 1999) and its amendment also extend to SMEs. In view of the financial challenges and chronic skills shortage experienced by SMEs, payment of the levy makes it possible for the SETAs to support SMEs in the ways indicated above (Loggenberg, 2015). However, SMEs have cited frustration with accessing the benefits the Act claims to offer (SME Network, 2017).

3.5.2   Skills development strategies

A number of skills development strategies have been developed by various role players in the South African Government as avenues to explore and ensure that a solid foundation is laid for skills development of the nation's workforce (Mckrill, 2015). These strategies, which are inclusive of SMEs, are committed to assisting these enterprises to carry out their mandate. Whilst scholars agree that these strategies have added value to the skills development framework, they are also of the opinion that such strategies (Sections 3.5.2.1 to 3.5.2.6) have fallen short, to some extent, in meeting their mandates (Loggenberg, 2015).

3.5.2.1 White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa (1995)

The White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa was launched in 1995 to support SMEs (Mthimkhulu & Aziakpono, 2015). This strategy was revised in 2010 to implement new incentive grant schemes and to adjust existing ones (DHET, 2016).

The White Paper (1995) on SMEs emphasises the following in terms of training and skills development (DTI, 2016):

- Provision of training in entrepreneurship, skills and management;
- Improvement of the labour environment; and
- Encouraging networking to build skills.

Moreover, the institutional reforms set out in the White Paper (1995) include the formation of Seda, which provides support to SMEs through national networks (Moos & Botha, 2016). On the other hand, the implementation of the White Paper (1995) has met several challenges, particularly because the country at that time did not have a regulatory environment and support structures for up-and-coming SMEs (Masutha & Rogerson, 2014). The question remains, if SMEs are aware of what of the White Paper (1995) hopes to achieve and the answer to this remains unclear as a record number of SMEs in South Africa continue to experience challenges, particularly related to their survival, which puts the promises made in this Paper under the spotlight. However, since, the inception of the White Paper (1995), the political landscape has changed and this change propelled one of the first holistic HRD strategies, the Human Resource Development Strategy of South Africa (HRDSSA) (Section 3.5.2.2).

3.5.2.2 Human Resource Development Strategy for South Africa (HRDSSA) (2001)

The HRDSSA was developed by the Department of Labour (DoL) and the Department of Education (DET) in 2001 (Jordaan, 2014). In September 2010, the South African Government revisited the HRDSSA in an attempt to overcome the shortcomings of the 2001 strategy, which was unclear in terms of its objectives and priorities (DHET, 2016). The new HRDDSA extends from 2010 to 2030 and compels all stakeholders in South Africa to ensure that there is a fit between the supply of and demand for HR in the country (Ncube, 2016). The purpose of the new HRDSSA (2010), as noted by Zungu (2015) is to contribute to the promotion of social cohesion through the delivery of education and skills development.

Over and above the preceding objectives of the HRDSSA (2010), several commitments have been made by the new Strategy, and these commitments are also considered in the skills development bodies (Tshilongamulenzhe, 2012a). Among other commitments, the HRDSSA (2010) pledged to increase the number of appropriately skilled individuals to meet the demands of the country's present and evolving social and economic development priorities and to establish effective and efficient planning capabilities.

The HRDSSA (2010) also extends to SMEs as productive drivers of inclusive economic growth and development in South Africa, and enables SMEs to contribute to the economy and foster diversification through their development of new and unsaturated sectors of the economy (Ncube, 2016). However, despite the aims of the HRDSSA (2010) to improve skills development, 21 years later the imbalance remains. The HRDSSA (2010) seemingly should be revisited once more to establish its continued relevance to the labour landscape in South Africa and this was done in 2017, with *the Draft Revised HRD Strategy Towards 2030*. This amendment advises that skills development must continue to be prioritised and SMEs must be supported to ensure that the objectives HRSSA (2010) are met (HRDC, 2017). It was also noted that, in view of the forthcoming industrial revolution, it is essential to explore and implement the skills required by the country to meet the challenges of the new era (HRDC, 2017). The HRDSSA does not function in isolation; it is complemented by the National Skills Development Strategy (NSDS) (2001). Section 3.5.2.3 explains this Strategy.

3.5.2.3 National Skills Development Strategy (NSDS) (2001)

The NSDS came into being in 2001 and was revised in 2005 to integrate higher and further education and skills development into a single Department of Higher Education and Training (DHET). The third revision, in 2011, was to ensure that the strategy is more inclusive and to emphasise collaboration between employers, public education institutions, private training providers and the SETA to create opportunities for all South Africans.

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4	OBJECTIVE 5
Prioritise and communicate critical skills for sustainable and growth	Promote quality training in the workplace	Promote employability and sustainability through skills development	Assist new entrants to participate in integrated learning and work-based programmes to acquire critical skills	Improve the quality and relevant teaching and learning

Figure 3.2: Objectives of the National Skills Development Strategy (NSDS) III (2011)
(Source: Erasmus et al., 2013, p. 87)

The five objectives set out in Figure 3.2 above were identified to fulfil the mission of NSDS III (2011) and to support the Strategy by creating a culture of lifelong learning and fostering skills development in the formal and informal sectors (Sheoraj, 2015). Whilst Malambe (2016) agrees with Sheoraj (2015), the former author adds that the objectives of NSDS III (2011) are also to stimulate and support skills development in SMEs, which has a direct impact on the sustainability of these enterprises and the country as whole. Although the objective of the NSDS III (2011) is to utilise SETAs to support the training of employed workers and to expand this training to address skills imbalances in the workforce, SETAs are not as meaningful as they ought to be. Furthermore, the government decided in 2005 that, whilst the HRDSSA (2010) and the NSDS III (2011) are playing a role in developing the labour force, more needed to be done to tackle the issue of skills development within SMEs (Ndege & Van der Bijl Park, 2015). Therefore, the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (2005) came into being. Section 3.5.2.4 considers this strategy.

3.5.2.4 Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (2005)

The Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (2005) was built on the White Paper (1995) and its revision. The purpose of the Strategy is to address the inadequate performance of entrepreneurs and small businesses (DTI, 2016). Moreover, the Strategy entails three action plans for SMEs, namely to (1) encourage growth, (2) enhance monetary and non-monetary support, and (3) increase the demand for productivity from SMEs (Malemela & Yingi, 2016).

Despite the efforts of the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (2005), the rate of SME decline is still higher than that of start-ups, of which the consequence is a loss of small business activity and jobs (Malemela & Yingi, 2016). Furthermore, the Global Competitiveness Report (2016) places South Africa last out of 144 countries in terms of competitiveness, which essentially means that, in South Africa, setting up an SME is difficult and accompanied by complicated labour legislation and poor training and skills

development. This led to the implementation of the New Growth Path (NGP) (2009) to further stimulate skills development and to offer solutions to challenges to enable a competitive labour force to be built. Section 3.5.2.5 unpacks this Plan.

3.5.2.5 New Growth Path (NGP) (2009)

The NGP was implemented in 2009 with the purpose of creating five million jobs by the year 2020 and reducing unemployment by 10% (Seda, 2017). Moreover, the NGP (2009) strives to support the private sector and assist in labour-intensive industries (Steenkamp, 2015). Education and training have also become a focus of the NGP (2009) (Ramantsima, 2016). However, the crux of this legislation remains to create jobs, and so SMEs are highlighted by the NGP (2009) as one of the key levers to attain this goal. The NGP (2009) acknowledges that innovative and sustainable SMEs are needed for job creation (Koma, 2014). The manufacturing sector, among others, is recognised as potentially viable for creating employment. However, the results indicate that the implementation of the NGP (2009) has attained little success, given that unemployment remains a challenge (Steenkamp, 2015). This led to the signing of the National Skills Accord (2011) as a further wing to lend support to the NGP (2009) in carrying out its mandate. Section 3.5.2.6, discussed this Accord.

3.5.2.6 National Skills Accord for Economic Development (2011)

The National Skills Accord for Economic Development was signed in July 2011 and outlines the main commitments of labour, business and communities to curtail the skills challenges affecting the country. Furthermore, the Accord obliges employers to align their Sector Skills Plan (SSP) and Workplace Skills Plans (WSP) to the NGP (Mashongoane, 2015). Additionally, the Accord strives to put new entrants to the labour market through learnerships, apprenticeships and internships (Kazadi, 2015).

The National Skills Accord for Economic Development (2011) speaks to SMEs with regard to learnerships and apprenticeships, which are undertaken by many SMEs, including those in the present study. By taking in learnerships and apprenticeships, SMEs assist in alleviating the unemployment burden and contribute towards up-

skilling and re-skilling the labour force, whilst at the same time improving the prospect of sustainability in their entities. In contrast, despite the initiatives of the Accord to create employment at a steady rate, unemployment remains high and the skills shortage remains a burning issue (Kazadi, 2015). This is why the value of initiatives such as the Accord is debateable, as they seem to be falling short of achieving their mandate.

3.5.3   Skills development bodies

The implementation of skills development legislation and strategies depends largely on skills development bodies. Various skills development bodies have arisen in response to legislation. These bodies ensure the effective and efficient enactment of skills legislation and monitor the progress made by the skills development initiatives. In particular, skills development bodies focus their attention on SMEs. Table E3 in Appendix E highlights the skills development bodies that are applicable to this study.

3.5.4   Skills development plans

The three main skills development plans that influence SMEs are the Sector Skills Plan (SSP) (Section 3.5.4.1), Workplace Skills Plan (WSP) (Section 3.5.4.2) and Skills Audit (Section 3.5.4.3). These plans ensure that the gaps between present and future skills needs within an organisation are addressed (Machika, 2014).

3.5.4.1 The Sector Skills Plan (SSP)

The Skills Development Act (97 of 1998) requests every SETA to develop a Sector Skills Plan (SSP). The purpose of the SSP is to make sure that the relevant SETA has the latest information to enable it to carry out its strategic skills-planning role for the sector, as well as to encourage participation by employers in the NSDS III (2011) by means of efficiently utilising existing resources for training within the sector (Balwanz & Ngcwangu, 2016). The SSP within the Merseta considers the following (Malambe, 2016):

- The policy environment for skills development in the country, with emphasis on the Merseta;

- The procedure in developing the SSP;
- The descriptive profile of the sector; and
- The characteristics of the sector that influence skills development priorities and training interventions.

In the light of the above, SMEs in the manufacturing sector need to understand the role of the SSP within the Merseta so as to understand the nature of and trends in the sector within which they operate, as this will influence their individual enterprises. It is apparent that the mandate of the SSP is to help resolve the skills shortage and unemployment issue. However, the shortcoming of this solution is that this plan is not consistent with the underlying reasons for the SETA model, which is complex for SMEs to understand (Malambe, 2016). In addition, the SSP requires SMEs to comply with the submission of documents in terms of the WSP (Section 3.5.4.2), which SMEs often find a challenge to compile.

3.5.4.2 The Workplace Skills Plan (WSP)

The WSP flows from the strategic HRD plan (Ncube, 2016). All organisations, including SMEs, are required in terms of the Skills Development Act (97 of 1999) and the Skills Development Levies Act (9 of 1999) to compile a WSP approved by the SETA (Ncube, 2016). The WSP is also closely associated with the TNA, which provides inputs into the WSP in terms of an audit of the current and future skills base of the organisation. However, in respect of national initiatives and training legislation, several other factors must also be considered when drawing up the WSP. The government's HRD Strategy, SSPs as mentioned by the relevant SETA and the requirements of employment equity must be taken into account (Lose, 2016).

The compilation of the WSP positively influences a number of areas within the SME in that, through drawing up the WSP, SME training needs and skills requirements are identified and plans are formulated to address these. Further to this, Mgidi (2014) mentions that the following requirements of the WSP, as set out by the Merseta, need to be considered when drawing up this Plan:

- The number of employees to be trained in respect of occupational group and race;
- The SME's strategic goals for skills development;
- Qualitative data in terms of recruitment that is relevant for skills planning; and
- Education and training needed for SME sustainability, including planned training interventions.

However, despite the important information that emanates from the compilation of the WSP, SMEs experience the following challenges noted by Ncube (2016) when drawing up the WSP:

- Inadequate data to be extracted for skills planning;
- Poorly defined job descriptions, which are not associated with the strategic priorities of the SME;
- A focus on current needs, with little consideration of change and SME development;
- Training and skills development are not seen as strategic priorities and lack management support;
- The importance of skills planning is not appreciated by SMEs, and this leads to skills planning and development not receiving supervisor and employee buy-in;
- The WSP is seldom associated with HRD practices and procedures; and
- Few SMEs have skills planning quality management systems to identify and address skills needs.

Moreover, embedded in the compilation of the WSP, is the skills audit (Section 3.5.4.3).

3.5.4.3 The skills audit

The skills audit is an exploration of the existing skills of the present workforce. It is a review in which the skills of employees are identified and evaluated against the skills needed at present and in the future so that gaps can be established and closed (Erasmus et al., 2013). A skills audit requires time, financial resources and knowledge. Unfortunately, SMEs often battle to make this preliminary investment and often do not have a structured plan to forecast future skills development

requirements. Meyer (2012) suggests the following to be undertaken by SMEs in respect of the skills audit:

- *Stage 1:* determine the skills the SME will require to achieve its strategies;
- *Stage 2:* ascertain the skills needed in each job, task and organisational process and then collate these to construct a milieu of expected skills; and
- *Stage 3:* the expected skills should then be compared to the existing skills, which are established through the evaluation of individual employees.

3.5.5   Skills development programmes

Two main skills development programmes, namely learnerships and apprenticeships (Section 3.5.51), have been initiated by government to assist SMEs to alleviate the skills burden they face.

3.5.5.1 Learnerships and apprenticeships

Tshilongamulenzhe (2012b) notes that the amended Skills Development Act (97 of 1998), refers to apprenticeships, as a form of learnership that benefit from the incentives provided by government. Learnerships are listed within the new occupational qualifications of the QCTO (Loggenberg, 2015). According to Jordaan (2014), learnerships that are embedded in the Skills Development Strategy of South Africa are the answer to the challenges facing the labour market. There is often confusion surrounding the difference between learnerships and apprenticeships. In view of this, Tshilongamulenzhe (2012a) points out that an apprenticeship is a form of learnership of which the outcome is a work-related award that is registered with the DHET as a trade. In relation to the National Qualifications Framework (NQF), learnerships were proposed to substitute for apprenticeships and are viewed as being more consistent with the requirements of the knowledge age, compared to the apprenticeship system (Loggenberg, 2015).

Whilst Jordaan (2014) agrees with Tshilongamulenzhe (2012b), the former author explicates the difference between apprenticeships and learnerships as follows:

- Apprenticeships are more limited in focus than learnerships, as apprenticeships focus exclusively on blue-collar workers and are aimed at younger people;

- Learnerships apply to all levels of the NQF, namely both blue and white collar and younger and older employees; and
- The NQF system, of which learnerships are a part, is credit based as opposed to apprenticeships, which are time based.

Moreover, Vollenhoven (2016) mentions that a learnership is a vocational education and training programme that is a blend of theory and practice and results in a qualification that is accredited with the South African Qualifications Authority (SAQA). Tshilongamulenzhe and Truman (2012) add that learnerships contribute significantly to building skills of the labour force, following the apartheid era. The authors also point out that learnerships are controlled and planned experiential learning interventions that comprise of KSAs and specific experience (Tshilongamulenzhe & Truman, 2012). Vollenhoven (2016) agrees with Tshilongamulenzhe and Truman (2012), and further notes that a learnership institutes a partnership between the learner and the employer, where the learner works for the employer for a set period of time, acquiring practical experience needed for a job. Jordaan (2014) attempted to put learnerships in a nutshell by stating that learnerships combine knowledge and work experience, thereby empowering learners with relevant skills to obtain employment.

Moreover, Erasmus et al. (2013) explain that, within the scope of a learnership, duties accrue to both the learner and employer. These duties, when applied to SME employees and owners, are outlined below:

Learner duties:

- Work for the employer (SME); and
- Attend education and training programs mapped out or agreed upon.

Employer (SME) duties:

- Employ the learner for the specified period of time;
- Provide the learner with practical work experience; and
- Allow the learner to attend off-the-job education and training interventions.

Over the years, skills development scholars in South Africa have come to agree that learnership and apprenticeship systems can serve as multi-skilling tool for SMEs as apprenticeships and learnerships endeavour to develop the competence of SME employees by promoting the practical application of learning in the workplace (Vollenhoven, 2016). In addition, given that SMEs have limited financial resources to train and develop their employees, engaging in learnerships and apprenticeships is an effective way to build employee skills, using the financial backing provided by government (Wiese, 2014). However, despite the well-meant by learnership and apprenticeship initiatives, a number of challenges can be noted. These range from role ambiguity, poor reporting systems and a lack of co-operative partnerships (Skills Portal, 2017). Key amongst these challenges is a lack of knowledge by SMEs on how to effectively carry out learnerships and apprenticeships. Moreover, SME owners are disillusioned by the red tape accompanying these initiatives (SME Network, 2017). Additionally, in undertaking learnerships, apprenticeships and other training interventions, SMEs need to ensure that proper documentation is kept. The types of documents kept by SMEs are explained in Section 3.6.

3.6   SKILLS DEVELOPMENT DOCUMENTATION OF SMEs

SMEs keep relevant skills development documentation to streamline and record their learning interventions (Seda, 2017). The subsequent documentation are advocated for SMEs:

- *Skills development levies document*: to record the levies paid by the SME.

- *Workplace Skills Plan:* to establish skills development needs for the year. This document notes the existing skills base and current skills gaps;

- *Skills audit document:* a document outlining the current and future skills required. This document is drawn up using the WSP; and

- *Learnership and apprenticeship documents:* prescribes learner and employer duties within the learnership and the mechanics of the programme.

In my view, the documentation cited above speaks to the type of interventions SMEs engage in (Section 3.7).

3.7   TYPES OF TRAINING AND SKILLS DEVELOPMENT INTERVENTIONS

According to the OECD Report (2013, p.43) there are a number of interventions that SMEs implement to build their skills base. These are:

- *Entrepreneurship skills:* specific skills ranging from risk taking, management, strategic thinking, self-confidence, networking and challenge acceptance and resolution;

- *Management skills:* business planning, regulation compliance, quality control, HR planning and allocation of resources;

- *Financial skills:* financial recording keeping, drawing up annual statements, financial planning and taxation;

- *Technical skills:* problem solving, design, operations, machinery and technological structures, information technology (IT);

- *Customer service:* customer handling, appreciation of customer support, response to and resolution of customer complaints, and value-chain partners;

- *Social skills:* motivation to develop, appreciation of people's characteristics, team work; and

- *Routine skills:* basic knowledge and low-knowledge skills.

However, in my view, the above skills interventions are inadequate, considering the fast-paced global environment and current economic turbulence. A fresh perspective is required. Similarly, the government and skills development bodies need to rethink skills development legislation and strategies that are not adequately gearing the workforce for the Fourth Industrial Revolution (Hattingh, 2016). I agree with the view of Hattingh (2016), as I feel more needs to be done to

equip SMEs with the necessary skills to face the approaching revolution and remain sustainable. In light of this argument, this study explored the available literature and added the following "need to have" skills to the list of the OECD Report (2013):

- *HR skills*: recruitment, selection, placement, induction, labour legislations, talent retention and training;

- *Administration skills:* record keeping, communication and problem-solving;

- *Marketing skills:* creativity, analytical skills, communication and writing ability;

- *Sales skills:* product knowledge, strategic prospecting and communication;

- *Project management skills:* leadership, team management and negotiation;

- *Bookkeeping skills*: accuracy, accounting, computer skills and organisation skills; and

- *Green skills:* knowledge, waste removal, preservation, environmental legislation.

Section 3.8 elaborates on green skills, since these skills are linked to the planet, aspect of the triple bottom line of sustainability.

3.8   SMEs AND GREEN SKILLS

Green skills are becoming increasingly popular across economies as means to attain economic growth and development and to steer clear of environmental dilapidation. Green skills are inputs into the environmental driver of economic growth and encourage sustainable practices by all parties in the economy (Onyido, Boyd & Thurairajah, 2016). New technologies, innovative business models, creating new products and generating new demand trends are a part of this sustainability. Green skills are particularly important for SMEs, considering that these entities make up 99% of all enterprises (Cecere & Mazzanti, 2017). SMEs, particularly manufacturing SMEs, need to implement more sustainable practices and engage in a green growth model. Since manufacturing resources account for

a large portion of the world's consumption of resources and generation of waste, the move towards green skilling needs to be high on the skills agenda of these entities (Leonidou, Christodoulides, Kyrgidou & Palihawadana, 2017; OECD Report, 2013).

The Green Fund was established in South Africa in 2012. The purpose of the fund is to speed up the country's move towards a greener economy by investing in initiatives that will ensure a low-carbon, resource-efficient and climate-resilient future. The fund has assisted a large number of SMEs with funding to implement green technologies, effective waste management and transport, renewable energy and biodiversity management (SA Green Fund, 2016). This has resulted in a more conscious group of SMEs and the promotion of a greener economy for sustainability. However, despite the efforts made to promote a greener economy, SMEs still tend to battle to implement green skills programmes and to adhere to environmental legislation. This battle stems from the challenges of inadequate education, lack of access to green skills, insufficient initiatives by government and a lack of funding (OECD Report, 2013). Researchers maintain that government initiatives in respect of green skills implementation, needs to be ongoing, with a particular focus on SMEs.

3.9 SUMMARY

This chapter defined skills development. Thereafter, a historical perspective of the skills development was provided. It was important to note this, because the past has shaped the current skills development landscape. Following this, a legislative overview was presented. Then development legislation, strategies, bodies, plans, programmes and documentation, were considered. After that, the significance of green skills was noted. The next chapter, Chapter 4, provides an in-depth discussion on the research design and methodology that was applied in carrying out this study.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

Research is formalised curiosity. It is poking and prying with a purpose."

- (Hurston, 1942, p. 143)

Chapter 1 provided the orientation to the study. Chapter 2 presented the literature on training and SMEs, whilst Chapter 3 provided the literature on skills development and SMEs. This chapter, Chapter 4, describes the research design and methodology used in the study. The chapter begins with an overview of the research process, followed by a discussion on the design and methodology to show that my "poking and prying", in the words of Hurston (1942), were done with a purpose in mind. Following this, the ethical considerations and trustworthiness are explained. The chapter concludes with a summary.

4.2 OVERVIEW OF THE RESEARCH PROCESS

The research questions of this study are restated below, followed by Table 4.1, which presents the rest of the research process:

Primary research question

What is the role and contribution of training and skills development with regards to the sustainability in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?

Secondary research questions

1. Which training and skills development interventions are implemented by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability?

2. To which extent do these training and skills development interventions contribute to the sustainability of SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?

3. What are the training and skills development challenges faced by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?

4. What recommendations can be made to address training and skills development interventions in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability?

5. What guidelines can be offered for the implementation of training and skills development interventions in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability?

Table 4.1: An overview of the research process

CONTINUOUS LITERATURE REVIEW			
Selection of site and participants	Collection of data	Data analysis	Writing up of findings/conclusions
SME owners in the manufacturing sector in Durban and East London were selected to participate in the study. Purposive sampling was used.	• Individual face-to-face semi-structured interviews using an interview guide were carried out; • Field notes were made during the interviews; • A voice recorder was used to record the interviews; and • Training and skills development documents kept by the SMEs were examined.	• The data collected was first transcribed and then coded by an independent coder and the researcher separately; and • Content thematic analysis was used.	• A qualitative reporting method was used in which the themes and sub-themes that emerged were discussed; and • SME owners' verbatim responses were provided to illustrate the findings.

The research process outlined in Table 4.1 was supported by the research design described in Section 4.3.

4.3   RESEARCH DESIGN

A research design is a realistic plan that describes the research methods that are used in the study (Salkind, 2012). Babbie (2013) corroborates the definition of Salkind (2012) and describes research design as a plan or blueprint that outlines how the researcher plans to carry out the study. Whilst Polit and Hungler (2013) acknowledge that a research design is a plan, they further contribute that the research design should help the researcher answer the research question(s). In view of this, Sections 4.3.1 and 4.3.2 clarifies the research design applied and notes the paradigms and assumptions as well as the research strategy.

4.3.1   Research paradigms and assumptions

Research paradigms represent a set of beliefs that connects the researcher with a specific view of the world (Denzin & Lincoln, 2017). Babbie (2013) is of the opinion that research paradigms enables the researcher to understand the world through a basic framework that enables interpretation and observation of this understanding. Whilst Maree (2016) agrees with Babbie (2013) that research paradigms are a set of beliefs, the former author also notes that paradigms can be divided into ontological, epistemological and methodological beliefs.

Ontology refers to a logical choice made by individuals on how to describe reality and answer questions about the truth (Maree, 2016), epistemology relates to how the truth, facts or physical laws are discovered (Du Plooy-Cilliers, Davis & Bezuidenhout, 2014) and methodology considers the methods that are used to make assumptions founded on the ontological and epistemological assumptions (Maree, 2016). Qualitative methodology was employed. Furthermore, this study was undertaken from constructivist and interpretivist paradigms as this was most suitable to answer the research questions posed in Section 1.6 in Chapter 1. According to Salkind (2012) and Bryman and Bell (2015) from an ontological perspective, constructivist and interpretivist paradigms involves many subjective truths that are produced through human interaction. Whilst from an epistemology stance, the constructivist and interpretivist paradigms include events that are understood through relationships influenced by social context (Phothongsunan,

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2015). Additionally, constructivism places emphasis on peoples' appreciation of the world and this adds to science by means of a combination of customs, language and culture (Veldsman, 2012).

In addition, Denzin and Lincoln (2017) recommend that researchers point out their beliefs so that the influence of these beliefs can be accounted for in the findings of the study. In addition, a research assumption describes the basic principles that are thought to be true without evidence or validation (Du Plooy-Cilliers et al., 2014; Polit & Hungler, 2013). Table 4.2 explains these beliefs and their application to this study.

Table 4.2: Research paradigms relevant to this study

Paradigms	Ontology	Epistemology	Methodology	Application to this study
Constructivist	Focuses on personal truths founded on human interaction.	Events and occurrences that are understood by means of analysis and influenced through interaction with others in the person's social class.	• Qualitative; • Case studies; and • Understanding and analysing particular contexts.	This paradigm facilitated lively interaction between the participants and me. Multiple case studies research was applied (Section 4.3.1.1).
Interpretivist	Reality is subjective and based on human associations.	Important source of information for understanding people.	• Qualitative • Case studies; and • Understanding and analysing particular contexts.	This paradigm enabled me to obtain an understanding of the perceptions and experiences of SME owners on the subject.

(Source: Adapted from Du Plooy-Cilliers et al., 2014, p. 34-35)

4.3.1.1 Multiple case studies

Case study research is concerned with the complexities and specific nature of the case in question (Bryman & Bell, 2015). Moreover, Bryman and Bell (2015) observe that multiple case studies research, which is a collective case study method that allows the researcher to explore and describe phenomena, has

become progressively popular in business and management. Yin (2014) notes that multiple case studies research, leads to a higher quality of research than single case study research and reflects positively on trustworthiness.

I chose to use multiple case studies research for this study because it enabled me first to explore the training and skills development interventions employed by each SME within their individual enterprises, the contribution of these interventions to their sustainability and the challenges faced by these SMEs. Second, this approach produced detailed descriptions of the phenomena, thereby increasing the robustness of the findings. Thirdly, it allowed me to engage with each participant independently, through an interview. The strengths and weaknesses of multiple case studies research are provided in Table 4.3.

Table 4.3: Strengths and weaknesses of multiple case studies research

Strengths	Weaknesses
• Adaptable to different research questions and settings; • Uses many sources and enables triangulation; • Enables in-depth study of phenomena; and • Leads to building of theory, which is of value for future research.	• Possible bias when selecting cases; • Difficulty in gaining access to case sites; • Obliges the researcher to deal with complications arising from multiple methods of data collection; • Difficulty in summarising cases studies into general propositions and theories; and • Context dependent.

(Source: Adapted from O'Cahain, Hoddinott, Lewin & Donovan, 2015, p.1-13).

I addressed the weaknesses mentioned in Table 4.3 by:

• Using a data collector to select the most suitable participants in accordance with strict inclusion criteria. More information on the data collector will be provided in Section 4.5.2.1;

• Following Lincoln and Guba's (2013) proposed guidelines to achieve trustworthiness;

• Gaining access to case sites by making prior arrangements with the participants; and

- Liaising with qualitative researchers and consulting research methodology books and websites.

Now that the research paradigms and assumptions that were used in study have been discussed, Section 4.3.2 explains the research strategy that was used.

4.3.2 Research strategy

A research strategy is a broad plan that assists the researcher in investigating the research problem and answering the research questions (Saunders, Lewis & Thornhill, 2015). Bryman and Bell (2015) concur with Saunders et al. (2015) that a research strategy is a plan that outlines how the research will be conducted. In fact, Bryman and Bell (2015) refer to this plan as a general orientation. The research strategy adopted by this study is explorative descriptive and contextual within the framework of qualitative research. Qualitative research is discussed in Section 4.4.2.1, followed by exploratory research (Section 4.3.2.2), descriptive research (Section 4.3.2.3) and contextual research (Section 4.3.2.4).

4.3.2.1 Qualitative research

Qualitative research is a social enquiry that focuses on the sense that people make of the world (Leedy & Ormrod, 2013). Clur (2015) and Creswell (2015) agree that qualitative research is an exploration of the understanding people attach to human challenges. According to Saldana (2016), each person has an understanding of what the truth is from an individual point of view. Moreover, Clur (2015) points out that qualitative research is based on people's perceptions and experiences with the aim to describe the personal reasons and meaning for their behaviour. Therefore, interviews and observations are used, as these methods bring out the relationship between the researcher and the participants (Saldana, 2016).

The features of qualitative research include:

- An in-depth understanding of the world of the participants through their experiences and perceptions (Polit & Hungler, 2013);
- A small sample size that is purposively selected on particular criteria (Creswell, 2015);

- Data collection methods that require close contact between the researcher and the participants (Ritchie, Lewis, McNaughton-Nicholls & Ormston 2014);
- Intense researcher involvement, as the researcher attempts to understand the participants' perceptions and experiences;
- Thick and rich descriptions (Creswell, 2015); and
- A detailed and comprehensive study (Miles, Huberman & Saldana, 2014).

The assumptions of qualitative research mentioned by Clur (2015) are:

- The researcher is the main instrument for data collection and analysis and the study is thus subject to the beliefs of the researcher;
- The research includes fieldwork and the researcher chooses suitable participants and collects data until data saturation takes place; and
- The process is inductive and conclusions are drawn from the data collected from the participants.

Table 4.4 cites the strengths and weaknesses of qualitative research.

Table 4.4: Strengths and weaknesses of qualitative research

Strengths	Weaknesses
- Phenomena can be explored in-depth; - Interviews are not restricted and can be directed by the researcher; - The research process can be adapted as new data arises; - Data is collected from a small number of participants; - Data collected is based on individual perceptions and experiences, which is thick and rich; and - Probing is enabled and emotions can be observed.	- The research quality depends on the researcher's expertise and this can lead to bias; - Establishing trustworthiness, is difficult; - The amount of data is large and takes time to analyse and interpret; - The presence of the researcher in the interview process cannot be avoided and this can influence the responses the participants give during the interview; and - There are concerns around anonymity and confidentiality.

(Source: Adapted from Namey, Guest & Mitchell, 2012, p.28-30)

I overcame with the weaknesses pointed out in Table 4.4 by:

- Attending workshops, reading books on qualitative research and seeking guidance from my supervisor;
- Applying Lincoln and Guba's (2013) proposed criteria to achieve trustworthiness;
- Using a transcriber and independent coder to ensure the timeous analysis and interpretation of the data;
- Strictly adhering to the rules of qualitative research as noted by Creswell (2015);
- Observing research ethics and using the bracketing technique encouraged by Tufford and Newman (2012);
- Sending a letter of informed consent to the participants before the start of the interviews in which anonymity and confidentially were guaranteed. Using pseudonyms (such as DBNP1 for Participant 1 in Durban) to refer to the participants when reporting on the findings in Chapter 5; and
- Setting and adhering to strict deadlines and using a transcriber, an independent coder, an editor and a typist to ensure the timeous writing of the findings.

I chose a qualitative approach for this study because, first, the nature of this study suited a qualitative design. Second, this approach facilitated an insight into the perceptions and experiences of the SME owners of training and skills development. Third, using a qualitative design enabled immersion in the phenomenon, which resulted in thick and rich descriptions being provided. Fourth, this design gave the SME owners an opportunity to express their views on the phenomenon being explored and, finally, it was possible to test the limited literature in reality.

4.3.2.2 Exploratory research

Exploratory research is the exploration of an area or subject that has not been actively explored (Struwig & Stead, 2013). Du Plooy-Cilliers et al. (2014) and Yin (2014) have a similar view to Struwig and Stead (2013), but further state that exploratory research involves obtaining insights into fields that have been explored

only to a limited extent. Babbie and Mouton (2010) have a slightly different view and declare that exploratory research is the investigation of new interests, not just limitedly explored areas. Jordaan (2014) agrees with the definition of Babbie and Mouton (2010) and the former author also points out, that exploratory research is undertaken to obtain fresh insight into new events.

Du Plooy-Cilliers et al. (2014) briefly note the following characteristics of exploratory research. It:

- Is flexible;
- Produces new and fresh knowledge; and
- Is commonly conducted in natural settings.

To explore training and skills development in SMEs, along with the type of interventions employed and the contribution of these interventions to SME sustainability, I:

- Conducted a literature search;
- Conducted interviews with SME owners in the manufacturing sector in the Durban and East London urban regions; and
- Consulted the training and skills development documents kept by these SMEs.

4.3.2.3 Descriptive research

Descriptive research aims to describe phenomena that have been identified by the study (Du Plooy-Cilliers et al., 2016). Polit and Hungler (2013) note that descriptive research involves the perceptions and beliefs participants have about the phenomena being researched. Burns and Grove (2013) and Ritchie et al. (2014) support the definition provided by Polit and Hungler (2013), whilst Salkind (2012) says that descriptive research focuses on events that take place in the present. Descriptive research is usually associated with qualitative studies.

In short, Jordaan (2014) observed the characteristics of descriptive research to be:

- The ability to develop a database for any discipline;
- The ability to describe the population of the study; and

- An approach used in a study irrespective of whether or not the population is known.

I chose to use descriptive research for this study as it enabled me to describe the role and contribution of training and skills development in SMEs. It also enabled me to describe the perceptions and experiences of SME owners on this particular subject.

4.3.2.4 Contextual research

Creswell (2015) describes contextual research as studies that take place in natural settings. The author explains that natural settings are unconstrained real-life situations, which are essentially field settings (Creswell, 2015). Earlier studies of Streubert-Speziale and Carpenter (2003) and Mafuwane (2012) also note that contextual research is an enquiry conducted in natural circumstances and the authors further contributed that contextual research tends to be free from manipulation. On the other hand, Bryman and Bell (2015) describe contextual research as findings that are trustworthy within the time, space and environment in which the study is being undertaken. This study consequently focused on the perceptions and experiences of SME owners in the manufacturing sector specifically. Moreover, the study was restricted to Durban and East London. I attempted to capture the context in which training and skills development took place, so as to acquire a holistic understanding of the SME owners' perceptions and experiences. This approach enabled an insider's view, with consideration for each SME owner's insight and space. Section 4.4 discusses the research methodology that was used.

4.4   RESEARCH METHODOLOGY

The research methodology is the overall strategy for the study, which includes the population and sample, data collection and establishing trustworthiness (Burns & Grove, 2013). It is also a technique that is applied to organise and structure a study in a systemic manner, from beginning to end (Clur, 2015). Although Polit and Hungler (2013) agree that the research methodology entails a series of steps, they

also add that the type of research methodology used in a study will depend on the research questions asked.

Therefore, a discussion follows on the research setting (Section 4.4.1), data collection (Section 4.4.2), recording and transcriptions (Section 4.4.2.10), data analysis (Section 4.4.3), data reporting (Section 4.4.4), trustworthiness (Section 4.4.5) and ethical considerations (Section 4.4.6).

4.4.1   Research setting

A research setting is the physical urban region in which the researcher conducts the study (Salkind, 2012). According to Denzin and Lincoln (2017), in qualitative research the researcher studies phenomena in natural settings. A natural setting is the environment in which a person generally functions.

The SME owners were interviewed in the boardroom of their enterprises. The research setting also included a digital voice recorder, a notepad to make field notes and the researcher. Since the researcher is part of the research setting, Section 4.4.1.1 clarifies the role of the researcher.

4.4.1.1 The role of the researcher

In qualitative research, the researcher takes on a variety of roles (Merriam & Tisdell, 2015). Qualitative researchers are required to unpack their roles in the research process.

According to Maree (2010) and Fouché in De Vos, Strydom, Fouché and Delport (2011), these roles are:

- Formulating the interview questions;
- Drawing up the interview guide and preparing the interview schedule;
- Conducting the interviews;
- Probing and listening;
- Recording the transcriptions;
- Analysing and triangulating the data; and
- Reporting on the data.

Moreover, Denzin and Lincoln (2017) view the researcher as an instrument in the study. I served as an instrument and satisfied five roles which are graphically represented Figure 4.1.
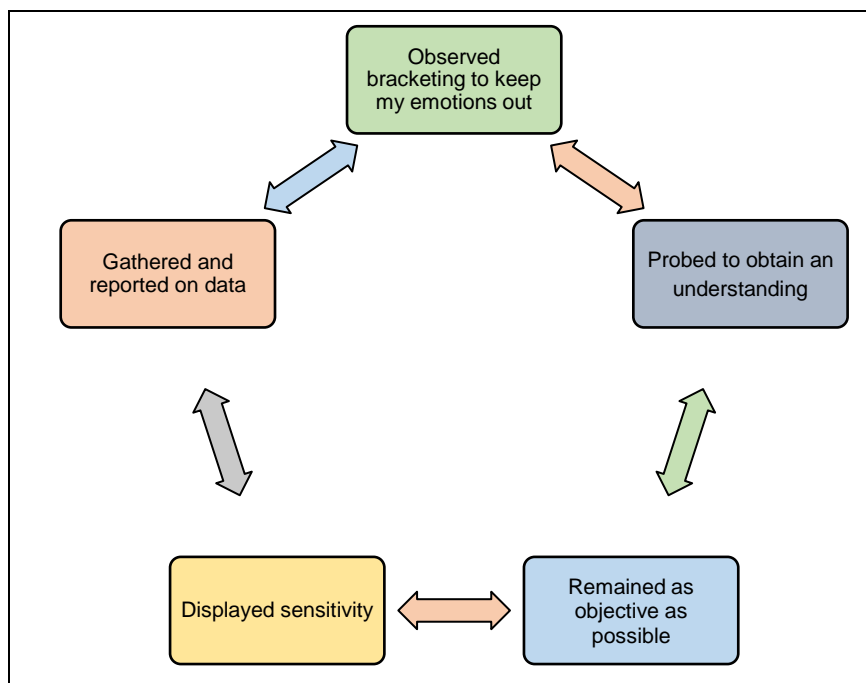
Figure 4.1: My roles as a researcher

(Source: Own compilation)

Additionally, my role as a researcher entailed an interaction with the participants selected for this study. For this reason, it is necessary to explain the population (Section 4.4.1.2); sample (4.4.1.3) and sample size (4.4.1.4) that formed part of this study.

4.4.1.2 Population

A population is the total group of individuals with whom the researcher is concerned and to whom the research findings can be applied (Wiid & Diggines, 2013). Polit and Hungler (2013) agree with the definition of Wiid and Diggines (2013), whereas Salkind (2012) narrows population down to a portion of the larger group. The two concepts that are closely related to population are, unit of analysis, which entails people or things that researchers explore, describe and explain, and

target population, which refers to the population group that falls within the population parameters (Strydom in De Vos, Strydom, Fouché & Delport, 2011).

In terms of population, the unit of analysis of this study was the SME owner. The target population was SMEs in the manufacturing sector, and the accessible population was SMEs in the Durban and East London urban regions of South Africa, that possess some knowledge of training and skills development. Since, it is impossible to include the entire population in the study, drawing a sample became necessary.

4.4.1.3 Sample

A sample is a portion of the population that is representative of the entire population (LoBiondo-Wood & Haber, 2013). Maree (2010) and Salkind (2012) agree that a sample is a smaller group drawn from the population. According to Patton (2015), a sample is the selection of participants from the population and involves decisions about who (persons), where (urban region), what (actions) and the social process that will be considered. Additionally, a sample should be representative of the population so that conclusions that add value to the study may be extracted (Engel & Schutt, 2017). The sample for this study consisted of SME owners in the manufacturing sector in the Durban and East London urban regions of South Africa. However, researchers often differ on the size of the sample, the criteria to select a sample and the method used to draw the sample.

4.4.1.4 Sample size

In qualitative research, the size of the sample is not mathematically determined (Yin, 2014). In other words, there is no prescribed number of participants to be included in the study. According to Guetterman (2015), the insights that arise from qualitative studies are related to the richness of the data, rather than to the size of the sample. Since qualitative research is not dependent on the size of the sample, the question often arises how a qualitative researcher would know when to conclude the process of data collection. Fusch and Ness (2015) advise that data saturation should serve as a guide for the sample size of a study. According to Davis (2013), data saturation can be described as the point at which no new

information can be obtained. Creswell (2015) proposes that five to 25 interviews should be conducted, whilst Guest, Bunce and Johnson (2006) prescribe 12 interviews. Data saturation was obtained after the 15th interview.

Qualitative research does not attempt to make generalisations, and sample size therefore is not important (Fusch & Ness, 2015; Du Plooy-Cilliers et al., 2014). Davis (2013) states, that in qualitative studies, generalisations cannot be eliminated entirely. Mayoh and Onwuegbuzie (2015) confirm the view of Davis (2013), and add that qualitative researchers tend to generalise their findings to other situations. Miles and Huberman (2014) agree with the thinking of Davis (2013), and add that researchers are likely to make logical generalisations. This study did not seek to make any generalisations, although I agree with Davis (2013) and Mayoh and Onwuegbuzie (2015) that generalisations cannot be avoided.

An initial list of 25 possible participants was extracted from a database by the data collector. From these 25 participants, 20 were purposively identified as likely to contribute rich information to the study, in accordance with the inclusion criteria. The inclusion criteria and purposive sampling that formed part of this study are discussed in Section 4.4.1.5 and Section 4.4.1.6 respectively. The 20 potential participants were contacted telephonically by the data collector and informed of the purpose of the study. They were also requested to participate in the study. Following this, two participants agreed to the interview but later cancelled, one participant requested more detail be sent electronically but never responded, and two participants decided to participate but were then met with unforeseen challenges, rendering their participation impossible. A total of 15 participants eventually participated in the study. This number was deemed acceptable in terms of Creswell's (2015) proposition that five to 25 interviews be conducted.

4.4.1.5 Sampling criteria

Sampling criteria are characteristics that the population should possess to be included in the study, and these criteria are essential to answer the research questions (Patton, 2015).

To be included, SME owners had to meet the following criteria: They had to be:

- Operating in the manufacturing sector;
- In existence for more than two years;
- Involved in the production of furniture, shoes or packaging;
- Located in either Durban or East London;
- Between the ages of 25 to 60;
- In ownership of the SME for more than two years;
- In possession of a matric or higher qualification;
- Equipped with some knowledge of training and skills development; and
- Accessible and prepared to participate in the study.

4.4.1.6 Purposive sampling

Sampling in qualitative research involves non-probability theory and is generally thought be purposefully chosen so as to acquire cases that are laden with rich information (Patton, 2015). Du Plooy-Cilliers et al. (2016) notes that non-probability sampling is used when it is not possible to determine who the entire population is, or when it is challenging to obtain access to the whole population. Moreover, Allen and Babbie (2016) perceive purposive sampling as the selection of the sample based on knowledge of the population and the context of the study. Additionally, Allen and Babbie (2016) recommend purposive sampling in view of its practicality, usefulness and suitability to a pilot study. The pilot study that was conducted for this study is discussed further in Section 4.42.9. Table 4.5 outlines the strengths and weaknesses of purposive sampling.

Table 4.5: Strengths and weaknesses of purposive sampling

Strengths	Weaknesses
Polit and Hungler (2013) note the strengths of purposive sampling to be: • The researcher is able to judge the participants who are characteristic of the phenomena being explored; • The researcher is able to select those participants who will provide rich information.	Alvi (2016) points out the weaknesses of purposive sampling as: • The sample is not characteristic of the entire population and this limits generalisation; • Sample bias can take place; • May not suit certain samples; and • Researcher bias can take place.

(Source: Adapted from Alvi, 2016, p.1-4 and Polit & Hungler, 2013, p.50-60)

I addressed the weaknesses noted in Table 4.5 by:

• Not making generalisations; and

• Using a data collector to draw the sample in accordance with the inclusion criteria.

In addition, purposive sampling was chosen for this study, firstly because this type of sampling matched this study, enabling me to present answers to the research questions. Secondly, purposive sampling made it possible to select a sample of SME owners who were able to provide in-depth insight into the role training and skills development plays in their enterprises owing to them having some knowledge of this function. Thirdly, it was possible to choose SME owners from the manufacturing industry in Durban and East London urban regions, who through the knowledge of the sector, were able to offer rich information on the role and contribution of training and skills development, in their enterprises. Essentially, despite the drawbacks of purposive sampling, it was the most suitable method to collect data for this study. Section 4.4.2 explains the process by which data was gathered for this study.

4.4.2 Data collection

Data collection is a series of interrelated tasks with the intention of collecting rich information to provide answers to the research questions (Burns & Grove, 2013).

Jordaan (2014) and Creswell (2015) concur with the definition of Burns and Grove (2013) and the former author's further state that data collection is the systematic and precise gathering of data that is relevant to the purpose, objectives and questions of the study. On the other hand, Bryman and Bell (2015) perceive the process of data collection to be one that may be taken from either a primary or secondary stance. Primary data may be gathered by the researcher through interviews, an interview guide and other forms of assessment, whilst secondary data can be gathered in the form of literature, documents and articles published by researchers in the field (Bryman & Bell, 2015).

Additionally, Mayoh and Onwuegbuzie (2015) recommend that a study presents a holistic and in-depth exploration of the words and viewpoints of the participants along with documents they may keep supporting these viewpoints. Moreover, according to Compton-Lilly, Zamzow, Cheng & Hagerman (2015) semi-structured interviews are a common method to collect data in qualitative research. More about semi-structured interviews is noted in Section 4.4.2.3. Figure 4.2 illustrates the steps that were followed to collect data for this study.
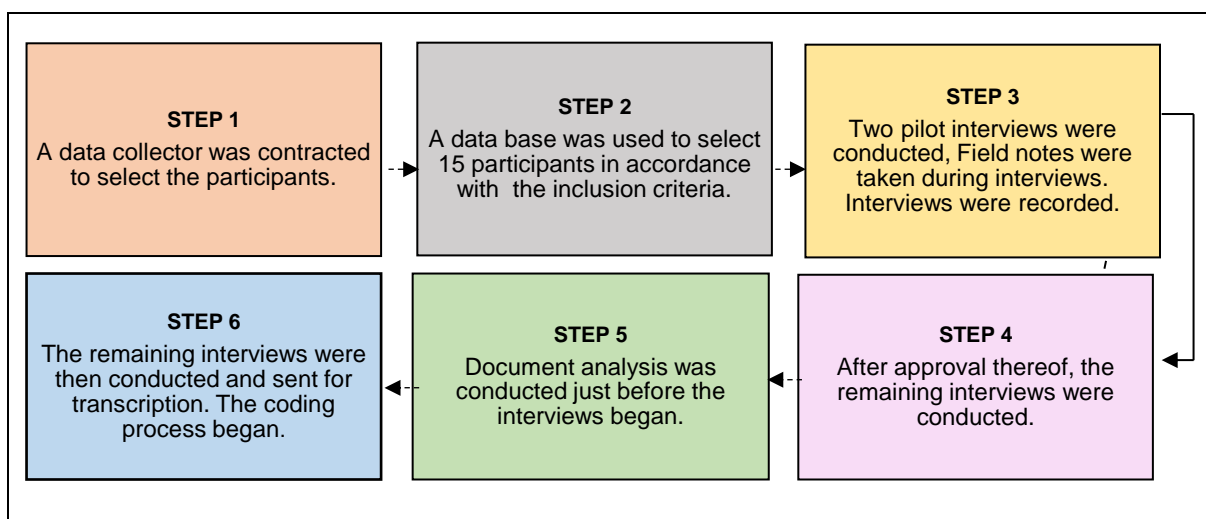
Figure 4.2: Steps in the data collection process
(Source: Own compilation)

Following the steps above, an exploration of the phenomena of training and skills development through interviews led to in-depth information and thick descriptions. Carrying out these steps also enabled the research questions to be answered.

Moreover, the first step of the data collection process was contracting a data collector, who played a significant role. The role of the data collector is described in Section 4.4.2.1.

4.4.2.1 Data collector

In modern-day research, the researcher can collect data by using computer software packages or by contracting a data collector to gather the data (Du Fusch & Ness, 2015; Plooy-Cilliers et al., 2014). The data collector, who owns a data collection company located in Cape Town, sought out and selected SME owners in accordance with the inclusion criteria. In essence, the data collector contacted the participants telephonically and asked them if they would be willing to participate in the study. Upon their agreement, he electronically forwarded the participants the Consent to Participate letter and Research Participant Information Sheet on behalf of me for their perusal and signature. A copy of the Consent to Participate letter is included in Appendix F of this thesis. The participants returned the documents to the data collector, and these were then forwarded to me. Finally, the data collector proceeded to set up an appropriate date and time for the interviews. The use of an interview to collect data is described in Section 4.4.2.2. The use of the data collector helped streamline the research process and contributed a degree of objectivity to this study. The knowledge and expertise of the data collector assisted in guiding me to collect the data required.

4.4.2.2 The interview as a research technique

An interview, which was used to collect data for this study, is a means of data collection in which one individual, referred to as the interviewer, asks questions of another individual, referred to as the participant, either face-to-face or telephonically (Polit & Hungler, 2013). According to Strydom in De Vos et al. (2011) interviews are one of the most common data collection techniques used in qualitative research. Another definition of an interview emerges from Brinkmann and Kvale (2015), who posit that an interview conducted within a qualitative research framework assists the researcher to make sense of the participants' perceptions and experiences. Brinkmann and Kvale (2015) further note that seven

steps are involved in an interview. The manner in which I applied the steps of Brinkmann and Kvale (2015), are illustrated in Figure 4.3.

STAGE 1: DESIGNING

Planned the design of this study, taking into account all seven stages before the interviews

STAGE 2: INTERVIEWING

Carried out the interviews based on the interview guide and with reflection on the information

STAGE 3: TRANSCRIBING

Organised the interview content for analysis, which involved a transcription from oral speech to written text

STAGE 4: THEMATISING

Formulated the purpose of the investigation and described the topic to be investigated prior to commencing the interviews

STAGE 5: ANALYSING

Decided on content thematic analysis based on the purpose of the study and the nature of the interview content

STAGE 6: VERIFYING

Established the generalisability and trustworthiness of the study

STAGE 7: REPORTING

Communicated the findings of the study in a manner befitting scientific research

Figure 4.3: Seven stages of an interview

(Source: Adapted from Brinkmann & Kvale, 2015, p.51 -107)

In addition to the steps mentioned above, Leedy and Ormrod (2013) say that interviews can lead to constructive information, but the interviewer must be attentive to the answers to questions describing the following themes:

- Biographical information;
- Peoples' perceptions of facts;
- Feelings;
- Intentions;

- Current and past actions;
- Standards for behaviour, what individuals believe should be done in specific circumstances; and
- Reasons for behaviour or emotions, why individuals believe that engaging in specific behaviour is advantageous or adverse.

According to Leedy and Ormrod (2013), Step 4 (Thematising) of Figure 4.3 is integral in data collection and analysis. Data analysis is discussed in Section 4.4.3. Data analysis involves themes, which are umbrella constructs that correspond to a particular pattern found in the data (Braun, Clarke & Weate, 2016).

Bryman and Bell (2015) note, that qualitative interviewing is a less structured and more flexible form of interviewing. Furthermore, in qualitative interviewing the interviewer adapts the questions and reacts to the interviewee (Bryman & Bell, 2015). Research makes use of a variety of interview styles, ranging from unstructured, structured to semi-structured interviews. Semi-structured interviews were used and interviews were conducted individually and face-to-face through the use of an interview guide. Section 4.4.3.2 explains semi-structured interviews.

4.4.2.3 Semi-structured interviews

A semi-structured interview is a type of interview that is conducted face-to-face by the interviewer and is guided by a list of pre-determined questions based on the phenomena being explored (Creswell, 2015). In addition, semi-structured interviews are a useful way of collecting in-depth information (Creswell, 2015). Moreover, Crowe, Inder and Porter (2015) share the notion that rich data is produced by this type of interview. Semi-structured interviews seek to ask each participant the exact same questions in the exact same manner, allowing the participants to converse, reflect and be heard at their own pace (Crowe et al., 2015). Whilst, Creswell (2015) corroborates the findings of Crowe et al. (2015) that interviews of this nature result in thick description, the former author further notes that probing is vital in semi-structured interviews, and that a semi-structured interview is conducted only once, based on an interview guide (Section 4.4.2.4). It is also noted that interview guide acts as data collection tool in this type of

interview. Table 4.6 cites the strengths and weaknesses of semi-structured interviews.

Table 4.6: Strengths and weaknesses of semi-structured interviews

Strengths	Weaknesses
It: • Enables participants to express their perceptions freely; • Provides reliable data; • Confirms what is already known for the purpose of learning; • Provides answers and reasons for the answers; and • Enables face-to-face interviews and participants to discuss sensitive issues.	It: • Is not possible to generalise because of small sample size; • Requires interview skills; • Necessitates skills to analyse the data as there is risk to construe too much; • Is time and resource intensive; • Places a challenge on confidentiality; • Is difficult to analyse open-ended questions; and • Is not easy to compare answers.

(Source: Adapted from Netshitangani, 2014, p.234-246)

I overcame the weaknesses cited in Table 4.6 by:

• Attending workshops on conducting semi-structured interviews, reading relevant literature and seeking guidance from my supervisor;

• Employing an independent coder to assist with the analysis of the data;

• Obtaining a research award from my institution that helped in respect of funds; and

• Sending a letter of informed consent to the participants, assuring them of confidentiality, and using pseudonyms to refer to them.

I chose to use semi-structured interviews firstly because it was the most suitable method to extract rich and in-depth information from the SME owners on the phenomena of training and skills development. Second, this enabled me to make sense of the perceptions and experiences of the owners using structured and open-ended questions. Third, I was able to observe the emotions and facial expressions of the participants as they answered the questions posed to them, and this observation became valuable in drawing up the findings to this study. Fourth,

this method of data collection provided the SME owners with an opportunity to speak freely and openly, in the comfort of their own boardrooms.

4.4.2.4 Interview guide

An interview guide is a list of predetermined questions formulated by the researcher (Brinkmann & Kvale, 2015). Jamshed (2014) says that an interview guide contains core and related questions that are linked to the main research question. Saunders et al. (2015) have a similar view to Brinkmann and Kvale (2015), and also recommend that the interview guide be structured in such a manner that flexibility and fluidity can be incorporated into the questions being asked.

There is no prescribed number of questions to be included in the interview guide (Jordaan, 2014), although it is recommended that the guide include descriptive, structural, comparative and evaluative questions (Rubin & Rubin, 2015). Descriptive questions are particularly valuable at the start of the interview and keep the participant engaged and talking without restraint (Strydom, in De Vos et al., 2011). Structural questions are built into the guide in an attempt to highlight how the participants understand their own perceptions and experiences of the phenomena (Vosloo, 2014). Comparative questions encourage participants to compare particular perceptions and experiences (Strydom in De Vos et al., 2011) and, finally, evaluative questions steer the participants towards their own thinking on the phenomena (Vosloo, 2014).

The interview guide (Appendix G) was used for this study and comprised a list of structured and open-ended questions brainstormed by my supervisor and myself. Probing questions were also included in the guide. In addition, *descriptive questions*, such as to what extent does your SME actively promote training and skills development? and *structural questions*, for instance which training and skills development interventions have you engaged in and implemented since the inception of your SME? were posed. Furthermore, *comparative questions*, for example what do employees differently do now compare to before training? and *evaluative questions*, such as how do you feel about the overall training and skills

development in your SME? were asked. Moreover, whilst attention must be given to drawing up the interview guide, it is essential that the guide be delivered properly. The manner in which I delivered the interview is described in Section 4.4.2.5.

4.4.2.5 Method of interview guide delivery

The interview guide was verbally and individually delivered to the SME owners who were willing to participate in the study. A suitable day, time and place were negotiated in advance. I delivered the interview guide for this study as follows:

Before the interview

The data collector emailed the Consent to Participate letter and Research Participant Information Sheet to the SME owners. Participants were requested to read, sign and email the consent letter back to the data collector. The data collector later sent these documents to me via email. The data collector periodically reminded the participants of the date and time of the interviews. Two weeks before the interviews, I sent an email to the participants to introduce myself and to thank them in advance for agreeing to participate in the study.

During the interview

On the day of the interview, I introduced myself and expressed my gratitude once more. I reiterated that I would be making use of a digital voice recorder as well as making field notes. More about the recording of the semi-structured is noted in Section 4.4.2.6. Before asking the first question, I restated that participation was voluntary and that withdrawal could take place at any stage, should that be necessary. After that, I determined if the participants were comfortable and at ease and, with their permission, I then began the interview.

After the interview

At the end of the interview process I thanked the SME owners for their willingness to participate in the study. This was followed by a formal letter of appreciation that

was sent to them electronically. The field notes were consolidated as they were still fresh in my memory.

4.4.2.6 Recording of semi-structured interviews

The recoding of data refers to the manner in which the data is captured for further processing (Allen, & Babbie, 2016). According to Jamshed (2014), the recording of interviews enables the researcher to focus on the interview content as well as the verbal prompts, which enables the transcriber to generate a verbatim transcript of the interview.

A digital voice recorder was used to record the interviews. To make certain it was working, a test recording was done beforehand and the battery's strength was also tested. In addition, a backup digital voice recorder was kept on hand should any problems arise with the main one. To ensure the correctness of the data gathered, I made field notes during the interview. Whilst these notes were still fresh in my memory, they were compared with the digital voice recordings. These notes were also considered when the actual transcription of the recordings was done. In addition to recording the interview, a document analysis was conducted and notes were made. Section 4.4.2.7 presents a discussion on the document analysis.

4.4.2.7 Document analysis

Document analysis is a systematic process for reviewing and appraising printed and electronic material (Patton 2015; Bowen, 2009). Patton (2015) goes on to say that, similar to other analytical methods within qualitative research, document analysis necessitates that data be observed and interpreted in order to understand and develop empirical knowledge. Additionally, O'Leary (2014) mentions that documents include text and images that have been recorded without interference from the researcher and range from organisational reports and press releases to journals.

The documents of the SMEs that were analysed are the:

- Vision and mission;
- Value statement;

- HRM statement;

- HRD statement;

- HRD strategy;

- Training and Development Policy;

- Training needs analysis (TNA);

- Annual training report (ATR);

- Training registers;

- Training budgets;

- Minutes of Training Committee Meetings;

- SSP;

- WSP;

- Learnership and apprenticeship reports;

- Learning intervention feedback forms;

- Skills Development Facilitator (SDF) reports; and

- Assessor and moderator reports.

However document analysis has certain strengths and weakness (Table 4.7).

Table 4.7: Strengths and weaknesses of document analysis

Strengths	Weaknesses
It is:	There is:
• Less time consuming and less costly;	• Insufficient detail, as documents are often used for purposes other than to answer research questions;
• Not influenced by the research process;	
• Suitable for repeated reviews;	
• Provides broad coverage covering of a long time period, multiple events and settings; and	• Low retrievability, as access to documents may deliberately be blocked; and
• The latest documents are available and accessible.	• Biased selectivity, in that the available documents tend to be aligned with the corporate policies and strategies.

(Source: Adapted from Bowen, 2009, p.27-40)

The rationale for document analysis was, first, because it provided triangulation of the data and hence ensured the credibility and trustworthiness of the study. Triangulation is discussed in further detail in Section. 4.4.6.1. Moreover, document

analysis supported theory building, as the analysis of the training and skills documents kept by the SMEs made a contribution to the body of knowledge in HRD. In addition, this analysis provided meaningful and insightful information about the phenomena under investigation, as I was able to use the data extracted from the documents to contextualise the data gathered during the interviews. Besides, an examination of the documents helped me understand the types of training and skills development interventions that the SMEs engaged in, and the time spent on and cost attached to these interventions. Moreover, apart from the interview, the interview guide and the document analysis, field notes were made as a means of reflection during the study, and these are discussed in Section 4.4.2.8.

I addressed weaknesses cited in Table 4.7 by:

- Requesting to view the documents relevant to this study before the interview. Section 4.4.2.7 lists the documents that were viewed;
- Assessing the authenticity of the documents by noting the dates on which notes were made and the relevance of these notes to training and skills development;
- Exploring the content and posed questions to the owner about the content of these documents; and
- Comparing these documents with the vision, mission and the training and skills development strategies and policies of the SME.

4.4.2.8 Field notes

Field notes allows qualitative researchers to record in-depth and descriptive details about people, themselves, places and things, events and data patterns (Hellesø, Melby & Hauge, 2015). On the other hand, Schwandt (2013) contributes that field notes serve as a personal journal that is exclusive to the researcher, written in the first person spontaneously. Whilst, Flick (2014) supports Yin's (2014) understanding of field notes, the former author also adds that field notes entail observation and speculative personal reflections. Above and beyond this, making notes during an interview enables additional information pertaining to dress,

demeanour, gestures and facial expressions to be recorded (Creswell, 2015). Table 4.8 collates the strengths and weaknesses of field notes.

Table 4.8: Strengths and weaknesses of field notes

Strengths	Weaknesses
It: • Provides rich and thick descriptions; • Captures details that cannot be captured on a digital voice recorder; • Enables reflection for the researcher; and • Is used in conjunction with other research instruments and enables a holistic understanding of the phenomena under investigation.	It: • Requires speedy and swift jotting down of notes; • Is time consuming; • Notes may not be captured; • Could be subjective; and • Produces scribbled comment which may not be easy to decipher later on.

(Source: Adapted from Given, 2016, p.50)

I overcame the weaknesses cited in Table 4.8 by:

• Being well organised and ensuring that I had adequate writing material readily available;

• Focusing on and meticulously recording details that related to the research problem, research questions and theoretical constructs of the study and in this way, I avoided cluttering my notes with irrelevant information;

• Delivering the interview guide as is, thereby attempting to eliminate bias; and

• Practicing to take notes in shorthand, by substituting characters, abbreviations, symbols, letters, sounds, words or phrases for sentences.

The field notes made during the interviews also contributed to the identification of emergent themes and data saturation. As mentioned before in Section 4.4.2.5, I was in a position to view and note the gestures and facial expressions of the owners, as it was impossible to capture these on tape. This later helped me to make sense of their expressions and emotions. To ensure the content validity of the interview guide a pilot study was conducted. A brief discussion of the pilot study is presented in Section 4.4.2.9.

4.4.2.9 Pilot study

A pilot study is a feasibility study of a small scale undertaken in preparation for the main study (Polit & Yang, 2016). Van Teijlingen, Ireland, Hundley and Sathian (2014) point out that a pilot study is a specific pre-test of the research instruments, questionnaires and interview guides to be used in the study. They also mention that, whilst a pilot study does not guarantee success in the main study, it does contribute to the possibility and hence conducting a pilot study is wise (Van Teijlingen et al., 2014). A pilot study was conducted in this research.

According to Dikko (2016), a pilot study should be conducted with participants who share similar interests and attributes to those who will take part in the main study. Strydom in De Vos et al. (2011) say that the purpose of a pilot study is to ensure that relevant information is obtained from suitable participants; whilst Jamshed (2014) notes that pilot testing improves the primary and secondary questions of the study. Moreover, Brinkmann and Kvale (2015) and Brinkmann (2016) agree with Strydom in De Vos et al. (2011) and Jamshed (2014) that pilot interviews enhance the value of the study. Brinkman and Kvale (2015) further state that, through pilot interviews, limitations, errors and weaknesses in the interview guide can be noted and corrected before the commencement of the main study. The strengths and weaknesses of pilot studies are pointed out in Table 4.9.

Table 4.9: Strengths and weaknesses of pilot studies

Strengths	Weaknesses
It: • Uncovers limitations, errors and weaknesses in the research instruments and procedures; • Identifies unclear questions contained in the interview guide; • Ensures that protocols are adhered to; and • The non-verbal behaviour of participants during the course of a pilot interview may provide information about possible	It: • May not be included in the main study; and • Requires a significant investment of resources, making it difficult to abandon the study after one unsuccessful pilot study; • Can cause lengthy delays in research findings; • Is sometimes accused of protecting established opinions and not being open to genuinely new ideas;

discomfort experienced with regards to the content or words contained in the interview guide.	• May be difficult to protect the anonymity of the participants, especially in fields with a small number of experts; and • Can be costly depending on the urban region of the participants.

(Source: Adapted from Nakazawa, 2011, p.56-70)

I addressed the weaknesses noted in Table 4.9 through the following:

- I included the two pilot studies conducted in the main study, as it had been established that the interview questions contained in the interview guide were suitable to answer the research questions and that the guide did not contain any errors; and
- The research award I obtained from my institution made it possible for me to invest resources in both the pilot and main study.

Using the interview guide, one pilot interview was conducted in Durban and the other in East London. The interviews went well. The participants were keen to contribute to the study and to share their views and opinions on the subject. They also seemed comfortable and had a good understanding of how to answer the questions. After the conclusion of the pilot interviews, a debriefing session was held during which the participants were asked about their experience of the interview process. They indicated that had a positive experience and felt that they made a contribution to the topic. In essence, the pilot study served to identify potential problems with the questions in the interview guide, so that the required adjustments could be made before the commencement of the main study. However, it was not necessary to make any adjustments, as the questions in the interview guide were found to be suitable

Additionally, through the pilot study I was also able to familiarise myself, with the questions and the interview process, which prepared me for the main study. The pilot study also helped alleviate my anxieties and put me at ease for the main study. Furthermore, a copy of the pilot interview conducted with participant DBNP1 is included in Appendix H. This participant gave permission for his interview to be

inserted in the appendices of this thesis. The other participant (ELP1) agreed to her verbatim quotes being incorporated in the study by did not wish her entire interview to be included. The pilot interviews like the main interviews had to be transcribed. Hence, Section 4.4.2.10 considers data transcription.

4.4.2.10 Transcription of data

Transcription is the process in which a researcher takes data from the spoken text, which may be structured, unstructured or narrative interviews, to a written format so that it can be analysed (Stuckey, 2014). Gale, Heath, Cameron and Redwood (2013) advise that transcriptions be detailed in order to capture the features of the conversation, such as emphasis, speed, tone of voice, timing and pauses, all of which are essential for interpreting the data and for providing the researcher with a deeper understanding of the phenomena under investigation.

The digital voice recorder was handed to the transcriber, who is based in Gauteng. The transcriber also signed a confidentiality document. The transcriber transcribed all 15 interviews verbatim. I then evaluated each transcription to assess its correctness. The trustworthiness of the transcriptions was improved, firstly, through the correction of transcription errors and, secondly, through member checking. A few typographical errors were noted and brought to the attention of the transcriber, who duly corrected them. Member checking, to enable participants to reflect on what they said, was done immediately after the transcription process was completed. Member checking is discussed in more detail in Section 4.4.2.11.

The transcription of the data gave me an opportunity to view, in written format, what transpired during the interviews. Fundamentally, the transcriptions made reflexivity possible, as I was able to uncover additional details by constantly reflecting on the data and my role in producing it. Moreover, accuracy and an improved level of understanding of the data were achieved through the transcriptions, and this led to better data analysis.

4.4.2.11 Member checking

Member checking is a process that enables the participants to check and confirm the information they provided during the interviews (Harvey, 2015). Furthermore, Birt, Scott, Cavers, Campbell and Walter (2016) agree that member checking allows participants to engage with and add to their interview and the interpreted data, even months after the interview. The strengths and weaknesses of member checking are documented in Table 4.10.

Table 4.10: Strengths and weaknesses of member checking

Strengths	Weaknesses
It: • Enables reflexivity by the participant; • Gives the participant an opportunity to add or remove content from the interview; and • Adds to trustworthiness of the study.	• It is time consuming for the researcher and participants; and • Transcriptions could be lengthy and participants may not be willing to read through them.

(Source: Birt et al., 2016, p.1802-1811)

I overcame the weaknesses described in Table 4.10 by:

• Setting deadlines and sending reminders to the owners to check the transcriptions; and

• Informing the participants of the value of looking over the answers they provided so that accurate findings can emerge which will benefit them.

Member checking was done after the transcriptions were concluded. This gave SME owners an opportunity to acknowledge and act in response to their own words. Each owner received an electronically forwarded copy of their transcribed interview and informed that they may contact me or my supervisor if they had any questions related to the transcription. None of the owners had any problems with the transcriptions. Following this assurance, my supervisor, the transcriber and independent coder and I agreed that the transcripts should remain unchanged. Once the data was collected, transcribed and member checking performed, it was then analysed (Section 4.4.3).

4.4.3 Data analysis

Data analysis is defined as the process of making sense of the data that has been collected (Creswell, 2015). Babbie (2013) adds to this, saying a reason for understanding the data gathered is to explore underlying associations and meanings. Additionally, Babbie (2013) and Creswell (2015) agree data analysis creates order, meaning and structure in the vast amount of data gathered. The data analysis process begins with coding the data. This study used open coding as explained in Section 4.4.31.

4.4.3.1 Coding

Coding is used as a systematic process to condense large sets of data into smaller more analysable segments through creating themes and sub-themes (Augustine, 2014). Ravitch and Carl (2015) agree with the view of Augustine (2014) that coding is a process where data sets are broken down into analytical units. Moreover, coding is a laborious process that requires meticulously reading of the transcribed data, line by line (Ravitch & Carl, 2015). According to Maree (2016) segments of data are marked with symbols, descriptive words or unique names. In qualitative studies, several types of coding exist from descriptive, NVivo, axial, open coding to simultaneous coding (Miles et al., 2014).

Open coding, which was used to code the data from this study, involves reading through the data and creating tentative codes for segments of data (Creswell, 2015). It involves line-by-line coding, wherein the researcher is tasked with reading the entire text from start to finish obtaining an overall impression and understanding of the data (Du Plooy-Cilliers et al., 2014). Ideas relevant to the words and phrases within the text are identified and made note of, either in another document or alongside the text, and these are grouped into themes and sub-themes (Du Plooy-Cilliers et al., 2014). These ideas are then recognised in further data and compared with fresh concepts that arise (Ravitch & Carl, 2015).

The strength of open coding is that it builds directly from the raw data and the process ensures the trustworthiness of the study (Creswell, 2015). To build on the trustworthiness of the study, an independent coder (Section 4.4.3.2) was used to

verify the coding. The independent coder and I first coded the data separately from each other. However, the independent coder provided me with guidelines on how to meticulously sift through the data. Nevertheless, open coding can be time consuming and tedious and, if a significant idea is neglected, the researcher may have to restart the coding process (Saldana, 2016). Even so, I was able to overcome these weaknesses by setting strict deadlines and seeking guidance from the coder. I also consulted the relevant literature and spoke to other experts on how to approach this type of coding. Despite the complexity of open coding, it was deemed most suitable for this study as it enabled me to make sense of the data. Through the use of this type of coding, I became immersed in the data and narratives of the SME owners.

4.4.3.2 Independent coder

An independent coder is an individual knowledgeable in the field of qualitative research who undertakes the role of coding the data separately and independently from the researcher (Maree 2016; Salkind, 2012). The independent coder used is a seasoned and experienced coder based in Cape Town.

The use of an in independent coder has both benefits and pitfalls. On the one hand, the independent coder ensures the trustworthiness, rigour and quality of the study. On the other hand, the independent coder and the researcher may produce very different coding and this may become problematic (Creswell & Poth, 2017). Moreover, using an independent coder is costly. I overcame these pitfalls by ensuring that strong levels of inter-coder agreement were established, which essentially entails that the independent coder evaluated the themes and sub-themes and arrived at the same conclusions as myself. In a meeting between the independent coder and me, we were able to concur on the themes and sub-themes that surfaced from the data, and hence strong inter-coder reliability was achieved. In essence, we agreed on the themes and sub-themes that emerged from the coding process. Furthermore, the cost of the independent coder was covered by the research award that I received. After the data was coded, it was analysed through content thematic analysis (Section 4.4.3.3).

4.4.3.3 Content thematic data analysis

Content thematic analysis involves looking at data from different perspectives, with the objective of identifying ideas in the transcript that will assist the researcher to make sense of and interpret the text (Maree, 2016). Creswell and Poth (2017) argue that content thematic analysis, entails more than just extracting ideas from a transcript. The authors are of the view that this type of analysis explores themes and sub-themes and patterns that are both obvious and hidden within the transcript (Creswell & Poth, 2017). Jordaan (2014) adds that content thematic analysis builds questionable and well-founded conclusions from the data in relation to the phenomena of the study.

Content thematic analysis is integrated into qualitative studies, using either an inductive or deductive approach. An inductive approach involves the use of documents and recordings to identify themes (Bryman & Bell, 2015). A deductive approach, on the other hand, begins with a theory, develops assumptions from that theory, gathers and analyses data to test these assumptions, and makes generalisations (Bryman & Bell, 2015). In a topic such as this, compiling themes by means of a qualitative inductive approach was useful and this propelled me to purse the content analysis to channel the inductive process.

The purpose of content thematic analysis as explained by Jordaan (2014) is to condense data and to offer fresh insights into the phenomena. Salaberrios (2016) shares the view of Jordaan (2014). Moreover, content thematic analysis creates knowledge and decodes the phenomena (Salaberrios, 2016). The purpose of content thematic analysis was to decipher by means of themes and sub-themes, the SME owners' perceptions and experiences of training and skills development in their enterprises. Table 4:11 provides the strengths and weaknesses of content thematic analysis.

Table 4.11: Strengths and weaknesses of content thematic analysis

Strengths	Weaknesses
It: • Enables flexibility and the application of multiple theories (Braun et al., 2016); • Is suited to large data sets (Fugard & Potts, 2015); and • Allows for explanation of the study and for themes and sub-themes to emerge from the data (Saldana, 2016).	• Reliability is a concern due to a wide variety of interpretations by multiple researchers (Fugard & Potts, 2015); • Some text may be missed (Fugard & Potts, 2015); • The discovery and verification of themes are not straightforward (Saldana, 2016); and • There is limited interpretive power if analysis excludes a theoretical framework (Braun et al., 2016).

I addressed the weaknesses mentioned in Table 4.11 through the following:

• Using an independent coder for verification and trustworthiness; and

• Ensuring that the data analysis was guided by the research questions and the theoretical assumptions.

Above and beyond this, I followed the steps of Creswell (2015), as well as Tesch's (1990) eight steps of content thematic data analysis. Figure 4.4 illustrates the steps of Creswell (2015), after which the steps of Tesch (1990) are explained.
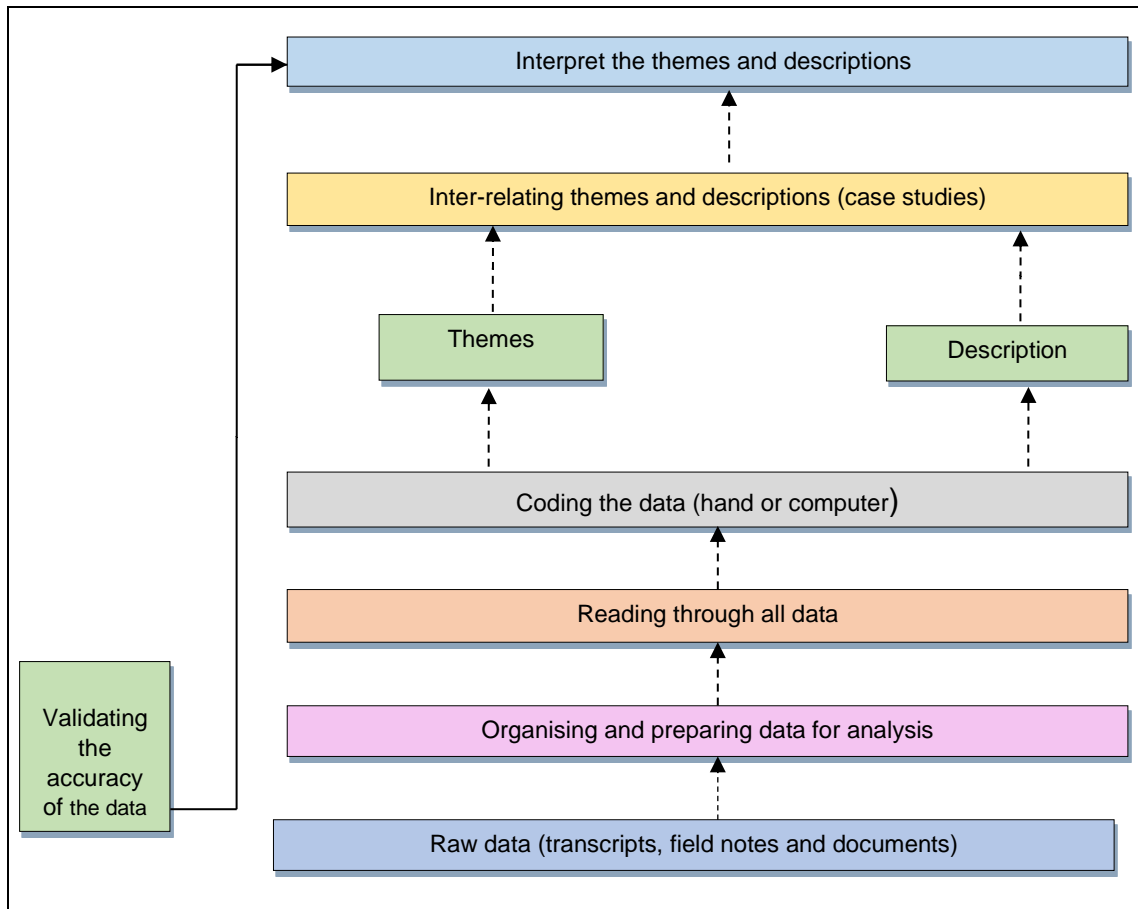
Figure 4.4: Steps in content thematic analysis

(Source: Adapted from Creswell, 2015, p.100-150)

I carried out the steps of Tesch (1990) as follows: I:

Step 1: Carefully read through all the transcriptions and made notes of ideas that came to mind;

Step 2: Selected one interview and read through it in an attempt to obtain the meaning contained in the text, whilst at the same time writing down thoughts that came to mind;

Step 3: Arranged similar themes by creating columns labelled "themes" and "sub-themes";

Step 4: Assigned codes to the themes and sub-themes and wrote these codes next to the appropriate segment of text, and then observed the organisation of the text to check if new categories or codes came to light;

Step 5: Found the most descriptive wording for the themes and sub-themes and converted them into categories, condensing the list of categories by grouping similar themes and sub-themes together;

Step 6: Made a final decision on the code of each category and arranged them alphabetically;

Step 7: Located the data belonging to each category in one place and performed a preliminary analysis and, finally;

Step 8: Tesch (1990) advocates recoding of the data if necessary. Recoding was not deemed necessary.

Once the data has been coded and themes and sub-themes compiled, it is possible to report on the findings of the study (Section 4.4.4).

4.4.4   Data reporting

Chapter 5 reports on the findings of this study in terms of the themes and sub-themes that arose from the interviews, supported by the verbatim quotes. Following this, Chapter 6 groups the themes and sub-themes that emerged from the data to answer the research questions posed in Section 1.6 in Chapter 1 and this chapter also presents the conclusions and recommendations made by this study.

4.4.5   Trustworthiness

In quantitative studies, researchers apply statistical methods to establish the validity and reliability of research findings (Lincoln & Guba, 2013). However, qualitative researchers design and include methodological strategies in the form of, accounting for personal bias, meticulous record keeping, thick and rich descriptions, verbatim quotes and data triangulation, to ensure the credibility or trustworthiness of their findings (Creswell, 2015). Hesse-Biber (2011) mentions that, the researcher's morality is essential to ensure, that his or her study conforms to the moral fibre of research. One of the main debates surrounding qualitative

research is how we know that it is trustworthy (Krefting, 1990; Stewart, Gapp & Harwood, 2017). Consequently, qualitative scholars have constructed various criteria against which to evaluate the trustworthiness of qualitative research. Lincoln and Guba (2013) propose the best-known criteria to assure the trustworthiness of a qualitative study. These elements are credibility, dependability; transferability and confirmability are discussed in Sections 4.4.5.1 to 4.4.5.4. Moreover, Yin (2014) notes that transparency, relevance to users and reflexivity are equally important to achieve trustworthiness. The type of methodology and a clear set of evidence must also be considered (Yin, 2014). Yin (2014) further argues that the type of methodology and a clear set of evidence must be considered. I adopted Lincoln and Guba's (2013) proposed criteria to ensure trustworthiness, whilst also bearing the criteria recommended by Yin (2014) in mind.

4.4.5.1 Credibility

Credibility is confidence in the findings of the study. It places emphasis on the context and methodology of the enquiry (Lincoln & Guba, 2013). The credibility of the findings depends on the richness of the data gathered (Creswell & Poth, 2017; Krefting, 1990).

I engaged in the following to ensure the credibility of this study:

- Peer debriefing, where peers serve as critical acquaintances encouraging the researcher to consider different perspectives (Padgett, 2016). I exposed my thinking to my colleagues and supervisor to test and redirect my thinking as needed;
- Member checking, a process that enables the participants to check and confirm information they provided during the interview (Birt et al., 2016). I did member checking after the transcriptions were done. Each SME owner received a copy of their interview, to confirm, change or contribute further to the information they provided during the interview;
- Triangulation, a technique that uses observations, theoretical perceptions and methodology to ensure the authenticity of the findings (Flick, 2017; Krefting,

1990). The literature review, interviews and field notes served as a means to triangulate this study. I uploaded a post on the Young African Leaders Initiative (YALI) Facebook page in which emerging African leaders where asked about the contribution of training and skills development to the sustainability of SMEs in their nations. There was a positive response and a screenshot of this post is inserted in Appendix I;

- Specific methods in collecting and analysing the data. I applied the steps advocated by Tesch (1990);

- Thick descriptions of the owners' perceptions on training and skills development and accompanying verbatim excerpts;

- Confidentiality and privacy to ensure honesty from the owners in the interviews and they could withdraw at any time; and

- Conducting a literature study and literature control in order to relate this study to past studies and to evaluate it in that context. First, I did a literature study in the proposal stage of this study to explore past studies on the topic. Second, a literature study was done in order to write up Chapter 2 and Chapter 3, the literature chapters of this study. Finally, during the analysis stage, I revisited the literature to again reflect on the themes and sub-themes that arose and to confirm these with the literature.

4.5.5.2 Transferability

Transferability is the degree to which the researcher can provide data and descriptions that are rich enough to enable other researchers to make assumptions (Ahmed, 2013; Krefting, 1990). In addition, Lincoln and Guba (2013) suggest that researchers provide sufficient contextual information about the fieldwork and research setting to allow readers to connect the findings to their own thinking and assumptions.

To ensure the transferability of this study:

- Thick descriptions of the phenomena were given to enable readers to have a good understanding of them;

- Rich descriptions of the data were provided to offer the reader meaningful insight into the phenomena; and
- Purposive sampling was used to ensure that a large number of relevant perceptions and experiences were shared.

4.5.5.3 Dependability

Dependability is consistency in the researcher's choices, decisions and analysis across the time limits and circumstances of the study (Bryman & Bell, 2015). Lincoln and Guba (2013) recommend that an audit trail be used to achieve dependability. Ritchie et al. (2014) support Lincoln and Guba's (2013) recommendation that an audit trail be kept by documenting the research process. It is also advocated that reflexivity by means of keeping a dairy, be considered. Reflexivity is the process by which the researcher carefully scrutinises his or her role in the study (Roddy & Dewar, 2016; Krefting 1990).

I ensured dependability by keeping an audit trail of all research meetings, interview recordings, interview transcripts, raw notes and communication with the SME owners. The communication between the transcriber, independent coder and me were also kept. All documents were housed electronically under a password known only to the researcher, and in accordance with the policies and procedures for data storage of UNISA's CEMS Research and Ethics Committee and the Department of HRM's DREC. Moreover, a detailed description of the research process followed to conduct this study was provided to establish a level of consistency.

Further to this, I kept an electronic reflexive diary that provided the justification for my choices during the study and the personal challenges I experienced. The reflexive diary enhanced not only the dependability of the study, but also enabled transparency. The feelings and ideas recorded during the data collection process assisted in the development of themes and sub-themes. Furthermore, I provided a comprehensive methodological description in terms of the research design and its implementation. This allows the study to be repeated by other researchers.

4.5.5.4 Confirmability

Confirmability is the objectivity of the study (Salkind; 2012). Lincoln and Guba (2013) write that confirmability is the extent to which the findings are acknowledged by the participants and not viewed as the researcher's thoughts or motivation. Anney (2014) supports the view of Lincoln and Guba (2013) and further adds the data of the study and not the preconceived notions of the researcher, gives rise to the findings of the study. Hadi and Closs (2016) argue that confirmability enables other researchers to arrive at similar findings by engaging in a similar research process. It is therefore encouraged that comprehensive records, field notes, information on the instruments used and summaries of the study are kept to enable other researchers to scrutinise the findings and to reach similar conclusions (Ritchie et al. 2014; Krefting, 1990). I endeavoured to remain as objective as possible during the research process, and this facilitated confirmability. Bracketing, keeping a diary and records enabled an audit trail to be kept for future researchers interested in a similar study. Moreover, an independent coder was also used for objectivity.

4.4.6 Ethical considerations

Jordaan (2014) and Bernard, Wutich and Ryan (2016) describe ethics as sensitivity to the rights of others. However, Scott-Jones (2016) explain that research ethics focuses on the moral and conscientious manner, in which the research is conducted, from the research design, method of data collection, analysis and reporting. Moreover, Salkind (2012) notes that a researcher needs to adorn an ethical mind-set when undertaking research. Section 4.4.6.1 to 4.4.6.4 delineates the ethical considerations that formed part of this study.

4.4.6.1 Ethical clearance

Creswell (2015) and Braun et al. (2016) speak of ethical clearance as the approval obtained by an ethical body to proceed with the study. The required consent was obtained from the Department of Human Resource Management (HRM) Research and Ethics Committee (DREC), followed by consent from the College of Economics and Management Science (CEMS) Research and Ethics Committee at

UNISA before embarking on this research study. This was done to ensure the ethical compliance of the research activities. An ethical clearance certificate was received from the CEMS Research and Ethics Committee at UNISA to proceed with this research study. Furthermore, the UNISA Code of Ethics for Research and the UNISA Ethics Research Policy guided this study.

4.4.6.2 Informed consent

Informed consent is the process of providing information to the participants, about the rationale for the study, its methods and possible risks and options so that the participants understand this information and can make a choice about whether to participate in the study or not (Bryman & Bell, 2015; Hesse-Biber, 2011).

The Consent to Participate letter and Research Participant Information Sheet were sent electronically to the SME owners by the data collector, before the start of the interviews to inform the SME owners of the nature and the purpose of the study. Additionally, in this set of documents, they were informed that they would not be subjected to any risks and that their participation was voluntary. They were also guaranteed anonymity and confidentiality and the option to liaise with myself or my supervisor if they had any queries.

4.4.6.3 Anonymity and confidentiality

Anonymity is when the identity of a participant is not disclosed (Creswell, 2015; Babbie & Mouton, 2010), and confidentiality is upheld when something that is learned about the participant is kept in confidence (Krefting, 1990).

I made every attempt possible to ensure the anonymity and confidentiality of the participants by ensuring that the names of the SMEs and their owners, their physical addresses, telephone numbers and email addresses were not connected to any responses. Moreover, I used pseudonyms for the participants' responses contained in the findings in Chapter 5. For example, DBNP1 was used to denote Participant 1 in the Durban region, whilst ELP2 was used to represent Participant 2 in the East London region and so on. Furthermore, all documents, from the field notes to the transcriptions were stored electronically with a password attached,

and in a safe, and were made available only to the research team. These documents will be stored for a period of five years; after which they will be deleted. Likewise, the digital voice recorder used in the interviews was also stored in a safe. All participants were treated with dignity and respect.

4.4.6.4 Accuracy

Bryman and Bell (2015) and Creswell and Poth (2017) recommend that the representation of the data, which includes careful consideration of the data analysis, be well thought-out to ensure the accuracy of the study.

The data was accurately represented, as strict inclusion criteria were adhered to, during the selection of the sample. In addition, a seasoned and professional data collector was employed to select the sample and set-up the interviews. I took care to represent the findings accurately, extracted from the data and subsequent content thematic analysis.

4.7   SUMMARY

This chapter has described the research design and methodology for this study. In accordance with the aims of the study, a qualitative research design by means of multiple case studies was followed to explore the phenomena of training and skills development in SMEs. This chapter explained the steps that were followed in respect of sampling, data collection and analysis. Then, content thematic analysis, the selected strategy to analyse the data, was delineated. Content thematic analysis enabled me to become intimately involved in the data, which made the experience more enriching. The ethical considerations were also considered, as these further cemented my role as a qualitative researcher. Lastly, trustworthiness was ensured. The next chapter, Chapter 5, presents the findings of this study. The themes and sub-themes that emerged from the study are presented, along with verbatim quotes from the participants.

CHAPTER 5

RESEARCH FINDINGS IN RELATION TO THEMES

5.1   INTRODUCTION

Chapter 1 provided the background to and motivation for the study. Chapter 2 presented the literature on training and SMEs, whilst Chapter 3 provided the literature on skills development and SMEs. In Chapter 4, the qualitative research methodology and processes used to undertake this study was explained. This chapter, Chapter 5, reports on the research findings based on the data analysis done. The chapter begins with a brief outline and discussion of the participants, after which an overview of the identified themes and sub-themes is presented. The rest of the chapter provides a detailed description of the findings under each theme and sub-theme, supported by direct quotes from the interview transcriptions, followed by a literature control and critical interpretative discussion. The latter follows after the discussion at the end of the last sub-theme under each theme, and not per sub-theme. The chapter then ends with a summary.

5.2   PROFILE OF PARTICIPANTS

This section describes the characteristics of the participants in Table 5.1, after which a brief discussion of each characteristic is presented. The abbreviation DBNP1, for example, represents Durban Participant 1, and ELP2 denotes East London Participant 2 and so on.

Table 5.1: Profile of participants

Code name	Geographical area	Type of SME	Gender	Age	Population group	Years of ownership	Qualifications
DBNP1	Durban	Packaging	Male	40	Indian	12 years	Master's degree in Commerce
DBNP2	Durban	Shoe	Male	45	Indian	20 years	Master's degree in Commerce
DBNP3	Durban	Furniture	Male	47	White	10 years	Matric
DBNP4	Durban	Packaging	Female	50	Coloured	15 years	Diploma in Commerce
DBNP5	Durban	Shoes	Female	55	White	9 years	Matric

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DBNP6	Durban	Furniture	Female	42	White	4 years	Diploma in Commerce
DBNP7	Durban	Shoes	Male	41	Indian	10 years	Matric
ELP1	East London	Furniture	Male	35	Black	10 years	Diploma in Entrepreneurship
ELP2	East London	Packaging	Female	45	Black	5 years	Matric
ELP3	East London	Shoes	Female	36	Indian	8 years	Diploma in Entrepreneurship
ELP4	East London	Packaging	Male	47	Coloured	10 years	Matric
ELP5	East London	Shoes	Male	56	Coloured	15 years	Matric
ELP6	East London	Furniture	Male	47	Black	20 years	Diploma in Marketing
ELP7	East London	Shoes	Female	33	White	5 years	Matric
ELP8	East London	Packaging	Female	39	Black	15 years	Matric

5.2.1 Geographical area

Eight participants were from East London and seven were from Durban. The participants from both urban regions were approachable and willing to share their perceptions and experiences. Additionally, participants from both urban regions seemed structured and methodical in how they handled their SME operations in that work schedules for each week were visible on notice boards, along with announcements from supervisors of team meetings and the accompanying agendas. There were both younger and well-established SMEs in both urban regions.

5.2.2 Type of SME

Six participants produced shoes, five made packaging and four manufactured furniture. Shoe manufacturing appeared to be more intense, with a host of manufacturing processes, whereas packaging and furniture manufacturing looked more streamlined. Moreover, the participants who owned a shoe-manufacturing SME seemed more deadline-driven and pressured for time. Participants from both urban regions conversed well and were eager to contribute their views. They also seemed knowledgeable of training and skills development. However, not all participants seemed to be keen to implement training and skills development activities owing to a general lack of belief in the benefits of learning and issues of

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time. Participants in both urban regions battled to keep training and skills development documents and to update these regularly.

5.2.3 Gender

Eight participants were male and seven were female. Both the male and female participants were keen to contribute to the study. Furthermore, both genders seemed industrious and goal-orientated. There were an equal proportion of male and female participants in East London, whilst Durban had slightly more male participants. Male participants seemed more qualified than their female counterparts, with male participants holding a degree or diploma whilst most female participants held a matric only. Male participants seemed to be from older and more established SMEs.

5.2.4 Age

Four participants were between the ages of 30 and 39, eight were between the ages of 40 and 49, and three were between the ages of 50 and 59. No participants were over the age of 60. Participants from both urban regions displayed business acumen. The different ages of the participants meant a combination of young and old participants for the study, which supports the trustworthiness of this study in respect of knowledge and experience.

5.2.5 Population group

Four participants were white, four were Indian, four were African and three were coloured. Participants from both urban regions seemed to be geared towards success and shared similar training and skills development challenges. The diverse ethnicity of the participants contributed towards the trustworthiness of this study through a variety of cultures, experiences and values. This ensured the trustworthiness of this study as participants in both Durban and East London seemed to have similar views on the training and skills development challenges they face. They also shared similar thinking on training transfer and evaluation and on the lack of government support in providing funding for SME learning and development initiatives.

5.2.6 Years of ownership

The participants in both Durban and East London varied in the number of years that they had owned their SME. This led to a set of insightful experiences that resulted in a suitable sample. Ten participants owned their SME for ten years or more, therefore possessing sound knowledge of small business operations and the industry. Due to the familiarity of the participants in both urban regions with the manufacturing sector, they were able to provide the best possible responses and insights, thereby contributing great value to this study. Moreover, it was clear that age and the number of years of ownership were not linked, as some young SME owners had owned their entities for a longer period of time than their older counterparts. On average, the years of ownership was 11.2 years, and in view of this, the owners demonstrated a good understanding of the operations of their enterprises and employees and the ability to bring a sense of stability to the business.

5.2.7 Qualifications

Eight participants had a matric, five had diplomas and two had a master's degree. It was clear that those who had higher qualifications demonstrated more theoretical knowledge on training and skills development compared to those with lower levels of education. Participants in both urban regions were educated on training and skills development. However, those with lower qualification levels seemed more practical in that they preferred hands on learning and development activities and more on-the-job training interventions. Against this information, it can be argued that whilst higher education provided a sound theoretical platform for engaging in training and skills development, it was not the only determinant within the manufacturing factor, which is highly production-orientated and practical by nature. Participants with only a matric, were also in position to implement and monitor training and skills development activities, through the use of a more practical approach such as on-the-job learning and development interventions. It was observed that all participants, irrespective of qualification level, conversed well during the interview. In essence, based on the qualification profile of the participants, higher education is not essential in the manufacturing industry.

5.3   REPORT ON THE RESEARCH FINDINGS

A total of five themes and 11 sub-themes emerged from the data analysis as indicated in Table 5.2.

Table 5.2: Themes and sub-themes of this study

Theme	Sub-theme
Theme 1 The training and skills development climate in SMEs.	1.1 The existence of a training and skills development policy and an HRD strategy in SMEs. 1.2 The presence of a learning culture in SMEs. 1.3 Attitudes towards training and skills development in SMEs.
Theme 2 Training and skills development drivers in SMEs.	2.1 Internal drivers of training and skills development in SMEs. 2.2 External drivers of training and skills development in SMEs.
Theme 3 Training and skills development interventions implemented by SMEs.	3.1 The role of training needs analysis (TNA) in intervention selection in SMEs. 3.2 Types of interventions implemented by SMEs to promote sustainability.
Theme 4 Training and skills development transfer and evaluation for SME sustainability.	4.1 Outcomes of transferring newly learnt KSAs in SMEs 4.2 Training and skills development evaluation and ROI in SMEs.
Theme 5 Training and skills development challenges faced by SMEs	5.1 Internal barriers to training and skills development in SMEs. 5.2 External barriers to training and skills development SMEs.

Section 5.3.1 unpacks the themes and sub-themes that arose from this study, in conjunction with the verbatim quotes for each sub-theme. The views of the participants are confirmed or contrasted with the existing literature and then a critical interpretative discussion follows at the end of each last sub-theme under each theme.

5.3.1   Theme 1: The training and skills development climate in SMEs

In this theme it emerged that the participants in Durban and East London formulate and implement training and skills development policies and strategies. They are also passionate about learning and development and encourage positive attitudes

towards training and skills development. Essentially, three sub-themes emerged from the data analysis of Theme 1:

1.1 The existence of a training and skills development policy and an HRD strategy in SMEs.

1.2 The presence of a learning culture in SMEs.

1.3 Attitudes towards training and skills development in SMEs.

5.3.1.1 Sub-theme 1: The existence of a training and skills development policy and an HRD strategy in SMEs

Participants in both urban regions acknowledged that formulating and implementing a training and skills development policy and an HRD strategy ensured that skills and competencies were available for SMEs to stay relevant and sustainable. Conversely, some participants were of the view that such a policy and strategy were not essential for survival, particularly in the manufacturing industry, which is highly production focused. In a nutshell, nine participants DBNP1, DBNP2, DBNP3, DBNP4, ELP1, ELP2, ELP4, ELP5 and ELP8 stated that they had formulated and implemented a training and skills development policy and an HRD strategy. One participant, DBNP7, acknowledged awareness of this policy and strategy but indicated that his SME did not have formal ones in place as his SME does not have the knowledge on how to draw up such a policy and strategy. Five participants, DBNP5, DBNP6, ELP3, ELP6 and ELP7, indicated that they had not formulated or implemented such a policy or strategy. This is confirmed by the following excerpts from the transcriptions (Table 5.3).

Table 5.3: The existence of a training policy and an HRD strategy in SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… our HRD strategy is integrated in our vision and mission statements. It's aligned with our strategic intent of how we plan to grow our employees … our training policy emphasises who will be trained and which skills to upgrade …"*
DBNP2	*"… we have a HRD strategy to grow our employees … its focused on the long term and aims at providing adequate training and skills development activities to mitigate their areas of weakness … it looks at current and potential skills for carrying out current and future tasks …"*

DBNP3	*"… our HRD strategy is designed to up-skill and re-skill our employees … we integrate it in our training and skills development initiatives … we outline our training and skills development endeavours in this strategy and our plans and objectives … to ensure that we are relevant and competitive …"*
DBNP4	*"… we do have a well-structured HRD strategy in place, it takes note of what skills we need and how we plan to obtain them. Clear objectives in our strategy aimed at our human assets … we revisit our training and skills development policy from time to time to establish its relevance … as to which employees need to be trained and developed and how to approach this …"*
ELP1	*"… yes we have a HRD strategy, it's the rudder to steer our employee ship, employees want to grow and we need to deliver, so we have a strategy in place to deliver … we have a prescribed training and skills development policy and it's working well … our policy looks at our training and development plans and objectives … and this is integrated with our overall goals to be profitable and sustainable …"*
ELP2	*"… we see our HRD strategy as the cornerstone for development of our employees. Our strategy is unambiguous … it's a strategy on how to move our SME forward using the skills of our employees … we have a training and skills development policy in place and we report on it periodically …"*
ELP4	*"… HRD strategy is a part of our HR policies. This strategy looks at targeting areas that need improvement and advancement, so we focus a lot on up-skilling and re-skilling in this strategy … our SME has a training and skills development policy and we revise it every year … our productivity and sustainability depend on this …"*
ELP5	*"… not as clear and effective but we have a HRD strategy in place that directs us on how to grow our timber ... a simple strategy on what skills need improvement and how to achieve a well-skilled workforce … we also have a training and skills development framework that guides us …"*
ELP8	*"… we have a HRD strategy … one that groups our employees into levels and areas of strengths and weaknesses in terms of skills, so we then use this to plan how to develop our employees … we tend to integrate our HRD strategy with our training plan … and our organisational goals …"*
DBNP7	*"… we don't have a strategy per se but we are mindful that we need to have one in place to grow and develop our employees. So right now, not a clearly defined strategy on paper but in our minds … we have considered putting a training and skills development policy in place but we need additional knowledge on how to …"*
DBNP5	*"… no paperised strategies or policies … just a focus on production …"*

DBNP6	*"… no such strategy is needed; we don't see the point of having multiple strategies and policies as we are a small business … such are background noises … irrelevant …"*
ELP3	*"… now seriously … we are a SME, what's the need for fancy strategies and policies … employees have a job and they should thank their lucky stars for that … their growth is not my problem …"*
ELP6	*"… we are a manufacturing SME. It's simple. We need people who can work on the shop floor ... employees who are production orientated … we don't need strategies and policies and the like … strategies and policies don't make a business, in fact too much of this causes confusion … it's a waste of time …"*
ELP7	*"… not needed…we don't have these … we keep things simple … my supervisors and I … don't support HRD initiatives either …"*

The findings of this study are inconsistent with those in the literature. The study of Garavan, Neeliah, Auckloo and Ragaven (2016) indicates that small businesses do not formulate or implement a training and skills development policy or an HRD strategy because these enterprises lack foresight of the value of such a policy and strategy and that there is no strategic plan in place and no proper need-identification process (Garavan et al., 2016). The OECD Report (2013), leveraging training and skills development in SMEs, also disagrees with the current study. The findings of the report indicate that SMEs do not possess the necessary knowledge on how to formulate and implement a training policy and an HRD strategy, which the report attributes largely to the unstructured and unplanned basis on which SMEs operate (OECD Report, 2013). However, nine participants in the present study alluded to their well-developed training and skills development policies and procedures (HRD strategy, TNA and training plans and schedules) which enabled them to adequately and effectively improve the skills and competencies of their employees, thereby achieving sustainability.

Research findings from studies done by Garavan et al. (2016) and the OECD Report (2013) contradict the findings of this study. The study done by Garavan et al. (2016) focussed on SMEs in Mauritius and that of the OECD Report (2013) was based on a worldwide study. The finding in this study is specific to the target population and it is possible that the situation in South Africa is different.

5.3.1.2 Sub-theme 2: The presence of a learning culture in SMEs

Participants in both the Durban and East London urban regions mentioned that a robust learning culture was essential for effective performance, as it motivated employees in their tasks and achieved sustainability. On the other hand, some participants stated that emphasis is not placed on creating a learning culture within SMEs, but rather on profitability. In essence, seven participants, DBNP1, DBNP2, DBNP3, DBNP7, ELP1, ELP4 and ELP8, confirmed the existence of a learning culture within their enterprises. Three participants, namely DBNP4, ELP2 and ELP5, indicated that they were dealing with a "mixed bag" in that some employees were interested in learning and others not. Five participants, DBNP5, DBNP6, ELP3, ELP6 and ELP7, mentioned that no learning culture was present in their SMEs, because they do not believe that training and skills development are necessary for success or the solution to poor financial performance. Table 5.4 presents the verbatim quotes of the participants in respect to this sub-theme.

Table 5.4: The presence of a learning culture in SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… our employees take well to learning and so we have a strong learning culture … we have noted job proficiency as a result …"*
DBNP2	*"… we have a strong learning culture; employees are motivated to progress … they see it as a means to structure their career path and we as management see it as means to manage the careers of our employees ensuring that well trained and good performing employees are promoted … "*
DBNP3	*"… we encourage learning and provide mentorship ... encouraging such a culture suits the operational requirements of my SME …"*
DBNP7	*"… we believe a learning culture is present in our SME and this is encouraged by our supervisors and me … we support our employees to apply their skills and knowledge to their tasks … we can see it … it is there for sure … this desire to learn and move forward … excel …"*
ELP1	*"… we pride ourselves in creating a learning culture … we invest in training and skills development activities to steer our employees to better performance …"*
ELP4	*"… I do believe we have a good learning culture in place; there is a sense of understanding that learning equals growth and professional advancement …"*

ELP8	*"… instilling a learning culture transforms an employee from a mere employee to a skilled employee … but it requires that all management and employees be involved …"*
DBNP4	*"…. some of our employees are enthusiastic … others employees don't seem to appreciate the value of learning … older employees are less interested … because of age and being close to retirement … the youngsters are upbeat about it …"*
ELP2	*"… it depends on the type of employees a SME is saddled with … some of our employees are eager … others don't have the passion to learn or move forward … they seem to lack the drive to propel their careers …"*
ELP5	*"… it's clear that some of our employees are excited about learning and this encourages such a culture … but not all employees are as keen … older employees are not as passionate as the younger ones …"*
DBNP5	*"… we don't have an effective learning culture, this is a SME and employees feel there is limited scope for promotion to senior levels …"*
DBP6	*"… a learning culture is fairly non-existent because we are not active in training and development … we are production orientated … production equals profits ..."*
ELP3	*"… our business is a small business; a learning culture is not applicable …"*
ELP6	*"… we don't enforce a learning culture; it's time consuming and a waste of resources to get employees excited about learning … we are highly production focused and would rather invest in activities that grow our profitability …"*
ELP7	*"… no such culture…we don't see the need for it … we are not responsible for employee skills development … it's government's job ..."*

The available literature confirms the findings of the present study. The study of Saunders, Gray and Goregaokar (2014) reveals that SMEs in general have a strong dedication to learning and a collective vision. The authors further observe that innovative SMEs, and SMEs that use technology to enhance production and skills, are more committed to learning than those who are less innovative (Saunders et al., 2014). Moreover, Bamberry, Sabri-Matanagh and Duncan (2015), Tam and Gray (2016) and the South African based study of Mamabolo, Kerrin and Kele (2017) also notes comparable findings to the current study. These authors indicate that many SMEs foster a positive learning culture and promote employee advancement through training and skills development, which is what the present study established as well (Bamberry et al., 2015; Tam & Gray, 2016; Mamabolo et al., 2017).

The Australian study of Sharafizad (2017) and the Korean study of Jeong, McLean and Park (2018), reveals that SMEs do not encourage a culture of learning because they lack an effective recruitment policy and are family-based enterprises, with one employee performing multiple tasks. In South Africa, the lack of a learning culture is linked with the complexity of the manufacturing to be done.

5.3.1.3 Sub-theme 3: Attitudes towards training and skills development in SMEs

Participants in both urban regions indicated that positive attitudes towards training and skills development are necessary for the application of KSAs, which ultimately leads to job proficiency. These participants also pointed out that owner and supervisor support are essential for shaping favourable attitudes. In contrast, some participants mentioned that learning and development are a waste of money, as this did not guarantee ROI and, based on this belief, says it was unnecessary to cultivate positive attitudes. In brief, ten participants DBNP1, DBNP2, DBNP3, DBNP4, DBNP7, ELP1, ELP2, ELP4, ELP5 and ELP8 stated that their employees are generally favourable towards training and skills development, as they believe that learning and development enables them to obtain skills and competencies to improve the quality and timeliness of their tasks and also that training leads to career advancement within the SME. Five participants, DBNP5, DBNP6, ELP3, ELP6 and ELP7, indicated that no importance was placed on training and skills development in their SMEs as training and skills development is not necessity for improved financial performance, but rather that a focus on production will yield profitability. Table 5.5 presents the answers of the participants, on their attitudes towards training and skills development in their SMEs.

Table 5.5: Attitudes towards training and skills development in SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… I am passionate about training and skills development … I had a good experience with it myself … in my day my employer encouraged it … my employees have positive attitudes … they want to improve their skills base…there is a definite willingness … "*

DBNP2	*"… very excited about training and skills development … I have seen its value in my career … I get involved and I am a part of it … our employees seem keen to learn and apply newly learnt skills …"*
DBNP3	*"… certainly happy to have training and development as part of my SME … I see its importance … employees take to training and skills development with a view to learn and grow … and that's important because if employees don't develop positive attitudes, then we are earmarked for failure …"*
DBNP4	*"… I am eager to get involved … I have high standards when it comes to training and development … our supervisors and myself … we get involved in allocating resources for training and skills development … employees are keen … they see it as a 'tonic' for better performance in their tasks …"*
DBNP7	*"… we cultivate the right attitude towards training and skills development ... I think we are more hands … employees are excited to attend learning interventions…"*
ELP1	*"… I am supportive of training and skills advancement … I think it's important to have a committed workforce and it's important for our supervisors and myself to display an accommodating attitude … we have nurtured an effective attitude within our employees to develop their skills as we showed them the benefits of training and performing well … promotion … timely completion of tasks … career management and progression so that employees know that learning improves status and job ranking in the SME…"*
ELP2	*"… my supervisors and I see the value of training and skills development and we have an appreciation of it … those employees who have seen their colleagues advance in last year as a result of this, are enthusiastic for the same outcomes and success …"*
ELP4	*"… our employees are optimistic when it comes to learning … they want to learn and improve their knowledge, skills and attitudes (KSAs) … they see the benefits of learning … it also ensures career progression and management in that employees improve their skills, perform better and qualify for higher ranking posts and positions …"*
ELP5	*"… we are encouraging, supportive and proactive … employees see training and skills development as a means to unleash their potential …"*
ELP8	*"… for me it's satisfying for me to see employees who started with very limited skills flourish and gain confidence because of training and skills development … I feel part of this success as I have encouraged learning … and our employees have done their part in being favourable to the process … they are aware that training is the key to their career path ..."*
DBNP5	*"… I will have a favourable attitude towards training and skills development when I see the return on investment of it in monetary terms … for now I don't have a*

	positive frame of mind towards this … once trained, employees grow wings … they leave …"
DBNP6	*"… a learning culture is fairly non-existent because we are not active in training and development … we are production orientated … what's the return on investment from this ... we have not seen it …"*
ELP3	*"… training and skills development is not a part of our mind-set … I have heard stories where large amounts of money are spent on up-skilling employees and soon after they leave … often taking up employment with our competitors … this leaves a bitter taste …"*
ELP6	*"… manufacturing does not require enthusiastic attitudes towards training and skills development … it's a highly practical industry, on-the-job environment … it's rough … it requires hard-working production focused employees …"*
ELP7	*"... we don't see training and skills development as the solution … we devote our energy towards production … besides there is no need for formal learning in manufacturing … it's just not the personality of the industry … it's more of a cost than a benefit if you ask me …"*

The findings of the current study correspond to the literature available on the topic. The study of Brink and Madsen (2015, p. 653) note, that there is a degree of open-mindedness about learning and this results in positive attitudes, which influences the "absorption of knowledge for application in the organisation expected to affect innovation and growth in SMEs". Furthermore, Psychogios et al. (2016) and the South African based study of Rabie et al. (2016) mention that SME employees are often keen to learn to perform better at their jobs and to advance their careers within the enterprise and that this enthusiasm results in positive attitudes towards learning and development. Essentially, the conclusions of Psychogios et al. (2016) and Rabie et al. (2016) confirm the findings of the existing study.

The studies of Bai et al. (2016) undertaken in Asian SMEs and Henry, Hill and Leitch (2017) conducted in SMEs in general, contradict the findings of this study. These studies' indicate that small businesses (clothing, furniture and shoes manufacturers) that are largely profit-focused and concerned with survival rather than embedding positive attitudes towards learning, geared towards career progression and development of their employees, have a higher staff turnover than those cultivating positive attitudes (Henry et al.,2017; Bai et al., 2016). Therefore,

owners of SMEs, not investing in training and skills development, may run the same risk. The four participants in this study, who were not positive about training and skills development, were profit-orientated. The study of Bai et al. (2016) and Henry et al. (2017) were carried out using a quantitative research method, with a larger small size, across various industries and countries.

5.3.1.4 Critical interpretive discussion on Theme 1

It was clear from the interviews that participants in Durban and East London formulated and implemented a training and skills development policy and an HRD strategy. These participants explained that their training and skills development policy and HRD strategy were linked to their overall business strategy. The participants went on to explain that having a training and skills development policy and an HRD strategy in place, enabled them to obtain an understanding of the purpose of training and development activities at all levels in their SME.

The participants argued that the existence of a formal policy and strategy resulted in better skilled employees. The participants believed that their training and skills development policy and HRD strategy were a means to increase the levels of employee motivation and to show employees that the SME had a keen interest in their development and career path. The participants further mentioned that creating a positive learning culture and embedding favourable attitudes in their SMEs, had an effect on career progression and career management of employees. Consequently, employees were motivated to take on additional responsibilities and challenging tasks. Through career progression, employees were stimulated and groomed to be promoted to higher ranks in the SME and to take up supervisory roles in the future. In view of this, they mentioned that employees were aware of the influence of training and skills development on the possibility of them improving their job status and ranking in the SME.

One participant indicated that his SME lacked knowledge and expertise on how to structure a training policy and HRD strategy. Moreover, the participants did not provide insight into the role played by the training department and training practitioner in the formulation and implementation of this policy and strategy.

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Similarly, it could be argued that SMEs improvise and may not have had a structured training department or training practitioner in place. It was also not clear if their training policy included the training process to be followed. However, most participants concurred that an effective training and skills development policy and an HRD strategy encouraged a positive learning culture. There was a general acceptance of the need to maintain a culture that encourages learning throughout the SME. The participants acknowledged that employee involvement, coupled with owner and supervisor support, were essential for shaping a progressive learning culture. It was clear that there was a passion for learning and development. However, it was unclear how this culture permeated the different levels in the SME.

Above and beyond this, the participants corroborated that a positive learning culture, stimulated favourable attitudes. They argued that, without proactive and favourable owner, supervisor and employee attitudes, their SMEs were likely to fail. Conversely, they did not provide insight into the mentorship role of owners and supervisors in fostering a learning culture. Probing did not provide any answers either. Nevertheless, it emerged that the enthusiasm of some participants towards training and skills development, stemmed from the owners positive personal experiences of learning and development activities in their own careers. A sense of pride and satisfaction was observed as these participants spoke of how employees progressed from one level to another as a result of learning and development. The participants agreed that the attitudes of their supervisors and themselves often influenced resource allocation to training and skills development. They observed that some employees were not keen to learn and this was due to laziness and a lack of drive to advance in their careers. It was established that younger employees tend to display more favourable attitudes compared to older employees. In view of this, the participants presented the argument that younger employees envisaged a career path within the SME, whilst older employees found no need to learn and develop as they were close to retirement. It was also mentioned that older employees tended to be fearful of the change associated with learning. It appeared as if the participants did not make much of an attempt to understand the apprehensiveness of the older employees.

In contrast, the remaining participants questioned the purpose of a training and skills development policy and an HRD strategy. They also debated the need for a positive learning culture and favourable attitudes. These participants were adamant that such luxuries were not suited to the rough-and-tough terrain of the manufacturing industry, which is characterised by intense production and high employee turnover rates. It emerged that some participants seemed to be discouraged by learning and development, as they had been confronted with the negative experience of training their employees, only to have them leave to take up employment with competitors. However, there was no indication that this was the case, as no supporting evidence was provided to validate this answer. These participants made it clear that learning and development were irrelevant as ROI from training and skills development cannot be guarantee and that for them to invest in this activity, the ROI in terms of profits would first need to be determined. However, these participants did not attempt to implement learning and development and hence may find it difficult to achieve this. They were also frustrated, as they argued that it was the role of government to develop the skills of the workforce and not that of SMEs who face far more pressing challenges. These participants were highly profit-focused.

In summary, the training and skills development policy and HRD strategy, training committee reports and learning intervention feedback forms of the participants in both urban regions were analysed. These documents confirmed the responses of the participants related to the existence of a training policy and HRD strategy, along with a learning culture and positive attitudes towards learning. However, the training and skills development policy and HRD strategy lacked a well-designed framework and structure. There was no reference to the training process adopted in any of the policy or strategy documents. The strategies to encourage a learning culture were not comprehensively explained. It was also not possible to accurately establish employee attitudes before, during and after an intervention as the learning intervention feedback forms did not serve as a sound yardstick for measurement. All the documents (training and skills development policy and HRD strategy, training committee reports and learning intervention feedback forms), lacked detail and, despite being electronically housed, they were not updated or

reviewed periodically. The training policy, HRD strategy, training committee reports and learning intervention feedback forms had last been updated two years previously. In spite this; it was clear that training and skills development played a strategic role in the functioning of both young and older SMEs in both urban regions.

5.3.2   Theme 2: Training and skills development drivers in SMEs

Through this theme it surfaced that a host of internal and external drivers influence training and skills development in SMEs in Durban and East London. However, it was difficult to establish the times or periods during which these factors influenced the SMEs as no proper documentation was kept in this regard. Additionally, no internal and external analysis or documentation of the drivers was available to draw any conclusions on the precise influence of these factors on the SMEs that warranted training and skills development to be implemented. Fundamentally, two sub-themes emerged in the data analysis of Theme 2:

2.1   Internal drivers of training and skills development in SMEs.
2.2   External drivers of training and skills development in SMEs.

5.3.2.1 Sub-theme 1: Internal drivers of training and skills development in SMEs

Participants in both urban regions indicated that a number of internal factors, namely financial performance and sustainability, business expansion and closing the skills gap propelled the implementation of training and skills development. However, some participants spoke of avoiding a 'sheep dip' approach, which is wasting financial resources on learning and development without it yielding any benefit. According to Henry et al. (2017) a 'sheep dip' approach is a common training term, used to refer to a standardised method of training and developing employees, which in essence translates to cost-cutting as no new training content is delivered and no training experts are hired to deliver training. In a nutshell, ten participants DBNP1, DBNP2, DBNP3, DBNP4, DBNP7, ELP1, ELP2, ELP4, ELP5 and ELP8 noted the existence of internal drivers. Five participants, DBNP5,

DBNP6, ELP3, ELP6 and ELP7, indicated the absence of such drivers. Table 5.6 gives the responses of the participants associated with this sub-theme.

Table 5.6: Internal drivers of training and skills development in SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… we are expanding into Africa … Nigeria and Zambia specifically… we need competent staff to move this forward … we also want lower stock returns and training and skills development helps in this regard …"*
DBNP2	*"… financial performance and sustainability is imperative … we need suitability skilled employees for this … so we invest in training and development to achieve these objectives and stay relevant …"*
DBNP3	*"… even though we up-skill and re-skill our staff … we are faced with skills shortage … we need more furniture designers … these employees create new styles and adapt existing styles … highly skilled workers are required for this task…drafters prepare the blueprints for the designers plan … our employees are not well skilled in these areas … we need to skill them … it's the core of our business venture …"*
DBNP4	*"… we opened four branches in Cape town at the end of last year and we needed to equip our staff with the relevant knowledge and skills to drive this project to fruition … if not our SME is likely to fail …"*
DBNP7	*"… the need to stay updated and relevant … the need to achieve our goals of a higher market share and improved financial performance drives us to train and develop our employees … few stock returns also drives us to train and develop our staff … as stock returns are costly…we cannot afford many returns and recalls …"*
ELP1	*"… we are contemplating opening up a branch in Angola … this will require skilled employees … we are also faced with a shortage of model makers … the employees who build the furniture according to design … we are currently training four new employees for this … such skills are essential to the continuance of our SME … if we don't have trained designers, drafters and model makers our sustainability is threatened …"*
ELP2	*"… in the manufacturing industry skills are required to stay relevant and sustainable … to compete and be profitable and this hinges on well trained and skilled employees, who have the competencies to drive our SME forward and position us well in the packaging market …"*
ELP4	*"… our SME battles with scarce skills … there is a shortage of qualified and experienced individuals … technical machine operators and graphic designers … and we also face critical skills issues in terms of mentoring and marketing … so there's an urgency to train and develop existing employees to acquire these skills, if we are to survive …"*

ELP5	*"… financial performance and sustainability are our main objectives … this can only be achieved through committed and skilled employees … we need to align our business to world class manufacturing standards …"*
ELP8	*"… skills shortage remains a hurdle … therefore training and skills development interventions are implemented … to tackle this issue going forward we are considering career mapping … which will skill employees sufficiently to ensure they have the competencies to do their tasks effectively and this will in turn ensure that the right skills are available when our SME needs them …"*
DBNP5	*"… it is our belief that employees must come with the necessary skills to do their jobs … we don't see the need to invest in training and skills development, as this is the responsibility of the employee and government …"*
DBNP6	*"… training and developing the workforce should be the initiative of government … it's not my responsibility as a SME owner …"*
ELP3	*"… we are production resolute … and this is not dependent on training and developing individuals but rather continuous manufacturing of quality shoes to meet customer demands …"*
ELP6	*"… surviving in the manufacturing industry depends on supply and demand … on supply chain and logistics management, not on training and developing employees … that is a waste of time and money…"*
ELP7	*"… we have a lean workforce … more pressing priorities … we focus on day to day priorities ... we don't see the need to waste resources on learning and development … government should be held accountable for that …"*

A literature control corroborates the findings of this study. Johnson and Schaltegger (2016), Riley, Steven and Mahoney (2017) and the South African based studies of Hung, Cant and Wiid (2016) and Mamabolo et al. (2017) confirm that small businesses are often driven to train and develop their employees as they recognise that a knowledgeable, capable and well-trained workforce is a necessity for survival and financial success.

The studies by Furlan and Vinelli (2018) conducted in the manufacturing sector, across the United Kingdom and Ayuso and Navarrete-Báez (2018) undertaken in Spain and Mexico, find that SMEs are highly production focused, emphasising a wider range of product mixes and batch sizes in conjunction with shorter lead times and not the advancement of employee skills or knowledge. These sectors are also technology focussed, which does not apply to the participants in this study. These

SMEs are small and produce different products, requiring more common skills. The studies of Furlan and Vinelli (2018) and Ayuso and Navarrete-Báez (2018) further note that the outlay of financial resources allocated to training and skills development should rather be invested in technological innovation to drive production. These studies' were carried out in British and Spanish and Mexican SMEs, where the internal drivers for training and skills development differ to South African SMEs.

5.3.2.2 Sub-theme 2: External drivers of training and skills development in SMEs

Participants in Durban and East London mentioned that a host of external factors, namely globalisation, legislation and attaining a competitive advantage, necessitate training and skills development in this age of progressive markets. On the other hand, some participants indicated that the manufacturing sector is highly supply-demand orientated, with a strong focus on financial performance. In essence, ten participants DBNP1, DBNP2, DBNP3, DBNP4, DBNP7, ELP1, ELP2, ELP4, ELP5 and ELP8 stated they were driven by external forces. Five participants, DBNP5, DBNP6, ELP3, ELP6 and ELP7 noted the absence of such forces. Table 5.7 provides the precise words of the participants selected from the transcriptions to support their answers.

Table 5.7: External drivers of training and skills development in SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… as I mentioned our SME is expanding into Africa … we are now interacting with suppliers and customers from Nigeria and Zambia … we need to conform to certain standards and practices … training and skills development is assisting us in building the competencies of our employees to adapt to these new markets … new technology … this is essential to ensure the performance and productivity of our employees and SME in the global market … if not we run the risk of failure …"*
DBNP2	*"… there are always new entrants and competition is fierce … the buying power of our customers has changed as well … it's limited with the current economic slump we are facing and so to stay relevant and sustainable, we need to secure a competitive advantage and this can only be achieved through our employees and their job-related competencies …"*

DBNP3	*"… there is a struggle for survival and rivalry … a struggle for market share and profits … to remain operational in this industry and to outwit our competitors and secure our customer base, a set of skilled employees is required … these skills ultimately translate into effective performance …"*
DBNP4	*"… we have been leaders in the packaging industry for the last five years…however in the last two years competition in the industry has grown greatly … our market share dropped by four percent … we need to reinvent our SME and innovate if we are continue survive in this industry and hence collective skills and know-how is critical …"*
DBNP7	*"… we offer learnerships and this means that we have to stay compliant with regulatory, legal and statutory requirements … we need to manage and report on our Workplace Skills Plan and Annual Training Report to Merseta ..."*
ELP1	*"… we need to take a strategic approach to training and developing our HR, not only to benefit from a competitive position in the industry but also to better adjust to change and often unpredictable external influences … accordingly we are faced with globalisation, which also means that we must evolve, adapt and change …"*
ELP2	*"… we are involved in learnerships (graphic artists) and the acquisition of scarce and critical skills and therefore compliance with regulatory requirements is essential … compilation and reporting on our Workplace Skills Plan and Annual Training Report to Merseta and the South African Revenue Services … we also want to improve our Black Economic Empowerment scorecard and hence we have transformed of our training and skills development function to include the development of previously disadvantaged employees …"*
ELP4	*"… the manufacturing industry has shrunk considerably in the last year … this has put pressure on smaller enterprises and has led to increased competition … to keep up with competitor trends and to attain business agility we need to attract the best talent and we need to continuously develop and retain this talent too …"*
ELP5	*"… the labour laws of the country places restrictions on the recruitment of individuals and we often find that employees who end up being hired generally do not have the necessary skills to perform their tasks optimally, so we end up having to train and develop these employees or we jeopardise our sustainability …"*
ELP8	*"… globalisation's a major driver that has impacted on us…the internationalisation of markets for sales and purchasing influences my SME … entry of new competitors into South African markets and changes in customer behaviour and preferences and technology, are the current challenges we face to remain sustainable … we need well trained and developed staff to overcome these challenges …"*

DBNP5	*"… we don't waste our resources on training and development … we hire talent that has been trained elsewhere … besides its government's responsibility …"*
DBNP6	*"… its government's responsibility to train and develop the labour force … since 1994 the government has been formulating and implementing policies and strategies … Human Resource Development Strategy for South Africa, National Skills Development Strategy and the Skills Development Act … what has come of these initiatives? … Why SMEs are still burdened with training and developing their employees? We face other more pressing challenges …"*
ELP3	*"… it's government's responsibility to provide small businesses with skilled labour … year on year the fiscal policy makes provision for training and skills development … Department of Trade and Industry, Industrial Development Corporation and Seda have been formed to implement the government's SME strategy and to support small business … however we are yet to receive support … financial and moral support …"*
ELP6	*"… the manufacturing sector is dealing with a move globally from old-fashioned manufacturing practices which were more labour- driven models that are embracing the newest technology … and this challenge is met with acquiring modern technology, not training and developing employees …"*
ELP7	*"… SMEs are faced with their own challenges … training and developing employees is the responsibility of the SETAs … the SETAs need to play a role in developing scarce and critical skills … SMEs cannot be expected to fill this gap …"*

The findings of the present study are coherent with those in the literature on the subject. The study of Rabie et al. (2016) corroborate that SMEs are obliged to train and develop their employees due to the increasing interconnectedness of the world, which has resulted in increased international trade. The authors further state that legislation often puts pressure on SMEs to ensure that their employees are adequately skilled (Rabie et al., 2016). Additionally, the study of Ipinnaiye, Dineen and Lenihan (2017) indicate parallel findings to this study in that the authors note that globalisation, competition and expansion remain likely reasons why many SMEs are driven to consider an investment in training and skills development.

Conversely, the study of Kraus, Eggers and Steig (2017) undertaken in German SMEs, found that whilst globalisation is a major driver in SME sustainability, it does not drive the need for a training and development, but rather for advanced production methods and technology. The study of Shankar (2017) carried out in

SMEs in India, drew similar conclusions to the study of Kraus et al. (2017). The reasons for the likely inconsistencies between this study and that of Kraus et al. (2017) and Shankar (2017) is that the latter studies were conducted using a larger sample size, in Germany and India respectively.

5.3.2.3 Critical interpretive discussion on Theme 2

Participants in both urban regions cited expansion, the skills gap and sustainability as the main internal drivers of training and skills development. They observed that as their business grew, more resources were required for learning and development. It seemed as if the pressure to achieve success and sustainability in their new ventures, coupled with the need to improve supplier interaction, customer satisfaction and quality, increased their need to skill their employees accordingly. These participants agreed that an increase in financial and human resources, which resulted from their expansion, meant that more targeted and focused learning and development was required and that this was subsequently provided.

It was acknowledged that growth resulted in diversification, with the need for specialised skills, which posed a challenge in view of the skills gap in the South African workforce. Apart from growth, the participants argued that employees continuously needed new skills. It seemed as if the lack of scarce and critical skills in the labour force puts pressure on SMEs to skill existing staff to fill positions that need such skills. Probing did not provide answers on how they tacked the issue of scarce and critical skills. It was clear that the participants appreciated the contribution of learning and developing in preparing them to deal with expansion and the skills gap. Sustainability also surfaced as one of reasons that propelled training and skills development. There was a shared understanding that an investment in up-skilling and re-skilling employees resulted in a highly competent and dedicated workforce, which enhanced profits. Most participants identified globalisation, legislation and competitive advantage as the major external drivers of learning and development.

Globalisation prompted most SMEs to formalise their training and development practices and to allocate more resources learning. These participants unanimously

agreed that the pressure to conform to international standards and markets put emphasis on improving their skills base. Through the interviews, it also emerged that legislation in the form of labour law prompted them to engage in training and development activities. The participants' responses indicated that they wished to improve their BBEE status so that they may receive funding. However, few participants indicated that they were frustrated that labour law often obligated SMEs to recruit individuals that were not adequately skilled, which then placed the burden on SMEs to up-skill these individuals. They also argued that, despite assisting government through agreeing to take on learnerships, they were not spared the extensive documentation in the form of the WSP and ATR, along with other compliance requirements. This often discouraged them from taking on learnerships in the future. The participants indicated that an increase in competition and the need to attain a competitive advantage also encouraged learning and development. A few participants spoke of the need to reinvent their SMEs and to provide different products, which in turn compelled them to train and develop their employees in new processes and practices.

On the other hand, the remaining participants provided similar responses as before. The argument that government is responsible for skills development arose again. These participants indicated that, as SMEs, they face the challenge of limited resources and that government needs to take more control in developing the skills of the workforce. The status and success of government initiatives like the HRDSSA, NSDS and the SDA were questioned. The participants viewed these initiatives as nice to have and trophy ideas of government, making it seem as if they were developing the workforce, when in fact individuals remain unskilled and unproductive. They seemed irate, that in spite of the provision made for skills development in the annual fiscus, the issue of skills development remained the burden of employers.

The participants were also doubtful of the role of the DTI, IDC and Seda in assisting SMEs with up-skilling and re-skilling employees. The participants seemed to have reservations about the ability of these organisations to assist them, arguing that they had not received any assistance as yet. However, there was no evidence to

suggest that the DTI, IDC or Seda failed to assist these SMEs, as no request for assistance in the form of an email or letter, could be made available to support this claim. Overall, these participants were driven mainly by production and meeting supply and demand, and hence maintained that training and skills development was a waste of time and money.

In summary, the strategic planning document, ATR and minutes of the training committee meetings of the participants in both the Durban and East London urban regions were analysed. These documents corroborated the responses of the participants. Nevertheless, the documents lacked clarity and a proper framework. It was not possible to establish which internal and external drivers influenced the participants at which times. Hence, it was difficult to establish the success thereof. The documents were not updated regularly. The strategic planning document, ATR and minutes of the training committee meeting had last updated two years previously.

5.3.3 Theme 3: Training and skills development interventions implemented by SMEs

In this theme it emerged that TNA is conducted by SMEs in Durban and East London as a means to determine which skills of their employees need to be improved. It also surfaced that performing a TNA informs the type of interventions, either on-the-job or off-the-job programmes, to be implemented. However, the organisational, task and individual analysis needs further consideration, as these components are essential in ensuring that the TNA is accurate and meaningful. Moreover, information and documentation relating to the budget and days allocated to learning and development activities were not apparent. Basically, in the data analysis of Theme 3, two sub-themes became apparent:

3.1   The role of training needs analysis (TNA) in intervention selection in SMEs.

3.2   Types of interventions implemented by SMEs to promote sustainability.

5.3.3.1 Sub-theme 1: The role of training needs analysis (TNA) in intervention selection in SMEs

Participants in both urban regions indicated that TNA is essential to establish the current capabilities of employees, determine those skills that still need to be acquired and to select the appropriate interventions. Conversely, some participants mentioned that this analysis does not provide long-term benefits. In brief, ten participants DBNP1, DBNP2, DBNP3, DBNP4, DBNP7, ELP1, ELP2, ELP4, ELP5 and ELP8 indicated that they performed TNA. Five participants, DBNP5, DBNP6, ELP3, ELP6 and ELP7 mentioned that they do not conduct a TNA as they do not believe that up-skilling and re-skilling their employees would add any value to their SME. Table 5.8 verifies the responses of the participants gave in this regard.

Table 5.8: Role of TNA in intervention selection in SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… our TNA enables us to conduct a systematic investigation of the training and development needs of our SME … it identifies the gap between the current and required levels of knowledge and skills…this then informs the interventions we need to implement and guides resource allocation …"*
DBNP2	*"… our SME uses TNA to provide us with information on the training and skills development requirements of our employees … in this way we are able to ensure that appropriate and relevant interventions are provided … having concrete data in the form of an analysis prevents guesswork and wastage of resources … we also revisit our TNA periodically to ensure that training provision remains relevant …"*
DBNP3	*"… our TNA describes and justifies what skills employees need to acquire and the best interventions to achieve this … in this way our training and development expenditure is reduced … because we are then able to focus on providing only those interventions that are needed … it prevents us from training and developing employees for the sake of it …"*
DBNP4	*"… we do TNA during the induction process to establish current competencies and inadequacies … then we design training and skills development around that …"*
DBNP7	*"… conducting TNA is a logical step that we undertake in knowing what the training and skills development needs of our SME are, together with the needs of the jobs and that of our employees, we invest in relevant interventions …"*

ELP1	*"… our TNA goes beyond identifying deficient skills … it enables us to introduce new interventions … addresses performance and productivity problems by ensuring the right interventions are provided at the right time and it aligns employee performance with the goals of our SME …"*
ELP2	*"… implementing interventions can be expensive, therefore we analyse the training and skills development needs of our SME, the tasks and the employee at the onset so that learning and development can be structured on specific needs … this makes it more meaningful …"*
ELP4	*"… our TNA provides us with a detailed picture of our training and skills development needs and this leads to performance improvement orientated interventions with enhanced outcomes …"*
ELP5	*"… our SME views our TNA as a means to identify and address developmental issues … it has also made our employees feel valued in that they know that we are committed to promoting effective learning to support their career development … "*
ELP8	*"… our TNA compares our employee's existing skills with the full set of skills needed to perform the task…the gaps are identified and then appropriate interventions are implemented … using this information our employee can sit down with the supervisor and structure a learning programme to overcome this …"*
DBNP5	*"… we just don't see the long-term benefits of such an analysis…it doesn't suit our needs …"*
DBNP6	*"… there is no point in conducting TNA as we don't support training and development solutions in our SME…our supervisors are also not keen on this … training and skills development is a waste of employees' time …"*
ELP3	*"… it's time consuming and ineffective…in the manufacturing industry the employee turnover rate is high, there is no need for such an analysis …"*
ELP6	*"… we know our employees and their needs…conducting a TNA will not provide us with any additional information … TNA is perceptions and opinions of individuals…besides we are constantly evolving and conducting this analysis will be of no value as it will be obsolete by the time it is done …"*
ELP7	*"… there is no value in such an analysis …"*

An exploration of the literature notes like findings to the existing study. The studies of Sharma and Kaur (2016) and Nolan and Garavan (2016) indicate that SMEs conduct a TNA as part of their human resource development practices to establish the current skills base and areas where gaps are present. Additionally, Sharma and Kaur (2016) mention, that, in view of the limited resources available for learning and development in SMEs, conducting a TNA ensures an effective

utilisation of resources in that the right learning interventions are provided at the right time. Moreover, related research undertaken in Kenya reveals that some SMEs use TNA to determine the skills gaps that needs to be addressed to move their SMEs forward (Irungu & Arasa, 2017). Likewise, the South African based study of Botha, Van Vuuren and Kunene (2015) points out that SMEs take a proactive role in developing their employees and use tools such as the TNA to assist them in mapping current the future skills of their employees. Essentially, the research of Irungu and Arasa (2017) and Botha et al. (2015) present similar conclusions to this study.

Conversely, the study of Wang and Lu (2017) carried out in Chinese SMEs reveals that a large number of Chinese SMEs do not perform TNA because firstly, Chinese SMEs are profit and production focused and do not consider training and skills development to be important to the their success and sustainability and secondly, these SMEs are family-based enterprises with a single individual performing multiple tasks, rendering training activities and interventions. The study of Foley (2018) notes similar findings to the study of Wang and Lu (2017), among Irish SMEs. The possible reasons for the inconsistent findings between the present study and the studies of Wang and Lu (2017) and Foley (2018) is that the latter studies were carried out using a large small size, in different industries in China and Ireland respectively.

5.3.3.2 Sub-theme 2: Types of interventions implemented by SMEs to promote sustainability

Participants in Durban and East London stated that both formal (off-the-job) and informal (on-the-job) interventions are powerful agents in developing KSAs that eventually result in improved productivity, enhanced competitive advantage and sustainability. In contrast, some participants indicated that interventions are pointless, as the nature of the manufacturing industry does not suit this because, the sector is characterised by a high employee turnover rate. In a nutshell, ten participants DBNP1, DBNP2, DBNP3, DBNP4, DBNP7, ELP1, ELP2, ELP4, ELP5 and ELP8 mentioned that they implemented formal and informal learning and development interventions. Five participants, DBNP5, DBNP6, ELP3, ELP6 and

ELP7 indicated that they do not implement training and skills development interventions as they do not see any value in such an investment. Table 5.9 presents the verbatim quotes extracted from the transcriptions to support this.

Table 5.9: Types of interventions implemented by SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… technical, marketing, sales, project management, finance and bookkeeping interventions are implemented … sales interventions expose our employees to a multitude of skills to uncover and consistently meet customer needs … project management interventions develop our employees' knowledge, skills, tools and techniques to carry out specific projects …"*
DBNP2	*"… HR, administration, customer service and managerial interventions are implemented … HR interventions equip the HR team with skills to ensure that we recruit the right people and knowledge on labour relations issues from employment contracts, workplace conduct to the disciplinary code ..."*
DBNP3	*"… on-the-job and off-the-job interventions are used … on-the-job training is largely technical training (machine operation and IT) provided to subordinates whilst they perform their tasks … off-the-job training courses on HR, general management, business management, sales and marketing are implemented … business management interventions provide my supervisors and myself with skills in setting business targets, monitoring results and applying management strategies …"*
DBNP4	*"… both on-the-job and off-the-job interventions are applied … on-the-job training is mainly for technical skills (machine and equipment operation and IT), where a practical and hands-on environment is essential … off-the-job training in the form of sales, project management, customer service, finance and management accounting interventions are provided … finance and management accounting interventions improve the modern accounting and financial management and reporting skills of those employees working in our finance department …"*
DBNP7	*"… learnerships, managerial skills, HR, administration skills, customer service skills, marketing, sales and green skills are implemented … learnerships ensure that we have employees who are learners motivated by improving their knowledge … green skills interventions have kept us updated on green technologies, effective waste management and renewable energy…"*
ELP1	*"… both on-the-job and off-the-job training are carried out … technical training is linked to the actual production process and is done on-the-job as the facilities (equipment and machinery) and layout of the shop floor form part of the actual training … customer service, sales, marketing, bookkeeping, management accounting and green skills interventions are implemented … customer service*

	interventions equip our sales and customer service division to adapt to and quickly handle customer concerns …"
ELP2	*"… on-the-job and off-the-job training are used … technical training, which is essentially your hard skills are job specific. Using specific equipment and machinery, software system or process can only be learnt on the job, at the workstation … off-the-job interventions comprise of HR, sales, administration, learnerships, finance, entrepreneurship, marketing, green skills and customer service…entrepreneurship interventions educate our supervisors on pro-activeness, innovation and achievement orientation …"*
ELP4	*"… marketing and financial interventions have been carried out … finance interventions provide the finance team with knowledge on financial control and monitoring, managing accounts and cash flow information, making financial decisions and how to make optimal use of financial resources … "*
ELP5	*"… marketing, sales, HR, finance, bookkeeping, green skills and administration interventions are periodically implemented … marketing interventions have exposed our marketing team to e-marketing and m-marketing and IT tools ... we are now on web and on Face book …"*
ELP8	*"… on-the-job and off-the-job training is used … technical training (machine operation) is done on-the-job as the workplace itself best suits this type of training and off-the-job training interventions include HR, finance, marketing, customer service, project management and entrepreneurship … administration interventions guide our office clerks in setting up and maintaining a filing and record keeping system … we are also thinking of electronic learning to save cost on interventions … but not all our employees are technologically literate … "*
DBNP5	*"… we do not believe that an investment in interventions will improve our profitability or sustainability …"*
DBNP6	*"… we don't implement training and skills development interventions … as we don't believe that these pay off … nor are we convinced that such interventions will lead to profits and sustainability …"*
ELP3	*"… there is a limit to what can be taught … experience is the best teacher…there is also no guarantee that after being exposed to a learning intervention, that employees will perform better …"*
ELP6	*"… we find training and skills development interventions do not meet our needs nor are the skills learnt in these interventions transferable to the work environment … we also find that interventions do not consider the cultural, educational and social aspects of learners …"*
ELP7	*"… most interventions are suited to big business and do not consider the environment in which SMEs operate …"*

A review of the literature produces coherent findings to the present study. The study of Rabie et al. (2016, p. 1021) confirm that SMEs proactively implement training and skills development interventions and are enthusiastic about optimising the benefits of training and "encourage and enforce skills" within their enterprises. Additionally, the study of Pérez-Bustamante Ilander, Marques, Jalali and Ferrieira (2016) and the South African based studies of Nksoi, Bounds and Goldman (2015) and Mamabolo et al. (2017) reveal comparable findings to this study and state that SMEs implement a host of training and skills development interventions from technical, marketing and HR to stay relevant and remain sustainable.

In opposition, the Chinese-based studies of Bai et al. (2016) and Wang and Lu (2017) and the Irish-based study of Foley (2018) indicate that SMEs are production networks that drive economic growth and sustainability through a production-centred approach and effective supply chain links. Against this background, these studies argue that training and skills development interventions are compromised as SMEs would rather invest in machinery and other technology that enhance production rates and guarantee ROI, than investing in learning interventions which may not produce any benefits (Foley, 2018; Wang & Lu, 2017; Bai et al., 2016). The likely reasons for the inconsistent findings between this study and the studies of Bai et al. (2016), Wang and Lu (2017) and Foley (2018) is that the latter studies were conducted using a larger sample size, Chinese and Irish SMEs respectively.

5.3.3.3 Critical interpretive discussion on Theme 3

Participants in both urban regions mentioned that they performed TNA on an on-going basis, and believed this was aligned with their overall goals. These participants argued that TNA was often carried out during performance reviews, skills gap analysis and job descriptions. It was apparent that the participants viewed TNA as a proactive stance to ensure effective performance and avoid issues of poor performance. The participants highlighted that TNA eliminated guesswork in skills provision and put them in a stronger position to deal with changes in their SME and industry. However, probing revealed that TNA did not classify the training needs according to departmental requirements. In other words, an analysis of organisational, task and individual requires further consideration.

Trainee characteristics also require an in depth understanding. The participants stated that they encouraged owner, supervisor and employee involvement in this analysis, which they argued were aimed at career development. The dialogue between employees and the owners and supervisors were used to identify areas of weakness and possible training solutions. Apparently the information collected from this conversation was sent as a formal report to HR.

According to the participants, HR then selected the appropriate interventions to be implemented, thereby making learning and development more relevant and meaningful and avoiding wastage of resources. However, the participants did not provide insight into the involvement of the SDF or training practitioner in TNA. There was also no clear link between the TNA, ATR and WSP in the SMEs in both urban regions.

Most participants indicated that they engaged in both on-the-job and off-the-job training and development interventions. The participants did not seem to prefer one method over the other, but rather argued that the skill to be acquired generally informed the type of interventions to be applied. These participants agreed that technical skills were acquired on-the-job, under the guidance of the supervisor, as the acquisition of these skills could only take place in the actual work environment. The 'learning by doing' (on-the-job) concept seemed to suit the practical nature of the manufacturing industry. However, it was not clear if external training providers were also contracted to provide on-the-job training. Probing revealed that the participants expected on-the-job training to be used more frequently in the future, considering the advancements in technology. On the other hand, off-the job training was generally conducted away from the workplace by an external trainer. Further questioning revealed that an external trainer was often used as the participants did not have the internal expertise to provide the necessary training. The participants acknowledged that, through off-the-job training, employees acquired new and different perspectives.

Marketing was the most popular training and skills development intervention implemented by seven participants perhaps because of the link between effective

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marketing and competitive advantage which ultimately leads to profitability and sustainability. The participants added that marketing interventions were implemented to increase their market share and to meet customer demands. It was not transparent if these interventions were implemented merely to solve performance issues or if they were applied on a continuous basis. Probing did not reveal any answers to this. According to the participants marketing interventions provide employees with the interpersonal and communication skills, negotiation skills and commercial knowledge to effectively take their products to the market. The participants also seemed excited about using technology and social media to enhance their marketing strategies.

Customer service sales, finance, HR, administration, green skills (green technology, biodiversity, renewable energy and waste management), bookkeeping, project management, entrepreneurship, learnerships and managerial skills were noted as the second most common type of interventions implemented, after marketing. HR skills were implemented by six participants. The participants agreed that HR interventions were essential to ensure HR best practice and to acquire knowledge of the labour law which governs the employer and employee relationship in the SME. Through probing it was established that HR interventions were also undertaken to provide the HR team with skills and knowledge on how to better structure and implement training and skills development in their SMEs.

The least popular intervention was business management, implemented by only one participant (DBNP3). Through further questioning, it emerged that this owner and his supervisors did not have sufficient business skills, as they did not have a business qualification. They did not have any prior training in the management of a business; hence business management interventions were undertaken. However, it was not clear if the same inventions were applied for whole team or if they were structured according to the rank and position the employee occupied in the SME. One participant (ELP8) mentioned that her SME was contemplating introducing e-learning as a cost-cutting measure to training. However, she doubted the success of electronic learning, due to some employees not being

technologically savvy. The participant did not delve into the types of interventions that would be offered online, or how e-learning would be planned and implemented. It could be argued that SMEs lacked a budget for technological innovation.

A few participants implemented green skills as a means to acquire knowledge of the environment and to adhere to environmental best practice. In terms of green skills, off-the-job workshops were undertaken by participants both Durban and East London SMEs to educate management and employees on green technologies (Evirotech and Greentech), effective waste management (Coast Care Programme) and renewable energy (Green Passport Campaign). This provided insight into the consideration of the triple bottom line of people, planet and profit.

The remaining participants, on the other hand, provided similar responses as before. They were not keen on TNA as they felt that it did not provide long-term benefits. They argued that the manufacturing industry is characterised by high employee turnover and is constantly evolving, making TNA irrelevant. They further contended that TNA will become out-dated by the time it is implemented. They also debated that learning interventions failed to take into consideration the cultural, educational and social aspects of learner and therefore it was inept. However, these participants made no attempt to perform TNA and hence, were not in a position to confirm its irrelevance. Moreover, these participants indicated they did not implement any interventions as they lacked confidence that training would contribute to a transfer of skills to the workplace or that it would result in increased productivity.

In summary, an analysis of the training plans, schedule, register and the TNA validated the responses provided by the participants in Durban and East London. However, these documents lacked clarity and a proper framework. They provided limited information on the types of interventions, dates and days allocated to training and which employees will be trained. The TNA did not fully integrate organisational, task and individual needs. These documents (training plans,

schedule, register and the TNA) were not updated on a regular basis, with the last noted update being two years before this study.

5.3.4 Theme 4: Training and skills development transfer and evaluation for SME sustainability

In this theme it became apparent that training transfer results in positive outcomes in the SMEs in Durban and East London. Participants indicated all-round better job performance of the employees and organisational success and sustainability as a result of the transfer of newly learnt KSAs to the work environment. In addition, the participants pointed out that conducting training evaluation enabled them to establish the ROI from training and skills development, which resulted in better learning and development decisions in the future. The participants in both urban regions conducted training evaluation, they found doing so a challenge. Moreover, the documentation kept by SMEs in both urban regions with regard to training evaluation and ROI were unstructured, in that they did not have proper evaluation criteria in place, nor did they apply the ROI formula correctly. Essentially, the following two sub-themes surfaced from the data analysis:

4.1 Outcome of transferring KSAs in SMEs.
4.2 Training and skills development evaluation and ROI in SMEs.

5.3.4.1 Sub-theme 1: Outcomes of transferring newly learnt KSAs in SMEs

The participants in both urban regions explained that the transfer of KSAs to the workplace generally led to reliable, well-organised and confident employees. They also noted that employees were motivated and tended to perform their tasks effectively and efficiently, with fewer errors. For example financial reporting and the application of the Labour Law in some SMEs had improved. These participants further indicated that training transfer ensured benefits for the SME in the form of improved business performance, increased market share and profitability. Moreover, they argued that training transfer is linked to better customer service in the form of fewer customer complaints and more customer referrals. Some SMEs revealed that customer complaints dropped from ten complaints per day before training to three complaints per day after training. In contrast, some participants

stated that training and skills development had not produced immediate results and that this was problematic as the manufacturing industry is instantaneous and requires immediate outcomes. In essence, ten participants DBNP1, DBNP2, DBNP3, DBNP4, DBNP7, ELP1, ELP2, ELP4, ELP5 and ELP8 indicated that they had observed positive outcomes from the transfer of KSAs. Five participants, DBNP5, DBNP6, ELP3, ELP6 and ELP7, argued against this. Table 5.10 validates this with excerpts from the transcriptions.

Table 5.10: The outcomes of transferring newly learnt KSAs in SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… effective and efficient business operations … fewer errors … more confident and motivated employees … the project management team are now better equipped to handle projects and deliver quality on time …"*
DBNP2	*"… employees have less anxiety and frustration ... their improved skills enable them to complete their tasks effectively and on time … their level of knowledge (theoretical and practical) has improved and this has added value … since receiving training our HR team were able to put into place HR best practices and standards and we seem to have fewer CCMA cases against us …"*
DBNP3	*"… change is easier to deal with…less wastage of resources … motivated and confident employees … since our management training, my supervisors and myself are better able to plan, organise, lead and control … our management style has improved … "*
DBNP4	*"… satisfaction and motivation … enthusiasm and confidence … ability to meet deadlines and incorporate quality ... our accounting team now produce more accurate and detailed financial reports and this helps in financial decision making … they are also able to report using IFRS…definitely improved customer service … fewer customer complaints and returns … "*
DBNP7	*"… more competent employees … more self-efficacy…employees simply perform better … they are able to carry out their tasks with a high level of precision, there are few errors and subsequently fewer returns and this improves our profits … our improved knowledge of green skills has ensured that we comply with environmental regulations…we have not received any penalties in the last six months …"*
ELP1	*"… confidence and motivation … better teamwork … less stress and pressure, better quality and innovation … creative thinking and improved problem solving abilities … this improves individual and organisational performance … implementing customer service interventions for our customer service team and*

	front desk employees has led to customer satisfaction and appreciation, less complaints and more compliments …"
ELP2	*"… greater sense of task requirements … improved personal confidence … better quality products … the entrepreneurship training that we implemented improved strategic thinking and collaboration … improved decision-making … improved customer service … customers are more satisfied with quality and delivery …"*
ELP4	*"… fewer workplace injuries … more effective utilisation of machinery … employees are motivated and less anxious … lower levels of absenteeism … the finance interventions applied have improved reporting and decision making …"*
ELP5	*"… more confident and knowledgeable employee … more initiative… less anxiety… more focused employees … the marketing interventions we undertook, improved the skills and competencies of our marketing skills … their technological (IT) skills seemed to improve as well as they were exposed to online marketing …"*
ELP8	*"… more responsible and accountable employees … improved competitive advantage … the administration interventions that we implemented improved the organisation and record keeping skills of the admin team … better communication and attention to detail …"*
DBNP5	*"… we don't implement training and skills development interventions … if the need ever arose we would outsource … the risk is less…"*
DBNP6	*"… it's not possible to quantify skills transfer …"*
ELP3	*"… there is more cost to training and development than there are benefits … besides it's not possible to accurately determine the benefits of training transfer … how do I know for sure learning and development improved my profits or that my employees are better at their jobs because of training and development … "*
ELP6	*"… we don't have to chase training transfer, we need immediate results …"*
ELP7	*"… is there evidence that training transfer takes place and that it leads to better job performance? The manufacturing industry is spontaneous and instantaneous results are needed ..."*

A literature search established like findings to the current study. Bin-Atan, Raghavan and Mahmood (2015), Omolo (2015), Taipale-Erävala et al. (2015) and Cohen (2017) confirm that SMEs place emphasis on the transfer of KSAs because they link learning transfer with improved knowledge, better job-related skills and enhanced performance. Omolo (2015) further explains that training transfer is prevalent at all levels within an SME and that the success of training transfer depends on both the employee and supervisor. Additionally, the South African based study of Sungwa (2014) confirms the findings of this study. The study of

Sungwa (2014) also notes that SMEs tend to emphasise that training be transferred to the workplace to improve job performance and organisational profits.

On the other hand, a conceptual study conducted by Sherwani and Nabi (2017) unearths that whilst SMEs engage in training and skills development interventions and activities, learning transfer is not always achieved because the outcomes of training interventions are often not properly analysed to establish the probability of learning transfer to the workplace. Furthermore, Wang and Lu (2017) argue that SMEs are highly profit-focused enterprises and the manufacturing sector is production-centred, with majority of the financial resources allocated towards the purchase of modern machinery to accelerate production, resulting in little or no interest in people development, thereby leading to little or no transfer of KSAs to the work environment. The possible reasons for the inconsistent findings between the current study and that of Sherwani and Nabi (2017) and Wang and Lu (2017) is that the latter studies were undertaken using a larger sample size in India and China respectively.

5.3.4.2 Sub-theme 2: Training and skills development evaluation and ROI in SMEs

The Durban and East London participants acknowledged that the evaluation of training and skills development was essential to establish the effectiveness of training and development activities. They also indicated that evaluation, which they attempted to conduct through questionnaires and observation, resulted in an improvement of future interventions. This also confirmed that the correct training was received and provided evidence that learning and development added value to the SME as a whole. On the other hand some participants stated that training evaluation was an unnecessary activity as it could not be proven that training was effective and resulted in a transfer of skills. The participants further argued that, in manufacturing SMEs, production and not training, resulted in ROI. In a nutshell, ten participants DBNP1, DBNP2, DBNP3, DBNP4, DBNP7, ELP1, ELP2, ELP4, ELP5 and ELP8 mentioned that they carried out training evaluation using questionnaires and observation. Five participants, DBNP5, DBNP6, ELP3, ELP6

and ELP7, did not evaluate training using questionnaires or observations. Table 5.11 supports these responses.

Table 5.11: Training and skills development evaluation and ROI in SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… we see a definite improvement in our employees as they seem to consider the interventions as relevant and an effective use of their time … our financial performance has improved … profits have increased oh … I say about fifteen percent … there has also been an improvement in market share … evaluation also helps identify which improvements can be made … however we need further knowledge and guidance on how to conduct proper evaluation …"*
DBNP2	*"… we drive continuous improvement ... we want to know if training and skills development activities have been effective … we are convinced that our employees apply the skills that they have learnt and that there is a definite change in their behaviour after an intervention…our profit margin has improved … better financial performance … however we can improve the method we use to carry out evaluation …"*
DBNP3	*"… conducting training evaluation facilitates the gathering of information on the training intervention, how it was received by our employees and if they learnt new skills which they were able to apply… this supports future decisions …. there is a positive behavioural change in our employees when they return to the workplace after an intervention … there is a sense of keenness to apply what they have learnt … productivity and profitability has also been noted …"*
DBNP4	*"… evaluating training makes it possible for us to improve the way we do training and this helps us to ensure that learning and development enhances value …. interventions are positively received, learning is applied and a change in behaviour is observed … improved skills and competencies … employees had a better understanding and knowledge of how to perform their tasks … productivity improvements, quality enhancement and cost reduction … nevertheless we could improve our evaluation process … perhaps through a process or model…"*
DBNP7	*"… we need to make 100% make sure that we are delivering the right training and skills development … we can't afford to blindfold ourselves … now this is where training evaluation fits in … our employees have responded positively to the learning interventions and a change in behaviour has been observed … on an organisational level there has been improved financial performance … an increase in profits of 10% has been recorded for the last year … we don't have a formal evaluation process … it's informal, largely observation …"*

ELP1	*"… evaluating training enables us to check that our employees are being equipped with the right skills and knowledge to carry out their jobs … definite change in attitudes, increase knowledge and skill … financial performance has improved … employees seem to be moved to a higher level of functioning … our balance sheet recorded a strong positive balance for the first half of this year and we are convinced this is because of learning and development …"*
ELP2	*"… we evaluate training and skills development so that we can proactively plan our budget for training … so that we prevent short-term thinking … however, no formal evaluation…just a rough document … we lack the knowledge on how to … but improved skill, competencies, positive experience from learning and development interventions…"*
ELP4	*"… we have a formal feedback sessions to establish which skills have been mastered … unquestionably learning and development has contributed to better profits … it's difficult to answer from a quantitative perspective … but it provides some picture of the value added by training and developing our staff …"*
ELP5	*"… we don't have a proper evaluation method or model in place … we think that having one will provide more concrete answers on evaluation … however we have learning intervention feedback forms which our employees fill in after an evaluation and then we observe the application of learning and behaviour of employees as well as the outcomes of this …"*
ELP8	*"… feedback forms provide information on how the employees perceived the interventions, if they were relevant, KSAs acquired … there is clearly a financial payoff from an investment in learning and development … we invest on average about fifty to hundred thousand a year … we think training evaluation is important because it helps to ensure that training and skills development remains aligned to our SME objectives and we have to measure the output of training in some way…"*
DBNP5	*"… training and skills development cannot be accurately evaluated … it's just not quantifiable … ROI is flawed … it works for big business but not SMEs … its structured for big business … it does not look at the SME landscape … the way we function … our resources … its biased. "*
DBNP6	*"… if training does not work, you are likely not going to train as is the case in our SME … we have had bad experiences with training and we question why we had done it … employees leave to work for the competitor and employees see training as a means to get away from work … we won't do it again …"*
ELP3	*"… it's not possible to evaluate training and skills development … it cannot be measured … why train people if those skills are not used in the SME … it's a misuse of time …"*

ELP6	*"… what is training and skills development evaluation? ROI is obtained from an investment in production, not training …"*
ELP7	*"… we are not unwise … we don't give people the skill so they can move on …"*

A consultation of the literature verified the findings of this study. The study of Satiman, Mansor and Zulkifli (2015) mention that, SMEs conduct training evaluation to establish the effectiveness and ROI from an investment in training activities. Additionally, the authors further point out that, training is evaluated at all levels in the SME from junior to senior (Satiman et al., 2015). However, the authors contend that some SMEs are not equipped in terms of knowledge and expertise on how to conduct evaluation (Satiman et al., 2016). They advocate that SMEs consider higher-level training evaluation in conjunction with pre-determined criteria (Satiman et al., 2015). Moreover, the studies of Achar (2013) and Frese, Hass and Friedrich (2016) state that, whilst SMEs are keen to evaluate learning, they are faced with challenges in respect of nature and size and lack of knowledge and exposure to evaluation models such as the Kirkpatrick Four Level Evaluation Model. The study by Ogunyomi and Bruning (2016) conducted on SMEs in Nigeria confirms the findings of the present study.

On the contrary, the study of Curado and Teixeira (2014) carried out in Portuguese SMEs, notes that SMEs evaluate training and skills development through the use of the Kirkpatrick Four Level Evaluation Model (reaction, learning, behaviour and results) and the ROI formula, which estimates the costs and benefits associated with learning interventions. Moreover, the study of Jahan (2015) conducted in the banking sector in Bangladesh, presents similar findings to the study of Curado and Teixeira (2014). The study indicates that SMEs often evaluate learning through a cost-benefit analysis, comparing the cost of training to the benefits received, in terms of newly acquired skills and improved job performance (Jahan, 2015). The likely reasons for the inconsistent findings between this study and the studies of Curado and Teixeira (2014) and Jahan (2015) is that the latter studies were carried out using quantitative research methodology with a larger sample size, in different industries in Portugal and Bangladesh. In addition, the studies of Curado and

Teixeira (2014) and Jahan (2015) were piloted on older and more established SMEs.

5.3.4.3 Critical interpretive discussion on Theme 4

Participants in both urban regions recognised that the acquisition and transfer of KSAs to the workplace resulted in many positive outcomes for both the employees and the SME. They argued that before training, employees had low morale, failed to adhere to deadlines, delivered inferior quality work and wasted resources. The participants unanimously agreed that after training, employees benefited from improved knowledge and skills. Employees were able to complete their tasks on time, incorporating a high level of quality. They also observed that employees were more confident; less stressed and made fewer errors.

One participant (DBNP2) pointed out that before training, his HR team lacked knowledge on Labour Law and recruitment practices. He spent excessive amounts of time (on average forty hours per month) and money (in excess of R80 000 per annum) in pay-outs on CCMA complaints. However following training, this decreased to approximately fifteen hours per month and less than R15 000 per year in pay-outs. This participant (DBNP2) pointed out that after training, his HR team was more aware of the Labour Law and how to apply it correctly, resulting in fewer employee complaints and strikes, but he had not mentioned the number of complaints and strikes before and after training. Additionally, he indicated that his HR team seemed better at recruiting the right person for the advertised job; thereby ensure a fit between the job and the person.

Moreover, most participants agreed that an effective training transfer results in improved customer service. One participant (ELP4) mentioned that customer complaints reduced from ten per month before training, to just three per month after training, whilst customer compliments increased from five per month before training to fifty per month after training. A few participants had received emails of gratitude and positive reviews from customers on their websites. Participant (ELP8) reported receiving on average twenty to thirty new views per month on her SME's Web Page. The same participant indicated that on average two new

complimentary messages were received weekly from satisfied customers on the enterprise's Facebook Page. Moreover, training transfer improved financial reporting in some SMEs. Before training, participants (DBNP4 and ELP2) observed errors in their Income Statement and Balance Sheet, where income and expenditure were incorrectly accounted for, resulting in unexpected cash flow issues. Following IFRS (International Financial Reporting Standards) training, the employees in the finance department were able to accurately draw up the monthly and yearly financials, which led to better financial decisions being made.

However, the participants had not alluded to any barriers to training transfer and how these were overcome. The participants had not indicated if they considered the characteristics or the readiness of their employees in transferring KSAs. Probing revealed that the participants had not possessed much knowledge on this. It was clear that the owner and supervisors were involved in the transfer of KSAs to some extent, however their exact role before, during and after training was not specified. Participants in both urban regions reported supervisor involvement in training transfer; however upon further probing it was clear that supervisor involvement in training transfer needs further consideration.

It came to the fore that most participants conducted training evaluation. There was a general understanding, that in view of the resources spent on training and skills development, it was essential to establish its effectiveness. The main reasons that emerged for performing evaluation were to establish how the employees felt about the training, the behavioural changes that resulted and the results that emanated. The participants further stated that evaluation enabled them to determine the relevance of training and skills development and to make better future decisions surrounding this. Some participants spoke of feedback sessions that they held with their employees after the intervention. They indicated that this was both informative and valuable in collecting information on the effectiveness of training.

Whilst it was apparent that some participants in both urban regions applied the Kirkpatrick Four Level Evaluation Model to some extent, they carried out some levels and not others. Level 1 (Reaction), Level 2 (Learning) and Level 3

(behaviour) were applied by most participants in that they were able to determine the learning that took place and the behaviour acquired, through questionnaires and observation. The general improvement in business and financial performance also helped establish this. However, Level 4 (ROI) were not applied, perhaps because did not have set criteria in place or a proper model in place, against which to evaluate training. Whilst participants noted a link between training and ROI, in the form of improved financial performance (fifteen percent yearly increase in profits) and market share (four percent increase per annum), they were not able to establish if this increase could be attributed to training or a combination of measures that were put into place.

On the other hand, the remaining participants argued that it is not possible to accurately establish training transfer. They contended that manufacturing is instantaneous and they cannot wait for training transfer to take place as there is no guarantee that it will. These participants believed that training evaluation is unnecessary and that measuring ROI is irrelevant for small business as the size and nature of SMEs is not does not warrant such measurements.

An analysis of the learning intervention feedback forms confirmed the responses of the participants in both urban regions. However, these forms did not have a proper structure in that these forms contained largely 'yes' or 'no' questions and did not provide much opportunity for employees to express their views on the interventions. They did not provide much detail on the intervention itself, in terms of learning outcomes and milestones. The owner and supervisors' comments were not found on the forms (as would be expected). In addition, the training budgets questionnaires and supervisor reports on training transfer, cost-benefit analysis and ROI were incomplete and lacked detail. These documents were last updated two years previously.

5.3.5   Theme 5: Training and skills development challenges faced by SMEs

Through this theme it became apparent that a host of internal drivers and external drivers pose a challenge to training and skills development in SMEs in Durban and East London. However, the documentation in place was inadequate to establish

precisely how these challenges were addressed. In essence, two sub-themes developed, in the data analysis of Theme 5. These are:

5.1 Internal barriers to training and skills development in SMEs.

5.2 External barriers to training and development In SMEs.

5.3.5.1 Sub-theme 1: Internal barriers to training and skills development

Participants in Durban and East London experienced internal barriers to learning and development. Participants DBNP1, DBNP2, DBNP3, DBNP4, DBNP7, ELP1, ELP2, ELP4, ELP5, and ELP8 indicated that SMEs face internal barriers in the form of a limited budget, the absence of a training practitioner and the need to tailor training. Participants DBNP5, DBNP6, ELP3, ELP6 and ELP7 experienced similar internal barriers, although these were not specifically related to training and skills development as they did not implement learning interventions. Table 5.12 provides the verbatim quotes from the transcript to corroborate these answers.

Table 5.12: Internal barriers to training and skills development in SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… we have limited financial resources … we don't have a structured training department or training practitioner…we need to budget for other operations too … "*
DBNP2	*"… as small business we lack appropriate skill and knowledge…we also find it difficult to attract and retain qualified individuals …"*
DBNP3	*"… we find it a challenge to allocate sufficient time and money to training and skills development … we are production based and we cannot afford to have too many employees away from work at the same time … this will cause production to stall and our profits will be negatively impacted …"*
DBNP4	*"… it's mostly a financial issue … we have also had five older employees retire suddenly and this put pressure for us to train and develop younger employees quickly to fit those positions …"*
DBNP7	*"… sometimes we need to have tailor- made training solutions … if a specific machine is bought from China, we need to implement relevant training for that … sometimes we have to fly the supplier to South Africa or employee to China for the relevant training …"*
ELP1	*"… whilst we have seen the benefits of learning and development … we are often faced with the challenge of planning organising, leading and monitoring the training*

	interventions … sometimes employees are needed every day at the workplace and it's difficult to sacrifice this for training…it's sometimes just not possible …"
ELP2	*"… our SME outsources formal training and sometimes we have to wait for the training provider to be available to provide the training and this can be a wait …"*
ELP4	*"… financial challenges, skills shortages, limited time, limited knowledge and expertise…the lack of in-house training department and training practitioner …"*
ELP5	*"… planning for a training intervention is sometime a challenge … we also experience issues with innovation and literacy… some shop floor employees are illiterate … we can only provide then with on-the-job training … show and tell …"*
ELP8	*"… it's definitely an issue of a limited budget … training activities are expensive … as I mentioned, we are thinking of implementing electronic training … in terms of relevant online videos … but we need to build in the reality that some employees are technologically challenged …"*
DBNP5	*"… we have limited resources and we prioritise production … "*
DBNP6	*"… we have other more important issues … we have production and operational issues that we need to give precedence to … training and skills development is not on that agenda … we invest our limited resources in ensuring our SME is productive and effective …"*
ELP3	*"… we simply don't have the resources and if we did, we would not invest it in training and developing employees, who leave and besides this is a government concern …"*
ELP6	*"… time and money is a major issue in SMEs and we need to use these resources astutely and using them on training is not being clever or strategic … I mean we would rather invest this money in new technology to improve production …"*
ELP7	*"… our SME has limited resources and we can't afford to waste it on training and skill development which generally do not provide any benefit to our SME …"*

The literature corroborates the findings of the existing study. The studies of Padachi and Bhiwajee (2016) and Damoah, Ashie and Kekesi (2016) confirm that SMEs are often faced with multiple internal barriers that hinder training and skills development activities. These also authors observe that the most pressing challenges faced by SMEs are finance (Padachi & Bhiwajee, 2016) skills shortages and expertise (Damoah et al., 2016). The South African based studies of Cant and Wiid (2016) and Hung et al. (2016) also confirm what this study found, that SMEs face internal challenges of limited access to finance, inadequate training providers, poorly skilled employees and insufficient time for learning.

In opposition, the studies of Bai et al. (2016) and Kraus et al. (2017) posit that since SMEs concentrate on production rather than employee growth and development, they do experience internal barriers to training and skills development per se but rather to production rates and quality. The possible inconsistencies between the present study and the studies of Bai et al. (2016) and Kraus et al. (2017) is that the latter studies were conducted using a larger sample size, in China and Germany respectively.

5.3.5.2 Sub-theme 2: External barriers to training and skills development

Participants in both Durban and East London mentioned external barriers in the form of complex government policy and legislation hinders learning and development. However, for participants DBNP5, DBNP6, ELP3, ELP6 and ELP7, these external barriers were not particularly related to learning and development as they did not implement such activities. Table 5.13 supports these views of the participants.

Table 5.13: External barriers to training and skills development in SMEs

CODE	VERBATIM QUOTE
DBNP1	*"… government policies contain too much red tape … rules, regulations and documents … we don't have the time for this …"*
DBNP2	*"… there is limited support from government … many governmental organisations have been developed to assist SMEs but remain inactive … we have attempted on several occasions to contact Seda and DTI for guidance and support only to be left waiting …"*
DBNP3	*"… complex government policy and meeting government requirements tend to sometimes discourage training and skills development … even labour law issues of affirmative action and employment equity put pressure us to comply … "*
DBNP4	*"… national and international administrative rules are far too complex …"*
DBNP7	*"… far too many government regulations … as I mentioned earlier we implement learnerships and have to comply with a set of administrative requirements and documents … this is time consuming and we don't receive any mentorship from the SETAs …"*
ELP1	*"… government policy and legislation is a major external barrier … we also don't receive much support from the SETAs and Seda … despite our request … limited access to government funding …"*

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ELP2	*"… there is little support from the Merseta … we also have to comply with various documentation for the learnerships we have … it takes a lot of time and the Merseta is not forthcoming with assistance …"*
ELP4	*"… corruption and legislation … we can't access government funds."*
ELP5	*"… we want to be SMEs that develop our employees but we are met with a host of legislative requirements …"*
ELP8	*"… technology and innovation are challenges to training and development … we are not as up to date as we ought … we find that despite government resources being available for SMEs and innovation … this assistance does not reach us …"*
DBNP5	*"… government needs to do some work … they need to provide the training centres … not SMEs…"*
DBNP6	*"… corruption and government laziness … government initiates fancy SME skills development programmes and they provide support …"*
ELP3	*"… public policy and unfair competition …"*
ELP6	*"… legislation ... far too many pieces of legislation to conform with … it's not possible for small business with limited time and money …"*
ELP7	*"… legislation … getting around legislation … making sense of it is a headache …"*

The findings of the current study are in agreement with the literature. The studies of Padachi and Bhiwajee (2016) and Damoah et al. (2016) confirm that government legislation and requirements do little to support SMEs in up-skilling and re-skilling their workforce. The studies of Cant and Wiid (2016) and Hung et al. (2016) also reveal that, in South Africa, SMEs are burdened with many compliance issues and that they do not receive the necessary financial and moral support, despite State bodies having been put into effect to address skills issues in big and small business.

In contrast, the studies of Jeong et al. (2018) and Sharafizad (2018) purport that whilst SMEs experience external barriers in the form of globalisation and government regulations, these barriers are associated with production and not learning and development, as SMEs are more concerned with survival than enhancing employees skills. The possible reasons for the inconsistent findings between the present study and that of Jeong et al. (2018) and Sharafizad (2018) is that the latter studies were piloted using a larger sample size, in Korea and Australia corresponding.

5.3.5.3 Critical interpretive discussion on Theme 5

Through the interviews it emerged that participants in Durban and East London faced internal challenges either in the form of a limited budget, insufficient service providers or the unavailability of employees to attend training and skills development interventions. The participants indicated that need to plan and tailor training, illiterate employees, technology constraints and inadequate know-how also placed a burden on them. Whist participants DBNP6, ELP3, ELP6 and ELP7, encountered similar challenges; it was not as a result of training and skills development but rather as a result of production.

Participants DBNP1, DBNP2, DBNP3, DBNP4, DBNP7, ELP1, ELP2, ELP4, ELP5, and ELP8 argued that, as SMEs, their budgets were limited and they often found that they needed to prioritise other business operations, which resulted in training and skills development being allocated a modest budget. The participants did not indicate what the actual budget was that was allocated for training. However, a scrutiny of the existing budget indicated that the younger Durban SMEs spend on average R150 000 per year on training and skills development interventions, whilst the more established SMEs allocated approximately R200 000 per annum. In addition, an analysis of the budget of SMEs in East London revealed that both younger and established SMEs in this region spent roughly R250 000 annually on learning and development activities. This amount is significantly higher than that of their Durban counterparts.

It emerged that the participants lacked in-house training capacity in that they did not have a training practitioner or training personnel on site. In view of this, they enlisted the services of external training providers. The participants argued that outsourcing training was not always a pleasant experience in that they found it difficult to access locally based service providers and that service providers were not always able to meet their specific training needs. They also seemed frustrated that there was a long lead time, from the time the training was requested to the time it was delivered by the service provider. For example, one participant (DBNP7) mentioned that when buying machinery from China, costs were incurred in either flying the supplier to South Africa or the employee to China so that training

can be provided on how to operate the machine. Further questioning revealed that participants had plans to provide in-house training and skills development interventions in the future. However, the training plans did not seem to make reference to this.

One participant (ELP8) spoke of using e-learning in the future but was doubtful about this as some employees were technologically challenged. The issue of illiteracy was also mentioned as having an adverse influence on training, in that this resulted in some employees not being able to receive and implement training and skills development interventions in the same way as their peers. Participants mentioned that it was often difficult to allow employees to attend training interventions as they were required on the job. When questioned further, the participants acknowledged that their training schedule needed work.

Through the discussions, it emerged that the only external barriers to training and skills development were complex government policy and legislation. Whilst participants DBNP6, ELP3, ELP6 and ELP7 agreed that government requirements were one of the challenges they face, they indicated that in their case this challenge did not influence training and skills development, but rather aspects of their business operations. Participants DBNP1, DBNP2, DBNP3, DBNP4, DBNP7, ELP1, ELP2, ELP4, ELP5 and ELP8 agreed that excessive and unnecessary red tape and regulations were attached to training and skills development and this often discouraged them.

Two participants (DBNP7) and (ELP2) spoke of their frustrations with the paperwork and documentation process of learnerships. They indicated that there was no financial or moral support and assistance from the Merseta in this regard. The issue of a lack of support from government bodies such as Seda and DTI also surfaced from discussions with other participants. The participants acknowledged these government initiatives to assist SMEs, but argued that they had not received any support as yet. However, there was no evidence to suggest that these participants did indeed liaise with the governmental organisations and that help had not forthcoming. This was questionable. Participant (DBNP5) suggested that

government invest in training centres, which she argued was government's responsibility and not that of SMEs.

An analysis of the training plan, training schedule and budget confirmed the responses of the participants in both urban regions. However, these documents lacked clarity and a proper framework. They were not updated periodically. The training plan did not provide much detail on the skills to be learned, the order in which they were to be learned, the resources required and the timeline for this. The training schedule did not provide a clear indication of what skills would be learnt in each intervention, as well the order in which they would be imparted. It was also not clear how much time employees would be given to apply the KSAs learnt before new KSAs were acquired. The training plan, training schedule and budget had last been updated two years before.

5.4   SUMMARY

The identified themes were grouped into five main themes with sub-themes. Verbatim quotes were included to support the themes and sub-themes that emerged. A literature control was conducted to confirm the findings that arose, and this was followed by a critical interpretative discussion. The data revealed that a positive training climate is present in SMEs in Durban and East London. It was also apparent that these SMEs are driven towards training and skills development activities and interventions to build employee skills, comply with legislation and achieve sustainability.

Moreover, it was apparent that SMEs in both urban regions implemented training interventions based on their TNA. Further to this, the SMEs considered training transfer and evaluation and that positive outcomes were noted from the transfer of learning. However, the SMEs experienced various challenges in the implementation of training and skills development activities from financial issues to government regulation. Moreover, it was established that SMEs in both urban regions did not maintain proper learning and development documentation and this sometimes comprised the training decisions they took. In addition, it was found that whilst some SMEs believe that it is the responsibility of the South African

Government to attend to matters of green skills. Other SMEs mentioned that they took a proactive stance in ensuring that they act sensibly towards the planet, by engaging in safe and regulated waste removal and educating themselves on the rules and regulations regarding responsible production. The final chapter, Chapter 6 presents the conclusions and limitations of this study and makes recommendations for practice and possible future research.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1   INTRODUCTION

Chapter 1 provided the research plan and outlined the research methodology to be followed. In Chapter 2, the literature on training and SMEs was presented, whilst Chapter 3, provided the literature on skills development and SMEs. Chapter 4, discussed the research design and methodology used and Chapter 5 presented the findings. In Chapter 5, the themes and sub-themes that emerged were discussed in accordance with the research questions and objectives and supplemented by verbatim quotes. The findings were also compared and contrasted with the literature. This chapter, Chapter 6, presents the conclusions and recommendations of the study. The chapter begins with a summary of the previous chapters, followed by the research process and main conclusions. Then, a summary and conclusion related to the research findings is presented. Next recommendations are provided pertaining to the research findings. Finally, guidelines are proposed and the strengths and limitations of the study and recommendations for future research are delineated.

6.2   SUMMARY OF ALL THE CHAPTERS

A synopsis of each chapter of this study is provided below.

Chapter 1

This chapter introduced the study and provided a concise description of all the sections of this study. The key focus of Chapter 1 was the background to the role and contribution of training and skills development for sustainability in SMEs. The chapter provided the preliminary literature review, adding to what other scholars have contributed to the topic. The purpose of the discussion of the prior literature was to identify the gap in the current literature so as to justify the reason for this study and to make a contribution to the body of knowledge on the subject. It was established that whilst studies have been conducted in the field, a qualitative study on the role and contribution of training and skills development for sustainability in

SMEs in the manufacturing sector in the South African context, was lacking. Additionally, the importance of this study was mentioned through the problem statement which pointed towards an urgent need to afford SME owners to speak frankly on the topic. The first chapter also presented the research questions and research objectives and went on to outline the methodology that supported this study. Finally, the ethical considerations, key concepts and limitations were delineated.

Chapter 2

In this chapter, training in SMEs was discussed. The main aim of Chapter 2 was to provide the literature on training in terms of the importance of training and the challenges that accompany it, with particular reference to SMEs. The chapter also presented previous literature on the training process, the SME owner's role in training, training transfer and evaluation and the training documents maintained by SMEs. The discussion unearthed that training is important in SMEs as it leads to better skilled and knowledgeable employees who then contribute to improved business and financial performance and sustainability. The literature indicates that whilst some SMEs view training as pillar for their growth and sustainability, others perceive training as a waste of resources that could be better utilised on production. At the same time, it came to that the fore, that several challenges in the form of limited finance and complex government legislation discourage training in SMEs.

Furthermore, through this chapter it surfaced that whilst some SMEs follow a training process to plan and implement training activities, others do not see the value of such a process. The literature notes that whilst some SME owners are aware of the role they play in encouraging learning in the enterprises, others perceive training as unnecessary because they feel that training does not lead to sustainability. Training transfer and evaluation were also unpacked in this chapter and it was established that whilst some SMEs actively put mechanisms in place to ensure that employees apply their newly learnt KSAs to their tasks, and proactively assess training effectiveness, other SMEs did not share the same interest. The

chapter closed with a review of the type of training documents SMEs maintain to streamline their training processes and activities.

Chapter 3

This chapter provided the literature on skills development in SMEs. During the apartheid era, skills development legislation and policies were restrictive and employees were provided only with those skills needed to do their jobs. A brief discussion on the issue of skills shortage was presented in this chapter. It surfaced that skills shortage remains a challenge and that key areas such as manufacturing continue to experience a shortfall of suitable qualified individuals.

The central focus of Chapter 3 was to provide an overview of skills development legislation, strategies, bodies, plans and programmes that have been implemented since the inception of the new government to improve the skills base of SMEs in South Africa. It emerged that the mandate of these initiatives are to improve skills, deliver quality learning and encourage employability, with particular reference to SMEs as major contributors to South Africa's GDP. Despite these objectives and the strides made by the various skills development legislation, strategies, bodies, plans and programmes, many SMEs continue to bear the brunt of poorly trained and developed employees who negatively influence their sustainability. Further to this, Chapter 3 highlighted the different skills development interventions that SMEs find necessary to engage in to up-skill and re-skill their labour force and to enable employees to acquire the necessary skills and competencies to perform their tasks. The chapter ended with a concise discussion on SMEs and green skills. It was discovered that several measures (Evirotech and Greentech and Coast Care Programmes) have been put into place locally to ensure that SMEs are educated on and integrated into green skill initiatives and programmes, to enable them to achieve the triple bottom line of people, planet and profit.

Chapter 4

The objective of this chapter was to explain the methodology that was used to carry out this study. In view of this, the chapter explained the research paradigms and research design. The research design was explained as the blueprint of the

research study, which considers the procedure that was followed to answer the research questions. Chapter 4 detailed the method used to gather the data for this study and the process applied to transform this data into findings and subsequently conclusions. An explorative, descriptive and contextual design within a qualitative research framework was found to be appropriate to answer the research questions and to provide thick and rich descriptions of the role and contribution of training and skills development for SME sustainability. The target population was SME owners in the manufacturing sector in Durban and East London. This target population was suitable to provide answers to the questions contained in the interview guide. The data was analysed using content thematic analysis and this made it possible to draw themes and sub-themes.

Chapter 5

This chapter was dedicated to the presentation of the findings of this study. Five themes and 11 sub-themes emerged from the data and were discussed in Chapter 5. This discussion revealed that a positive training and skills development climate exists in most SMEs in the manufacturing sector in Durban and East London. It was found that whilst SMEs formulate and implement a training and an HRD strategy, this policy and strategy needs further consideration. Additionally, it surfaced that SMEs tend to encourage a positive learning culture and favourable attitudes towards training and skills development. A host of internal drivers (expansion, globalisation and skills shortage) and external drivers (legislation) were cited to justify an investment in learning and development. Furthermore, it emerged that SMEs conduct a TNA which informs their training needs, thereby mitigating the skills gap they face. SMEs implement a host of interventions. Marketing was found to be the most popular intervention, whilst business management skills were not prioritised. Moreover, it surfaced that whilst SMEs have tools in place (questionnaires and observation techniques) to establish the transfer of learnt skills and competencies to the workplace, they experienced difficulty in evaluating training.

It was unearthed that the problem with evaluating training effectiveness is that SMEs do not have specific criteria or knowledge on evaluation models such as the

Kirkpatrick Four Level Evaluation Model or the Brinkerhoff Six Stage Model against which to measure training efficacy. The discussion also revealed that SMEs experience internal challenges (limited budget, insufficient training providers and time) and external challenges (government policy and legislation) that hinder an investment training and skills development. Above and beyond this, the findings noted that the training and skills development documentation maintained by the SMEs in Durban and East London, lacked proper structure, contain limited detail and were not updated regularly. Nevertheless, it was established that training and skills development plays strategic role in SMEs and is linked to their sustainability.

Chapter 6

The objective of this chapter was interpret the findings and to use these findings to arrive at conclusions. The conclusions resulted in specific recommendations for training and skills development in SMEs in the manufacturing sector in Durban and East London. In addition, a set of guidelines were proposed for the SMEs, which were aimed at offering additional support and guidance to the training function in their enterprises. Additionally, Chapter 6 outlined the strengths of the study, which was qualitative in nature and which facilitated interaction with SMEs owners on the subject. The qualitative methodology applied also provided an opportunity for different perceptions and experiences on the topic to be explored and collated and for thick and rich descriptions to be provided. Finally, the chapter documented the limitations of the study and provided recommendations for further research. It is encouraged that, future research includes a larger sample size and different urban regions and industries. Moreover, it is recommended that the perceptions and experiences of SME employees be included as well, and that a quantitative research method be considered.

6.3   AN OVERVIEW OF THE RESEARCH PROCESS AND MAIN CONCLUSIONS

The primary and secondary objectives of this study are subsequently restated:

Primary objective

To explore and describe the role and contribution of training and skills development with regards to the sustainability in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa.

Secondary objectives

1. To explore the training and skills development interventions implemented by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability.

2. To establish the extent to which these training and skills development interventions contribute to the sustainability of SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa.

3. To explore the training and skills development challenges faced by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa.

4. To make recommendations to address the training and skills development interventions in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability.

5. To develop guidelines for the implementation of training and skills development interventions in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability.

Table 6.1 summarises and presents the research process and the main conclusions of this study.

Table 6.1: An overview of the research process and the main conclusions of this study

Research question	Research method applied	Main conclusions
What is the role and contribution of training and skills development for sustainability in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?	Content analysis of the qualitative data gathered from individual semi-structured interviews.	Training and skills development play a strategic role in SMEs in the manufacturing sector in Durban and East London. These SMEs acknowledged learning and development as contributors to their sustainability. A positive training climate, learning culture and attitudes also exist in these SMEs. An analysis of the relevant documents and the literature confirmed these conclusions.
Which training and skills development interventions are implemented by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa in order to contribute to their sustainability?	Content analysis of the qualitative data gathered from individual semi-structured interviews.	A variety of on-the job and off-the job training interventions are proactively selected and implemented by SMEs in the manufacturing sector in both urban regions. On-the-job training in terms of technical skills and off-the-job training in terms of marketing, HR and finance, are undertaken, among others. The documents and literature verified these conclusions.
To which extent do these training and skills development interventions contribute to the sustainability of SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?	Content analysis of the qualitative data gathered from individual semi-structured interviews.	These interventions are viewed as necessary to build skills (HR finance and marketing). They have a positive influence on the job proficiency of employees and the financial and business performance of SMEs in the manufacturing sector in the Durban and East London urban regions. These conclusions were validated through the document analysis and the literature.
What are the training and skills development challenges faced by SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa?	Content analysis of the qualitative data gathered from individual semi-structured interviews.	SMEs in the manufacturing sector in both urban regions face a host of internal and external barriers to training and skills development from limited finance, inadequate knowledge to complex government regulations. The review of the documents and

		literature corroborated these conclusions.
What recommendations can be made to address training and skills development interventions in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa for their sustainability?	Content analysis of the qualitative data gathered from individual semi-structured interviews.	Among other recommendations, it is advised that SMEs in the manufacturing sector in Durban and East London formulate an effective training policy and HRD strategy. They should also implement a well-structured TNA, training plans, schedules and budget. It is also advised that these SMEs form COPs and liaise with universities and academics, among others. SMEs should strive to improve their documentation of training and skills development activities.
What guidelines can be offered for the implementation of training and skills development interventions in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa for their sustainability?	Content analysis of the qualitative data gathered from individual semi-structured interviews.	Among other guidelines, it is proposed that SMEs in the manufacturing sector in both urban regions link their training and skills development objectives with the overall goals of their enterprises. These SMEs should also implement relevant learning interventions; formulate a training budget and training plans and schedules.

I am of the opinion that the research objectives stated in Table 6.1 have been achieved, and Section 6.3 substantiates this.

6.4   RESEARCH FINDINGS

The research findings presented in Chapter 5 gave rise to the conclusions and recommendations in Sections 6.4.1 to 6.4.2.

6.4.1   Summary and conclusion related to the research findings

Sections 6.4.1.1 to 6.4.1.5 provide the summary and conclusions per theme.

6.4.1.1 Theme 1: The training and skills development climate in SMEs

The following specific conclusions were drawn:

- Participants in both urban regions had a positive learning culture and favourable attitudes towards learning and development. Owner and supervisor support was provided to foster and maintain a learning culture and favourable attitudes towards learning;

- A positive training and skills development climate was observed in SMEs in Durban and East London. The participants acknowledged the importance of training and skills development for their sustainability and had made some strides in formulating and implementing a training and skills development policy and an HRD strategy. However, this policy and strategy lacked proper structure in that they were not formulated using proper criteria and were not adequately aligned with the overall goals of the SME;

- Participants in both urban regions lacked knowledge of and practice in formulating and implementing a training and skills development policy and an HRD strategy;

- Younger employees in both urban regions were more enthusiastic about learning in comparison to their older peers. However, no comprehensive strategies were available in either urban region to indicate how the SMEs encouraged learning and or how they fostered favourable attitudes towards training and skills development;

- Both the Durban and East London SMEs did not regularly update their documents (training and skills development policy, HRD strategy, training committee reports and learning evaluation feedback forms); and

- Participants in both urban regions implemented green skills programmes and are cautious of waste management, renewable energy and biodiversity.

6.4.1.2 Theme 2: Training and skills development drivers in SMEs

The ensuing conclusions were arrived at:

- A host of internal and external drivers propelled participants in Durban and East London to train and develop their employees. The internal drivers that SMEs experience were expansion, the skills gap and sustainability, whilst the external drivers were globalisation, learnerships, labour legislation and competitive advantage;

- SMEs in both urban regions did not periodically conduct an environmental analysis and/or SWOT (strengths, weaknesses, opportunities and threats) analysis of the internal and external environments and they were also dissatisfied with the lack of financial and moral support they received from governmental organisations and skills development bodies;

- SMEs in Durban and East London did not periodically revise their strategic planning, ATR and training committee reports; and

- Environmental legislation also propelled SMEs in both urban regions to ensure that they adhered to sound environmental practices. However, they were frustrated with the multiple complex skills development legislation.

6.4.1.3 Theme 3: Training and skills development interventions implemented by SMEs

The subsequent deductions were made:

- Participants in Durban and East London implemented on-the-job (informal) and off-the-job (formal) training and development interventions. They implemented interventions to improve technical skills, which was done on-the-job with supervisor assistance;

- Marketing was cited as the most popular intervention of the participants in both urban regions as they link marketing to competitive advantage and sustainability. This was followed by interventions in customer service sales, finance, HR, admin, waste management, renewable energy, biodiversity, bookkeeping, project management, entrepreneurship, learnerships and

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management. Business management was the least popular intervention undertaken as SMEs in both urban regions as they seemed to already possess knowledge on how to run a business;

- Participants in Durban and East London did not have a structured budget in place and they did not plan effectively for training interventions in terms of allocating set days or dates for training and skills development activities. There were no proper training plans and schedules in place to guide training transfer;

- Participants in both urban regions performed TNA, using questionnaires and interviews, to make decisions on which interventions to implement to improve the skills base of their employees and to avoid the wastage of resources. However, the TNA was not structured in accordance with proper guidelines and was not linked to the WSP. It was deduced that the role of SDF was not considered in drawing up the TNA;

- The training plans, schedules and register of SMEs in Durban and East London were not kept up to date; and

- SMEs in both urban regions spoke of being involved in the Evirotech and Greentech and Coast Care Programmes in their municipalities to ensure they act responsibly towards the environment.

6.4.1.4 Theme 4: Training and skills development transfer and evaluation for SME sustainability

The conclusions listed below were extracted from Theme 4:

- Participants in both urban regions experienced positive training transfer, which resulted in favourable outcomes which benefited both employees and the SMEs. Once the KSAs were transferred to the SME, employees completed their tasks on time, with fewer errors and experienced less stress, whilst the SMEs achieved improved financial performance and sustainability. Financial performance in SMEs in both urban regions improved by ten percent to 15% per annum, which translated into increased revenue of between R500 000 to

R1 000 000 yearly. However, the employee's readiness for transfer of KSAs and supervisor involvement were not adequately considered;

- Participants in both urban regions did not have sufficient knowledge on how to conduct a proper evaluation. Their evaluation process was not correctly structured as the SMEs did not have suitable criteria in place for this. However, they conducted training evaluation to some limited extent to help them establish the effectiveness of training and skills development interventions and activities;

- The Durban and East London SMEs limitedly applied Level 4 (ROI) of the Kirkpatrick Four Level Evaluation Model, as they did not possess the knowledge or skills on how to apply this level. Level 1 (Reaction), Level 2 (Learning) and Level 3 (Behaviour) were applied through questionnaires and observation;

- The SMEs in both urban regions found training and skills development interventions to be effective and to contribute to improved business and financial performance. An increase in profits of ten percent to 15% per year after training had been recorded by the participants. Market share had risen by five percent annually in both urban regions;

- The Durban and East London SMEs confirmed a link between training and skills development and ROI. Financial and business performance has improved as a result of learning. Participants in Durban as well as East London use the ROI and cost- benefit analysis to establish monetary returns from training and skills development;

- The participants in both urban regions preferred the cost-benefit analysis measure as opposed to the ROI as they found the cost-benefit analysis measure easier to use, which enabled them to make a comparative assessment of all the benefits expected from their investment in training and skills development. The SMEs found the ROI to be complex and a measure that did not provide answers on the immediate return from an outlay in training and skills development; and

- SMEs in both urban regions did not revise their training budgets on regular basis. The questionnaires and supervisor reports on training transfer of the Durban and East London SMEs were not updated recurrently. The cost-benefit Analysis and ROI documents were also limitedly reviewed.

6.4.1.5 Theme 5: Training and skills development challenges faced by SMEs

The conclusions mentioned hereafter were drawn from Theme 5.

- Participants in Durban and East London experienced both internal and external barriers to training and skills development. The internal challenges they faced were technological and financial constraints, the inability of employees to attend training, the need to tailor training to the job needs of employees and the SME, illiterate employees and a lack of specialist skills;

- The major external barrier cited by participants in both urban regions was, implementing multiple government legislation (affirmative action policy, employment equity and broad-based black economic employment) and labour and skills development laws;

- Participants in Durban and East London experienced difficultly in sourcing local training providers as training providers were often costly and took far too long to respond; and

- The Durban and East London SMEs did not keep their training budget current. They also did not periodically update their training and skills development documents.

These conclusions gave rise to the recommendations in Section 6.4.2.

6.4.2 Recommendations pertaining to the research finings

The recommendations are made per theme in Sections 6.4.2.1 to 6.4.2.5.

6.4.2.1 Theme 1: The training and skills development climate in SMEs

The following recommendations are made for SMEs in Durban and East London:

- HRD and training activities, a positive a learning culture and favourable attitudes to learning should continue to be prioritised;

- A comprehensive training and skills development policy and HRD strategy should be formulated and implemented. This policy and strategy should be linked with the overall goals of the SME as well as to the strategic plans and growth strategies. It should not only be a guiding tool but should also facilitate learning and build skills. SMEs should seek advice from academics and universities, the Merseta, SETAs, Seda, SABPP and SME forums on training and HRD related issues;

- Form CoPs to network and support each other with resources and suggestions on how to approach training and skills development;

- Owners and supervisors ought to be actively involved in encouraging maintaining and monitoring a positive learning culture and favourable attitudes towards learning through selecting training interventions and holding regular meetings on skills development with their employees;

- Older employees should be incorporated into a mentorship role, developing younger employees to take on managerial and supervisory roles in the future and to acquire specific skills;

- Periodically revise and update the training and skills development policy, HRD strategy, training committee reports and learning evaluation feedback forms; and

- Continue to implement and participate in green skills programmes and continue to ensure responsible waste management, use renewable energy and take note of biodiversity.

6.4.2.2 Theme 2: Training and skills development drivers in SMEs

The recommendations listed below are offered for SMEs in both urban regions. They should:

- Conduct periodic internal and external analyses to establish drivers for training and skills development. This will enable adequate acquisition of the relevant skills to deal with these drivers;

- Limit reliance on government and find other means of strengthening training and skills development within the SME;

- Access government websites and various policies and regulatory requirements in order to enhance understanding of government policy and legislation on learning and development;

- Initiate and improve relationships with skills development bodies such as the Merseta, SETAs, Seda, SABPP, and SME forums, by setting up regular meetings with these bodies to inform these bodies of the SME's learning and development initiatives and to seek guidance in this regard;

- Keep the strategic plan, ATR and training committee reports current; and

- Continue to be aware of environmental legislation and adhere to this legislation for the benefit of the planet.

6.4.2.3 Theme 3: Training and skills development interventions implemented by SMEs

This study makes the subsequent recommendations for SMEs in both urban regions:

- Continue to implement on-the-job and off-the-job training interventions;
- Draw up a comprehensive budget for training and skills development with inputs from relevant individuals and teams;

- Ensure well-structured training plans and schedules are drawn up to facilitate the implementation of interventions;

- Make certain that a TNA is correctly structured in accordance with relevant information and documents and that this is linked to the WSP;

- Periodically conduct a skills audit to determine the skills gaps as and when they arise;

- Understand the role of the SDF through seeking knowledge from the Merseta and SETAs and incorporate this role in learning and developing activities through an inclusion of the SDF in learning intervention selection and training transfer;

- Endeavour to provide basic training courses to enhance the leadership and management skills of owners and supervisors;

- Give supervisors specific HRD roles and educate them on their responsibility towards employees under their supervision;

- Continue to engage in green skills programmes such Evirotech and Greentech and Coast Care.

- Periodically update the training plans, schedules and register.

6.4.2.4 Theme 4: Training and skills development transfer and evaluation for SME sustainability

The following recommendations are provided for SMEs in Durban and East London:

- Continue to monitor training transfer and evaluate training effectiveness through questionnaires, observation and periodic feedback sessions with employees;

- Establish employees readiness for and clarify supervisor roles in training transfer and evaluation;

- Set specific criteria for training evaluation and use a well-designed evaluation model such as the Kirkpatrick Four Level Evaluation Model or the Broad and Newstrom Transfer Matrix to evaluate training effectiveness;

- Collaborate with universities, academics and learning and development professionals to understand how to properly evaluate training and to seek knowledge and practical guidance from these groups on how apply the scholarly models such as the Kirkpatrick Four Level Evaluation Model and the Brinkerhoff Six Stage Model;

- Continue to monitor and calculate the cost-benefit analysis and/or ROI from training and skills development interventions and activities; and

- Review the training budget, questionnaires and supervisor reports on training transfer, cost-benefit analysis and ROI on a regular basis.

6.4.2.5 Theme 5: Training and skills development challenges faced by SMEs

The recommendations offered for SMEs in both urban regions are:

- Continue to overcome training and skills development challenges. Draw support internally from employees and supervisors, and externally from skills development bodies, CoPs and SME forums;

- In-house training in the future and use free on-line e-learning resources to roll out internal learning and development interventions;

- Develop a network of training providers to avoid the reliance on just one provider; and

- Continuously review, revise and update all training and skills development documents.

The above mentioned conclusion and recommendations gave rise to the proposed guidelines in Section 6.5

6.5   PROPOSED GUIDELINES

Table 6.2 presents the proposed guidelines for SMEs in the manufacturing sector in Durban and East London.

Table 6.2: Proposed guidelines for training and skills development in SMEs

Guidelines	Actions to be taken	Resources needed	Individuals to be included	Monitoring
Develop a training and skills development policy and HRD strategy	• Consult employees, management and the HR manager for inputs; and • Consult academics and universities, Merseta, SETAs, Seda, SABPP, SME forums and CoPs for a proper framework.	• Knowledge of a theoretical framework for human resource policy and strategy development.	• Owner; • Supervisors; • HR manager and/or training practitioner/professional; • Academics and universities; and • Merseta; SETAs, Seda, SABPP, SME forums and CoPs.	Continuous monitoring and annual review of training and skills development activities in the SME.
Develop strategic training and skills development objectives and link these with the overall business strategy of the SME.	• Consider employee, management and the manager's inputs; • Consult academics and universities, Merseta, SETAs, Seda, SABPP, SME forums and CoPs for guidance on HRD best practices; and • Incorporate training and skills development objectives into the objectives of the SME.	• Knowledge of HRD best practice and the strategy of the SME; • HRD strategy; and • Training and skills development policy.	• Owner; • Supervisors; • HR manager and/or training practitioner/professional; • Academics and universities; and • Merseta; SETAs, Seda, SABPP, SME forums and CoPs.	Periodic monitoring and adaptation to the changing internal and external environment and annual review.
Formulate training needs analysis (TNA)	• Consider supervisor, training practitioner and employee inputs; • Consult academics and universities, Merseta, SETAs, Seda, SABPP, SME forums and	• Employee profiles and records; • Job description and specification; • Supervisor reports; • Performance appraisal documents; and	• Owner; • Supervisors; and • HR manager and/or training practitioner/professional	Continuous monitoring and evaluation.

	CoPs for a proper TNA framework; and • Design and implement TNA.	• IT skills for electronic capturing and maintenance of records.	• Academics and universities; and • Merseta; SETAs, Seda, SABPP, SME forums and • CoPs.	
Implement relevant training and skills development interventions	• Consider TNA inputs; and • Consider employee and supervisor inputs	• Job description and specification; and • Supervisor reports.	• Owner and supervisors • HR manager and/or training practitioner/professional; • Employees; and • Finance department.	Continuous monitoring and evaluation.
Create a training budget	• Consult supervisors and training practitioner/ s to obtain information on planned learning interventions; • Consult service providers on the cost of interventions; and • Consult the finance department to draw up the budget for training and skills development.	• Employee profiles and records; • Job description and specification; • Supervisor reports; • Performance appraisal documents; and • IT skill for electronic capturing and maintenance records, detailing expenditure on and ROI from learning and development.	• Owner; • Supervisors; • HR manager and/or training practitioner/professional; • Service providers; and • Finance department.	Monthly reporting on the budget.
Formulate a training plan and training schedule	• Establish the priority of intervention implementation; and • Determine which employees will attend training during which time in the year.	• TNA; and • Knowledge on employee tasks; and • Supervisor reports.	• Owner; • Supervisors; • Peers; • HR manager and/or training practitioner/professional; and • Service providers.	Monthly reporting and updating.

Formalise training transfer and evaluation	• Develop specific criteria for training transfer and evaluation; • Develop a formal qualitative and quantitative feedback process to determine training transfer and effectiveness; • Consult academics and universities, Merseta, SETAs, Seda, SABPP, SME forums and CoPs for information on how to use the Broad and Newstrom Model, the Kirkpatrick Four Level Evaluation Model and /or the Brinkerhoff Six Stage Model for training transfer and evaluation respectively; and • Calculate cost-benefit analysis and /or ROI from training and skills development.	• Supervisor reports; • Learner intervention feedback forms; • Performance appraisal documents; and • Income statement reflecting expenditure on training and profit for the financial period.	• Owner; • Supervisors; • Employees; • Peers; • HR manager and/or training practitioner/professional; • Finance department; • Academics and universities; and • Merseta; SETAs, Seda, SABPP, SME forums and CoPs.	Continuous monitoring and evaluation.
Set clear owner and supervisor roles in training and skills development	• Develop roles for owners and supervisors before, during and after learning interventions.	• Employee profiles; • Supervisor reports; and • Information on the intervention.	• Owner; • Supervisors; and • HR manager and/or training practitioner/professional.	Continuous monitoring and evaluation.

Build relationships with training practitioners	• Enquire about and make contact with various training practitioners; and • Seek advice from the training practitioners on the type of training interventions to implement for different levels of employees at different job levels.	• Employee profiles; • Supervisor reports; • Performance appraisal documents; • Training budget; and • Environmental law and practices.	• Owner; • Supervisors; • Employees; • HR manager and/or training practitioner/professional; • and • Finance department.	Continuous relationship building and networking.
Create an awareness of and implement environmental legislation	• Enquire about the relevant environmental legislation for manufacturing from academics and universities, Merseta, SETAs, Seda, SABPP, SME forums and CoPs ; • Educate supervisors and employees on responsible environmental practices; and • Consult supervisors and employees on how to implement environmental legislation in the enterprise.	• Environmental legislation; and • Merseta guidelines on production.	• Owner; • Supervisors; • Employees; • Academics and universities; and • Merseta; SETAs, Seda, SABPP, SME forums and CoPs.	Continuous revision of the role.

It was possible draw conclusions, make recommendations and offer guidelines because of the strengths of this study. These strengths are discussed in Section 6.6.

6.6 STRENGTHS OF THE STUDY

This study has several strengths. The participants were interviewed in the boardroom of their SMEs with minimal disruptions. This allowed the participants to feel conformable and in control and it made it possible for me to view them in their work environment. The participants were obliging and approachable and keen to share their perceptions and experiences. In addition, I also did not allow my preconceived ideas, as far as possible, to influence the findings and conclusion of my research study. Essentially, the strengths of this study gave rise to a reflective journey, which is documented in Appendix J.

However, in spite of the strengths, certain limitations to the study were noted. Section 6.6 explains these limitations.

6.7 LIMITATIONS OF THE STUDY

The following limitations were identified:

- The study was carried out using qualitative methodology. In view of this, only a snapshot of the role and contribution in training and skills development in SMEs was provided;

- The study cannot be generalised to the broader population. There is much debate that surrounds the generalisability of qualitative studies with small sample sizes. These studies are deemed to be subjective in nature and therefore not applicable to the wider population;

- The study made use of a purposive sampling method, with a small sample size, which may not be characteristic of SMEs;

- Only SMEs in the manufacturing sector, in Durban and East London formed part of the sample of this study. Other types of businesses, sectors and urban regions were not considered; and

- Only SME owners formed part of the sample of this study. The perceptions and experiences of other employees were not taken into account.

Through these limitations, ideas for further research were generated. Section 6.7 mentions these ideas.

6.8   RECOMMENDATIONS FOR FURTHER RESEARCH

This study makes the following recommendations for forthcoming research on the topic:

- A quantitative or mixed methods research study on the topic should be done to enable a broader analysis of training and skills development in SMEs;

- Other sampling methods and a larger sample size should be used to allow similarities and differences to be drawn which could be beneficial for all learning and development stakeholders;

- Other types of businesses, sectors and urban regions should be included to provide a comprehensive understanding of the topic; and

- The perceptions and experiences of employees should also be incorporated to enhance the credibility of the study.

6.9   CONCLUSION

This chapter presented the conclusions in relation to the research findings. Recommendations were also provided based on the findings and subsequent conclusions. This chapter highlighted the possible areas for future research and the strengths and limitations of this study. This study is unique and expectantly highlights the role and contribution of training and skills development for sustainability in SMEs. It emerged that training and skills development plays a strategic role in both younger and older SMEs in the manufacturing sector in Durban and East London. It was noted that a positive learning climate and favourable attitudes towards learning and skills development are encouraged by these SMEs. This study further revealed that a host of on-the-job and off-the job training interventions have been implemented by SMEs in Durban and East London to improve the skills base of their employees and to attain organisational sustainability. However, despite the efforts made by SMEs to implement training and skills development activities, they are met with internal and external challenges. SMEs are proactive in training transfer but tend to find training evaluation challenging.

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APPENDIX A: THE MANUFACTURING PROCESS

During my visit to one of the shoe manufacturing SMEs in Durban, I was given a guided tour of the shop floor. The processes involved in shoe manufacturing were explained to me. I took the following photographs to illustrate that manufacturing is labour intensive and requires trained and skilled employees to complete the various processes.

STEP 1: Cutting the material

STEP 2: Upper is cut

STEP 3: Upper is riveted
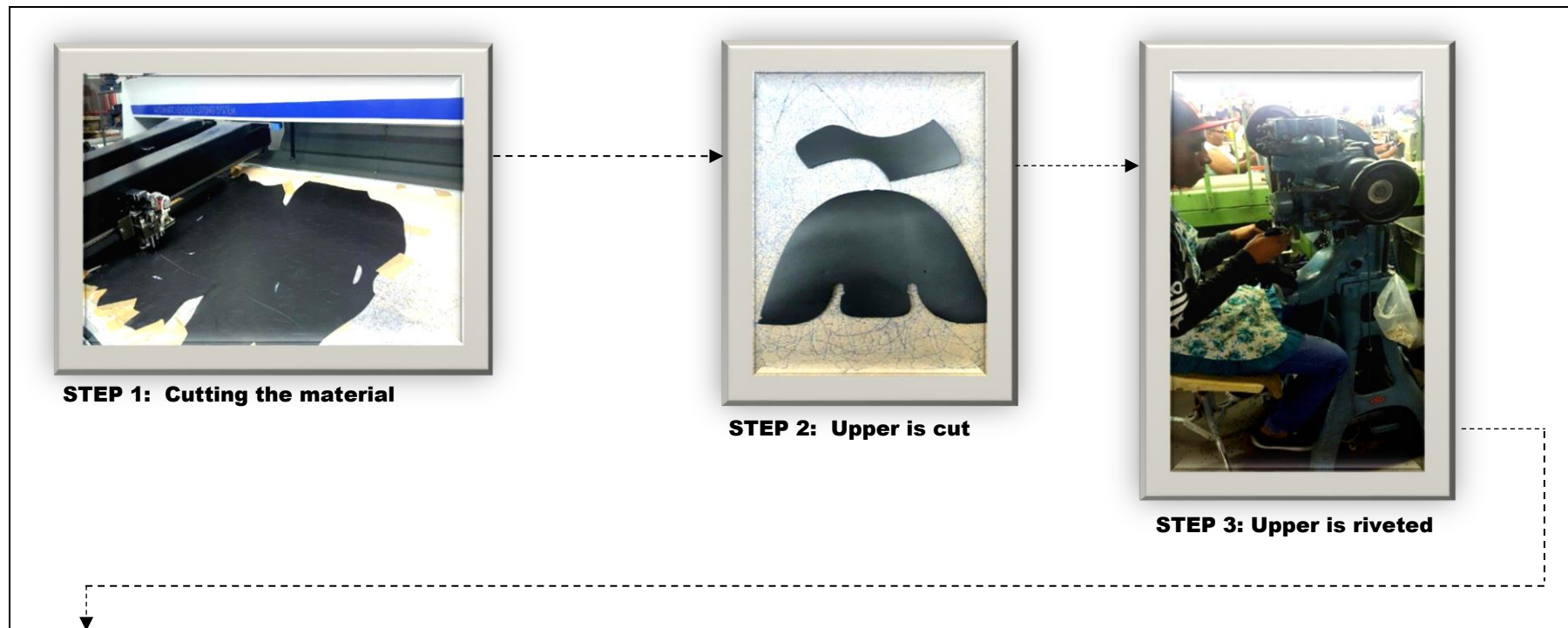
STEP 4: Upper is stitched
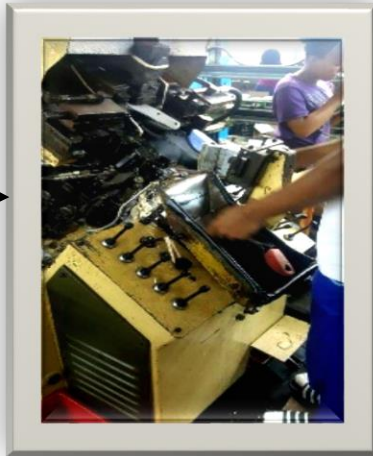
STEP 5: Upper is moulded

STEP 6: Upper is solutioned

STEP 8: Shoe is complete

STEP 7: Lower is solutioned

APPENDIX B: ETHICAL CLEARANCE CERTIFICATE

The following ethical clearance certificate was obtained from UNISA for this study:
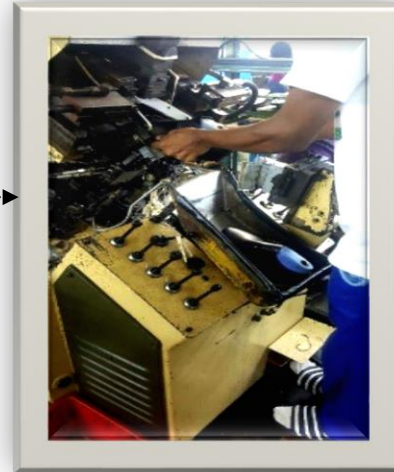
UNISA
university of south africa

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT RESEARCH, ETHICS AND INNOVATION COMMITTEE

8 April 2016

Ref #: **2016_ HRM_ 002**
Name of applicant: S.D. Rajaram
Student #: 34575995

Dear Mrs S.D. Rajaram

Name: Mrs Shamantha Devi Rajaram, [34575995@mylife.unisa.ac.zat 012 807 5992/0835617377]
Name of Supervisor: Prof M J Bushney [mbushney@unisa.ac.za; 012 429 3748]
Proposal: Unlocking training and skills development for sustainability in Small and Medium Size Enterprises (SMEs): An explorative South African study
Qualification: M.Com Business Management (with specialisation in Human Resource Management)

Thank you for the application for research ethics clearance to the Department of Human Resource Management Research, Ethics and Innovation Committee for the above mentioned research. Final approval is granted for the duration of the project.

Full approval: The revised application was reviewed in compliance with the Unisa Policy on Research Ethics by the Department of Human Resource Management Research, Ethics and Innovation Committee on 15 March 2016 and full approval for the project is granted.

The proposed research may now commence with the proviso that:
1) The researcher/s will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
2) Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study, as well as changes in the methodology,

should be communicated in writing to the Department of Human Resource Management Research, Ethics and Innovation.

Committee. An amended application could be requested if there are substantial changes from the existing proposal, especially if those changes affect any of the study-related risks for the research participants.

3) The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study.

Note: The reference number [top right corner of this communiqué] should be clearly indicated on all forms of communication [e.g. Webmail, E-mail messages, letters] with the intended research participants, as well as with the Department of Human Resource Management Research, Ethics and Innovation Committee.

Kind regards,

Prof IL Potgieter   Executive Dean
HRM DREC Chair visseil@unisa.ac.za   College of Economic and Management Sciences

APPENDIX C: BROAD AND NEWSTROM TRANSFER MATRIX

Table C2: Special and general factors of the Learning System Transfer Inventory (LSTI)

Role Time	Before training	During training	After training
SME owner/supervisor	• Establish the importance, purpose, content and benefits of the training intervention; • Meet and speak to employees; • Enhance the employees' perceptions of training; • Enhance the employees' view of organisational support; • Empower employees to choose their own interventions; • Encourage employees to learn new KSAs; and • Assess the organisational culture before interventions.	• Avoid interruptions of the intervention and pass on work assignments to those not involved in the intervention; • Demonstrate and communicate managerial support for the intervention; • Observe employee attendance and attention of the intervention; • Plan evaluation of transfer of KSAs to the job; • Develop a positive and supportive organisational culture for learning transfer; and • Appreciate employee involvement in training.	• Provide opportunities and technology for employees to implement the KSAs learnt; • Lessen barriers of transfer in time, stress and distractions; • Offer positive reinforcement and support the use of KSAs learnt on the job; • Initiate rewards in the workplace; and • Instil a continuous learning culture.
Hr manager and/or training practitioner/SME supervisor	• Identify suitable content by means of a TNA; • Evaluate the resources and employees' basic skills by involving supervisors and employees; • Set objectives and plan the resources; and • Enhance employee motivation and self-efficacy.	• Improve employees' learning outcomes; • Offer more practise time and mentorship for implementing KSAs; and • Provide motivation and support for transfer learning.	• Set up follow-up interventions; and • Offer follow-up support by means of mentoring.
SME employees	• Identify the value of training and see it as a means to apply new learning which will improve performance; • Set goals for applying the KSAs learnt to the job; and institute self-motivation.	• Participate enthusiastically in training, practise skills and receive feedback; and • Set short-term and long-goals for immediate application of new learning and expect some setback.	• Review learning content and learnt skills and set goals on how to apply learning to the job; and • Receive and use feedback from supervisor, peers and customers.

(Source: Framework adapted from Broad & Newstrom, 1992 in Parks & Jacobs, 2011, p.1)

APPENDIX D: SPECIAL AND GENERAL FACTORS OF THE LEARNING SYSTEMS TRANSFER INVENTORY (LSTI)

Table D2: Special and general factors of the LSTI

Factor	Definition	Item examples
Special factors		*Applied to SMEs*
Learner readiness	The extent to which employees are prepared to participate in training.	The SME owner and/or supervisor must assess (before the training intervention) if an employee is ready to be trained.
Motivation to transfer	The determination to apply learnt skills in the work environment.	Employees get excited when they think of training resulting in better job performance and an improved career path.
Peer support	The extent to which peers reinforce and support the use of learning on the job.	Employees who have progressed as a result of training encourage their peers to transfer their newly learnt KSAs.
Supervisor support	The extent to which supervisors support and reinforce use of training on the job.	Supervisors set goals for employees that encourage employees to apply their training to the job.
Opportunity to use training	The extent to which trainees are provided with or obtain resources and tasks on the job, enabling them to use training on the job.	The resources employees need for application are available to them, even though SMEs experience a challenge with making resources and facilities available for learning transfer in view of their budget constraints.
General factors		*Applied to SMEs*
Performance expectations	The expectation that changes in job performance due to learning will lead to valued outcomes.	When employees apply training to the workplace and this improves performance, they are likely to be rewarded.
Performance coaching	Formal and informal indicators from an organisation about an individual's job performance.	After training, employees receive feedback from their supervisor on how well they are applying what they learnt.

(Source: De Vos et al., 2012, pp. 183-184)

APPENDIX E: SKILLS DEVELOPMENT BODIES IN SOUTH AFRICA

Table E3: Skills development bodies in South Africa

Skills development body	Purpose of the body is to	Relevance to SMEs	Shortcomings of the body
National Skills Authority (NSA) Established in 1999 in terms of the Skills Development Act, 97 of 1998. Revised in 2008.	• Promote skills development; • Liaise with SETAs; and • Report on skills development progress in policy and strategy implementation (NSA, 2017).	Crucial for SMEs considering the advisory role played by the body in terms of SETAs and SDA (NSA, 2017).	Blumenthal (2007) reports that this body has marginalised SMEs with skewed policies, where SMEs that pay skills levies do not benefit from the fund.
Sector Education and Training Authority (SETA) 23 SETAs were established in March 2000. In 2010 the POSLEC SETA and the DIDTETA amalgamated, reducing the number of SETAs to 21.	• Improve skills and distribution of levies; • Identify and assess the availability of skills and implement and apply training interventions; • Develop and implement a SSP; and • Encourage adherence to and the implementation of the NQF (SETA, 2017).	An interaction of SMEs with the SETAs is essential to ensure skills development and sustainability. These entities can also benefit from the advisory and guiding role of their SETAs (SETA, 2017).	The financial pressure placed on SMEs poses a challenge in that they are unable to pay the levies and hence do not benefit from the SETAs (Mckrill, 2015).

Manufacturing Engineering and Related Services SETA (Merseta) Established in 2000 to play a central role in delivering on the HRDSSA (2001). Comprises the five chambers of Metal, Plastics, Auto, New Tyre and Motor.	• Register moderators and assessors; • Identify the skills needed in specific industries; • Identify scarce skills; • Accredit training providers; and • Implement projects to ensure closure of the skills gap (Merseta, 2017).	An interface of SMEs with the Merseta ensures that manufacturing SMEs are kept abreast of changes and challenges in the industry. This body supports and advises SMEs on various issues (Merseta, 2017).	SMEs note that there are issues of poor service delivery and lack of administrative compliance with regard to this body. Besides this, the Merseta does not have sufficient training providers that engage in learnership programmes (Skills Portal, 2017).
Department of Trade and Industry (DTI) An initiative of the new dispensation.	• Responsible for commercial and industrial policy; and • Encourage Black Economic Empowerment (BEE) (DTI, 2017).	Since its inception, the DTI has made strides in the implementation of SME-related policies to ensure that sufficient monetary and non-monetary support is available for this sector to promote sustainability (Musyoka, 2016).	SMEs find it challenging to access this body for assistance. These enterprises are also frustrated with the large amount of documentation that must be completed (Musyoka, 2016).
Industrial Development Corporation (IDC) An initiative of the new dispensation.	Support entrepreneurship and the building of competitive businesses (IDC, 2017)	The IDC partnered with the Russian Bank to fund SMEs in South Africa (IDC, 2017).	SMEs often experience red tape in accessing the funds the Corporation claimed to be made available to them (Skills Portal, 2017).
Small Enterprise Development Agency (Seda) An initiative of the new dispensation. Established in 2004.	To implement the government's SME strategy. Involved in SME advancement through government-funded programmes. Assists SMEs in business functions such as HR, marketing and finance, among others (Seda, 2017)	Seda has endeavoured to promote SME sustainability and to encourage SME activity in South Africa (Seda, 2017).	SMEs find it a challenge to liaise with this body, as there is a long waiting period for requests for assistance to be attended to (Mckrill, 2015).

South African Chamber of Commerce and Industry (SACCI) An initiative of the new dispensation.	SACCI stresses the importance of aligning national strategies with relevant legislation such as the New Growth Path (2009) and incentives to ensure the sustainability of SMEs (Gwija, 2014).	Is the voice of SMEs and focuses on the transformation of small business into big business. Provides guidance and advice on training and networking, business plans and finance (Adams, Nyuur, Ellis and Debrah, 2015).	SMEs find this body not as proactive as it did not readily respond to requests for assistance. They also complain of the large amount of paperwork involved in lodging an application for support (Adams, Nyuur, Ellis and Debrah, 2015).
The National Small Business Chamber (NSBC) An initiative of the new dispensation.	To foster SME sustainability and growth, enhance job creation and nurture the nation's entrepreneurial spirit (NSBC, 2017).	Supports the growth, learning, networking and success of SMEs (NSBC, 2017).	The Durban Chamber of Commerce (DCCI) and Industry and the Border-Kei Chamber of Commerce and Industry in East London are often plagued by many requests from SMEs. Response time is long (Skills Portal, 2017).

APPENDIX F: CONSENT TO PARTICIPATE

The following consent form was sent to the participants in this study:

I, _____ (participant name), confirm that the person asking my consent to take part in this study has told me about the nature, procedure, potential benefits and anticipated inconvenience of participating.

I have also noted the following:

- I have read (or had explained to me) and understood the study as explained in the information sheet;
- I have had sufficient opportunity to ask questions and am prepared to participate in the study;
- I understand that my participation is voluntary and that I am free to withdraw at any time without penalty (if applicable);
- I am aware that the findings of this study will be processed into a research report, journal publications and/or conference proceedings, but that my participation will be kept confidential unless otherwise specified;
- I agree to the recording of the individual interview and
- I have received a signed copy of the informed consent agreement.

Participant Name & Surname……………………………………………

Participant
Signature…………………………………………..Date…………………

Researcher's Name & Surname: Shamantha Devi Rajaram

Researcher's signature…………………………   Date: 28 February 2016

APPENDIX G: INTERVIEW GUIDE

The following interview guide was delivered to the participants of this study:

Good morning/Good afternoon, my name is Shamantha Rajaram and I would like to interview you with regards to the role and contribution of training and skills development for sustainability in your SME. Specifically, I would like to explore the role of training and skills development in your SME as well as the contribution training and skills development makes towards your entity in order to make recommendations and offer guidelines for the implementation of training and skills development interventions that can benefit your enterprise as well as other SMEs in the country.

The interview, as explained to you in the Participation Information Sheet, sent to via email earlier on, will take an hour of your time. As also mentioned on the Participation Information Sheet, although I will be taking some notes during the session, I can't possibility write fast enough to get all your comments down, hence I will record our conversation. Because we're on tape, please be sure to speak loudly so that I don't miss your comments. As promised in the participation information sheet, all your responses will be kept confidential, which means that your interview responses will only be shared with the research team members. To reiterate from the Participation Information Sheet, we will ensure that any information we include in our research findings and related information, does not identify you as a participant. Remember, you do not have to answer any question that makes you feel uncomfortable, or if you do not wish to answer and you may end the interview at any time.

Just to clarify, the phrase *engagement and implementation of these training and skills development interventions* in the interview questions essentially relates to the training and skills development interventions that have been undertaken and executed within your SME. Are there any questions about what I have just explained? Thank you. The interview will now begin.

1. To what extent does your SME actively promote training and skills development?

2. How would you describe the learning culture in your SME?

3. Which training and skills development interventions have you engaged in and implemented since the inception of your SME. Please indicate this on this checklist? (See checklist included after the interview questions).

4. I notice from the checklist you have just completed that you have indicated in respect of training that you undertook these interventions …, whilst in respect of skills development you indicated that your SME has engaged in these interventions …; is there a particular reason or reasons for this?

5. What about the remaining training and skills development interventions on the checklist to which you have answered "no". Why are these neglected? Is/are there a particular reason or reasons for this?

6. Give examples where trainees or employees applied what they had learnt in a conducive environment.

7. Give examples where employees underperformed due to a lack of training and skills development and the SME suffered in the process.

8. Give examples where the improved application of training and skills development improved the business performance of your SME.

9. What are the challenges you have experienced with regards to the engagement in and implementation of training and skills development interventions in your SME as well as with training and skills development as a whole?

10. What advice can you offer to existing as well as up and coming SMEs about training and skills development for their sustainability?

The checklists referred to in Question 3 are presented below.

Check list 1

Training interventions	YES	NO
Entrepreneurship		
General management		
Business management		
Human resource management		
Marketing management		
Sales management		
Project management		
Finance		
Bookkeeping		
Management accounting		
Customer service		
Other (Please specify)		

Check list 2

Skills development interventions	YES	NO
Entrepreneurship skills		
Learnerships		
Managerial skills		
Human resource management skills		
Administration skills		
Technical /advanced skills		
Marketing skills		
Sales skills		
Project management skills		
Finance and bookkeeping skills		
Management accounting skills		
Customer service skills		
Routine skills		
Social skills		
Green skills		
Other (Please specify)		

End of interview guide.

The following pilot interview was conducted with a Durban participant [DBNP1]. I am Speaker 1 and the SME owner is Speaker 2.

Speaker 1:   Good morning … my name is Shamantha Rajaram and I would like to interview you with regard to the role and contribution of training and skills development for sustainability in your SME.

Speaker 2:   Ah … Good morning, nice to finally meet you Shamantha … [Coughing] … yes, go ahead.

Speaker 1:   Nice to finally meet you too … specifically, I would like to explore the role of training and skills development in your SME, as well as the contribution of training and skills development to the sustainability of your SME.

Speaker 2:   Oh … ah … interesting. Yes, certainly.

Speaker 1:   The reason for this research is not only as I already mentioned, but also to develop guidelines and to make recommendations for the implementation of training and skills development interventions that could benefit your SME as well as other SMEs in the country.

Speaker 2:   Mmmm … very nice Shamantha …yes of course … I will be glad to assist.

Speaker 1:   The interview, as explained to you in the Participation Information Sheet sent to you via email earlier on, will take an hour of your time.

Speaker 2:   Okay … that is fine. Go ahead. No worries … no worries. Oh … yes those documents that were emailed to me … [Laughing] … Lot to read Shamantha … I looked at them. Its fine … you may record … [Coughing].

Speaker 1:   Because we are on tape, please be sure to speak loudly so that I do not miss your comments.

Speaker 2:   Okay … I will try … I have a cough … it is all the dust from the shop floor and machinery … but I will try … [Coughing].

Speaker 1: Thank you. It will be appreciated. As promised in the Participation Information Sheet, all your responses will be kept confidential, which means that your interview responses will only be shared with the research team members.

Speaker 2: Okay … no problem. I trust you my dear.

Speaker 1: To reiterate from the Participation Information Sheet, I will ensure that any information I include in my research findings and related information does not identify you as a participant. Remember, you do not have to answer any question that makes you feel uncomfortable or that you do not wish to answer, and you may end the interview at any time.

Speaker 2: Okay … no problem … no worries. I am sure it will all be fine.

Speaker 1: Just to clarify, the phrase *engagement and implementation of these training and skills development interventions* in the interview questions essentially relates to the training and skills development interventions that have been undertaken and executed within your SME.

Speaker 2: Okay … I will remember that.

Speaker 1: Are there any questions about what I have just explained?

Speaker 2: No Shamantha … you explained everything well in the documents emailed to me and now again … [Laughing] … I am comfortable … please go ahead.

Speaker 1: Thank you. The interview will now begin. What is the nature of your SME and to what extent does your SME actively promote training and skills development?

Speaker 2: We are in manufacturing, we produce packaging … Shamantha, my SME has endeavoured in many ways to promote training and skills development … formal and informal training and skills development … when I speak of formal learning, I refer to structured interventions delivered by a training practitioner off the job and when I speak of informal training interventions, I speak of on-the-job or peer training,

where the team will assist each other with difficulties experienced. Our SME has been proactive in building skills ... I mean we have a HRD strategy, it's the rudder to steer our employee-ship, employees want to grow and we need to deliver, so we have a strategy in place to deliver … we have a prescribed training and skills development policy and it's working well … our policy looks at our training and development plans and objectives … and this is integrated with our overall goals to be profitable and sustainable. Simply, our HRD strategy is integrated in our vision and mission statements. It's aligned with our strategic intent of how we plan to grow our employees … our training policy emphasises who will be trained and which skills to upgrade … yes off course.

Speaker 1:   How would you describe the learning culture in your SME?

Speaker 2:   We are active … we have engaged in learning as I explained just now … we pride ourselves in creating a learning culture … we invest in training and skills development activities to steer our employees to better performance … we include our employees and supervisors in this as well. Our employees take well to learning and so we have a strong learning culture … we have noted job proficiency as a result … we are supportive of training and skills advancement … we think it's important to have a committed workforce and it's important for our supervisors and myself to display an accommodating attitude … we have nurtured an effective attitude within our employees to develop their skills as we showed them the benefits of training and performing well … timely completion of tasks … effectiveness and efficiency. I am passionate about training and skills development … I had a good experience with it myself … in my day my employer encouraged it … my employees have positive attitudes … they want to improve their skills … there is a definite willingness … everyone is involved.

Speaker 1: Which training and skills development interventions have you engaged in and implemented since the inception of your SME. Please indicate this on this checklist?

Speaker 2: Oh … mmmm … you are putting me on the spot here Shamantha … taking me back in time … a reflection exercise … I will do my best, my dear … Ah … let's see.

Speaker 1: Aside … mmmm … participant is busy indicating this on the *training interventions* checklist, and the *skills development interventions* checklist which feature on the last page of the transcription documents … back to participant now.

Speaker 2: All done, here is your checklist.

Speaker 1: Thank you … Which training and skills development interventions indicated on this checklist are most important to your SME?

Speaker 2: For my SME, a little of everything … we are contemplating opening up a branch in Angola … this will require skilled employees … we are also faced with a shortage of model makers … the employees who build the packing according to design … we are currently training four new employees for this … such skills are essential to the continuance of our SME … if we don't have trained designers, drafters and model makers our sustainability is threatened … we need to take a strategic approach to training and developing our human resources, not only to benefit from a competitive position in the industry but also to better adjust to change and often unpredictable external influences … accordingly we are faced with globalisation, which also means that we must evolve, adapt and change at a much faster rate … both on-the-job and off-the-job training are carried out … technical training is linked to the actual production process and is done on the job as the facilities in terms of equipment and machinery and layout of the shop floor form part of the actual training … technical, marketing, sales, project management, finance and bookkeeping interventions are implemented … sales interventions expose our employees to a

multitude of skills to uncover and consistently meet customer needs … project management interventions develop our employees' knowledge, skills, tools and techniques to carry out specific projects … so yeah, my dear, a little of all disciplines.

Speaker 1: Which is least important?

Speaker 2: Mmmm … there is no such thing as least important my dear, but routine skills and social skills are not something my SME spends too much time on. I mean we tackle this on an ongoing basis, social skills is [sic] tackled in our team-building efforts … year-end functions … routine skills are tackled in the production schedule for the week, which details the tasks and activities for the week. These skills unfold naturally in the workplace … there's no learning such things … it's your personality … who you are and how you relate to others … my SME is diverse with various race groups from blacks, whites and Indians … and they all seem to function well as a unit … no issues there. In fact they bond well socially, laughing and having lunch together.

Speaker 1: How much of time is spent on training, in terms of days per year?

Speaker 2: It's difficult to say, perhaps 15 to 20 days … I am not sure Shamantha … we do not document these things as well as we should, I need to plan better here perhaps … sit down with my HR team and structure this better, blocking out days for training and skills development, looking at when and where to fit it in as well as what skills to fit in … perhaps we can better structure our training plans and schedule.

Speaker 1: Do all levels of staff receive the same amount of time with regard to training and skills development?

Speaker 2: No Shamantha, not at all … no … it depends on what skill must be learnt … sometimes it could take a short time and sometimes a long time … depends on the complexity of that which must be learnt … Oh and the training and skills development intervention itself … many variables must be considered for example the rate at which

employees learn, I mean all of us do not grasp things at the same rate, the type of skill that must be learnt, for example if it is on the shop floor it will take a shorter time than if it is a workshop or discussion … different strokes … we tend to invest a lot in the technical or shop floor staff as that is where production takes place and it cannot stall manufacturing … so essentially … however, all employees get training irrespective of age or gender as and when they require training … but again we can only allocate a certain amount of money to training and this will depend on what we have to budget … we also find that other older employees are not as keen … for them it's perhaps an age and job progression issue … young employees are excited.

Speaker 1: I notice from the checklists you have just completed that you have indicated that your SME has engaged technical, marketing, sales, project management, finance and bookkeeping, is there a particular reason or reasons for this?

Speaker 2: Oh … in an SME making a profit is important … very important my dear … it's my bread and butter … for me to make a profit … for my employees too … so I suppose I engaged in training and skills development in these areas as I believe an investment there could up my stakes … no two ways about it Shamantha … so I invested in some training for these skills as they are the crux of my SME, these are needed to make my profits … marketing is important as I can't rely on word of mouth anymore … this was possible in my dad's time … mmmm … now everyone is so technology driven and market orientated … I need solid concrete … good marketing out there … sales training is crucial as that realises my profits … my sales … it must be good … my employees must know how to sell my products … they need to know the ins and outs of sales … important … critical my dear … oh and the technical skills in my SME must be good … if my team do not have technical know-how production will fall flat … I will not be able to run this SME … no

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production … no product … no profit Shamantha … it's as simple as that … ah and the bookkeeping and finance skills from recording to reporting … my finance guy needs this … out of college … a bit green … wet behind the ears … he needs it … yeah … [Coughing] he needs to report on the viability and feasibility of my SME … yeah … I need to know if I can pay my bills … my dear … so … [Laughing] … my SME can't do without this … very important … I mean it is simple to establish what the needs are, the HR has a recording of skills, like a WSP and this helps, so we know who needs training and the like, as I said before, employees approach us and tell us they don't know how to operate the fitter or they can't seem to get the hang of IFRIS … we also know who comes in with what skills … so we know where they might have a challenge.

Speaker 1: What about the remaining training and skills development interventions on the checklist to which you have answered "no". Why are these neglected? Is there a particular reason or reasons for this?

Speaker 2: It's not because I do not consider this important, Shamantha … no my dear … nothing like that … it's about having the budget for training and skills development, which in my SME is limited … I need to prioritise … get the important stuff going … the stuff that will make a difference … bring in the profits … Shamantha … it's really like being caught between a rock and hard place. Of course I would like to invest more in training and skills development … but it's about priority … first things first … so I need to look at which skills must be learnt to complete tasks and get this going … so I have to decide which to do and which to do first … it's not easy for us SMEs … government needs to get more involved, to support us with finance for training.

Speaker 1: What about green skills? Is it a part of your agenda?

Speaker 2: What green skills, Shamantha? Mmmm, you mean the environment … right?

Speaker 1: Yes.

Speaker 2:   Oh … my SME does our bit … I don't think that I am as knowledgeable about green skills as I should be in the sense that I know that I must be responsible and not harm the environment, so the odd environmental concern is there … the concern that obviously if I neglect the land my survival and that of the future generation is threatened. Yes … but I am not a forerunner in this … government needs to act in this regards [sic] … that's the way I look at it … plain and simple ... so in essence what I am trying to say is that I am aware of green skills, renewable energy and biodiversity … I know what they are, I know my place in the environment and my need to protect it, but government needs to roll out more green skills programmes, I mean maybe create a website for it for us SMEs or have bi-annual conferences … and get green skills mentors who help us with this.

Speaker 1:   What types of training documents do you keep in your SME?

Speaker 2:   As I explained earlier we have a training policy and a HRD strategy. We also keep a WSP, TNA, training plan register and schedule. We keep learning evaluation feedback forms, supervisor reports, training committee meeting minutes and a training budget … our TNA enables us to conduct a systematic investigation of the training and development needs of our SME … it identifies the gap between the current and required levels of knowledge and skills … this then informs the interventions we need to implement and guides resource all urban regions … However, these documents are not routinely or periodically updated … we should work on this.

Speaker 1:   Give examples where employees applied what they have learnt in a conducive environment.

Speaker 2:   Yeah … yes I try to create a conducive environment for employees but you must remember the manufacturing industry is hectic. The shop floor is sometimes like a market place, loud and noisy. Machinery grinding and turning … [Coughing] … we try. They seem to get excited immediately after they learnt something, they try to

implement it immediately by practising it in their tasks. Almost like to show off … I am talking about those employees that want to learn and grow, Shamantha. I can remember I once sent a team to learn how to operate this new machine I bought from Ireland … yeah ... sent them to the supplier for a few days … the supplier runs training on how to operate the machine … you see … they came back all excited to try it on the shop floor … taking out their notes, walking around the machine several times, talking amongst themselves … it was good to see … that is what I want to see. The supplier also came here for a few days … spent some time with the team … showing them the ropes on how to operate the machine here on the shop floor. Yes, my dear, even our sales and admin staff try to implement what they learn from training and skills development … like the way to rocket sales, strategies to use … ah … all the employees that go on training and skills development … try to implement it in their jobs … but you know what Shamantha … they don't seem to know how to transfer what they learnt effectively or keep it going … somewhere along the line its back to square one of doing things the old way, lack of effort and energy. Oh and me with all my responsibilities I don't really evaluate this transfer, can't seem to get the time to check how it's going. It tough, my girl … the manufacturing industry is hard-core, ruthless and yeah … time, money and a good team … you need all this.

Speaker 1: What have employees applied, what have they transferred from training to their work?

Speaker 2: Ah yes … like I mentioned my production team transferred the learning from the supplier to their jobs. They were able to get this machine up and running in no time after the training … my marketing, sales and finance [Coughing] … I thought my cough had disappeared … sorry my dear, as I was saying my marketing, sales and finance guys have had some training and they try to transfer what they picked up from their training to their tasks … [Laughing]

my sales guys were speaking about some SWOT analysis the other day after their training … it increases sales great. I see that they seem to be drawing up some strategies around this. Even my finance guy, I had to get him some training … he is new and fresh from college with little experience … yeah, we have to help the graduates hey … who will help … not the government … yes … Mmmm we sent him for some course on the new IFRIS system of accounting … he seems to be coping better … no stress … more efficient now … before I had to wait a while to get some financial statements from him … now he is on the ball … But we battle with evaluating training.

Speaker 1: Give examples where employees underperformed due to a lack of training and skills development and the SME suffered in the process.

Speaker 2: We had a good few HR-related issues from recruiting the wrong people to CCMA cases. Employees were dismissed for stealing and because proper procedures were not followed to deal with this, employees take us to court, claiming unfair dismissal. I feel strongly it is because my HR was not properly trained to handle this … I mean look at big business, because their HR is well trained and equipped and seem to know how to handle grievance procedures … yeah things flow well … oh and what about my sales team … yes I lost ground against my competitors … I lost deals because they were not well trained. They were not trained to push the deals.

Speaker 1: What do employees do differently now than before training and skills development?

Speaker 2: Confused … afraid … uncertain … unproductive … very inefficient, but after training … and when they make a good effort to try to transfer this new knowledge and skills they are different employees … they know what they are doing … they're more motivated … happier and energetic … they are more confident and they take pride in their tasks … they seem to own their work and the fruits of

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that … the whole task is executed differently … there is flow in the SME … that's nice … always nice when things are working well … when we have good production going … effective and efficient business operations … fewer errors … more confident and … motivated employees … the project management team are now better equipped to handle projects and deliver quality on time … this is very encouraging. We see a definite improvement in our employees as they seem to consider the interventions as relevant and an effective use of their time … our financial performance has improved … profits have increased … there has also been an improvement in market share … evaluation also helps identify which improvements can be made … however we need further knowledge and guidance on how to conduct proper evaluation.

Speaker 1: How does your SME plan after every training and skills development intervention to ensure that planning is transferred from training and skills development to the workplace?

Speaker 2: We consider training interventions and plan in terms of days and skills to be learnt … But I mean we have the ATR and the WSP and the budget and the skills register, this is our planning if I look at it that way … it is not sufficient because we need more structure. I mentioned our SME is expanding into Africa … we are now interacting with suppliers and customers from Nigeria and Zambia … we need to conform to certain standards and practices … training and skills development is assisting us in building the competencies of our employees to adapt to these new markets … new technology … this is essential to ensure the performance and productivity of our employees and organisation in the global market … if not we run the risk of failure … so comprehensive planning is needed.

Speaker 1: How do training and skills development interventions contribute to the sustainability of your SME?

Speaker 2: Of course it contributes greatly, we are expanding into Africa … Nigeria and Zambia specifically … we need competent staff to move

this forward … we also want lower stock returns and training and skills development helps in this regard … I can see the difference when my guys are well trained, more motivated and relaxed … my SME does well financially and all round … I make profits … my profit margins are greater … more promising … I outwit my competitors … my employees are more confident … they can get better salaries … I can hire additional people … create jobs and grow my concern … Of course, it improves my prospects of growing and I can even think of expanding further … last year we grew by a notch, like about 4.5% … compared to our competitors.

Speaker 1:   How has customer service improved as a result of the training and skills development interventions that you have employed in your SME?

Speaker 2:   My customer service has improved tremendously and it is more positive. A noticeable improvement in that we see change in attitude of our customers … mmmm much better … with better planned and transferred training and skills development … the surprising thing, Shamantha, is that customers tend to notice as well … it seems to improve our customer base and loyalty … and they refer us to their friends and family so we grow in orders … and they also write emails telling us that they are happy … and of future orders.

Speaker 1:   Are employees more confident after these training skills development interventions?

Speaker 2:   Yes, of course my dear, no doubt about it … absolutely. In my mind, you get a 360-degree turnaround in an employee's confidence levels … just all-round better to work with … more confident and motivated … more into their work … more focused and centred. They feel that they are at the helm of what needs to be done and they just do it … definitely … so this confidence shows in the timeous work and the quality of work, which is better.

Speaker 1:   How have the training interventions resulted in learning?

Speaker 2: As I said, Shamantha, when I send my guys on training and skills development interventions … I see a change … I see that they are less stressed and can cope better … but also on the flip side of the coin as an SME I struggle to ensure a sound training process, transfer and evaluation … I don't have that architecture in place … I don't have that structure in place … so I am not too sure if that learning is as sustained as I would like it to be. Continuous harvesting of this learning … if I can put it like that, it is challenging … yes, quite difficult [Coughing] … it's difficult … I don't have a checklist to tick off if they learnt, applied or transferred the training … I don't have a model against which to evaluate this.

Speaker 1: How has financial performance improved as a result of the training interventions employed by your SME?

Speaker 2: Oh yes, Shamantha, the financial return is good. Profits increased by four and a half percent last year … I do well and meet my targets and deadlines. It picks up my profit margins and I tend to make more profits than my buddies in the industry … all is good then … our balance sheet and income statement is more positive than before … before we made about four percent ... training doubled our profits.

Speaker 1: Give examples where the improved application of training and skills development improved the business performance of your SME.

Speaker 2: Like I said before my dear, when my production guys were trained on how to operate the new machinery that assisted our production greatly … we did not lose too much time in production and on the shop floor, the training enabled the production team to assemble and operate the machinery in a short space of time. Had they not had this training then a disaster could have arisen … we could have lost the order, or the supplier would have cancelled all pending orders … What about my finance guy, the training and skills development intervention he went for helped him get the hang of how to do my financials, creditors were paid on time, salaries released when they should have been and a generally good order

in my finance department … I tell you Shamantha … that is reassuring I tell you … applying training and skills development to the tasks gives my SMEs a hole-in-one performance [Laughing].

Speaker 1: What are the challenges you have experienced with regard to the engagement in and implementation of training and skills development interventions in your SME, as well as with training and skills development as a whole?

Speaker 2: Ah Shamantha, I face many challenges in my SME with regards to the engagement in and implementation of training and skills development interventions … let's see … firstly we have limited financial resources … we don't have a structured training department or training practitioner on a full-time basis… we need to budget for other operations too … when employees attend training and skills development interventions, it impacts my production schedule. Oh … yeah at the end of the day, gauging the transfer and evaluating of these interventions … how do I know the return on this investment … how do we determine it … also, Shamantha, too much of government red tape in terms of obtaining moral and financial support … government policies contain too much red tape … rules, regulations and documents … we don't have the time for this … it tends to discourage training sometimes.

Speaker 1: How do you feel about the overall training and skills development in your SME and SMEs in general?

Speaker 2: I am hopeful … training and skills development can play a significant role in my SME … also for my employees … I believe that it can truly make a difference … it's not just a nice to have … but like the DNA of an SME … you know. I think it has a place in SMEs and is needed, just as finance and marketing are … it will soon come to be the lifeblood of SMEs … I can assure you my dear … so we need to do more of that planning and organising of training and to maintain training and skills development documentation.

Speaker 1: What advice can you offer to existing as well as up-and-coming SMEs about training and skills development for their sustainability?

Speaker 2: Oh Shamantha, that could take a long time … lots of advice … lots of dos and don'ts. But generally I would advise SMEs not just in the manufacturing sector … mmmm … but all SMEs need to get their ducks in a row as far as training and skills development is concerned. It is important for sustainability and growth … they should include learning as part of their strategic planning, get to know what the process, transfer and evaluation of training and skills development involves and, as an SME owner, get your hands dirty and be a part of the training and skills development interventions … get a feel for what it is like … get to know what happens before, during and after these interventions. Be involved, plan and prepare for this activity.

Speaker 1: We have come to the end of the interview, is there anything else you would like to add?

Speaker 2: No Shamantha, not really ... oh wait … I am glad you are doing this study … its findings can help SMEs wake up and realise the proactive role of training and skills development in their sustainability. Actually, sitting here and answering these questions helped me reflect on training and skills development in my SME … deeply grateful my dear … it has been very nice chatting to you.

Speaker 1: You are most welcome. Once I have transcribed the information provided in today's interview, I will send you a copy so that you may confirm if the responses you provided to the questions posed to you today are indeed correct.

Speaker 2: Thanks, fine Shamantha.

Speaker 1: I will proceed to analyse the information you and others have given me and I will use this to draw up the findings of my research study. Thank you for your time.

Speaker 2: Welcome Shamantha. Have a safe trip back to Pretoria.

Check lists referred to in Question 3: Participant DBNP1's response.

Check list 1

Training interventions	YES	NO
Entrepreneurship		X
General management		X
Business management		X
Human resource management		X
Marketing management	X	
Sales management	X	
Project management	X	
Finance	X	
Bookkeeping	X	
Management accounting		X
Customer service		X
Other (Please specify)		

Check list 2

Skills development interventions	YES	NO
Entrepreneurship skills		X
Learnerships		X
Managerial skills		X
Human resource management skills		X
Administration skills		X
Technical /advanced skills	X	
Marketing skills	X	
Sales skills	X	
Project management skills	X	
Finance and bookkeeping skills	X	
Management accounting skills		X
Customer service skills		X
Routine skills		X
Social skills		X
Green skills		X
Other (Please specify)		

End of transcription.

APPENDIX I: FACEBOOK SCREENSHOT

As a member of the Young African Leaders Initiative (YALI), I sought the opinion of my fellow African peers on the value of training and skills development for SMEs in their nations. As can be viewed in the screenshot below, 27 likes and subsequent confirmations were received that training and skills development are integral to SMEs in all countries.
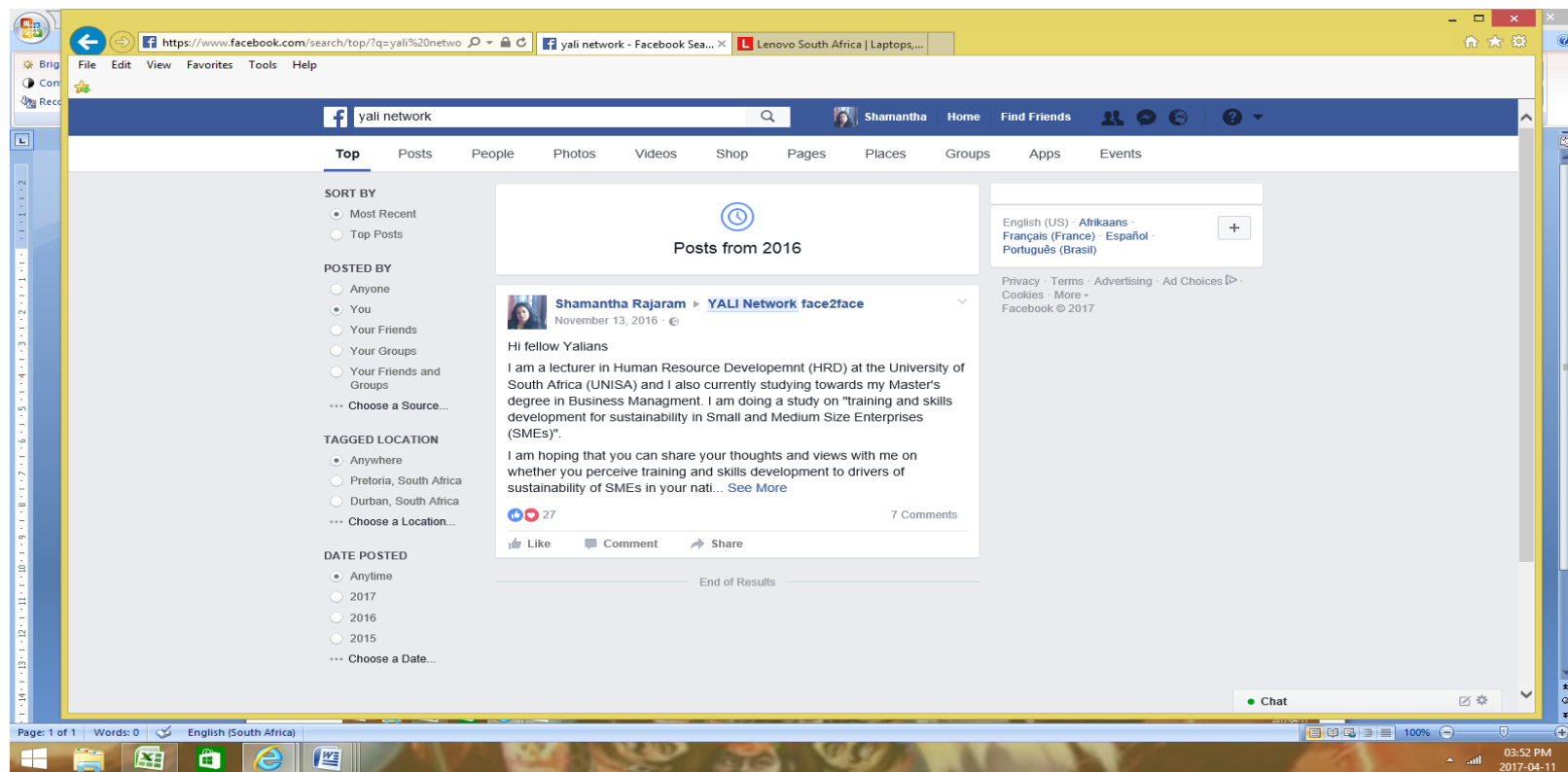
APPENDIX J: MY JOURNEY THROUGH THIS QUALITATIVE STUDY

The following write-up consolidates my emotions throughout this qualitative thesis.

This master's thesis, which I call my journey, was my first qualitative study. As you have read, it involved the role and contribution of training and skills development for sustainability in SMEs in the manufacturing sector in the Durban and East London urban regions of South Africa.

I must add that the elements embedded in qualitative research worked together to make my journey not only invaluable, but worthwhile. Firstly, I am keen on the aim of qualitative research to understand the sample, rather than to generalise the sample to the population. Secondly, using semi-structured interviews to gather data was refreshing. I preferred this method, as it emanates from the simplicity of social interaction with the participants. The opportunity to sit face-to face with the SME owners led to a personal enjoyment of this interaction. This enabled me to delve into the person behind the words. I was able to gain insight into the personality of the participants, as well their emotions through their facial expressions and bodily clues, along with life experiences that were brought out during the interviews. Being able to observe the participants opened the window to understanding them and their insights on the subject. Thirdly, I found the element of conversation purposeful, meaningful and engaging. Fourthly, the use of open-ended questions and probing enabled me to understand the mindset of the participants. To me, this highlights the value of qualitative research, because open-ended questions allowed me more autonomy in my research.

This journey was indulgent enough to enable pushing the boundaries so that I could obtain a true reflection of the subject matter. Whilst I found the interviews, transcription, coding and writing of themes rather laborious, the experience was an enriching one. Ultimately, this journey had its share of tears and smiles, trials and tribulations and mountains and valleys; however, with my family and the divine walking the path with me, it became more realisable and memorable.

APPENDIX I: ABSTRACT - SAIMS CONFERENCE 2017

I wrote the following abstract on this thesis, which was accepted for presentation at the South African Institute of Management Scientists (SAIMS) Conference, 2017.

UNLOCKING TRAINING AND SKILLS DEVELOPMENT FOR SUSTAINABILITY IN SMALL AND MEDIUM ENTERPRISES (SMEs)

The purpose of this study was to explore and describe the role and contribution of training and skills development for sustainability in SMEs within the manufacturing sector in the Durban and East London urban regions of South Africa.

The purpose of the study was fuelled by the problem unearthed, namely that, despite SMEs having positioned themselves with a strong footprint in job creation, poverty alleviation and political transformation, they are unable to survive and often close their doors soon after opening. Over the years, management scholars have attempted to rationalise SME unsustainability, offering reasons of insufficient funding, unsuitable marketing strategies and a lack of access to technology. However, the role and contribution of training and skills development as the bedrock for SME sustainability was not sufficiently explored. Hence, this study attempted to put training and skills development under the microscope again, not only as a means to ensure SME sustainability, but also to help SMEs to stay relevant and attain a competitive advantage.

To undertake this exploration, a qualitative research method was used. The reason for undertaking this study from a qualitative standpoint was, firstly, that studies on training and skills development in SMEs have been undertaken from this perspective only to a limited extent and, secondly, this study sought to afford SME owners the opportunity to frankly and openly share their trials and tribulations on the subject at hand. Individual face-to-face semi-structured interviews were conducted with fifteen SMEs from the Durban and East London

urban regions in South Africa. The data collected from the interviews was analysed using content thematic analysis.

The findings revealed that SMEs are aware that training and skills development create a pathway for achieving sustainability and competitiveness. They actively implement training and skills development interventions to build their skills capacity. However, they are faced with several challenges, from poorly developed HRD strategies and policies to a lack of knowledge on how to evaluate training and skills development. Moreover, the study discovered that SMEs do not keep well-structured training and skills development records. Hence, this study advocates that SMEs form communities of practice (CoPs) to collaborate nationally and internationally and liaise with universities and academics to stay relevant and sustainable.